

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

**Comprehensive Annual Financial Report
Fiscal Year Ended December 31, 2013**

Prepared by the Finance Department

Charter Township of Grand Blanc

Contents

Introductory Section

Letter of Transmittal	i-vii
GFOA Certificate of Achievement	viii
List of Principal Officials	ix
Organization Chart	x

Financial Section

Report Letter	1-3
Management's Discussion and Analysis	4-13
Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Position	14
Statement of Activities	15-16
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	17
Reconciliation of the Balance Sheet to the Statement of Net Position	18
Statement of Revenue, Expenditures, and Changes in Fund Balances	19
Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	20
Proprietary Funds - Department of Public Works:	
Statement of Net Position	21
Statement of Revenue, Expenses, and Changes in Net Position	22
Statement of Cash Flows	23
Fiduciary Funds:	
Statement of Fiduciary Net Position	24
Statement of Changes in Fiduciary Net Position - Pension and Employee Benefits Trust Fund	25
Notes to Financial Statements	26-48

Charter Township of Grand Blanc

Contents (Continued)

Required Supplemental Information	49
Description of Fund - General Fund	50
Budgetary Comparison Schedule - General Fund	51
Description of Fund - Major Special Revenue Fund	52
Budgetary Comparison Schedule - Major Special Revenue Fund	53
Note to Required Supplemental Information	54
Schedule of Funding Progress - Pension and OPEB	55-56
Other Supplemental Information	57
Nonmajor Governmental Funds:	
Fund Descriptions	58
Combining Balance Sheet	59-60
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances	61-62
Budgetary Comparisons	63-69
Fiduciary Funds:	
Description of Funds	70
Statement of Assets and Liabilities - Pension and Other Employee Benefits Trust Funds	71
Combining Statement of Changes in Fiduciary Net Position - Pension and Other Employee Benefits Trust Funds	72
Statement of Changes in Assets and Liabilities - Agency Funds	73
<u>Statistical Section</u>	74
Description of Statistical Section	75
Financial Trend Information:	
Net Position by Component	76-77
Changes in Governmental Net Position	78-79
Changes in Business-type Net Position	80-81
Fund Balances - Governmental Funds	82-83
Changes in Fund Balances - Governmental Funds	84-85
Revenue Capacity Information:	
Assessed Value and Actual Value of Taxable Property	86-87
Direct and Overlapping Property Tax Rates	86-87
Principal Property Taxpayers	88
Property Tax Levies and Collections	88
Debt Capacity Information:	
Ratios of Outstanding Debt	89-90
Ratios of General Bonded Debt Outstanding	91

Charter Township of Grand Blanc

Contents (Continued)

Direct and Overlapping Governmental Activities Debt	91
Legal Debt Margins	92-93
<u>Statistical Section (Continued)</u>	
Demographic and Economic Information:	
Demographic and Economic Statistics	94
Principal Employers	94
Operating Information:	
Full-time Equivalent Government Employees	95
Operating Indicators	96-97
Capital Asset Statistics	98

CHARTER TOWNSHIP OF GRAND BLANC

5371 South Saginaw Street
P.O. Box 1833 Grand Blanc, MI 48480-0057
810.424.2600 Fax 810.694.2881
www.twp.grand-blanc.mi.us

June 12, 2014

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

This letter serves to formally transmit to the citizens and the Township Board of the Charter Township of Grand Blanc (the "Charter Township") the Comprehensive Annual Financial Report (CAFR) 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.

The state statutes require that within six months of the close of each fiscal year, the Charter Township of Grand Blanc issue a report on its financial position and activity, and that an independent firm of certified public accountants audit this report. The accuracy and reliability of the accounting system is dependent on adequate internal controls. Since the cost of internal controls should not outweigh their benefit, the Charter 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. Therefore, the accuracy, completeness, and fairness of the financial data reported, including all disclosures, rests with the Charter Township's management, who assumes full responsibility for the information presented in this report and asserts that, to the best of their knowledge and belief, this financial report is complete and reliable in all material aspects. Plante & Moran, PLLC has issued an unqualified opinion on the Charter Township of Grand Blanc's financial statements for the year ended December 31, 2013. The independent auditor's report is located at the front of the financial section of this report.



Marilyn M. Hoffman, *Supervisor*

Cris Rariden, *Clerk* Earl R. Guzak, *Treasurer*

Trustees:

Larry J. Anderson Scott Bennett Dr. Jude Rariden D. Clark Kent

Township Superintendent, Keith Edwards

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

June 12, 2014

Profile of Charter Township of Grand Blanc

The Charter Township of Grand Blanc was incorporated on April 1, 1833 and is located in the southeastern part of Genesee County. Genesee County is located in the mid-state section of Michigan about 60 miles north of the City of Detroit, 10 miles south of Flint and three miles north of Automation Alley in Oakland County. The Charter Township currently has a land area of 32.1 square miles and a population of approximately 37,508, an increase of 25.75 percent or an additional 7,681 residents, per the results of the 2010 census. The Charter Township has a futuristic, innovative approach to development, but keeps an eye on 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 a variety of age, size, and price for its housing. The Charter Township is enhanced by an exemplary educational system in both public and private schools and has a premier library system. Quality health care is also provided by Genesys Hospital. For the 12th consecutive year, consumers have chosen Genesys as one of the nation's top hospitals for overall quality, best doctors, best nurses, and best image and reputation. The Oaks at Woodfield Assisted Living Center, which opened in 2012, received the Platinum Award for Excellence at the Trilogy Health Services 2013 spring meeting. In addition, Ciena Healthcare celebrated the opening of its \$4.0 million, 110-bed home, the Regency at Grand Blanc, in June 2013.

The Charter Township of Grand Blanc (the "Charter Township") provides multiple services to its citizens. Among these are police protection, community development, planning and zoning, building code enforcement, property assessment, general administrative services, voter registration, garbage collection, mosquito control, minimal road improvements, and partial water and sewer operations. The Charter Township also participates with the City of Grand Blanc (the "City") in jointly funded ventures such as the Grand Blanc Fire Commission, the Grand Blanc Parks and Recreation Commission/Senior Citizen Activity Center, and the Grand Blanc McFarlen Library. The Charter Township's board is comprised of the supervisor, clerk, treasurer, and four trustees. All board members are elected for a four-year term which coincides with the presidential election.

The Charter Township of Grand Blanc Board of Trustees adopts an annual budget in accordance with the State of Michigan Uniform Budgeting Act, P.A. 621 of 1978. The Charter Township's fiscal year is January through December. The annual budget is adopted no later than December 31 for the subsequent year. The Board of Trustees must approve all budget amendments made throughout the fiscal year, while maintaining a General Fund balance between 12 percent and 15 percent of General Fund revenue.

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

June 12, 2014

As a recipient of federal and state financial assistance, the Charter Township is responsible for ensuring there is adequate internal control structure in place to ensure and document compliance with applicable laws and regulations related to these programs. Management evaluates this internal control structure annually.

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.

Local Economy

The 2010 census showed that the Charter Township has seen an increase in population of 25.75 percent or an increase of 7,681 people for a total population of 37,508. The Grand Blanc unemployment rate is 6.7 percent, which is below the City of Flint's (12.6 percent) and Genesee County's (8.8 percent) unemployment rate. We are anticipating a reduction in our unemployment rate as MAGNA Electronics and MAGNA E-Car have received a large federal grant and tax incentives, with the promise of 525 new jobs between 2012 and 2015.

The Charter Township has two General Motors (GM) facilities within its boundaries which help to support its tax base. The Charter Township no longer relies on GM as the major part of the tax base. The GM Metal Fabrication Plant employed approximately 350 employees; unfortunately it closed in July 2013. The Charter Township Superintendent is aggressively working to turn the property into a viable property again. The world headquarters for General Motors Service and Parts Operation is also located in the Charter Township and employs approximately 1,900.

Even though the State of Michigan and Genesee County continue to experience economic tensions over the future of automotive-related industries, the Charter Township's proximity to Oakland County, one of the wealthiest counties in the nation, and I-75/Automation Alley is beneficial to our growth. Genesys Hospital has some exciting expansion plans for the southern end of the Charter Township to develop a total medical campus. Grand Blanc Township is actively trying to secure a TIGER 5 grant for the Dort Highway project, which will help finance the infrastructure needs of the southern end of the Charter Township. Grand Blanc Township will also be part of the Lost Lake preserve, 538 acres located in Holly Township and Grand Blanc Township, which have been acquired by Southeast Michigan Land Conservancy for natural areas preservation and public recreation. The preserve has the potential to become a key nature destination in southeast Michigan, according to the SMLC Board President.

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

June 12, 2014

The Charter Township is also hoping to attract high tech companies and direct future development in a way that maximizes the benefit for the Charter Township. Our Community Development department has implemented a “Technology Village” area in the southern portion of the Charter Township and the Genesee Regional Chamber of Commerce is vigorously marketing properties to emerging businesses, similar to MAGNA Electronics and MAGNA E-Car, expanding in the Charter Township. TMI Climate Solutions announced a \$6.2 million expansion of their headquarters in the Charter Township which will result in 30-50 new jobs over the next three years.

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 a “places to be” atmosphere that will draw professional workers. The Charter Township of Grand Blanc is well positioned to attract R & D users: Grand Blanc Community Schools are among the best in the state of Michigan; in 2013, Grand Blanc High School was named 36th out of 826 public high schools in Michigan and was ranked 1,273 nationally. The Charter Township’s per capita income and educational levels are already among the highest in Genesee County, and the Charter Township has an increasing number of retail and entertainment offerings within high quality new developments. As articulated in the Charter Township’s Master Plan Vision Statement, the Charter Township envisions building upon this “unparalleled quality of life” in the years to come.

The Alternative Fuel Facility was implemented at the Grand Blanc Township MTA site and in 2013 the Mass Transit Authority approved the purchase of 60 propane-powered minibuses to replace the aging Your Ride vans. In September 2013, the MTA rolled out 10 new diesel-electric buses. The addition of these buses gives the MTA the distinction of having the largest propane fleet in the country.

The Grand Blanc community is fortunate to have a large number of strong community-based organizations such as the Grand Blanc Chamber of Commerce, Grand Blanc Arts Council, Character Community Council, Grand Blanc Rotary, Kiwanis, Elks, and the Grand Blanc Newcomers Club. Boy Scouts of America Troop 368, which is chartered by a local church, achieved its 100th Eagle Scout in 2013, one of less than 10 troops in the state to reach that milestone since 1911, in more than 100 years of Scouting.

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

June 12, 2014

Long-term Financial Planning

Fund balance (unassigned and assigned combined) in the General Fund (13.69 percent of total General Fund revenue) of \$1,747,000 falls within the policy guidelines set by the Charter Township's fund balance policy. Even with the downturn in the economy, the Charter Township will take the necessary steps to preserve its General Fund balance.

Relevant Financial Policies

State statutes require an annual audit by independent certified public accountants. The Charter Township's board of trustees selected the firm of Plante & Moran, PLLC. The Charter Township of Grand Blanc met all requirements as set forth by Michigan state statutes. The auditors, in conducting the audit, used auditing standards generally accepted in the United States of America. Plante & Moran, PLLC's report on the basic financial statements is included in the financial section of this report.

Standard & Poor's and Fitch Rating reviewed the underlying rating (SPUR) on our General Obligation Limited Tax Capital Improvement Bonds and upgraded our rating to "AA" from "AA-", while affirming the stable outlook.

The Charter Township's board approved a new purchasing policy in 2009 and updated it in 2013, which tightens the requirements needed to enter into contracts or purchase materials needed for the Charter Township. In addition, we also updated our petty cash policy and its locations.

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

June 12, 2014

Major Initiatives

Throughout the year, the Charter Township government has been involved in a variety of projects that reflect the government's commitment to ensuring 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."

Governor Rick Snyder supported the Michigan Economic Growth Authority Boards' (MEGA Board) approval of a \$5 million, seven-year tax credit for MAGNA Electronics in Grand Blanc Township. MAGNA Electronics produces a high-tech line of electronic products, including electric motors for electric and hybrid electric vehicles and electric propulsion systems for the Ford Focus battery electric vehicle. The total project is estimated to be \$70 million and provide 525 new jobs between 2012 and 2015. Manufacturing began in 2011.

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 units, motorcycle units, motor carrier unit, child safety seat inspections, patrol, traffic enforcement, and an accident reconstruction team.

The continued growth of the Charter Township is directly related to the infrastructure capabilities in our township. We currently have 193 miles of water mains and 241 miles of sanitary sewer mains and are continuously improving our infrastructure system. Capital improvements to the water and sewer systems in 2013 totaled over \$550,000 on such infrastructure projects such as replacement of meters, and sewer line preventative maintenance. Those projects were funded by the revenue generated from the water and sewer tap-in fees.

The Charter Township's governmental funds invested nearly \$700,000 in 2013 for capital projects/purchases. The General Fund capital investments included the addition of sidewalks, police vehicles, and improvements to softball and soccer fields. The Capital Project Fund balance of \$2.5 million will be carried forward to the 2014 year to be used for road improvements, police vehicles, and other projects as warranted.

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

June 12, 2014

Awards and Acknowledgements

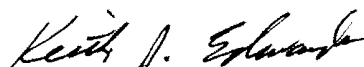
Chief David Stamm was re-appointed by Governor Rick Snyder to serve on the Governor's Traffic Safety Advisory Commission.

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Charter Township of Grand Blanc for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2012. This was the eighteenth consecutive year that the Charter Township has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of only one year. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of the Comprehensive Annual Financial Report was made possible by the efficient and dedicated services of the entire staff of the finance department. I would like to express my appreciation to the Charter Township's finance department for their assistance and input. Additionally, the accounting firm of Plante & Moran, PLLC made substantial contributions in the preparation of this document. 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,



Keith Edwards
Township Superintendent



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Charter Township of Grand Blanc
Michigan**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2012

Executive Director/CEO

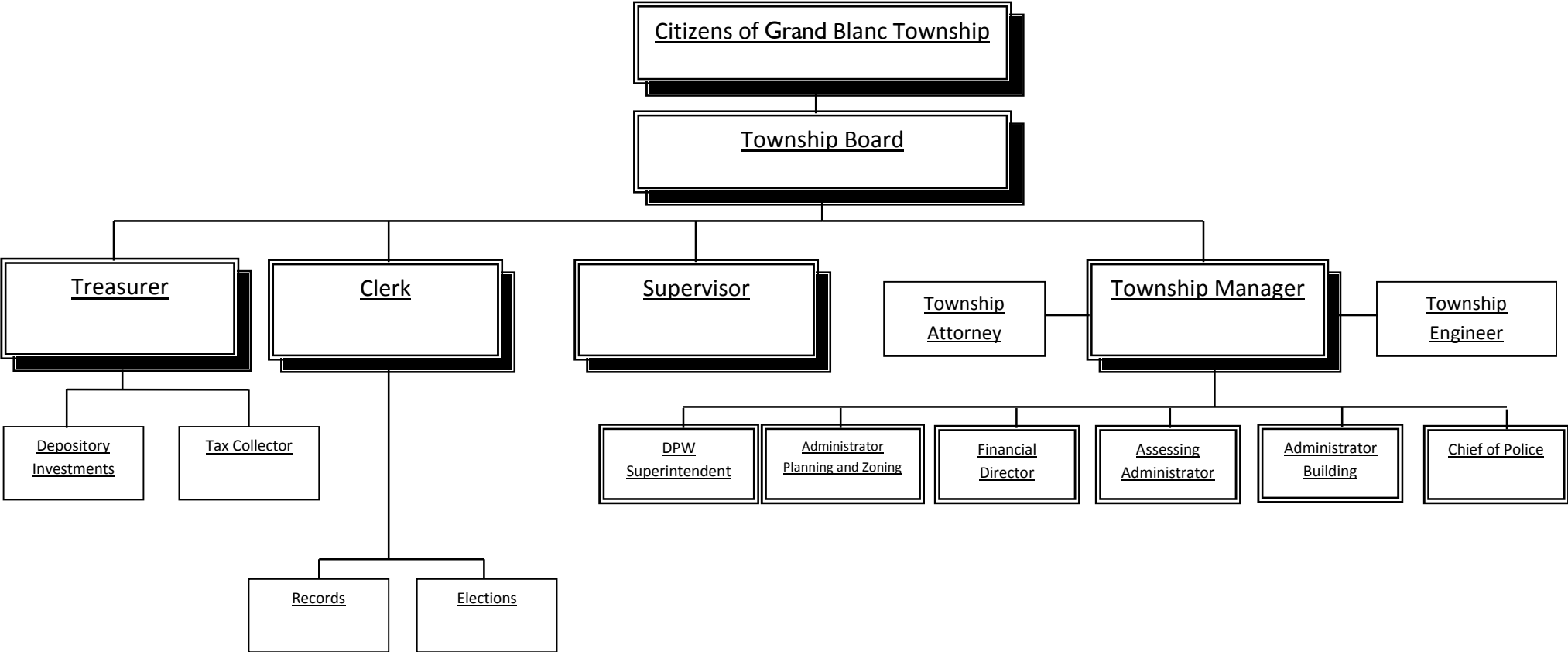
Charter Township of Grand Blanc

List of Principal Officials

<u>Title</u>	<u>Name</u>
Supervisor	Marilyn M. Hoffman
Clerk	Cris Rariden
Treasurer	Earl Guzak
Board of Trustees	Scott Bennett Larry Anderson Dr. Jude Rariden Clark Kent
Township Manager	Keith Edwards
Finance Director	Debra Barriger
DPW Director	-
Police Chief	David Stamm
Fire Chief	James Harmes
Assessing Administrator	Rebecca Salvati
Parks and Recreation Director	Kay Eidson
Planner	Keith Edwards
GIS Coordinator	Robbie Beller

Charter Township of Grand Blanc

Charter Township of Grand Blanc Organization Chart



Independent Auditor's Report

To the Board of Trustees
Charter Township of Grand Blanc

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Charter Township of Grand Blanc (the "Charter Township") as of and for the year ended December 31, 2013 and the related notes to the financial statements, which collectively comprise the Charter Township of Grand Blanc's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

To the Board of Trustees
Charter Township of Grand Blanc

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Charter Township of Grand Blanc as of December 31, 2013 and the respective changes in its financial position and cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As disclosed in Note 17 to the basic financial statements, in 2013, the Township adopted GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. As a result, property tax revenue and special assessments levied for the following year are reported as deferred inflows of resources, rather than as liabilities, and revenue that is not collected soon enough to be considered available in the governmental funds (such as special assessment receivables) is reported as deferred inflows. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the major fund budgetary comparison schedules on pages 4-13 and 63-69, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Charter Township of Grand Blanc's basic financial statements. The other supplemental information, as identified in the table of contents, and introductory section and statistical section, as identified in the table of contents, are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

To the Board of Trustees
Charter Township of Grand Blanc

The other supplemental information, as identified in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplemental information, as identified in the table of contents, is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section and statistical section, as identified in the table of contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Prior Year Comparative Information

The financial statements include prior year comparative information for the proprietary fund statement of revenue, expenses, and changes in net position. Such information does not include all of the information required to constitute a full presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Charter Township's financial statements for the year ended December 31, 2012, from which such partial information was derived. We have previously audited the Charter Township of Grand Blanc's December 31, 2012 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information in our report dated June 12, 2013. In our opinion, the prior year comparative information presented herein for the year ended December 31, 2012 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Plante & Moran, PLLC

June 12, 2014

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, 2013. 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

The 2013 Comprehensive Annual Financial Report of the Charter Township of Grand Blanc follows a similar format used in 2012. This annual report has been changed to comply with the reporting requirements of Governmental Accounting Standards Board Statement No. 34. This annual report consists of five parts: (1) management's discussion and analysis, (2) the basic financial statements, (3) required supplemental information, (4) other supplemental information (which presents combining statements for nonmajor governmental funds and fiduciary funds), and (5) a statistical section. The basic financial statements include two kinds of statements that present different views of the Charter Township. The first two statements are government-wide financial statements that provide both short-term and long-term information about the Charter Township's financial status. The remaining statements are fund financial statements that focus on individual operations of the Charter Township's government, reporting in more detail than the government-wide statements.

Government-wide Financial Statements

The government-wide financial statements report information about the Charter Township as a whole, using accounting methods similar to those used by private sector companies. The statement of net position includes all of the Charter Township's assets and liabilities. All of the current year's revenue and expenses are accounted for in the statement of activities, regardless of when cash is received or paid (full accrual).

The two government-wide statements report the Charter Township's net position and how they have changed. Net position, the difference between the Charter Township's assets and liabilities, is one means to measure the Charter Township's financial health or position.

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 Charter Township charges fees to customers to help it cover the costs of certain services it provides. The Charter Township's water and sewer system is included here.

Charter Township of Grand Blanc

Management's Discussion and Analysis (Continued)

Fund Financial Statements

The fund financial statements provide more detailed information about the Charter Township's most significant funds - not the Charter Township as a whole. Funds are accounting devices that the Charter Township uses to segregate financial resources (along with all related liabilities) for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. Some of the Charter Township's funds are required by state law. The Charter Township's board of trustees establishes additional funds to control and manage monies for particular purposes (such as the Capital Projects Fund) or to demonstrate that it is properly utilizing specific taxes or grants (such as the Drug Forfeiture Fund).

The Charter Township has three kinds of funds:

- **Governmental Funds** - The majority of the basic services of the Charter Township are accounted for in the governmental funds, which focus on how cash and other financial assets can readily be converted to cash flow in and out and the balances left at year end that are available for spending. 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 short term to finance the Charter Township's General Fund operations.
- **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. 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. We exclude these activities from the Charter Township's government-wide financial statements because the Charter Township cannot use these assets to finance its operation.

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

Required Supplemental Information - Includes the budgetary comparison statements for the General Fund and Major Special Revenue Funds as well as budget notes. Also included are schedules of funding progress and employer contributions for Pension and OPEB. This required supplemental information is in addition to the basic financial statements and accompanying notes.

Charter Township of Grand Blanc

Management's Discussion and Analysis (Continued)

Other Supplemental Information - Includes the budgetary comparison statements for the nonmajor Capital Projects Funds, nonmajor governmental funds, the budget notes, and the combining schedules for the nonmajor governmental funds and the fiduciary funds.

Financial Analysis of the Charter Township as a Whole

The Charter Township has a combined net position of approximately \$101 million. This was a total increase of approximately \$835,000 or 0.8 percent for 2013. The business-type activities comprised \$88.5 million and government activities accounted for \$12.3 million of total net position. The business-type activities experienced a \$913,000 increase in net position. The governmental activities showed a decrease of \$78,000 of net position. This year's report provides comparative data for the statement of activities. We felt it was necessary to establish a benchmark for this year's reporting of the effect on the Charter Township's net position. In a condensed format, the table below shows a comparison of the net position as of the current date to the prior year. All numbers are in thousands.

TABLE I

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
	(in thousands)		(in thousands)		(in thousands)	
Assets						
Current and other assets	\$ 19,657	\$ 18,591	\$ 10,534	\$ 8,787	\$ 30,191	\$ 27,378
Capital assets	19,202	19,459	80,605	81,490	99,807	100,949
Total assets	38,859	38,050	91,139	90,277	129,998	128,327
Liabilities						
Long-term liabilities outstanding	15,210	14,592	238	264	15,448	14,856
Other liabilities	2,370	2,091	2,381	2,406	4,751	4,497
Total liabilities	17,580	16,683	2,619	2,670	20,199	19,353
Deferred Inflows of Resources	8,940	8,950	-	-	8,940	8,950
Net Position						
Net investment in capital assets	8,681	8,567	80,359	81,289	89,040	89,856
Restricted	679	592	-	-	679	592
Unrestricted	2,979	3,258	8,161	6,318	11,140	9,576
Total net position	<u>\$ 12,339</u>	<u>\$ 12,417</u>	<u>\$ 88,520</u>	<u>\$ 87,607</u>	<u>\$ 100,859</u>	<u>\$ 100,024</u>

The governmental activities showed a decrease for 2013 in total net position of 0.6 percent and business-type activities showed an increase in total net position of 1.04 percent. The category changes are minimal and consistent with the prior year.

Charter Township of Grand Blanc

Management's Discussion and Analysis (Continued)

Governmental Activities

Revenue for governmental activities totaled \$14.6 million in 2013. The synopsis of the Charter Township's tax millage for 2012, which was revenue in 2013, was 3.865 mills for the Charter Township's operation and 0.7 mills for the municipal campus plan, 0.9128 mills for the Charter Township's police, 0.500 mills for the Fire Commission, and 0.1650 mills for the Charter Township's mosquito control. Of the total revenue, \$7.2 million, or 50 percent, was in the form of property tax collections. As taxable value is decreasing and the tax appeals from 2011, 2012, and 2013 are currently coming before the Michigan tax tribunal, the 2014 estimated revenue from property tax is anticipated to be a \$291,000 reduction.

State-shared revenue contributed 19.1 percent, or \$2.8 million, of total revenue. Revenue sharing continues to be an area of concern; as the State of Michigan works on its economic recovery plan and balancing its budget, the State of Michigan is continuing to reduce the per-person funding to all governmental entities.

Charges for governmental services represent 19.1 percent of total revenue. The Charter Township's housing construction provides building permits and inspection fees, which represent 27.0 percent of the charges for services revenue. The building permits and inspection fees increased by approximately \$275,000 over the 2012 revenue from building permits and inspection fees.

Governmental net position for 2013 decreased by \$78,000.

Charter Township of Grand Blanc

Management's Discussion and Analysis (Continued)

TABLE 2

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
	(in thousands)		(in thousands)		(in thousands)	
Revenue						
Program revenue:						
Charges for service	\$ 2,774	\$ 2,492	\$ 12,894	\$ 12,548	\$ 15,668	\$ 15,040
Operating grants and contributions	304	264	-	-	304	264
Capital grants and contributions	799	522	654	469	1,453	991
General revenue:						
Property taxes	7,229	7,416	-	-	7,229	7,416
State-shared revenue	2,788	2,735	-	-	2,788	2,735
Unrestricted investment earnings	55	75	40	43	95	118
Miscellaneous	608	618	-	-	608	618
Total revenue	14,557	14,122	13,588	13,060	28,145	27,182
Expenses						
General government	2,460	2,791	-	-	2,460	2,791
Public safety	8,622	8,195	-	-	8,622	8,195
Public works	2,328	2,418	-	-	2,328	2,418
Community and economic development	92	148	-	-	92	148
Recreation and culture	593	376	-	-	593	376
Interest on long-term debt	540	520	-	-	540	520
Water and sewer	-	-	12,676	13,108	12,676	13,108
Total expenses	14,635	14,448	12,676	13,108	27,311	27,556
(Decrease) Increase in Net Position	(78)	(326)	912	(48)	834	(374)
Net Position - Beginning of year	12,417	12,743	87,608	87,656	100,025	100,399
Net Position - End of year	\$ 12,339	\$ 12,417	\$ 88,520	\$ 87,608	\$ 100,859	\$ 100,025

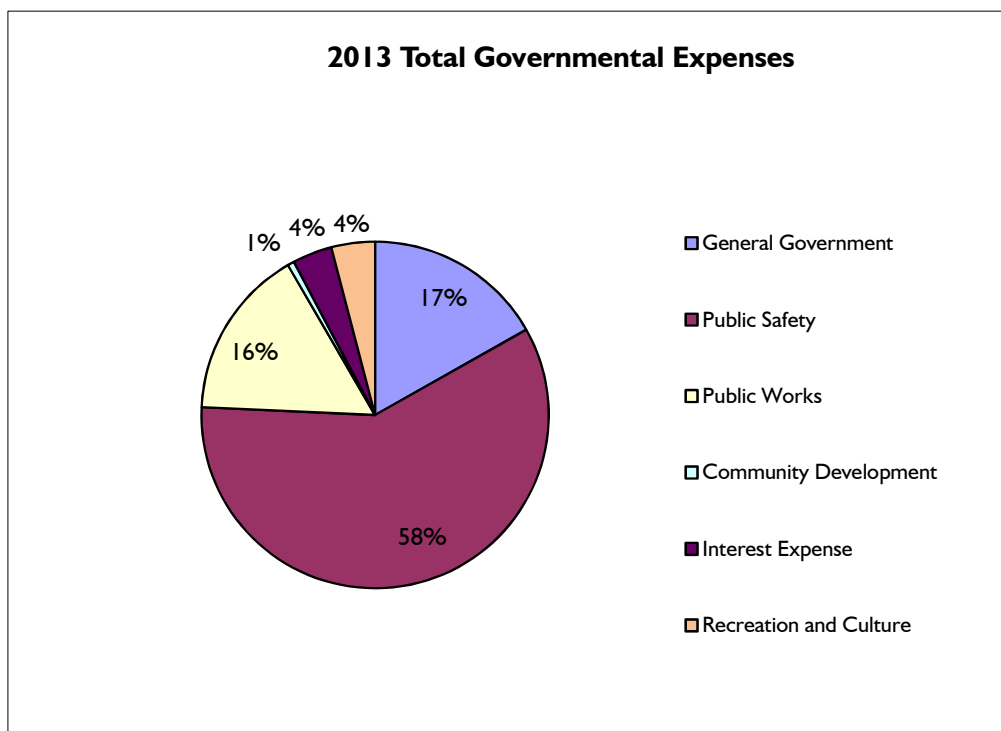
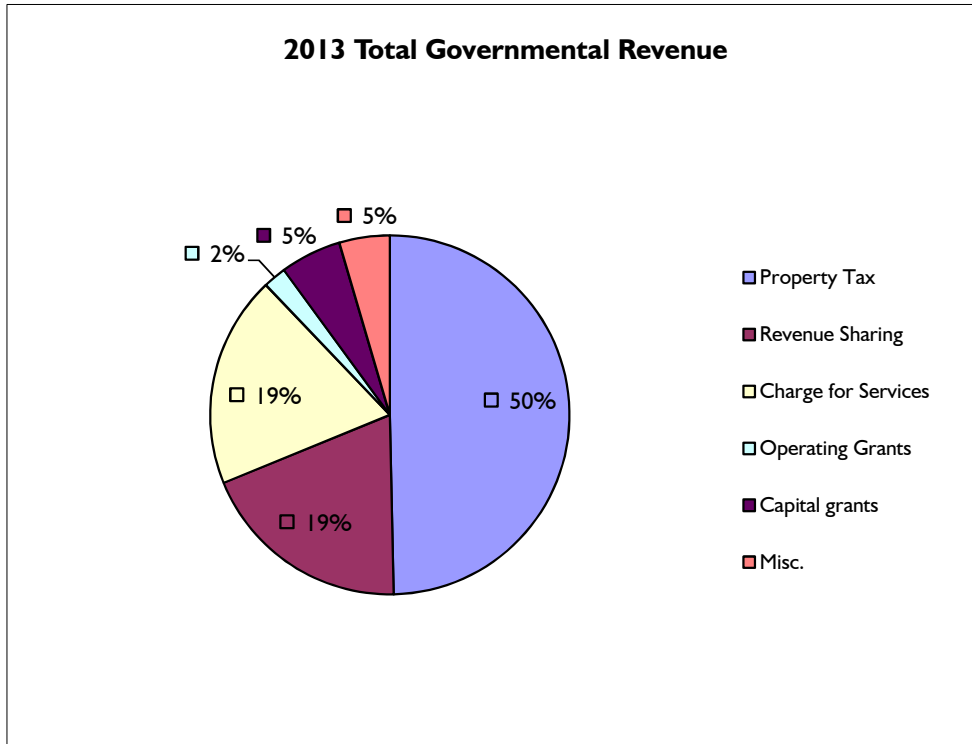
Business-type Activities

The Charter Township has one business-type activity: the water and sewer system. The Charter Township purchases water from Genesee County and the Charter Township's sewage is pumped to Genesee County treatment facilities. User fees and charges for services primarily fund the water and sewer operations. The revenue from charges for services of \$12.9 million covered all of the \$12.7 million of water and sewer expenses. The Charter Township's goal is to have the water and sewer operations be self-supporting. In 2013, \$616,000 of tap-in fees collected will be used to fund the projects on the five-year capital improvement plan; projects recently completed or under construction include replacement of sump pump leads, sewer lining replacement, and other miscellaneous water and sewer system improvements. The net position for business-type activities at the end of 2013 shows an increase of \$912,000.

Charter Township of Grand Blanc

Management's Discussion and Analysis (Continued)

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



Charter Township of Grand Blanc

Management's Discussion and Analysis (Continued)

Capital Assets

The Charter Township has combined net capital assets of approximately \$99,807,000. The following schedule provides a summary of the capital assets, net of accumulated depreciation, for 2013 and 2012. Numbers are in thousands.

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land	\$ 1,948	\$ 1,954	\$ 236	\$ 236	\$ 2,184	\$ 2,190
Construction in progress	212	6	285	-	497	6
Buildings and improvements	13,318	14,057	1,469	1,507	14,787	15,564
Furniture and equipment	361	422	299	340	660	762
Infrastructure	3,126	2,950	-	-	3,126	2,950
Water and sewer distribution systems	-	-	78,211	79,278	78,211	79,278
Vehicles	237	70	105	129	342	199
Total	\$ 19,202	\$ 19,459	\$ 80,605	\$ 81,490	\$ 99,807	\$ 100,949

The Charter Township's governmental funds invested in approximately \$484,000 in 2013 for capital projects/purchases. The General Fund capital investments included the addition of sidewalks and police vehicles. The Capital Projects Fund's balance of \$2.7 million will be carried forward to the 2014 year to be used for road improvements, police vehicles, and other projects as warranted. The Charter Township has slowed down spending on capital projects, evaluating each project as a need rather than a want.

In the proprietary fund, the Charter Township received donated sewer and water line infrastructure assets in the amount of \$20,000 and collected \$616,000 in tap-in fees which will be used to fund the infrastructure projects currently under construction, such as replacement of meters and sewer line preventative maintenance. Additional information on the Charter Township's capital asset activity can be found in Note 5 in the notes to the financial statements section.

Charter Township of Grand Blanc

Management's Discussion and Analysis (Continued)

Long-term Debt

The Charter Township has a total of \$12,202,378 in long-term governmental debt and \$284,430 in long-term business-type activity debt as of December 31, 2013. Of this total debt, \$9,800,000 or 78 percent is related to the issuance of a 25-year general obligation limited tax capital improvement bond for construction of a new police station, \$237,943 or 2 percent is related to employee-compensated absences, and \$2,202,578 or 18 percent of the debt is related to road improvement projects. The remaining 2 percent or \$246,287 is related to sanitary system improvements. The Charter Township had a policy of assisting subdivisions, usually 25 percent of their special assessment project cost, in financing road improvements within the Charter Township that are completed by the Genesee County Road Commission; typically, these obligations are then paid over a 10-year period. This policy was eliminated in 2009 due to declining revenue. The Charter Township's debt represents 12.4 percent of total net position of governmental activities and business-type activities. Additional information on the Charter Township's long-term debt activity can be found in Note 7 in the notes to financial statements section.

The Charter Township's Nonmajor Governmental Funds

Beginning on page 58 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, and PEG (public, educational, and government) Channel Grant Fund are special revenue funds due to the source of revenue.
- **Debt Service Fund** - This fund, the Master Campus Project Fund, receives a specific tax revenue determined by the board (currently 0.8 mills) to be used for debt service payments on the Master Campus Bond.
- **Capital Projects Funds** - These funds, the Capital Projects Fund and the Bicentennial Park Fund, identify specific capital projects and track the related expenditures. For the Capital Projects Fund, the Charter Township board has identified specific tax revenue to be used for capital projects and improvements. The Bicentennial Park Fund was established to track revenue from a cell tower located on the Charter Township's property that is used by the local parks and recreation department. These funds are to be used for Bicentennial Park improvements.
- **Permanent Funds** - The Charter Township is responsible for three cemeteries, Oakwood Cemetery, Perry-McFarland Cemetery, and Maple Cemetery. These funds identify the principal monies and the investment revenue that is expendable for maintenance.

Charter Township of Grand Blanc

Management's Discussion and Analysis (Continued)

Financial Analysis of Charter Township's Funds and Budgets

The following budget analysis comes from the data provided in the budgetary comparison schedules - General Fund on page 51 and Solid Waste on page 53 of this report. The Charter Township's total General Fund budgeted revenue for 2013 was \$12,502,728, with actual revenue coming in at \$12,758,529 for a difference of \$255,801 or 2 percent. The under-budgeted revenue areas were in investment income and other miscellaneous income.

The Michigan economy has clearly been affected by the sluggish performance of the automobile industry and related enterprises, which has affected the Charter Township's building department. Too many foreclosed homes in the Charter Township are on the market, making the anticipated new home construction market fall below expectations.

State revenue sharing was originally budgeted at \$2,741,000; the budget was then amended up to \$2,891,000, with actual state revenue sharing coming in at \$2,891,167 for a surplus of \$167. The Charter Township's population increased 25.5 percent from the 2000 to the 2010 census. The State of Michigan is facing numerous budget constraints and is continually looking at the state revenue-sharing program to help with its budget shortfalls. The Michigan Township Association is lobbying hard against any additional reductions in the program as numerous local governments have been hit hard with these cuts.

The Charter Township's General Fund had budgeted expenditures of \$12,318,341 and actual expenditures were \$11,896,519. The net effect for 2013 shows an excess of revenue over expenditures prior to transfers out of \$862,010. After net other financing uses of \$725,586, revenue exceeded expenditures and other financing uses by \$136,424. This increased the Charter Township's 2013 General Fund balance to \$1,877,263. The December 31, 2013 General Fund balance is 18 percent of 2013 General Fund expenditures and transfers, which is in compliance with the Charter Township's General Fund balance policy.

The Charter Township's total Solid Waste Special Revenue Fund budgeted revenue was \$1,395,500, with actual revenue coming in at \$1,395,676 for a difference of \$176 or 0.01 percent. The Solid Waste Special Revenue Fund budgeted expenditures of \$1,396,000 and actual expenditures were \$1,379,435. The net effect for 2013 shows an excess of revenue over expenditures of \$16,241. This increased the Charter Township's 2013 Solid Waste Fund balance to \$240,176 or 17.4 percent of 2013 Solid Waste Fund expenditures.

Charter Township of Grand Blanc

Management's Discussion and Analysis (Continued)

Current Economic Conditions

The General Fund for the Charter Township's operations has two major funding sources and a number of smaller sources. Property taxes and state revenue sharing constitute the major funding sources with 50.0 percent and 19.1 percent, respectively, of total Charter Township General Fund revenue. Even though the demand for new housing has slowed, commercial property permits and commercial improvement permits have continued to keep the Charter Township of Grand Blanc as one of the most active governmental entities for permits issued in Genesee County.

There were 96 new housing permits and 697 housing improvement permits issued in 2013. Most of the new residential construction permits were for two Pulte subdivisions.

In light of the decline in property tax value, residential building permits, healthcare issues, demand for additional services, and difficult economic conditions for the state of Michigan, this report indicates that the Charter Township continues to monitor its already strong financial base. The Charter Township increased the General Fund balance by \$136,424 or 8 percent.

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, P.O. Box 1833, 5371 S. Saginaw St., Grand Blanc, MI 48439, (810) 424-2654, (810) 424-2600, or visit our website at www.twp.grand-blanc.mi.us.

Charter Township of Grand Blanc

Statement of Net Position December 31, 2013

	Primary Government		
	Governmental	Business-type	Total
	Activities	Activities	
Assets			
Cash and cash equivalents (Note 3)	\$ 9,808,805	\$ 6,372,057	\$ 16,180,862
Investments (Note 3)	3,235,841	-	3,235,841
Receivables:			
Property taxes	4,066,392	-	4,066,392
Customers	500,055	3,413,608	3,913,663
Accrued interest and other	181,172	-	181,172
Receivables billed on tax roll	465	305,117	305,582
Due from other governmental units	550,337	-	550,337
Special assessments	1,202,810	-	1,202,810
Internal balances	(6,598)	6,598	-
Prepaid expenses and other assets	117,390	23,959	141,349
Capital assets (Note 5):			
Assets not subject to depreciation	2,160,150	520,494	2,680,644
Assets subject to depreciation	17,041,987	80,084,757	97,126,744
Capital connections receivable - Net of current portion	-	412,906	412,906
Total assets	38,858,806	91,139,496	129,998,302
Liabilities			
Accounts payable	742,154	1,902,569	2,644,723
Due to other governmental units	28,937	-	28,937
Accrued liabilities and other	854,578	420,926	1,275,504
Noncurrent liabilities:			
Due within one year (Note 7):			
Compensated absences	199,801	38,142	237,943
Current portion of long-term debt	544,285	20,000	564,285
Due in more than one year:			
Net OPEB obligation (Note 14)	3,751,846	11,564	3,763,410
Long-term debt (Note 7)	11,458,292	226,288	11,684,580
Total liabilities	17,579,893	2,619,489	20,199,382
Deferred Inflows of Resources (Note 4)			
Property taxes levied for the following year	7,536,909	-	7,536,909
Other resources received before the period resources may be used	1,403,429	-	1,403,429
Total deferred inflows of resources	8,940,338	-	8,940,338
Net Position			
Net investment in capital assets	8,680,561	80,358,963	89,039,524
Restricted for:			
Mosquito spraying	13,129	-	13,129
Solid waste	240,176	-	240,176
Drug forfeiture and federal equitable sharing	78,894	-	78,894
Law enforcement	10,043	-	10,043
PEG Channel Grant	3,088	-	3,088
Unexpendable cemetery fund	146,447	-	146,447
Expendable cemetery fund	187,302	-	187,302
Unrestricted	2,978,935	8,161,044	11,139,979
Total net position	\$ 12,338,575	\$ 88,520,007	\$ 100,858,582

Charter Township of Grand Blanc

Functions/Programs	Expenses	Program Revenue		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 2,460,297	\$ 205,498	\$ 33,105	\$ -
Public safety	8,622,129	832,500	270,938	-
Public works	2,327,558	1,691,529	-	798,954
Community and economic development	91,969	20,408	-	-
Recreation and culture	593,346	24,000	-	-
Interest on long-term debt	539,785	-	-	-
Total governmental activities	14,635,084	2,773,935	304,043	798,954
Business-type activities	12,676,397	12,894,664	-	653,953
Total primary government	<u>\$ 27,311,481</u>	<u>\$ 15,668,599</u>	<u>\$ 304,043</u>	<u>\$ 1,452,907</u>
General revenue:				
Property taxes				
State-shared revenue (unrestricted)				
Investment income				
Cable franchise fees				
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, 2013

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (2,221,694)	\$ -	\$ (2,221,694)
(7,518,691)	-	(7,518,691)
162,925	-	162,925
(71,561)	-	(71,561)
(569,346)	-	(569,346)
(539,785)	-	(539,785)
(10,758,152)	-	(10,758,152)
-	872,220	872,220
(10,758,152)	872,220	(9,885,932)
7,228,532	-	7,228,532
2,788,329	-	2,788,329
54,804	40,261	95,065
588,108	-	588,108
19,618	-	19,618
10,679,391	40,261	10,719,652
(78,761)	912,481	833,720
12,417,336	87,607,526	100,024,862
<u>\$ 12,338,575</u>	<u>\$ 88,520,007</u>	<u>\$ 100,858,582</u>

Charter Township of Grand Blanc

Governmental Funds Balance Sheet December 31, 2013

	General Fund	Solid Waste Fund	Nonmajor Funds	Total
Assets				
Cash and cash equivalents (Note 3)	\$ 8,600,801	\$ 1,143,550	\$ 64,454	\$ 9,808,805
Investments (Note 3)	2,966,657	-	269,184	3,235,841
Receivables:				
Property taxes	4,066,392	-	-	4,066,392
Customers	-	500,055	-	500,055
Accrued interest receivable and other	181,061	-	111	181,172
Other receivables	465	-	-	465
Due from other governmental units	550,337	-	-	550,337
Special assessments	1,202,810	-	-	1,202,810
Due from other funds (Note 6)	-	-	5,793,499	5,793,499
Prepaid expenses and other assets	117,390	-	-	117,390
	<u>\$ 17,685,913</u>	<u>\$ 1,643,605</u>	<u>\$ 6,127,248</u>	<u>\$ 25,456,766</u>
Total assets				
Liabilities				
Accounts payable	\$ 521,048	\$ -	\$ 221,106	\$ 742,154
Due to other governmental units	28,937	-	-	28,937
Due to other funds (Note 6)	5,800,097	-	-	5,800,097
Accrued liabilities and other	744,931	-	-	744,931
	<u>7,095,013</u>	<u>-</u>	<u>221,106</u>	<u>7,316,119</u>
Total liabilities				
Deferred Inflows of Resources (Note 4)				
Unavailable revenue	1,176,728	-	-	1,176,728
Property taxes levied for the following year	7,536,909	-	-	7,536,909
Other resources received before the period resources may be used	-	1,403,429	-	1,403,429
	<u>8,713,637</u>	<u>1,403,429</u>	<u>-</u>	<u>10,117,066</u>
Total deferred inflows of resources				
Fund Balances				
Nonspendable:				
Prepays	117,390	-	-	117,390
Cemetery endowment	-	-	146,447	146,447
Restricted:				
Public safety	-	-	88,937	88,937
Solid waste	-	240,176	-	240,176
Mosquito spraying	13,129	-	-	13,129
PEG channel	-	-	3,088	3,088
Cemetery	-	-	187,302	187,302
Committed - Bicentennial Park improvements	-	-	38,241	38,241
Assigned:				
Capital projects	-	-	2,457,823	2,457,823
Debt service	-	-	2,984,304	2,984,304
Compensated absences	200,000	-	-	200,000
Other postemployment benefits	100,000	-	-	100,000
Unassigned	1,446,744	-	-	1,446,744
	<u>1,877,263</u>	<u>240,176</u>	<u>5,906,142</u>	<u>8,023,581</u>
Total fund balances				
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 17,685,913</u>	<u>\$ 1,643,605</u>	<u>\$ 6,127,248</u>	<u>\$ 25,456,766</u>

Charter Township of Grand Blanc

Governmental Funds Reconciliation of the Balance Sheet to the Statement of Net Position December 31, 2013

Fund Balance Reported in Governmental Funds	\$ 8,023,581
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and are not reported in the funds	19,202,137
Special assessment receivables are expected to be collected over several years and are not available to pay for current year expenditures	1,121,992
Certain receivables are expected to be collected in future years and are not available to pay for current year expenditures	54,736
Bonds payable and capital lease obligations are not due and payable in the current period and are not reported in the funds	(12,002,577)
Accrued interest is not due and payable in the current period and is not reported in the funds	(109,647)
Employee compensated absences are payable over a long period of years and do not represent a claim on current financial resources; therefore, they are not reported as fund liabilities	(199,801)
Net other postemployment benefit obligation is not recorded as a liability in the funds	(3,751,846)
Net Position of Governmental Activities	<u>\$ 12,338,575</u>

Charter Township of Grand Blanc

Governmental Funds

Statement of Revenue, Expenditures, and Changes in Fund Balances Year Ended December 31, 2013

	General Fund	Solid Waste Fund	Nonmajor Funds	Total
Revenue				
Property taxes (Note 8)	\$ 7,265,408	\$ -	\$ -	\$ 7,265,408
Licenses and permits	748,623	-	-	748,623
Federal sources	109,663	-	-	109,663
State sources	2,891,167	-	16,508	2,907,675
Charges for services	-	1,395,277	-	1,395,277
Fines and forfeitures	101,600	-	77,228	178,828
Investment income	20,973	399	33,432	54,804
Other revenue:				
Special assessments	569,721	-	-	569,721
Local donations	-	-	33,105	33,105
Cable franchise fees	588,108	-	-	588,108
Other miscellaneous income	463,266	-	57,793	521,059
Total revenue	<u>12,758,529</u>	<u>1,395,676</u>	<u>218,066</u>	<u>14,372,271</u>
Expenditures				
Current:				
General government	2,402,170	-	33,480	2,435,650
Public safety	7,523,220	-	36,741	7,559,961
Public works	1,416,301	1,379,435	-	2,795,736
Recreation and culture	218,197	-	33,529	251,726
Special purpose government expense	-	-	5,025	5,025
Capital outlay	-	-	666,000	666,000
Debt service	336,631	-	639,205	975,836
Total expenditures	<u>11,896,519</u>	<u>1,379,435</u>	<u>1,413,980</u>	<u>14,689,934</u>
Excess of Revenue Over (Under)				
Expenditures	862,010	16,241	(1,195,914)	(317,663)
Other Financing Sources (Uses)				
Face value of debt issue	742,000	-	-	742,000
Proceeds from sale of capital assets	3,214	-	19,219	22,433
Transfers in	-	-	1,470,800	1,470,800
Transfers out	(1,470,800)	-	-	(1,470,800)
Total other financing (uses) sources	<u>(725,586)</u>	<u>-</u>	<u>1,490,019</u>	<u>764,433</u>
Net Change in Fund Balances	136,424	16,241	294,105	446,770
Fund Balances - Beginning of year	<u>1,740,839</u>	<u>223,935</u>	<u>5,612,037</u>	<u>7,576,811</u>
Fund Balances - End of year	<u><u>\$ 1,877,263</u></u>	<u><u>\$ 240,176</u></u>	<u><u>\$ 5,906,142</u></u>	<u><u>\$ 8,023,581</u></u>

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

Charter Township of Grand Blanc

Governmental Funds Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities Year Ended December 31, 2013

Net Change in Fund Balances - Total Governmental Funds	\$ 446,770
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	690,237
Depreciation expense	(940,642)
Net book value of assets disposed of	(6,000)
Revenues are recorded in the statement of activities when earned; they are not reported in the funds until collected or collectible within 60 days of year end	453,721
Bond proceeds provide financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position	(742,000)
Repayment of bond principal is an expenditure in the governmental funds, but not in the statement of activities (where it reduces long-term debt)	484,284
Accrued interest expense is recorded as an expense in the statement of activities but not in the governmental funds	2,085
Increase 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	(46,362)
Increase in net other postemployment benefit obligations does not require the use of current resources, and therefore is not reported in the governmental funds until it comes due for payment	(420,854)
Change in Net Position of Governmental Activities	<u>\$ (78,761)</u>

Charter Township of Grand Blanc

Proprietary Funds Department of Public Works Statement of Net Position December 31, 2013

	Department of Public Works
Assets	
Current assets:	
Cash and cash equivalents (Note 3)	\$ 6,372,057
Receivables:	
Customers	3,413,608
Receivables billed on tax roll	305,117
Due from other funds	6,598
Prepaid expenses and other assets	23,959
Total current assets	<u>10,121,339</u>
Noncurrent assets:	
Capital assets (Note 5):	
Assets not subject to depreciation	520,494
Assets subject to depreciation	80,084,757
Tap-in assessments receivable	412,906
Total noncurrent assets	<u>81,018,157</u>
Total assets	<u>91,139,496</u>
Liabilities	
Current liabilities:	
Accounts payable	1,902,569
Accrued liabilities and other	420,926
Compensated absences	38,142
Current portion of long-term debt (Note 7)	20,000
Total current liabilities	<u>2,381,637</u>
Noncurrent liabilities:	
Net OPEB obligation	11,564
Long-term debt (Note 7)	226,288
Total noncurrent liabilities	<u>237,852</u>
Total liabilities	<u>2,619,489</u>
Net Position	
Net investment in capital assets	80,358,963
Unrestricted	8,161,044
Total net position	<u>\$ 88,520,007</u>

Charter Township of Grand Blanc

Proprietary Funds Department of Public Works Statement of Revenue, Expenses, and Changes in Net Position Year Ended December 31, 2013

	December 31	
	2013	2012
Operating Revenue		
Sale of water	\$ 6,112,063	\$ 6,023,255
Sewage disposal charges	6,539,230	6,271,554
Water meters	54,306	85,312
Penalties and other charges for services	189,065	167,507
Total operating revenue	12,894,664	12,547,628
Operating Expenses		
Cost of water	4,694,003	4,972,982
Cost of sewage treatment	4,623,397	4,702,593
Billing and administrative costs	1,632,463	1,681,725
Depreciation	1,720,711	1,747,636
Total operating expenses	12,670,574	13,104,936
Operating Income (Loss)	224,090	(557,308)
Nonoperating Revenue (Expenses)		
Investment income	40,261	43,412
Interest expense	(5,823)	(2,648)
Total nonoperating revenue	34,438	40,764
Net Income (Loss) - Before contributions	258,528	(516,544)
Capital Contributions		
Capital charge and line inspection fees	633,953	396,120
Lines donated by developers	20,000	72,449
Total capital contributions	653,953	468,569
Change in Net Position	912,481	(47,975)
Net Position - Beginning of year	87,607,526	87,655,501
Net Position - End of year	\$ 88,520,007	\$ 87,607,526

Charter Township of Grand Blanc

Proprietary Funds Department of Public Works Statement of Cash Flows Year Ended December 31, 2013

Cash Flows from Operating Activities	
Receipts from customers	\$ 12,705,308
Receipts from interfund services and reimbursements	12,756
Payments to suppliers	(8,952,995)
Payments to employees	<u>(2,092,000)</u>
Net cash provided by operating activities	1,673,069
Cash Flows from Capital and Related Financing Activities	
Issuance of debt	44,909
Capital charge collections	713,777
Purchase of capital assets	(815,370)
Interest paid on capital debt	<u>(5,823)</u>
Net cash used in capital and related financing activities	(62,507)
Cash Flows from Investing Activities - Interest received on investments	<u>40,261</u>
Net Increase in Cash and Cash Equivalents	1,650,823
Cash and Cash Equivalents - Beginning of year	<u>4,721,234</u>
Cash and Cash Equivalents - End of year	<u><u>\$ 6,372,057</u></u>
Reconciliation of Operating Income to Net Cash from Operating Activities	
Operating income	\$ 224,090
Adjustments to reconcile operating income to net cash from operating activities:	
Depreciation and amortization	1,720,711
Changes in assets and liabilities:	
Receivables	(189,356)
Due from others	12,756
Accounts payable	357,973
Accrued and other liabilities	<u>(453,105)</u>
Net cash provided by operating activities	<u><u>\$ 1,673,069</u></u>

Noncash Investing, Capital, and Financing Activities - During the year ended December 31, 2013, the Department of Public Works Fund received \$20,000 of lines donated by developers.

Charter Township of Grand Blanc

Fiduciary Funds Statement of Fiduciary Net Position December 31, 2013

	Pension and Employee Benefits Trust Fund	Agency Funds
Assets		
Cash and cash equivalents	\$ 3,885,969	\$ 1,772,848
Investments:		
Mutual funds	5,184,193	-
Bonds	197,780	-
Receivables	5,703	-
Due from primary government	461,444	-
	<u>9,735,089</u>	<u>\$ 1,772,848</u>
Total assets		
Liabilities - Undistributed tax collections and other	<u>-</u>	<u>\$ 1,772,848</u>
Net Position Held in Trust for Pension and Other Employee Benefits	<u>\$ 9,735,089</u>	

Charter Township of Grand Blanc

Fiduciary Funds

Statement of Changes in Fiduciary Net Position - Pension and Employee Benefits Trust Fund Year Ended December 31, 2013

	Pension and Employee Benefits Trust Fund
Additions	
Investment income:	
Interest and dividends	\$ 155,506
Net increase in fair value of investments	<u>924,948</u>
Net investment income	1,080,454
Contributions - Employer	<u>1,155,968</u>
Total additions	2,236,422
Deductions	
Benefit payments	1,642,846
Administrative expenses	<u>4,003</u>
Total deductions	<u>1,646,849</u>
Net Increase in Net Position Held in Trust	589,573
Net Position Held in Trust for Pension and Other Employee Benefits - Beginning of year	<u>9,145,516</u>
Net Position Held in Trust for Pension and Other Employee Benefits - End of year	<u><u>\$ 9,735,089</u></u>

Charter Township of Grand Blanc

Notes to Financial Statements December 31, 2013

Note I - Nature of Business and Significant Accounting Policies

Reporting Entity

The Charter Township of Grand Blanc (the "Charter Township") is governed by an elected seven-member board of trustees. The accompanying financial statements present the Charter Township of Grand Blanc. There are no component units to be included in these financial statements.

Accounting and Reporting Principles

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

Fund Accounting

The Charter Township accounts for its various activities in several different funds, in order to demonstrate accountability for how we have spent certain resources; separate funds allow us to show the particular expenditures that specific revenues were used for. The various funds are aggregated into three broad fund types:

Governmental Funds - Include all activities that provide general governmental services that are not business-type activities. This includes the General Fund, special revenue funds, debt service funds, capital project funds, and permanent funds. The Charter Township reports the following funds as "major" governmental funds:

- The General Fund is the Charter Township's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The Solid Waste Fund accounts for the operations of a residential and commercial rubbish collection and disposal system, primarily transportation to a privately owned and operated landfill.

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

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

Charter Township of Grand Blanc

Notes to Financial Statements December 31, 2013

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

Fiduciary Funds - Include amounts held in a fiduciary capacity for others. These amounts will not be used to operate our government's programs. Activities that are reported as fiduciary include:

- Pension and Other Employee Benefits Trust Fund - The Pension and Other Employee Benefits Trust Fund accounts for the activities of the police and fire employees' retirement system, which accumulates resources for pension benefit payments to qualified employees.
- Agency Fund - The agency fund accounts for assets held by the Charter Township in a trustee capacity. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations.

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

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

Basis of Accounting

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

Charter Township of Grand Blanc

Notes to Financial Statements December 31, 2013

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

Expenditures are reported when the goods are received or the services are rendered. Capital outlays are reported as expenditures (rather than as capital assets) because they reduce the ability to spend resources in the future; conversely, employee benefit costs that will be funded in the future (such as pension and retiree health care related costs, or sick and vacation pay) are not counted until they come due for payment. In addition, debt service expenditures, claims, and judgments are recorded only when payment is due.

Revenues are not recognized until they are collected, or collected soon enough after the end of the year that they are 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 revenues 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 revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (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 revenues are reported instead as general revenue.

Charter Township of Grand Blanc

Notes to Financial Statements December 31, 2013

Note I - Nature of Business and Significant Accounting Policies (Continued)

For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges between the Township's water and sewer function and various other functions of the Township. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual Enterprise Funds are reported as separate columns in the fund financial statements.

Specific Balances and Transactions

Cash, Cash Equivalents, and Investments - Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value.

Receivables and Payables - In general, outstanding balances between funds are reported as "due to/from other funds." Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "advances to/from other funds." Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances."

All trade and property tax receivables are shown as net of allowance for uncollectible amounts.

Capital Assets - Capital assets, which include property, plant, equipment, and intangible assets, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the Charter Township as assets with an initial individual cost of more than \$2,500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

Charter Township of Grand Blanc

Notes to Financial Statements December 31, 2013

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

Long-term Obligations - In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund-type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed at the time they are incurred. In the fund financial statements, governmental fund types recognize bond issuances as an "other financing source" as well as bond premiums and discounts. The General Fund and debt service funds are generally used to liquidate governmental long-term debt.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Charter Township has no deferred outflows of resources.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Charter Township has two items that qualify for reporting in this category. Unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from three sources: special assessments, delinquent property taxes, and grants. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The government also has property taxes and special assessments received before the period levied. These items are shown as deferred inflows of resources on both the governmental funds balance sheet as well as the statement of financial position. Those property taxes and special assessments will be recognized as revenue next year, as those amounts were levied for the subsequent year's budgeted operations.

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.

Charter Township of Grand Blanc

Notes to Financial Statements December 31, 2013

Note I - Nature of Business and Significant Accounting Policies (Continued)

Fund Balance Flow Assumption

Sometimes the Charter Township 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 Charter Township's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policies

Fund Equity - In the fund financial statements, governmental funds report the following components of fund balance:

- **Nonspendable** - Amounts that are not in spendable form or are legally or contractually required to be maintained intact.
- **Restricted** - Amounts that are legally restricted by outside parties, constitutional provisions, or enabling legislation for use for a specific purpose.
- **Committed** - Amounts that have been formally set aside by the board for use for specific purposes. Commitments are made and can be rescinded only via resolution of the board of trustees.
- **Assigned** - Intent to spend resources on specific purposes expressed by the governing body or the finance director in conjunction with the Charter Township superintendent, who is authorized by resolution approved by the governing body to make assignments.
- **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.

Charter Township of Grand Blanc

Notes to Financial Statements December 31, 2013

Note I - Nature of Business and Significant Accounting Policies (Continued)

Property Tax Revenue

Property taxes are levied on each December 1 on the taxable valuation of property as of the preceding December 31. Taxes are considered delinquent on March 1 of the following year, at which time penalties and interest are assessed. See Note 8 for more information on property tax revenue.

Pension and Other Postemployment Benefit Costs - The Charter Township offers both pension and retiree health care benefits to retirees. The Charter Township receives an actuarial valuation to compute the annual required contribution (ARC) necessary to fund the obligation over the remaining amortization period. In the governmental funds, pension and OPEB costs are recognized as contributions are made. For the government-wide statements and proprietary funds, the Charter Township reports the full accrual cost equal to the current year required contribution, adjusted for interest and "adjustment to the ARC" on the beginning of year underpaid amount, if any.

Compensated Absences (Vacation and Sick Leave) - It is the Charter Township's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. There is no liability for unpaid accumulated sick leave since the Charter Township does not have a policy to pay any amounts when employees separate from service with the Charter Township. All vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only for employee terminations as of year end. All other accrued compensated absences are reported in the government-wide financial statements; generally the funds that report each employee's compensation are used to liquidate the obligation. The liability is considered current due to the fact that the entire balance at year end is less than the amount that will be used within one year.

Proprietary Funds Operating Classification - Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues 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 revenues of the Department of Public Works Fund are charges to customers for sales and services. The Department of Public Works Fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Charter Township of Grand Blanc

Notes to Financial Statements December 31, 2013

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

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

Comparative Data - Comparative total data for the prior year has been presented only for individual enterprise funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds.

Note 2 - Stewardship, Compliance, and Accountability

Construction Code Fees - The Charter Township oversees building construction in accordance with the State's Construction Code Act, including inspection of building construction and renovation to ensure compliance with the building codes. The Charter Township charges fees for these services. The law requires that collection of these fees be used only for construction code costs, including an allocation of estimated overhead costs. A summary of the current year activity and the cumulative shortfall generated since January 1, 2000 is as follows:

Cumulative shortfall at January 1, 2013		\$ (2,196,354)
Building permit revenue		707,654
Related expenses:		
Direct costs	\$ 400,082	
Estimated indirect costs	60,012	460,094
		<u>247,560</u>
Current year surplus		<u>247,560</u>
Cumulative shortfall at December 31, 2013		<u>\$ (1,948,794)</u>

Note 3 - Deposits and Investments

Michigan Compiled Laws Section 129.91 (Public Act 20 of 1943, as amended) authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The local unit is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications, which matures not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions, which are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

Charter Township of Grand Blanc

Notes to Financial Statements December 31, 2013

Note 3 - Deposits and Investments (Continued)

The Pension Trust Fund and Employee Benefits Funds are 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 seven banks for the deposit of its funds. The investment policy adopted by the board in accordance with Public Act 196 of 1997 has authorized investment in bonds and securities of the United States government and bank accounts and CDs, but not the remainder of state statutory authority as listed above. The Charter Township's deposits and investment policies are in accordance with statutory authority.

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

Custodial Credit Risk of Bank Deposits - Custodial credit risk is the risk that in the event of a bank failure, the Charter Township's deposits may not be returned to it. The Charter Township does not have a deposit policy for custodial credit risk. At year end, the Charter Township had \$9,703,998 of bank deposits (certificates of deposit, checking, and savings accounts). Of that amount, \$672,324 was covered by federal depository insurance and the remainder was uninsured and uncollateralized. The Charter Township believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the Charter Township evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories. To the extent that cash from various funds has been pooled, related investment income is allocated to each fund based on relative participation in the pool, except that Agency Fund investment earnings are allocated to the General Fund as provided by Michigan law.

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

Charter Township of Grand Blanc

Notes to Financial Statements December 31, 2013

Note 3 - Deposits and Investments (Continued)

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. At year end, the average maturities of investments are as follows:

Investment	Fair Value	Weighted Average Maturity
Mutual funds (pension)	\$ 6,291	5.80 years
Corporate bonds (pension)	197,780	21.9 years

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

Investment	Fair Value	Rating	Rating Organization
Mutual funds (pension)	\$ 6,291	3 stars	Morningstar
Corporate bonds (pension)	197,780	A	Moody's
Money market	2,462	A1	Moody's
Money market	3,456,141	Aa3	Moody's
Money market	3,486,111	A2	Moody's
Money market	4,968,460	Baa1	Moody's
Money market	3,617,330	N/A	Not rated

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

Charter Township of Grand Blanc

Notes to Financial Statements December 31, 2013

Note 4 - Deferred Inflows of Resources

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

	Governmental Funds	Governmental Activities
Property taxes levied for 2014 operations	\$ 7,536,909	\$ 7,536,909
Solid waste charges billed for 2014 operations	1,403,429	1,403,429
Special assessments - Unavailable	1,121,992	-
Delinquent property taxes - Unavailable	42,011	-
Grant revenue - Unavailable	12,725	-
	<u> </u>	<u> </u>
Total deferred inflows	<u>\$ 10,117,066</u>	<u>\$ 8,940,338</u>

Note 5 - Capital Assets

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

	Balance January 1, 2013	Reclassifications	Additions	Disposals and Adjustments	Balance December 31, 2013
Governmental Activities					
Capital assets not being depreciated:					
Land and land improvements	\$ 1,954,097	\$ -	\$ -	\$ (6,000)	\$ 1,948,097
Construction in progress	5,550	-	206,503	-	212,053
Subtotal	1,959,647	-	206,503	(6,000)	2,160,150
Capital assets being depreciated:					
Buildings and improvements	18,075,799	(394,028)	96,536	(8,000)	17,770,307
Vehicles	844,497	-	233,279	(142,831)	934,945
Furniture and equipment	2,130,440	-	79,931	(9,599)	2,200,772
Infrastructure	5,226,697	394,028	73,988	-	5,694,713
Subtotal	26,277,433	-	483,734	(160,430)	26,600,737
Accumulated depreciation:					
Buildings and improvements	4,019,977	(35,429)	475,290	(8,000)	4,451,838
Vehicles	773,514	-	67,273	(142,831)	697,956
Furniture and equipment	1,707,976	(404)	141,929	(9,599)	1,839,902
Infrastructure	2,277,071	35,833	256,150	-	2,569,054
Subtotal	8,778,538	-	940,642	(160,430)	9,558,750
Net capital assets being depreciated	17,498,895	-	(456,908)	-	17,041,987
Net capital assets	<u>\$ 19,458,542</u>	<u>\$ -</u>	<u>\$ (250,405)</u>	<u>\$ (6,000)</u>	<u>\$ 19,202,137</u>

Charter Township of Grand Blanc

Notes to Financial Statements December 31, 2013

Note 5 - Capital Assets (Continued)

Business-type Activities	Balance	Reclassifications	Additions	Disposals and Adjustments	Balance
	January 1, 2013				December 31, 2013
Capital assets not being depreciated:					
Land	\$ 235,852	\$ -	\$ -	\$ -	\$ 235,852
Construction in progress	-	-	284,642	-	284,642
Subtotal	235,852	-	284,642	-	520,494
Capital assets being depreciated:					
Water and sewer distribution systems	103,176,182	-	463,395	-	103,639,577
Buildings and improvements	1,800,450	-	-	-	1,800,450
Vehicles	1,342,842	-	24,180	-	1,367,022
Furniture and equipment	1,554,319	-	63,153	-	1,617,472
Subtotal	107,873,793	-	550,728	-	108,424,521
Accumulated depreciation:					
Water and sewer distribution systems	23,897,578	-	1,531,499	-	25,429,077
Buildings and improvements	293,432	-	37,269	-	330,701
Vehicles	1,214,099	-	47,477	-	1,261,576
Furniture and equipment	1,213,944	-	104,466	-	1,318,410
Subtotal	26,619,053	-	1,720,711	-	28,339,764
Net capital assets being depreciated	81,254,740	-	(1,169,983)	-	80,084,757
Net capital assets	<u>\$ 81,490,592</u>	<u>\$ -</u>	<u>\$ (885,341)</u>	<u>\$ -</u>	<u>\$ 80,605,251</u>

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

Governmental activities:	
General government	\$ 372,377
Public safety	434,171
Public works	4,977
Recreation and culture	129,117
Total governmental activities	<u>\$ 940,642</u>
Business-type activities - Water and sewer	<u>\$ 1,720,711</u>

Charter Township of Grand Blanc

Notes to Financial Statements December 31, 2013

Note 6 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

Receivable Fund	Payable Fund	Amount
Due to/from Other Funds		
Department of Public Works Fund	General Fund	\$ 6,598
Nonmajor governmental fund - Master Campus Fund	General Fund	2,984,304
Nonmajor governmental fund - Capital Projects Fund	General Fund	2,667,920
Other nonmajor governmental funds	General Fund	<u>141,275</u>
	Total	<u>\$ 5,800,097</u>

The balance owed from the General Fund to the Capital Projects Fund and the Master Campus Fund represents the cumulative amount transferred from the General Fund to the Capital Projects Fund and the Master Campus Fund over that fund's lifetime. The General Fund continues to hold the cash and investments so that it may continue to earn interest on these funds. The other balances result from the time lag between the dates that goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

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

Fund Providing Resources	Fund Receiving Resources	Amount
General Fund	Master Campus Project Fund	\$ 770,800
	Capital Projects Fund	<u>700,000</u>
	Total General Fund	<u>\$ 1,470,800</u>

The transfers from the General Fund to the Master Campus Project Fund and Capital Projects Fund represent transfers of unrestricted resources to finance capital projects and debt service.

Note 7 - Long-term Debt

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

Charter Township of Grand Blanc

Notes to Financial Statements December 31, 2013

Note 7 - Long-term Debt (Continued)

The proceeds from the 2006 Capital Improvement Bonds were used to finance the construction of the Grand Blanc Township Police Department building. The special assessment obligations represent the financing of road improvements done by the Genesee County Road Commission (the "Road Commission") that benefit certain districts within the Charter Township; these districts are assessed, at least in part, for the cost of the improvements. The remaining cost is split between the Road Commission and the Charter Township. The Charter Township funds its portion of the cost annually from General Fund revenue. No additional funds have been set aside for the future payment of this debt. Other long-term obligations include compensated absences. The General Fund and the Enterprise Fund pay obligations related to compensated absences.

Long-term debt activity can be summarized as follows:

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities							
General obligation limited tax bonds - 2006 Capital Improvement Bonds Amount of issue: \$10,800,000 Maturing through 2031	4.125% - 5.00%	\$200,000- \$700,000	\$10,000,000	\$ -	\$ 200,000	\$ 9,800,000	\$ 200,000
Special assessment bonds - 2009 Deerfield Road Bonds Amount of issue: \$158,000 Maturing through 2014	2.89%	\$32,000	64,000	-	32,000	32,000	32,000
Special assessment bonds - 2010 Holly Springs Bond Amount of issue: \$535,000 Maturing through 2020	1.7% - 4.15%	\$37,000 - \$59,000	439,000	-	57,000	382,000	56,000
Special assessment bonds - 2012 Water Edge Bond Amount of issue \$350,000 Maturing through 2022	2.00%	\$25,000 - \$37,000	350,000	-	25,000	325,000	37,000
Special assessment bonds - 2013 Braemoor Road Bond Amount of issue \$742,000 Maturing through 2023	.65% - 3.25%	\$49,000 - \$77,000	-	742,000	-	742,000	49,000
Other governmental obligations - Special assessment at-large road districts of the Genesee County Road Commission Amount of issue: \$1,818,818 Maturing through 2018	3.9% - 4.87%	\$72,600 - \$170,285	891,861	-	170,284	721,577	170,285
Total bonds payable			11,744,861	742,000	484,284	12,002,577	544,285
Other long-term obligations - Compensated absences			153,439	721,192	674,830	199,801	199,801
Total governmental activities			\$11,898,300	\$1,463,192	\$ 1,159,114	\$12,202,378	\$ 744,086

Charter Township of Grand Blanc

Notes to Financial Statements December 31, 2013

Note 7 - Long-term Debt (Continued)

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type Activities							
Limited Tax - General Obligation - 2011 Sanitary Sewer System SWQIF Bonds Amount of issue: \$540,000, of which \$246,288 has been drawn down Maturing through 2033	2.5%	\$20,000 - \$35,000	\$ 201,379	\$ 44,909	\$ -	\$ 246,288	\$ 20,000
Accumulated compensated absences			<u>32,103</u>	<u>167,059</u>	<u>161,020</u>	<u>38,142</u>	<u>38,142</u>
Total business-type activities			<u>\$ 233,482</u>	<u>\$ 211,968</u>	<u>\$ 161,020</u>	<u>\$ 284,430</u>	<u>\$ 58,142</u>

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

Years Ending December 31	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2014	\$ 544,285	\$ 480,764	\$ 1,025,049	\$ 20,000	\$ 6,074	\$ 26,074
2015	640,285	458,350	1,098,635	20,000	5,657	25,657
2016	639,282	433,340	1,072,622	20,000	5,157	25,157
2017	705,125	405,677	1,110,802	25,000	4,657	29,657
2018	639,600	378,701	1,018,301	25,000	4,032	29,032
2019-2023	3,334,000	1,533,781	4,867,781	136,288	11,068	147,356
2024-2028	3,400,000	858,112	4,258,112	-	-	-
2029-2033	2,100,000	141,750	2,241,750	-	-	-
Total	<u>\$12,002,577</u>	<u>\$ 4,690,475</u>	<u>\$16,693,052</u>	<u>\$ 246,288</u>	<u>\$ 36,645</u>	<u>\$ 282,933</u>

For the year ended December 31, 2013, interest expense was \$464,578.

Charter Township of Grand Blanc

Notes to Financial Statements December 31, 2013

Note 8 - Property Tax Revenue

The Charter Township's governmental funds recognize the December 1, 2012 property tax levy as revenue for the year ended December 31, 2013. The following is a breakdown of tax levies reported in the General Fund.

	<u>Approximate Revenue</u>
Operating millage - Charter limit of 5.0 mills:	
3.865 mills - Operating	\$ 4,256,000
.70 mills - Master campus project	771,000
Police millage - .9128 mills - Voted millage for police	1,005,000
Fire millage - .50 mills - Voted millage for fire	551,000
Mosquito millage - .165 mills - Charter limit of 5.0 mills	182,000
Act 198/255 taxes and administration fees	455,000

A mill equals \$1 of tax per thousand dollars of property valuation (taxable valuation). The Charter Township's total taxable valuation for 2012 was approximately \$1,101,143,000.

The police and fire millages raised less revenue than expenditures. To date, the mosquito millage has raised \$13,129 more revenue than expenditures. As a result, \$13,129 of the fund balance was restricted in the General Fund as of December 31, 2013.

Note 9 - Risk Management

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

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

Charter Township of Grand Blanc

Notes to Financial Statements December 31, 2013

Note 10 - Defined Benefit Pension Plan

Plan Description - The Charter Township participates in the Michigan Municipal Employees' Retirement System (the "System"), an agent multiple-employer defined benefit pension plan that covers all police sergeants, officers, and administration. The System provides retirement, disability, and death benefits to plan members and their beneficiaries. The Michigan Municipal Employees' Retirement System issues a publicly available financial report that includes financial statements and required supplemental information for the System. That report may be obtained by writing to the System at 1134 Municipal Way, Lansing, MI 48917.

Funding Policy - The obligation to contribute to and maintain the System for these employees was established by negotiation with the Charter Township's Police Officers Labor Council Patrol Officers Union, Police Officers Labor Council Sergeants Unit, and Fraternal Order of Police Executive Command. The agreement requires a contribution from the employer of any actuarially required contributions in excess of 15 percent prior to 1997 and 14 percent after January 1, 1997. Currently, this results in an employee contribution ranging from 8 percent to 8.29 percent of gross wages.

Annual Pension Cost - For the year ended December 31, 2013, the Charter Township's annual pension cost of \$708,629 for the plan was equal to the Charter Township's required and actual contribution. The annual required contribution was determined as part of an actuarial valuation at December 31, 2011, using the entry age actuarial cost method.

Significant actuarial assumptions used include (a) an 8 percent investment rate of return, and (b) projected salary increases of 1 percent to 17.5 percent per year. Both (a) and (b) include an inflation component of 4.5 percent (1 percent for calendar years 2013-2014, 2 percent for 2015, and 3 percent for 2016). The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility over a five-year period. The unfunded actuarial liability is being amortized as a level percentage of payroll on a closed basis. The remaining amortization period is 30 years depending on division.

Charter Township of Grand Blanc

Notes to Financial Statements December 31, 2013

Note 10 - Defined Benefit Pension Plan (Continued)

Three-year Trend Information

	Fiscal Year Ended December 31		
	2013	2012	2011
Annual pension cost (APC)	\$ 708,629	\$ 663,925	\$ 569,994
Percentage of APC contributed	100.0 %	100.0 %	100.0 %
Net pension obligation	\$ -	\$ -	\$ -

	Fiscal Year Ended December 31		
	2012	2011	2010
Actuarial value of assets	\$ 9,873,271	\$ 9,302,571	\$ 8,753,631
Actuarial accrued liability (AAL) (entry age)	\$ 17,383,093	\$ 16,339,953	\$ 15,048,208
Unfunded AAL (UAAL)	\$ 7,509,822	\$ 7,037,382	\$ 6,294,577
Funded ratio	56.8 %	56.9 %	58.2 %
Covered payroll	\$ 2,801,771	\$ 2,702,092	\$ 2,673,831
UAAL as a percentage of covered payroll	268.0 %	260.4 %	235.4 %

Note 11 - Defined Contribution Pension Plan

The Charter Township provides pension benefits to all of its full-time employees (except police personnel, who are covered by a defined benefit plan effective January 1, 1993) through a defined contribution plan administered by Lincoln Trust Company. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate from the date of employment (or other date). As established by the Charter Township board of trustees, the Charter Township contributes 15 percent of employees' gross earnings, and employees are not permitted to make contributions other than participant rollover contributions. In accordance with these requirements, the Charter Township contributed \$236,348 during the current year and there was no employee contribution. Lincoln Trust Company does not issue an audited financial statement for the plan.

Charter Township of Grand Blanc

Notes to Financial Statements December 31, 2013

Note 12 - Joint Ventures

The Charter Township is a member of the Grand Blanc District Library Commission, which provides library services to the residents of the Charter Township and the City of Grand Blanc. The participating communities provide annual funding for its operations. During the current year, the Charter Township contributed \$47,500 for its operations. The Charter Township is unaware of any circumstances that would cause an additional benefit or burden to the participating governments in the near future. Complete financial statements for the Grand Blanc District Library Commission can be obtained from the administrative offices at 4195 West Pasadena, Flint, MI 48504.

The Charter Township is a member of the Grand Blanc Parks and Recreation Commission, which provides recreational services to the residents of the Charter Township and the City of Grand Blanc. The participating communities provide annual funding for its operations. During the current year, the Charter Township contributed \$170,697 for its operations. The Charter Township has no equity interest in the Grand Blanc Parks and Recreation Commission at December 31, 2013. The Charter Township is unaware of any circumstances that would cause an additional benefit or burden to the participating governments in the near future. Complete financial statements for the Grand Blanc Parks and Recreation Commission can be obtained from the administrative offices at 131 East Grand Blanc Road, Grand Blanc, MI 48439.

The Charter Township is a member of the Grand Blanc Fire Commission, which provides fire protection services to the residents of the Charter Township and the city of Grand Blanc. The participating communities provide annual funding for its operations. During the current year, the Charter Township contributed \$537,500 for its operations, plus an additional \$550,571 from the new dedicated millage. The Charter Township has no equity interest in the Grand Blanc Fire Commission at December 31, 2013. The Charter Township is unaware of any circumstances that would cause an additional benefit or burden to the participating governments in the near future. Complete financial statements for the Grand Blanc Fire Commission can be obtained from the administrative offices at 117 High Street, Grand Blanc, MI 48439.

Note 13 - Contingent Liabilities

The Charter Township has been named as a defendant in multiple claims and lawsuits requesting damages of various amounts. The various proceedings have not yet progressed to the point where legal opinion can be reached as to the ultimate liability, if any, after consideration of available insurance, where applicable, that may result from the resolution of these matters. The Charter Township has not recorded an estimate of this liability at December 31, 2013.

Charter Township of Grand Blanc

Notes to Financial Statements December 31, 2013

Note 14 - Other Postemployment Benefits

Plan Description - The Charter Township provides retiree healthcare benefits to eligible employees and their spouses. Benefits are provided to all full-time employees. Currently, the plan has 107 members (including 77 employees in active service and 30 retired employees with their beneficiaries currently receiving benefits).

Funding Policy - There are no provisions in the plan for employee contributions. The Charter Township has no obligation to make contributions in advance of when the insurance premiums are due for payment (in other words, this may be financed on a "pay-as-you-go" basis). However, as shown below, the Charter Township has made contributions to advance-fund these benefits, as determined by the Charter Township board through annual budget resolutions.

Funding Progress - For the year ended December 31, 2013, the Charter Township has estimated the cost of providing retiree healthcare benefits through an actuarial valuation as of December 31, 2011. The valuation computes an annual required contribution, which represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. This valuation's computed contribution and actual funding are summarized as follows:

Annual required contribution (recommended)	\$ 1,198,161
Interest on the prior year's net OPEB obligation	254,529
Less adjustment to the annual required contribution	<u>(163,373)</u>
Annual OPEB cost	1,289,317
Amounts contributed:	
Payments of current premiums	(503,233)
Advance funding	<u>(416,389)</u>
Increase in net OPEB obligation	369,695
OPEB obligation - Beginning of year	<u>3,393,715</u>
OPEB obligation - End of year	<u><u>\$ 3,763,410</u></u>

Fiscal Year Ended	Actuarial Valuation Date	Annual Other Postemployment Benefit Cost	Percentage Contributed	Net OPEB Obligation
12/31/09	12/31/08	\$ 1,501,517	53.6 %	\$ 1,541,454
12/31/10	12/31/08	1,481,250	46.9	2,328,555
12/31/11	12/31/08	1,438,476	53.3	3,000,487
12/31/12	12/31/11	1,309,376	70.6	3,393,715
12/31/13	12/31/11	1,289,317	71.3	3,763,410

Charter Township of Grand Blanc

Notes to Financial Statements December 31, 2013

Note 14 - Other Postemployment Benefits (Continued)

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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (Percent) (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll
10/31/06	\$ 1,577,000	\$ 12,537,422	\$ 10,960,422	12.6 %	\$ 4,907,432	223.3 %
12/31/08	2,028,960	13,175,632	11,146,672	15.4	5,082,104	219.3
12/31/11	3,335,965	12,852,353	9,516,388	26.0	4,104,126	231.9

Actuarial Methods and Assumptions - Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented above, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

In the December 31, 2011 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 7.5 percent investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 5 percent annually. Both rates included a 5 percent inflation assumption. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis over 30 years.

Charter Township of Grand Blanc

Notes to Financial Statements December 31, 2013

Note 15 - Pension and Other Employee Benefit Trust Funds

The following are condensed financial statements for the Charter Township's defined contribution pension plan (see Note 11) and the postemployment healthcare plan (see Note 14). The plans do not issue separate financial statements.

	Pension Trust	Employee Benefits	Total
<u>Statement of Net Position</u>			
Cash and investments	\$ 5,458,185	\$ 3,809,757	\$ 9,267,942
Other assets	45,056	422,091	467,147
Net position	<u>\$ 5,503,241</u>	<u>\$ 4,231,848</u>	<u>\$ 9,735,089</u>
<u>Statement of Changes in Net Position</u>			
Investment income	\$ 1,066,242	\$ 14,212	\$ 1,080,454
Contributions	236,348	919,620	1,155,968
Benefit payments	(1,139,479)	(503,367)	(1,642,846)
Other decreases	(4,003)	-	(4,003)
Net change in net position	<u>\$ 159,108</u>	<u>\$ 430,465</u>	<u>\$ 589,573</u>

Note 16 - Upcoming Accounting Pronouncements

In June 2012, the GASB issued GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. Statement No. 68 requires governments providing defined benefit pensions to recognize their unfunded pension benefit obligation as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. This net pension liability that will be recorded on the government-wide, proprietary, and discretely presented component units statements will be computed differently than the current unfunded actuarial accrued liability, using specific parameters set forth by the GASB. The statement also enhances accountability and transparency through revised note disclosures and required supplemental information (RSI). The Charter Township is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for financial statements for the year ending December 31, 2015.

Charter Township of Grand Blanc

Notes to Financial Statements December 31, 2013

Note 17 - Change in Accounting

During the current year, the Charter Township adopted GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. The objective of this statement is to establish standards that reclassify certain items that were previously reported as assets and liabilities and instead to classify them as deferred inflows of resources, deferred outflows of resources, or as outflows of resources.

As a result of implementing this statement, the following assets and liabilities have been reclassified, as indicated:

<u>Item</u>	<u>Amount</u>	<u>Prior Reporting Classification/Treatment</u>	<u>New Classification After Adoption of GASB No. 65</u>
Property taxes billed, but which were levied for next year's budget	\$ 7,536,909	Liability	Deferred inflows of resources
Solid waste charges billed for 2014 operations	1,403,429	Liability	Deferred inflows of resources
Revenue that is reportable, but has not been collected soon enough after year end to be considered available	1,176,728	Liability	Deferred inflows of resources

Required Supplemental Information

General Fund

The General Fund contains the records of the ordinary activities of the Charter Township that are not accounted for in another fund. General Fund activities are funded by revenue from state-shared revenue, general property taxes, and other sources. The schedule comparing revenues and expenditures - budgetary comparison schedule - compares the activity final amended budget (the level on which expenditures may not legally exceed appropriations) to actual revenue and expenditures.

Charter Township of Grand Blanc

Required Supplemental Information Budgetary Comparison Schedule - General Fund Year Ended December 31, 2013

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 7,130,293	\$ 7,130,293	\$ 7,265,408	\$ 135,115
Licenses and permits	424,175	699,175	748,623	49,448
Federal grants	85,000	85,000	109,663	24,663
State-shared revenue and grants	2,741,000	2,891,000	2,891,167	167
Fines and forfeitures	100,000	100,000	101,600	1,600
Investment income	33,750	33,750	20,973	(12,777)
Other revenue:				
Special assessments	432,600	522,600	569,721	47,121
Cable franchise fees	550,000	550,000	588,108	38,108
Other miscellaneous income	450,910	490,910	463,266	(27,644)
Total revenue	11,947,728	12,502,728	12,758,529	255,801
Expenditures - Current				
General government:				
Legislative	204,855	234,855	203,703	31,152
Supervisor's office	72,617	98,984	88,563	10,421
General office	482,159	485,659	411,995	73,664
GIS/IT	361,136	361,636	323,373	38,263
Treasurer's office	365,817	366,317	350,937	15,380
Assessor's office	395,894	396,494	315,697	80,797
Clerk's office	169,434	173,034	162,697	10,337
Elections	25,948	26,448	18,459	7,989
Buildings and grounds	157,900	169,900	125,848	44,052
Legal and attorney	150,000	152,100	108,559	43,541
Planning and zoning	106,485	108,985	92,339	16,646
Insurance and other functions	-	-	200,000	(200,000)
Total general government	2,492,245	2,574,412	2,402,170	172,242
Public safety:				
Police	6,079,334	6,154,334	6,035,067	119,267
Fire	1,075,000	1,075,000	1,088,071	(13,071)
Building and zoning	268,742	430,888	400,082	30,806
Total public safety	7,423,076	7,660,222	7,523,220	137,002
Public works	766,850	1,522,150	1,416,301	105,849
Recreation and culture - Parks and recreation	219,657	219,657	218,197	1,460
Debt service	303,400	341,900	336,631	5,269
Total expenditures	11,205,228	12,318,341	11,896,519	421,822
Excess of Revenue Over Expenditures	742,500	184,387	862,010	677,623
Other Financing Sources (Uses)				
Face value of debt issue	-	750,000	742,000	(8,000)
Proceeds from sale of capital assets	10,000	10,000	3,214	(6,786)
Transfers out	(752,500)	(944,387)	(1,470,800)	(526,413)
Total other financing uses	(742,500)	(184,387)	(725,586)	(541,199)
Net Change in Fund Balance	-	-	136,424	136,424
Fund Balance - Beginning of year	1,740,839	1,740,839	1,740,839	-
Fund Balance - End of year	\$ 1,740,839	\$ 1,740,839	\$ 1,877,263	\$ 136,424

Major Special Revenue Fund

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

Charter Township of Grand Blanc

Required Supplemental Information Budgetary Comparison Schedule - Major Special Revenue Fund Solid Waste Fund Year Ended December 31, 2013

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	Variance with <u>Amended Budget</u>
Revenue				
Charges for services	\$ 1,350,000	\$ 1,395,000	\$ 1,395,277	\$ 277
Investment income	4,000	500	399	(101)
Total revenue	<u>1,354,000</u>	<u>1,395,500</u>	<u>1,395,676</u>	<u>176</u>
Expenditures - Current - Rubbish disposal	<u>1,471,000</u>	<u>1,396,000</u>	<u>1,379,435</u>	<u>16,565</u>
Net Change in Fund Balance	(117,000)	(500)	16,241	16,741
Fund Balance - Beginning of year	<u>223,935</u>	<u>223,935</u>	<u>223,935</u>	<u>-</u>
Fund Balance - End of year	<u>\$ 106,935</u>	<u>\$ 223,435</u>	<u>\$ 240,176</u>	<u>\$ 16,741</u>

Charter Township of Grand Blanc

Note to Required Supplemental Information Year Ended December 31, 2013

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

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

The Charter Township adopts a formal budget for the General Fund, special revenue fund, and capital projects funds. By August 1 of each year, all department heads submit spending requests to the Charter Township supervisor so that a budget may be prepared. Before September 1, the proposed budget is submitted to the Charter Township board for review. Public hearings are held and the final budget is adopted no later than December 31.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year end are reported as restrictions, commitments, or assignments of fund balances and do not constitute expenditures or liabilities because the goods or services have not been received as of year end; the commitments will be reappropriated and honored during the subsequent year. Encumbrances are not included as expenditures or liabilities; the amount of encumbrances outstanding at December 31, 2013 is not significant. Unexpended appropriations lapse at year end.

Excess of Expenditures Over Appropriations in Budgeted Funds - During the year, the Charter Township had the following expenditures significantly over budget:

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
General Fund - Transfers out	\$ 944,387	\$ 1,470,800	\$ (526,413)
General Fund - Insurance and other functions	-	200,000	(200,000)

The excess expenditures in transfers out represent the transfer from the General Fund to the Capital Projects Fund for capital projects. The excess in insurance and other functions represents the transfer for other postemployment benefits (OPEB).

Charter Township of Grand Blanc

Required Supplemental Information Schedule of Funding Progress - Pension Year Ended December 31, 2013

The schedule of funding progress is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (Percent) (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll
12/31/10	\$ 8,753,631	\$ 15,048,208	\$ 6,294,577	58.2	\$ 2,673,831	235.4
12/31/11	9,302,571	16,339,953	7,037,382	56.9	2,702,092	260.4
12/31/12	9,873,271	17,383,093	7,509,822	56.8	2,801,771	268.0

The schedule of employer contributions is as follows:

Fiscal Year Ended	Actuarial Valuation Date	Annual Required Contribution *	Percentage Contributed
12/31/11	12/31/09	\$ 569,994	100.0
12/31/12	12/31/10	663,925	100.0
12/31/13	12/31/11	708,629	100.0

* The required contribution is expressed to the Charter Township as a percentage of payroll.

The information presented above was determined as part of the actuarial valuations at the dates indicated. Additional information as of December 31, 2012, the latest actuarial valuation, follows:

Amortization method	Level percent
Amortization period (perpetual)	30 years
Asset valuation method	5-year smoothed market
Actuarial assumptions:	
Investment rate of return	8.0%
Projected salary increases	1% - 17.5%
*Includes inflation at	1%
Cost of living adjustments	None

Charter Township of Grand Blanc

Required Supplemental Information Schedule of Funding Progress - OPEB Year Ended December 31, 2013

The schedule of funding progress is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (Percent) (a/b)
10/31/06	\$ 1,577,000	\$ 12,537,422	\$ 10,960,422	12.6
12/31/08	2,028,960	13,175,632	11,146,672	15.4
12/31/11	3,335,965	12,852,353	9,516,388	26.0

The schedule of employer contributions is as follows:

Fiscal Year Ended	Actuarial Valuation Date	Annual Required Contribution *	Percentage Contributed
12/31/11	12/31/08	\$ 1,263,834	60.6
12/31/12	12/31/11	1,225,429	74.8
12/31/13	12/31/11	1,198,161	76.7

The information presented above was determined as part of the actuarial valuations at the dates indicated. Additional information as of December 31, 2011, the latest actuarial valuation, follows:

Amortization method	Level percent
Amortization period (perpetual)	30 years
Asset valuation method	5-year smoothed market
Actuarial assumptions:	
Investment rate of return	7.5%
Projected salary increases	None
*Includes inflation at	5.0%
Cost of living adjustments	None

Other Supplemental Information

Charter Township of Grand Blanc

Other Supplemental Information Nonmajor Funds Fund Descriptions

Nonmajor Special Revenue Funds

Special revenue funds account for the proceeds of specific revenue sources that are restricted to expenditures for specific purposes. A description of the special revenue funds included as nonmajor governmental funds is as follows:

Drug Forfeiture Fund - This fund accounts for monies received from the federal drug enforcement agency for law enforcement purposes and for state funds related to drug enforcement purposes. These monies are to be used to supplement existing law and drug enforcement funds in the law enforcement field.

Law Enforcement Fund - This fund accounts for monies received as a result of gambling raids. These funds are to be used for law enforcement enhancement.

Federal Equitable Sharing Fund - This fund accounts for federal monies related to drug enforcement purposes. These monies are to be used to supplement existing law and drug enforcement funds in the law enforcement field.

PEG Channel Grant Fund - This fund accounts for monies collected by the Charter Township for the operation of public, educational, and government channels (PEG).

Nonmajor Debt Service Fund

Master Campus Project - This fund is used to account for property taxes set aside for all costs associated with the development and construction of a Charter Township master campus.

Nonmajor Capital Projects Funds

Capital Projects Funds are used to account for the acquisition of capital facilities other than those financed by the operations of an enterprise fund.

Capital Projects Fund - This fund is used to account for earmarked revenue set aside for public improvements of a major nature. Revenue sources to date have come solely from General Fund operating transfers.

Bicentennial Park Fund - This fund accounts for monies received from Trinity Wireless for the use of land within Bicentennial Park for a cellular tower. These funds are to be used for Bicentennial Park improvements.

Nonmajor Permanent Funds

Permanent funds account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for the Charter Township's programs. A description of the permanent funds included as nonmajor governmental funds is as follows:

Oakwood Cemetery Fund - This fund is used to account for Oakwood Cemetery deposits.

Perry Cemetery Fund - This fund is used to account for Perry Cemetery deposits.

Maple Cemetery Fund - This fund is used to account for Maple Cemetery deposits.

Charter Township of Grand Blanc

	Special Revenue Funds				Debt Service Fund
	Drug Forfeiture Fund	Law Enforcement Fund	Federal Equitable Sharing Fund	PEG Channel Grant Fund	Master Campus Project Fund
Assets					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-
Receivables	-	-	-	-	-
Due from other funds	73,533	10,043	7,809	11,649	2,984,304
Total assets	\$ 73,533	\$ 10,043	\$ 7,809	\$ 11,649	\$ 2,984,304
Liabilities and Fund Balances					
Liabilities - Accounts payable	\$ 2,448	\$ -	\$ -	\$ 8,561	\$ -
Fund Balances					
Nonspendable - Cemetery endowment	-	-	-	-	-
Restricted:					
Public safety	71,085	10,043	7,809	-	-
PEG channel	-	-	-	3,088	-
Cemetery	-	-	-	-	-
Committed - Bicentennial Park improvements	-	-	-	-	-
Assigned:					
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	2,984,304
Total fund balances	71,085	10,043	7,809	3,088	2,984,304
Total liabilities and fund balances	\$ 73,533	\$ 10,043	\$ 7,809	\$ 11,649	\$ 2,984,304

**Other Supplemental Information
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2013**

Capital Projects Funds		Permanent Funds			Total
Capital Projects Fund	Bicentennial Park Fund	Oakwood Cemetery Fund	Perry Cemetery Fund	Maple Cemetery Fund	Nonmajor Governmental Funds
\$ -	\$ -	\$ 1,783	\$ 48,486	\$ 14,185	\$ 64,454
-	-	55,607	109,237	104,340	269,184
-	-	30	-	81	111
<u>2,667,920</u>	<u>38,241</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,793,499</u>
<u>\$ 2,667,920</u>	<u>\$ 38,241</u>	<u>\$ 57,420</u>	<u>\$ 157,723</u>	<u>\$ 118,606</u>	<u>\$ 6,127,248</u>
\$ 210,097	\$ -	\$ -	\$ -	\$ -	\$ 221,106
-	-	16,543	107,386	22,518	146,447
-	-	-	-	-	88,937
-	-	-	-	-	3,088
-	-	40,877	50,337	96,088	187,302
-	38,241	-	-	-	38,241
<u>2,457,823</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,457,823</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,984,304</u>
<u>2,457,823</u>	<u>38,241</u>	<u>57,420</u>	<u>157,723</u>	<u>118,606</u>	<u>5,906,142</u>
<u>\$ 2,667,920</u>	<u>\$ 38,241</u>	<u>\$ 57,420</u>	<u>\$ 157,723</u>	<u>\$ 118,606</u>	<u>\$ 6,127,248</u>

Charter Township of Grand Blanc

	Special Revenue Funds				Debt Service Fund
	Drug Forfeiture Fund	Law Enforcement Fund	Federal Equitable Sharing Fund	PEG Channel Grant Fund	Master Campus Project Fund
Revenue					
State-shared revenue and grants	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	74,369	2,783	76	-	-
Investment income	-	-	39	-	6,559
Other revenue	-	-	-	33,105	-
Total revenue	74,369	2,783	115	33,105	6,559
Expenditures					
Current:					
General government	-	-	-	33,105	-
Public safety	34,410	2,331	-	-	-
Recreation and culture	-	-	-	-	-
Special purpose government expense	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service	-	-	-	-	639,205
Total expenditures	34,410	2,331	-	33,105	639,205
Excess of Revenue Over (Under) Expenditures	39,959	452	115	-	(632,646)
Other Financing Sources					
Proceeds from sale of capital assets	-	-	-	-	-
Transfers in	-	-	-	-	770,800
Total other financing sources	-	-	-	-	770,800
Net Change in Fund Balances	39,959	452	115	-	138,154
Fund Balances - Beginning of year	31,126	9,591	7,694	3,088	2,846,150
Fund Balances - End of year	\$ 71,085	\$ 10,043	\$ 7,809	\$ 3,088	\$ 2,984,304

**Other Supplemental Information
Combining Statement of Revenue, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended December 31, 2013**

Capital Projects Fund		Permanent Funds			Total
Capital Projects Fund	Bicentennial Park Fund	Oakwood Cemetery Fund	Perry Cemetery Fund	Maple Cemetery Fund	Nonmajor Governmental Funds
\$ 16,508	\$ -	\$ -	\$ -	\$ -	\$ 16,508
-	-	-	-	-	77,228
-	-	8,385	15,142	3,307	33,432
18,700	36,693	-	400	2,000	90,898
<u>35,208</u>	<u>36,693</u>	<u>8,385</u>	<u>15,542</u>	<u>5,307</u>	<u>218,066</u>
-	-	-	366	9	33,480
-	-	-	-	-	36,741
-	33,529	-	-	-	33,529
5,025	-	-	-	-	5,025
646,000	20,000	-	-	-	666,000
-	-	-	-	-	639,205
<u>651,025</u>	<u>53,529</u>	<u>-</u>	<u>366</u>	<u>9</u>	<u>1,413,980</u>
(615,817)	(16,836)	8,385	15,176	5,298	(1,195,914)
19,219	-	-	-	-	19,219
700,000	-	-	-	-	1,470,800
<u>719,219</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,490,019</u>
103,402	(16,836)	8,385	15,176	5,298	294,105
<u>2,354,421</u>	<u>55,077</u>	<u>49,035</u>	<u>142,547</u>	<u>113,308</u>	<u>5,612,037</u>
<u>\$ 2,457,823</u>	<u>\$ 38,241</u>	<u>\$ 57,420</u>	<u>\$ 157,723</u>	<u>\$ 118,606</u>	<u>\$ 5,906,142</u>

Charter Township of Grand Blanc

Other Supplemental Information Nonmajor Governmental Fund - Drug Forfeiture Fund Budgetary Comparison Year Ended December 31, 2013

	Prior Year Actual	Amended Budget - Unaudited	Actual	Variance with Amended Budget
Revenue - Fines and forfeitures	\$ 23,890	\$ 70,000	\$ 74,369	\$ 4,369
Expenditures - Public safety	79,998	50,000	34,410	15,590
Net Change in Fund Balance	(56,108)	20,000	39,959	19,959
Fund Balance - Beginning of year	87,234	31,126	31,126	-
Fund Balance - End of year	<u>\$ 31,126</u>	<u>\$ 51,126</u>	<u>\$ 71,085</u>	<u>\$ 19,959</u>

Charter Township of Grand Blanc

Other Supplemental Information Nonmajor Governmental Fund - Law Enforcement Fund Budgetary Comparison Year Ended December 31, 2013

	Prior Year Actual	Amended Budget - Unaudited	Actual	Variance with Amended Budget
Revenue - Fines and forfeitures	\$ 4,124	\$ 2,750	\$ 2,783	\$ 33
Expenditures - Public safety	6,730	5,000	2,331	2,669
Net Change in Fund Balance	(2,606)	(2,250)	452	2,702
Fund Balance - Beginning of year	12,197	9,591	9,591	-
Fund Balance - End of year	<u>\$ 9,591</u>	<u>\$ 7,341</u>	<u>\$ 10,043</u>	<u>\$ 2,702</u>

Charter Township of Grand Blanc

Other Supplemental Information Nonmajor Governmental Fund - Federal Equitable Sharing Fund Budgetary Comparison Year Ended December 31, 2013

	Prior Year Actual	Amended Budget - Unaudited	Actual	Variance with Amended Budget
Revenue				
Fines and forfeitures	\$ 51	\$ -	\$ 76	\$ 76
Investment income	18	-	39	39
Total revenue	69	-	115	115
Fund Balance - Beginning of year	7,625	7,694	7,694	-
Fund Balance - End of year	<u>\$ 7,694</u>	<u>\$ 7,694</u>	<u>\$ 7,809</u>	<u>\$ 115</u>

Charter Township of Grand Blanc

Other Supplemental Information Nonmajor Governmental Fund - PEG Channel Grant Fund Budgetary Comparison Year Ended December 31, 2013

	Prior Year Actual	Amended Budget - Unaudited	Actual	Variance with Amended Budget
Revenue - PEG contributions	\$ 34,626	\$ 30,000	\$ 33,105	\$ 3,105
Expenditures - General government	34,626	30,000	33,105	(3,105)
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning of year	3,088	3,088	3,088	-
Fund Balance - End of year	<u>\$ 3,088</u>	<u>\$ 3,088</u>	<u>\$ 3,088</u>	<u>\$ -</u>

Charter Township of Grand Blanc

Other Supplemental Information Nonmajor Governmental Fund - Master Campus Project Fund Budgetary Comparison Year Ended December 31, 2013

	Prior Year Actual	Amended Budget - Unaudited	Actual	Variance with Amended Budget
Revenue - Investment income	\$ 9,526	\$ 10,000	\$ 6,559	\$ (3,441)
Expenditures - Debt service				
Principal	200,000	250,000	200,000	50,000
Interest on long-term debt	446,441	389,100	439,205	(50,105)
Total expenditures	646,441	639,100	639,205	(105)
Excess of Expenditures Over Revenue	(636,915)	(629,100)	(632,646)	(3,546)
Other Financing Sources - Transfers in	797,273	752,500	770,800	18,300
Net Change in Fund Balance	160,358	123,400	138,154	14,754
Fund Balance - Beginning of year	2,685,792	2,846,150	2,846,150	-
Fund Balance - End of year	<u>\$ 2,846,150</u>	<u>\$ 2,969,550</u>	<u>\$ 2,984,304</u>	<u>\$ 14,754</u>

Charter Township of Grand Blanc

Other Supplemental Information Nonmajor Governmental Fund - Capital Projects Fund Budgetary Comparison Year Ended December 31, 2013

	Prior Year Actual	Amended Budget - Unaudited	Actual	Variance with Amended Budget
Revenue				
Federal grants	\$ 156,630	\$ -	\$ -	\$ -
State grants	24,093	20,000	16,508	(3,492)
Other revenue	-	10,000	18,700	8,700
Total revenue	180,723	30,000	35,208	5,208
Expenditures - Capital outlay	402,917	600,000	651,025	(51,025)
Excess of Expenditures Over Revenue	(222,194)	(570,000)	(615,817)	(45,817)
Proceeds from Sale of Capital Assets	3,908	10,000	19,219	9,219
Other Financing Sources - Transfers in	400,000	-	700,000	700,000
Net Change in Fund Balance	181,714	(560,000)	103,402	663,402
Fund Balance - Beginning of year	2,172,707	2,354,421	2,354,421	-
Fund Balance - End of year	<u>\$ 2,354,421</u>	<u>\$ 1,794,421</u>	<u>\$ 2,457,823</u>	<u>\$ 663,402</u>

Charter Township of Grand Blanc

Other Supplemental Information Nonmajor Governmental Fund - Bicentennial Park Fund Budgetary Comparison Year Ended December 31, 2013

	Prior Year Actual	Amended Budget - Unaudited	Actual	Variance with Amended Budget
Revenue				
Rental income	\$ 23,587	\$ 24,000	\$ 24,000	\$ -
Donations	34,555	16,000	12,693	(3,307)
Total revenue	58,142	40,000	36,693	(3,307)
Expenditures - Capital outlay	14,518	59,000	53,529	5,471
Net Change in Fund Balance	43,624	(19,000)	(16,836)	2,164
Fund Balance - Beginning of year	11,453	55,077	55,077	-
Fund Balance - End of year	<u>\$ 55,077</u>	<u>\$ 36,077</u>	<u>\$ 38,241</u>	<u>\$ 2,164</u>

Fiduciary Funds

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

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

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

Agency Funds - Agency funds account for assets held by the Charter Township as an agent for individuals, organizations, other governments, or other funds. Such funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations.

Charter Township of Grand Blanc

Other Supplemental Information Statement of Assets and Liabilities Pension and Other Employee Benefits Trust Funds December 31, 2013

	<u>Pension Trust</u>	<u>Employee Benefits Trust</u>	<u>Total Trust Funds</u>
Assets			
Cash and cash equivalents	\$ 76,212	\$ 3,809,757	\$ 3,885,969
Investments:			
Mutual funds	5,184,193	-	5,184,193
Bonds	197,780	-	197,780
Receivables - Accrued interest receivable	-	5,703	5,703
Due from primary government	45,056	416,388	461,444
	<u>5,503,241</u>	<u>4,231,848</u>	<u>9,735,089</u>
Total assets			
	<u>5,503,241</u>	<u>4,231,848</u>	<u>9,735,089</u>
Net Position Held in Trust for Pension and Other Employee Benefits	<u>\$ 5,503,241</u>	<u>\$ 4,231,848</u>	<u>\$ 9,735,089</u>

Charter Township of Grand Blanc

Other Supplemental Information Combining Statement of Changes in Fiduciary Net Position Pension and Other Employee Benefits Trust Funds Year Ended December 31, 2013

	Pension Trust	Employee Benefits Trust	Total
Additions			
Investment income:			
Interest and dividends	\$ 141,294	\$ 14,212	\$ 155,506
Net increase in fair value of investments	924,948	-	924,948
Net investment income	1,066,242	14,212	1,080,454
Contributions	236,348	919,620	1,155,968
Total additions	1,302,590	933,832	2,236,422
Deductions			
Benefit payments	1,139,479	503,367	1,642,846
Administrative expenses	4,003	-	4,003
Total deductions	1,143,482	503,367	1,646,849
Net Increase in Net Position Held in Trust	159,108	430,465	589,573
Net Position Held in Trust for Pension and Other Employee Benefits - Beginning of year	5,344,133	3,801,383	9,145,516
Net Position Held in Trust for Pension and Other Employee Benefits - End of year	\$ 5,503,241	\$ 4,231,848	\$ 9,735,089

Charter Township of Grand Blanc

Other Supplemental Information Statement of Changes in Assets and Liabilities Agency Funds Year Ended December 31, 2013

	Balance at January 1, 2013	Additions	Reductions	Balance at December 31, 2013
Assets - Cash and investments	<u>\$ 4,345,952</u>	<u>\$ 57,367,691</u>	<u>\$ (59,940,795)</u>	<u>\$ 1,772,848</u>
Liabilities - Undistributed tax collections and other	<u>\$ 4,345,952</u>	<u>\$ 57,367,691</u>	<u>\$ (59,940,795)</u>	<u>\$ 1,772,848</u>

Statistical Section

Charter Township of Grand Blanc

Description of Statistical Section

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

Contents

Financial Trends:

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

Revenue Capacity:

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

Debt Capacity:

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

Demographic Information:

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

Operating Information:

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

Sources

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

Charter Township of Grand Blanc

	Fiscal Year			
	2006	2007	2008	2009
Governmental Activities				
Net investment in capital assets	\$ 6,313,242	\$ 6,718,990	\$ 6,682,242	\$ 6,976,914
Restricted	790,887	798,720	683,180	635,810
Unrestricted	<u>5,877,983</u>	<u>5,938,999</u>	<u>4,724,292</u>	<u>3,039,134</u>
Total net position	12,982,112	13,456,709	12,089,714	10,651,858
Business-type Activities				
Net investment in capital assets	77,445,337	80,339,816	84,034,057	84,724,481
Unrestricted	<u>8,227,121</u>	<u>9,347,557</u>	<u>6,860,844</u>	<u>4,614,674</u>
Total net position	85,672,458	89,687,373	90,894,901	89,339,155
Primary Government in Total				
Net investment in capital assets	83,758,579	87,058,806	90,716,299	91,701,395
Restricted	790,887	798,720	683,180	635,810
Unrestricted	<u>14,105,104</u>	<u>15,286,556</u>	<u>11,585,136</u>	<u>7,653,808</u>
Total net position	<u>\$ 98,654,570</u>	<u>\$ 103,144,082</u>	<u>\$ 102,984,615</u>	<u>\$ 99,991,013</u>

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

**Financial Trend Information
Net Position by Component**

Fiscal Year			
2010	2011	2012	2013
\$ 8,837,920	\$ 8,810,747	\$ 8,566,682	\$ 8,680,561
521,165	610,139	592,117	679,079
<u>4,325,796</u>	<u>4,780,135</u>	<u>3,258,537</u>	<u>2,978,935</u>
13,684,881	14,201,021	12,417,336	12,338,575
84,274,476	82,739,063	81,289,213	80,358,963
<u>3,665,155</u>	<u>4,916,438</u>	<u>6,318,313</u>	<u>8,161,044</u>
87,939,631	87,655,501	87,607,526	88,520,007
93,112,396	91,549,810	89,855,895	89,039,524
521,165	610,139	592,117	679,079
<u>7,990,951</u>	<u>9,696,573</u>	<u>9,576,850</u>	<u>11,139,979</u>
<u>\$ 101,624,512</u>	<u>\$ 101,856,522</u>	<u>\$ 100,024,862</u>	<u>\$ 100,858,582</u>

Charter Township of Grand Blanc

	Fiscal Year Ended December 31			
	2006	2007	2008	2009
Expenses				
General government	\$ 3,151,040	\$ 2,715,114	\$ 3,328,975	\$ 3,924,053
Public safety	7,059,945	7,974,790	8,353,459	8,111,389
Public services	2,144,233	2,007,753	2,468,866	1,895,558
Community and economic development	259,316	432,944	402,485	430,874
Recreation and culture	120,673	345,344	406,377	293,441
Interest on long-term debt	198,156	484,127	491,165	467,876
Total governmental activities	12,933,363	13,960,072	15,451,327	15,123,191
Program Revenue				
Charges for services:				
General government	61,853	74,001	159,175	367,266
Public safety	953,146	1,199,517	592,056	414,235
Public services	1,055,304	1,134,598	1,161,807	1,333,850
Community and economic development	35,716	33,135	26,204	23,848
Recreation and culture	160,983	118,096	16,560	16,560
Total charges for services	2,267,002	2,559,347	1,955,802	2,155,759
Operating grants and contributions	295,191	358,543	436,751	239,948
Capital grants and contributions	40,554	-	16,762	315,004
Total program revenue	2,602,747	2,917,890	2,409,315	2,710,711
Net Expense	(10,330,616)	(11,042,182)	(13,042,012)	(12,412,480)
General Revenue				
Property taxes	7,528,398	8,120,917	8,505,344	8,422,105
State-shared revenue	2,568,081	2,288,035	2,220,797	1,915,708
Unrestricted investment earnings	651,273	1,016,079	509,379	166,926
Unrestricted fees and other	278,554	91,748	439,497	469,885
Total general revenue	11,026,306	11,516,779	11,675,017	10,974,624
Total Change in Net Position	695,690	474,597	(1,366,995)	(1,437,856)
Net Position - Beginning of year	12,286,422	12,982,112	13,456,709	12,089,714
Net Position - End of year	\$ 12,982,112	\$ 13,456,709	\$ 12,089,714	\$ 10,651,858

Note: In fiscal year 2010, the Charter Township adopted GASB No. 51 and began capitalizing intangible assets of the Charter Township, which required beginning net assets to be restated.

Financial Trend Information Changes in Governmental Net Position

Fiscal Year Ended December 31			
2010	2011	2012	2013
\$ 2,846,619	\$ 2,922,201	\$ 2,790,711	\$ 2,460,297
7,859,301	7,887,239	8,194,852	8,622,129
3,131,284	1,847,059	2,418,588	2,327,558
177,831	181,727	148,055	91,969
368,414	360,374	376,043	593,346
465,058	508,282	520,386	539,785
<u>14,848,507</u>	<u>13,706,882</u>	<u>14,448,635</u>	<u>14,635,084</u>
504,225	254,420	227,186	205,498
447,439	503,752	572,524	832,500
1,437,568	1,593,016	1,648,615	1,691,529
23,933	20,680	20,157	20,408
18,837	19,094	23,587	24,000
<u>2,432,002</u>	<u>2,390,962</u>	<u>2,492,069</u>	<u>2,773,935</u>
216,394	323,725	264,468	304,043
752,721	99,647	522,242	798,954
<u>3,401,117</u>	<u>2,814,334</u>	<u>3,278,779</u>	<u>3,876,932</u>
(11,447,390)	(10,892,548)	(11,169,856)	(10,758,152)
8,357,695	7,898,025	7,416,001	7,228,532
1,909,593	2,904,697	2,734,929	2,788,329
70,995	52,783	75,323	54,804
520,649	553,183	617,895	607,726
<u>10,858,932</u>	<u>11,408,688</u>	<u>10,844,148</u>	<u>10,679,391</u>
(588,458)	516,140	(325,708)	(78,761)
<u>14,273,339</u>	<u>13,684,881</u>	<u>12,743,044</u>	<u>12,417,336</u>
<u>\$ 13,684,881</u>	<u>\$ 14,201,021</u>	<u>\$ 12,417,336</u>	<u>\$ 12,338,575</u>

Charter Township of Grand Blanc

	Fiscal Year Ended December 31				
	2004	2005	2006	2007	2008
Expenses	\$ 8,272,460	\$ 8,361,734	\$ 8,890,267	\$ 10,319,834	\$ 12,904,958
Program Revenue					
Charges for services	6,877,348	7,796,578	7,763,717	9,143,873	9,117,513
Operating grants and contributions	-	-	-	456,052	332,809
Capital grants and contributions	4,388,959	8,326,023	3,839,900	4,271,568	4,335,264
Total program revenue	11,266,307	16,122,601	11,603,617	13,871,493	13,785,586
Net Revenue (Expense)	2,993,847	7,760,867	2,713,350	3,551,659	880,628
General Revenue					
Property taxes	180,794	-	-	-	-
Unrestricted investment earnings	105,735	185,175	494,134	463,256	326,900
Proceeds from sale of capital assets	-	-	-	-	-
Transfers	-	(114,653)	-	-	-
Total general revenue	286,529	70,522	494,134	463,256	326,900
Change in Net Position	\$ 3,280,376	\$ 7,831,389	\$ 3,207,484	\$ 4,014,915	\$ 1,207,528

Financial Trend Information Changes in Business-type Net Position

Fiscal Year Ended December 31				
2009	2010	2011	2012	2013
\$ 12,656,255	\$ 12,922,245	\$ 12,616,223	\$ 13,107,584	\$ 12,676,397
10,355,416	10,734,832	11,664,319	12,547,628	12,894,664
-	-	-	-	-
<u>650,320</u>	<u>736,812</u>	<u>602,900</u>	<u>468,569</u>	<u>653,953</u>
<u>11,005,736</u>	<u>11,471,644</u>	<u>12,267,219</u>	<u>13,016,197</u>	<u>13,548,617</u>
(1,650,519)	(1,450,601)	(349,004)	(91,387)	872,220
-	-	-	-	-
89,576	48,473	36,627	43,412	40,261
5,197	2,604	28,247	-	-
-	-	-	-	-
<u>94,773</u>	<u>51,077</u>	<u>64,874</u>	<u>43,412</u>	<u>40,261</u>
<u>\$ (1,555,746)</u>	<u>\$ (1,399,524)</u>	<u>\$ (284,130)</u>	<u>\$ (47,975)</u>	<u>\$ 912,481</u>

Charter Township of Grand Blanc

	December 31			
	2004	2005	2006	2007
Fund Balances				
General Fund - Unreserved/Unassigned**	\$ 1,045,513	\$ 1,454,875	\$ 1,499,961	\$ 1,608,985
All other governmental funds:				
Nonspendable**:				
Prepays	-	-	-	-
Nonexpendable cemetery endowment	-	-	-	-
Reserved/Restricted**:				
Mosquito spraying	-	-	3,898	6,047
Solid waste	-	-	-	-
Public safety	16,373	17,492	14,180	10,335
Drug forfeiture	1,138	5,907	14,091	23,185
Cable TV activities - PEG Fund	22,380	3,088	3,088	3,088
Cemetery	-	-	-	-
Committed** -				
Bicentennial Park improvements	-	-	-	-
Assigned**:				
Compensated absences	-	-	-	-
Other postemployment benefits	-	-	-	-
Capital projects	-	-	-	-
Debt service	-	-	-	-
Unreserved, reported in:				
Special Revenue Funds - Solid waste	279,813	466,345	467,283	498,710
Special Revenue Funds - Bicentennial Park	16,747	10,224	9,016	6,964
Capital Projects Funds	2,731,023	2,274,604	1,681,959	1,888,167
Master Campus Project	461,153	834,022	1,634,021	1,539,340
Civic Campus Fund	-	-	9,015,517	257,545
Debt Service Funds - Water and sewer	-	-	-	-
Permanent funds - Cemetery:				
Unexpendable	105,627	122,191	155,716	127,580
Expendable	52,286	130,058	132,631	135,822
Total all other governmental funds	\$ 4,732,053	\$ 5,318,806	\$ 14,631,361	\$ 6,105,768

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

Financial Trend Information Fund Balances - Governmental Funds

December 31						
2008	2009	2010	2011	2012	2013	
\$ 1,682,294	\$ 1,697,320	\$ 1,823,679	\$ 1,698,382	\$ 1,729,046	\$ 1,446,744	
-	-	-	-	-	117,390	
-	-	-	105,286	139,701	139,161	
6,275	1,986	2,025	6,113	11,793	13,129	
-	-	-	225,570	223,935	240,176	
396	2,353	3,831	107,056	48,411	88,937	
13,483	23,789	37,093	-	-	-	
8,232	3,088	3,088	3,088	3,088	3,088	
-	-	-	163,026	165,189	194,588	
-	-	-	11,453	55,077	38,241	
-	-	-	-	-	200,000	
-	-	-	-	-	100,000	
-	-	-	2,172,707	2,354,421	2,457,823	
-	-	-	2,685,792	2,846,150	2,984,304	
448,191	361,185	215,645	N/A	N/A	N/A	
1,179	7,240	12,310	N/A	N/A	N/A	
1,377,491	920,612	1,327,886	N/A	N/A	N/A	
2,038,697	2,147,383	2,463,357	N/A	N/A	N/A	
-	-	-	N/A	N/A	N/A	
-	-	-	N/A	N/A	N/A	
64,335	95,186	106,375	N/A	N/A	N/A	
142,268	148,223	153,101	N/A	N/A	N/A	
\$ 5,782,841	\$ 5,408,365	\$ 6,148,390	\$ 7,178,473	\$ 7,576,811	\$ 8,023,581	

Charter Township of Grand Blanc

	Year Ended December 31			
	2004	2005	2006	2007
Revenue				
Property taxes	\$ 6,359,871	\$ 6,947,143	\$ 7,525,780	\$ 8,120,917
Licenses and permits	1,241,715	1,440,310	1,183,970	1,187,765
Federal grants	24,065	-	60,235	100,193
State-shared revenue and grants	2,420,418	2,406,442	2,627,621	2,371,390
Charges for services	1,227,837	1,275,480	1,050,136	1,129,260
Fines and forfeitures	132,635	147,882	118,065	114,199
Investment income	120,879	328,203	654,244	1,020,103
Other	291,700	426,534	374,482	302,862
Total revenue	11,819,120	12,971,994	13,594,533	14,346,689
Expenditures				
General government	2,738,634	2,773,106	2,863,050	2,855,104
Public safety	5,939,996	6,746,784	7,175,167	7,293,654
Public services	2,198,652	1,950,818	2,347,500	2,453,722
Recreation and culture	-	-	-	-
Capital outlay	146,495	1,024,108	2,588,288	9,806,994
Debt service - Principal	467,812	-	-	229,369
Debt service - Interest	-	-	-	555,062
Other	29,140	-	-	-
Total expenditures	11,520,729	12,494,816	14,974,005	23,193,905
Excess of Revenue Over (Under) Expenditures	298,391	477,178	(1,379,472)	(8,847,216)
Other Financing Sources (Uses)				
Debt issuance	-	-	10,800,000	321,623
Debt premium or discount	-	-	(107,973)	-
Proceeds from sale of capital assets	-	-	-	-
Transfers in	715,854	993,305	946,990	1,257,353
Transfers out	(715,854)	(883,730)	(946,990)	(1,257,353)
Total other financing sources	-	109,575	10,692,027	321,623
Net Change in Fund Balances	298,391	586,753	9,312,555	(8,525,593)
Fund Balances - Beginning of year	4,433,662	4,732,053	5,318,806	14,631,361
Fund Balances - End of year	\$ 4,732,053	\$ 5,318,806	\$ 14,631,361	\$ 6,105,768
Debt service as a percentage of noncapital expenditures	4%	0%	0%	6%

Financial Trend Information Changes in Fund Balances - Governmental Funds

Year Ended December 31						
2008	2009	2010	2011	2012	2013	
\$ 8,505,344	\$ 8,389,929	\$ 8,349,970	\$ 7,882,680	\$ 7,495,152	\$ 7,265,408	
882,219	795,497	360,728	423,622	473,652	748,623	
99,752	256,948	207,793	166,072	273,021	109,663	
2,329,109	2,022,440	2,096,949	3,034,888	2,855,715	2,907,675	
1,156,629	1,152,097	1,177,676	1,320,866	1,352,743	1,395,277	
121,168	117,166	139,836	176,078	140,212	178,828	
498,929	166,926	62,027	52,783	75,323	54,804	
480,247	667,705	1,454,838	1,455,829	1,524,254	1,711,993	
<u>14,073,397</u>	<u>13,568,708</u>	<u>13,849,817</u>	<u>14,512,818</u>	<u>14,190,072</u>	<u>14,372,271</u>	
2,996,256	2,635,967	2,682,007	2,547,644	2,617,706	2,435,650	
7,428,887	7,239,909	6,586,845	7,115,490	7,583,892	7,559,961	
2,888,891	3,173,710	2,793,129	2,028,173	2,406,016	2,795,736	
-	-	246,554	233,016	241,838	251,726	
1,201,044	1,210,936	425,466	613,860	320,237	671,025	
235,418	349,325	472,432	484,119	515,943	484,284	
477,756	468,950	468,143	474,367	463,471	491,552	
-	-	-	-	-	-	
<u>15,228,252</u>	<u>15,078,797</u>	<u>13,674,576</u>	<u>13,496,669</u>	<u>14,149,103</u>	<u>14,689,934</u>	
(978,146)	(1,260,764)	175,241	1,016,149	40,969	(317,663)	
655,219	884,000	535,000	-	350,000	742,000	
1,485,246	-	-	-	-	-	
-	2,288	29,784	13,934	7,369	22,433	
(194,500)	1,216,000	1,538,477	2,240,890	1,197,273	1,470,800	
<u>(1,290,746)</u>	<u>(1,216,000)</u>	<u>(1,538,477)</u>	<u>(2,240,890)</u>	<u>(1,197,273)</u>	<u>(1,470,800)</u>	
<u>655,219</u>	<u>886,288</u>	<u>564,784</u>	<u>13,934</u>	<u>357,369</u>	<u>764,433</u>	
(322,927)	(374,476)	740,025	1,030,083	398,338	446,770	
<u>6,105,768</u>	<u>5,782,841</u>	<u>5,408,365</u>	<u>6,148,390</u>	<u>7,178,473</u>	<u>7,576,811</u>	
<u>\$ 5,782,841</u>	<u>\$ 5,408,365</u>	<u>\$ 6,148,390</u>	<u>\$ 7,178,473</u>	<u>\$ 7,576,811</u>	<u>\$ 8,023,581</u>	
5%	6%	7%	7%	7%	7%	

Charter Township of Grand Blanc

Taxable Value by Property Type

Real Property

Tax Year	Residential	Commercial	Industrial	Agricultural and Other	IFT Real	Personal Property
2004	\$ 836,757,967	\$ 186,527,937	\$ 62,563,902	\$ -	\$ 23,823,900	\$ 104,453,963
2005	909,882,944	198,881,657	63,088,569	-	23,919,585	108,761,952
2006	993,823,502	222,001,854	66,846,585	-	21,396,298	91,676,305
2007	1,049,143,441	263,087,297	68,692,698	-	5,077,900	90,988,800
2008	1,028,196,955	272,794,647	68,639,609	-	2,478,500	79,903,100
2009	959,112,832	277,779,895	66,891,980	-	1,077,700	94,827,200
2010	821,960,016	269,598,619	61,821,236	-	1,605,500	82,967,400
2011	773,463,997	230,138,564	52,604,012	-	1,587,700	78,488,900
2012	760,498,487	216,143,944	44,702,823	-	1,291,300	79,797,600
2013	762,354,145	218,595,083	43,302,567	-	80,000	80,337,400

Millage Rates - Direct City Taxes

Overlapping Taxes

Tax Year	General					Total Direct Taxes	Overlapping Taxes	
	Operating	Debt	Mosquito	Police	Fire		County	Community College
2004	4.3806	-	0.1500	0.9148	-	5.4454	8.5154	2.6807
2005	4.3806	-	0.1297	0.9128	-	5.4231	8.5091	2.6807
2006	4.3806	-	0.1296	0.9128	-	5.4230	10.2092	2.6796
2007	4.3806	-	0.1185	0.9128	-	5.4119	10.2092	2.6796
2008	4.3806	-	0.1184	0.9128	-	5.4118	10.2092	2.6796
2009	4.5650	-	0.1267	0.9128	-	5.6045	10.2094	2.6796
2010	4.5650	-	0.1482	0.9128	0.5000	6.1260	10.2094	2.6796
2011	4.5650	-	0.1596	0.9128	0.5000	6.1374	10.4594	2.8596
2012	4.5650	-	0.1650	0.9128	0.5000	6.1428	10.5594	2.8596
2013	4.5650	-	0.1725	0.9128	0.5000	6.1503	10.5594	2.8596

Revenue Capacity Information Assessed Value and Actual Value of Taxable Property

Taxable Value by Property Type

IFT Pers.	Total Ad-Val	Total Abated	Total Value	GBT Tax Rate (Mills)	Estimated Actual Value	Taxable Value as a Percent of Actual
\$ 10,137,300	\$ 1,190,303,769	\$ 33,947,420	\$ 1,224,270,807	5.4454	\$ 2,684,475,400	45.61%
10,082,600	1,280,615,122	34,002,185	1,314,617,307	5.4231	2,879,649,400	45.65%
4,245,700	1,374,348,246	25,641,998	1,399,990,244	5.4230	3,065,639,800	45.67%
3,101,600	1,471,912,236	8,179,500	1,480,091,736	-	3,111,956,800	47.56%
3,663,100	1,449,534,311	6,141,600	1,455,675,911	5.4118	3,100,029,800	46.96%
2,839,800	1,398,611,907	3,917,500	1,402,529,407	5.6045	2,910,734,600	48.18%
2,353,100	1,236,347,271	3,958,600	1,240,305,871	6.1260	2,527,561,000	49.07%
4,320,500	1,134,695,473	5,908,200	1,140,603,673	6.1374	2,277,923,464	50.07%
9,415,700	1,101,142,854	10,707,000	1,111,849,854	6.1428	2,250,552,100	49.40%
12,174,700	1,104,589,195	12,254,700	1,116,843,895	6.1503	2,273,000,695	49.14%

Direct and Overlapping Property Tax Rates

Overlapping Taxes			Total Tax Rate	
Intermediate School District	School - Homestead	School - Non-homestead	Homestead	Non-homestead
3.5361	11.4768	29.1112	31.6544	49.2888
3.5361	11.5015	28.8290	31.6505	48.9780
3.5341	11.4700	29.4700	33.3159	51.3159
3.5341	11.3600	29.3600	33.1948	51.1948
3.5341	11.3600	29.3600	33.1947	51.1947
3.5341	11.3600	29.3600	33.3876	51.3876
3.5341	11.8000	29.8000	34.3491	52.3491
3.5341	12.2350	30.2350	35.2255	53.2255
3.5341	12.5200	30.5200	35.6159	53.6159
3.5341	12.1000	30.5200	35.2034	53.2034

Charter Township of Grand Blanc

Revenue Capacity Information Principal Property Taxpayers

Principal Taxpayers	Type of Business	2013	Percent of	2004	Percent of	2004
		Taxable Value	Total	Taxable Value	Total	Rank
1 Consumers Energy	Utilities	\$ 18,991,088	1.70%	\$ 22,863,687	1.87%	3
2 General Motors	Auto Manufacturing	17,290,088	1.55%	60,268,632	4.92%	1
3 Ring Screw Works	Manufacturing	11,525,600	1.03%	13,033,926	1.06%	4
4 Auker (Eldon Auker Trust)	Real Estate	9,504,231	0.85%	10,859,098	0.89%	5
5 Edward Rose Assoc	Thornridge Apartments	9,049,300	0.81%	10,231,800	0.84%	6
6 MAGNA Electronics	Manufacturing	8,453,100	0.76%	N/A	N/A	N/A
7 Edward Rose Development	Heatherwood Apartments	8,201,586	0.74%	5,881,300	0.48%	10
8 Knollwood	Apartments	8,003,000	0.72%	9,533,000	0.78%	8
9 Walmart	Retail Sales	7,924,100	0.71%	N/A	N/A	N/A
10 MAGNA E-Car Systems	Manufacturing	6,865,300	0.62%	N/A	N/A	N/A

Source: Township Assessing Department Records

Property Tax Levies and Collections

Fiscal Year Ended December 31	Total Levy (1)	Current Collections	Percent of	Delinquent Collections	Total Tax Collections	Percent of
			Levy Collected			Total Collections to Tax Levy
2004	\$ 6,014,126	\$ 5,798,942	96.42%	\$ 190,231	\$ 5,989,173	99.59%
2005	6,574,010	6,379,021	97.03%	111,672	6,490,693	98.73%
2006	7,004,728	6,889,856	98.36%	23,428	6,913,284	98.69%
2007	7,525,351	7,485,664	99.47%	37,267	7,522,931	99.97%
2008	7,955,313	7,924,883	99.62%	12,188	7,937,071	99.77%
2009	7,851,685	7,831,893	99.75%	16,077	7,847,970	99.95%
2010	7,838,228	7,746,496	98.83%	5,137	7,751,633	98.90%
2011	7,839,799	7,759,833	98.98%	30,077	7,789,910	99.36%
2012	7,545,270	7,444,920	98.67%	7,070	7,451,990	98.76%
2013	7,280,705	6,895,937	94.72%	18,408	6,914,345	94.97%

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

Charter Township of Grand Blanc

	2004	2005	2006	2007
Governmental Activities				
General obligation bonds	\$ -	\$ -	\$ 10,800,000	\$ 10,800,000
Installment purchase agreements	120,000	105,000	90,000	75,000
Special assessment bonds	405,182	284,000	185,811	376,530
Total governmental activities	525,182	389,000	11,075,811	11,251,530
Business-type Activities				
SWQIF bonds	-	-	-	-
Installment purchase agreements	-	-	-	-
Total debt of the government	\$ 525,182	\$ 389,000	\$ 11,075,811	\$ 11,251,530
Median Household Income per Census	\$ 59,858	\$ 59,858	\$ 59,858	\$ 59,858
Total Population (Per Federal Census 10 Year)	25,392	25,392	25,392	29,827
Total Debt per Capita	\$ 21	\$ 15	\$ 436	\$ 377

Debt Capacity Information Ratios of Outstanding Debt

2008	2009	2010	2011	2012	2013
\$ 10,700,000	\$ 10,600,000	\$ 10,400,000	\$ 10,200,000	\$ 10,000,000	\$ 9,800,000
60,000	40,000	20,000	-	-	-
896,331	1,572,312	1,895,430	1,656,146	1,744,861	2,202,577
11,656,331	12,212,312	12,315,430	11,856,146	11,744,861	12,002,577
-	-	-	141,682	201,379	246,288
-	-	-	-	-	-
\$ 11,656,331	\$ 12,212,312	\$ 12,315,430	\$ 11,997,828	\$ 11,946,240	\$ 12,248,865
\$ 59,858	\$ 59,858	\$ 59,858	\$ 60,542	\$ 60,542	\$ 60,542
29,827	29,827	37,508	37,508	37,508	37,508
\$ 391	\$ 409	\$ 328	\$ 320	\$ 320	\$ 320

Charter Township of Grand Blanc

Debt Capacity Information Ratios of General Bonded Debt Outstanding

Fiscal Year	General Obligation Bonds	Less Pledged Debt Service Funds	Net General Bonded Debt	Total Taxable Value Ad Valorem and IFT	Debt as a Percentage of Taxable Value	Estimated Population	General Obligation Debt per Capita
2004	\$ -	\$ -	\$ -	\$ 1,224,270,807	- %	29,827	\$ -
2005	-	-	-	1,314,617,307	- %	35,075	-
2006	10,800,000	-	10,800,000	1,399,990,244	0.77%	35,075	308
2007	10,800,000	-	10,800,000	1,480,091,736	0.73%	35,075	308
2008	10,700,000	-	10,700,000	1,455,675,911	0.74%	35,075	305
2009	10,600,000	-	10,600,000	1,402,529,407	0.76%	35,075	302
2010	10,400,000	-	10,400,000	1,240,305,871	0.84%	37,508	277
2011	10,200,000	-	10,200,000	1,139,051,263	0.90%	37,508	272
2012	10,000,000	-	10,000,000	1,111,849,854	0.90%	37,508	267
2013	9,800,000	-	9,800,000	1,115,428,242	0.88%	37,508	261

Direct and Overlapping Governmental Activities Debt

Jurisdiction	Debt Outstanding	Percent Applicable to Charter Township	Amount Applicable to Charter Township
Direct debt - Charter Township of Grand Blanc	\$ 12,002,577	100.00	\$ 12,002,577
Overlapping debt:			
Genesee County	74,545,784	12.58	9,377,860
Grand Blanc School District	74,365,000	73.89	54,948,299
Goodrich School District	44,485,000	12.92	5,747,462
Lake Fenton School District	22,020,000	2.01	442,602
Mott Community College	46,050,000	11.98	5,516,790
Bishop Airport Authority	10,430,000	12.58	1,312,094
Subtotal - Overlapping debt	<u>271,895,784</u>		<u>77,345,107</u>
Total	<u>\$ 283,898,361</u>		<u>\$ 89,347,684</u>

Source: Local unit audit reports debt amounts. Percent applicable to the Charter Township from assessing department taxable value as a percentage of each taxable unit.

Charter Township of Grand Blanc

	2004	2005	2006	2007
Debt Limit (Fiscal Year Ended) (1)				
State equalized valuation (previous year)	\$ 1,376,198,900	\$ 1,473,832,800	\$ 1,558,529,700	\$ 1,628,440,700
Debt limit (10 percent of state equalized valuation)	137,619,890	147,383,280	155,852,970	162,844,070
Debt Applicable to Debt Limit				
Total debt	525,182	389,000	11,075,811	11,251,530
Less deductions allowed by law:				
Special assessment bonds	(405,182)	(284,000)	(185,811)	(376,530)
General obligation limited tax bonds	-	-	(10,800,000)	(10,800,000)
	<u>120,000</u>	<u>105,000</u>	<u>90,000</u>	<u>75,000</u>
Total amount of debt applicable to debt limit				
	<u>120,000</u>	<u>105,000</u>	<u>90,000</u>	<u>75,000</u>
Legal Debt Margin	<u>\$ 137,619,890</u>	<u>\$ 147,383,280</u>	<u>\$ 155,852,970</u>	<u>\$ 162,844,070</u>
Net Debt Subject to Limit as Percentage of Debt Limit	0.09%	0.07%	0.06%	0.05%

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

Debt Capacity Information Legal Debt Margins

2008	2009	2010	2011	2012	2013
\$ 1,557,658,800	\$ 1,453,248,100	\$ 1,263,780,500	\$ 1,166,161,500	\$ 1,135,442,000	\$ 1,154,558,600
155,765,880	145,324,810	126,378,050	116,616,150	113,544,200	115,455,860
11,656,331	12,212,312	12,315,430	11,856,146	11,744,861	12,002,577
(896,331)	(1,572,311)	(1,895,430)	(1,656,146)	(1,744,861)	(2,202,577)
<u>(10,700,000)</u>	<u>(10,600,000)</u>	<u>(10,400,000)</u>	<u>(10,200,000)</u>	<u>(10,000,000)</u>	<u>(9,800,000)</u>
60,000	40,001	20,000	-	-	-
<u>\$ 155,765,880</u>	<u>\$ 145,324,810</u>	<u>\$ 126,378,050</u>	<u>\$ 116,616,150</u>	<u>\$ 113,544,200</u>	<u>\$ 115,455,860</u>
0.04%	0.03%	0.02%	0.00%	0.00%	0.00%

Charter Township of Grand Blanc

Demographic and Economic Statistics Demographic and Economic Information

Fiscal Year	Population	Personal income (in thousands)	Per Capita	
			Personal Income	Unemployment Rate
2004	29,827	(A)	(A)	(A)
2005	35,075	(A)	(A)	(A)
2006	35,075	(A)	(A)	(A)
2007	35,075	(A)	(A)	(A)
2008	35,075	(A)	(A)	(A)
2009	35,075	(A)	(A)	8.8%
2010	37,508	(A)	\$ 35,624	8.6%
2011	37,508	(A)	\$ 28,730	7.0%
2012	37,508	(A)	\$ 28,730	6.7%
2013	37,508	(A)	\$ 28,730	6.7%

(A) Not available

Principal Employers

Taxpayer	2013	Percentage	2004	Percentage	1997 Rank
	Employees	of Total	Employees	of Total	
1 Genesys Regional Medical Center	3,700	30.83%	(A)	(A)	(A)
2 General Motors Customer Care & After Sales	1,912	15.93%	(A)	(A)	(A)
3 MAGNA (three facilities)	1,144	9.53%	(A)	(A)	(A)
4 Grand Blanc Community Schools	903	7.53%	(A)	(A)	(A)
5 Ring Screw / Acumet Industries	427	3.56%	(A)	(A)	(A)
6 Serra Automotive Group	380	3.17%	(A)	(A)	(A)
7 Walmart	294	2.45%	(A)	(A)	(A)
8 Genesys Athletic Club	195	1.63%	(A)	(A)	(A)
9 TMI Custom Air Systems, Inc	170	1.42%	(A)	(A)	(A)
10 Sam's Club	150	1.25%	(A)	(A)	(A)

(A) Not available

Charter Township of Grand Blanc

Operating Information Full-time Equivalent Government Employees

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Government										
Supervisor	2	2	2	2	2	2	1	1	1	1
Treasurer	2	2	2	2	2	2	2	2	2	2
Clerk	2	2	2	2	2	2	2	2	2	2
Finance	5	5	5	4	5	4	5	5	5	4
General office	4	4	4	4	3	3	2	2	3	3
Assessing	5	5	5	5	5	5	4	4	4	4
GIS-IT	-	-	-	-	-	-	3	3	3	3
Public Safety										
Police	52	52	53	53	51	49	44	46	44	42
Fire and EMS	2	2	2	2	2	2	2	5	5	5
Part-time volunteer	52	45	48	40	45	45	45	45	40	41
Public Services										
DPW	17	20	20	20	20	19	18	18	16	15
Building	5	5	6	5	3	3	2	2	2	2
Planning/Zoning	3	3	4	4	4	3	2	2	1	1
Parks and recreation	6	6	6	6	6	6	6	6	6	7

Information obtained from the director of the department

Charter Township of Grand Blanc

Function/Program	2004	2005	2006	2007
Police:				
Physical arrests	2,445	2,527	2,410	2,273
Traffic violations	5,548	5,577	3,324	4,445
Traffic stops	-	-	-	8,599
Calls for service	(A)	(A)	16184	17,208
Fire:				
Emergency responses	482	438	484	499
Fires extinguished	113	79	102	94
Inspections	-	-	-	-
Public works - Refuse collected (tons)	(A)	14830	(A)	(A)
Parks and recreation - Recreation programs	653	662	670	702
Library:				
Circulation (books borrowed)	1,418,106	1,951,419	2,358,562	2,434,035
Collection volume	700,242	705,797	678,740	665,165
Water:				
New connections	(A)	(A)	147	159
Water main breaks	(A)	(A)	7	9
Miles of water mains	177	179	182	188
Number of water meters	5,960	6,480	6,821	7,063
Number of water units	-	14,859	15,253	15,579
Total consumption	126,300,495	130,772,000	121,680,400	144,908,373
Average consumption per meter	21,191	20,181	17,839	20,517
Sewer:				
Miles of sanitary sewer mains	221	227	228	237
Number of sewer customers	19,233	20,473	20,473	11,155

(A) Information not available

Information obtained from the director of the department

Operating Information Operating Indicators

2008	2009	2010	2011	2012	2013
2,436	2,472	2,502	2,825	2,193	2,054
5,111	4,929	3,594	3,968	3,099	2,505
9,337	8,771	8,171	9,631	8,763	7,303
17,798	16,990	17,340	21,788	21,093	20,669
472	438	422	469	706	857
70	54	113	98	128	54
-	-	453	490	118	236
(A)	(A)	(A)	(A)	(A)	(A)
701	704	702	706	737	741
2,580,077	2,734,882	3,008,370	3,309,207	3,640,128	4,004,141
645,235	632,330	695,563	765,119	841,631	637,196
65	26	23	25	45	83
1	3	5	-	7	5
193	193	193	193	193	193
7,136	7,164	7,193	7,219	7,267	7,351
15,715	15,757	15,771	15,700	15,884	15,746
122,486,600	121,835,108	113,610,700	126,184,500	123,554,920	106,497,100
17,165	17,007	15,795	15,771	17,002	14,487
245	245	241	241	241	241
11,216	11,241	11,257	11,273	11,305	11,377

Charter Township of Grand Blanc

Operating Information Capital Asset Statistics

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Police:										
Stations										
Patrol units	(A)	(A)	(A)	(A)	17	17	17	17	16	17
Fire:										
Stations	3	3	3	3	3	3	3	3	3	3
Trucks	7	7	7	7	9	9	10	7	7	7
Public works:										
Streets (miles)	(A)	(A)	(A)	(A)	(A)	(A)	(A)	(A)	(A)	(A)
Street lights	(A)	(A)	(A)	(A)	(A)	(A)	(A)	(A)	(A)	(A)
Traffic signals	(A)	(A)	(A)	(A)	(A)	(A)	(A)	(A)	(A)	(A)
Refuse collection trucks	(A)	(A)	(A)	(A)	(A)	(A)	(A)	(A)	(A)	(A)
Parks and recreation:										
Acreage	222	222	222	222	222	222	222	222	222	222
Playgrounds										
Soccer fields	-	-	-	-	-	-		4	4	4
Baseball/Softball diamonds	10	10	10	10	10	10	10	10	10	10
Pools/Splash pad	-	-								
Sand volleyball court	-	-	-	-	-	-	-	5	5	5
Libraries - Branches										
Water:										
Mains (miles)	177.0	179.0	182.0	188.0	193.0	193.0	193.0	193.0	193.0	193.0
Fire hydrants	(A)	(A)	(A)	2,160	2,200	2,200	2,216	2,216	2,216	2,216
Storage capacity	(A)	(A)	(A)	(A)	(A)	(A)	(A)	(A)	(A)	(A)
Sewer:										
Miles of sanitary sewers	221.0	227.0	228.0	237.0	245.0	245.0	241.0	241.0	241.0	241.0
Miles of storm sewers	(A)	(A)	(A)	(A)	(A)	(A)	(A)	(A)	(A)	(A)
Treatment capacity	(A)	(A)	(A)	(A)	(A)	(A)	(A)	(A)	(A)	(A)

(A) Information not available

Information obtained from the director of the department