

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

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**Comprehensive Annual Financial Report  
Fiscal Year Ended December 31, 2002**

Prepared by the Controller's Office

# Charter Township of Grand Blanc

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# Charter Township of Grand Blanc

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### Additional Information (Continued)

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June 2003

To the Citizens of the Charter  
Township of Grand Blanc:

The comprehensive annual financial report of the Charter Township of Grand Blanc (the "Township") for the year ended December 31, 2002 is hereby submitted as mandated by state statutes. The statutes require that the Charter Township of Grand Blanc issue annually a report on its financial position and activity, and that an independent firm of certified public accountants audit this report. Responsibility for the accuracy of the data and the completeness and fairness of this presentation, including all disclosures, rests with management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner that presents fairly the financial position and results of operations of the various funds, account groups, and component units of the Charter Township of Grand Blanc. All disclosures necessary to enable the reader to gain an understanding of the Charter Township of Grand Blanc's activities have been included.

The comprehensive annual financial report is presented in three sections: introductory, financial, and statistical. The introductory section, which is unaudited, includes this letter of transmittal, an organizational chart, and a list of the Charter Township of Grand Blanc's principal elected and appointed officials and department heads. The financial section includes the general purpose financial statements and the combined and individual fund and account group financial statements and schedules, as well as the independent auditor's report on these financial statements and schedules. The statistical section, which is unaudited, includes selected financial and demographic information, generally presented on a multi-year basis.

## **Economic Condition and Outlook**

The Charter Township of Grand Blanc was incorporated in 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. The Township currently has a land area of 32.7 square miles and a population of approximately 31,000. Grand Blanc Township has a mixture of land uses: commercial, office, manufacturing, health care, rural residential, and planned subdivisions. The Township still maintains a rural atmosphere with a variety of ages, sizes, and prices for its housing. The Township has 62 residential developments under some phase of construction. With 62 on-going subdivisions, the majority of housing sales were from new construction and the average 2002 housing sales price was \$187,000.

A major factor that has contributed to the positive expansion of our Township is the fact that Grand Blanc is located off the first four exits of I-75 just north of the fastest-growing county in Michigan and the sixth wealthiest in the nation, Oakland County. Oakland County residents are finding very affordable housing in the Grand Blanc community and are still within a 30-minute expressway commute from their Oakland County employment. With 787 property sales and 462 new housing building permits with a projected construction value of \$68.6 million, the Township led Genesee County in sales and new housing starts during 2002. The Township continued to experience a consistent number of residential improvement permits at 406. This consistency demonstrates the public's continued community confidence to invest in their homes.

As our housing is being filled with new people, commercial needs are increasing. There were 25 new commercial building permits in 2002. The conservative value of these permits totaled \$12.8 million. This new commercial construction and the commercial vacancy rate of 6 percent indicate that businesses are finding our community a viable location.

Besides affordable and diverse housing, varied and growing retail outlets, and work opportunities within a 30-minute drive, an additional drawing point to our community is the Grand Blanc Community Schools, which serve 95 percent of the Township. MEAP, PSAT, ACT, and AP composite scores of students in the Grand Blanc Community School District continually place Grand Blanc in the top 5 percent of state districts. The high school and two of the elementary schools were awarded the Michigan Quality Council Leadership Award based on Malcolm Baldrige education criteria for performance excellence. They were the only schools in Michigan for 2002 to receive this award. A recent Standard & Poor's report that compares data from six-core analytical areas and identified specific performance strengths, challenges, and risks to each State school district stated that the Grand Blanc School system "achieved above-average student results" while the dollar cost index per student was \$89 as compared to the state average of \$108.

The Grand Blanc community is fortunate to have a large number of strong community-based organizations such as the Grand Blanc Chamber of Commerce, Vision 20-20, Grand Blanc Arts Council, Character Community Council, Rotary, Kiwanis, Elks, and the Grand Blanc Newcomers Club. The Grand Blanc Community School Board, the City of Grand Blanc Council, and the Grand Blanc Township Board of Trustees meet on a quarterly basis to discuss community issues, individual, and community-wide goals. Also, leaders from each entity meet on a monthly basis.

With 6.4 percent of the Township's tax base being General Motors, there is always concern for the automotive industry. The GM metal fabrication plant has historically been a stamping plant for sheet metal parts. In 2002, the plant was designated as a tooling support facility for the assembly lines. This project will employ 440 additional employees and have a total new investment of \$20 million. This investment helps support a long-term commitment by GM to our area.

Even though the state of Michigan and Genesee County are experiencing economic difficulties, Grand Blanc Township currently enjoys a favorable economic environment and local indicators point to continued stability and growth.

### **Major Initiatives**

The Township government has been involved in a variety of projects throughout the year. These projects reflect the government's commitment to ensuring that its citizens are able to live and work in an enviable environment. The mission statement of Grand Blanc Township is "To provide a safe, caring, and quality community in which to live, work, and play."

Our Police Department is a progressive, full-service law enforcement agency providing 24/7 dispatching and policing services, D.A.R.E., senior citizens call-in, vacation checks, operation identification, K-9 unit, motorcycle unit, and a reconstruction team. The Police Chief graduated on June 14, 2002 from the FBI National Academy at Quantico, Virginia. The Police Department has started an accreditation process through C.A.L.E.A. (Commission on Accreditation for Law Enforcement Agencies).

Because the development of the Township is directly related to infrastructure capabilities, the Township has continued to meet demand by installing an additional four miles of waterline and two miles of sanitary sewer, bringing the totals to 164 miles and 215 miles, respectively.

A goal from the Township's strategic planning session of 2002 was to prepare the Township for addressing crowded conditions in its administrative building. With the December 2001 tax millage, the Township had paid in full three water/sewer bonds that had accounted for approximately .4 mills. Following public hearings, the Township Board of Trustees increased the general operating millage by .3 mills for the winter of 2002. This additional .3 millage was specifically designated for a Township Civic Campus Plan. A consultant was retained to assist the Township in determining the needs assessments for its facilities and staff and to review currently owned land for future use. By planning to pay off all water/sewer bonds in 2004, the Township is attempting to position itself so that it will have a dedicated tax of approximately .7 mills for any new construction without raising the total Township tax package.

The Township spent over \$1 million on capital projects in 2002. Twenty acres of land were purchased for \$600,000 for future parks usage. Major road and drainage improvements were implemented in the Township's Bi-Centennial Park at a cost of \$300,000. A three-mile bike path was completed and four police cars were purchased. During 2002, the Township transferred \$900,000 from the General Fund to the Capital Projects Fund for 2003 projects.

Through the Township's strategic planning sessions of 2001, the Township's DPW Department has continued its preventative maintenance approach for our water/sewer lines by purchasing a larger "Jet/Vactor" truck to work with a camera and video van. The trucks performed preventative maintenance on 25 miles of sewer lines. The Sanitary Sewer Master Plan was completed in 2002. While the Township purchases its water from Genesee County, it still maintains its well system for backup and/or emergency use. DPW also added an additional dump/snow removal truck to its fleet.

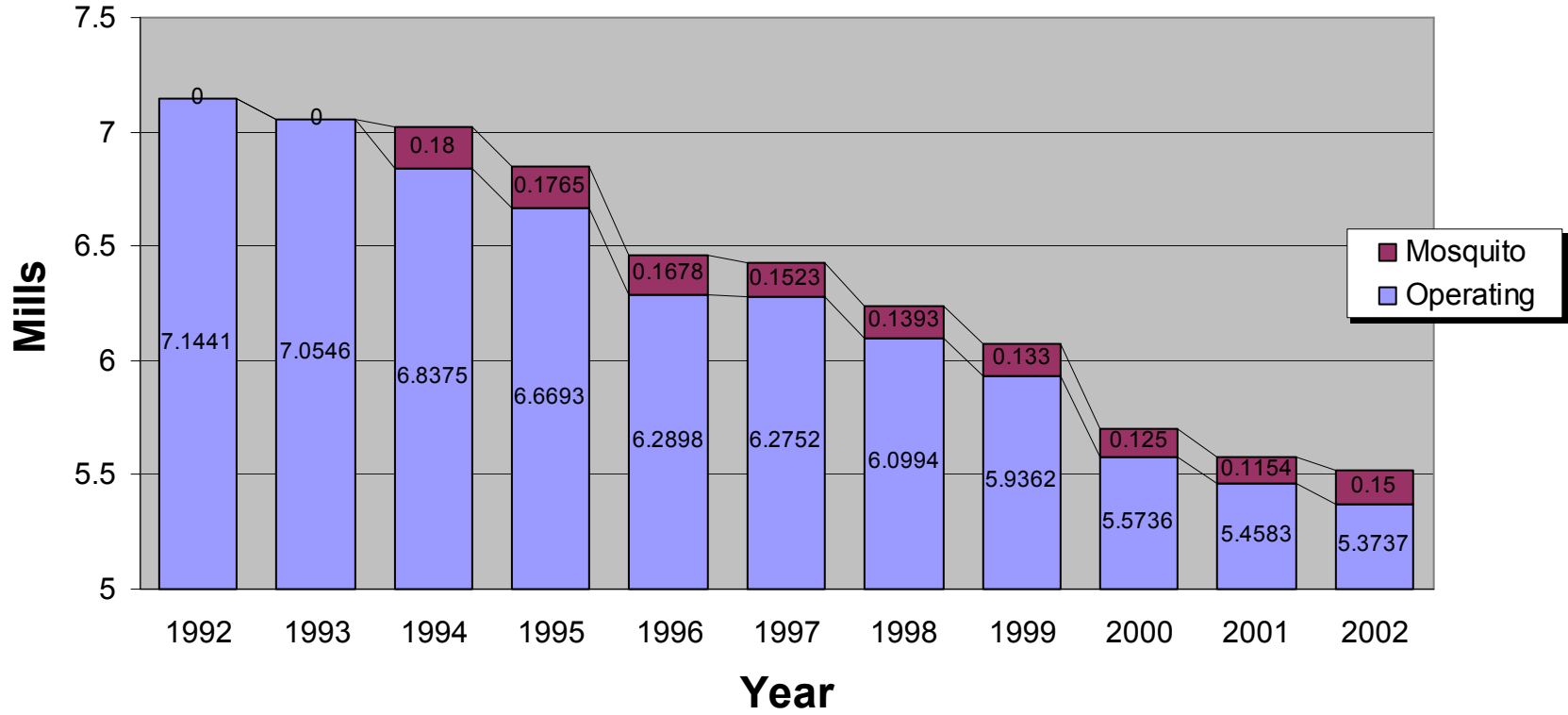
It is important to note some differences over 2001 for our Proprietary Fund. The sewer revenues increased approximately \$580,000 due to increases in units sold and increases in rates. However, the cost of sewage disposal increased approximately \$535,000. While the revenues from water sales increased \$390,000, the cost of the water increased approximately \$600,000. While consumption was the major factor for both increases, the Township assumed responsibility of a private water source in an old subdivision with pipes that had some significant leakage. There was also some water loss from a 16" water main break next to a wetland that went undetected for 40 days.

The Township continued its policy of communication of information to its residents through newsletters, local newspaper articles, and the Web site.

For the thirteenth consecutive year, the Township Board of Trustees reduced the total Township tax millage. The 2002 Township millage of 5.5237 was 1 percent lower than 2001.



# Millage Rates



## **Accounting Systems and Budgetary Control**

The Township's accounting records for general governmental operations are maintained on a modified accrual basis, with revenue being recorded when services or goods are received and related liabilities are incurred. Account records for the Township's proprietary and fiduciary funds are maintained on the accrual basis.

Management of the government is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the government are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the Township is responsible for ensuring an adequate internal control structure is in place to ensure and document compliance with applicable laws and regulations related to these programs. This internal control structure is subject to periodic evaluation by management and the internal audit staff of the government.

As part of the Township's audit, tests were made of the government's internal control structure and of its compliance with applicable laws and regulations, including those related to federal financial assistance programs. Results of the Township's 2002 audit provided no instances of material weaknesses in the internal control structure or violations of applicable laws and regulations.

As demonstrated by the statements and schedules included in the financial section of this report, the Township continues to meet its responsibility for sound financial management.

## General Government Functions and General Fund Balance

### Revenue Summary

The following schedule presents a summary of General Fund, Special Revenue Fund, Debt Service Fund, and Capital Projects Fund revenue for the year ended December 31, 2002. The combined Township governmental revenues increased 2.06 percent, or \$229,895, from 2001.

Revenues	Amount	Percent of Total	Increase (Decrease) from Prior Year
Property taxes (Note 9)	\$ 5,432,863	47.7	\$ 385,970
Licenses and permits	1,412,537	12.4	127,662
Federal grants	-	-	(51,631)
State sources	2,760,329	24.3	(155,430)
Charges for services	1,098,336	9.7	(14,980)
Fines, forfeitures, and seizures	153,024	1.3	74,121
Interest	202,863	1.8	(210,918)
Other	321,035	2.8	75,101
Total revenues	<u>\$ 11,380,987</u>	<u>100.0</u>	<u>\$ 229,895</u>

While there was a 1.5 percent increase in taxable value of real property, the majority of the \$385,970 increase was due to new construction being added to the tax roles in 2002. Residential building helped increase permit revenues. The Police Department did not have any federal grant monies for 2002. The majority of the state sources is revenue sharing. Unfortunately, Michigan's sputtering economy has caused budget cuts in revenue sharing to local government. Increased traffic and parking violations account for \$35,000 of the total increase in the fines category. With the interest rates falling approximately 300 basis points from the 2001 median value, investment revenues for 2002 decreased dramatically.

## Expenditure Summary

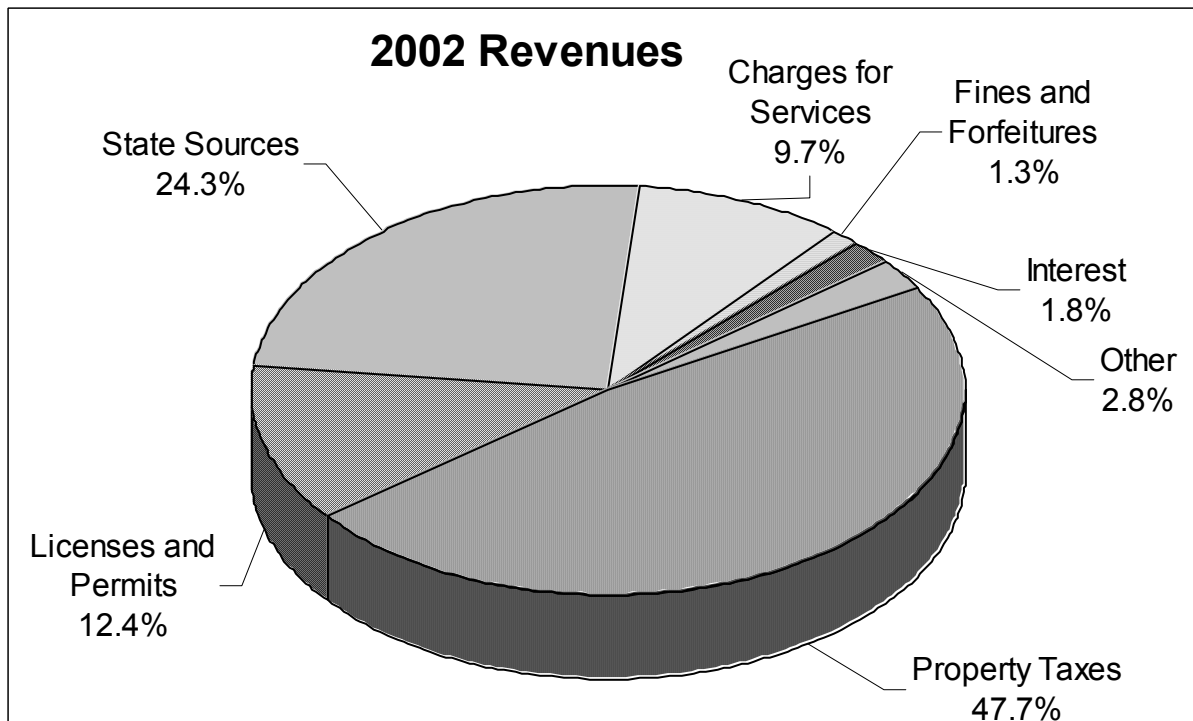
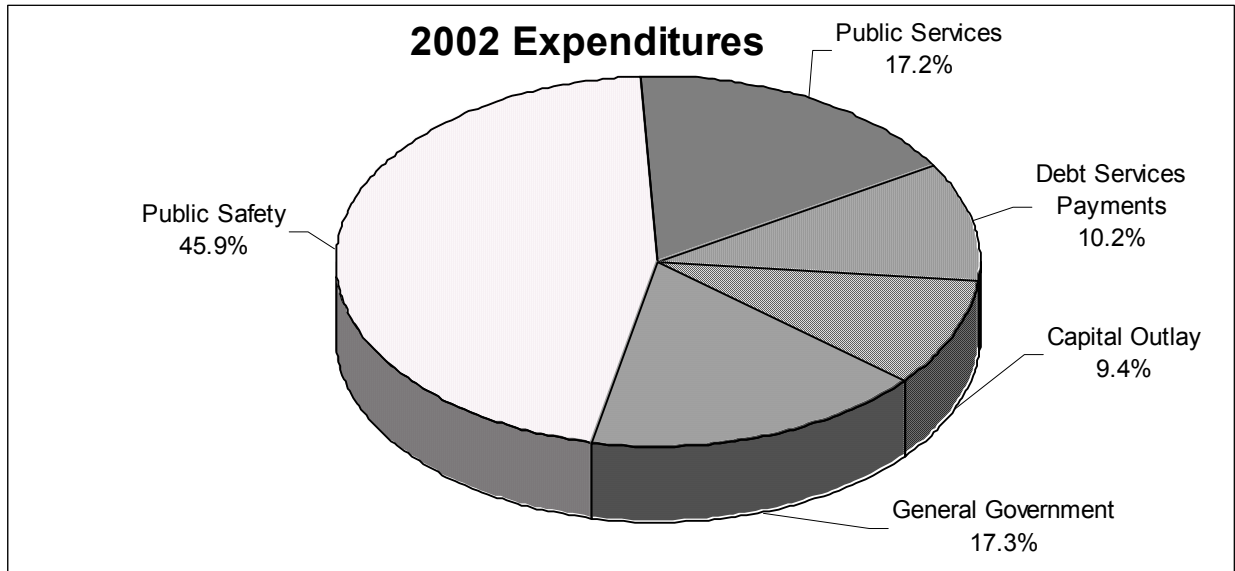
The following schedule presents a summary of General Fund, Special Revenue Fund, Debt Service Fund, and Capital Projects Fund expenditures and operating transfers for the year ended December 31, 2002. The combined Township expenditures increased \$2,131,515 from 2001.

Expenditures	Amount	Percent of Total	Increase (Decrease) from Prior Year
General government	\$ 2,013,856	17.3	\$ 294,582
Public safety	5,383,975	45.9	771,314
Public services	2,014,288	17.2	266,801
Other current services	4,585	-	(867)
Debt service payments	1,200,654	10.2	(67,507)
Capital outlay	1,101,704	9.4	867,192
Total expenditures	<u>\$ 11,719,062</u>	<u>100.0</u>	<u>\$ 2,131,515</u>

The increase in general government expenditures came from annual wage increases and staffing increases. The public safety increases came from two areas: (1) the Police Department filled four positions in 2002 that were approved in 2001 and increased wages for all police-related employees and (2) the building and zoning expenditures increased approximately \$245,000 over 2001 due to building permit activity from 2001 being performed in 2002. This was noted in the 2001 comprehensive annual financial report in Note 16. The increase in public services expenditures is partially due to a potential property tax refund of \$117,439 that is recorded here and an increase in road maintenance of approximately \$118,000. As noted earlier, the Township purchased approximately 20 acres for our park system, major improvements to our largest park's roads and road drainage, a bike path, and some replacement police vehicles.

The fund balance of the General Fund increased by \$22,451 at year's end, bringing the total to \$1,030,189.

# Charter Township of Grand Blanc



## **Pension Trust Fund Operation**

The Charter Township of Grand Blanc provides a pension plan for all full-time employees. The pension program is a defined contribution program, whereas the Township contributes a flat percentage of the employee's gross wages to the pension program. The Township has made every payment to the pension program since the beginning of the program (see Note 11). According to the collective bargaining agreement with the Township's patrol officers and dispatchers, their pension program has been transferred to the Michigan Municipal Employees Retirement System (MMERS), with the Township paying a fixed rate and the employees' rate adjusted per the actuary (see Note 12).

## **Debt Management**

As of December 31, 2002, the majority of the Township's debt consists of three county water and sewer line contracts totaling \$910,375, plus several Genesee County Road Commission at-large special assessments totaling \$647,547. Each of these obligations represents a general obligation of the Township. The Township's three remaining water/sewer bonds will be paid off as of December 31, 2004.

County water and sewer line contracts are being paid through the Water and Sewer Debt Service Fund, which is funded by property taxes. The Genesee County Road Commission at-large assessments are being collected from property owners through the winter tax bill and are being paid to the Road Commission by the General Fund through annual budget appropriations.

A small element of the Township's long-term debt is contractual employee-compensated absences of \$270,201. A full explanation is found in Note 5.

The Township, with the City, purchased a new ladder truck in 2001 for the Fire Commission and entered into an installment contract for annual payments through 2011, with interest at 4.99 percent. The Township's outstanding portion is \$140,000 as of December 31, 2002.

In 2001, the Township purchased two pieces of equipment through the Enterprise Fund. A loader backhoe was purchased for general purpose use and a specialized camera/computer-equipped van was purchased for sewer line maintenance and repair. The balance due for the backhoe of \$24,522 is payable monthly through 2004, with interest at 6.46 percent. The balance due for the specialized van of \$115,692 is payable annually through 2005, with interest at 7.25 percent.

Total long-term debt was reduced by \$1,232,210 or 36.9 percent during 2002.

## **Deferred Compensation Plan**

The Township offers its employees a deferred compensation plan created in accordance with IRC Section 457. The plan, available to all employees, permits them to defer a portion of their current salary until future years. The deferred compensation funds are not available to employees until termination, retirement, death or unforeseeable emergency.

## **Cash Management**

The Township operates under the direction of its nationally recognized investment policy and the parameters established by the State of Michigan. The Township's investment policy received two Certifications of Excellence from the Municipal Treasurers Association United States and Canada. For 2002, the Township's investments provided an average yield on all funds of approximately 1.82 percent. Cash temporarily idle during the year was invested in certificates of deposits and demand deposits ranging from 7 days to 120 days to maturity; commercial paper ranging from 19 days to 90 days to maturity; U.S. government instruments; and authorized investment pools. Any uninvested funds in bank checking accounts were swept into interest-bearing sweep accounts. As checks were presented for payment, monies to cover the checks were transferred from the trust accounts back into the checking accounts. The type of investment and length of investment were determined by the Township's four objectives: safety of capital; liquidity; return on investment; and maintaining the public's trust. Since a large portion of the Township's deposits is not insured and Michigan law does not require collateralization of government deposits, the Township uses a national independent rating service to review and rate depository banks and savings and loan institutions. The status of all financial institutions is reviewed quarterly. The Township Board of Trustees and the public are presented a quarterly comprehensive investment report identifying all investments and interest earned by type and fund. The report contains comments on economic conditions, investment strategies, and a performance comparison with standard indices.

## **Risk Management**

The Michigan Township Participating Plan provides the Township with liability insurance and the Accident Fund Company provides the workers' compensation insurance. United Wisconsin Group provides employee disability insurance.

## **Independent Audit**

State statutes require an annual audit by independent certified public accountants. The 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 generally accepted auditing standards and the standards set forth in the General Accounting Office's Government Auditing Standards. Plante & Moran's report on the general purpose financial statements and the combined individual fund statements and schedules is included in the financial section of this report.

## **Awards**

The Township's GIS Coordinator and staff received a second place award for "Best Cartographic Design" at the annual IMAGIN GIS Conference. There were over 70 entries from private as well as public entities.

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Township for its comprehensive annual financial report for the fiscal year ended December 31, 2001. This was the seventh consecutive year that the 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 generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. 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.

### **Acknowledgments**

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the finance department. I would like to express my appreciation to the Township Controller for his assistance and input. Additionally, the accounting firm of Plante & Moran made substantial contributions in the preparation of this document. Lastly, I wish to acknowledge the Township Board of Trustees for their interest and commitment to responsible and progressive financial leadership.

Respectfully submitted,

A handwritten signature in black ink that reads "Jeffery L. Cyphert". The signature is written in a cursive, flowing style.

Jeffery L. Cyphert  
Township Treasurer



# 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, 2001

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*William Patrick Vate*  
President

*Jeffrey L. Essler*  
Executive Director

# Charter Township of Grand Blanc

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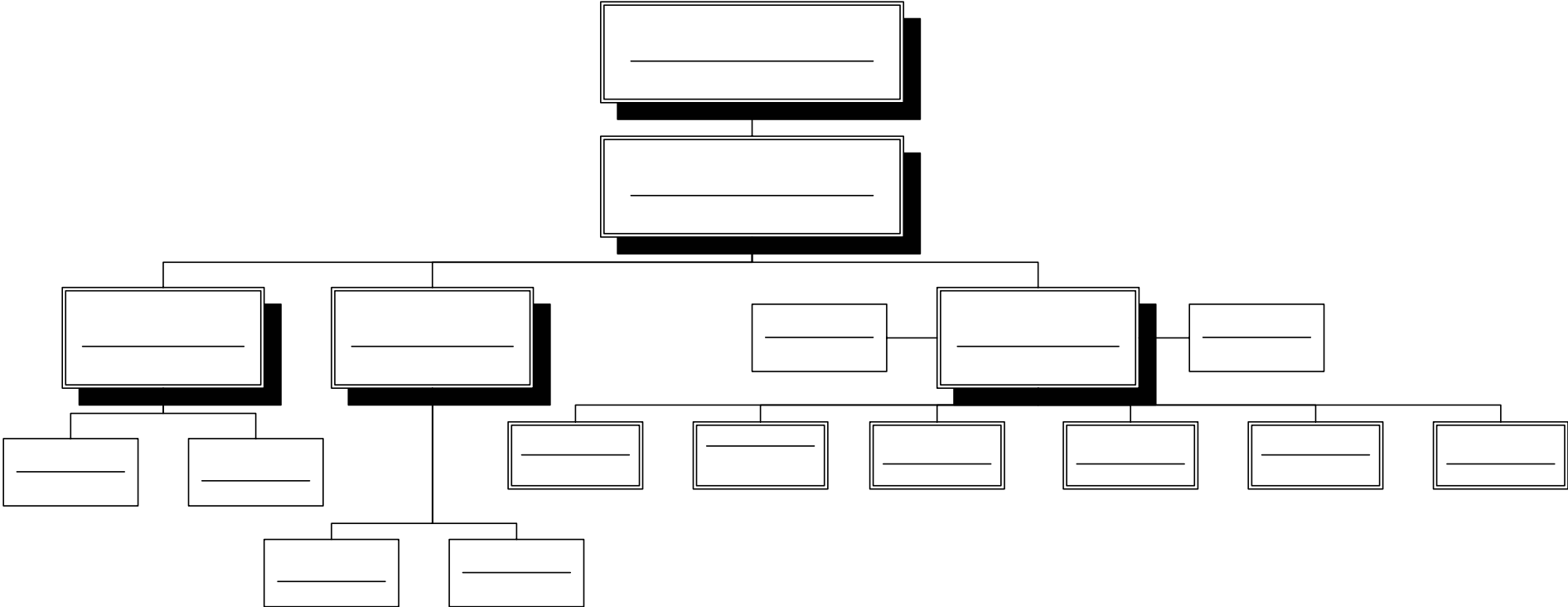
## List of Principal Officials December 31, 2002

<u>Title</u>	<u>Name</u>
Supervisor	Jeffrey Zittel
Clerk	Lorraine A. Parker
Treasurer	Jeffery L. Cyphert
Board of Trustees	Roger W. Swaim Marilyn M. Hoffman Ann Moss Catherine A. Lane
Controller	Larry J. Parks
DPW Superintendent	Norman R. Riopelle
Police Chief	David Stamm
Fire Chief	James B. Harmes
Assessor	Peggy Nolde
Building Official	Kirk F. Richardson
Parks and Recreation Director	Kae A. Eidson
Planning and Zoning	Keith Edwards
GIS Coordinator	Matt Malone

**Charter Township of Grand Blanc**

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**Charter Township of Grand Blanc  
Organizational Chart**



## Independent Auditor's Report

To the Board of Trustees  
Charter Township of Grand Blanc  
Genesee County, Michigan

We have audited the accompanying general purpose financial statements of the Charter Township of Grand Blanc, Genesee County, Michigan as of December 31, 2002 and for the year then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of the Township's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Charter Township of Grand Blanc as of December 31, 2002 and the results of its operations and cash flows of its proprietary and nonexpendable trust fund types for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The additional information listed in the financial section of the table of contents is presented for the purpose of additional analysis and is not a required part of the general purpose financial statements of the Charter Township of Grand Blanc. This information has been subjected to the procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

To the Board of Trustees  
Charter Township of Grand Blanc  
Genesee County, Michigan

The statistical data listed in the statistical section of the table of contents is presented for the purpose of additional analysis and is not a required part of the general purpose financial statements of the Charter Township of Grand Blanc. We did not examine this data and, accordingly, do not express an opinion thereon.

*Plante & Moran, PLLC*

April 2, 2003

# Charter Township of Grand Blanc

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<b>Assets</b>				
Cash and cash equivalents (Note 2)	\$ 3,121,659	\$ 445,188	\$ 211,079	\$ -
Investments (Note 2)	1,013,319	824,431	-	-
Receivables:				
Taxes	4,829,233	-	440,424	305,894
Customers	-	1,020,640	-	-
Assessments	-	-	-	-
Other	69,558	-	-	-
Due from other governmental units	596,777	-	-	-
Due from other funds (Note 3)	22,005	283,053	-	2,225,147
Prepaid expenses	-	-	-	-
Capital assets (Note 4)	-	-	-	-
Amount available in Debt Service Funds	-	-	-	-
Amount to be provided for retirement of general long-term debt	-	-	-	-
<b>Total assets</b>	<b>\$ 9,652,551</b>	<b>\$ 2,573,312</b>	<b>\$ 651,503</b>	<b>\$ 2,531,041</b>
<b>Liabilities and Equity and Other Credits</b>				
<b>Liabilities</b>				
Accounts payable	\$ 224,401	\$ -	\$ -	\$ -
Due to other governmental units	363,905	-	-	-
Due to other funds	2,545,579	-	-	-
Accrued and other liabilities	164,292	-	-	-
Deferred revenue	5,324,185	1,168,050	484,336	305,894
Long-term debt (Note 5)	-	-	-	-
<b>Total liabilities</b>	<b>8,622,362</b>	<b>1,168,050</b>	<b>484,336</b>	<b>305,894</b>
<b>Equity and Other Credits</b>				
Contributed capital (Note 6)	-	-	-	-
Investment in general fixed assets	-	-	-	-
Retained earnings:				
Reserved	-	-	-	-
Unreserved	-	-	-	-
Fund balances (Note 7):				
Reserved	-	56,712	-	-
Reserved for employees' pension benefits	-	-	-	-
Unreserved:				
Designated	-	1,348,550	167,167	2,225,147
Undesignated	1,030,189	-	-	-
<b>Total equity and other credits</b>	<b>1,030,189</b>	<b>1,405,262</b>	<b>167,167</b>	<b>2,225,147</b>
<b>Total liabilities and equity and other credits</b>	<b>\$ 9,652,551</b>	<b>\$ 2,573,312</b>	<b>\$ 651,503</b>	<b>\$ 2,531,041</b>

**Combined Balance Sheet - All Fund Types and Account Groups  
December 31, 2002**

Proprietary Fund Type	Fiduciary Fund Type	Account Groups		Total
Enterprise (Department of Public Works)	Trust and Agency	General Fixed Assets	General Long-term Debt	(Memorandum Only)
\$ 2,289,531	\$ 6,671,996	\$ -	\$ -	\$ 12,739,453
1,014,262	2,563,246	-	-	5,415,258
141,636	-	-	-	5,717,187
1,867,841	-	-	-	2,888,481
889,106	-	-	-	889,106
-	-	-	-	69,558
10,556	-	-	-	607,333
-	44,782	-	-	2,574,987
9,800	-	-	-	9,800
42,780,233	-	9,822,649	-	52,602,882
-	-	-	167,167	167,167
-	-	-	1,800,956	1,800,956
<b><u>\$ 49,002,965</u></b>	<b><u>\$ 9,280,024</u></b>	<b><u>\$ 9,822,649</u></b>	<b><u>\$ 1,968,123</u></b>	<b><u>\$ 85,482,168</u></b>
\$ 690,828	\$ 4,819	\$ -	\$ -	\$ 920,048
-	6,598,200	-	-	6,962,105
29,408	-	-	-	2,574,987
97,200	-	-	-	261,492
-	-	-	-	7,282,465
140,214	-	-	1,968,123	2,108,337
957,650	6,603,019	-	1,968,123	20,109,434
35,493,753	-	-	-	35,493,753
-	-	9,822,649	-	9,822,649
62,167	-	-	-	62,167
12,489,395	-	-	-	12,489,395
-	109,350	-	-	166,062
-	2,567,655	-	-	2,567,655
-	-	-	-	3,740,864
-	-	-	-	1,030,189
48,045,315	2,677,005	9,822,649	-	65,372,734
<b><u>\$ 49,002,965</u></b>	<b><u>\$ 9,280,024</u></b>	<b><u>\$ 9,822,649</u></b>	<b><u>\$ 1,968,123</u></b>	<b><u>\$ 85,482,168</u></b>

# Charter Township of Grand Blanc

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	General	Special Revenue
	<hr/>	<hr/>
<b>Revenues</b>		
Property taxes (Note 9)	\$ 4,643,343	\$ -
Licenses and permits	1,412,537	-
State sources	2,760,329	-
Charges for services	-	1,098,336
Fines, forfeitures, and seizures	112,715	40,309
Interest	176,084	23,520
Other	275,284	39,988
	<hr/>	<hr/>
Total revenues	9,380,292	1,202,153
<b>Expenditures</b>		
Current services:		
General government	2,013,812	44
Public safety	5,356,505	27,470
Public services	887,524	1,126,764
Other current services	-	-
Debt service	-	-
Capital outlay	-	26,137
	<hr/>	<hr/>
Total expenditures	8,257,841	1,180,415
<b>Excess of Revenues Over (Under) Expenditures</b>	1,122,451	21,738
<b>Other Financing Sources (Uses)</b>		
Operating transfer in from General Fund	-	200,000
Operating transfer out to Special Revenue Funds	(200,000)	-
Operating transfer out to Capital Projects Funds	(900,000)	-
	<hr/>	<hr/>
<b>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses</b>	22,451	221,738
<b>Fund Balances - January 1, 2002</b>	<hr/>	<hr/>
	1,007,738	1,183,524
<b>Fund Balances - December 31, 2002</b>	<u>\$ 1,030,189</u>	<u>\$ 1,405,262</u>



**Combined Statement of Revenues, Expenditures, and  
Changes in Fund Balances - All Governmental Fund Types  
Fiscal Year Ended December 31, 2002**

Debt Service	Capital Projects	Total (Memorandum Only)
\$ 789,520	\$ -	\$ 5,432,863
-	-	1,412,537
-	-	2,760,329
-	-	1,098,336
-	-	153,024
3,259	-	202,863
5,763	-	321,035
<u>798,542</u>	<u>-</u>	<u>11,380,987</u>
-	-	2,013,856
-	-	5,383,975
-	-	2,014,288
4,585	-	4,585
1,200,654	-	1,200,654
<u>-</u>	<u>1,075,567</u>	<u>1,101,704</u>
<u>1,205,239</u>	<u>1,075,567</u>	<u>11,719,062</u>
(406,697)	(1,075,567)	(338,075)
-	900,000	1,100,000
-	-	(200,000)
<u>-</u>	<u>-</u>	<u>(900,000)</u>
(406,697)	(175,567)	(338,075)
<u>573,864</u>	<u>2,400,714</u>	<u>5,165,840</u>
<u><b>\$ 167,167</b></u>	<u><b>\$ 2,225,147</b></u>	<u><b>\$ 4,827,765</b></u>

# Charter Township of Grand Blanc

	General Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Property taxes	\$ 4,559,235	\$ 4,643,343	\$ 84,108
Licenses and permits	1,318,100	1,412,537	94,437
State sources	2,733,363	2,760,329	26,966
Charges for services	-	-	-
Fines, forfeitures, and seizures	84,000	112,715	28,715
Interest	203,100	176,084	(27,016)
Other	154,900	275,284	120,384
Total revenues	9,052,698	9,380,292	327,594
<b>Expenditures</b>			
General government	2,230,369	2,013,812	216,557
Public safety	5,805,395	5,356,505	448,890
Public services	1,016,934	887,524	129,410
Debt service payments	-	-	-
Other current services	-	-	-
Benefit payments	-	-	-
Capital outlay	-	-	-
Total expenditures	9,052,698	8,257,841	794,857
<b>Excess of Revenues Over (Under) Expenditures</b>	-	1,122,451	1,122,451
<b>Other Financing Sources (Uses)</b>			
Operating transfer in from General Fund	-	-	-
Operating transfer out to Special Revenue Funds	-	(200,000)	(200,000)
Operating transfer out to Capital Projects Funds	-	(900,000)	(900,000)
<b>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses</b>	-	22,451	22,451
<b>Fund Balances - January 1, 2002</b>	1,007,738	1,007,738	-
<b>Fund Balances - December 31, 2002</b>	<u>\$ 1,007,738</u>	<u>\$ 1,030,189</u>	<u>\$ 22,451</u>

**Combined Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Budget and Actual  
General Fund, Special Revenue Funds,  
and Capital Projects Funds  
Fiscal Year Ended December 31, 2002**

Special Revenue Funds			Capital Projects Funds		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
1,089,540	1,098,336	8,796	-	-	-
44,000	40,309	(3,691)	-	-	-
35,000	23,520	(11,480)	-	-	-
14,400	39,988	25,588	-	-	-
<u>1,182,940</u>	<u>1,202,153</u>	<u>19,213</u>	-	-	-
200	44	156	-	-	-
29,000	27,470	1,530	-	-	-
1,129,340	1,126,764	2,576	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
150,000	-	150,000	-	-	-
46,138	26,137	20,001	1,200,000	1,075,567	124,433
<u>1,354,678</u>	<u>1,180,415</u>	<u>174,263</u>	<u>1,200,000</u>	<u>1,075,567</u>	<u>124,433</u>
(171,738)	21,738	193,476	(1,200,000)	(1,075,567)	124,433
150,000	200,000	50,000	-	900,000	900,000
-	-	-	-	-	-
-	-	-	-	-	-
(21,738)	221,738	243,476	(1,200,000)	(175,567)	1,024,433
<u>1,187,948</u>	<u>1,183,524</u>	<u>(4,424)</u>	<u>2,400,714</u>	<u>2,400,714</u>	<u>-</u>
<u><b>\$ 1,166,210</b></u>	<u><b>\$ 1,405,262</b></u>	<u><b>\$ 239,052</b></u>	<u><b>\$ 1,200,714</b></u>	<u><b>\$ 2,225,147</b></u>	<u><b>\$ 1,024,433</b></u>

# Charter Township of Grand Blanc

## Combined Statement of Revenues, Expenses, and Changes in Retained Earnings/Fund Balance Proprietary Fund Type and Nonexpendable Trust Fund Fiscal Year Ended December 31, 2002

	Enterprise Fund - Department of Public Works	Cemetery Nonexpendable Trust Fund
<b>Operating Revenues</b>		
Sewage disposal	\$ 3,388,824	\$ -
Water sales	2,555,504	-
Water meters	212,209	-
Penalties and other charges for services	153,895	-
Investment loss	-	(25,077)
Total operating revenues	6,310,432	(25,077)
<b>Operating Expenses</b>		
Cost of sewage disposal	2,147,061	-
Cost of water	2,128,152	-
Depreciation	865,290	-
General and administrative	1,330,145	603
Total operating expenses	6,470,648	603
<b>Operating Loss</b>	(160,216)	(25,680)
<b>Nonoperating Revenues (Expenses)</b>		
Interest income	109,978	-
Loss on sale of assets	(4,948)	-
Property tax revenue (Note 9)	155,306	-
Interest expense	(13,794)	-
Mosquito spraying	(106,210)	-
Total nonoperating revenues	140,332	-
<b>Net Loss - Before capital contributions</b>	(19,884)	(25,680)
<b>Capital Contributions</b>	5,263,058	-
<b>Net Income (Loss)</b>	5,243,174	(25,680)
<b>Retained Earnings/Fund Balance - January 1, 2002</b>	7,308,388	135,030
<b>Retained Earnings/Fund Balance - December 31, 2002</b>	<b>\$ 12,551,562</b>	<b>\$ 109,350</b>

# Charter Township of Grand Blanc

## Combined Statement of Cash Flows Proprietary Fund Type and Nonexpendable Trust Fund Fiscal Year Ended December 31, 2002

	Enterprise Fund - Department of Public Works	Cemetery Nonexpendable Trust Fund
<b>Cash Flows from Operating Activities</b>		
Operating loss	\$ (160,216)	\$ (25,680)
Adjustments to reconcile operating loss to net cash from operating activities:		
Investment loss, included in operating income	-	27,270
Depreciation	865,290	-
Cost of mosquito spraying	(106,210)	-
Changes in assets and liabilities:		
Receivables	(225,366)	-
Due from other governmental units	(10,556)	-
Payables	131,106	-
Other accrued liabilities	1,022	-
Due to other funds	(2,449)	-
Net cash provided by operating activities	492,621	1,590
<b>Cash Flows from Noncapital Related Financing Activities - Collection of mosquito assessment</b>		
	155,306	-
<b>Cash Flows from Capital and Related Financing Activities</b>		
Collection of customer assessments	1,755,266	-
Acquisition of capital assets	(1,536,309)	-
Federal grant for water main construction	10,556	-
Proceeds from sale of assets	21,000	-
Principal and interest payments on installment contracts	(74,305)	-
Net cash provided by capital and related financing activities	176,208	-
<b>Cash Flows from Investing Activities</b>		
Interest earnings	109,978	-
Net purchase of investment securities	(163,665)	-
Net cash used in investing activities	(53,687)	-
<b>Net Increase in Cash and Cash Equivalents</b>	770,448	1,590
<b>Cash and Cash Equivalents - January 1, 2002</b>	1,519,083	49,769
<b>Cash and Cash Equivalents - December 31, 2002</b>	<b>\$ 2,289,531</b>	<b>\$ 51,359</b>
<b>Balance Sheet Classification of Cash and Cash Equivalents</b>		
Cash and cash equivalents	\$ 2,289,531	\$ 6,671,996
Less fiduciary funds other than nonexpendable trust	-	(6,620,637)
Total	<b>\$ 2,289,531</b>	<b>\$ 51,359</b>

**Noncash Investing, Capital, and Financing Activities** - During the year ended December 31, 2002, developers constructed water and sewer lines with an estimated value of \$3,474,000 and donated them to the Township's Water and Sewer Fund.

# Charter Township of Grand Blanc

## Statement of Changes in Plan Net Assets Pension Trust Fund Fiscal Year Ended December 31, 2002

### Additions

Investment income:	
Interest and dividends	\$ 87,741
Net depreciation in fair value of investments	<u>(470,912)</u>
Net investment loss	(383,171)
Contributions - Employer	<u>240,052</u>
Total additions	(143,119)

### Deductions

Benefit payments	219,938
Administrative expenses	<u>23,244</u>
Total deductions	<u>243,182</u>

**Net Decrease** (386,301)

### Net Assets Held in Trust for Pension Benefits

Beginning of year	<u>2,953,956</u>
End of year	<u><u>\$ 2,567,655</u></u>

# Charter Township of Grand Blanc

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**Notes to Financial Statements  
December 31, 2002**

## **Note I - Summary of Significant Accounting Policies**

The accounting policies of the Charter Township of Grand Blanc (the "Township") conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the significant accounting policies:

### **Reporting Entity**

The Township is governed by an elected seven-member Board of Trustees. As required by generally accepted accounting principles, these financial statements present the Charter Township of Grand Blanc. There are no component units to be included in these financial statements.

### **Fund Accounting**

The accounts of the government are organized and operated on the basis of funds and account groups. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. Account groups are a reporting device to account for certain assets and liabilities of the governmental funds not recorded directly in those funds.

The government has the following fund types and account groups:

### **Governmental Funds**

Governmental funds are used to account for the government's general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt, which is recognized when due, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

# Charter Township of Grand Blanc

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## Notes to Financial Statements December 31, 2002

### Note I - Summary of Significant Accounting Policies (Continued)

Property taxes, licenses, interest, and special assessments are susceptible to accrual. Taxes collected and held by the state at year end on behalf of the government are also recognized as revenue. Other receipts and taxes become measurable and available when cash is received by the government and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible-to-accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred, all other grant requirements have been met, and the susceptible-to-accrual criteria are met.

**General Fund** - The General Fund contains the records of the ordinary activities of the Township that are not accounted for in another fund. General Fund activities are financed by revenue from general property taxes, state-shared revenue, and other sources.

**Special Revenue Funds** - Special Revenue Funds are used to account for the proceeds of earmarked revenue or financing activities requiring separate accounting because of legal or regulatory provisions.

**Debt Service Fund** - The Debt Service Fund is used to account for the annual payment of principal, interest, and expenses in connection with certain long-term debt other than debt payable from the operations of an Enterprise Fund. Although the debt being serviced relates to the Department of Public Works Fund (an Enterprise Fund), it is being funded primarily by property taxes assessed for the Township at large.

**Capital Projects Funds** - The Capital Projects Funds are used to account for the acquisition of capital facilities other than those financed by the operations of an Enterprise Fund. These funds are intended to be used as a multiyear funding mechanism for capital acquisitions that are too large to be funded in a single year by the General Fund.

#### **Proprietary Funds**

Proprietary funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The government applies all applicable FASB pronouncements issued prior to November 30, 1989 to its proprietary operations. Proprietary funds include the following fund type:



# Charter Township of Grand Blanc

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**Notes to Financial Statements  
December 31, 2002**

## **Note I - Summary of Significant Accounting Policies (Continued)**

**Enterprise Fund** - The Enterprise Fund is used to account for the results of operations that provide a service to citizens that is financed primarily by a user charge for the provision of that service.

### **Fiduciary Funds**

Fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of others. Trust funds account for assets held by the government under the terms of a formal trust agreement.

The Cemetery Nonexpendable Trust Fund and the Pension Trust Fund are accounted for in essentially the same manner as the proprietary funds, using the same measurement focus and basis of accounting. Nonexpendable trust funds account for assets of which the principal may not be spent. Pension trust funds account for the assets of the government's public safety employees' pension plan.

The Agency Fund is custodial in nature and does not present results of operations or have a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting. This fund is used to account for assets that the government holds for others in an agency capacity.

### **Account Groups**

The General Fixed Assets Account Group is used to account for fixed assets not accounted for in proprietary or trust funds. The General Long-term Debt Account Group is used to account for general long-term debt and certain other liabilities that are not specific liabilities of proprietary or trust funds.

**Cash and Investments** - Cash and cash equivalents include amounts in demand deposits as well as short-term investments with original maturities of three months or less from the date of acquisition. Investments are reported at fair value (based on quoted market prices).

**Prepaid Expenses** - Prepaid expenses represent advance payments for amounts due in 2003.

**Fixed Assets** - Fixed assets used in governmental fund types of the government are recorded in the General Fixed Assets Account Group at cost if purchased or constructed. Donated fixed assets are recorded at their estimated fair value at the date of donation. Assets in the General Fixed Assets Account Group are not depreciated. Interest incurred during construction is not capitalized on general fixed assets.

# Charter Township of Grand Blanc

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**Notes to Financial Statements  
December 31, 2002**

## **Note I - Summary of Significant Accounting Policies (Continued)**

Public domain (infrastructure) general fixed assets (e.g., roads, bridges, sidewalks, and other assets that are immovable and of value only to the government) are not capitalized.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives is not included in the General Fixed Assets Account Group or capitalized in the proprietary funds.

Property, plant, and equipment in the proprietary funds of the government are recorded at cost. Property, plant, and equipment donated to these proprietary fund-type operations are recorded at their estimated fair value at the date of donation.

Major outlays for capital assets and improvements are capitalized in proprietary funds as projects are constructed. Interest incurred during the construction phase of proprietary fund fixed assets is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

Property, plant, and equipment are depreciated in the proprietary and similar trust funds of the government using the straight-line method. For the year ended December 31, 2002, depreciation totaling \$865,290 has been included in the operating expenses of the Enterprise Fund.

**Compensated Absences** - It is the government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. No liability is reported for nonvested accumulated sick leave. Vacation pay and vested sick leave are accrued when incurred in proprietary funds and reported as a fund liability. Vacation pay and vested sick leave that are expected to be liquidated with expendable available financial resources are reported as expenditures and a fund liability of the governmental fund that will pay it. Amounts not expected to be liquidated with expendable available financial resources are reported in the General Long-term Debt Account Group. No expenditure is reported for these amounts.

**Long-term Obligations** - The government reports long-term debt of governmental funds at face value in the General Long-term Debt Account Group. Certain other governmental fund obligations not expected to be financed with current available financial resources are also reported in the General Long-term Debt Account Group. Long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate funds.

# Charter Township of Grand Blanc

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## Notes to Financial Statements December 31, 2002

### **Note 1 - Summary of Significant Accounting Policies (Continued)**

For governmental fund types, bond premiums and discounts, as well as issuance costs, are recognized during the current period. Bond proceeds are reported as an other financing source, net of the applicable premium or discount. For proprietary fund types, bond premiums and discounts, as well as issuance costs, 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 and net of any deferred charges on bond refundings. Issuance costs are reported as deferred charges.

**Fund Equity** - Reservations of fund balance represent amounts that are not appropriable or are legally segregated for a specific purpose. Reservations of retained earnings are limited to outside third-party restrictions. Designations of fund balance represent tentative management plans that are subject to change. The proprietary fund's contributed capital represents equity acquired through capital grants and capital contributions from developers, customers, or other funds prior to implementation of GASB 33 in 2001.

**Property Taxes** - Properties are assessed as of December 31. The related property taxes become a lien and are billed on December 1 of the following year. These taxes are due on February 14 with the final collection date of February 28 before they are added to the county delinquent tax rolls.

Governmental fund property taxes billed during the month of December will be used to finance the following year's operations. As such, these taxes are recorded as deferred revenue in the General, Debt Service, and Capital Projects Funds at December 31. Enterprise Fund property taxes are intended to fund mosquito spraying costs of the current year, and are recognized in the current year.

**Memorandum-only Totals** - The total data presented is the aggregate of the fund types and account groups and is presented for analysis purposes only. No consolidating or other eliminations were made in arriving at the totals; therefore, they do not present consolidated information.

Other accounting policies are disclosed in other notes to financial statements.

# Charter Township of Grand Blanc

## Notes to Financial Statements December 31, 2002

### Note 2 - Deposits and Investments

The Township's deposits and investments are included on the balance sheet under the following classifications:

Cash and cash equivalents	\$ 12,739,453
Investments	<u>5,415,258</u>
Total	<u>\$ 18,154,711</u>

The above amounts are classified by Governmental Accounting Standards Board Statement Number 3 in the following categories:

Bank deposits (checking accounts, savings accounts, and certificates of deposit)	\$ 7,284,527
Investments in securities, mutual funds, and similar vehicles	10,869,034
Petty cash or cash on hand	<u>1,150</u>
Total	<u>\$ 18,154,711</u>

#### Deposits

The above deposits were reflected in the accounts of the bank (without recognition of checks written but not yet cleared or of deposits in transit) at \$6,612,410. Of that amount, approximately \$900,000 was covered by federal depository insurance and the remainder was uninsured and uncollateralized. The Township believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all bank deposits. As a result, the Township evaluates each financial institution with which it deposits Township funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

#### Investments

The Township is authorized by Michigan Public Act 20 of 1943 (as amended) to invest surplus monies (of nonpension funds) in U.S. bonds and notes, certain commercial paper, U.S. government repurchase agreements, bankers' acceptances and mutual funds, and investment pools that are composed of authorized investment vehicles. To the extent that cash from various funds has been pooled in an investment, 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 for by Michigan law.

# Charter Township of Grand Blanc

## Notes to Financial Statements December 31, 2002

### Note 2 - Deposits and Investments (Continued)

The Pension Trust Fund is also authorized by various State of Michigan laws to invest in certain corporate debt or equity instruments, limited partnerships, and certain other specified investment vehicles. The pension fund investments in DaimlerChrysler North America Bonds and General Motors Acceptance Corporation Smartnotes currently exceeds 5 percent of total plan assets.

The Township's investments are categorized below to give an indication of the level of risk assumed by the entity at December 31, 2002. Risk Category 1 includes those investments that meet any one of the following criteria:

- a. Insured
- b. Registered
- c. Held by the Township or its agent in the Township's name

Risk Categories 2 and 3 include investments that are neither insured nor registered. Category 2 includes investments that are held by the counterparty's trust department or agent in the Township's name. Category 3 includes investments held by:

- a. The counterparty
- b. The counterparty's trust department or agent but not in the Township's name

The carrying value of investments (at fair value) is as follows:

Common stock (Category 2)	\$ 40,801
Bonds (Category 2)	2,674,846
Commercial paper (Category 2)	<u>1,014,771</u>
Subtotal	3,730,418
Mutual funds	1,301,968
Bank investment pools	5,469,202
MBIA - Class interlocal agreement fund	257,088
Limited partnership	<u>110,358</u>
Total investments	<u>\$ 10,869,034</u>

The mutual funds, bank investment pools, interlocal agreement fund, and limited partnership are not categorized because they are not evidenced by securities that exist in physical or book entry form. Management believes that the investments in the funds comply with the investment authority noted above.

# Charter Township of Grand Blanc

## Notes to Financial Statements December 31, 2002

### Note 2 - Deposits and Investments (Continued)

The mutual funds are registered with the SEC. The bank investment pools are regulated under the Michigan Banking Act. Investments under the interlocal agreement (MBIA-CLASS) are regulated by the Urban Cooperation Act. The fair value of the position in the interlocal agreement pool is the same as the value of the pool shares.

Included in the Township's investments at the balance sheet date are the following:

- Approximately \$1,013,000 of collateralized mortgage obligations (or obligations of the Federal National Mortgage Association). These investments are usually not backed by the full faith and credit of the U.S. government, but are generally considered to offer modest credit risks. The yields provided by these mortgage-related securities historically have exceeded the yields on other types of U.S. government securities with comparable maturities, in large measure due to the potential for prepayment. Prepayment could result in difficulty in reinvesting the prepaid amounts in investments with comparable yields.

### Note 3 - Interfund Receivables

The following are the interfund receivables at December 31, 2002:

<u>Fund Due To</u>	<u>Fund Due From</u>	<u>Amount</u>
General Fund	Department of Public Works	\$ 22,005
Special Revenue Funds:		
Employee Benefits Fund	General Fund	250,165
Drug Forfeiture Fund	General Fund	5,276
Law Enforcement Fund	General Fund	25,848
Bicentennial Park Fund	General Fund	<u>1,764</u>
Total Special Revenue Funds		283,053
Capital Projects Funds	General Fund	2,225,147
Pension Trust Fund	General Fund	37,379
	Department of Public Works	<u>7,403</u>
Total Pension Trust Fund		<u>44,782</u>
Total interfund receivables		<u>\$ 2,574,987</u>

# Charter Township of Grand Blanc

## Notes to Financial Statements December 31, 2002

### Note 4 - Capital Assets

A summary of changes in general fixed assets follows:

	Balance January 1, 2002	Additions	Deletions	Adjustments *	Balance December 31, 2002
Land	\$ 5,745,084	\$ 600,000	\$ -	\$ (4,859,784)	\$ 1,485,300
Buildings	-	398,500	-	3,867,798	4,266,298
Furniture and equipment	2,459,139	340,102	(102,473)	(27,211)	2,669,557
Investment in Grand Blanc Fire Commission	-	1,401,494	-	-	1,401,494
<b>Total</b>	<b>\$ 8,204,223</b>	<b>\$ 2,740,096</b>	<b>\$ (102,473)</b>	<b>\$ (1,019,197)</b>	<b>\$ 9,822,649</b>

\* The adjustments are the result of reclassifying certain assets into the proper fixed asset categories and adjusting the ending balance to a physical inventory performed by the Township in 2002.

A summary of Enterprise Fund fixed assets at December 31, 2002 is as follows:

	Amount	Depreciable Life - Years
Land	\$ 63,236	-
Utility systems:		
Sewer transportation system	27,271,327	100
Water transportation system	24,696,161	10-60
Machinery and equipment	2,608,865	5-10
<b>Total</b>	<b>54,639,589</b>	
Less accumulated depreciation	<u>(11,859,356)</u>	
<b>Net</b>	<b><u>\$ 42,780,233</u></b>	

# Charter Township of Grand Blanc

## Notes to Financial Statements December 31, 2002

### Note 5 - Long-term Debt

#### Outstanding Debt

The following is a summary of the debt outstanding of the Township as of December 31, 2002:

	Beginning of Year	Changes	End of Year
<b>General Long-term Debt Account Group</b>			
Grand Blanc Township Subtrunk System, originally issued on November 6, 1967 in the amount of \$5,400,000	\$ 276,808	\$ (276,808)	\$ -
Genesee County Sanitary Sewage Disposal System No. 1, of which Grand Blanc Township participates in 18.43% of the total project. The County bonds were originally issued on December 20, 1965 in the amount of \$2,268,065	322,525	(101,365)	221,160
Grand Blanc City - Township Arm of the Genesee County Sanitary Sewage Disposal System No. 1, of which Grand Blanc Township participates in 39.34% of the total project. The County bonds were originally issued November 6, 1967 in the amount of \$1,040,000	23,020	(23,020)	-
Swartz Creek Interceptor of the Genesee County Sanitary Sewage Disposal System No. 1, of which Grand Blanc Township participates in 35.69% of the total project. The County bonds were originally issued on November 12, 1969 in the amount of \$2,400,000	133,823	(44,608)	89,215
Phase II of the Grand Blanc Township Lateral System of the Genesee County Sewage Disposal System No. 1, originally issued on January 4, 1973 in the amount of \$5,200,000	875,000	(275,000)	600,000
Grand Blanc Township Section of the Genesee County Water System, refunding bonds issued March 1, 1994 in the amount of \$2,885,000	414,363	(414,363)	-



# Charter Township of Grand Blanc

## Notes to Financial Statements December 31, 2002

### Note 5 - Long-term Debt (Continued)

	Beginning of Year	Changes	End of Year
Special assessment at-large road districts of the Genesee County Road Commission, maturing through December 1, 2010	\$ 768,729	\$ (121,182)	\$ 647,547
Installment purchase contract issued in 2001 for the Township's portion of a fire truck purchase for the Grand Blanc Fire Commission, payable annually through 2011, with interest at 4.99%	150,000	(10,000)	140,000
Employee-compensated absences	<u>175,554</u>	<u>94,647</u>	<u>270,201</u>
Total General Long-term Debt Account Group	3,139,822	(1,171,699)	1,968,123
<b>Enterprise Fund Debt</b>			
Installment purchase contract issued in 2001 for the purchase of a loader backhoe, payable monthly through 2004, with interest at 6.46%	51,561	(27,039)	24,522
Installment purchase contract issued in 2001 for the purchase of a van, payable annually through 2002, with interest at 7.25%	<u>149,164</u>	<u>(33,472)</u>	<u>115,692</u>
Total Enterprise Fund Debt	<u>200,725</u>	<u>(60,511)</u>	<u>140,214</u>
Total Long-term Debt	<u>\$ 3,340,547</u>	<u>\$ (1,232,210)</u>	<u>\$ 2,108,337</u>

The special assessment obligations represent the financing of road improvements done by the Genesee County Road Commission that benefit certain districts within the 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 Township. The Township funds its portion of the cost annually from General Fund revenues. No additional funds have been set aside for the future payment of this debt.

The employee-compensated absences represent the estimated liability to be paid governmental fund-type employees under the Township's sick, vacation, personal time, and compensatory time pay policy, net of the portion that is estimated will be paid currently (which has been recorded as a liability in the applicable governmental fund). Under the Township's policy, employees earn personal, sick, and vacation time based on time of service with the Township.

# Charter Township of Grand Blanc

## Notes to Financial Statements December 31, 2002

### Note 5 - Long-term Debt (Continued)

#### Interest Incurred

Total interest incurred for the Township for the year approximated \$111,000.

#### Debt Service Requirements to Maturity

The annual requirements to service all debt outstanding as of December 31, 2002 (excluding employee benefits), including both principal and interest, are as follows:

Years Ending December 31	General Long-term Debt Account Group					
	Installment Debt		General Obligation Bonds		Enterprise Fund Debt	
	Principal	Interest	Principal	Interest	Principal	Interest
2003	\$ 10,000	\$ 6,737	\$ 576,371	\$ 59,586	\$ 60,420	\$ 9,479
2004	10,000	6,238	576,369	34,480	38,501	5,797
2005	15,000	5,614	121,181	19,563	41,293	2,994
2006	15,000	4,865	98,189	13,366	-	-
2007	15,000	4,117	95,518	8,551	-	-
Remaining years	<u>75,000</u>	<u>7,859</u>	<u>90,294</u>	<u>6,512</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 140,000</u>	<u>\$ 35,430</u>	<u>\$ 1,557,922</u>	<u>\$ 142,058</u>	<u>\$ 140,214</u>	<u>\$ 18,270</u>

### Note 6 - Contributed Capital

The following is an analysis of contributed capital by source at December 31, 2002:

Capital contributed from all sources prior to December 31, 1988	\$ 10,546,568
Capital contributed since December 31, 1988 by source:	
Township at-large assumption of water and sewer debt obligations	15,324,777
Connection fees	6,472,567
Grants	255,172
Water and sewer assessments	1,969,684
TIFA contributions	<u>924,985</u>
Total	<u>\$ 35,493,753</u>

# Charter Township of Grand Blanc

## Notes to Financial Statements December 31, 2002

### Note 7 - Reserved and Designated Fund Balances

Fund balances have been reserved and designated as follows:

	<u>Reserved</u>	<u>Designated</u>
Special Revenue Funds:		
Reserved for drug enforcement	\$ 5,276	\$ -
Reserved for law enforcement	25,848	-
Reserved for PEG operations	25,588	-
Designated for park improvements	-	1,764
Designated for employee benefits	-	1,049,008
Designated for solid waste disposal	-	297,778
	<u>56,712</u>	<u>1,348,550</u>
Debt Service Funds - Designated for debt service	-	167,167
Capital Projects Fund - Designated for:		
Technology	-	100,000
Bike path/pathways	-	300,000
McGrath Park	-	200,000
Bicentennial Park	-	250,000
Building and grounds	-	300,000
Road improvements	-	675,147
Vehicle Replacement Fund	-	200,000
911 obligations	-	200,000
	<u>-</u>	<u>2,225,147</u>
Trust and Agency Funds - Reserved for:		
Employees' pension benefits	2,567,655	-
Cemetery:		
Original endowment	43,604	-
Expendable investment earnings	65,746	-
	<u>2,677,005</u>	<u>-</u>
Total Trust and Agency Funds	<u>2,677,005</u>	<u>-</u>
Total	<u>\$ 2,733,717</u>	<u>\$ 3,740,864</u>

# Charter Township of Grand Blanc

## Notes to Financial Statements December 31, 2002

### Note 8 - Budget Information

The Township adopts a formal budget for the General Fund and all Special Revenue and Capital Projects Funds. By August 1 of each year, all department heads submit spending requests to the Township Supervisor so that a budget may be prepared. Before September 1, the proposed budget is submitted to the Township Board for review. Public hearings are held, and a final budget is adopted no later than November 1. The Township Board must approve any budget amendments.

Appropriations are adopted by the Township Board on a departmental basis; this is the legal level of budgetary control. Expenditures at the departmental level in excess of budget appropriations are a violation of Michigan law. During the year, the budget was amended in a legally permissible manner. Encumbrances represent commitments related to unperformed contracts (or purchase orders) for goods or services. Encumbrances are not included as expenditures or liabilities; the amount of encumbrances outstanding at December 31, 2002 is not significant. Unexpended appropriations lapse at year end.

The budget has been prepared in accordance with generally accepted accounting principles. The budget statement (combined statement of revenue, expenditures, and changes in fund balances - budget and actual - General Fund, Special Revenue Funds, and Capital Projects Funds) is presented on the same basis of accounting used in preparing the adopted budget. A comparison of actual results of operations to all budgets as adopted by the Township Board is included in the additional information. This comparison includes budget overruns.

### Note 9 - Property Tax Revenue

As discussed in Note 1, the Township's governmental funds recognize the December 1, 2001 property tax levy as revenue for the year ended December 31, 2002. The Township's Enterprise Fund recognizes the December 1, 2002 property tax levy as revenue for the fiscal year ended December 31, 2002. The following is a breakdown of tax levies:

Source of Taxes	Fund Receiving Taxes	Approximate Revenue
Governmental funds:		
3.6806 mills - Charter limit of 5.0 mills	General Fund	\$ 3,361,000
.9301 mills - Voted millage for public service	General Fund	849,000

# Charter Township of Grand Blanc

## Notes to Financial Statements December 31, 2002

### Note 9 - Property Tax Revenue (Continued)

Source of Taxes	Fund Receiving Taxes	Approximate Revenue
Governmental funds (Continued):		
.8476 mills - Debt millage allowed by State constitution	Water and Sewer Debt Fund	\$ 774,000
Act 198/255 taxes and administration fees	General Fund	436,000
Act 198/255 taxes	Water and Sewer Debt Fund	18,000
Enterprise Fund:		
.15 mills - Charter limit of 5.0 mills	Department of Public Works (for mosquito spraying)	153,000
Act 198/255 taxes	Department of Public Works (for mosquito spraying)	2,000

A mill equals one dollar of tax per thousand dollars of property valuation (taxable valuation). The Township's total taxable valuation for 2001 was approximately \$913,105,000 (used for governmental revenue) and for 2002 was approximately \$1,019,647,000 (used for Enterprise Fund revenue).

The police millage raised less revenue than expenditures. The water and sewer debt millage is segregated into a Debt Service Fund Type. Retained earnings in the Enterprise Fund have been restricted for the excess of tax revenues collected over mosquito spraying expenditures paid.

### Note 10 - Postemployment Benefits

The Township provides health care benefits to employees with 20 years of service and who have attained age 55 (25 years of service for sworn police officers) upon retirement, in accordance with labor contracts. Currently, 10 retirees are eligible. The Township includes retirees and their dependents in its insured health care plan, with no contribution required by the participant. Expenditures for postemployment health care benefits are recognized as the insurance premiums become due; during the year, this amounted to approximately \$103,000.

# Charter Township of Grand Blanc

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## Notes to Financial Statements December 31, 2002

### **Note 11 - Defined Contribution Retirement Plan**

The Township administers pension benefits to substantially all of its full-time employees (except police officers, who are covered by a defined benefit plan effective January 1, 1993) through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. As established by the Township Board of Trustees, the 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 Township contributed \$240,052 during the current year, and there was no employee contribution.

### **Note 12 - Defined Benefit Pension Plan**

**Plan Description** - The Township participates in the Michigan Municipal Employees Retirement System (the "System"), an agent multiple-employer defined benefit pension plan that covers all members of the Fraternal Order of Police. 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 supplementary 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 Police Officers Labor Council Patrol Officers Union. The agreement requires a contribution from the employees 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 0 percent to 8.11 percent of gross wages.

**Annual Pension Cost** - For the year ended December 31, 2002, the Township's annual pension cost of \$274,812 for the plan was equal to the Township's required and actual contribution. The annual required contribution was determined as part of an actuarial valuation at December 31, 2000, using the entry age normal cost method. Significant actuarial assumptions used include (a) an 8 percent investment rate of return, (b) projected salary increases of 4.5 percent to 8.66 percent per year, and (c) 2.5 percent per year cost of living adjustments. Both (a) and (b) include an inflation component of 4.5 percent. 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 32 years.

# Charter Township of Grand Blanc

## Notes to Financial Statements December 31, 2002

### Note 12 - Defined Benefit Pension Plan (Continued)

Three-year trend information is as follows:

	Fiscal Year Ended December 31		
	2000	2001	2002
Annual pension cost (APC)	\$ 175,141	\$ 197,362	\$ 274,812
Percentage of APC contributed	100%	100%	100%
Net pension obligation	None	None	None

	Actuarial Valuation as of December 31		
	1999	2000	2001
Actuarial value of assets	\$ 1,483,024	\$ 1,675,798	\$ 1,894,710
Actuarial Accrued Liability (AAL) (entry age normal)	\$ 3,786,889	\$ 4,093,666	\$ 5,104,536
Unfunded AAL (UAAL)	\$ 2,303,865	\$ 2,417,868	\$ 3,209,826
Funded ratio	39.2%	40.9%	37.1%
Covered payroll	\$ 1,232,388	\$ 1,299,417	\$ 1,615,171
UAAL as a percentage of covered payroll	187%	186%	199%

### Note 13 - Joint Ventures

The Township is a member of the Grand Blanc District Library Commission, which provides library services to the residents of Grand Blanc Township and the City of Grand Blanc. The participating communities provide annual funding for its operations. During the current year, the Township contributed \$54,000 for its operations. The 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 Township is a member of the Grand Blanc Parks and Recreation Commission, which provides recreational services to the residents of Grand Blanc Township and the City of Grand Blanc. The participating communities provide annual funding for its operations. During the current year, the Township contributed \$197,375 for its operations. The 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.

# Charter Township of Grand Blanc

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## Notes to Financial Statements December 31, 2002

### **Note 13 - Joint Ventures (Continued)**

The Township is a member of the Grand Blanc Fire Commission, which provides fire protection services to the residents of Grand Blanc Township and the City of Grand Blanc. The participating communities provide annual funding for its operations. During the current year, the Township contributed \$502,129 for its operations. The 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 14 - Risk Management**

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

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

### **Note 15 - Contingencies**

The Township is currently in arbitration over the police force contract. A new contract was settled and retroactive wages were paid in December 2001. However, the police force is seeking an additional retroactive wage adjustment relating to the base hours worked during the period prior to the settlement of the new contract. The estimated potential liability to the Township is approximately \$300,000.

#### **Lawsuits**

The 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 Township has not recorded an estimate of this liability in the General Long-term Debt Account Group at December 31, 2002.



# Charter Township of Grand Blanc

## Notes to Financial Statements December 31, 2002

### Note 16 - Construction Code Fees

The Township oversees building construction, in accordance with the state's construction code act, including inspection and renovation to ensure compliance with the building codes. The Township charges fees for these services. Beginning January 1, 2000, the law requires the 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 cumulative shortfall or surplus since January 1, 2000 is as follows:

Cumulative surplus - January 1, 2001		\$	134,868
Building permit revenue			828,753
Related expenses:			
Direct costs	\$	859,702	
Estimated indirect costs		<u>128,955</u>	
Total construction code expenses			<u>988,657</u>
Cumulative shortfall - December 31, 2002		\$	<u>(25,036)</u>

### Note 17 - Upcoming Reporting Change

For the year beginning January 1, 2003, the Township plans to adopt GASB Statement No. 34. This will dramatically revise the information being reported in these financial statements. Governmental activities will report information by individually significant fund, as well as in total on the full accrual basis of accounting. Enterprise Funds will no longer report capital contributions as a direct increase to equity. Information is not available to present pro forma data that would show the effect of this future change.

## **Additional Information**

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## **General Fund**

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

# Charter Township of Grand Blanc

## General Fund Comparative Balance Sheet December 31, 2002

	December 31	
	2002	2001
<b>Assets</b>		
Cash and cash equivalents	\$ 3,121,659	\$ 2,165,150
Investments	1,013,319	2,453,820
Receivables:		
Property taxes	4,829,233	4,544,442
Other	69,558	52,438
Due from other governmental units	596,777	534,425
Due from other funds - Department of Public Works Fund	22,005	22,005
<b>Total assets</b>	<b><u>\$ 9,652,551</u></b>	<b><u>\$ 9,772,280</u></b>
<b>Liabilities and Fund Balance</b>		
<b>Liabilities</b>		
Accounts payable	\$ 224,401	\$ 228,381
Due to other governmental units	363,905	244,617
Due to other funds:		
Drug Forfeiture Fund	5,276	9,576
Law Enforcement Fund	25,848	8,709
Bicentennial Park Fund	1,764	13,501
Due to Employee Benefits Fund	224,577	837,883
Capital Projects Fund	2,225,147	2,400,714
Pension Trust Fund	37,379	8,082
Due to PEG Channel Grant Fund	25,588	-
Accrued and other liabilities	164,292	157,385
Deferred property tax revenue	5,324,185	4,855,694
<b>Total liabilities</b>	<b>8,622,362</b>	<b>8,764,542</b>
<b>Fund Balance</b>		
Reserved for construction code activity	-	134,868
Unreserved - Undesignated	1,030,189	872,870
<b>Total fund balance</b>	<b><u>1,030,189</u></b>	<b><u>1,007,738</u></b>
<b>Total liabilities and fund balance</b>	<b><u>\$ 9,652,551</u></b>	<b><u>\$ 9,772,280</u></b>

# Charter Township of Grand Blanc

## General Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis) Fiscal Year Ended December 31, 2002

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Budget	Actual	
<b>Revenues</b>				
Property taxes	\$ 4,241,001	\$ 4,559,235	\$ 4,643,343	\$ 84,108
Licenses and permits:				
Building permits	592,520	517,000	519,154	2,154
Inspection fees	418,821	418,000	414,843	(3,157)
Cable television franchise fee	160,160	255,000	360,812	105,812
Zoning fees	90,065	96,100	104,360	8,260
Other	23,309	32,000	13,368	(18,632)
Total licenses and permits	1,284,875	1,318,100	1,412,537	94,437
Federal sources	51,631	-	-	-
State sources:				
Revenue sharing	2,839,472	2,705,163	2,684,158	(21,005)
Police grants	64,362	17,500	60,571	43,071
Liquor license fees	11,925	10,700	15,600	4,900
Total state sources	2,915,759	2,733,363	2,760,329	26,966
District Court fines	77,492	84,000	112,715	28,715
Interest	366,650	203,100	176,084	(27,016)
Other revenues:				
Special assessments	105,264	100,000	116,004	16,004
Other	34,944	19,400	29,282	9,882
Refunds and rebates:				
Police	42,218	2,500	85,800	83,300
School summer tax collection fees	38,411	33,000	44,198	11,198
Total other revenues	220,837	154,900	275,284	120,384
Total revenues	9,158,245	9,052,698	9,380,292	327,594

# Charter Township of Grand Blanc

## General Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis) (Continued) Fiscal Year Ended December 31, 2002

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Budget	Actual	
<b>Expenditures</b>				
General government:				
General office	\$ 517,949	\$ 685,622	\$ 648,769	\$ 36,853
Legislative	171,737	217,685	199,933	17,752
Supervisor's office	115,710	134,630	125,056	9,574
Clerk's office	211,855	219,386	219,267	119
Treasurer's office	153,693	188,089	173,623	14,466
Elections	3,415	126,700	21,850	104,850
Assessor's office	270,486	348,709	342,854	5,855
Building and grounds	121,538	149,548	133,964	15,584
Legal and attorney	152,852	160,000	148,496	11,504
Total general government	1,719,235	2,230,369	2,013,812	216,557
Public safety:				
Police	3,153,298	4,221,831	3,790,504	431,327
Fire	473,256	501,225	501,210	15
Building and zoning	819,301	1,082,339	1,064,791	17,548
Total public safety	4,445,855	5,805,395	5,356,505	448,890
Public services	657,022	1,016,934	887,524	129,410
Total expenditures	6,822,112	9,052,698	8,257,841	794,857
<b>Excess of Revenues Over Expenditures</b>	2,336,133	-	1,122,451	1,122,451
<b>Other Financing Uses</b>				
Transfer to Debt Service Fund	(480,463)	-	-	-
Transfer to Special Revenue Funds	(75,000)	-	(200,000)	(200,000)
Transfer to Capital Projects Fund	(1,725,000)	-	(900,000)	(900,000)
<b>Excess of Revenues Over Expenditures and Other Financing Uses</b>	55,670	-	22,451	22,451
<b>Fund Balance - Beginning of year</b>	952,068	1,007,738	1,007,738	-
<b>Fund Balance - End of year</b>	<u>\$ 1,007,738</u>	<u>\$ 1,007,738</u>	<u>\$ 1,030,189</u>	<u>\$ 22,451</u>

## Special Revenue Funds

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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 maintained by the Township is as follows:

**Solid Waste Disposal Fund** - 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.

**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.

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

**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.

**PEG Channel Grant Fund** - This fund accounts for monies collected by the Township for the operation of Public, Educational and Government channels (PEG).

# Charter Township of Grand Blanc

	Solid Waste	Drug Forfeiture	Law Enforcement
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Assets</b>			
Cash and cash equivalents	\$ 445,188	\$ -	\$ -
Investments	-	-	-
Customer assessments receivable	1,020,640	-	-
Due from other funds	<u>-</u>	<u>5,276</u>	<u>25,848</u>
Total assets	<u><b>\$ 1,465,828</b></u>	<u><b>\$ 5,276</b></u>	<u><b>\$ 25,848</b></u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b> - Deferred revenue	\$ 1,168,050	\$ -	\$ -
<b>Fund Balances</b>			
Reserved for drug enforcement	-	5,276	-
Reserved for law enforcement	-	-	25,848
Reserved for PEG operations	-	-	-
Unreserved:			
Designated for park improvements	-	-	-
Designated for employee benefits	-	-	-
Designated for solid waste disposal	<u>297,778</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>297,778</u>	<u>5,276</u>	<u>25,848</u>
Total liabilities and fund balances	<u><b>\$ 1,465,828</b></u>	<u><b>\$ 5,276</b></u>	<u><b>\$ 25,848</b></u>



**Special Revenue Funds  
Combining Balance Sheet  
December 31, 2002**

Employee Benefits	Bicentennial Park	PEG Channel Grant	Total	
			2002	2001
\$ -	\$ -	\$ -	\$ 445,188	\$ 425,882
824,431	-	-	824,431	-
-	-	-	1,020,640	985,948
<u>224,577</u>	<u>1,764</u>	<u>25,588</u>	<u>283,053</u>	<u>869,669</u>
<b><u>\$ 1,049,008</u></b>	<b><u>\$ 1,764</u></b>	<b><u>\$ 25,588</u></b>	<b><u>\$ 2,573,312</u></b>	<b><u>\$ 2,281,499</u></b>
\$ -	\$ -	\$ -	\$ 1,168,050	\$ 1,097,975
-	-	-	5,276	9,576
-	-	-	25,848	8,709
-	-	25,588	25,588	-
-	1,764	-	1,764	13,501
1,049,008	-	-	1,049,008	837,883
<u>-</u>	<u>-</u>	<u>-</u>	<u>297,778</u>	<u>313,855</u>
<u>1,049,008</u>	<u>1,764</u>	<u>25,588</u>	<u>1,405,262</u>	<u>1,183,524</u>
<b><u>\$ 1,049,008</u></b>	<b><u>\$ 1,764</u></b>	<b><u>\$ 25,588</u></b>	<b><u>\$ 2,573,312</u></b>	<b><u>\$ 2,281,499</u></b>

# Charter Township of Grand Blanc

	Solid Waste	Drug Forfeiture	Law Enforcement
<b>Revenues</b>			
Solid waste collection charges	\$ 1,098,336	\$ -	\$ -
Forfeitures and seizures	-	6,049	34,260
Interest	12,395	-	-
Other	-	-	-
	<u>1,110,731</u>	<u>6,049</u>	<u>34,260</u>
Total revenues			
<b>Expenditures</b>			
Public safety	-	10,349	17,121
Public services:			
Solid waste collection	1,126,764	-	-
Capital outlay	-	-	-
General government	44	-	-
	<u>1,126,808</u>	<u>10,349</u>	<u>17,121</u>
Total expenditures			
<b>Excess of Revenues Over (Under) Expenditures</b>	(16,077)	(4,300)	17,139
<b>Other Financing Sources</b> - Transfer from other funds	-	-	-
<b>Excess of Revenues and Other Financing Sources Over (Under) Expenditures</b>	(16,077)	(4,300)	17,139
<b>Fund Balances</b> - Beginning of year	<u>313,855</u>	<u>9,576</u>	<u>8,709</u>
<b>Fund Balances</b> - End of year	<u>\$ 297,778</u>	<u>\$ 5,276</u>	<u>\$ 25,848</u>

**Special Revenue Funds**  
**Combining Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances**  
**Fiscal Year Ended December 31, 2002**

Employee Benefits	Bicentennial Park	PEG Channel Grant	Total	
			2002	2001
\$ -	\$ -	\$ -	\$ 1,098,336	\$ 1,113,316
-	-	-	40,309	1,411
11,125	-	-	23,520	43,459
-	14,400	25,588	39,988	14,400
11,125	14,400	25,588	1,202,153	1,172,586
-	-	-	27,470	16,805
-	-	-	1,126,764	1,090,465
-	26,137	-	26,137	10,592
-	-	-	44	39
-	26,137	-	1,180,415	1,117,901
11,125	(11,737)	25,588	21,738	54,685
200,000	-	-	200,000	75,000
211,125	(11,737)	25,588	221,738	129,685
837,883	13,501	-	1,183,524	1,053,839
<b>\$ 1,049,008</b>	<b>\$ 1,764</b>	<b>\$ 25,588</b>	<b>\$ 1,405,262</b>	<b>\$ 1,183,524</b>

# Charter Township of Grand Blanc

## Solid Waste Fund Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual Fiscal Year Ended December 31, 2002

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Budget	Actual	
<b>Revenues</b>				
Solid waste collection charges	\$ 1,113,316	\$ 1,089,540	\$ 1,098,336	\$ 8,796
Interest	30,576	20,000	12,395	(7,605)
Total revenues	1,143,892	1,109,540	1,110,731	1,191
<b>Expenditures</b>				
Public services - Solid waste collection	1,090,465	1,129,340	1,126,764	2,576
Other operating expenses	39	200	44	156
Total expenditures	1,090,504	1,129,540	1,126,808	2,732
<b>Excess of Revenues Over (Under) Expenditures</b>	53,388	(20,000)	(16,077)	3,923
<b>Fund Balance - Beginning of year</b>	260,467	313,855	313,855	-
<b>Fund Balance - End of year</b>	<u>\$ 313,855</u>	<u>\$ 293,855</u>	<u>\$ 297,778</u>	<u>\$ 3,923</u>

# Charter Township of Grand Blanc

## Drug Forfeiture Fund Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual Fiscal Year Ended December 31, 2002

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Budget	Actual	
<b>Revenues - Forfeitures and seizures</b>	\$ 1,411	\$ 10,000	\$ 6,049	\$ (3,951)
<b>Expenditures</b>				
Public safety	16,805	4,000	10,349	(6,349)
Capital outlay	-	20,000	-	20,000
Total expenditures	<u>16,805</u>	<u>24,000</u>	<u>10,349</u>	<u>13,651</u>
<b>Excess of Expenditures Over Revenues</b>	(15,394)	(14,000)	(4,300)	9,700
<b>Fund Balance - Beginning of year</b>	<u>24,970</u>	<u>14,000</u>	<u>9,576</u>	<u>(4,424)</u>
<b>Fund Balance - End of year</b>	<u><u>\$ 9,576</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 5,276</u></u>	<u><u>\$ 5,276</u></u>

# Charter Township of Grand Blanc

## Law Enforcement Fund Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual Fiscal Year Ended December 31, 2002

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Budget	Actual	
<b>Revenues</b> - Forfeitures and seizures	\$ -	\$ 34,000	\$ 34,260	\$ 260
<b>Expenditures</b> - Public safety	-	25,000	17,121	7,879
<b>Excess of Revenues Over Expenditures</b>	-	9,000	17,139	8,139
<b>Fund Balance</b> - Beginning of year	8,709	8,709	8,709	-
<b>Fund Balance</b> - End of year	<u>\$ 8,709</u>	<u>\$ 17,709</u>	<u>\$ 25,848</u>	<u>\$ 8,139</u>

# Charter Township of Grand Blanc

## Employee Benefits Fund Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual Fiscal Year Ended December 31, 2002

	Current Year			Variance Favorable (Unfavorable)
	Prior Year Actual	Budget	Actual	
<b>Revenues - Interest</b>	\$ 12,883	\$ 15,000	\$ 11,125	\$ (3,875)
<b>Expenditures - Benefit payments</b>	-	150,000	-	150,000
<b>Excess of Revenues Over (Under) Expenditures</b>	12,883	(135,000)	11,125	146,125
<b>Other Financing Sources - Transfer from other funds</b>	75,000	150,000	200,000	50,000
<b>Excess of Revenue and Other Financing Sources Over Expenditures</b>	87,883	15,000	211,125	196,125
<b>Fund Balance - Beginning of year</b>	750,000	837,883	837,883	-
<b>Fund Balance - End of year</b>	<u>\$ 837,883</u>	<u>\$ 852,883</u>	<u>\$ 1,049,008</u>	<u>\$ 196,125</u>

# Charter Township of Grand Blanc

## Bicentennial Park Fund Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual Fiscal Year Ended December 31, 2002

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Budget	Actual	
<b>Revenues - Other</b>	\$ 14,400	\$ 14,400	\$ 14,400	\$ -
<b>Expenditures - Capital outlay</b>	<u>10,592</u>	<u>26,138</u>	<u>26,137</u>	<u>1</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	3,808	(11,738)	(11,737)	1
<b>Fund Balance - Beginning of year</b>	<u>9,693</u>	<u>13,501</u>	<u>13,501</u>	<u>-</u>
<b>Fund Balance - End of year</b>	<u><u>\$ 13,501</u></u>	<u><u>\$ 1,763</u></u>	<u><u>\$ 1,764</u></u>	<u><u>\$ 1</u></u>



# Charter Township of Grand Blanc

## PEG Channel Grant Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual Fiscal Year Ended December 31, 2002

	Current Year			Variance Favorable (Unfavorable)
	Prior Year Actual	Budget	Actual	
<b>Revenues - PEG Contributions</b>	\$ -	\$ -	\$ 25,588	\$ 25,588
<b>Fund Balance - Beginning of year</b>	-	-	-	-
<b>Fund Balance - End of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,588</u>	<u>\$ 25,588</u>

## **Water and Sewer Debt Service Fund**

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This fund accounts for the proceeds of property taxes that are earmarked for debt (.8476 mills from the constitutionally allowed debt levy).

# Charter Township of Grand Blanc

## Water and Sewer Debt Service Fund Comparative Balance Sheet December 31, 2002

	December 31	
	2002	2001
<b>Assets</b>		
Cash and cash equivalents	\$ 211,079	\$ 635,107
Receivables - Property taxes	<u>440,424</u>	<u>730,496</u>
Total assets	<u><b>\$ 651,503</b></u>	<u><b>\$ 1,365,603</b></u>
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b> - Deferred revenue	\$ 484,336	\$ 791,739
<b>Fund Balances</b> - Unreserved and designated for debt service	<u>167,167</u>	<u>573,864</u>
Total liabilities and fund balances	<u><b>\$ 651,503</b></u>	<u><b>\$ 1,365,603</b></u>

# Charter Township of Grand Blanc

## Water and Sewer Debt Service Fund Comparative Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual Fiscal Year Ended December 31, 2002

	Year Ended December 31	
	2002	2001
<b>Revenues</b>		
Property taxes	\$ 789,520	\$ 805,892
Interest	3,259	3,672
County return of surplus assets	5,763	10,697
Total revenues	798,542	820,261
<b>Expenditures</b>		
Debt service payments:		
Principal	1,135,165	1,146,705
Interest	65,489	121,456
Other	4,585	5,452
Total expenditures	1,205,239	1,273,613
<b>Excess of Expenditures Over Revenues</b>	(406,697)	(453,352)
<b>Other Financing Sources</b> - Operating transfer from		
General Fund	-	480,463
<b>Excess of Revenues and Other Financing Sources Over (Under) Expenditures</b>	(406,697)	27,111
<b>Fund Balance</b> - Beginning of year	573,864	546,753
<b>Fund Balance</b> - End of year	<b>\$ 167,167</b>	<b>\$ 573,864</b>

## **Capital Projects Funds**

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Capital Projects Funds are used to account for the acquisition of capital facilities other than those financed by the operations of an Enterprise Fund. A description of the Capital Projects Funds maintained by the Township is as follows:

**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.

**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 Township Master Campus.

# Charter Township of Grand Blanc

## Capital Projects Funds Combining Balance Sheet December 31, 2002

	Capital Projects	Master Campus Project	Total	
			2002	2001
<b>Assets</b>				
Receivables - Property taxes	\$ -	\$ 305,894	\$ 305,894	\$ -
Due from General Fund	<u>2,225,147</u>	<u>-</u>	<u>2,225,147</u>	<u>2,400,714</u>
Total assets	<u><b>\$ 2,225,147</b></u>	<u><b>\$ 305,894</b></u>	<u><b>\$ 2,531,041</b></u>	<u><b>\$ 2,400,714</b></u>
<b>Liabilities and Fund Balance</b>				
<b>Liabilities</b> - Deferred revenue	\$ -	\$ 305,894	\$ 305,894	\$ -
<b>Fund Balance</b> - Unreserved - Designated for				
Technology	100,000	-	100,000	100,000
Bike path/pathways	300,000	-	300,000	200,000
McGrath Park	200,000	-	200,000	300,000
Bicentennial Park	250,000	-	250,000	250,000
Building and grounds	300,000	-	300,000	425,000
Road improvements	675,147	-	675,147	400,000
Vehicle Replacement Fund	200,000	-	200,000	50,000
911 operations	200,000	-	200,000	-
Future land obligations	<u>-</u>	<u>-</u>	<u>-</u>	<u>675,714</u>
Total fund balance	<u>2,225,147</u>	<u>-</u>	<u>2,225,147</u>	<u>2,400,714</u>
Total liabilities and fund balance	<u><b>\$ 2,225,147</b></u>	<u><b>\$ 305,894</b></u>	<u><b>\$ 2,531,041</b></u>	<u><b>\$ 2,400,714</b></u>

# Charter Township of Grand Blanc

## Capital Projects Funds Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Fiscal Year Ended December 31, 2002

	Capital Projects	Master Campus Project	Total	
			2002	2001
<b>Other Financing Sources</b> - Operating transfer from General Fund	\$ 900,000	\$ -	<b>\$ 900,000</b>	\$ 1,725,000
<b>Expenditures</b> - Capital outlay	<u>1,075,567</u>	<u>-</u>	<b><u>1,075,567</u></b>	<u>223,921</u>
<b>Excess of Other Financing Sources Over (Under) Expenditures</b>	(175,567)	-	<b>(175,567)</b>	1,501,079
<b>Fund Balance</b> - Beginning of year	<u>2,400,714</u>	<u>-</u>	<b><u>2,400,714</u></b>	<u>899,635</u>
<b>Fund Balance</b> - End of year	<b><u>\$ 2,225,147</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 2,225,147</u></b>	<b><u>\$ 2,400,714</u></b>

# Charter Township of Grand Blanc

## Capital Projects Funds Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual Fiscal Year Ended December 31, 2002

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Budget	Actual	
<b>Other Financing Sources - Operating</b> transfer from General Fund	\$ 1,725,000	\$ -	\$ 900,000	\$ 900,000
<b>Expenditures - Capital outlay</b>	<u>223,921</u>	<u>1,200,000</u>	<u>1,075,567</u>	<u>124,433</u>
<b>Excess of Other Financing Sources Over (Under) Expenditures</b>	1,501,079	(1,200,000)	(175,567)	1,024,433
<b>Fund Balance - Beginning of year</b>	<u>899,635</u>	<u>2,400,714</u>	<u>2,400,714</u>	<u>-</u>
<b>Fund Balance - End of year</b>	<u>\$ 2,400,714</u>	<u>\$ 1,200,714</u>	<u>\$ 2,225,147</u>	<u>\$ 1,024,433</u>



## **Enterprise Fund**

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**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, financed primarily by a user charge for the provision of those services.

# Charter Township of Grand Blanc

## Enterprise Fund - Department of Public Works Comparative Balance Sheet December 31, 2002

	December 31	
	2002	2001
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 2,289,531	\$ 1,519,083
Investments	1,014,262	850,597
Receivables:		
Property taxes	141,636	99,460
Customer usage billings	1,867,841	1,684,651
Receivables billed on tax roll	351,404	292,924
Due from other governmental units	10,556	-
Prepaid expenses	9,800	9,800
Total current assets	5,685,030	4,456,515
<b>Noncurrent Assets</b>		
Tap-in assessments receivable - Net of current portion	537,702	573,228
Capital assets	42,780,233	38,660,880
Total assets	<u>\$ 49,002,965</u>	<u>\$ 43,690,623</u>
<b>Liabilities and Fund Equity</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 690,828	\$ 559,722
Due to General Fund	22,005	22,005
Due to Pension Trust Fund	7,403	9,852
Accrued and other liabilities	97,200	96,178
Total current liabilities	817,436	687,757
<b>Long-term Debt</b>		
Total liabilities	140,214	200,725
<b>Fund Equity</b>		
Contributed capital	35,493,753	35,493,753
Retained earnings:		
Reserved for mosquito spraying	62,167	13,328
Unreserved	12,489,395	7,295,060
Total fund equity	48,045,315	42,802,141
Total liabilities and fund equity	<u>\$ 49,002,965</u>	<u>\$ 43,690,623</u>

# Charter Township of Grand Blanc

## Enterprise Fund - Department of Public Works Comparative Statement of Revenues, Expenses, and Changes in Retained Earnings Fiscal Year Ended December 31, 2002

	Year Ended December 31	
	2002	2001
<b>Operating Revenues</b>		
Sewage disposal	\$ 3,388,824	\$ 2,809,227
Water sales	2,555,504	2,166,309
Water meters	212,209	188,951
Penalties and other charges for services	153,895	146,662
Total operating revenues	6,310,432	5,311,149
<b>Operating Expenses</b>		
Cost of sewage disposal	2,147,061	1,611,928
Cost of water	2,128,152	1,526,381
Depreciation	865,290	807,112
General and administrative	1,330,145	1,074,187
Total operating expenses	6,470,648	5,019,608
<b>Operating Income (Loss)</b>	(160,216)	291,541
<b>Nonoperating Revenues (Expense)</b>		
Interest income	109,978	148,375
Gain (loss) on sale of assets	(4,948)	209
Property tax revenue - Mosquito spraying levy	155,306	107,518
Interest expense	(13,794)	(3,095)
Mosquito spraying	(106,210)	(106,210)
Total nonoperating revenues	140,332	146,797
<b>Net Income (Loss) - Before capital contributions</b>	(19,884)	438,338
<b>Capital Contributions</b>	5,263,058	1,491,412
<b>Net Income</b>	5,243,174	1,929,750
<b>Retained Earnings - Beginning of year</b>	7,308,388	5,378,638
<b>Retained Earnings - End of year</b>	<b>\$ 12,551,562</b>	<b>\$ 7,308,388</b>

# Charter Township of Grand Blanc

## Enterprise Fund - Department of Public Works Comparative Statement of Cash Flows Fiscal Year Ended December 31, 2002

	Year Ended December 31	
	2002	2001
<b>Cash Flows from Operating Activities</b>		
Operating income (loss)	\$ (160,216)	\$ 291,541
Adjustments to reconcile operating income (loss) to net cash from operating activities:		
Depreciation	865,290	807,112
Cost of mosquito spraying	(106,210)	(106,210)
Changes in assets and liabilities:		
Receivables	(225,366)	118,075
Due from other governmental units	(10,556)	93,998
Payables	131,106	(37,418)
Other accrued liabilities	1,022	(1,006)
Due to other funds	(2,449)	(108,793)
Net cash provided by operating activities	492,621	1,057,299
<b>Cash Flows from Noncapital and Related Financing Activities -</b>		
Collection of mosquito assessment	155,306	107,518
<b>Cash Flows from Capital and Related Financing Activities</b>		
Collection of customer assessments	1,755,266	1,366,595
Acquisition of capital assets	(1,536,309)	(1,537,579)
Federal grant for water main construction	10,556	353,204
Proceeds from sale of asset	21,000	1,221
Principal and interest paid on installment contracts	(74,305)	(71,995)
Net cash provided by capital and related financing activities	176,208	111,446
<b>Cash Flows from Investing Activities</b>		
Interest earnings	109,978	148,375
Net purchase of investment securities	(163,665)	(850,597)
Net cash used in investing activities	(53,687)	(702,222)
<b>Net Increase in Cash and Cash Equivalents</b>	770,448	574,041
<b>Cash and Cash Equivalents - Beginning of year</b>	1,519,083	945,042
<b>Cash and Cash Equivalents - End of year</b>	<b>\$ 2,289,531</b>	<b>\$ 1,519,083</b>

## **Trust and Agency Funds**

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A description of the Trust and Agency Funds maintained by the Township is as follows:

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

**Cemetery Nonexpendable Trust Fund** - To account for cemetery deposits

**Agency Fund** - To account for the collection and payment of property taxes by the Township on behalf of others

# Charter Township of Grand Blanc

## Trust and Agency Funds Combining Balance Sheet December 31, 2002

	Pension Trust	Cemetery Non- expendable Trust	Agency	Total	
				2002	2001
<b>Assets</b>					
Cash and cash equivalents	\$ 22,437	\$ 51,359	\$ 6,598,200	\$ 6,671,996	\$ 6,445,152
Investments	2,505,255	57,991	-	2,563,246	2,995,528
Due from other funds	44,782	-	-	44,782	17,934
Total assets	<u>\$ 2,572,474</u>	<u>\$ 109,350</u>	<u>\$ 6,598,200</u>	<u>\$ 9,280,024</u>	<u>\$ 9,458,614</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 4,819	\$ -	\$ -	\$ 4,819	\$ 11,712
Undistributed tax collections	-	-	6,598,200	6,598,200	6,357,916
Total liabilities	4,819	-	6,598,200	6,603,019	6,369,628
<b>Fund Balances - Reserved</b>					
Cemetery endowment	-	43,604	-	43,604	59,721
Cemetery - Expendable	-	65,746	-	65,746	75,309
Employees' pension benefits	2,567,655	-	-	2,567,655	2,953,956
Total fund balances	<u>2,567,655</u>	<u>109,350</u>	<u>-</u>	<u>2,677,005</u>	<u>3,088,986</u>
Total liabilities and fund balances	<u>\$ 2,572,474</u>	<u>\$ 109,350</u>	<u>\$ 6,598,200</u>	<u>\$ 9,280,024</u>	<u>\$ 9,458,614</u>

# Charter Township of Grand Blanc

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## Trust and Agency Funds Combining Statement of Changes in Assets and Liabilities - Agency Fund Fiscal Year Ended December 31, 2002

	Balance January 1, 2002	Additions	Deductions	Balance December 31, 2002
<b>Assets - Cash and cash equivalents</b>	<u>\$ 6,357,916</u>	<u>\$ 39,978,233</u>	<u>\$ 39,737,949</u>	<u>\$ 6,598,200</u>
<b>Liabilities - Undistributed tax collections</b>	<u>\$ 6,357,916</u>	<u>\$ 39,978,233</u>	<u>\$ 39,737,949</u>	<u>\$ 6,598,200</u>

## **General Fixed Assets Account Group**

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This group accounts for all fixed assets of the Township, other than those used and accounted for in the Enterprise Fund. Money for the procurement of general fixed assets may come from proceeds of bond issues, proceeds of notes and other short-term debt, current revenues, special assessments, grants from other governmental units, and gifts and contributions from private sources.



# Charter Township of Grand Blanc

## General Fixed Assets Account Group Comparative Schedules of General Fixed Assets by Source December 31, 2002

	December 31	
	2002	2001
<b>General Fixed Assets</b>		
Land	\$ 1,485,300	\$ 5,745,084
Buildings	4,266,298	-
Furniture and equipment	2,669,557	2,459,139
Investment in Grand Blanc Fire Commission	1,401,494	-
	<u>\$ 9,822,649</u>	<u>\$ 8,204,223</u>
<b>Investment in General Fixed Assets by Source</b>		
General Fund	\$ 4,024,219	\$ 4,397,292
Special Revenue Fund	2,115,183	786,253
Capital Projects Fund	3,683,247	3,020,678
	<u>\$ 9,822,649</u>	<u>\$ 8,204,223</u>

# Charter Township of Grand Blanc

## General Fixed Assets Account Group Schedule of General Fixed Assets by Function and Activity December 31, 2002

	Land	Building	Furniture and Equipment	Investment in Grand Blanc Fire Commission	Total
<b>General Fund</b>					
General government:					
General office	\$ -	\$ -	\$ 704,784	\$ -	\$ 704,784
Supervisor's office	-	-	19,337	-	19,337
Clerk's office	-	-	14,777	-	14,777
Treasurer's office	-	-	64,222	-	64,222
Elections	-	-	22,437	-	22,437
Assessor's office	-	-	62,583	-	62,583
Building and grounds	1,414,002	3,415,828	454,428	-	5,284,258
Public safety:					
Police	-	37,989	1,174,049	-	1,212,038
Building and zoning	-	17,010	152,940	-	169,950
Fire Hall	71,298	795,471	-	-	866,769
Fire Commission	-	-	-	1,401,494	1,401,494
Total general fixed assets	<u>\$ 1,485,300</u>	<u>\$ 4,266,298</u>	<u>\$ 2,669,557</u>	<u>\$ 1,401,494</u>	<u>\$ 9,822,649</u>

# Charter Township of Grand Blanc

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## General Fixed Assets Account Group Schedule of Changes in General Fixed Assets Deletions by Function and Activity Fiscal Year Ended December 31, 2002

	<u>Furniture and Equipment</u>
<b>General Fund</b>	
General government:	
General office	\$ -
Supervisor's office	-
Clerk's office	-
Treasurer's office	10,386
Assessor's office	9,742
Public safety:	
Police	82,345
Building and zoning	<u>-</u>
Total general fixed assets deletions	<u><u>\$ 102,473</u></u>

# Charter Township of Grand Blanc

## General Fixed Assets Account Group Schedule of Changes in General Fixed Assets by Function and Activity Fiscal Year Ended December 31, 2002

	Balance January 1, 2002	Additions	Deductions	Adjustments	Balance December 31, 2002
<b>General Fund</b>					
General government:					
General office	\$ 818,692	\$ 57,707	\$ -	\$ (171,615)	\$ 704,784
Supervisor's office	71,988	-	-	(52,651)	19,337
Clerk's office	72,900	-	-	(58,123)	14,777
Treasurer's office	103,591	21,215	(10,386)	(50,198)	64,222
Elections	36,533	-	-	(14,096)	22,437
Assessor's office	113,145	20,405	(9,742)	(61,225)	62,583
Building and grounds	2,175,955	993,269	-	2,115,034	5,284,258
Public safety:					
Police	1,540,383	218,154	(82,345)	(464,154)	1,212,038
Building and zoning	211,648	27,852	-	(69,550)	169,950
Fire Hall	867,744	-	-	(975)	866,769
Fire Commission	-	1,401,494	-	-	1,401,494
<b>Other - Unclassified</b>	<u>2,191,644</u>	<u>-</u>	<u>-</u>	<u>(2,191,644)</u>	<u>-</u>
Total general fixed assets	<u><b>\$ 8,204,223</b></u>	<u><b>\$ 2,740,096</b></u>	<u><b>\$ (102,473)</b></u>	<u><b>\$(1,019,197)</b></u>	<u><b>\$ 9,822,649</b></u>

## **Statistical Section**

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# Charter Township of Grand Blanc

## General Governmental Expenditures by Function Last Ten Fiscal Years (amounts expressed in thousands)

Year	General Government	Public Safety	Public Services	Debt Service	Capital Outlay	Other	Total
1993	\$ 1,091	\$ 2,573	\$ 1,351	\$ 1,758	\$ -	\$ 6	\$ 6,779
1994	1,105	2,834	1,294	1,729	17	547	7,526
1995	1,172	2,740	1,497	1,762	480	110	7,761
1996	1,117	2,807	1,652	1,755	1,107	6	8,444
1997	1,267	3,167	1,715	1,727	16	6	7,898
1998	1,304	3,276	2,134	1,681	2,109	6	10,510
1999	1,670	3,792	2,045	1,537	545	6	9,595
2000	1,719	4,006	1,885	1,496	518	6	9,630
2001	1,719	4,613	1,747	1,268	235	5	9,587
2002	2,014	5,384	2,014	1,201	1,101	5	11,719

## General Governmental Revenues by Source Last Ten Fiscal Years (amounts expressed in thousands)

Year	Property Taxes	Licenses and Permits	State Sources	Charges for Services	Interest	Other	Total
1993	\$ 3,882	\$ 208	\$ 1,729	\$ 727	\$ 154	\$ 246	\$ 6,946
1994	3,945	732	1,830	872	206	271	7,856
1995	3,984	338	1,918	915	321	416	7,892
1996	4,041	549	2,178	960	301	255	8,284
1997	4,115	489	2,056	960	282	398	8,300
1998	4,470	864	2,177	898	337	612	9,358
1999	4,723	987	2,358	974	309	577	9,928
2000	5,008	907	2,482	1,070	414	411	10,292
2001	5,047	1,285	2,916	1,113	414	376	11,151
2002	5,433	1,413	2,760	1,098	203	474	11,381

# Charter Township of Grand Blanc

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Tax Year*	Total Levy	Current Collections	Percent Collected
1992	\$ 32,411,171	\$ 30,409,605	93.82
1993	33,657,236	31,828,633	94.57
1994	21,107,465	20,200,145	95.70
1995	21,914,907	20,881,572	95.28
1996	23,342,426	22,231,118	95.24
1997	25,272,459	23,944,888	94.75
1998	28,703,370	27,136,454	94.54
1999	31,210,616	29,538,561	94.64
2000	32,537,492	30,963,971	95.16
2001	36,305,986	34,706,249	95.59

## Property Values\*\*

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Tax Year	Estimated Actual Value	Taxable Value***	Ratio
1993	\$ 1,022,382,400	\$ 511,191,200	50.00
1994	1,059,269,400	529,634,700	50.00
1995	1,128,754,800	555,871,403	49.25
1996	1,309,483,800	620,667,850	47.40
1997	1,449,714,800	683,208,361	47.13
1998	1,633,083,000	747,902,145	45.80
1999	1,801,398,800	816,439,688	45.32
2000	1,837,971,400	871,269,165	47.40
2001	2,046,331,800	954,764,747	46.66
2002	2,287,789,000	1,051,049,801	45.94

\* Tax year falls one year prior to the fiscal year in which the taxes are budgeted. For example, the 1996 taxes become revenue of the fiscal year ended December 31, 1997.

\*\* Property values include Act 198 abated properties, stated at 50 percent of assessed value.

\*\*\* Taxable values prior to 1995 were assessed at 50 percent of true cash value. Beginning with the 1995 assessments, the growth in taxable value of each parcel of property is limited by the lesser of inflation or 5 percent.

**Property Tax Data  
Property Tax Levies and Collections  
Last Ten Fiscal Years**

Delinquent Collections	Total Collections	Percent of Levy	Delinquent Taxes	Percent of Levy
\$ 1,991,517	\$ 32,401,122	99.97	\$ 10,049	0.03
1,814,068	33,642,701	99.96	14,535	0.04
898,637	21,098,782	99.96	8,683	0.04
1,017,860	21,899,432	99.93	15,475	0.07
1,101,049	23,332,167	99.96	10,259	0.04
1,291,951	25,236,839	99.86	35,620	0.14
1,557,372	28,693,826	99.97	9,544	0.03
1,542,769	31,081,330	99.59	129,286	0.41
1,518,533	32,482,504	99.83	54,988	0.17
1,552,792	36,259,041	99.87	46,945	0.13

**Property Values and Millage Rates**

Millage Rates				
School				
Township	County	Homestead	Nonhomestead	Total Homestead
7.0546	7.7618	-	44.9994	59.8158
7.0175	7.7618	12.4777	30.4777	27.2570
6.8458	7.7618	12.4777	30.4777	27.0853
6.4576	8.1618	12.7277	30.7277	27.3471
6.4275	8.2618	12.4777	30.4777	27.1670
6.2387	8.2618	14.2777	32.2777	28.7782
6.0692	8.2345	14.2513	32.1307	28.5550
5.6986	8.2271	14.2588	32.0899	28.1845
5.5737	8.2187	15.2430	33.2430	29.0354
5.5237	8.1831	15.1825	32.9305	28.8893



# Charter Township of Grand Blanc

## Property Tax Data (Continued) Principal Taxpayers Last Ten Fiscal Years

Principal Taxpayers	Type of Business	2002 Taxable Value	Percent of Total
General Motors	Auto manufacturing	\$ 67,278,736	6.40
VEMCO	Auto manufacturing	21,983,100	2.09
Consumers Power	Utilities	18,502,414	1.76
Ring Screw/Titan	Manufacturing	13,566,051	1.29
Edward Rose Assoc.	Apartments	12,867,060	1.22
Auker	Real estate	11,091,690	1.06
Genesys Medsports	Health/Fitness/Conference	10,801,318	1.03
Knollwood Village Assoc.	Apartments	9,533,000	0.91
Grand Blanc Processing	Manufacturing	6,764,727	0.64
Dearborn Group	Apartments	5,560,105	0.53

# Charter Township of Grand Blanc

## Computation of Legal Debt Margin December 31, 2002

Taxable value subject to property tax		\$ 1,019,646,802
Taxable value subject to Act 198 Industrial Facilities Tax		<u>31,402,999</u>
Total taxable value		<u><b>\$ 1,051,049,801</b></u>
Legal debt margin - 10%		\$ 105,104,980
Debt applicable to limitation:		
Total General Long-term Debt Account Group	\$ 1,968,123	
Less special assessment debt	(647,547)	
Less county contractual obligations	(910,375)	
Less employee-compensated absences	(270,201)	
Total debt applicable to limitation		<u>140,000</u>
Legal debt margin		<u><b>\$ 104,964,980</b></u>

## Computation of Direct and Overlapping Debt

	Debt Outstanding	Percent Applicable to Township	Amount Applicable to Township
	<u>          </u>	<u>          </u>	<u>          </u>
Direct - Grand Blanc Township	\$ 1,838,136	100.00	\$ 1,838,136
Overlapping:			
Genesee County	53,269,018	11.12	5,923,515
Grand Blanc School District	19,690,000	72.62	14,298,878
Goodrich School District	44,802,615	7.64	3,422,920
Lake Fenton School District	30,325,000	2.04	618,630
Genesee Intermediate School District	615,000	10.61	65,252
Mott Community College	<u>61,510,000</u>	10.61	<u>6,526,211</u>
Total	<u><b>\$ 212,049,769</b></u>		<u><b>\$ 32,693,542</b></u>

# Charter Township of Grand Blanc

## Ratio of Debt to Taxable Value and Debt per Capita December 31, 2002 (amounts in thousands)

Year	General		Net Debt	Taxable Value	Ratio of Net Debt to Taxable Value		Population	Net Debt per Capita
	Long-term Debt*	Less Debt Service Fund			Value	Value		
1993	\$ 12,246	\$ 952	\$ 11,294	\$ 511,191	2.21	25,392	\$ 445	
1994	11,338	929	10,409	529,635	1.97	25,392	410	
1995	9,920	861	9,059	555,871	1.63	25,392	357	
1996	8,605	791	7,814	620,668	1.26	25,392	308	
1997	7,251	593	6,658	650,929	1.02	25,392	262	
1998	5,871	491	5,380	703,997	0.76	25,392	212	
1999	4,563	520	4,043	774,503	0.52	25,392	159	
2000	3,244	547	2,697	827,881	0.33	29,827	90	
2001	2,195	574	1,621	913,105	0.18	29,827	54	
2002	1,050	167	883	1,019,647	0.09	29,827	30	

## Ratio of Governmental Fund Debt Service to Total Expenditures

Year	Debt Service	Total Governmental Expenditures	Ratio of Debt Service to Expenditures
1993	\$ 1,758	6,779	25.93
1994	1,729	7,526	22.97
1995	1,762	7,762	22.70
1996	1,755	8,444	20.78
1997	1,727	7,898	21.87
1998	1,681	10,510	15.99
1999	1,537	9,595	16.02
2000	1,496	9,630	15.53
2001	1,268	9,587	13.23
2002	1,201	11,719	10.25

\* General long-term debt includes all general obligation bonds and contracts, but excludes special assessment bonds and employee-compensated absences.

# Charter Township of Grand Blanc

## Miscellaneous Statistics December 31, 2002

### Construction and Property Values

Year	Building Permits		Property Values (Taxable Value)			Abatement Property Act 198
	Number of Permits	Estimated Value	Residential	Commercial and Industrial	Total Taxable Value	
1993	814	\$ 18,933,938	\$ 334,921,100	\$ 176,270,100	\$ 511,191,200	\$ 48,044,200
1994	842	36,187,066	348,040,300	181,594,400	529,634,700	42,523,300
1995	834	149,952,624	360,883,013	194,988,390	555,871,403	32,270,800
1996	1,002	83,956,000	410,948,204	209,719,581	620,667,785	16,504,005
1997	1,054	64,478,277	412,785,104	238,143,457	650,928,561	32,279,800
1998	1,226	83,864,993	453,462,578	250,534,167	703,996,745	43,905,400
1999	1,259	85,288,318	496,542,994	277,959,690	774,502,684	41,937,004
2000	1,186	71,802,011	549,392,330	278,590,175	827,982,505	43,388,167
2001	1,204	128,960,259	614,822,305	298,840,839	913,663,144	41,659,749
2002	1,335	95,431,864	691,451,610	328,195,192	1,019,646,802	31,402,999

### Demographic Statistics (Source: U.S. Census data)

	Federal Census Year				
	2000	1990	1980	1970	1960
Population	29,827	25,392	24,413	19,229	9,418
Per capita income	\$ 27,520	\$ 20,050	\$ 10,545	\$ 6,535	\$ *
Median age	36.0	33.7	27.6	24.4	26.1
Education level, in years of schooling:					
Percent high school or higher	92.1	13.6	*	*	*
Percent Bachelor's degree or higher	30.7	*	*	*	*
School enrollment	8,213	6,382	*	*	*
Unemployment rate	4	5.2%	*	*	*

\* Information not available

# Charter Township of Grand Blanc

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## Miscellaneous Statistics (Continued) December 31, 2002

### Other Statistics

Date of Township formation	1833
Date of Charter Township adoption	June 22, 1978
Area in square miles	32.7
Number of Township employees	109
Police protection:	
Number of stations	1
Number of police personnel	51
Number of physical arrests	1,794
Number of traffic and parking violations	4,498
Fire protection - Fire coverage is provided through the Grand Blanc Fire Commission, serving both the City and Township of Grand Blanc:	
Number of stations	3
Number of fire personnel	54
Number of fire calls answered	448
Water and sewer system:	
Miles of water mains	164
Number of water customers	4,371
Annual water consumption (cubic feet)	131,868,048
Miles of sanitary sewer mains	215
Number of sewer customers	9,552