
Charter Township of Flint

**Financial Report
with Supplemental Information
December 31, 2018**

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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 units, 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, 2018 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 opinions.

Opinions

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 units, each major fund, and the aggregate remaining fund information of Charter Township of Flint as of December 31, 2018 and the respective changes in its financial position and, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 14, during the year ended December 31, 2018, the Township adopted the provisions of Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, which established accounting and financial reporting standards for defined benefit OPEB plans provided to the employees of governmental employers. Our opinion is not modified with respect to this matter.

To the Board of Trustees
Charter Township of Flint

As explained in Note 3, the financial statements include investments valued at \$6,098,810 (89 percent of total investments for the aggregate remaining funds) at December 31, 2018, 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.

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplemental information, 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 an opinion 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

June 13, 2019

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, 2018. 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 the Township as a whole and present a longer-term view of the Township'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 the reader 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 Township'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.

Township's Net Position

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Assets						
Current and other assets:						
Cash and investments	\$ 9,978,344	\$ 11,211,534	\$ 10,150,905	\$ 9,345,204	\$ 20,129,249	\$ 20,556,738
Receivables	6,872,357	6,451,375	3,723,290	4,283,618	10,595,647	10,734,993
Other assets:						
Prepaid expenses and other assets	199,174	211,520	14,103	15,138	213,277	226,658
Land held for resale	133,722	149,709	-	-	133,722	149,709
Advance to component units	-	-	335,000	-	335,000	-
Capital assets	11,168,995	11,489,370	2,008,053	2,059,284	13,177,048	13,548,654
Total assets	28,352,592	29,513,508	16,231,351	15,703,244	44,583,943	45,216,752
Deferred Outflows of Resources	4,128,695	2,851,834	39,803	34,556	4,168,498	2,886,390
Liabilities						
Current liabilities	561,521	1,071,587	2,538,943	2,654,257	3,100,464	3,725,844
Noncurrent liabilities:						
Due within one year:						
Compensated absences	56,128	49,066	-	-	56,128	49,066
Current portion of long-term debt	275,000	270,000	22,500	22,500	297,500	292,500
Due in more than one year:						
Compensated absences	70,802	83,823	-	-	70,802	83,823
Net pension liability	15,245,498	14,342,979	175,693	165,396	15,421,191	14,508,375
Net OPEB obligation	25,767,566	7,294,170	153,648	530,521	25,921,214	7,824,691
Long-term debt	860,000	1,135,000	304,633	327,133	1,164,633	1,462,133
Total liabilities	42,836,515	24,246,625	3,195,417	3,699,807	46,031,932	27,946,432
Deferred Inflows of Resources	9,351,342	9,064,352	8,427	2,704	9,359,769	9,067,056
Net Position						
Net investment in capital assets	10,033,995	10,084,370	1,680,920	1,709,651	11,714,915	11,794,021
Restricted	3,154,720	3,583,048	-	-	3,154,720	3,583,048
Unrestricted	(32,895,285)	(14,613,053)	11,386,390	10,325,638	(21,508,895)	(4,287,415)
Total net position	\$ (19,706,570)	\$ (945,635)	\$ 13,067,310	\$ 12,035,289	\$ (6,639,260)	\$ 11,089,654

Charter Township of Flint

Management's Discussion and Analysis (Continued)

The governmental net position decreased 1,984 percent from a year ago - decreasing from \$(945,635) to \$(19,706,570). Last year's net position decreased by 490 percent.

Township's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenue						
Program revenue:						
Charges for services	\$ 2,945,241	\$ 2,853,227	\$ 14,819,986	\$ 14,670,987	\$ 17,765,227	\$ 17,524,214
Operating grants	487,106	310,454	-	-	487,106	310,454
Capital grants	-	916,080	-	-	-	916,080
General revenue:						
Taxes	7,393,770	7,651,270	-	-	7,393,770	7,651,270
Intergovernmental	2,974,186	2,738,550	-	-	2,974,186	2,738,550
Investment income	62,668	69,290	46,943	20,942	109,611	90,232
Other revenue:						
Cable franchise fees	515,940	534,515	-	-	515,940	534,515
Sale of capital assets	93,026	-	-	-	93,026	-
Other miscellaneous income	92,937	137,263	-	-	92,937	137,263
Total revenue	14,564,874	15,210,649	14,866,929	14,691,929	29,431,803	29,902,578
Expenses						
General government	3,091,865	4,190,791	-	-	3,091,865	4,190,791
Public safety	11,067,961	9,601,411	-	-	11,067,961	9,601,411
Public works	2,323,631	2,370,266	-	-	2,323,631	2,370,266
Recreation and culture	259,271	176,991	-	-	259,271	176,991
Debt service	49,382	59,465	-	-	49,382	59,465
Sewer and water	-	-	14,197,741	14,007,880	14,197,741	14,007,880
Total expenses	16,792,110	16,398,924	14,197,741	14,007,880	30,989,851	30,406,804
Change in Net Position	(2,227,236)	(1,188,275)	669,188	684,049	(1,558,048)	(504,226)
Net Position - Beginning of year, as previously reported	(945,635)	242,640	12,035,289	11,351,240	11,089,654	11,593,880
Impact of GASB Statement No. 75* (Note 14)	(16,533,699)	-	362,833	-	(16,170,866)	-
Net Position - Beginning of year	(17,479,334)	242,640	12,398,122	11,351,240	(5,081,212)	11,593,880
Net Position - End of year	\$ (19,706,570)	\$ (945,635)	\$ 13,067,310	\$ 12,035,289	\$ (6,639,260)	\$ 11,089,654

* The Township implemented GASB Statement No. 75 in fiscal year 2018. Fiscal year 2017 amounts shown have not been modified to reflect the retroactive application of the change; however, the ending net position for that year was adjusted to properly state the fiscal year 2018 beginning net position.

Unrestricted net position, the part of net position that can be used to finance day-to-day operations, decreased by \$18,282,232 for governmental activities. The current level of unrestricted net position for our governmental activities stands at \$(32,895,285). Capital grant revenue decreased by approximately \$916,000, primarily due to capital donations received in 2017. General government expenditures decreased by approximately \$1.1 million, primarily due to a decrease in OPEB expense. Public safety expenditures increased by approximately \$1.5 million primarily due to an increase in pension and OPEB expense.

The Township's business-type activities consist of the Sewer and Water Fund. The total net position of business-type activities increased by 8.6 percent from a year ago, increasing from \$12,035,289 to \$13,067,310. Last year's net position increased by 6.0 percent. The sewer and water revenue increased by approximately \$149,000, primarily due to increased charges for services. The sewer and water expenses increased by approximately \$190,000 due to pension and OPEB expenses.

Unrestricted net position of the business-type activities increased by \$1,060,487, or 10.3 percent.

Charter Township of Flint

Management's Discussion and Analysis (Continued)

Financial Analysis of Individual Funds

As the Township completed the year, its General Fund reported a fund balance of \$4,917,561. This represents a decrease of \$120,714 from the prior year. The Township's General Fund revenue, excluding other financing sources, was approximately \$10.3 million. Property taxes were approximately \$3.8 million, or 37 percent, of the total revenue. State revenue sharing made up approximately \$3.0 million, or 29 percent, of total revenue.

The township board passed a 2018 General Fund budget, anticipating a decrease of approximately \$1,179,000 of fund balance. However, the change in fund balance was a decrease of approximately \$121,000. The Township's actual expenditures were \$566,188 less than the final amended budget.

General Fund Budgetary Highlights

When comparing amended to actual, General Fund revenue totaled \$10,259,014, \$296,731 more than the final amended budget. The largest differences between budget and actual revenue were higher than anticipated intergovernmental revenue (approximately \$175,000), property taxes (approximately \$91,000), and licenses and permits (approximately \$58,000).

General Fund expenditures totaled \$10,579,907, \$566,188 less than the final amended budget. General government expenditures totaled \$3,381,570, \$308,064 less than the final amended budget.

Capital Assets and Debt Administration

At the end of 2018, the Township had invested approximately \$13 million in capital assets, net of accumulated depreciation. This amount complies with methods established by the Governmental Accounting Standards Board (GASB). Additional information on the Township's capital assets can be found in Note 4 of this report.

At year end, the Township had approximately \$1.1 million in governmental long-term debt, including \$290,000 in special assessment debt. The business-type activities had approximately \$327,000 in debt, including the Fenton Road Water Main debt. Additional information on the Township's long-term debt can be found in Note 6 of this report.

Economic Factors

The average unemployment rate for the Township's area was 4.3 percent for 2018. This compares to an average unemployment rate of 4.6 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 Township's finances and 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, MI 48532-4121.

Charter Township of Flint

Statement of Net Position

December 31, 2018

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and investments	\$ 9,978,344	\$ 10,150,905	\$ 20,129,249	\$ 188,366
Receivables:				
Property taxes receivable	4,971,626	-	4,971,626	172,264
Special assessments receivable	905,817	-	905,817	-
Receivables from sales to customers on account	421,953	3,687,385	4,109,338	-
Accrued interest receivable	7,999	38,779	46,778	-
Other receivables	56,273	-	56,273	-
Due from other governmental units	505,815	-	505,815	-
Internal balances	2,874	(2,874)	-	-
Prepaid expenses and other assets	199,174	14,103	213,277	1,699
Land held for resale	133,722	-	133,722	-
Capital assets: (Note 4)				
Assets not subject to depreciation	3,791,605	-	3,791,605	-
Assets subject to depreciation - Net	7,377,390	2,008,053	9,385,443	-
Advance to component units	-	335,000	335,000	-
Total assets	28,352,592	16,231,351	44,583,943	362,329
Deferred Outflows of Resources				
Deferred pension costs (Note 9)	2,777,930	31,749	2,809,679	-
Deferred OPEB costs (Note 11)	1,350,765	8,054	1,358,819	-
Total deferred outflows of resources	4,128,695	39,803	4,168,498	-
Liabilities				
Accounts payable	271,619	64,681	336,300	1,683
Due to other governmental units	1,691	2,419,383	2,421,074	-
Refundable deposits, bonds, etc.	94,476	46,397	140,873	-
Accrued liabilities and other	193,735	8,482	202,217	7,813
Noncurrent liabilities:				
Due within one year:				
Compensated absences (Note 6)	56,128	-	56,128	-
Current portion of long-term debt (Note 6)	275,000	22,500	297,500	-
Due in more than one year:				
Compensated absences (Note 6)	70,802	-	70,802	-
Net pension liability (Note 9)	15,245,498	175,693	15,421,191	-
Net OPEB obligation (Note 11)	25,767,566	153,648	25,921,214	-
Long-term debt (Note 6)	860,000	304,633	1,164,633	-
Advance from primary government (Note 5)	-	-	-	335,000
Total liabilities	42,836,515	3,195,417	46,031,932	344,496
Deferred Inflows of Resources				
Property taxes levied for the following year	7,244,526	-	7,244,526	111,357
Special assessments levied for the following year	1,571,973	-	1,571,973	-
Deferred inflows related to pensions (Note 9)	401,551	7,632	409,183	-
Deferred OPEB cost reductions (Note 11)	133,292	795	134,087	-
Total deferred inflows of resources	9,351,342	8,427	9,359,769	111,357
Net Position				
Net investment in capital assets	10,033,995	1,680,920	11,714,915	-
Restricted:				
Public safety	2,828,397	-	2,828,397	-
Roads	63,257	-	63,257	-
Debt service	231,111	-	231,111	-
Public access programming	31,955	-	31,955	-
Unrestricted	(32,895,285)	11,386,390	(21,508,895)	(93,524)
Total net position	\$ (19,706,570)	\$ 13,067,310	\$ (6,639,260)	\$ (93,524)

Charter Township of Flint

	Program Revenue			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Functions/Programs				
Primary government:				
Governmental activities:				
General government	\$ 3,091,865	\$ 575,576	\$ 434	\$ -
Public safety	11,067,961	856,844	367,228	-
Public works	2,323,631	1,512,821	92,831	-
Recreation and culture	259,271	-	26,613	-
Interest on long-term debt	49,382	-	-	-
Total governmental activities	16,792,110	2,945,241	487,106	-
Business-type activities	14,197,741	14,819,986	-	-
Total primary government	<u>\$ 30,989,851</u>	<u>\$ 17,765,227</u>	<u>\$ 487,106</u>	<u>\$ -</u>
Component units:				
Downtown Development Authority	\$ 108,953	\$ -	\$ -	\$ -
Beecher Road Corridor Improvement Authority	20,748	-	-	-
Bristol Road Corridor Improvement Authority	30,564	-	-	-
Economic Development Corporation	4,175	-	8,200	-
Total component units	<u>\$ 164,440</u>	<u>\$ -</u>	<u>\$ 8,200</u>	<u>\$ -</u>
General revenue:				
Property taxes				
State-shared revenue				
Investment income				
Cable franchise fees				
Gain on sale of capital assets				
Other miscellaneous income				
Total general revenue				

Change in Net Position

Net Position - Beginning of year, as restated (Note 14)

Net Position - End of year

Statement of Activities

Year Ended December 31, 2018

Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
\$ (2,515,855)	\$ -	\$ (2,515,855)	\$ -
(9,843,889)	-	(9,843,889)	-
(717,979)	-	(717,979)	-
(232,658)	-	(232,658)	-
(49,382)	-	(49,382)	-
(13,359,763)	-	(13,359,763)	-
-	622,245	622,245	-
(13,359,763)	622,245	(12,737,518)	-
-	-	-	(108,953)
-	-	-	(20,748)
-	-	-	(30,564)
-	-	-	4,025
-	-	-	(156,240)
7,393,770	-	7,393,770	60,907
2,974,186	-	2,974,186	-
62,668	46,943	109,611	223
515,940	-	515,940	-
93,026	-	93,026	-
92,937	-	92,937	1,250
11,132,527	46,943	11,179,470	62,380
(2,227,236)	669,188	(1,558,048)	(93,860)
(17,479,334)	12,398,122	(5,081,212)	336
\$ (19,706,570)	\$ 13,067,310	\$ (6,639,260)	\$ (93,524)

Charter Township of Flint

Governmental Funds Balance Sheet

December 31, 2018

	General Fund	Police and Fire Millage Fund	Nonmajor Funds	Total Governmental Funds
Assets				
Cash and investments (Note 3)	\$ 5,779,649	\$ 2,607,990	\$ 1,590,705	\$ 9,978,344
Receivables:				
Property taxes receivable	2,577,288	1,999,991	394,347	4,971,626
Special assessments receivable	855,637	-	50,180	905,817
Receivables from sales to customers on account	421,953	-	-	421,953
Accrued interest receivable	-	7,999	-	7,999
Other receivables	4,261	42,251	9,761	56,273
Due from other governmental units	500,222	-	5,593	505,815
Due from other funds (Note 5)	4,181	5,000	1,691	10,872
Prepaid expenses and other assets	167,612	31,562	-	199,174
Land held for resale	133,722	-	-	133,722
Total assets	\$ 10,444,525	\$ 4,694,793	\$ 2,052,277	\$ 17,191,595
Liabilities				
Accounts payable	\$ 229,879	\$ 5,702	\$ 36,038	\$ 271,619
Due to other governmental units	-	-	1,691	1,691
Due to other funds (Note 5)	6,691	-	1,307	7,998
Refundable deposits, bonds, etc.	94,476	-	-	94,476
Accrued liabilities and other	105,482	73,712	-	179,194
Total liabilities	436,528	79,414	39,036	554,978
Deferred Inflows of Resources				
Unavailable revenue	-	-	50,180	50,180
Property taxes levied for the following year	3,518,463	3,114,617	611,446	7,244,526
Special assessments levied for the following year	1,571,973	-	-	1,571,973
Total deferred inflows of resources	5,090,436	3,114,617	661,626	8,866,679
Total liabilities and deferred inflows of resources	5,526,964	3,194,031	700,662	9,421,657
Fund Balances				
Nonspendable:				
Land held for resale	133,722	-	-	133,722
Prepays	167,612	31,562	-	199,174
Restricted:				
Roads	-	-	63,257	63,257
Public safety	241,000	1,469,200	1,086,635	2,796,835
Debt service	-	-	180,931	180,931
Public access programming	31,955	-	-	31,955
Assigned:				
Subsequent year's budget	1,115,919	-	-	1,115,919
Debt service	-	-	20,792	20,792
Unassigned	3,227,353	-	-	3,227,353
Total fund balances	4,917,561	1,500,762	1,351,615	7,769,938
Total liabilities, deferred inflows of resources, and fund balances	\$ 10,444,525	\$ 4,694,793	\$ 2,052,277	\$ 17,191,595

See notes to financial statements.

Governmental Funds

Reconciliation of the Balance Sheet to the Statement of Net Position

December 31, 2018

Fund Balances Reported in Governmental Funds	\$ 7,769,938
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	11,168,995
Receivables that are not collected soon after year end are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds	50,180
Bonds payable are not due and payable in the current period and are not reported in the funds	(1,135,000)
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	(126,930)
Net pension liability is not due and payable in the current period and is not reported in the funds	(15,245,498)
Net OPEB liability does not present a claim on current financial resources and is not reported as a fund liability	(25,767,566)
Deferred outflows related to pensions are not recorded in the funds	2,777,930
Deferred outflows related to OPEB are not recorded in the funds	1,350,765
Deferred inflows related to pensions are not recorded in the funds	(401,551)
Deferred inflows related to OPEB are not recorded in the funds	(133,292)
Net Position of Governmental Activities	<u>\$ (19,706,570)</u>

Charter Township of Flint

Governmental Funds

Statement of Revenue, Expenditures, and Changes in Fund Balances

Year Ended December 31, 2018

	General Fund	Police and Fire Millage Fund	Nonmajor Funds	Total Governmental Funds
Revenue				
Property taxes	\$ 3,821,626	\$ 2,986,654	\$ 585,490	\$ 7,393,770
Special assessments	1,512,821	-	77,232	1,590,053
Intergovernmental:				
Federal grants	-	-	429,725	429,725
State-shared revenue and grants	2,980,367	42,251	19,261	3,041,879
Charges for services	700,141	-	-	700,141
Fines and forfeitures	110,385	-	-	110,385
Licenses and permits:				
Cable franchise fees	515,940	-	-	515,940
Business licenses	88,991	-	-	88,991
Other licenses and permits	369,482	-	-	369,482
Interest and rentals:				
Investment income	38,814	10,947	12,907	62,668
Rental income	15,730	-	149,153	164,883
Other revenue:				
Local donations	27,047	-	-	27,047
Other miscellaneous income	77,670	-	17,367	95,037
Total revenue	10,259,014	3,039,852	1,291,135	14,590,001
Expenditures				
Current services:				
General government	3,381,570	-	150	3,381,720
Public safety	5,427,055	3,423,901	459,449	9,310,405
Public works	1,587,359	-	364,697	1,952,056
Recreation and culture	173,382	-	71,623	245,005
Debt service:				
Principal	10,541	-	270,000	280,541
Interest on long-term debt	-	-	38,841	38,841
Total expenditures	10,579,907	3,423,901	1,204,760	15,208,568
Excess of Revenue (Under) Over Expenditures	(320,893)	(384,049)	86,375	(618,567)
Other Financing Sources (Uses)				
Transfers in	-	-	35,000	35,000
Transfers out	-	-	(35,000)	(35,000)
Sale of capital assets	200,179	-	-	200,179
Total other financing sources	200,179	-	-	200,179
Net Change in Fund Balances	(120,714)	(384,049)	86,375	(418,388)
Fund Balances - Beginning of year	5,038,275	1,884,811	1,265,240	8,188,326
Fund Balances - End of year	<u>\$ 4,917,561</u>	<u>\$ 1,500,762</u>	<u>\$ 1,351,615</u>	<u>\$ 7,769,938</u>

Charter Township of Flint

Governmental Funds Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances to the Statement of Activities

Year Ended December 31, 2018

Net Change in Fund Balances Reported in Governmental Funds	\$ (418,388)
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	977,211
Depreciation expense	(1,189,809)
Net book value of assets disposed of	<u>(107,777)</u>
Total	(320,375)
Revenue in the statement of activities that does not provide current financial resources is not reported as revenue in the funds until it is available	(116,877)
Repayment of bond principal is an expenditure in the governmental funds, but not in the statement of activities (where it reduces long-term debt)	270,000
Change in accumulated employee sick and vacation pay and other similar expenses reported in the statement of activities do not require the use of current resources and, therefore, are not reported in the fund statements until they come due for payment	5,959
Change in the net pension liability is recorded when incurred in the statement of activities	(902,519)
Change in net other postemployment benefit obligations is not reported as a fund liability	(1,939,697)
Change in deferred outflows related to pensions	(73,904)
Change in deferred outflows related to OPEB	1,350,765
Change in deferred inflows related to pensions	51,092
Change in deferred inflows related to OPEB	<u>(133,292)</u>
Change in Net Position of Governmental Activities	<u><u>\$ (2,227,236)</u></u>

Charter Township of Flint

Proprietary Funds Statement of Net Position

December 31, 2018

	<u>Enterprise Fund</u> <u>Sewer and Water</u>
Assets	
Current assets:	
Cash and cash equivalents	\$ 8,368,019
Investments	1,782,886
Receivables:	
Receivables from sales to customers on account	3,687,385
Accrued interest receivable	38,779
Prepaid expenses and other assets	14,103
Total current assets	<u>13,891,172</u>
Noncurrent assets:	
Capital assets - Net (Note 4)	2,008,053
Advance to component units (Note 5)	335,000
Total noncurrent assets	<u>2,343,053</u>
Total assets	<u>16,234,225</u>
Deferred Outflows of Resources	
Deferred pension costs (Note 9)	31,749
Deferred OPEB costs (Note 11)	8,054
Total deferred outflows of resources	<u>39,803</u>
Liabilities	
Current liabilities:	
Accounts payable	64,681
Due to other governmental units	2,419,383
Due to other funds (Note 5)	2,874
Refundable deposits, bonds, etc.	46,397
Accrued liabilities and other	8,482
Current portion of long-term debt (Note 6)	22,500
Total current liabilities	<u>2,564,317</u>
Noncurrent liabilities:	
Net pension liability (Note 9)	175,693
Net OPEB obligation (Note 11)	153,648
Long-term debt (Note 6)	304,633
Total noncurrent liabilities	<u>633,974</u>
Total liabilities	<u>3,198,291</u>
Deferred Inflows of Resources	
Deferred inflows related to pensions (Note 9)	7,632
Deferred OPEB cost reductions (Note 11)	795
Total deferred inflows of resources	<u>8,427</u>
Net Position	
Net investment in capital assets	1,680,920
Unrestricted	11,386,390
Total net position	<u><u>\$ 13,067,310</u></u>

Charter Township of Flint

Proprietary Funds Statement of Revenue, Expenses, and Changes in Net Position

Year Ended December 31, 2018

	<u>Enterprise Fund</u> <u>Sewer and Water</u>
Operating Revenue	
Charges for service	\$ 14,496,723
Fines and penalties	322,878
Miscellaneous	385
	<hr/>
Total operating revenue	14,819,986
Operating Expenses	
Cost of water	8,642,131
Cost of sewage treatment	4,161,223
Supplies	5,116
Repairs	550,314
Personnel services	562,612
Contractual	56,910
Insurance	105,611
Professional services	15,845
Miscellaneous	5,713
Depreciation	83,706
	<hr/>
Total operating expenses	14,189,181
	<hr/>
Operating Income	630,805
Nonoperating Revenue (Expense)	
Investment income	46,943
Interest expense	(8,560)
	<hr/>
Total nonoperating revenue	38,383
	<hr/>
Change in Net Position	669,188
Net Position - Beginning of year, as restated (Note 14)	12,398,122
	<hr/>
Net Position - End of year	\$ 13,067,310
	<hr/> <hr/>

Charter Township of Flint

Proprietary Funds Statement of Cash Flows

Year Ended December 31, 2018

	<u>Enterprise Fund</u> <u>Sewer and</u> <u>Water</u>
Cash Flows from Operating Activities	
Receipts from customers	\$ 15,399,433
Receipts from interfund services and reimbursements	2,347
Payments to suppliers	(13,657,107)
Payments to employees and fringes	<u>(566,038)</u>
Net cash and cash equivalents provided by operating activities	1,178,635
Cash Flows from Capital and Related Financing Activities	
Purchase of capital assets	(32,475)
Principal and interest paid on capital debt	<u>(366,060)</u>
Net cash and cash equivalents used in capital and related financing activities	(398,535)
Cash Flows from Investing Activities	
Interest received on investments	25,601
Purchases of investment securities	<u>(272,829)</u>
Net cash and cash equivalents used in investing activities	<u>(247,228)</u>
Net Increase in Cash and Cash Equivalents	532,872
Cash and Cash Equivalents - Beginning of year	<u>7,835,147</u>
Cash and Cash Equivalents - End of year	<u>\$ 8,368,019</u>
Reconciliation of Operating Income to Net Cash from Operating Activities	
Operating income	\$ 630,805
Adjustments to reconcile operating income to net cash from operating activities:	
Depreciation and amortization	83,706
Changes in assets and liabilities:	
Receivables	579,447
Due to and from other funds	2,347
Prepaid and other assets	1,035
Net pension or OPEB liability	358,381
Accounts payable	(118,047)
Accrued and other liabilities	<u>(359,039)</u>
Net cash and cash equivalents provided by operating activities	<u>\$ 1,178,635</u>

Charter Township of Flint

Fiduciary Funds Combining Statement of Fiduciary Net Position

December 31, 2018

	<u>Trust Funds</u>	<u>Agency Funds</u>
Assets		
Cash and cash equivalents	\$ -	\$ 1,162,377
Investments: (Note 3)		
Money market	241,712	-
Private debt funds	1,687,044	-
Private equity funds	4,906,935	-
Receivables	221	281,022
	<u>6,835,912</u>	<u>\$ 1,443,399</u>
Total assets		
Liabilities		
Due to other governmental units	-	\$ 178,712
Undistributed taxes	-	1,043,440
Refundable deposits, bonds, etc.	-	174,609
Accrued liabilities and other	-	46,638
	<u>-</u>	<u>\$ 1,443,399</u>
Total liabilities		
Net Position Held in Trust for Pension and Other Employee Benefits	<u>\$ 6,835,912</u>	

Charter Township of Flint

Fiduciary Funds Statement of Changes in Fiduciary Net Position

Year Ended December 31, 2018

	<u>Trust Funds</u>
Additions	
Investment income:	
Interest and dividends	\$ 17,493
Change in fair value of investments	<u>(446,642)</u>
Net investment income	(429,149)
Contributions:	
Employer contributions	1,249,414
Employee contributions	<u>49,074</u>
Total contributions	<u>1,298,488</u>
Total additions	869,339
Deductions	
Benefit payments	1,391,032
Administrative expenses	<u>25,801</u>
Total deductions	<u>1,416,833</u>
Net Decrease in Net Position Held in Trust	(547,494)
Net Position Held in Trust for Pension and Other Employee Benefits - Beginning of year	<u>7,383,406</u>
Net Position Held in Trust for Pension and Other Employee Benefits - End of year	<u><u>\$ 6,835,912</u></u>

Charter Township of Flint

Component Units Statement of Net Position

December 31, 2018

	Downtown Development Authority	Beecher Road Corridor Improvement Authority	Bristol Road Corridor Improvement Authority	Economic Development Corporation	Total
Assets					
Cash and investments	\$ 55,909	\$ 40,743	\$ 87,350	\$ 4,364	\$ 188,366
Receivables	120,289	20,499	31,476	-	172,264
Prepaid expenses and other assets	1,570	43	86	-	1,699
Total assets	177,768	61,285	118,912	4,364	362,329
Liabilities					
Accounts payable	797	295	591	-	1,683
Accrued liabilities and other	4,295	1,206	2,312	-	7,813
Noncurrent liabilities - Advance from primary government (Note 5)	160,000	60,000	115,000	-	335,000
Total liabilities	165,092	61,501	117,903	-	344,496
Deferred Inflows of Resources - Property taxes levied for the following year	77,759	13,251	20,347	-	111,357
Net Position - Unrestricted (deficit)	\$ (65,083)	\$ (13,467)	\$ (19,338)	\$ 4,364	\$ (93,524)

Charter Township of Flint

Component Units Statement of Activities

Year Ended December 31, 2018

	Program Revenue				Net (Expense) Revenue and Changes in Net Position				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Downtown Development Authority	Beecher Road Corridor Improvement Authority	Bristol Road Corridor Improvement Authority	Economic Development Corporation	Total
Functions/Programs									
Downtown Development Authority	\$ 108,953	\$ -	\$ -	\$ -	\$ (108,953)	\$ -	\$ -	\$ -	\$ (108,953)
Beecher Road Corridor Improvement Authority	20,748	-	-	-	-	(20,748)	-	-	(20,748)
Bristol Road Corridor Improvement Authority	30,564	-	-	-	-	-	(30,564)	-	(30,564)
Economic Development Corporation	4,175	-	8,200	-	-	-	-	4,025	4,025
Total component units	\$ 164,440	\$ -	\$ 8,200	\$ -	(108,953)	(20,748)	(30,564)	4,025	(156,240)
General revenue:									
Property taxes					42,530	7,248	11,129	-	60,907
Investment income					90	33	97	3	223
Other miscellaneous income					1,250	-	-	-	1,250
Total general revenue					43,870	7,281	11,226	3	62,380
Change in Net Position					(65,083)	(13,467)	(19,338)	4,028	(93,860)
Net Position - Beginning of year					-	-	-	336	336
Net Position - End of year					\$ (65,083)	\$ (13,467)	\$ (19,338)	\$ 4,364	\$ (93,524)

Note 1 - 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. Blended component units are, in substance, part of the Township's operations, even though they are separate legal entities. Thus, blended component units are appropriately presented as funds of the Township. The 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 "Pension 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).

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, 2018.

Discretely Presented Component Unit

Downtown Development Authority

The Downtown Development Authority (the "DDA") was created to halt property value deterioration and increase property tax valuation where possible in the Downtown District, to eliminate the causes of deterioration, and to promote growth. One of the features of a DDA is the ability to fund improvements through tax increment financing. The DDA's governing body, which consists of the eleven members, is subject to approval by the township board. The DDA's budget is subject to approval by the township board. All financial information of this component unit has been included in these financial statements. There are no separately issued financial statements.

Beecher Road Corridor Improvement Authority

The Beecher Road Corridor Improvement Authority (the "Beecher Road CIA") was created to encourage historic preservation, acquire and dispose of interests in real property, and authorize the creation and implementation of development plans designed to promote economic growth within commercial areas of the Township. One of the features of a corridor improvement authority (CIA) is the ability to fund improvements through tax increment financing. The Beecher Road CIA's governing body, which consists of the seven members, is subject to approval by the township board. The Beecher Road CIA's budget is subject to approval by the township board. All financial information of this component unit has been included in these financial statements. There are no separately issued financial statements.

Bristol Road Corridor Improvement Authority

The Bristol Road Corridor Improvement Authority (the "Bristol Road CIA") was created to encourage historic preservation, acquire and dispose of interests in real property, and authorize the creation and implementation of development plans designed to promote economic growth within commercial areas of the Township. One of the features of a CIA is the ability to fund improvements through tax increment financing. The Bristol Road CIA's governing body, which consists of the seven members, is subject to approval by the township board. The Bristol Road CIA's budget is subject to approval by the township board. All financial information of this component unit has been included in these financial statements. There are no separately issued financial statements.

December 31, 2018

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

Economic Development Corporation

The Economic Development Corporation (the "EDC") board is appointed by the Township. The Township approves the annual budget and provides employees and facilities to the EDC. 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 Governmental Accounting Standards Board. The following is a summary of the significant accounting policies used by the Township:

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: (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.

December 31, 2018

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

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. The various funds are aggregated into three broad fund types:

Governmental Funds

Governmental funds include all activities that provide general governmental services that are not business-type activities. This includes the General Fund, special revenue funds, debt service funds, capital project funds, and permanent funds. The 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 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

Proprietary funds include enterprise funds (which provide goods or services to users in exchange for charges or fees) and internal service funds (which provide goods or services to other funds of the Township). 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

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 Firefighters' Pension Trust Fund utilized to pay for township firefighter retirees. The fund accumulates resources for pension benefits financed by both employer and employee contributions.
- The Retiree Healthcare Trust Fund accumulates resources for postemployment benefit payments for township retired employees.
- The agency funds account 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.

Interfund Activity

During the course of operations, the Township 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.

December 31, 2018

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

Furthermore, 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."

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 and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired.

Investments

Investments are reported at fair value or estimated fair value.

Receivables and Payables

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

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

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.

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

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 \$2,000 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 estimated 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>Depreciable Life - Years</u>
Infrastructure	10-20
Water and sewer lines	50
Buildings	30
Building improvements	7-20
Furniture and equipment	3-18
Vehicles	2-15
Computer equipment	5-10

Long-term Obligations

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

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 will not be recognized as an outflow of resources (expense/expenditure) until then.

The Township reports deferred outflows of resources related to the defined benefit pension plans and the OPEB plan. The deferred outflows of resources related to pension and OPEB are reported in the government-wide financial statements and the Sewer and Water Fund. Details of the deferred outflows of resources related to pension and OPEB can be found in Notes 9 and 11.

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 will not be recognized as an inflow of resources (revenue) until that time.

December 31, 2018

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

The Township reports 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 2019 operations. The governmental funds also report unavailable revenue from miscellaneous receivables. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. There are deferred inflows of resources related to the defined benefit pension plans and the OPEB Plan. The deferred inflows of resources related to pension and OPEB are reported in the government-wide financial statements and the Sewer and Water Fund. Details of the deferred inflows of resources related to pension can be found in Notes 9 and 11.

Net Position Flow Assumption

The Township will sometimes 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.

Fund Balance Flow Assumption

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

Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. 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.

December 31, 2018

Note 1 - 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 2018 property tax revenue was levied and collectible on December 31, 2017 and is recognized as revenue in the year ended December 31, 2018, when the proceeds of the levy are budgeted and available for the financing of operations.

The 2018 taxable valuation of the Township totaled \$788.7 million (a portion of which is abated and a portion of which is captured by the DDA, Beecher Road CIA, and Bristol Road CIA). Taxes were levied as follows:

Purpose	Millage Rate	Revenue
General operating	4.6423 \$	3,661,184
Roads (10 years 2016-2025)	0.5000	394,329
Fire equipment (5 years 2016-2020)	0.2500	197,164
Police and fire (10 years 2014-2023)	3.8500	<u>3,036,331</u>
Total		<u>\$ 7,289,008</u>

In 2018, the Township's DDA entered into a tax incremental financing agreement with the Township for a 30-year period. The current plan will expire in 2047. Upon completion of its purposes, the DDA may be dissolved by an ordinance duly adopted by the township board. The property and assets of the DDA, after dissolution and satisfaction of its obligations, shall revert to the Township. The DDA will capture on a millage rate of 22.5435 of taxable values.

In 2018, the Township's Beecher Road CIA entered into a tax incremental financing agreement with the Township for a 30-year period. The current plan will expire in 2047. The Beecher Road CIA will capture on a millage rate of 22.5435 of taxable values.

In 2018, the Township's Bristol Road CIA entered into a tax incremental financing agreement with the Township for a 30-year period. The current plan will expire in 2047. The Bristol Road CIA will capture on a millage rate of 22.5435 of taxable values.

Pension

The Township offers defined benefit pension plans to its employees. In the governmental funds, pension costs are recognized as contributions are made. 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, Police and Fire Millage Fund, and Sewer and Water Fund are used to liquidate the pension obligation.

December 31, 2018

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

Other Postemployment Benefit Costs

The Township offers retiree healthcare benefits to retirees. The Township records a net OPEB liability for the difference between the total OPEB liability calculated by the actuary and the OPEB plan's fiduciary net position. For the purpose of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Township's OPEB plan and additions to/deductions from the OPEB plan's fiduciary net position have been determined on the same basis as they are reported by the OPEB plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The General Fund, Police and Fire Millage Fund, and Sewer and Water Fund are used to liquidate the OPEB obligation.

Compensated Absences (Vacation and Sick Leave)

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.

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 is 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.

Upcoming Accounting Pronouncements

In November 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 83, *Certain Asset Retirement Obligations*, which establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for asset retirement obligations. 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 year ending December 31, 2019.

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. This statement establishes criteria for identifying fiduciary activities of all state and local governments. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. 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 year ending December 31, 2019.

December 31, 2018

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

In June 2017, the GASB issued Statement No. 87, *Leases*, which improves accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. 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 year ending December 31, 2020.

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, 2018	\$ (930,334)
Current year permit revenue	227,641
Related expenditures	<u>239,868</u>
Current year shortfall	<u>(12,227)</u>
Cumulative shortfall December 31, 2018	<u><u>\$ (942,561)</u></u>

Note 3 - Deposits and Investments

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

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.

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

Note 3 - Deposits and Investments (Continued)

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 \$21,024,950 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 DDA, Beecher Road CIA, Bristol Road CIA, and 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 and maturities in fiduciary funds:

Investment	Fair Value	Weighted-average Maturity (Years)
Fiduciary Funds		
Private debt funds	\$ 1,687,044	4-12

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) in fiduciary funds are as follows:

Investment	Fair Value	Rating	Rating Organization
Fiduciary Funds			
Private debt funds	\$ 1,687,044	Not rated	Not rated

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 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.

December 31, 2018

Note 3 - Deposits and Investments (Continued)

The Township has the following recurring fair value measurements as of December 31, 2018:

	Assets Measured at Fair Value on a Recurring Basis at December 31, 2018			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Other Significant Unobservable Inputs (Level 3)	Balance at December 31, 2018
Money market	\$ 241,712	\$ -	\$ -	\$ 241,712
Private equity funds	495,169	-	-	495,169
Total investments by fair value level	\$ 736,881	\$ -	\$ -	736,881
Investments measured at NAV:				
Private debt funds				1,687,044
Private equity funds				4,411,766
Total investments measured at NAV				6,098,810
Total investments measured at fair value				\$ 6,835,691

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

The valuation method for investments measured at net asset value (NAV) per share (or its equivalent) is presented on the table below.

Investments in Entities that Calculate Net Asset Value per Share

The Township holds shares or interests in investment companies whereby the fair value of the investments is measured on a recurring basis using net asset value per share (or its equivalent) of the investment companies as a practical expedient.

At December 31, 2018, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

	Carrying Value	Unfunded Commitments	Redemption Frequency, if Eligible	Redemption Notice Period
Private debt funds	\$ 1,687,044	\$ -	No restrictions	None
Private equity funds	4,411,766	-	No restrictions	None
Total	\$ 6,098,810	\$ -		

The private debt funds class includes investment in a fund seeking to provide investment results that generally correspond to the Barclay's Capital Aggregate Bond Index, a widely recognized broad representation of the U.S. fixed-income market.

The private equity funds class includes several private equity funds seeking to provide investment results generally corresponding to the aggregate price and dividend performance of the small, medium, and large capitalization sector of the U.S. equity market. This class also includes private equity funds seeking to provide complete international equity market exposure to investors through a highly diversified portfolio.

December 31, 2018

Note 3 - Deposits and Investments (Continued)

The fair values of the investments in these classes have been estimated using net asset value per share of the investments.

Note 4 - Capital Assets

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

Governmental Activities

	Balance January 1, 2018	Additions	Disposals	Balance December 31, 2018
Capital assets not being depreciated - Land	\$ 3,791,605	\$ -	\$ -	\$ 3,791,605
Capital assets being depreciated:				
Infrastructure	19,942,582	441,930	(150,322)	20,234,190
Buildings and improvements	7,630,665	267,568	(2,040)	7,896,193
Machinery and equipment	2,884,166	25,987	(241,743)	2,668,410
Vehicles	3,227,954	241,726	(140,607)	3,329,073
Office furnishings	54,005	-	-	54,005
Subtotal	33,739,372	977,211	(534,712)	34,181,871
Accumulated depreciation:				
Infrastructure	17,475,396	508,449	(85,715)	17,898,130
Buildings and improvements	4,378,464	205,380	(2,040)	4,581,804
Machinery and equipment	2,129,461	155,790	(217,436)	2,067,815
Vehicles	2,004,281	320,190	(121,744)	2,202,727
Office furnishings	54,005	-	-	54,005
Subtotal	26,041,607	1,189,809	(426,935)	26,804,481
Net capital assets being depreciated	7,697,765	(212,598)	(107,777)	7,377,390
Net governmental activities capital assets	<u>\$ 11,489,370</u>	<u>\$ (212,598)</u>	<u>\$ (107,777)</u>	<u>\$ 11,168,995</u>

Business-type Activities

	Balance January 1, 2018	Additions	Disposals	Balance December 31, 2018
Capital assets being depreciated:				
Water and sewer lines	\$ 40,666,066	\$ -	\$ -	\$ 40,666,066
Office furnishings	82,908	32,475	-	115,383
Subtotal	40,748,974	32,475	-	40,781,449
Accumulated depreciation:				
Water and sewer lines	38,638,951	79,662	-	38,718,613
Office furnishings	50,739	4,044	-	54,783
Subtotal	38,689,690	83,706	-	38,773,396
Net business-type activities capital assets	<u>\$ 2,059,284</u>	<u>\$ (51,231)</u>	<u>\$ -</u>	<u>\$ 2,008,053</u>

December 31, 2018

Note 4 - Capital Assets (Continued)

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

Governmental activities:		
General government		\$ 172,185
Public safety		200,057
Public works		813,506
Recreation and culture		<u>4,061</u>
Total governmental activities		<u>\$ 1,189,809</u>
Business-type activities - Water and sewer		\$ 83,706

Note 5 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Sewer and Water Fund	\$ 2,874
	Nonmajor governmental funds	<u>1,307</u>
	Total General Fund	4,181
Police and Fire Millage Fund	General Fund	5,000
Nonmajor governmental funds	General Fund	<u>1,691</u>
	Total	<u>\$ 10,872</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.

The Township has made the following long-term advances between funds:

Fund Borrowed From	Fund Loaned To	Amount
Sewer and Water Fund	Downtown Development Authority	\$ 160,000
	Beecher Road Corridor Improvement Authority	60,000
	Bristol Road Corridor Improvement Authority	<u>115,000</u>
	Total Sewer and Water Fund	<u>\$ 335,000</u>

The advances from the Sewer and Water Fund to the Downtown Development Authority, Beecher Road CIA, and Bristol Road CIA funds are related to the establishment of these component units. Each of these balances will be paid back to the Sewer and Water Fund over 10 years at an interest rate of 3 percent.

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

Paying Fund (Transfer Out)	Receiving Fund (Transfer In)	Amount
Nonmajor governmental funds	Nonmajor governmental funds	\$ 35,000

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.

December 31, 2018

Note 6 - 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.

Long-term debt activity for the year ended December 31, 2018 can be summarized as follows:

Governmental Activities

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Building Authority Bonds - Series 2013 Refunded - Maturing through 2024	2.49%	\$100,000 - \$150,000	\$ 970,000	\$ -	\$ (125,000)	\$ 845,000	\$ 130,000
Special assessment - Capital Road Bonds - Maturing through 2020	2.00% - 4.25%	\$140,000 - \$145,000	435,000	-	(145,000)	290,000	145,000
Total bonds payable			1,405,000	-	(270,000)	1,135,000	275,000
Compensated absences			132,889	34,239	(40,198)	126,930	56,128
Total governmental activities long-term debt			\$ 1,537,889	\$ 34,239	\$ (310,198)	\$ 1,261,930	\$ 331,128

Business-type Activities

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Fenton Road Water Main Debt - Maturing through 2031	2.50%	\$20,000 - \$25,000	\$ 349,633	\$ -	\$ (22,500)	\$ 327,133	\$ 22,500

Debt Service Requirements to Maturity

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

Years Ending December 31	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
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	145,000	10,956	155,956	22,500	6,210	28,710
2023	145,000	7,346	152,346	25,000	5,616	30,616
2024-2028	150,000	3,735	153,735	127,500	18,673	146,173
2029-2033	-	-	-	84,633	3,227	87,860
Total	\$ 1,135,000	\$ 87,467	\$ 1,222,467	\$ 327,133	\$ 55,730	\$ 382,863

Note 7 - 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, 2018, there is approximately \$2,500,000 no commitment debt outstanding.

Note 8 - 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.

Note 9 - Pension Plans

Plan Description

Firefighters' Defined Benefit Pension Plan

The Firefighters' Pension Board administers the Charter Township of Flint Firefighters' Defined Benefit 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.

MERS Defined Benefit Pension Plan

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 employees, 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 or in writing to MERS at 1134 Municipal Way, Lansing, MI 48917.

Note 9 - Pension Plans (Continued)

Benefits Provided

Firefighters' Defined Benefit Pension Plan

The pension plan provides retirement, disability, and death benefits. Retirement benefits for plan members are calculated as 2.50 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 nonduty 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's service may withdraw his or her contributions, plus any accumulated interest.

MERS Defined Benefit Pension Plan

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 nonduty disability benefits after 10 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits, but are payable immediately without an actuarial reduction. An employee who leaves service may withdraw his or her contributions plus any accumulated interest.

Retirement benefits for 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. The vesting period is 10 years. Employees are eligible for nonduty disability benefits after 10 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits, but are payable immediately without an actuarial reduction. An employee who leaves service may withdraw his or her contributions plus any accumulated interest.

Retirement benefits for 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. The vesting period is 10 years. Employees are eligible for nonduty disability benefits after 10 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits, but are payable immediately without an actuarial reduction. An employee who leaves service may withdraw his or her contributions plus any accumulated interest.

Retirement benefits for 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 nonduty disability benefits after 10 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits, but are payable immediately without an actuarial reduction. An employee who leaves service may withdraw his or her contributions plus any accumulated interest.

December 31, 2018

Note 9 - Pension Plans (Continued)

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 nonduty disability benefits after 10 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits, but are payable immediately without an actuarial reduction. An employee who leaves service may withdraw his or her contributions plus any accumulated interest.

Retirement benefits for professional fire fighters in Local 1425 of the International Association of Fire Fighters (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 nonduty disability benefits after 10 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits, but are payable immediately without an actuarial reduction. An employee who leaves service may withdraw his or her contributions plus any accumulated interest.

Employees Covered by Benefit Terms

The following members were covered by the benefit terms:

	Firefighters' Defined Benefit Pension Plan	MERS Defined Benefit Pension Plan
Date of member count	December 31, 2018	December 31, 2017
Inactive plan members or beneficiaries currently receiving benefits	15	46
Inactive plan members entitled to but not yet receiving benefits	2	5
Active plan members	6	63
Total employees covered by the plan	<u>23</u>	<u>114</u>

Contributions

Article 9, Section 24 of the State of Michigan constitution requires that financial benefits arising on account of employee service rendered in each year be funded during that year. Accordingly, the pension board and MERS both retain an independent actuary to determine the annual contribution.

Firefighters' Defined Benefit Pension Plan

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, 2018, the average active member contribution rate was 8.0 percent of annual pay, and the Township's average contribution rate was 48.02 percent of annual payroll.

MERS Defined Benefit Pension Plan

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.

Note 9 - Pension Plans (Continued)

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 7.47 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 7.47 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 \$46,637 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 4.47 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 36.40 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 2.84 percent of annual covered payroll.

For professional fire fighters in Local 1425 of the International Association of Fire Fighters (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 3.57 percent of annual covered payroll.

Net Pension Liability

The Township chooses a date for each pension plan to measure its net pension liability. This is based on the measurement date of each pension plan, which is determined by an actuarial valuation performed as of that date.

	<u>Firefighters' Defined Benefit Pension Plan</u>	<u>MERS Defined Benefit Pension Plan</u>
Measurement date used for the Township's net pension liability	December 31, 2018	December 31, 2017

December 31, 2018

Note 9 - Pension Plans (Continued)

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

Firefighters' Defined Benefit Pension Plan

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance at December 31, 2017	\$ 9,426,040	\$ 7,175,295	\$ 2,250,745
Changes for the year:			
Service cost	130,175	-	130,175
Interest	735,566	-	735,566
Differences between expected and actual experience	(933,818)	-	(933,818)
Changes in assumptions	1,419,239	-	1,419,239
Contributions - Employer	-	397,474	(397,474)
Contributions - Employee	-	49,074	(49,074)
Net investment loss	-	(413,784)	413,784
Benefit payments, including refunds	(593,110)	(593,110)	-
Administrative expenses	-	(24,766)	24,766
Miscellaneous other charges	-	4,017	(4,017)
Net changes	758,052	(581,095)	1,339,147
Balance at December 31, 2018	\$ 10,184,092	\$ 6,594,200	\$ 3,589,892

The plan's fiduciary net position represents 64.8 percent of the total pension liability.

MERS Defined Benefit Pension Plan

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance at December 31, 2016	\$ 31,221,673	\$ 18,964,043	\$ 12,257,630
Changes for the year:			
Service cost	505,085	-	505,085
Interest	2,443,388	-	2,443,388
Changes in benefits	(4,623)	-	(4,623)
Differences between expected and actual experience	528,422	-	528,422
Contributions - Employer	-	1,106,887	(1,106,887)
Contributions - Employee	-	331,690	(331,690)
Net investment income	-	2,481,584	(2,481,584)
Benefit payments, including refunds	(1,863,731)	(1,863,731)	-
Administrative expenses	-	(39,320)	39,320
Miscellaneous other charges	(17,762)	-	(17,762)
Net changes	1,590,779	2,017,110	(426,331)
Balance at December 31, 2017	\$ 32,812,452	\$ 20,981,153	\$ 11,831,299

The plan's fiduciary net position represents 63.9 percent of the total pension liability.

December 31, 2018

Note 9 - Pension Plans (Continued)

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

For the year ended December 31, 2018, the Township recognized pension expense of \$2,541,173 from both plans.

At December 31, 2018, the Township reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 440,352	\$ (409,183)
Changes in assumptions	903,977	-
Net difference between projected and actual earnings on pension plan investments	266,146	-
Employer contributions to the plan subsequent to the measurement date	1,199,204	-
	<u>1,199,204</u>	<u>-</u>
Total	<u>\$ 2,809,679</u>	<u>\$ (409,183)</u>

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

Years Ending December 31	Amount
2019	\$ 728,365
2020	433,892
2021	(136,721)
2022	87,685
2023	88,071
	<u>88,071</u>
Total	<u>\$ 1,201,292</u>

Actuarial Assumptions

The total pension liability in each actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement:

	Firefighters' Defined Benefit Pension Plan	MERS Defined Benefit Pension Plan
Inflation	2.5%	2.5%
Salary increases (including inflation)	3.5%	3.75%
Investment rate of return (net of investment expenses)	7.0%	8.0%

Mortality rates for the Firefighters' Defined Benefit Pension Plan were based on the RP-2014 Healthy Annuitant Mortality Table.

Note 9 - Pension Plans (Continued)

Mortality rates for the MERS Defined Benefit Pension Plan 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

Discount Rate

As shown below, the discount rate used to measure the total pension liability was determined after considering a projection of the cash flows to determine whether the future contributions (made at the current contribution rates) will be sufficient to allow the pension plans' fiduciary net position to make all projected future benefit payments of current active and inactive employees.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of 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.

	Firefighters' Defined Benefit Pension Plan	MERS Defined Benefit Pension Plan
Discount rate used to measure total pension liability	7.0%	8.0%

Investment Rate of Return

Best estimates of arithmetic real rates of return as of the measurement date for each major asset class included in the pension plan's target asset allocation, as disclosed in the investment note, are summarized in the following tables:

Firefighters' Defined Benefit Pension Plan

Asset Class	December 31, 2018	
	Target Allocation	Long-term Expected Real Rate of Return
Global equity	73.00 %	7.83 %
Global fixed income	27.00	3.75

Rates of Return

For the year ended December 31, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 2.5 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Note 9 - Pension Plans (Continued)

MERS Defined Benefit Pension Plan

Asset Class	December 31, 2017	
	Target Allocation	Long-term Expected Real Rate of Return
Global equity	55.50 %	6.65 %
Global fixed income	18.50	1.76
Real assets	13.50	7.72
Diversifying strategies	12.50	5.50

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

Firefighters' Defined Benefit Pension Plan

The following presents the net pension liability of the Township, calculated using the discount rate of 7.0 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 or 1 percentage point higher than the current rate:

	1 Percent Decrease (6.0%)	Current Discount Rate (7.0%)	1 Percent Increase (8.0%)
Net pension liability of the Firefighters' Defined Benefit Pension Plan	\$ 4,687,704	\$ 3,589,892	\$ 2,170,653

MERS Defined Benefit Pension Plan

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 or 1 percentage point higher than the current rate:

	1 Percent Decrease (7.0%)	Current Discount Rate (8.0%)	1 Percent Increase (9.0%)
Net pension liability of the MERS Defined Benefit Pension Plan	\$ 15,833,611	\$ 11,831,299	\$ 8,516,378

Pension Plan Fiduciary Net Position

MERS Defined Benefit Pension Plan

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 additions to/deductions from fiduciary net position have 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.

December 31, 2018

Note 10 - Defined Contribution 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.

	<u>Elected Officials and Nonunion Employees</u>	<u>Police Communication Operators</u>
Employee contribution percentage	5%	-
Employer contribution percentage	10%	5%
Vesting	Immediate	20% per year over five years
	<u>Elected Officials and Nonunion Employees</u>	<u>Police Communication Operators</u>
Employee contributions for December 31, 2018	\$ 20,325	\$ -
Employer contributions for December 31, 2018	39,227	10,124
Covered payroll	392,414	203,476

Note 11 - Other Postemployment Benefit Plan

Plan Description

The Township administers the Flint Township Post-Retirement Plan (the "Plan"), a single-employer defined benefit OPEB plan that is used to provide postemployment benefits other than pensions (OPEB) for various classes of employees.

The financial statements of the OPEB plan are included in these financial statements as a retiree healthcare trust fund (a fiduciary fund).

Benefits Provided

The Township provides retiree healthcare benefits to eligible employees and their spouses. 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.

Employees Covered by Benefit Terms

The following members were covered by the benefit terms:

	<u>Flint Township Post-Retirement Plan</u>
Date of member count	January 1, 2017
Inactive plan members or beneficiaries currently receiving benefits	61
Active plan members	<u>54</u>
Total plan members	<u><u>115</u></u>

Contributions

Retiree healthcare costs are 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. For the year ended December 31, 2018, the Township contributed \$851,939.

December 31, 2018

Note 11 - Other Postemployment Benefit Plan (Continued)

Net OPEB Liability

The Township has chosen to use the December 31 measurement date as its measurement date for the net OPEB liability. The December 31, 2018 fiscal year end reported net OPEB liability was determined using a measure of the total OPEB liability and the OPEB net position as of the December 31, 2018 measurement date. The December 31, 2018 measurement date total OPEB liability was determined by an actuarial valuation performed as of January 1, 2017, which used update procedures to roll forward the estimated liability to December 31, 2018.

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

Changes in Net OPEB Liability	Increase (Decrease)		
	Total OPEB Liability	Plan Net Position	Net OPEB Liability
Balance at December 31, 2017	\$ 24,203,667	\$ 208,110	\$ 23,995,557
Changes for the year:			
Service cost	230,103	-	230,103
Interest	913,247	-	913,247
Differences between expected and actual experience	(181,135)	-	(181,135)
Changes in assumptions	1,798,984	-	1,798,984
Contributions - Employer	-	851,940	(851,940)
Net investment loss	-	(15,366)	15,366
Benefit payments, including refunds	(801,940)	(801,940)	-
Administrative expenses	-	(1,032)	1,032
Net changes	1,959,259	33,602	1,925,657
Balance at December 31, 2018	\$ 26,162,926	\$ 241,712	\$ 25,921,214

The plan's fiduciary net position represents 0.92 percent of the total OPEB liability.

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

For the year ended December 31, 2018, the Township recognized OPEB expense of \$1,552,863.

At December 31, 2018, the Township reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ (134,087)
Changes in assumptions	1,331,715	-
Net difference between projected and actual earnings on OPEB plan investments	27,104	-
Total	\$ 1,358,819	\$ (134,087)

Note 11 - Other Postemployment Benefit Plan (Continued)

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

Years Ending December 31	Amount
2019	\$ 426,997
2020	426,997
2021	363,963
2022	6,775
Total	<u>\$ 1,224,732</u>

Actuarial Assumptions

The total OPEB liability in the December 31, 2018 actuarial valuation was determined using assumed salary increases (including inflation) of 3.5 percent; an investment rate of return (net of investment expenses and including inflation) of 6.99 percent; a healthcare cost trend rate of 8.5 and 7.0 percent (Pre-65 and Post-65, respectively) for 2018, decreasing 0.25 percent per year to an ultimate rate of 4.5 percent; and the RP-2014 mortality tables adjusted to 2006 total data set, headcount weighted with MP-2018 improvement.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.04 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.

Based on those assumptions, the OPEB plan's fiduciary net position was not projected to be sufficient to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate incorporates a municipal bond rate, which was 3.04 percent. The source of that bond rate was the 20-year AA/Aa tax-exempt municipal bond yield.

Investment Rate of Return

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation. Best estimates of arithmetic real rates of return as of the December 31, 2018 measurement date for each major asset class included in the OPEB plan's target asset allocation, as disclosed in the investment footnote, are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global equity	61.30 %	8.00 %
Global fixed income	33.50	5.50
Real assets	3.30	6.20
Diversifying strategies	1.20	2.75
Cash	0.70	0.50

December 31, 2018

Note 11 - Other Postemployment Benefit Plan (Continued)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the Township, calculated using the discount rate of 3.04 percent, as well as what the Township's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percent Decrease (2.04%)	Current Discount Rate (3.04%)	1 Percent Increase (4.04%)
Net OPEB liability of the Township	\$ 30,072,206	\$ 25,921,214	\$ 22,602,480

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the net OPEB liability of the Township, calculated using the healthcare cost trend rate, as well as what the Township's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percent Decrease	Current Healthcare Cost Trend Rate	1 Percent Increase
Net OPEB liability of the Township	\$ 22,695,209	\$ 25,921,214	\$ 29,986,625

OPEB 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 OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the plan's fiduciary net position and additions to/deductions from fiduciary net position have 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.

Assumption Changes

The mortality tables were updated from RP-2000 with Scale AA at December 31, 2017 to RP-2014 adjusted to 2006 total data set, headcount weighted with MP-2018 improvement.

The salary scale was updated from 2.0 percent at December 31, 2017 to 3.5 percent at December 31, 2018.

The discount rate changed from 3.8 percent at December 31, 2017 to 3.04 percent at December 31, 2018.

Note 12 - Commitments

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 2018 monthly rate per residential home was \$9.90 and per mobile home was \$4.99. These rates remained the same for 2019. The residential home and mobile home counts are adjusted annually. Additionally, the Township pays the vendor a monthly landfill fee of \$214.40. 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 2018, the Township was not charged for any fuel surcharges and did not receive any fuel credits. The following amount is to be paid to the vendor based on the current home count of 9,561 and the current mobile home count of 864:

Years Ending	Amount
2019	\$ 1,190,156

Note 13 - 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, 2018, the Township abated \$10,093 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 14 - Change in Accounting Principle

During the current year, the Township adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. As a result, the government-wide statements and the proprietary funds now include a liability for the unfunded portion of the Township's retiree healthcare costs. Some of the change in this net OPEB liability will be recognized immediately as part of the OPEB expense measurement and part will be deferred and recognized over future years. Refer to the other postemployment benefit plan footnote for further details. This change does not impact the General Fund or any other governmental funds.

As a result of implementing this statement, the beginning net position of the governmental activities, business-type activities, and Sewer and Water Fund has been restated as follows:

	Net Position		
	December 31, 2017 - As Previously Reported	December 31, 2017 - As Restated	Adjustment for Implementation of GASB Statement No. 75
Governmental activities	\$ (945,635)	\$ (17,479,334)	\$ (16,533,699)
Business-type activities/Sewer and Water Fund	12,035,289	12,398,122	362,833

The impact on the prior year changes in net position could not be determined.

Required Supplemental Information

Charter Township of Flint

Required Supplemental Information Budgetary Comparison Schedule - General Fund

Year Ended December 31, 2018

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 3,730,371	\$ 3,730,371	\$ 3,821,626	\$ 91,255
Special assessments	1,502,700	1,502,700	1,512,821	10,121
Intergovernmental	2,805,700	2,805,700	2,980,367	174,667
Charges for services	703,300	703,300	700,141	(3,159)
Fines and forfeitures	112,800	112,800	110,385	(2,415)
Licenses and permits	916,900	916,900	974,413	57,513
Interest and rentals:				
Investment income	40,000	40,000	38,814	(1,186)
Rental income	14,520	14,520	15,730	1,210
Other revenue	135,992	135,992	104,717	(31,275)
Total revenue	9,962,283	9,962,283	10,259,014	296,731
Expenditures				
Current services:				
General government:				
Township board	48,635	48,635	47,007	1,628
Supervisor's office	106,673	106,673	95,706	10,967
Controller's office	171,365	171,365	167,222	4,143
Treasurer	269,799	269,799	227,236	42,563
Assessing	325,550	325,550	291,270	34,280
Board of review	8,626	8,626	5,422	3,204
Clerk	178,010	178,010	169,101	8,909
Buildings and grounds	185,430	185,430	163,975	21,455
Elections	133,931	166,931	157,288	9,643
Planning commission	12,692	12,692	12,045	647
Civil service	5,202	5,202	4,531	671
Insurance and other functions	2,150,721	2,210,721	2,040,767	169,954
Public safety:				
Police	4,112,045	4,112,045	3,980,193	131,852
Fire	1,027,404	1,047,404	1,046,057	1,347
Building department and trade inspections	530,128	530,128	400,805	129,323
Public works:				
Rubbish disposal	1,190,814	1,190,814	1,189,641	1,173
Street lighting	361,000	361,000	397,718	(36,718)
Recreation and culture:				
Library	61,860	61,860	58,850	3,010
Parks and recreation	15,000	15,000	12,427	2,573
Cable television production	21,500	21,500	24,250	(2,750)
Other recreation and culture	46,534	46,534	38,253	8,281
Economic development	59,266	59,266	39,602	19,664
Debt service	10,910	10,910	10,541	369
Total expenditures	11,033,095	11,146,095	10,579,907	566,188
Excess of Expenditures Over Revenue	(1,070,812)	(1,183,812)	(320,893)	862,919
Other Financing Sources - Proceeds from sale of capital assets	5,000	5,000	200,179	195,179
Net Change in Fund Balance	(1,065,812)	(1,178,812)	(120,714)	1,058,098
Fund Balance - Beginning of year	5,038,275	5,038,275	5,038,275	-
Fund Balance - End of year	\$ 3,972,463	\$ 3,859,463	\$ 4,917,561	\$ 1,058,098

Charter Township of Flint

Required Supplemental Information Budgetary Comparison Schedule - Major Special Revenue Fund Police and Fire Millage Fund

Year Ended December 31, 2018

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance with Amended Budget</u>
Revenue				
Property taxes	\$ 3,005,546	\$ 3,005,546	\$ 2,986,654	\$ (18,892)
Intergovernmental	-	-	42,251	42,251
Investment income	5,000	5,000	10,947	5,947
Total revenue	3,010,546	3,010,546	3,039,852	29,306
Expenditures - Public safety	4,065,353	4,065,353	3,423,901	641,452
Net Change in Fund Balance	(1,054,807)	(1,054,807)	(384,049)	670,758
Fund Balance - Beginning of year	1,884,811	1,884,811	1,884,811	-
Fund Balance - End of year	<u>\$ 830,004</u>	<u>\$ 830,004</u>	<u>\$ 1,500,762</u>	<u>\$ 670,758</u>

Charter Township of Flint

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

	Last Five Fiscal Years				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability					
Service cost	\$ 130,175	\$ 130,300	\$ 126,511	\$ 141,168	\$ 132,506
Interest	735,566	668,493	707,276	651,942	638,436
Differences between expected and actual experience	(933,818)	635,595	(709,716)	159,365	(87,442)
Changes in assumptions	1,419,239	-	-	333,919	-
Benefit payments, including refunds	(593,110)	(598,732)	(622,753)	(552,033)	(485,978)
Net Change in Total Pension Liability	758,052	835,656	(498,682)	734,361	197,522
Total Pension Liability - Beginning of year	<u>9,426,040</u>	<u>8,590,384</u>	<u>9,089,066</u>	<u>8,354,705</u>	<u>8,157,183</u>
Total Pension Liability - End of year	<u>\$ 10,184,092</u>	<u>\$ 9,426,040</u>	<u>\$ 8,590,384</u>	<u>\$ 9,089,066</u>	<u>\$ 8,354,705</u>
Plan Fiduciary Net Position					
Contributions - Employer	\$ 397,474	\$ 431,590	\$ 550,615	\$ 556,240	\$ 314,986
Contributions - Member	49,074	61,351	52,622	60,820	63,415
Net investment (loss) income	(413,784)	966,579	374,638	23,931	519,178
Administrative expenses	(24,766)	(20,673)	(15,535)	(11,530)	-
Benefit payments, including refunds	(593,110)	(598,732)	(622,753)	(552,033)	(485,978)
Other	4,017	-	-	-	(7,145)
Net Change in Plan Fiduciary Net Position	(581,095)	840,115	339,587	77,428	404,456
Plan Fiduciary Net Position - Beginning of year	<u>7,175,295</u>	<u>6,335,180</u>	<u>5,995,593</u>	<u>5,918,165</u>	<u>5,513,709</u>
Plan Fiduciary Net Position - End of year	<u>\$ 6,594,200</u>	<u>\$ 7,175,295</u>	<u>\$ 6,335,180</u>	<u>\$ 5,995,593</u>	<u>\$ 5,918,165</u>
Township's Net Pension Liability - Ending	<u>\$ 3,589,892</u>	<u>\$ 2,250,745</u>	<u>\$ 2,255,204</u>	<u>\$ 3,093,473</u>	<u>\$ 2,436,540</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	64.75 %	76.12 %	73.75 %	65.96 %	70.84 %
Covered Payroll	\$ 491,178	\$ 697,594	\$ 669,452	\$ 681,409	\$ 770,313
Township's Net Pension Liability as a Percentage of Covered Payroll	730.87 %	322.64 %	336.87 %	453.98 %	316.31 %

Schedule is built prospectively upon implementation of GASB Statement No. 67.

Charter Township of Flint

Required Supplemental Information Schedule of Changes in the Net Pension Liability and Related Ratios Police Officers and Full-time Clerical Union/Nonunion

	Last Four Fiscal Years			
	2018	2017	2016	2015
Total Pension Liability				
Service cost	\$ 505,085	\$ 475,937	\$ 441,756	\$ 442,873
Interest	2,443,388	2,364,283	2,268,171	2,172,289
Changes in benefit terms	(4,623)	2,784	(5,910)	-
Differences between expected and actual experience	528,422	(55,354)	(272,915)	-
Changes in assumptions	-	-	1,246,202	-
Benefit payments, including refunds	(1,863,731)	(1,763,081)	(1,504,600)	(1,400,211)
Miscellaneous other	(17,762)	-	-	-
Net Change in Total Pension Liability	1,590,779	1,024,569	2,172,704	1,214,951
Total Pension Liability - Beginning of year	31,221,673	30,197,104	28,024,400	26,809,449
Total Pension Liability - End of year	\$ 32,812,452	\$ 31,221,673	\$ 30,197,104	\$ 28,024,400
Plan Fiduciary Net Position				
Contributions - Employer	\$ 1,106,887	\$ 820,161	\$ 698,562	\$ 652,493
Contributions - Member	331,690	315,793	283,875	285,335
Net investment income (loss)	2,481,584	1,986,695	(274,702)	1,125,359
Administrative expenses	(39,320)	(39,235)	(40,252)	(41,287)
Benefit payments, including refunds	(1,863,731)	(1,763,081)	(1,504,600)	(1,400,211)
Net Change in Plan Fiduciary Net Position	2,017,110	1,320,333	(837,117)	621,689
Plan Fiduciary Net Position - Beginning of year	18,964,043	17,643,710	18,480,827	17,859,138
Plan Fiduciary Net Position - End of year	\$ 20,981,153	\$ 18,964,043	\$ 17,643,710	\$ 18,480,827
Township's Net Pension Liability - Ending	\$ 11,831,299	\$ 12,257,630	\$ 12,553,394	\$ 9,543,573
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	63.94 %	60.74 %	58.43 %	65.95 %
Covered Payroll	\$ 3,646,611	\$ 3,357,102	\$ 3,079,427	\$ 3,035,084
Township's Net Pension Liability as a Percentage of Covered Payroll	324.45 %	365.13 %	407.65 %	314.44 %

Schedule is built prospectively upon implementation of GASB Statement No. 68.

Required Supplemental Information
 Schedule of Pension Contributions
 Firefighters

**Last Ten Fiscal Years
 Years Ended December 31**

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Actuarially determined contribution	\$ 334,985	\$ 277,622	\$ 306,157	\$ 317,985	\$ 313,011	\$ 346,644	\$ 358,930	\$ 355,973	\$ 340,620	\$ 309,324
Contributions in relation to the actuarially determined contribution	397,474	431,590	550,615	556,240	314,986	305,900	324,461	330,523	320,176	451,600
Contribution Excess (Deficiency)	\$ 62,489	\$ 153,968	\$ 244,458	\$ 238,255	\$ 1,975	\$ (40,744)	\$ (34,469)	\$ (25,450)	\$ (20,444)	\$ 142,276
Covered Payroll	\$ 491,178	\$ 697,594	\$ 669,452	\$ 681,409	\$ 770,313	\$ 813,227	\$ 881,598	\$ 893,306	\$ 964,696	\$ 1,086,506
Contributions as a Percentage of Covered Payroll	80.92 %	61.87 %	82.25 %	81.63 %	40.89 %	37.62 %	36.80 %	37.00 %	33.19 %	41.56 %

Notes to Schedule of Contributions

Actuarial valuation information relative to the determination of contributions:
 Valuation date Actuarially determined contribution rates are calculated as of the December 31, the year prior to the end of the fiscal year in which contributions are reported. Covered employee payroll is as of December 31 of the current fiscal year.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	11 years
Asset valuation method	4 years smoothed market
Salary increase	3.5 percent, including inflation
Investment rate of return	7.0 percent, net of pension plan investment expense, including inflation
Mortality	RP-2014 Healthy Annuitant Mortality Table

Charter Township of Flint

Required Supplemental Information Schedule of Pension Contributions Police Officers and Full-time Clerical Union/Nonunion

Last Ten Fiscal Years Years Ended December 31

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Actuarially determined contribution	\$ 931,872	\$ 856,887	\$ 820,161	\$ 698,562	\$ 652,493	\$ 563,117	\$ 473,065	\$ 416,282	\$ 353,075	\$ 332,933
Contributions in relation to the actuarially determined contribution	1,199,204	1,106,887	820,161	698,562	652,493	563,117	474,457	418,553	353,075	332,933
Contribution Excess	\$ 267,332	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ 1,392	\$ 2,271	\$ -	\$ -
Covered Payroll	\$ 3,969,111	\$ 3,646,611	\$ 3,357,102	\$ 3,079,427	\$ 3,035,084	\$ 2,970,733	\$ 3,022,784	\$ 2,839,225	\$ 3,195,422	\$ 3,648,451
Contributions as a Percentage of Covered Employee Payroll	30.21 %	30.35 %	24.43 %	22.68 %	21.50 %	18.96 %	15.70 %	14.74 %	11.05 %	9.13 %

Notes to Schedule of Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which the contributions are reported. Contributions for the Township's fiscal year ended December 31, 2018 were determined based on the actuarial valuation as of December 31, 2016. The most recent valuation is as of December 31, 2017.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percent
Remaining amortization period	21 years
Asset valuation method	10-year smoothed market
Inflation	2.50 percent
Salary increase	3.75 percent
Investment rate of return	7.75 percent
Retirement age	Experience-based table of rates is specific to the type of eligibility condition

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 Schedule of Changes in the Net OPEB Liability and Related Ratios

	Last Two Fiscal Years	
	2018	2017
Total OPEB Liability		
Service cost	\$ 230,103	\$ 251,775
Interest	913,246	906,706
Differences between expected and actual experience	(181,135)	(201,358)
Changes in assumptions	1,798,984	-
Benefit payments, including refunds	(801,939)	(712,790)
Net Change in Total OPEB Liability	1,959,259	244,333
Total OPEB Liability - Beginning of year	24,203,667	23,959,334
Total OPEB Liability - End of year	\$ 26,162,926	\$ 24,203,667
Plan Fiduciary Net Position		
Contributions to OPEB trust	\$ 50,000	\$ 21,700
Contributions/benefit payments made from general operating funds	801,939	712,790
Net investment (loss) income	(15,367)	24,790
Administrative expenses	(1,031)	-
Benefit payments, including refunds	(801,939)	(712,790)
Net Change in Plan Fiduciary Net Position	33,602	46,490
Plan Fiduciary Net Position - Beginning of year	208,110	161,620
Plan Fiduciary Net Position - End of year	\$ 241,712	\$ 208,110
Net OPEB Liability - Ending	\$ 25,921,214	\$ 23,995,557
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	0.9 %	0.9 %
Covered Employee Payroll	\$ 4,967,005	\$ 4,656,354
Net OPEB Liability as a Percentage of Covered Employee Payroll	521.9 %	515.3 %

GASB Statement No. 74 was implemented in fiscal year 2017. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

Charter Township of Flint

Required Supplemental Information Schedule of OPEB Contributions

**Last Ten Fiscal Years
Years Ended December 31**

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Actuarially determined contribution	\$ 1,296,636	\$ 3,070,622	\$ 1,390,109	\$ 1,361,314	\$ 1,332,392	\$ 1,231,465	\$ 1,203,350	\$ 1,169,345	\$ 1,227,960	\$ 1,194,842
Contributions in relation to the actuarially determined contribution	851,939	734,490	725,525	672,494	649,734	575,592	519,328	458,878	441,449	297,179
Contribution Deficiency	\$ (444,697)	\$ (2,336,132)	\$ (664,584)	\$ (688,820)	\$ (682,658)	\$ (655,873)	\$ (684,022)	\$ (710,467)	\$ (786,511)	\$ (897,663)
Covered Employee Payroll	\$ 4,967,005	\$ 4,656,354	\$ 4,379,231	\$ 4,193,734	\$ 4,193,232	\$ 4,105,025	\$ 4,194,524	\$ 4,398,740	\$ 4,850,740	\$ 5,038,699
Contributions as a Percentage of Covered Employee Payroll	17.2 %	15.8 %	16.6 %	16.0 %	15.5 %	14.0 %	12.4 %	10.4 %	9.1 %	5.9 %

Notes to Schedule of Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal (level percentage of compensation)
Amortization method	Level percent of pay
Asset valuation method	Equal to market value of assets
Salary increase	3.50 percent
Investment rate of return	6.99 percent (including inflation)
Mortality	RP-2014 adjusted to 2006 total data set, headcount weighted with MP-2018 improvement

Charter Township of Flint

Required Supplemental Information
Schedule of Pension Investment Returns
Firefighters

**Last Four Fiscal Years
Years Ended December 31**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Annual money-weighted rate of return, net of investment expense	2.50 %	2.12 %	2.14 %	0.44 %

Budgetary Information 2018

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, 2018:

	Revised Project (Grant) Length Budget	Project Funds Expended During 2018	Total Project Funds Expended through December 31, 2018	Unexpended Balance at December 31, 2018
Special revenue fund type - Community Development Fund:				
Public safety projects 2017	\$ 21,208	\$ 21,208	\$ 21,208	\$ -
Public works projects 2017	131,294	-	-	131,294
Recreation and cultural projects 2017	72,944	70,552	72,942	2
Recreation and cultural projects 2018	12,944	1,071	1,071	11,873
Total Community Development Fund	<u>\$ 238,390</u>	<u>\$ 92,831</u>	<u>\$ 95,221</u>	<u>\$ 143,169</u>

Excess of Expenditures Over Appropriations in Budgeted Funds

During the year, the Charter Township of Flint incurred expenditures that were in excess of the amounts budgeted, as follows:

	Amended Budget	Actual	Variance
General Fund:			
Public works - Street lighting	\$ 361,000	\$ 397,718	\$ (36,718)
Recreation and culture - Cable television production	21,500	24,250	(2,750)

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

Other Supplemental Information

Charter Township of Flint

Other Supplemental Information Combining Balance Sheet Nonmajor Governmental Funds

December 31, 2018

	Special Revenue Funds					Debt Service Funds		Total	
	Community Development	JAG Grant Fund	Municipal Street Fund	Police Special Millage	Police Grants Fund	Fire Safety Equipment	Road Debt Service		Building Authority Debt
Assets									
Cash and investments	\$ -	\$ 263,135	\$ 232,319	\$ 23,055	\$ -	\$ 870,473	\$ 180,931	\$ 20,792	\$ 1,590,705
Receivables:									
Property taxes receivable	-	-	261,357	2,327	-	130,663	-	-	394,347
Special assessments receivable	-	-	-	-	-	-	50,180	-	50,180
Other receivables	-	-	7,017	-	-	2,744	-	-	9,761
Due from other governmental units	1,071	-	-	-	4,522	-	-	-	5,593
Due from other funds	-	-	-	-	1,691	-	-	-	1,691
Total assets	\$ 1,071	\$ 263,135	\$ 500,693	\$ 25,382	\$ 6,213	\$ 1,003,880	\$ 231,111	\$ 20,792	\$ 2,052,277
Liabilities									
Accounts payable	\$ -	\$ 4,703	\$ 31,335	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 36,038
Due to other governmental units	-	-	-	-	1,691	-	-	-	1,691
Due to other funds	1,071	236	-	-	-	-	-	-	1,307
Total liabilities	1,071	4,939	31,335	-	1,691	-	-	-	39,036
Deferred Inflows of Resources									
Unavailable revenue	-	-	-	-	-	-	50,180	-	50,180
Property taxes levied for the following year	-	-	406,101	2,327	-	203,018	-	-	611,446
Total deferred inflows of resources	-	-	406,101	2,327	-	203,018	50,180	-	661,626
Total liabilities and deferred inflows of resources	1,071	4,939	437,436	2,327	1,691	203,018	50,180	-	700,662
Fund Balances									
Restricted:									
Roads	-	-	63,257	-	-	-	-	-	63,257
Public safety	-	258,196	-	23,055	4,522	800,862	-	-	1,086,635
Debt service	-	-	-	-	-	-	180,931	-	180,931
Assigned	-	-	-	-	-	-	-	20,792	20,792
Total fund balances	-	258,196	63,257	23,055	4,522	800,862	180,931	20,792	1,351,615
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,071	\$ 263,135	\$ 500,693	\$ 25,382	\$ 6,213	\$ 1,003,880	\$ 231,111	\$ 20,792	\$ 2,052,277

Charter Township of Flint

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

Year Ended December 31, 2018

	Special Revenue Funds						Debt Service Funds		Total
	Community Development	JAG Grant Fund	Municipal Street Fund	Police Special Millage	Police Grants Fund	Fire Safety Equipment	Road Debt Service	Building Authority Debt	
Revenue									
Property taxes	\$ -	\$ -	\$ 389,219	\$ 1,676	\$ -	\$ 194,595	\$ -	\$ -	\$ 585,490
Special assessments	-	-	15,188	-	-	-	62,044	-	77,232
Intergovernmental:									
Federal grants	92,831	177,364	-	-	159,530	-	-	-	429,725
State-shared revenue and grants	-	-	9,899	4,412	-	4,950	-	-	19,261
Interest and rentals	-	887	2,899	13	-	2,086	6,943	149,232	162,060
Other revenue	-	-	17,367	-	-	-	-	-	17,367
Total revenue	92,831	178,251	434,572	6,101	159,530	201,631	68,987	149,232	1,291,135
Expenditures									
Current services:									
General government	-	-	-	-	-	-	-	150	150
Public safety	21,208	295,100	-	3,279	115,362	24,500	-	-	459,449
Public works	-	-	364,697	-	-	-	-	-	364,697
Recreation and culture	71,623	-	-	-	-	-	-	-	71,623
Debt service:									
Principal	-	-	-	-	-	-	145,000	125,000	270,000
Interest on long-term debt	-	-	-	-	-	-	14,682	24,159	38,841
Total expenditures	92,831	295,100	364,697	3,279	115,362	24,500	159,682	149,309	1,204,760
Excess of Revenue (Under) Over Expenditures	-	(116,849)	69,875	2,822	44,168	177,131	(90,695)	(77)	86,375
Other Financing Sources (Uses)									
Transfers in	-	-	-	-	-	-	35,000	-	35,000
Transfers out	-	-	(35,000)	-	-	-	-	-	(35,000)
Total other financing (uses) sources	-	-	(35,000)	-	-	-	35,000	-	-
Net Change in Fund Balances	-	(116,849)	34,875	2,822	44,168	177,131	(55,695)	(77)	86,375
Fund Balances (Deficit) - Beginning of year	-	375,045	28,382	20,233	(39,646)	623,731	236,626	20,869	1,265,240
Fund Balances - End of year	<u>\$ -</u>	<u>\$ 258,196</u>	<u>\$ 63,257</u>	<u>\$ 23,055</u>	<u>\$ 4,522</u>	<u>\$ 800,862</u>	<u>\$ 180,931</u>	<u>\$ 20,792</u>	<u>\$ 1,351,615</u>

Charter Township of Flint

Other Supplemental Information
Budgetary Comparison Schedules - Nonmajor Governmental Funds
Community Development

Year Ended December 31, 2018

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget
Revenue - Federal grants	\$ 205,513	\$ 205,513	\$ 92,831	\$ (112,682)
Expenditures - Current - Recreation and culture	205,513	205,513	92,831	112,682
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning of year	-	-	-	-
Fund Balance - End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Charter Township of Flint

Other Supplemental Information
 Budgetary Comparison Schedules - Nonmajor Governmental Funds
 (Continued)
JAG Grant Fund

Year Ended December 31, 2018

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget
Revenue				
Federal grants	\$ 170,000	\$ 170,000	\$ 177,364	\$ 7,364
Investment income	1,000	1,000	887	(113)
Total revenue	171,000	171,000	178,251	7,251
Expenditures - Current - Public safety	434,100	434,100	295,100	139,000
Net Change in Fund Balance	(263,100)	(263,100)	(116,849)	146,251
Fund Balance - Beginning of year	375,045	375,045	375,045	-
Fund Balance - End of year	<u><u>\$ 111,945</u></u>	<u><u>\$ 111,945</u></u>	<u><u>\$ 258,196</u></u>	<u><u>\$ 146,251</u></u>

Charter Township of Flint

Other Supplemental Information
Budgetary Comparison Schedules - Nonmajor Governmental Funds
(Continued)
Police Grants Fund

Year Ended December 31, 2018

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget
Revenue - Federal grants	\$ 179,000	\$ 179,000	\$ 159,530	\$ (19,470)
Expenditures - Current - Public safety	179,000	179,000	115,362	63,638
Net Change in Fund Balance	-	-	44,168	44,168
Fund Balance - Beginning of year	(39,646)	(39,646)	(39,646)	-
Fund Balance - End of year	<u><u>\$ (39,646)</u></u>	<u><u>\$ (39,646)</u></u>	<u><u>\$ 4,522</u></u>	<u><u>\$ 44,168</u></u>

Charter Township of Flint

Other Supplemental Information
Budgetary Comparison Schedules - Nonmajor Governmental Funds
(Continued)
Fire Safety Equipment

Year Ended December 31, 2018

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 195,417	\$ 195,417	\$ 194,595	\$ (822)
Intergovernmental	3,000	3,000	4,950	1,950
Investment income	2,000	2,000	2,086	86
Total revenue	200,417	200,417	201,631	1,214
Expenditures - Current - Public safety	314,350	314,350	24,500	289,850
Net Change in Fund Balance	(113,933)	(113,933)	177,131	291,064
Fund Balance - Beginning of year	623,731	623,731	623,731	-
Fund Balance - End of year	<u>\$ 509,798</u>	<u>\$ 509,798</u>	<u>\$ 800,862</u>	<u>\$ 291,064</u>

Charter Township of Flint

Other Supplemental Information
 Budgetary Comparison Schedules - Nonmajor Governmental Funds
 (Continued)
 Road Debt Service

Year Ended December 31, 2018

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget
Revenue				
Special assessments	\$ 62,044	\$ 62,044	\$ 62,044	\$ -
Investment income	7,744	7,744	6,943	(801)
Total revenue	69,788	69,788	68,987	(801)
Expenditures - Debt service	159,681	159,681	159,682	(1)
Excess of Expenditures Over Revenue	(89,893)	(89,893)	(90,695)	(802)
Other Financing Sources - Transfers in	35,000	35,000	35,000	-
Net Change in Fund Balance	(54,893)	(54,893)	(55,695)	(802)
Fund Balance - Beginning of year	236,626	236,626	236,626	-
Fund Balance - End of year	<u>\$ 181,733</u>	<u>\$ 181,733</u>	<u>\$ 180,931</u>	<u>\$ (802)</u>

Charter Township of Flint

Other Supplemental Information
 Budgetary Comparison Schedules - Nonmajor Governmental Funds
 (Continued)
 Building Authority Debt

Year Ended December 31, 2018

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget
Revenue				
Interest and rentals:				
Investment income	\$ 30	\$ 30	\$ 79	\$ 49
Rental income	149,153	149,153	149,153	-
Total revenue	149,183	149,183	149,232	49
Expenditures				
Current services - General government	150	150	150	-
Debt service	149,153	149,153	149,159	(6)
Total expenditures	149,303	149,303	149,309	(6)
Net Change in Fund Balance	(120)	(120)	(77)	43
Fund Balance - Beginning of year	20,869	20,869	20,869	-
Fund Balance - End of year	<u>\$ 20,749</u>	<u>\$ 20,749</u>	<u>\$ 20,792</u>	<u>\$ 43</u>

Charter Township of Flint

Other Supplemental Information
 Budgetary Comparison Schedules - Nonmajor Governmental Funds
 (Continued)
 Municipal Street Fund

Year Ended December 31, 2018

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 383,533	\$ 383,533	\$ 389,219	\$ 5,686
Special assessments	17,127	17,127	15,188	(1,939)
Intergovernmental	-	-	9,899	9,899
Investment income	1,814	1,814	2,899	1,085
Other revenue	17,000	17,000	17,367	367
Total revenue	419,474	419,474	434,572	15,098
Expenditures - Current services - Public works -				
Street construction	382,500	408,900	364,697	44,203
Other Financing Uses - Transfers out	(35,000)	(35,000)	(35,000)	-
Net Change in Fund Balance	1,974	(24,426)	34,875	59,301
Fund Balance - Beginning of year	28,382	28,382	28,382	-
Fund Balance - End of year	<u>\$ 30,356</u>	<u>\$ 3,956</u>	<u>\$ 63,257</u>	<u>\$ 59,301</u>

Charter Township of Flint

Other Supplemental Information
 Budgetary Comparison Schedules - Nonmajor Governmental Funds
 (Continued)
 Police Special Millage

Year Ended December 31, 2018

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ (11,500)	\$ (11,500)	\$ 1,676	\$ 13,176
Intergovernmental	-	-	4,412	4,412
Investment income	-	-	13	13
Total revenue	(11,500)	(11,500)	6,101	17,601
Expenditures - Current - Public safety	400	3,300	3,279	21
Net Change in Fund Balance	(11,900)	(14,800)	2,822	17,622
Fund Balance - Beginning of year	20,233	20,233	20,233	-
Fund Balance - End of year	<u><u>\$ 8,333</u></u>	<u><u>\$ 5,433</u></u>	<u><u>\$ 23,055</u></u>	<u><u>\$ 17,622</u></u>

Charter Township of Flint

**Other Supplemental Information
Combining Statement of Fiduciary Net Position
Fiduciary Funds**

December 31, 2018

	Firefighters' Pension Trust Fund	Retiree Healthcare Trust Fund	Total Trust Funds
Assets			
Investments:			
Money market	\$ -	\$ 241,712	\$ 241,712
Private debt funds	1,687,044	-	1,687,044
Private equity funds	4,906,935	-	4,906,935
Receivables	221	-	221
Total assets	6,594,200	241,712	6,835,912
Liabilities	-	-	-
Net Position	\$ 6,594,200	\$ 241,712	\$ 6,835,912

Charter Township of Flint

**Other Supplemental Information
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds**

Year Ended December 31, 2018

	Firefighters' Pension Trust Fund	Retiree Healthcare Trust Fund	Total Trust Funds
Additions			
Investment income:			
Interest and dividends	\$ 17,493	\$ -	\$ 17,493
Change in fair value of investments	(431,276)	(15,366)	(446,642)
Net investment income	(413,783)	(15,366)	(429,149)
Contributions:			
Employer contributions	397,474	851,940	1,249,414
Employee contributions	49,074	-	49,074
Total contributions	446,548	851,940	1,298,488
Total additions	32,765	836,574	869,339
Deductions			
Benefit payments	589,092	801,940	1,391,032
Administrative expenses	24,769	1,032	25,801
Total deductions	613,861	802,972	1,416,833
Net (Decrease) Increase in Net Position Held in Trust	(581,096)	33,602	(547,494)
Net Position Held in Trust for Pension and Postemployment Benefits - Beginning of year	7,175,296	208,110	7,383,406
Net Position Held in Trust for Pension and Postemployment Benefits - End of year	\$ 6,594,200	\$ 241,712	\$ 6,835,912

Charter Township of Flint

Other Supplemental Information
Combining Statement of Assets and Liabilities
Agency Funds

December 31, 2018

	<u>General Agency</u>	<u>Tax Collection</u>	<u>Total Agency Funds</u>
Assets			
Cash and cash equivalents	\$ 194,356	\$ 968,021	\$ 1,162,377
Receivables	<u>281,022</u>	<u>-</u>	<u>281,022</u>
Total assets	<u>\$ 475,378</u>	<u>\$ 968,021</u>	<u>\$ 1,443,399</u>
Liabilities			
Due to other governmental units	\$ 178,712	\$ -	\$ 178,712
Undistributed taxes	75,419	968,021	1,043,440
Refundable deposits, bonds, etc.	174,609	-	174,609
Accrued liabilities and other	<u>46,638</u>	<u>-</u>	<u>46,638</u>
Total liabilities	<u>\$ 475,378</u>	<u>\$ 968,021</u>	<u>\$ 1,443,399</u>