

# **Charter Township of Flint**

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**Financial Report  
with Supplemental Information  
December 31, 2016**

# Charter Township of Flint

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# Charter Township of Flint

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## Independent Auditor's Report

To the Board of Trustees  
Charter Township of Flint

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Charter Township of Flint (the "Township") as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Charter Township of Flint's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Charter Township of Flint as of December 31, 2016, and the respective changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

To the Board of Trustees  
Charter Township of Flint

***Emphasis of Matters***

As discussed in Note 17 to the basic financial statements, the 2015 basic financial statements have been restated to correct a misstatement related to capital assets. Our opinion is not modified with respect to this matter.

As explained in Note 3, the financial statements include investments valued at \$6,496,577 (100 percent of total investments for the aggregate remaining funds) at December 31, 2016, whose fair values have been estimated by management in the absence of readily determinable market values. Management's estimates are based on information provided by fund managers and the partnership general partners. Our opinion has not been modified with respect to this matter.

***Other Matters***

*Required Supplemental Information*

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

*Other Information*

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

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

*Plante & Moran, PLLC*

May 24, 2017

# Charter Township of Flint

## Management's Discussion and Analysis

Our discussion and analysis of the Charter Township of Flint's (the "Township") financial performance provides an overview of the Township's financial activities for the fiscal year ended December 31, 2016. Please read it in conjunction with the Township's financial statements.

### Using this Annual Report

This annual report consists of a series of financial statements. The statement of net position and the statement of activities provide information about the activities of Charter Township of Flint as a whole and present a longer-term view of Charter Township of Flint's finances. This longer-term view uses the accrual basis of accounting so that it can measure the cost of providing services during the current year, and whether the taxpayers have funded the full cost of providing government services.

The fund financial statements present a short-term view; they tell us how the taxpayers' resources were spent during the year, as well as how much is available for future spending. Fund financial statements also report the Charter Township of Flint's operations in more detail than the government-wide financial statements by providing information about the Township's most significant funds. The fiduciary fund statements provide financial information about activities for which the Township acts solely as a trustee or agent for the benefit of those outside of the government.

### Governmental and Business-type Activities

The following table shows, in a condensed format, the current year's net position and changes in net position, compared to the prior year:

	Governmental Activities		Business-type Activities		Total	
	2016	2015*	2016	2015	2016	2015
<b>Assets</b>						
Cash and investments	\$ 9,134,027	\$ 8,538,692	\$ 8,477,842	\$ 7,679,504	\$ 17,611,869	\$ 16,218,196
Current receivables	8,337,242	8,234,741	3,970,447	3,804,815	12,307,689	12,039,556
Prepaid items	650,818	170,108	9,979	7,747	660,797	177,855
Net pension asset	-	-	-	-	-	-
Capital assets	<u>10,735,477</u>	<u>11,370,579</u>	<u>2,209,686</u>	<u>2,372,241</u>	<u>12,945,163</u>	<u>13,742,820</u>
Total assets	28,857,564	28,314,120	14,667,954	13,864,307	43,525,518	42,178,427
<b>Deferred Outflows of Resources</b>	3,832,532	1,598,503	37,970	10,932	3,870,502	1,609,435
<b>Liabilities</b>						
Current liabilities	904,114	865,887	2,462,908	2,371,279	3,367,022	3,237,166
Long-term liabilities	21,798,058	19,449,640	889,362	834,230	22,687,420	20,283,870
<b>Deferred Inflows of Resources</b>	<u>9,745,284</u>	<u>9,146,101</u>	<u>2,414</u>	<u>-</u>	<u>9,747,698</u>	<u>9,146,101</u>
<b>Net Position</b>						
Net investment in capital assets	9,048,177	9,351,203	1,840,053	1,982,608	10,888,230	11,333,811
Restricted	4,057,834	3,368,772	-	-	4,057,834	3,368,772
Unrestricted	<u>(12,863,371)</u>	<u>(12,268,980)</u>	<u>9,511,187</u>	<u>8,687,122</u>	<u>(3,352,184)</u>	<u>(3,581,858)</u>
Total net position	<u>\$ 242,640</u>	<u>\$ 450,995</u>	<u>\$ 11,351,240</u>	<u>\$ 10,669,730</u>	<u>\$ 11,593,880</u>	<u>\$ 11,120,725</u>

\* The financial statements for the year ended December 31, 2015 have been restated in order to properly reflect capital assets. As a result of correcting the error, beginning of the year net position for 2015 has been restated as noted above.

# Charter Township of Flint

## Management's Discussion and Analysis (Continued)

The governmental net position decreased 46 percent from a year ago - decreasing from \$450,995 to \$242,640. Last year's net position decreased by 97 percent.

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
<b>Revenue</b>						
Program revenue:						
Charges for services	\$ 3,113,860	\$ 3,262,895	\$ 14,025,201	\$ 13,332,159	\$ 17,139,061	\$ 16,595,054
Operating grants	442,452	615,360	-	-	442,452	615,360
Capital grants	42,962	70,735	29,463	61,548	72,425	132,283
General revenue:						
Property taxes	7,773,819	7,466,215	-	-	7,773,819	7,466,215
State-shared revenue	2,545,874	2,483,651	-	-	2,545,874	2,483,651
Investment earnings	61,365	72,161	16,279	10,589	77,644	82,750
Other revenue	650,512	782,929	-	-	650,512	782,929
Total revenue	14,630,844	14,753,946	14,070,943	13,404,296	28,701,787	28,158,242
<b>Program Expenses</b>						
General government	3,319,139	2,995,118	-	-	3,319,139	2,995,118
Public safety	8,919,536	8,489,483	-	-	8,919,536	8,489,483
Public works	2,387,347	2,421,776	-	-	2,387,347	2,421,776
Recreation and cultural	110,106	110,806	-	-	110,106	110,806
Sewer and water	-	-	13,389,433	12,724,623	13,389,433	12,724,623
Interest on long-term debt	103,071	113,681	-	-	103,071	113,681
Total expenses	14,839,199	14,130,864	13,389,433	12,724,623	28,228,632	26,855,487
<b>Change in Net Position</b>	<b>\$ (208,355)</b>	<b>\$ 623,082</b>	<b>\$ 681,510</b>	<b>\$ 679,673</b>	<b>\$ 473,155</b>	<b>\$ 1,302,755</b>

Unrestricted net position - the part of net position that can be used to finance day-to-day operations - decreased by \$594,391 for governmental activities. The current level of unrestricted net position for our governmental activities stands at (\$12,863,371). Property tax revenue increased approximately \$308,000 primarily due to an increase in taxable values.

The Township's business-type activities consist of the Sewer and Water Fund. The total net position of business-type activities increased by 6.4 percent from a year ago, increasing from \$10,669,730 to \$11,351,240. Last year's net position increased by 5.8 percent. The charges for services and sewer and water expenses increased approximately \$693,000 due to additional fees and costs related to providing the service to residents.

Unrestricted net position of the business-type activities increased by \$824,065, or approximately 9 percent.

# Charter Township of Flint

## Management's Discussion and Analysis (Continued)

### Financial Analysis of the Township's Funds

As the Township completed the year, its General Fund reported a fund balance of \$4,697,484. This represents an increase of \$445,678 from the prior year. The Township's General Fund revenue, excluding other financing sources, was approximately \$10.1 million. Property taxes were approximately \$3.8 million, or 37 percent of the total revenue. State revenue sharing made up approximately \$2.6 million, or 26 percent of total revenue.

The Township board passed a 2016 General Fund budget anticipating a decrease of approximately \$169,000 of fund balance. However, the change in fund balance was an increase of approximately \$446,000. The Township's actual expenditures were \$758,676 less than the final amended budget.

### Budgetary Highlights

Amended to actual - General Fund revenue totaled \$10,111,045, \$186,573 less than the final amended budget. The largest differences between budget and actual revenue were less than anticipated federal grants (\$54,000), state-shared revenue (\$141,000), and special assessments (\$43,000), and more than anticipated property taxes (\$72,000) and local donations (\$59,000).

General Fund expenditures totaled \$9,727,567, \$758,676 less than the final amended budget. General government expenditures totaled \$3,040,433, approximately \$66,000 less than the final amended budget.

### Capital Assets

At the end of 2016, the Township had invested \$11 million in capital assets, net of related debt. This amount complies with methods established by the Governmental Accounting Standards Board (GASB).

Major capital asset events during the current fiscal year included the following:

- Numerous street paving projects totaling \$301,000
- Equipment purchases of \$38,000
- Public safety vehicle purchases of \$263,000
- The Township also disposed of approximately \$193,000 of vehicles used in the Police and Fire Departments, buildings and improvements, and other machinery and equipment.

Additional information on the Township's capital assets can be found in Note 5 of this report.



# **Charter Township of Flint**

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## **Management's Discussion and Analysis (Continued)**

### **Long-term Debt**

At year end, the Township had approximately \$1.9 million in governmental long-term debt, including \$580,000 in special assessment debt. The business-type activities had approximately \$370,000 in debt including the Fenton Road Water Main debt.

The Township's most recent bond rating was Aa2.

Additional information on the Township's long-term debt can be found in Note 7 of this report.

### **Economic Factors**

- The unemployment rate for the Flint Township area was 4 percent for 2016. This compares to an unemployment rate of 5 percent for the previous year.

### **Contacting the Township's Financial Administration**

This financial report is intended to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the Charter Township of Flint's finances and to demonstrate the Township's accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact the Township Clerk's Department, 1490 South Dye Road, Flint, Michigan 48532-4121.

# Charter Township of Flint

## Statement of Net Position December 31, 2016

	Primary Government			Component Unit - Economic Development Corporation
	Governmental Activities	Business-type Activities	Total	
<b>Assets</b>				
Cash and investments	\$ 9,134,027	\$ 8,477,842	\$ 17,611,869	\$ 163
Receivables:				
Property taxes receivable	6,172,495	-	6,172,495	-
Receivables from sales to customers on account	211,780	3,979,240	4,191,020	-
Accrued interest receivable	2,313	9,935	12,248	-
Other receivables	13,188	-	13,188	-
Due from other governmental units	470,900	-	470,900	-
Special assessments receivable	1,447,838	-	1,447,838	-
Internal balances	18,728	(18,728)	-	-
Prepaid expenses and other assets	650,818	9,979	660,797	-
Capital assets (Note 5):				
Assets not subject to depreciation	3,023,205	-	3,023,205	-
Assets subject to depreciation	7,712,272	2,209,686	9,921,958	-
Total assets	28,857,564	14,667,954	43,525,518	163
<b>Deferred Outflows of Resources</b> (Notes 10 and 11)	3,832,532	37,970	3,870,502	-
<b>Liabilities</b>				
Accounts payable	383,132	115,772	498,904	-
Due to other governmental units	9,711	2,310,185	2,319,896	-
Refundable deposits, bonds, etc.	12,000	33,606	45,606	-
Accrued liabilities and other	168,774	3,345	172,119	-
Noncurrent liabilities (Note 7):				
Due within one year:				
Compensated absences (Note 7)	48,197	-	48,197	-
Current portion of long-term debt (Note 7)	282,300	20,000	302,300	-
Due in more than one year:				
Compensated absences (Note 7)	123,502	-	123,502	-
Net OPEB obligation (Note 13)	5,599,743	380,944	5,980,687	-
Net pension liability (Notes 10 and 11)	14,669,813	138,785	14,808,598	-
Long-term debt (Note 7)	1,405,000	349,633	1,754,633	-
Total liabilities	22,702,172	3,352,270	26,054,442	-

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

# Charter Township of Flint

## Statement of Net Position (Continued) December 31, 2016

	Primary Government			Component Unit - Economic Development Corporation
	Governmental Activities	Business-type Activities	Total	
<b>Deferred Inflows of Resources</b> (Note 4)				
Property taxes levied for the following year	\$ 7,558,693	\$ -	\$ 7,558,693	\$ -
Special assessments levied for the following year	1,556,672	-	1,556,672	-
Deferred inflows related to pensions	<u>629,919</u>	<u>2,414</u>	<u>632,333</u>	<u>-</u>
Total deferred inflows of resources	<u>9,745,284</u>	<u>2,414</u>	<u>9,747,698</u>	<u>-</u>
<b>Net Position</b>				
Net investment in capital assets	9,048,177	1,840,053	10,888,230	-
Restricted for:				
Public safety	3,485,136	-	3,485,136	-
ROW	31,765	-	31,765	-
Roads	36,409	-	36,409	-
Debt service	467,076	-	467,076	-
Public access programming	37,448	-	37,448	-
Unrestricted	<u>(12,863,371)</u>	<u>9,511,187</u>	<u>(3,352,184)</u>	<u>163</u>
Total net position	<u>\$ 242,640</u>	<u>\$ 11,351,240</u>	<u>\$ 11,593,880</u>	<u>\$ 163</u>

# Charter Township of Flint

Functions/Programs	Program Revenue			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 3,413,155	\$ 852,451	\$ 16,100	\$ -
Public safety	8,923,003	692,455	477,518	-
Public works	2,393,265	1,573,602	11,266	-
Recreation and culture	95,191	-	43,669	-
Interest on long-term debt	70,321	-	-	-
Total governmental activities	14,894,935	3,118,508	548,553	-
Business-type activities	13,389,433	14,025,201	-	29,463
Total primary government	<b>\$ 28,284,368</b>	<b>\$ 17,143,709</b>	<b>\$ 548,553</b>	<b>\$ 29,463</b>
Component unit - Economic Development Corporation	<b>\$ 284</b>	<b>\$ -</b>	<b>\$ 170</b>	<b>\$ -</b>

General revenue:  
 Property taxes  
 State-shared revenue  
 Investment income  
 Cable franchise fees  
 Other miscellaneous income

Total general revenue

### Change in Net Position

**Net Position** - Beginning of year - As restated (Note 17)

**Net Position** - End of year

**Statement of Activities**  
**Year Ended December 31, 2016**

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Unit - Economic Development Corporation
Governmental Activities	Business-type Activities	Total	
\$ (2,544,604)	\$ -	\$ (2,544,604)	\$ -
(7,753,030)	-	(7,753,030)	-
(808,397)	-	(808,397)	-
(51,522)	-	(51,522)	-
(70,321)	-	(70,321)	-
(11,227,874)	-	(11,227,874)	-
-	665,231	665,231	-
(11,227,874)	665,231	(10,562,643)	-
-	-	-	(114)
7,773,819	-	7,773,819	-
2,545,874	-	2,545,874	-
61,365	16,279	77,644	-
552,269	-	552,269	-
86,192	-	86,192	-
11,019,519	16,279	11,035,798	-
(208,355)	681,510	473,155	(114)
450,995	10,669,730	11,120,725	277
<b>\$ 242,640</b>	<b>\$ 11,351,240</b>	<b>\$ 11,593,880</b>	<b>\$ 163</b>

# Charter Township of Flint

## Governmental Funds Balance Sheet December 31, 2016

	General Fund	Police and Fire Millage Fund	Nonmajor Funds	Total
<b>Assets</b>				
Cash and investments (Note 3)	\$ 4,960,027	\$ 2,389,129	\$ 1,784,871	\$ 9,134,027
Receivables:				
Property taxes receivable	3,042,652	2,358,422	771,421	6,172,495
Special assessments receivable	1,233,932	-	213,906	1,447,838
Receivables from sales to customers on account	211,780	-	-	211,780
Accrued interest receivable	788	1,525	-	2,313
Other receivables	2,283	-	10,905	13,188
Due from other governmental units	468,737	-	2,163	470,900
Due from other funds (Note 6)	21,644	-	9,711	31,355
Prepaid expenses and other assets	157,719	20,034	473,065	650,818
<b>Total assets</b>	<b>\$ 10,099,562</b>	<b>\$ 4,769,110</b>	<b>\$ 3,266,042</b>	<b>\$ 18,134,714</b>
<b>Liabilities</b>				
Accounts payable	\$ 218,324	\$ 8,092	\$ 156,716	\$ 383,132
Due to other governmental units	-	-	9,711	9,711
Due to other funds (Note 6)	9,711	535	2,381	12,627
Refundable deposits, bonds, etc.	12,000	-	-	12,000
Accrued liabilities and other	110,835	43,398	-	154,233
<b>Total liabilities</b>	<b>350,870</b>	<b>52,025</b>	<b>168,808</b>	<b>571,703</b>
<b>Deferred Inflows of Resources (Note 4)</b>				
Unavailable revenue	-	-	224,935	224,935
Property taxes levied for the following year	3,494,536	3,060,672	1,003,485	7,558,693
Special assessments levied for the following year	1,556,672	-	-	1,556,672
<b>Total deferred inflows of resources</b>	<b>5,051,208</b>	<b>3,060,672</b>	<b>1,228,420</b>	<b>9,340,300</b>
<b>Fund Balance</b>				
Nonspendable - Prepays	157,719	20,034	473,065	650,818
Restricted:				
Roads	-	-	1,332	1,332
Police	259,406	1,636,379	1,096,252	2,992,037
Debt service	-	-	288,247	288,247
ROW	31,765	-	-	31,765
Public access programming	37,448	-	-	37,448
Assigned:				
Subsequent year's budget	168,625	-	-	168,625
Debt service	-	-	20,947	20,947
Unassigned	4,042,521	-	(11,029)	4,031,492
<b>Total fund balance</b>	<b>4,697,484</b>	<b>1,656,413</b>	<b>1,868,814</b>	<b>8,222,711</b>
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<b>\$ 10,099,562</b>	<b>\$ 4,769,110</b>	<b>\$ 3,266,042</b>	<b>\$ 18,134,714</b>

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

# Charter Township of Flint

## Governmental Funds Reconciliation of the Balance Sheet to the Statement of Net Position December 31, 2016

<b>Fund Balance Reported in Governmental Funds</b>	\$ 8,222,711
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and are not reported in the funds	10,735,477
Grants and other receivables that are collected after year end, such that they are not available to pay bills outstanding as of year end, are not recognized in the funds	224,935
Accrued interest is not due and payable in the current period and is not reported in the funds	(14,541)
Employee compensated absences are payable over a long period of years and do not represent a claim on current financial resources; therefore, they are not reported as fund liabilities	(171,699)
Bonds payable are not due and payable in the current period and are not reported in the funds	(1,687,300)
Net pension liability is not due and payable in the current period and is not reported in the funds	(14,669,813)
Deferred outflows related to pensions	3,832,532
Deferred inflows related to pensions	(629,919)
Other long-term liabilities, such as net other postemployment benefit obligations, do not present a claim on current financial resources and are not reported as fund liabilities	(5,599,743)
<b>Net Position of Governmental Activities</b>	<b>\$ 242,640</b>

# Charter Township of Flint

## Governmental Funds Statement of Revenue, Expenditures, and Changes in Fund Balances Year Ended December 31, 2016

	General Fund	Police and Fire Millage Fund	Nonmajor Funds	Total
<b>Revenue</b>				
Property taxes	\$ 3,790,562	\$ 3,030,283	\$ 952,974	\$ 7,773,819
Licenses and permits	354,485	-	-	354,485
Federal grants	-	-	425,356	425,356
State-shared revenue and grants	2,594,903	-	-	2,594,903
Charges for services	918,958	-	-	918,958
Fines and forfeitures	129,902	-	-	129,902
Investment income	37,263	3,613	20,489	61,365
Rental income	13,200	-	129,631	142,831
Other revenue:				
Special assessments	1,573,602	-	92,590	1,666,192
Local donations	59,769	-	-	59,769
Cable franchise fees	552,269	-	-	552,269
Other miscellaneous income	86,132	-	18,260	104,392
Total revenue	10,111,045	3,033,896	1,639,300	14,784,241
<b>Expenditures</b>				
Current:				
General government	3,040,433	-	150	3,040,583
Public safety	5,050,056	2,290,523	880,444	8,221,023
Public works	1,563,930	-	333,132	1,897,062
Recreation and culture	62,187	-	11,266	73,453
Debt service:				
Principal	10,961	-	332,076	343,037
Interest on long-term debt	-	-	59,360	59,360
Total expenditures	9,727,567	2,290,523	1,616,428	13,634,518
<b>Excess of Revenue Over Expenditures</b>	383,478	743,373	22,872	1,149,723
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of capital assets	62,200	-	-	62,200
Transfers in	-	-	32,750	32,750
Transfers out	-	-	(32,750)	(32,750)
Total other financing sources	62,200	-	-	62,200
<b>Net Change in Fund Balances</b>	445,678	743,373	22,872	1,211,923
<b>Fund Balances - Beginning of year</b>	4,251,806	913,040	1,845,942	7,010,788
<b>Fund Balances - End of year</b>	<u>\$ 4,697,484</u>	<u>\$ 1,656,413</u>	<u>\$ 1,868,814</u>	<u>\$ 8,222,711</u>



# Charter Township of Flint

## Governmental Funds Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities Year Ended December 31, 2016

<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$ 1,211,923</b>
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:	
Capital outlay	602,253
Depreciation expense	(1,096,813)
Net book value of asset disposals	(149,544)
Capital asset adjustments	9,002
Revenue is recorded in the statement of activities when earned; it is not reported in the funds until collected or collectible within 60 days of year end	(103,579)
Repayment of bond principal is an expenditure in the governmental funds, but not in the statement of activities (where it reduces long-term debt)	332,076
Increase in accumulated employee sick and vacation pay and other similar expenses reported in the statement of activities do not require the use of current resources and, therefore, are not reported in the fund statements until they come due for payment	(6,032)
Increase in net other postemployment benefit obligation	(470,351)
Change in the net pension liability is recorded when incurred in the statement of activities	(2,141,400)
Change in deferred outflows of resources	2,234,029
Change in deferred inflows of resources	(629,919)
<b>Change in Net Position of Governmental Activities</b>	<b><u>\$ (208,355)</u></b>

# Charter Township of Flint

## Proprietary Funds Statement of Net Position December 31, 2016

	Enterprise Fund Sewer and Water
<b>Assets</b>	
Current assets:	
Cash and cash equivalents	\$ 7,477,842
Investments	1,000,000
Receivables:	
Receivables from sales to customers on account	3,979,240
Accrued interest receivable	9,935
Prepaid expenses and other assets	9,979
Total current assets	<u>12,476,996</u>
Noncurrent assets - Capital assets subject to depreciation	<u>2,209,686</u>
Total assets	14,686,682
<b>Deferred Outflows of Resources (Note 11)</b>	37,970
<b>Liabilities</b>	
Current liabilities:	
Accounts payable	115,772
Due to other governmental units	2,310,185
Due to other funds	18,728
Refundable deposits, bonds, etc.	33,606
Accrued liabilities and other	3,345
Current portion of long-term debt (Note 7)	20,000
Total current liabilities	<u>2,501,636</u>
Noncurrent liabilities:	
Net OPEB obligation (Note 13)	380,944
Net pension liability	138,785
Long-term debt (Note 7)	349,633
Total noncurrent liabilities	<u>869,362</u>
Total liabilities	3,370,998
<b>Deferred Inflows of Resources</b>	<u>2,414</u>
<b>Net Position</b>	
Net investment in capital assets	1,840,053
Unrestricted	9,511,187
Total net position	<u><u>\$ 11,351,240</u></u>

# Charter Township of Flint

## Proprietary Funds Statement of Revenue, Expenses, and Changes in Net Position Year Ended December 31, 2016

	Enterprise Fund Sewer and Water
<b>Operating Revenue</b>	
Charges for service	\$ 13,732,437
Fines and penalties	291,379
Miscellaneous	1,385
Total operating revenue	<u>14,025,201</u>
<b>Operating Expenses</b>	
Cost of water	7,742,489
Cost of sewage treatment	4,197,970
Supplies	4,972
Repairs	504,809
Personnel services	534,546
Contractual	51,627
Insurance	107,247
Other postemployment benefit expense	45,180
Professional services	16,629
Miscellaneous	11,368
Depreciation	163,005
Total operating expenses	<u>13,379,842</u>
<b>Operating Income</b>	645,359
<b>Nonoperating Revenue (Expense)</b>	
Investment income	16,279
Interest expense	(9,591)
Total nonoperating revenue	<u>6,688</u>
<b>Income - Before contributions</b>	652,047
<b>Capital Contributions</b>	<u>29,463</u>
<b>Change in Net Position</b>	681,510
<b>Net Position - Beginning of year</b>	<u>10,669,730</u>
<b>Net Position - End of year</b>	<u><u>\$ 11,351,240</u></u>

# Charter Township of Flint

## Proprietary Funds Statement of Cash Flows Year Ended December 31, 2016

	<u>Enterprise Fund Sewer and Water</u>
<b>Cash Flows from Operating Activities</b>	
Receipts from customers	\$ 13,869,555
Payments to suppliers	(12,853,220)
Payments to employees	(222,268)
Internal activity - Payments to other funds	(8,310)
Claims paid	(1,185)
	<hr/>
Net cash provided by operating activities	784,572
<b>Cash Flows from Capital and Related Financing Activities</b>	
Special assessment collections	31,553
Purchase of capital assets	(450)
Principal and interest paid on capital debt	(29,590)
	<hr/>
Net cash provided by capital and related financing activities	1,513
<b>Cash Flows from Investing Activities</b>	
Interest received on investments	12,253
Purchase of investment securities	(500,000)
Proceeds from sale and maturities of investment securities	1,000,000
	<hr/>
Net cash provided by investing activities	512,253
<b>Net Increase in Cash and Cash Equivalents</b>	1,298,338
<b>Cash and Cash Equivalents - Beginning of year</b>	<hr/> 6,179,504
<b>Cash and Cash Equivalents - End of year</b>	<b><u>\$ 7,477,842</u></b>
<b>Reconciliation of Operating Income to Net Cash from Operating Activities</b>	
Operating income	\$ 645,359
Adjustments to reconcile operating income to net cash from operating activities:	
Depreciation	163,005
Changes in assets and liabilities:	
Receivables	(155,646)
Prepaid and other assets	(2,232)
Accounts payable	51,620
Due to others	(8,310)
Accrued and other liabilities	90,776
	<hr/>
Net cash provided by operating activities	<b><u>\$ 784,572</u></b>

# Charter Township of Flint

## Fiduciary Funds Statement of Fiduciary Net Position December 31, 2016

	<u>Trust Funds</u>	<u>Agency Funds</u>
<b>Assets</b>		
Cash and cash equivalents	\$ -	\$ 265,818
Investments - Private equity funds (Note 3)	6,496,577	-
Receivables	224	431,736
	<u>6,496,801</u>	<u>\$ 697,554</u>
<b>Liabilities</b>		
Due to other governmental units	-	\$ 284,006
Undistributed taxes	-	182,187
Refundable deposits, bonds, etc.	-	173,309
Accrued liabilities and other	-	58,052
	<u>-</u>	<u>\$ 697,554</u>
<b>Net Position Held in Trust for Pension and Other Employee Benefits</b>	<u>\$ 6,496,801</u>	

# Charter Township of Flint

## Fiduciary Funds Statement of Changes in Fiduciary Net Position - Trust Funds Year Ended December 31, 2016

	<u>Trust Funds</u>
<b>Additions</b>	
Investment income:	
Interest and dividends	\$ 44,647
Net increase in fair value of investments	<u>344,463</u>
Net investment income	389,110
Contributions:	
Employer	1,276,310
Employee	<u>52,652</u>
Total contributions	<u>1,328,962</u>
Total additions	1,718,072
<b>Deductions</b>	
Benefit payments	1,326,578
Administrative expenses	<u>16,367</u>
Total deductions	<u>1,342,945</u>
<b>Net Increase in Net Position Held in Trust</b>	375,127
<b>Net Position Held in Trust for Pension and Other Employee Benefits -</b> Beginning of year	<u>6,121,674</u>
<b>Net Position Held in Trust for Pension and Other Employee Benefits -</b> End of year	<u><u>\$ 6,496,801</u></u>

# Charter Township of Flint

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## Notes to Financial Statements December 31, 2016

### Note I - Nature of Business and Significant Accounting Policies

#### Reporting Entity

The Charter Township of Flint (the "Township") was incorporated on July 17, 1978 under the provisions of Act 90, P.A. 1976, as amended. The accompanying financial statements present the Township and its component units, entities for which the Township is considered to be financially accountable. Although blended component units are legally separate entities, in substance, they are part of the Township's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the Township (see discussion below for description).

#### **Blended Component Units**

**The Charter Township of Flint Firefighters' Trust Fund** - The Charter Township of Flint Firefighters' Trust Fund (the "Trust Fund") is made up of township employees and elected officials. The pension board approves investment policies. The pension board provides services exclusively to township employees (current and retired).

**Charter Township of Flint Building Authority** - The Charter Township of Flint Building Authority (the "Authority") governing board is made up of township employees and township residents. The authority board provides services exclusively to the Township for the purpose of overseeing future construction projects. There was no activity for the year ended December 31, 2016.

#### **Discretely Presented Component Units**

**Charter Township of Flint Economic Development Corporation** - The Charter Township of Flint Economic Development Corporation (the "Corporation") board is appointed by the Township. The Township approves the annual budget and provides employees and facilities to the Corporation.

All financial information of this component unit has been included in these financial statements. There are no separately issued financial statements.

#### Accounting and Reporting Principles

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

# Charter Township of Flint

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## Notes to Financial Statements December 31, 2016

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

#### **Report Presentation**

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

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

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

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

#### **Fund Accounting**

The Township accounts for its various activities in several different funds, in order to demonstrate accountability for how we have spent certain resources - separate funds allow us to show the particular expenditures for which specific revenue was used.



# Charter Township of Flint

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## Notes to Financial Statements December 31, 2016

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

The various funds are aggregated into three broad fund types:

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

- The General Fund is the primary operating fund because it accounts for all financial resources used to provide general government services, other than those specifically assigned to another fund.
- The Police and Fire Millage Fund accounts for revenue and expenditures for the police and fire departments including a special property tax millage that directly benefits and is solely designated for police and fire activities.

**Proprietary funds** include enterprise funds, which provide goods or services to users in exchange for charges or fees. The Township reports the following fund as a “major” enterprise fund:

- The Sewer and Water Fund is maintained for the operations of the water distribution system and sewage pumping and collection systems.

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

- The Pension Trust Fund accounts for the activities of the Fire Fighters' Trust Fund utilized to pay for Township firefighter retirees. The fund accumulates resources for pension benefits financed by both employer and employee contributions.
- The Postemployment Benefit Trust Fund accumulates resources for post-employment benefit payments for township retired employees.
- The Agency Fund accounts for assets held by the Township in a trustee capacity. The Township's Agency Funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations.

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

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

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

#### **Basis of Accounting**

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

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

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

# Charter Township of Flint

## Notes to Financial Statements December 31, 2016

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

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

#### Specific Balances and Transactions

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

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

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

**Prepaid Items** - Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements.

**Capital Assets** - Capital assets, which include property, plant, equipment, intangible assets, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the Township as assets with an initial individual cost of more than \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

<u>Capital Asset Class</u>	<u>Lives - Years</u>
Infrastructure	10-20
Water and sewer systems	40
Building improvements	7-20
Buildings	30
Vehicles	2-15
Equipment and furniture	3-18
Computer equipment	5-10

# Charter Township of Flint

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## Notes to Financial Statements December 31, 2016

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

**Compensated Absences** - It is the Township's policy to pay firefighters one-half of their unused sick days at the time of retirement. All other township employees are paid for unused sick days on an annual basis. Employees lose any unused vacation time at the end of the year. The liability for sick time is accrued when incurred in the government-wide financial statements. A liability for this amount is reported in governmental funds only for firefighter terminations as of the year end. Compensated absences attributable to the governmental activities will be liquidated primarily by the General Fund.

**Long-term Obligations** - In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund-type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are reported as debt service expenditures. Claims and judgments liabilities will generally be liquidated through the Township's General Fund. Long-term debt will generally be liquidated through the Township's Municipal Street Fund and the debt service funds.

**Pension** - The Township offers defined benefit pension plans to its employees. The Township receives actuarial valuations to compute the annual required contribution (ARC) necessary to fund the obligation over the remaining amortization period. In the governmental funds, pension costs are recognized as contributions are made. For the government-wide statements and proprietary funds, the Township records a net pension liability for the difference between the total pension liability calculated by the actuary and the pension plan's fiduciary net position. For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Township's pension plan and additions to/deductions from the pension plan's fiduciary net position have been determined on the same basis as they are reported by the pension plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The General Fund and Sewer and Water Fund are used to liquidate the pension obligation.

# Charter Township of Flint

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## Notes to Financial Statements December 31, 2016

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

**Other Postemployment Benefit Costs** - The Township offers retiree healthcare benefits to retirees. The Township uses actuarial valuation to compute the annual required contribution (ARC) necessary to fund the obligation over the remaining amortization period. In the governmental funds, OPEB costs are recognized as contributions are made. For the government-wide statements and proprietary funds, the Township reports the full accrual cost equal to the current year required contribution, adjusted for interest and "adjustment to the ARC" on the beginning of year underpaid amount, if any. The General Fund and Sewer and Water Fund are used to liquidate the OPEB obligation.

**Deferred Outflows/Inflows of Resources** - In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Township has deferred outflows of resources related to the defined benefit pension plans, made up of employer contributions made subsequent to the measurement date, as well as experience differences, changes in assumptions, and the variance between the plan's actual investment earnings compared to the plan's assumed investment earnings.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. There are deferred inflows in the governmental funds and in the government-wide statements related to property taxes and special assessments that have been collected by the Township prior to year end but are used to fund 2016 operations. The governmental funds also report unavailable revenue from miscellaneous receivables and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. There are deferred inflows in the proprietary funds and government-wide statements related to the defined benefit pension plans, made up of experience differences.

**Net Position Flow Assumption** - Sometimes the Township will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Township's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

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

**Fund Balance Flow Assumption** - Sometimes the Township will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

**Fund Balance Policies** - In the fund financial statements, governmental funds report the following components of fund balance.

*Nonspendable* - Amounts that are not in spendable form or are legally or contractually required to be maintained intact.

*Restricted* - Amounts that are legally restricted by outside parties, constitutional provisions, or enabling legislation for use for a specific purpose.

*Committed* - Amounts that have been formally set aside by the Township for use for specific purposes. Commitments are made and can be rescinded only via resolutions of the township board.

*Assigned* - Intent to spend resources on specific purposes expressed by the township board. Assignments must be authorized by resolution and approved by the township board.

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

# Charter Township of Flint

## Notes to Financial Statements December 31, 2016

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

#### Property Tax Revenue

Property taxes are levied on each December 1 on the taxable valuation of property as of the preceding December 31. Taxes are considered delinquent on March 1 of the following year, at which time penalties and interest are assessed. Unpaid property taxes become a lien on the property on March 1 of the second year following the year of the levy.

The Township's 2015 tax is levied and collectible on December 1, 2015 and is recognized as revenue in the year ended December 31, 2016, when the proceeds of the levy are budgeted and available for the financing of operations.

The 2015 taxable valuation of the Township totaled \$800.3 million. Taxes were levied as follows:

<u>Purpose</u>	<u>Millage Rate</u>	<u>Revenue</u>
General operating	4.6423	\$ 3,715,387
Police operating (10 years 2007-2016)	.500	400,167
Roads (10 years 2006-2015)	.500	400,167
Fire equipment (five years 2011-2015)	.250	200,083
Police and fire (10 years 2014-2023)	3.8500	3,081,283
Total	9.7423	\$ 7,797,087

**Proprietary Funds Operating Classification** - Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the Sewer and Water Fund and internal service funds are charges to customers for sales and services. The Sewer and Water Fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

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

# Charter Township of Flint

## Notes to Financial Statements December 31, 2016

### Note 2 - Stewardship, Compliance, and Accountability

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

Shortfall at January 1, 2016	\$ (841,531)
Current year permit revenue	154,742
Related expenses - Professional services	<u>(187,323)</u>
Current year shortfall	<u>(32,581)</u>
Cumulative shortfall at December 31, 2016	<u>\$ (874,112)</u>

**Fund Deficits** - The Township had a fund deficit in the Police Grants Fund of \$11,029. The deficit is caused by unavailable revenue; therefore, a deficit elimination plan is not required.

### Note 3 - Deposits and Investments

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

The pension trust fund and retiree healthcare fund are also authorized by Michigan Public Act 314 of 1965, as amended, to invest in certain reverse repurchase agreements, stocks, diversified investment companies, annuity investment contracts, real estate leased to public entities, mortgages, real estate (if the trust fund's assets exceed \$250 million), debt or equity of certain small businesses, certain state and local government obligations and certain other specified investment vehicles.



# Charter Township of Flint

## Notes to Financial Statements December 31, 2016

### Note 3 - Deposits and Investments (Continued)

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

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

**Custodial Credit Risk of Bank Deposits** - Custodial credit risk is the risk that in the event of a bank failure, the Township's deposits may not be returned to it. The Township does not have a deposit policy for custodial credit risk. At year end, the Township had \$17,563,950 of bank deposits (certificates of deposit and checking and savings accounts) that were uninsured and uncollateralized. At year end, all of the bank deposits of the EDC were insured. The Township believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the Township evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

**Interest Rate Risk** - Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The Township's investment policy does not restrict investment maturities, other than commercial paper which can only be purchased with a 270-day maturity.

At year end, the Township had the following investments:

Investment	Fair Value	Weighted Average Maturity (Years)
<b>Fiduciary Funds</b>		
Private debt funds	\$ 1,456,331	4 - 12 years
Private equity funds	4,392,966	4 - 12 years
Private equity funds	485,660	Less than one year
Money market	<u>161,620</u>	
Total	<u>\$ 6,496,577</u>	

# Charter Township of Flint

## Notes to Financial Statements December 31, 2016

### Note 3 - Deposits and Investments (Continued)

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

<u>Investment</u>	<u>Fair Value</u>	<u>Rating</u>	<u>Rating Organization</u>
<b>Fiduciary Funds</b>			
Private debt funds	\$ 1,456,331	Not rated	N/A
Private equity funds	4,878,626	Not rated	N/A
Money market	<u>161,620</u>	Not rated	N/A
Total	<u>\$ 6,496,577</u>		

#### Fair Value Measurements

The Township categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below.

In instances whereby inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Township's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

# Charter Township of Flint

## Notes to Financial Statements December 31, 2016

### Note 3 - Deposits and Investments (Continued)

The Township has the following recurring fair value measurements as of December 31, 2016:

#### Assets Measured at Fair Value on a Recurring Basis

	Balance at December 31, 2016	Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt securities:				
Private debt funds	\$ 1,456,331	\$ -	\$ -	\$ 1,456,331
Money market	161,620	161,620	-	-
Total debt securities	1,617,951	161,620	-	1,456,331
Private equity funds	4,878,626	-	-	4,878,626
Total investments by fair value level	\$ 6,496,577	\$ 161,620	\$ -	\$ 6,334,957

Debt and equity securities classified in Level 1 are valued using prices quoted in active markets for those securities.

Private debt and equity securities classified in Level 3 are valued using audited financial statements and the percent of the investment owned by the Township.

### Note 4 - Deferred Inflows and Outflows of Resources

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

	Governmental Funds	Governmental Activities
Property taxes levied for the following year	\$ 7,558,693	\$ 7,558,693
Special assessments - Unavailable	213,906	-
Special assessments levied for the following year	1,556,672	1,556,672
Intergovernmental revenue - Unavailable	11,029	-
Deferred inflows related to pensions	-	629,919
Total deferred inflows	\$ 9,340,300	\$ 9,745,284

# Charter Township of Flint

## Notes to Financial Statements December 31, 2016

### Note 4 - Deferred Inflows and Outflows of Resources (Continued)

There is also a deferred inflow in the business-type activities and Sewer and Water Fund of \$2,414 related to pensions.

	Business-type Activities and Sewer and Water Fund		Governmental Activities	
Deferred outflows related to pensions	\$	37,970	\$	3,832,532

### Note 5 - Capital Assets

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

	Balance * January 1, 2016	Adjustments	Additions	Disposals	Balance December 31, 2016
<b>Governmental Activities</b>					
Capital assets not being depreciated - Land	\$ 3,165,690	\$ 2,445	\$ -	\$ (144,930)	\$ 3,023,205
Capital assets being depreciated:					
Infrastructure	19,678,339	-	264,243	-	19,942,582
Buildings and improvements	7,562,510	27,282	36,305	(19,341)	7,606,756
Machinery and equipment	3,026,373	(19,607)	38,247	(85,968)	2,959,045
Vehicles	2,623,554	-	263,458	(87,289)	2,799,723
Office furnishings	97,813	-	-	-	97,813
Subtotal	32,988,589	7,675	602,253	(192,598)	33,405,919
Accumulated depreciation:					
Infrastructure	16,445,793	-	516,597	-	16,962,390
Buildings and improvements	4,006,170	25,201	195,559	(14,727)	4,212,203
Machinery and equipment	2,501,868	(23,945)	109,007	(85,968)	2,500,962
Vehicles	1,733,280	(138)	275,066	(87,289)	1,920,919
Office furnishings	96,589	-	584	-	97,173
Subtotal	24,783,700	1,118	1,096,813	(187,984)	25,693,647
Net capital assets being depreciated	8,204,889	6,557	(494,560)	(4,614)	7,712,272
Net capital assets	\$ 11,370,579	\$ 9,002	\$ (494,560)	\$ (149,544)	\$ 10,735,477

# Charter Township of Flint

## Notes to Financial Statements December 31, 2016

### Note 5 - Capital Assets (Continued)

Business-type Activities	Balance	Reclassifications	Additions	Disposals	Balance
	January 1, 2016				December 31, 2016
Capital assets being depreciated:					
Water and sewer lines	\$ 40,656,461	\$ -	\$ -	\$ -	\$ 40,656,461
Office furnishings	118,642	(10,174)	450	(6,917)	102,001
Subtotal	40,775,103	(10,174)	450	(6,917)	40,758,462
Accumulated depreciation:					
Water and sewer lines	38,320,459	-	159,644	-	38,480,103
Office furnishings	82,403	(10,174)	3,361	(6,917)	68,673
Subtotal	38,402,862	(10,174)	163,005	(6,917)	38,548,776
Net capital assets	<u>\$ 2,372,241</u>	<u>\$ -</u>	<u>\$ (162,555)</u>	<u>\$ -</u>	<u>\$ 2,209,686</u>

\* January 1, 2016 capital asset balance for governmental activities was adjusted. See Note 17 for details.

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

Governmental activities:

General government	\$ 154,987
Public safety	187,611
Public works	750,496
Recreation and culture	3,719
Total governmental activities	<u>\$ 1,096,813</u>
Business-type activities - Water and sewer	<u>\$ 163,005</u>

### Note 6 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

Receivable Fund	Payable Fund	Amount
<b>Due to/from Other Funds</b>		
General Fund	Sewer and Water Fund	\$ 18,728
	Police and Fire Millage Fund	535
	Other governmental funds	2,381
	Total General Fund	<u>\$ 21,644</u>
Other governmental funds	General Fund	<u>\$ 9,711</u>

These balances result from the time lag between the dates that goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

# Charter Township of Flint

## Notes to Financial Statements December 31, 2016

### Note 6 - Interfund Receivables, Payables, and Transfers (Continued)

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

<u>Fund Providing Resources</u>	<u>Fund Receiving Resources</u>	<u>Amount</u>
Other governmental funds	Other governmental funds	\$ 32,750

The transfer in the other governmental funds is from the Municipal Street Fund to the Road Debt Service Fund and is related to the debt payment, which is paid out of the Road Debt Service Fund.

### Note 7 - Long-term Debt

The Township issues bonds to provide for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the Township. Special assessment bonds provide for capital improvements that benefit specific properties and will be repaid from amounts levied against those properties benefited from the construction. In the event that a deficiency exists because of unpaid or delinquent special assessments at the time a debt service payment is due, the Township is obligated to provide resources to cover the deficiency until other resources (such as tax sale proceeds or a reassessment of the Township) are received.

	<u>Interest Rate Ranges</u>	<u>Principal Maturity Ranges</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental Activities</b>							
Building Authority Bonds - Series							
2013 Refunded	2.490%	2024	\$ 1,190,000	\$ -	\$ 100,000	\$ 1,090,000	\$ 120,000
Road assessment	n/a	2018	104,376	-	87,076	17,300	17,300
Special assessment - Capital Road Bonds	2%-4.25%	2020	725,000	-	145,000	580,000	145,000
Total bonds payable			2,019,376	-	332,076	1,687,300	282,300
Accumulated compensated absences			165,667	32,106	26,074	171,699	48,197
Total governmental activities			<u>\$ 2,185,043</u>	<u>\$ 32,106</u>	<u>\$ 358,150</u>	<u>\$ 1,858,999</u>	<u>\$ 330,497</u>
<b>Business-type Activities</b>							
Fenton Road Water Main Debt	2.50%	April 1, 2031	\$ 389,633	\$ -	\$ 20,000	\$ 369,633	\$ 20,000

# Charter Township of Flint

## Notes to Financial Statements December 31, 2016

### Note 7 - Long-term Debt (Continued)

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

Years Ending December 31	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2017	\$ 282,300	\$ 47,867	\$ 330,167	\$ 20,000	\$ 8,991	\$ 28,991
2018	270,000	38,834	308,834	22,500	8,460	30,960
2019	275,000	30,103	305,103	22,500	7,897	30,397
2020	280,000	20,885	300,885	22,500	7,335	29,835
2021	140,000	14,442	154,442	22,500	6,772	29,272
2022-2026	440,000	22,037	462,037	122,500	24,923	147,423
2027-2031	-	-	-	137,133	8,802	145,935
Total	<u>\$ 1,687,300</u>	<u>\$ 174,168</u>	<u>\$ 1,861,468</u>	<u>\$ 369,633</u>	<u>\$ 73,180</u>	<u>\$ 442,813</u>

### Note 8 - No Commitment Debt

The Economic Development Corporation of the Charter Township of Flint (the "Corporation") has issued limited obligation economic development revenue bonds. Since the bonds are payable solely from the net revenue derived from the project and the bonds are not a general obligation of the Corporation or the Township, the bonds have not been reflected in the financial statements of the Township. Information regarding the status of each bond issue, including possible default, must be obtained from the paying agent or other knowledgeable source. As of December 31, 2016, there is approximately \$2,500,000 no commitment debt outstanding.

### Note 9 - Risk Management

The Township is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The Township has purchased commercial insurance for property, liability, wrongful acts, law enforcement, automobile, bond, crime, inland marine, boiler claims, and health care. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

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

# Charter Township of Flint

## Notes to Financial Statements December 31, 2016

### Note 10 - Defined Benefit Pension Plan - Firefighters

**Plan Administration** - The Firefighters' Pension Board administers the Charter Township of Flint Firefighters' Pension Plan - a single-employer defined benefit pension plan that provides pensions for all full-time firefighters of the Township hired prior to January 1, 2012. Benefit terms have been established by contractual agreements between the Township and the various employee union representation; amendments are subject to the same process.

Management of the plan is vested in the pension board, which consists of a five-member board of trustees - composed of two members of the Township's administration and three other township employees.

**Plan Membership** - At December 31, 2016, pension plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	14
Inactive plan members entitled to but not yet receiving benefits	1
Active plan members	<u>9</u>
Total employees covered by the plan	<u>24</u>

**Benefits Provided** - The pension plan provides retirement, disability, and death benefits. Retirement benefits for plan members are calculated as 2.5 percent of the member's final three-year average final compensation (AFC) times the member's first 25 years of service plus 1 percent of average final compensation times years of service in excess of 25 years. All plan members are eligible for non-duty disability benefits after five years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined at 50 percent of the average final compensation from the time of disability to age 55 and in the same manner as retirement benefits at age 55 but are payable immediately without an actuarial reduction. Death benefits are the same as duty disability benefits and are paid to the survivor of the member. A plan member who leaves the Township service may withdraw his or her contributions, plus any accumulated interest.

**Contributions** - Article 9, Section 24 of the State of Michigan constitution requires that financial benefits arising on account of employee service rendered in each year be funded during that year. Accordingly, the pension board retains an independent actuary to determine the annual contribution. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year with an additional amount to finance any unfunded accrued liability. Contribution requirements of plan members are established and may be amended by the board of trustees in accordance with the Township Charter, union contracts, and plan provisions. For the year ended December 31, 2016, the average active member contribution rate was 8.0 percent of annual pay and the Township's average contribution rate was 44.93 percent of annual payroll.



# Charter Township of Flint

## Notes to Financial Statements December 31, 2016

### Note 10 - Defined Benefit Pension Plan - Firefighters (Continued)

#### Pension Plan Investments - Policy and Rate of Return

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

<u>Asset Class</u>	<u>Target Allocation</u>
Global fixed income	30 %
Global equity	70

**Rate of Return** - For the year ended December 31, 2016, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 2.14 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

#### Net Pension Liability of the Township

The Township has chosen to use December 31, 2015 as its measurement date for the net pension liability. The December 31, 2016 reported net pension liability was determined using a measure of the total pension liability and the pension net position as of December 31, 2015. The December 31, 2015 total pension liability was determined by an actuarial valuation performed as of that date.

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

<u>Changes in Net Pension Liability</u>	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability</u>	<u>Plan Net Position</u>	<u>Net Pension Liability</u>
<b>Balance at December 31, 2014</b>	\$ 9,089,066	\$ 5,995,593	\$ 3,093,473
Service cost	126,511	-	126,511
Interest	707,276	-	707,276
Differences between expected and actual experience	(709,716)	-	(709,716)
Contributions - Employer	-	550,615	(550,615)
Contributions - Employee	-	52,622	(52,622)
Net investment income	-	374,638	(374,638)
Benefit payments, including refunds	(622,753)	(622,753)	-
Administrative expenses	-	(15,535)	15,535
Net changes	(498,682)	339,587	(838,269)
<b>Balance at December 31, 2015</b>	<u>\$ 8,590,384</u>	<u>\$ 6,335,180</u>	<u>\$ 2,255,204</u>

# Charter Township of Flint

## Notes to Financial Statements December 31, 2016

### Note 10 - Defined Benefit Pension Plan - Firefighters (Continued)

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

For the year ended December 31, 2016, the Township recognized pension expense of \$339,329. At December 31, 2016, the Township reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 26,561	\$ (414,001)
Changes in assumptions	55,653	-
Net difference between projected and actual earnings on pension plan investments	<u>353,883</u>	<u>-</u>
Total	<u>\$ 436,097</u>	<u>\$ (414,001)</u>

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

Years Ending <u>June 30</u>	<u>Amount</u>
2017	\$ (102,447)
2018	(7,232)
2019	111,054
2020	20,721

**Actuarial Assumptions** - The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	4.5 %	
Salary increases	4.5-7.5%	Average, including inflation
Investment rate of return	8.00 %	Net of pension plan investment expense, including inflation

Mortality rates were based on the RP 2000, Combined Healthy Mortality projected to 2014.

**Discount Rate** - The discount rate used to measure the total pension liability was 8.0 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that Township contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

# Charter Township of Flint

## Notes to Financial Statements December 31, 2016

### Note 10 - Defined Benefit Pension Plan - Firefighters (Continued)

#### Projected Cash Flows

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

The long-term expected rate of return on pension plan investments was determined using a model in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return as of December 31, 2016, the measurement date, for each major asset class are summarized in the following table:

Asset Class	Target Allocation (%)	Long-term Expected Real Rate of Return
Global fixed income	30%	4.01%
Global equity	70	8.05

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate** - The following presents the net pension liability of the Township, calculated using the discount rate of 8.0 percent, as well as what the Township's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (7.0 percent) or 1 percentage point higher (9.0 percent) than the current rate:

	1 Percent Decrease (7.0%)	Current Discount Rate (8.0%)	1 Percent Increase (9.0%)
Net pension liability of the Township	\$ 3,123,252	\$ 2,255,204	\$ 1,509,997

**Pension Plan Fiduciary Net Position** - As of December 31, 2016, the most recent actuarial valuation date, the plan was 79.7 percent funded. The actuarial accrued liability for benefits was \$8,278,971, and the actuarial value of assets was \$6,602,447, resulting in an unfunded actuarial accrued liability of \$1,676,524. The covered payroll (annual payroll to active employees covered by the plan) was \$669,452 and the ratio of the unfunded actuarial accrued liability to the covered payroll was 250.4 percent.

# Charter Township of Flint

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## Notes to Financial Statements December 31, 2016

### **Note 10 - Defined Benefit Pension Plan - Firefighters (Continued)**

The schedule of funding progress, presented as required supplemental information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability of benefits.

### **Note 11 - Defined Benefit Pension Plan - Police Officers and Full-time Clerical/Nonunion**

**Plan Description** - The Township participates in the Michigan Municipal Employees Retirement System (MERS), an agent multiple-employer defined benefit pension plan that covers all police officers, clerical/full-time, and some nonunion employees of the Township. MERS was established as a statewide public employee pension plan by the Michigan legislature under PA 135 of 1945 and is administered by a nine-member retirement board. MERS issues a publicly available financial report, which includes financial statements and required supplemental information of this defined benefit plan. This report can be obtained at [www.mersofmichigan.com](http://www.mersofmichigan.com) or in writing to MERS at 1134 Municipal Way, Lansing, Michigan 48917.

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

The MERS plan covers all police officers, clerical/full-time, and some nonunion employees segregated by the groups as outlined below.

Retirement benefits for clerical union/nonunion employees are calculated as 2.50 percent of the employee's final five-year average salary times the employee's years of service. Normal retirement age is 60 with early retirement at 55 with 25 years of service. Vesting period is 10 years. Employees are eligible for non-duty disability benefits after 10 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. An employee who leaves service may withdraw his or her contributions plus any accumulated interest.

Retirement benefits for police officer employees (hired on or before January 1, 2012) are calculated as 2.50 percent of the employee's final three-year average salary times the employee's years of service. Normal retirement age is 60 with early retirement at 25 years of service. Vesting period is 10 years. Employees are eligible for non-duty disability benefits after 10 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. An employee who leaves service may withdraw his or her contributions plus any accumulated interest.

# Charter Township of Flint

## Notes to Financial Statements December 31, 2016

### Note 11 - Defined Benefit Pension Plan - Police Officers and Full-time Clerical/Nonunion (Continued)

Retirement benefits for the police chief are calculated as 2.50 percent of the employee's final three-year average salary times the employee's years of service. Normal retirement age is 60 with early retirement at 25 years of service. Vesting period is 10 years. Employees are eligible for non-duty disability benefits after 10 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. An employee who leaves service may withdraw his or her contributions plus any accumulated interest.

Retirement benefits for police command officer employees are calculated as 2.50 percent of the employee's final three-year average salary times the employee's years of service. Normal retirement age is 60 with early retirement at 25 years of service. Vesting period is 10 years. Employees are eligible for non-duty disability benefits after 10 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. An employee who leaves service may withdraw his or her contributions plus any accumulated interest.

Retirement benefits for police officer employees (hired after January 1, 2012) are calculated as 2.50 percent of the employee's final three-year average salary times the employee's years of service. Normal retirement age is 60 with early retirement at 55 with 25 years of service. Vesting period is 10 years. Employees are eligible for non-duty disability benefits after 10 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. An employee who leaves service may withdraw his or her contributions plus any accumulated interest.

**Employees Covered by Benefit Terms** - At the December 31, 2015 measurement date, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	41
Inactive plan members entitled to but not yet receiving benefits	8
Active plan members	<u>53</u>
Total employees covered by MERS	<u><u>102</u></u>

# Charter Township of Flint

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## Notes to Financial Statements December 31, 2016

### **Note 11 - Defined Benefit Pension Plan - Police Officers and Full-time Clerical/Nonunion (Continued)**

**Contributions** - Article 9, Section 24 of the State of Michigan constitution requires that financial benefits arising on account of employee service rendered in each year be funded during that year. Accordingly, MERS retains an independent actuary to determine the annual contribution. The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS retirement board. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The employer may establish contribution rates to be paid by its covered employees.

For clerical union/nonunion, the plan provides that the employer and employees contribute amounts necessary to fund the actuarially determined benefits. Employees are required to contribute 6.83 percent of compensation. The Township makes employer contributions in accordance with funding requirements determined by the system's actuary. The Township's current rate is 6.83 percent of annual covered payroll.

For police officers (hired on or before January 1, 2012), the plan provides that the employer and employees contribute amounts necessary to fund the actuarially determined benefits. Employees are required to contribute 10.00 percent of compensation. The Township makes employer contributions in accordance with funding requirements determined by the system's actuary. The Township's current flat rate is \$42,529 per month.

For the police chief, the plan provides that the employer and employees contribute amounts necessary to fund the actuarially determined benefits. The employee is required to contribute 7.00 percent of compensation. The Township makes employer contributions in accordance with funding requirements determined by the system's actuary. The Township's current rate is 10.81 percent of annual covered payroll.

For police command officer employees, the plan provides that the employer and employees contribute amounts necessary to fund the actuarially determined benefits. Employees are required to contribute 10.00 percent of compensation. The Township makes employer contributions in accordance with funding requirements determined by the system's actuary. The Township's current rate is 31.83 percent of annual covered payroll.

For police officers (hired after January 1, 2012), the plan provides that the employer and employees contribute amounts necessary to fund the actuarially determined benefits. Employees are required to contribute 10.00 percent of compensation. The Township makes employer contributions in accordance with funding requirements determined by the system's actuary. The Township's current rate is 2.76 percent of annual covered payroll.

# Charter Township of Flint

## Notes to Financial Statements December 31, 2016

### Note 11 - Defined Benefit Pension Plan - Police Officers and Full-time Clerical/Nonunion (Continued)

#### Net Pension Liability

The net pension liability reported at December 31, 2016 was determined using a measure of the total pension liability and the pension net position as of December 31, 2015. The December 31, 2015 total pension liability was determined by an actuarial valuation performed as of that date.

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

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
<b>Balance at December 31, 2014</b>	\$ 28,024,400	\$ 18,480,827	\$ 9,543,573
Service cost	441,756	-	441,756
Interest	2,268,171	-	2,268,171
Changes in benefits	(5,910)	-	(5,910)
Differences between expected and actual experience	(272,915)	-	(272,915)
Changes in assumptions	1,246,202	-	1,246,202
Contributions - Employer	-	698,562	(698,562)
Contributions - Employee	-	283,875	(283,875)
Net investment income	-	(274,702)	274,702
Benefit payments, including refunds	(1,504,600)	(1,504,600)	-
Administrative expenses	-	(40,252)	40,252
Net changes	2,172,704	(837,117)	3,009,821
<b>Balance at December 31, 2015</b>	<u>\$ 30,197,104</u>	<u>\$ 17,643,710</u>	<u>\$ 12,553,394</u>

**Assumption Changes** - From the time of the last measurement date at December 31, 2014 to December 31, 2015, the actuary modified significant assumptions that affect the measurement of the total pension liability. The actuary adjusted the assumed annual rate of return down from 8.25 percent to 8.00 percent. The mortality tables were updated from the 1994 Group Mortality Table to a blend of the RP-2014 tables described below.

# Charter Township of Flint

## Notes to Financial Statements December 31, 2016

### Note 11 - Defined Benefit Pension Plan - Police Officers and Full-time Clerical/Nonunion (Continued)

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

For the year ended December 31, 2016, the Township recognized pension expense of \$1,574,265. At December 31, 2016, the Township reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ (218,332)
Changes in assumptions	996,962	-
Net difference between projected and actual earnings on pension plan investments	1,617,282	-
Employer contributions to the plan subsequent to the measurement date	820,161	-
Total	<u>\$ 3,434,405</u>	<u>\$ (218,332)</u>

Amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows. These amounts are exclusive of the employer contributions to the plan made subsequent to the measurement date (\$820,161), which will impact the net pension liability in fiscal year 2017, rather than pension expense.

Years Ending December 31	Amount
2017	\$ 615,340
2018	615,340
2019	615,340
2020	549,892

**Actuarial Assumptions** - The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 %	
Salary increases	3.75 %	In the long term, including inflation
Investment rate of return	8.00 %	Net of pension plan investment expense, gross of administration expense, including inflation



# Charter Township of Flint

## Notes to Financial Statements December 31, 2016

### Note 11 - Defined Benefit Pension Plan - Police Officers and Full-time Clerical/Nonunion (Continued)

Mortality rates were based on a 50 percent male and 50 percent female blend of the following tables:

1. The RP-2014 Healthy Annuitant Mortality Tables, with rates multiplied by 105 percent
2. The RP-2014 Employee Mortality Tables
3. The RP-2014 Juvenile Mortality Tables

For disabled retirees, the mortality rates were based on the 50 percent male - 50 percent female blend of the RP-2014 Disabled Retiree Mortality Tables.

**Discount Rate** - The discount rate used to measure the total pension liability was 8.00 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

#### Projected Cash Flows

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

The long-term expected rate of return on pension plan investments was determined using a model in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return as of December 31, 2015, the measurement date, for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation (%)</u>	<u>Long-term Expected Real Rate of Return</u>
Global equity	58 %	5.00 %
Global fixed income	20	2.20
Real assets	12	4.20
Diversifying strategies	10	6.60

# Charter Township of Flint

## Notes to Financial Statements December 31, 2016

### Note 11 - Defined Benefit Pension Plan - Police Officers and Full-time Clerical/Nonunion (Continued)

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate** - The following presents the net pension liability of the Township, calculated using the discount rate of 8.00 percent, as well as what the Township's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (7.00 percent) or 1 percentage point higher (9.00 percent) than the current rate:

	1 Percent Decrease (7.00%)	Current Discount Rate (8.00%)	1 Percent Increase (9.00%)
Net pension liability of the Township	\$ 16,354,004	\$ 12,553,394	\$ 9,409,054

**Pension Plan Fiduciary Net Position** - Detailed information about the plan's fiduciary net position is available in the separately issued financial report. For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension, and pension expense, information about the plan's fiduciary net position and addition to/deduction from fiduciary net position has been determined on the same basis as they are reported by the plan. The plan uses the economic resources measurement focus and the full accrual basis of accounting. Investments are stated at fair value. Contribution revenue is recorded as contributions are due pursuant to legal requirements. Benefit payments and refunds of employee contributions are recognized as expense when due and payable in accordance with the benefit terms.

### Note 12 - Defined Contribution Pension Plan

All other employees not described in a previous plan changed to a defined contribution plan administered through the Michigan Municipal Employees Retirement System (MERS). In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings.

	Elected Officials and Nonunion Employees	Police Communication Operators
Employer contribution percentage	10 %	5 %
Employee contribution percentage	5	-
Vesting	Immediate	20% per year over five years
Employee contributions for December 31, 2016	\$ 22,076	\$ -
Employer contributions for December 31, 2016	36,439	6,135
Covered payroll	364,390	122,700
Total payroll	4,985,164	4,985,164

# Charter Township of Flint

## Notes to Financial Statements December 31, 2016

### Note 13 - Other Postemployment Benefits

**Plan Description** - The Township provides retiree healthcare benefits to eligible employees and their spouses. Currently, the plan has 117 members (including employees in active service, terminated employees not yet receiving benefits, and retired employees and beneficiaries currently receiving benefits).

This is a single-employer defined benefit plan administered by the Township. The benefits are provided under collective bargaining agreements. The plan does not issue a separate stand-alone financial statement. Administrative costs are paid by the employer.

**Funding Policy** - Retiree healthcare costs are recognized when paid by the Township on a "pay-as-you-go" basis. The Township has no obligation to make contributions in advance of when the insurance premiums are due for payment. In the current year, the Township paid postemployment healthcare premiums of \$703,825, plus it contributed \$21,700 into a prefunded Retiree Health Care Fund.

**Funding Progress** - For the year ended December 31, 2016, the Township has estimated the cost of providing retiree healthcare benefits through an actuarial valuation as of January 1, 2014. The valuation computes an annual required contribution, which represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities over a period of 23 years. This valuation's computed contribution and actual funding are summarized as follows:

#### Annual OPEB Cost and Net OPEB Obligation

Annual required contribution	\$ 1,390,109
Interest on the prior year's net OPEB obligation	218,615
Less adjustment to the annual required contribution	<u>(367,868)</u>
Annual OPEB cost	1,240,856
Payments of current premiums	(703,825)
Advance funding	<u>(21,700)</u>
Increase in net OPEB obligation	515,331
Net OPEB obligation - Beginning of year	<u>5,465,356</u>
Net OPEB obligation - End of year	<u>\$ 5,980,687</u>

### Note 13 - Other Postemployment Benefits (Continued)

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

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

In the January 1, 2014 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 4 percent investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 3 percent initially. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2016 was 23 years.

# Charter Township of Flint

## Notes to Financial Statements December 31, 2016

### Note 14 - Commitment

The Township currently has a contract with Emterra Environmental for waste management services that expires on December 31, 2019. The Township pays the vendor a monthly rate for each residential and mobile home. The 2016 monthly rate per residential home was \$9.60 and per mobile home was \$4.83. For 2017, the monthly residential home rate increased to \$9.75 per home and the monthly mobile home rate increased to \$4.93 per mobile home. The residential home and mobile home counts are adjusted annually. Additionally, the Township pays the vendor a monthly landfill fee of \$214. Also, per the contract, a fuel surcharge will be billed to the Township when fuel prices exceed \$3.50 per gallon and will be credited to us when the fuel prices drop below \$2.50 per gallon. For 2016, the Township was not charged for any fuel surcharges but received fuel credits for all 12 months. The following amounts are to be paid to the vendor based on the current home count of 9,575 and the current mobile home count of 939:

2017	\$ 1,178,399
2018	1,196,761
2019	<u>1,196,761</u>
Total	<u>\$ 3,571,921</u>

### Note 15 - Tax Abatements

The Township uses the Industrial Facilities Tax exemption (PA 198 of 1974) to enter into agreements with local businesses to construct new industrial facilities or rehabilitate historical facilities. Under the program, the Township grants reductions of 50 percent of the property tax bill for new property (or it can freeze taxable values for rehabilitation properties) for up to 12 years.

For the fiscal year ended December 31, 2016, the Township abated \$10,578 of taxes under this program. There are no provisions to recapture taxes; however, the abatement may be eliminated if taxes are not paid timely.

### Note 16 - Upcoming Accounting Pronouncements

In June 2015, the Governmental Accounting Standards Board (GASB) issued two new standards addressing accounting and financial reporting by state and local governments for postemployment benefits other than pensions (OPEB). GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, addresses reporting by OPEB plans whereas GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, addresses accounting and reporting by employer governments that provide OPEB benefits to their employees. Along with the currently required statement of fiduciary net position and statement of changes in fiduciary net position, OPEB plans will now be required to include in the financial statements more extensive footnote disclosures and required supplemental information related to the measurement of the OPEB liabilities for which assets have been accumulated. In addition, the Township will, after adoption of GASB Statement No. 75, recognize on the face of the financial statements its net OPEB liability. The Township is currently evaluating the impact these standards will have on the financial statements when adopted. GASB Statement No. 74 is effective for fiscal years beginning after June 15, 2016, whereas GASB Statement No. 75 is effective one year later.

In March 2016, the GASB issued GASB Statement No. 81, *Irrevocable Split-interest Agreements*, which addresses the recognition and measurement of irrevocable split-interest agreements where the government is a beneficiary of the agreement. This standard will require the Township to recognize on the face of the financial statements any assets, liabilities, and deferred inflows of resources at the inception of the agreement. The Township is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the Township's financial statements for the 2017 fiscal year.

The GASB issued GASB Statement No. 83, *Certain Asset Retirement Obligations*. This standard defines an asset retirement obligation (ARO) as "a legally enforceable liability associated with the retirement of a tangible capital asset." Examples include the removal of a sewage treatment plant or the removal of wind turbines. The GASB recognizes that specific guidance did not exist for these types of AROs as there did for the closure and post-closure care costs for landfills. This statement provides guidance for measuring and recording other AROs and is effective for the Township's financial statements for the year ending December 31, 2019.

The GASB issued GASB Statement No. 84, *Fiduciary Activities*. This standard improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. The provisions of this statement are effective for the Township's financial statements for the year ending December 31, 2019.

# Charter Township of Flint

## Notes to Financial Statements December 31, 2016

### Note 17 - Prior Period Adjustment

The financial statements for the year ended December 31, 2015 have been restated in order to properly reflect private roads for which the Township had paid that were previously recorded as capital assets on the Township's financial statements. As a result of correcting the error, beginning of the year net position for 2015 has been restated as noted below. The effect of this restatement was to decrease capital assets and net position for 2015 by \$1,703,146 for governmental activities.

The effect of these changes is as follows:

	<u>Governmental Activities</u>
Net position - December 31, 2015 - As previously reported	\$ 2,154,141
Prior period adjustment	<u>(1,703,146)</u>
Net position - December 31, 2015 - As restated	<u>\$ 450,995</u>

### Note 18 - Change in Accounting

During the year, the Township adopted GASB Statement No. 72, *Fair Value Measurement and Application*. As a result, the notes to the financial statements now include enhanced disclosures about fair value measurement, the level of fair value hierarchy, and valuation techniques.

## **Required Supplemental Information**

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# Charter Township of Flint

## Required Supplemental Information Budgetary Comparison Schedule - General Fund Year Ended December 31, 2016

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
<b>Revenue</b>				
Property taxes	\$ 3,718,239	\$ 3,718,239	\$ 3,790,562	\$ 72,323
Licenses and permits	360,500	360,500	354,485	(6,015)
Federal grants	53,796	53,796	-	(53,796)
State-shared revenue and grants	2,735,800	2,735,800	2,594,903	(140,897)
Charges for services	954,226	954,226	918,958	(35,268)
Fines and forfeitures	151,000	151,000	129,902	(21,098)
Investment income	45,000	45,000	37,263	(7,737)
Rental income	15,200	15,200	13,200	(2,000)
Other revenue:				
Special assessments	1,617,000	1,617,000	1,573,602	(43,398)
Local donations	1,000	1,000	59,769	58,769
Cable franchise fees	552,500	552,500	552,269	(231)
Other miscellaneous income	93,357	93,357	86,132	(7,225)
Total revenue	10,297,618	10,297,618	10,111,045	(186,573)
<b>Expenditures - Current</b>				
General government:				
Township board	52,461	53,461	53,436	25
Supervisor's office	144,150	144,150	137,499	6,651
Controller's office	219,771	219,771	217,374	2,397
Treasurer	302,950	302,950	298,647	4,303
Assessing	302,924	302,924	288,270	14,654
Board of Review	7,378	7,378	4,517	2,861
Clerk	154,659	154,659	150,978	3,681
Elections	240,444	240,444	180,683	59,761
Buildings and grounds	108,441	116,000	114,937	1,063
Insurance and other functions	1,374,421	1,549,616	1,585,724	(36,108)
Planning commission	12,292	12,292	6,908	5,384
Civil service	2,569	2,569	1,460	1,109
Total general government	2,922,460	3,106,214	3,040,433	65,781
Public safety:				
Police	3,967,508	3,967,508	3,684,073	283,435
Fire	1,262,921	1,262,921	1,025,877	237,044
Building department and trade inspections	407,320	411,912	340,106	71,806
Total public safety	5,637,749	5,642,341	5,050,056	592,285
Public works	1,628,049	1,628,049	1,563,930	64,119
Recreation and culture	96,580	99,271	62,187	37,084
Debt service	10,368	10,368	10,961	(593)
Total expenditures	10,295,206	10,486,243	9,727,567	758,676
<b>Excess of Revenue Over (Under)</b>				
<b>Expenditures</b>	2,412	(188,625)	383,478	572,103
<b>Other Financing Sources - Proceeds from sale of capital assets</b>				
	20,000	20,000	62,200	42,200
<b>Net Change in Fund Balance</b>	22,412	(168,625)	445,678	614,303
<b>Fund Balance - Beginning of year</b>	4,251,806	4,251,806	4,251,806	-
<b>Fund Balance - End of year</b>	<u>\$ 4,274,218</u>	<u>\$ 4,083,181</u>	<u>\$ 4,697,484</u>	<u>\$ 614,303</u>

# Charter Township of Flint

## Required Supplemental Information Budgetary Comparison Schedule - Major Special Revenue Fund Police and Fire Millage Fund Year Ended December 31, 2016

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
<b>Revenue</b>				
Property taxes	\$ 3,003,881	\$ 3,003,881	\$ 3,030,283	\$ 26,402
Investment income	1,250	1,250	3,613	2,363
Total revenue	3,005,131	3,005,131	3,033,896	28,765
<b>Expenditures - Public safety</b>	3,040,290	3,040,290	2,290,523	749,767
<b>Net Change in Fund Balance</b>	(35,159)	(35,159)	743,373	778,532
<b>Fund Balance - Beginning of year</b>	913,040	913,040	913,040	-
<b>Fund Balance - End of year</b>	<u>\$ 877,881</u>	<u>\$ 877,881</u>	<u>\$ 1,656,413</u>	<u>\$ 778,532</u>

# Charter Township of Flint

## Required Supplemental Information Budgetary Comparison Schedule - Major Special Revenue Fund Municipal Street Fund Year Ended December 31, 2016

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
<b>Revenue</b>				
Property taxes	\$ 375,454	\$ 375,454	\$ 377,499	\$ 2,045
Investment income	3,411	3,411	3,899	488
Other revenue:				
Special assessments	18,967	18,967	19,597	630
Other miscellaneous income	12,500	12,500	18,260	5,760
Total revenue	410,332	410,332	419,255	8,923
<b>Expenditures</b>				
Current - Public works - Street construction	281,650	331,551	333,132	(1,581)
Debt service	91,975	91,975	91,975	-
Total expenditures	373,625	423,526	425,107	(1,581)
Transfers out	(32,750)	(32,750)	(32,750)	-
<b>Net Change in Fund Balance</b>	3,957	(45,944)	(38,602)	7,342
<b>Fund Balance - Beginning of year</b>	39,934	39,934	39,934	-
<b>Fund Balance (Deficit) - End of year</b>	<u>\$ 43,891</u>	<u>\$ (6,010)</u>	<u>\$ 1,332</u>	<u>\$ 7,342</u>

# Charter Township of Flint

## Required Supplemental Information Budgetary Comparison Schedule - Major Special Revenue Fund Police Special Millage Year Ended December 31, 2016

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
<b>Revenue</b>				
Property taxes	\$ 375,454	\$ 375,454	\$ 383,674	\$ 8,220
Investment income	725	725	486	(239)
Total revenue	376,179	376,179	384,160	7,981
<b>Expenditures</b> - Current - Public safety	410,604	410,604	410,544	60
<b>Net Change in Fund Balance</b>	(34,425)	(34,425)	(26,384)	8,041
<b>Fund Balance</b> - Beginning of year	42,897	42,897	42,897	-
<b>Fund Balance</b> - End of year	<u>\$ 8,472</u>	<u>\$ 8,472</u>	<u>\$ 16,513</u>	<u>\$ 8,041</u>

# Charter Township of Flint

## Required Supplemental Information Pension System Schedule Schedule of Changes in the Township Net Pension Liability and Related Ratios Firefighters Fiscal Years Ended

	2016	2015	2014
<b>Total Pension Liability</b>			
Service cost	\$ 126,511	\$ 141,168	\$ 132,506
Interest	707,276	651,942	638,436
Changes in benefit terms	-	-	-
Differences between expected and actual experience	(709,716)	159,365	(87,442)
Changes in assumptions	-	333,919	-
Benefit payments, including refunds	(622,753)	(552,033)	(485,978)
<b>Net Change in Total Pension Liability</b>	(498,682)	734,361	197,522
<b>Total Pension Liability - Beginning of year</b>	9,089,066	8,354,705	8,157,183
<b>Total Pension Liability - End of year</b>	<u>\$ 8,590,384</u>	<u>\$ 9,089,066</u>	<u>\$ 8,354,705</u>
<b>Plan Fiduciary Net Position</b>			
Contributions - Employer	\$ 550,615	\$ 556,240	\$ 314,986
Contributions - Member	52,622	60,820	63,415
Net investment income	374,638	23,931	519,178
Administrative expenses	(15,535)	(11,530)	-
Benefit payments, including refunds	(622,753)	(552,033)	(485,978)
Other	-	-	(7,145)
<b>Net Change in Plan Fiduciary Net Position</b>	339,587	77,428	404,456
<b>Plan Fiduciary Net Position - Beginning of year</b>	5,995,593	5,918,165	5,513,709
<b>Plan Fiduciary Net Position - End of year</b>	<u>\$ 6,335,180</u>	<u>\$ 5,995,593</u>	<u>\$ 5,918,165</u>
<b>Township's Net Pension Liability - Ending</b>	<u>\$ 2,255,204</u>	<u>\$ 3,093,473</u>	<u>\$ 2,436,540</u>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	73.75 %	65.96 %	70.84 %
<b>Covered Employee Payroll</b>	\$ 669,452	\$ 681,409	\$ 770,313
<b>Township's Net Pension Liability as a Percentage of Covered Employee Payroll</b>	336.9 %	454.0 %	316.3 %

Previous years' data was unavailable.

# Charter Township of Flint

## Required Supplemental Information Pension System Schedule Schedule of Changes in the Township Net Pension Liability and Related Ratios Police Officers and Full-time Clerical Union/Nonunion Fiscal Years Ended

	2016	2015
<b>Total Pension Liability</b>		
Service cost	\$ 441,756	\$ 442,873
Interest	2,268,171	2,172,289
Changes in benefit terms	(5,910)	-
Differences between expected and actual experience	(272,915)	-
Changes in assumptions	1,246,202	-
Benefit payments, including refunds	(1,504,600)	(1,400,211)
<b>Net Change in Total Pension Liability</b>	2,172,704	1,214,951
<b>Total Pension Liability - Beginning of year</b>	28,024,400	26,809,449
<b>Total Pension Liability - End of year</b>	<b>\$ 30,197,104</b>	<b>\$ 28,024,400</b>
<b>Plan Fiduciary Net Position</b>		
Contributions - Employer	\$ 698,562	\$ 652,493
Contributions - Member	283,875	285,335
Net investment income	(274,702)	1,125,359
Administrative expenses	(40,252)	(41,287)
Benefit payments, including refunds	(1,504,600)	(1,400,211)
<b>Net Change in Plan Fiduciary Net Position</b>	(837,117)	621,689
<b>Plan Fiduciary Net Position - Beginning of year</b>	18,480,827	17,859,138
<b>Plan Fiduciary Net Position - End of year</b>	<b>\$ 17,643,710</b>	<b>\$ 18,480,827</b>
<b>Township's Net Pension Liability - Ending</b>	<b>\$ 12,553,394</b>	<b>\$ 9,543,573</b>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	58.43 %	65.95 %
<b>Covered Employee Payroll</b>	\$ 3,079,427	\$ 3,035,084
<b>Township's Net Pension Liability as a Percentage of Covered Employee Payroll</b>	407.7 %	314.4 %

Previous years' data was unavailable.







# Charter Township of Flint

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## **Required Supplemental Information Pension System Schedule Schedule of Township Contributions Police Officers and Full-time Clerical Union/Nonunion (Continued) Last 10 Fiscal Years**

Mortality

Mortality rates were based on a 50 percent male and 50 percent female blend of the following tables:

1. The RP-2014 Healthy Annuitant Mortality Tables, with rates multiplied by 105 percent
2. The RP-2014 Employee Mortality Tables
3. The RP-2014 Juvenile Mortality Tables

For disabled retirees, the mortality rates were based on the 50 percent male - 50 percent female blend of the RP-2014 Disabled Retiree Mortality Tables.

Other information

None

# Charter Township of Flint

## Required Supplemental Information OPEB Schedule Schedule of Funding Progress Year Ended December 31, 2016

The schedule of funding progress is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (Percent) (a/b)	Annual OPEB Costs	Percentage of OPEB Costs Contributed
1/1/14	\$ 97,322	\$ 15,912,562	\$ 15,815,240	0.6 %	\$ 1,246,227	1,269.0 %
1/1/11	60,209	13,876,220	13,816,011	0.4	1,150,486	1,200.9
1/1/08	25,000	13,806,492	13,781,492	0.2	1,139,164	1,209.8

The schedule of employer contributions is as follows:

Fiscal Year Ended	Actuarial Valuation Date	Annual Required Contribution *	Percentage Contributed
12/31/16	1/1/14	\$ 1,390,109	52.2 %
12/31/15	1/1/14	1,361,314	49.4
12/31/14	1/1/14	1,332,392	48.8
12/31/13	1/1/11	1,231,465	46.7
12/31/12	1/1/11	1,203,350	43.2

The information presented above was determined as part of the actuarial valuations at the dates indicated. Additional information as of January 1, 2014, the latest actuarial valuation, is as follows:

Amortization method	Level percent
Amortization period	24 years
Asset valuation method	Four-year smoothed market
Actuarial assumptions:	
Investment rate of return	4.0%
Projected salary increases	3.0%
*Includes inflation at	4.5%
Cost-of-living adjustments	None

# Charter Township of Flint

## Note to Required Supplemental Information Year Ended December 31, 2016

**Budgetary Information** - Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund and all special revenue funds. All annual appropriations lapse at fiscal year end. Prior to January 1, the budget is legally enacted on a departmental (activity) basis through passage of a resolution for all budgeted funds. The supervisor or designee is authorized to transfer budgeted amounts within departmental appropriation accounts; however, any revisions that alter the total expenditures of any department must be approved by the township board.

Amounts encumbered for purchase orders, contracts, etc. are not tracked during the year. Budget appropriations are considered to be spent once the goods are delivered or the services rendered.

The following is a comparison of budget on a project (grant) length basis and actual expenditures for the Community Development Fund for the year ended December 31, 2016.

	Revised Project (Grant) Length Budget	Project Funds Expended During 2016	Total Project Funds Expended Through December 31, 2016	Unexpended Balance at December 31, 2016
Special Revenue Fund type -				
Community Development Fund:				
Recreation and cultural projects 2015	\$ 13,497	\$ 8,024	\$ 13,497	\$ -
Recreation and cultural projects 2016	<u>12,944</u>	<u>3,243</u>	<u>3,243</u>	<u>9,701</u>
Total Community Development Fund	<u>\$ 26,441</u>	<u>\$ 11,267</u>	<u>\$ 16,740</u>	<u>\$ 9,701</u>

**Excess of Expenditures Over Appropriations in Budgeted Funds** - During the year, there were the following budget overruns:

	Amended Budget	Actual	Variance
General Fund:			
General Government - Insurance	\$ 1,549,616	\$ 1,585,724	\$ (36,108)
Debt service	10,368	10,961	(593)

These overruns were due to unanticipated expenditures and the budget was not amended.

## **Other Supplemental Information**

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# Charter Township of Flint

	Special Revenue Funds					
	Community Development	JAG Grant Fund	Municipal Street Fund	Police Special Millage	Police Grants Fund	Fire Safety Equipment
<b>Assets</b>						
Cash and investments	\$ -	\$ 581,500	\$ 246,872	\$ 103,172	\$ -	\$ 544,133
Receivables:						
Property taxes receivable	-	-	308,568	308,587	-	154,266
Special assessments receivable	-	-	35,077	-	-	-
Other receivables	-	-	1,665	6,160	-	3,080
Due from other governmental units	2,163	-	-	-	-	-
Due from other funds	-	-	-	-	9,711	-
Prepaid expenses and other assets	-	-	-	-	-	473,065
<b>Total assets</b>	<b>\$ 2,163</b>	<b>\$ 581,500</b>	<b>\$ 592,182</b>	<b>\$ 417,919</b>	<b>\$ 9,711</b>	<b>\$ 1,174,544</b>
<b>Liabilities</b>						
Accounts payable	\$ -	\$ -	\$ 154,367	\$ -	\$ -	\$ 2,349
Due to other governmental units	-	-	-	-	9,711	-
Due to other funds	2,163	218	-	-	-	-
<b>Total liabilities</b>	<b>2,163</b>	<b>218</b>	<b>154,367</b>	<b>-</b>	<b>9,711</b>	<b>2,349</b>
<b>Deferred Inflows of Resources</b>						
Unavailable revenue	-	-	35,077	-	11,029	-
Property taxes levied for the following year	-	-	401,406	401,406	-	200,673
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>436,483</b>	<b>401,406</b>	<b>11,029</b>	<b>200,673</b>
<b>Fund Balances</b>						
Prepays	-	-	-	-	-	473,065
Restricted:						
Roads	-	-	1,332	-	-	-
Police	-	581,282	-	16,513	-	498,457
Debt service	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	(11,029)	-
<b>Total fund balances</b>	<b>-</b>	<b>581,282</b>	<b>1,332</b>	<b>16,513</b>	<b>(11,029)</b>	<b>971,522</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 2,163</b>	<b>\$ 581,500</b>	<b>\$ 592,182</b>	<b>\$ 417,919</b>	<b>\$ 9,711</b>	<b>\$ 1,174,544</b>

**Other Supplemental Information  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2016**

Debt Service Funds		Total Nonmajor Governmental Funds
Road Debt Service	Building Authority Debt	
\$ 288,247	\$ 20,947	\$ 1,784,871
-	-	771,421
178,829	-	213,906
-	-	10,905
-	-	2,163
-	-	9,711
-	-	473,065
<b>\$ 467,076</b>	<b>\$ 20,947</b>	<b>\$ 3,266,042</b>
\$ -	\$ -	\$ 156,716
-	-	9,711
-	-	2,381
-	-	168,808
178,829	-	224,935
-	-	1,003,485
178,829	-	1,228,420
-	-	473,065
-	-	1,332
-	-	1,096,252
288,247	-	288,247
-	20,947	20,947
-	-	(11,029)
288,247	20,947	1,868,814
<b>\$ 467,076</b>	<b>\$ 20,947</b>	<b>\$ 3,266,042</b>

# Charter Township of Flint

	Special Revenue Funds					
	Community Development	JAG Grant Fund	Municipal Street Fund	Police Special Millage	Police Grants Fund	Fire Safety Equipment
<b>Revenue</b>						
Property taxes	\$ -	\$ -	\$ 377,499	\$ 383,674	\$ -	\$ 191,801
Federal grants	11,266	218,602	-	-	195,488	-
Investment income	-	1,275	3,899	486	-	1,913
Rental income	-	-	-	-	-	-
Other revenue - Special assessments	-	-	19,597	-	-	-
Other miscellaneous income	-	-	18,260	-	-	-
<b>Total revenue</b>	<b>11,266</b>	<b>219,877</b>	<b>419,255</b>	<b>384,160</b>	<b>195,488</b>	<b>193,714</b>
<b>Expenditures</b>						
Current:						
General government	-	-	-	-	-	-
Public safety	-	191,207	-	410,544	206,517	72,176
Public works	-	-	333,132	-	-	-
Recreation and culture	11,266	-	-	-	-	-
Debt service	-	-	91,975	-	-	-
<b>Total expenditures</b>	<b>11,266</b>	<b>191,207</b>	<b>425,107</b>	<b>410,544</b>	<b>206,517</b>	<b>72,176</b>
<b>Excess of Revenue Over (Under) Expenditures</b>	<b>-</b>	<b>28,670</b>	<b>(5,852)</b>	<b>(26,384)</b>	<b>(11,029)</b>	<b>121,538</b>
<b>Other Financing Sources (Uses)</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	(32,750)	-	-	-
<b>Total other financing (uses) sources</b>	<b>-</b>	<b>-</b>	<b>(32,750)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>-</b>	<b>28,670</b>	<b>(38,602)</b>	<b>(26,384)</b>	<b>(11,029)</b>	<b>121,538</b>
<b>Fund Balances - Beginning of year</b>	<b>-</b>	<b>552,612</b>	<b>39,934</b>	<b>42,897</b>	<b>-</b>	<b>849,984</b>
<b>Fund Balances (Deficit) - End of year</b>	<b>\$ -</b>	<b>\$ 581,282</b>	<b>\$ 1,332</b>	<b>\$ 16,513</b>	<b>\$ (11,029)</b>	<b>\$ 971,522</b>

**Other Supplemental Information**  
**Combining Statement of Revenue, Expenditures, and Changes in**  
**Fund Balances**  
**Nonmajor Governmental Funds**  
**Year Ended December 31, 2016**

Debt Service Funds			Total Nonmajor Governmental Funds
Road Debt Service	Building Authority Debt	Total	
\$ -	\$ -	\$ -	\$ 952,974
-	-	-	425,356
12,875	41	12,916	20,489
-	129,631	129,631	129,631
72,993	-	72,993	92,590
-	-	-	18,260
<u>85,868</u>	<u>129,672</u>	<u>215,540</u>	<u>1,639,300</u>
-	150	150	150
-	-	-	880,444
-	-	-	333,132
-	-	-	11,266
<u>169,831</u>	<u>129,630</u>	<u>299,461</u>	<u>391,436</u>
<u>169,831</u>	<u>129,780</u>	<u>299,611</u>	<u>1,616,428</u>
(83,963)	(108)	(84,071)	22,872
32,750	-	32,750	32,750
-	-	-	(32,750)
<u>32,750</u>	<u>-</u>	<u>32,750</u>	<u>-</u>
(51,213)	(108)	(51,321)	22,872
<u>339,460</u>	<u>21,055</u>	<u>360,515</u>	<u>1,845,942</u>
<u>\$ 288,247</u>	<u>\$ 20,947</u>	<u>\$ 309,194</u>	<u>\$ 1,868,814</u>



# Charter Township of Flint

## Other Supplemental Information Nonmajor Governmental Fund - Community Development Budgetary Comparison Schedule Year Ended December 31, 2016

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget
<b>Revenue - Federal grants</b>	\$ 13,497	\$ 13,497	\$ 11,266	\$ (2,231)
<b>Expenditures - Current - Recreation and culture</b>	<u>13,497</u>	<u>13,497</u>	<u>11,266</u>	<u>2,231</u>
<b>Net Change in Fund Balance</b>	-	-	-	-
<b>Fund Balance - Beginning of year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance - End of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

# Charter Township of Flint

## Other Supplemental Information Nonmajor Governmental Fund - JAG Grant Fund Budgetary Comparison Schedule Year Ended December 31, 2016

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget
<b>Revenue</b>				
Federal grants	\$ 220,000	\$ 220,000	\$ 218,602	\$ (1,398)
Investment income	1,250	1,250	1,275	25
Total revenue	221,250	221,250	219,877	(1,373)
<b>Expenditures - Current - Public safety</b>	185,050	225,000	191,207	33,793
<b>Net Change in Fund Balance</b>	36,200	(3,750)	28,670	32,420
<b>Fund Balance - Beginning of year</b>	552,612	552,612	552,612	-
<b>Fund Balance - End of year</b>	<b>\$ 588,812</b>	<b>\$ 548,862</b>	<b>\$ 581,282</b>	<b>\$ 32,420</b>

# Charter Township of Flint

## Other Supplemental Information Nonmajor Governmental Fund - Police Grants Fund Budgetary Comparison Schedule Year Ended December 31, 2016

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget
<b>Revenue - Federal grants</b>	\$ 200,000	\$ 218,000	\$ 195,488	\$ (22,512)
<b>Expenditures - Current - Public safety</b>	<u>200,000</u>	<u>218,000</u>	<u>206,517</u>	<u>11,483</u>
<b>Net Change in Fund Balance</b>	-	-	(11,029)	(11,029)
<b>Fund Balance - Beginning of year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance - End of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (11,029)</u>	<u>\$ (11,029)</u>

# Charter Township of Flint

## Other Supplemental Information Nonmajor Governmental Fund - Fire Safety Equipment Budgetary Comparison Schedule Year Ended December 31, 2016

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget
<b>Revenue</b>				
Property taxes	\$ 187,827	\$ 187,827	\$ 191,801	\$ 3,974
Investment income	1,000	1,000	1,913	913
Total revenue	188,827	188,827	193,714	4,887
<b>Expenditures - Current - Public safety</b>	500,350	523,415	72,176	451,239
<b>Net Change in Fund Balance</b>	(311,523)	(334,588)	121,538	456,126
<b>Fund Balance - Beginning of year</b>	849,984	849,984	849,984	-
<b>Fund Balance - End of year</b>	<u>\$ 538,461</u>	<u>\$ 515,396</u>	<u>\$ 971,522</u>	<u>\$ 456,126</u>

# Charter Township of Flint

## Other Supplemental Information Nonmajor Governmental Fund - Road Debt Service Budgetary Comparison Schedule Year Ended December 31, 2016

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget
<b>Revenue</b>				
Investment income	\$ 16,260	\$ 16,260	\$ 12,875	\$ (3,385)
Other revenue	<u>71,168</u>	<u>71,168</u>	<u>72,993</u>	<u>1,825</u>
Total revenue	87,428	87,428	85,868	(1,560)
<b>Expenditures - Current - Debt service</b>	<u>169,831</u>	<u>169,831</u>	<u>169,831</u>	<u>-</u>
<b>Excess of Expenditures Over Revenue</b>	(82,403)	(82,403)	(83,963)	(1,560)
<b>Other Financing Sources - Transfers in</b>	<u>32,750</u>	<u>32,750</u>	<u>32,750</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	(49,653)	(49,653)	(51,213)	(1,560)
<b>Fund Balance - Beginning of year</b>	<u>339,460</u>	<u>339,460</u>	<u>339,460</u>	<u>-</u>
<b>Fund Balance - End of year</b>	<u><b>\$ 289,807</b></u>	<u><b>\$ 289,807</b></u>	<u><b>\$ 288,247</b></u>	<u><b>\$ (1,560)</b></u>

# Charter Township of Flint

## Other Supplemental Information Nonmajor Governmental Fund - Building Authority Debt Budgetary Comparison Schedule Year Ended December 31, 2016

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget
<b>Revenue</b>				
Investment income	\$ 30	\$ 30	\$ 41	\$ 11
Rental income	<u>129,631</u>	<u>129,631</u>	<u>129,631</u>	<u>-</u>
Total revenue	129,661	129,661	129,672	11
<b>Expenditures - Current</b>				
General government	150	150	150	-
Debt service	<u>129,631</u>	<u>129,631</u>	<u>129,630</u>	<u>1</u>
Total expenditures	<u>129,781</u>	<u>129,781</u>	<u>129,780</u>	<u>1</u>
<b>Net Change in Fund Balance</b>	(120)	(120)	(108)	12
<b>Fund Balance - Beginning of year</b>	<u>21,055</u>	<u>21,055</u>	<u>21,055</u>	<u>-</u>
<b>Fund Balance - End of year</b>	<u><u>\$ 20,935</u></u>	<u><u>\$ 20,935</u></u>	<u><u>\$ 20,947</u></u>	<u><u>\$ 12</u></u>

# Charter Township of Flint

## Other Supplemental Information Nonmajor Governmental Fund - Municipal Street Fund Budgetary Comparison Schedule Year Ended December 31, 2016

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget
<b>Revenue</b>				
Property taxes	\$ 375,454	\$ 375,454	\$ 377,499	\$ 2,045
Investment income	3,411	3,411	3,899	488
Other revenue:				
Special assessments	18,967	18,967	19,597	630
Other miscellaneous income	12,500	12,500	18,260	5,760
Total revenue	410,332	410,332	419,255	8,923
<b>Expenditures</b>				
Current - Public works - Street construction	281,650	331,551	333,132	(1,581)
Debt service	91,975	91,975	91,975	-
Total expenditures	373,625	423,526	425,107	(1,581)
<b>Other Financing Uses - Transfers out</b>	(32,750)	(32,750)	(32,750)	-
<b>Net Change in Fund Balance</b>	3,957	(45,944)	(38,602)	7,342
<b>Fund Balance - Beginning of year</b>	39,934	39,934	39,934	-
<b>Fund Balance (Deficit) - End of year</b>	<u>\$ 43,891</u>	<u>\$ (6,010)</u>	<u>\$ 1,332</u>	<u>\$ 7,342</u>

# Charter Township of Flint

## Other Supplemental Information Nonmajor Governmental Fund - Police Special Millage Budgetary Comparison Schedule Year Ended December 31, 2016

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget
<b>Revenue</b>				
Property taxes	\$ 375,454	\$ 375,454	\$ 383,674	\$ 8,220
Investment income	725	725	486	(239)
Total revenue	376,179	376,179	384,160	7,981
<b>Expenditures - Current -</b>				
Public safety	410,604	410,604	410,544	60
<b>Net Change in Fund Balance</b>	(34,425)	(34,425)	(26,384)	8,041
<b>Fund Balance - Beginning of year</b>	42,897	42,897	42,897	-
<b>Fund Balance - End of year</b>	<u>\$ 8,472</u>	<u>\$ 8,472</u>	<u>\$ 16,513</u>	<u>\$ 8,041</u>



# Charter Township of Flint

## Other Supplemental Information Combining Statement of Net Position Fiduciary Funds December 31, 2016

	Trust Funds			Agency Funds		
	Firefighters' Pension Trust Fund	Retiree Healthcare Trust Fund	Total Pension and Other Employee Benefit Trust Funds	General Agency	Tax Collection	Total Agency Funds
<b>Assets</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 202,327	\$ 63,491	\$ 265,818
Investments - Mutual funds	6,334,957	161,620	6,496,577	-	-	-
Receivables	224	-	224	431,736	-	431,736
Total assets	<u>6,335,181</u>	<u>161,620</u>	<u>6,496,801</u>	<u>\$ 634,063</u>	<u>\$ 63,491</u>	<u>\$ 697,554</u>
<b>Liabilities</b>						
Due to other governmental units	-	-	-	\$ 284,006	\$ -	\$ 284,006
Undistributed taxes	-	-	-	118,696	63,491	182,187
Refundable deposits, bonds, etc.	-	-	-	173,309	-	173,309
Accrued liabilities and other	-	-	-	58,052	-	58,052
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 634,063</u>	<u>\$ 63,491</u>	<u>\$ 697,554</u>
<b>Net Position Held in Trust for Pension and Postemployment Benefits</b>	<u>\$ 6,335,181</u>	<u>\$ 161,620</u>	<u>\$ 6,496,801</u>			

# Charter Township of Flint

## Other Supplemental Information Combining Statement of Changes in Fiduciary Net Position Fiduciary Funds Year Ended December 31, 2016

	Firefighters' Pension Trust Fund	Retiree Healthcare Trust Fund	Total
<b>Additions</b>			
Investment income:			
Interest and dividends	\$ 44,647	\$ -	\$ 44,647
Net decrease in fair value of investments	<u>329,989</u>	<u>14,474</u>	<u>344,463</u>
Net investment income	374,636	14,474	389,110
Contributions:			
Employer	550,785	725,525	1,276,310
Employee	<u>52,652</u>	<u>-</u>	<u>52,652</u>
Net contributions	<u>603,437</u>	<u>725,525</u>	<u>1,328,962</u>
Total additions	978,073	739,999	1,718,072
<b>Deductions</b>			
Benefit payments	622,753	703,825	1,326,578
Administrative expenses	<u>15,734</u>	<u>633</u>	<u>16,367</u>
Total deductions	<u>638,487</u>	<u>704,458</u>	<u>1,342,945</u>
<b>Net Increase in Net Position Held in Trust</b>	339,586	35,541	375,127
<b>Net Position Held in Trust for Pension and Postemployment Benefits - Beginning of year</b>	<u>5,995,595</u>	<u>126,079</u>	<u>6,121,674</u>
<b>Net Position Held in Trust for Pension and Postemployment Benefits - End of year</b>	<u><u>\$ 6,335,181</u></u>	<u><u>\$ 161,620</u></u>	<u><u>\$ 6,496,801</u></u>