

Saginaw Charter
Township,
Michigan



Year Ended
March 31, 2017

Comprehensive
Annual Financial
Report

Prepared by: Fiscal Services Department

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Table of Contents

	<u>Page</u>
INTRODUCTORY SECTION	
Principal Township Officials	1
Letter of Transmittal	2
Table of Organization	7
GFOA Certificate of Achievement	8
FINANCIAL SECTION	
Independent Auditors' Report	10
Management's Discussion and Analysis	13
Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Position	23
Statement of Activities	24
Fund Financial Statements:	
Balance Sheet - Governmental Funds	26
Reconciliation of Fund Balances of Governmental Funds to Net Position of Governmental Activities	28
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	29
Reconciliation of Net Changes in Fund Balances of Governmental Funds to Change in Net Position of Governmental Activities	31
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual:	
General Fund	32
Fire Protection Fund	34
Police Fund	35
Garbage and Rubbish Collection Fund	36
Statement of Net Position - Proprietary Funds	37
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds	38
Statement of Cash Flows - Proprietary Funds	39
Statement of Fiduciary Net Position - Fiduciary Funds	41
Statement of Changes in Fiduciary Net Position - Retiree Health Trust	42
Notes to Financial Statements	44

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Table of Contents

Required Supplementary Information

MERS Agent Multiple-Employer Defined Benefit Pension Plan:	
Schedule of Changes in the Township's Net Pension Liability and Related Ratios	70
Schedule of the Township's Net Pension Liability	71
Schedule of Contributions	72
Postemployment Healthcare Plan - Retiree Health Trust - Schedules of Funding Progress and Employer Contributions	73

Combining and Individual Fund Financial Statements and Schedules

General Fund:	
Schedule of Revenues - Budget and Actual	76
Schedule of Expenditures - Budget and Actual	77
Nonmajor Governmental Funds:	
Combining Balance Sheet	83
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	85
Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual:	
Community Development	87
Fire Improvement	88
Art in Public Places	89
Internal Service Funds:	
Combining Statement of Net Position	91
Combining Statement of Revenues, Expenses and Changes in Fund Net Position	92
Combining Statement of Cash Flows	93
Agency Funds:	
Combining Statement of Fiduciary Assets and Liabilities	95
Combining Statement of Changes in Fiduciary Assets and Liabilities	97

STATISTICAL SECTION (UNAUDITED)

TABLE

1	Net Position by Component	102
2	Changes in Net Position	104
3	Fund Balances of Governmental Funds	108
4	Changes in Fund Balances of Governmental Funds	110
5	Governmental Activities Tax Revenue by Year	112
6	Assessed Value and Taxable Value of Property	113
7	Property Tax Rates, Direct and Overlapping Governments	115
8	Principal Property Taxpayers	117
9	Property Tax Levies and Collections	119
10	Direct and Overlapping Debt	121
11	Legal Debt Margin Information	122
12	Pledged-Revenue Coverage	124
13	Ratios of Outstanding Debt by Type	125
14	Demographic and Economic Statistics	126
15	Principal Employers	127
16	Full-time Equivalent Township Employees by Function	128
17	Operating Indicators by Function	130
18	Capital Asset Statistics by Function	132

INTRODUCTORY SECTION

SAGINAW CHARTER TOWNSHIP, MICHIGAN

PRINCIPAL TOWNSHIP OFFICIALS

For the Year Ended March 31, 2017

TOWNSHIP BOARD

Timothy J. Braun
Supervisor

Shirley M. Wazny - Clerk
Florence P. Connolly
Jon R. Howell

Steven G. Gerhardt - Treasurer
Lori L. Gorney
James S. Kelly

Rob Grose
Township Manager

Michele L. Gadd
Director of Fiscal Services

David J. Kern
Director of Assessing

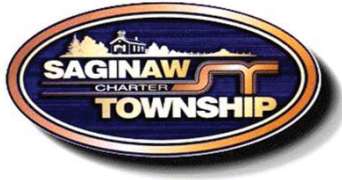
Raphael D. Hausbeck
Director of Community Development

Jim I. Peterson
Fire Chief

Donald F. Pussehl, Jr.
Police Chief

Herbert L. Grunwell, III
Director of Public Services

Mark T. Mahlberg
Township Attorney



Saginaw Charter Township

4980 Shattuck Rd. P.O. Box 6400, Saginaw, MI 48608-6400
989.791-9800 989.791-9815 (fax)

August 30, 2017

To the Saginaw Charter Township Board:

State law requires that all local governments, subject to certain size criteria, publish within six months of the close of each fiscal year a complete set of financial statements presented in conformance with generally accepted accounting principles (GAAP) and audited in conformity with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. Pursuant to those requirements, we hereby issue the comprehensive annual financial report for the Saginaw Charter Township for the fiscal year ended March 31, 2017.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal controls should not exceed the anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Rehmann Robson, Certified Public Accountants, has issued an unmodified (“clean”) opinion on the Township’s financial statements for the year ended March 31, 2017. The independent auditors’ report is located at the front of the financial section of this report.

Management’s discussion and analysis (MD&A) immediately follows the independent auditors’ report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and it should be read in conjunction with it.

Profile of the Government

The management of the Township is overseen by an elected Township Board. Saginaw Charter Township is the second largest governmental unit in Saginaw County, Michigan, with a population of 40,840 (2010 U.S. Census). Saginaw Township is a residential, retail, and medical community with a few small light industrial areas. It serves the Great Lakes Bay Region of Saginaw, Bay City, and Midland.

Saginaw Township is a full service community in that it provides many services to its residents including police, fire, sanitation, water, planning and zoning, indoor and outdoor recreation, refuse collection, library and general administrative services.

Local Economy

Like many other communities throughout the State of Michigan, Saginaw Charter Township has experienced a moderate decline in economic growth and development which has adversely affected property values. The Township strives to keep its neighborhoods, both retail and residential, as viable and livable places for its many residents. Relying on community Core Values (see on the following page), we have focused on a variety of community and economic initiatives to maintain neighborhood stability while fostering growth and re-investment within our boundaries.

In 2016, Wellspring Lutheran Services invested \$7.5 million to update their overall site including renovations to their assisted living and independent living facilities. The interior remodel included resident amenities such as a game room, craft room, multi-purpose area, movie theater, chapel, dining bistro, wellness gym, recreation room, library, and resident gathering space. Saginaw Valley Ford Lincoln invested \$1.5 million to expand and reconfigure their sales area, renovate the staff office areas and install a fire suppression system. Morley Companies continues to add positions as part of a recent contract. The opportunity allowed Morley to grow its 153-year old business in Saginaw while creating a new center that supports its client's need to operate close to facilities in South Carolina. As one of the largest employers in the region, Morley added 250 jobs in Saginaw Charter Township.

Long-term Financial Planning

Saginaw Charter Township continues to refine and update its financial forecast model to address changes and trends identified. By reviewing the potential outcomes available, the Township can position itself to maintain current levels of service. The Board continues to identify areas where costs can be reduced, as well as examine future sources of revenue to ensure financial stability. In the fiscal year ended March 31, 2010, the Township completed a water and sewer rate study to develop a long-term rate plan. The study is updated annually based upon capital replacement, maintenance and adjusted water rates from the City of Saginaw. This plan will help to ensure the viability of the water and sewer utilities.

Relevant Financial Policies

The accounting policies of the Township conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to government units. There were no policies that had a significant or unusual impact on the current period's financial statements.

Major Initiatives

There is continued interest toward enhancing our viability and quality of life in Saginaw Charter Township. Our vision remains the same:

- A planned community identified with pride and excellence in living, medical care, regional/local shopping and recreational activities;
- Where the quality of life is desirable and safe;
- Where government is unobtrusive and economical yet effective and efficient in the management of land, infrastructure, services and recreation; and
- A community which serves as a model for innovation and regional cooperation, with its focus on the future.

The Core Values

In 2005 the Township Board established a set of core community values. These core values form the nucleus by which all Township Departments carry out their activities and programs:

- Providing for a Safe Community,
- Promoting a Neat, Clean, Attractive Community with Beautiful neighborhoods,
- Providing Quality of Life Opportunities

- Maintaining a Professionally Well Run, Efficient Government...One that Provides High Quality Services to its Residents.

Saginaw Charter Township's activities are focused within the context of the above four core values. The underlying objective is to maintain the community as a quality living environment. To date, we believe that maintenance of the core values has helped to keep the Township a model of stability at a time when other communities are showing the strain of a tight economy.

Activities in 2016-2017 included such projects as:

- Completion of the rehabilitation of the tennis courts in Olson Park.
- Sidewalk installation and replacement at various locations within the Township.
- Watermain Replacement-Weiss Street from Bay Road to Barnard Road.
- Watermain Replacement-Center Road at W. Michigan Avenue.
- Conversion of the Primary Power at the Wastewater Treatment Plant.
- Replacement of playground equipment in Can-Amera Park.

The Coming Year

As the Michigan economy continues to show signs of improvement, Saginaw Charter Township continues to maintain its services and infrastructure. One can expect to see:

- Purchase of a Rescue Squad and a Fire Engine.
- Renovation and expansion of Fire Station #3-Center Rd.
- Continued work on revitalizing our commercial corridors.
- Continued water transmission system improvements.

Financial Management

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

Budgeting Control

The Township maintains budgetary control with the objective to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Township Board of Trustees. Activities of the general and special revenue funds are included in the annual appropriation budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by activity in the general fund and at the fund level for special revenue funds. The Township also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts lapse at year-end and are re-appropriated as part of the following year's budget.

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

Independent Audit

The Michigan Uniform Accounting and Budgeting Act requires an annual audit by independent certified public accountants. The accounting firm of Rehmann Robson was selected by the Saginaw Charter Township Board of Trustees to perform the Township's annual audit. The auditor's report on the financial statements and combining and individual fund statements and schedules is included in the financial section of this report.

Accounting Systems and Reports

The Township's accounting records for traditional governmental operations; i.e., general fund, special revenue funds, and capital project funds, are maintained on a modified accrual basis of accounting. As a result, the more significant revenues such as property taxes, intergovernmental revenues and investment earnings are recognized as earned and other revenues are generally recognized only when received. Expenditures are recorded when incurred and encumbrances placed when purchase orders are issued. Employees' accumulated unused annual leave is recognized on the full accrual basis.

Budgetary control is maintained by an annual allotment system. Allotments, or appropriation, balances are encumbered by the simultaneous issuance and recording of purchase orders. Purchase orders that exceed allotted balances are not released until additional appropriations or appropriate budgetary adjustments are made available.

Generally accepted accounting standards require that management provide a narrative introduction, overview, and analysis to accompany these basic financial statements in the form of a management's discussion and analysis ("MD&A") letter. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. Saginaw Charter Township's MD&A can be found immediately following the report of the independent auditors.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Saginaw Charter Township for its comprehensive annual financial report for the fiscal year ended March 31, 2016. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgements

Appreciation is extended to the Fiscal Services Department and various employees throughout the Township responsible for financial management and reporting. Their adherence to following the law, utilizing proper accounting methods and eliminating waste from processes has greatly improved the efficiency and accountability of the entire Township.

Respectfully submitted,



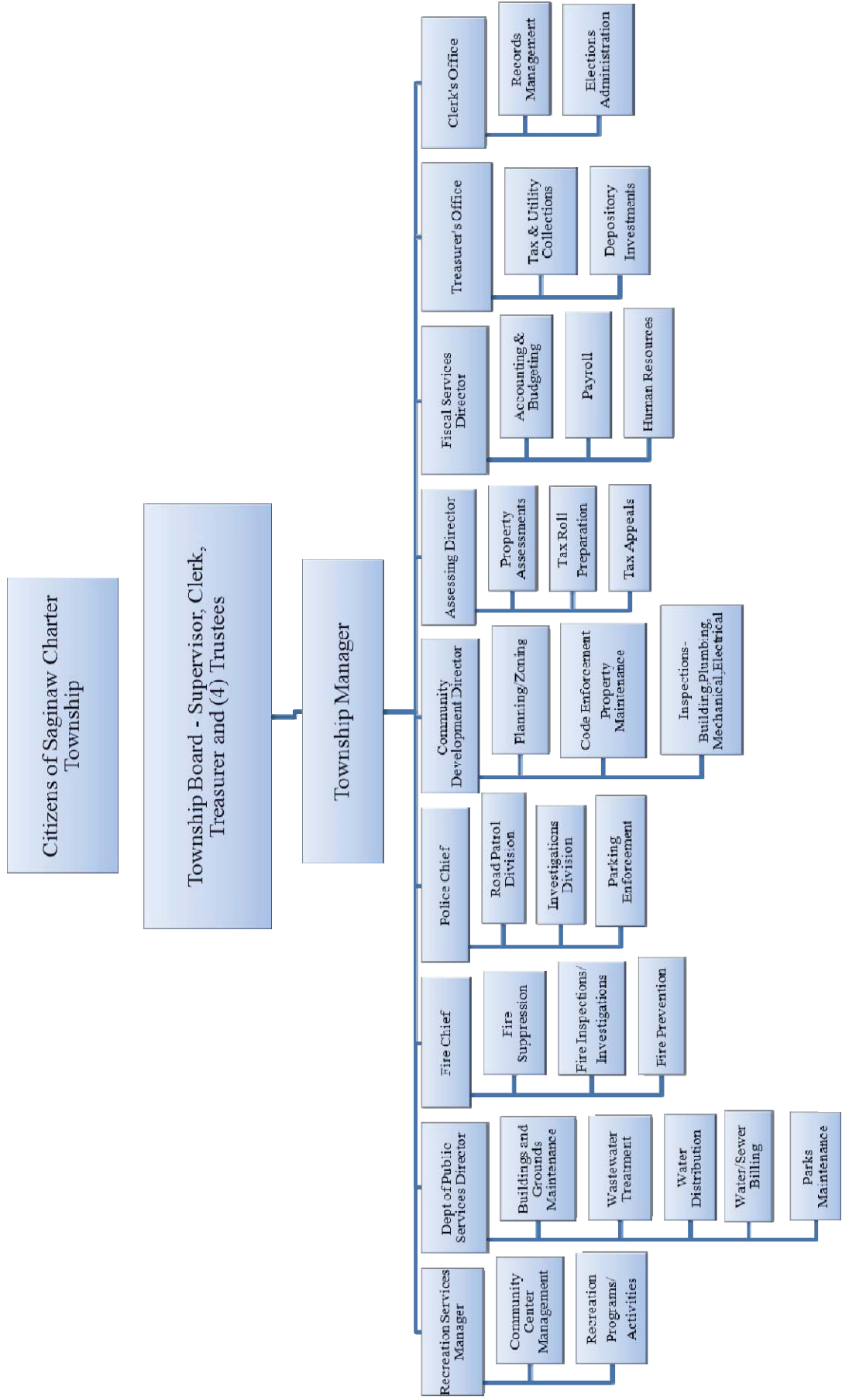
Rob Grose
Township Manager



Michele L. Gadd
Director of Fiscal Services

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Table of Organization



SAGINAW CHARTER TOWNSHIP, MICHIGAN
GFOA Certificate of Achievement



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Saginaw Charter Township
Michigan

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

March 31, 2016

A handwritten signature in black ink, reading "Jeffrey R. Egan".

Executive Director/CEO

FINANCIAL SECTION

This section is composed of the following:

Independent Auditors' Report

Management's Discussion and Analysis

Basic Financial Statements

Required Supplementary Information

Combining and Individual Fund Financial Statements and Schedules

INDEPENDENT AUDITORS' REPORT

August 30, 2017

Members of the Township Board of
Saginaw Charter Township
Saginaw, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of *Saginaw Charter Township, Michigan* (the "Township"), as of and for the year ended March 31, 2017, and the related notes to the financial statements, which collectively comprise the Township'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.

Independent Auditors' 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 of 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 auditors' 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, each major fund, and the aggregate remaining fund information of the Township as of March 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the general fund and each major special revenue fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the schedules for the pension and other postemployment benefits plans, as listed 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, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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



MANAGEMENT'S DISCUSSION AND ANALYSIS

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Management's Discussion and Analysis

As management of Saginaw Charter Township, Michigan, we offer readers of the Township's financial statements this narrative overview and analysis of the financial activities of the Township for the fiscal year ended March 31, 2017. We encourage readers to consider the information presented here in conjunction with the additional information that is furnished in the financial statements and notes to the financial statements.

Financial Highlights

- The assets and deferred outflows of resources of the Township exceeded its liabilities at the close of the most recent fiscal year by \$68,022,589 (net position). Of this amount, \$11,700,456 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, the Township's governmental funds reported a combined ending fund balance of \$15,569,357, an increase of \$2,237,764 in comparison with the prior year. Approximately 33 percent of this total amount, or \$5,209,857, is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$5,209,857 or 90 percent of total general fund expenditures.
- The Township's total bonded debt decreased by \$599,811 during the current fiscal year; net amount includes retired bonded debt of \$617,133 and additions of \$17,322.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Township's basic financial statements. The Township's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Township's finances, in a manner similar to a private sector business.

The *statement of net position* presents information on all of the Township's assets, deferred outflows of resources, and liabilities, with the difference between reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Township is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected special assessments).

Both of the government-wide financial statements distinguish functions of the Township that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Township include general government, public safety, public works, highway and streets, community development, and recreation and culture. The business-type activities of the Township include sewer and water operations.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Township, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the Township can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Management's Discussion and Analysis

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Township maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general, fire protection, police, and garbage and rubbish collection funds, each of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The Township adopts an annual appropriated budget for its general and special revenue funds. Budgetary comparison statements or schedules have been provided herein to demonstrate compliance with those budgets.

Proprietary Funds. The Township maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The Township uses enterprise funds to account for its water and sewer operations. *Internal service funds* are an accounting device used to accumulate and allocate cost internally among the Township's various functions. The Township uses internal service funds to account for its self-insurance operations for employees healthcare coverage and property and liability coverage. Because both of these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the sewer and water operations, both of which are considered to be major funds of the Township. Conversely, both internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

Fiduciary Funds. *Fiduciary funds* are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Township's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

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

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Required supplementary information includes this management's discussion and analysis and the schedules for the Township's pension and postemployment benefit plans.

The combined statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information.

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Management's Discussion and Analysis

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Township, assets and deferred outflows of resources exceeded liabilities by \$68,022,589 at the close of the most recent fiscal year.

The largest portion of the Township's net position (71 percent) reflects its investment in capital assets (e.g., land, construction in progress, land improvements, buildings and improvements, plants and mains, equipment, and vehicles), less any related debt used to acquire those assets that is still outstanding. The Township uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Township's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

	Net Position					
	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Assets						
Current and other assets	\$17,049,607	\$15,140,188	\$13,660,095	\$12,780,508	\$30,709,702	\$27,920,696
Capital assets, net	12,026,817	12,535,467	43,958,045	45,371,708	55,984,862	57,907,175
	<u>29,076,424</u>	<u>27,675,655</u>	<u>57,618,140</u>	<u>58,152,216</u>	<u>86,694,564</u>	<u>85,827,871</u>
Deferred outflows of resources						
	1,533,874	1,017,865	-	-	1,533,874	1,017,865
	<u>1,533,874</u>	<u>1,017,865</u>	<u>-</u>	<u>-</u>	<u>1,533,874</u>	<u>1,017,865</u>
Liabilities						
Long-term liabilities	864,570	885,511	7,893,633	8,505,346	8,758,203	9,390,857
Other liabilities	10,055,912	11,628,858	1,391,734	1,142,305	11,447,646	12,771,163
	<u>10,920,482</u>	<u>12,514,369</u>	<u>9,285,367</u>	<u>9,647,651</u>	<u>20,205,849</u>	<u>22,162,020</u>
Net position						
Net investment in capital assets	12,026,817	12,535,467	36,255,061	37,055,679	48,281,878	49,591,146
Restricted	8,040,255	5,914,023	-	-	8,040,255	5,914,023
Unrestricted (deficit)	(377,256)	(2,270,339)	12,077,712	11,448,886	11,700,456	9,178,547
Total net position	<u>\$19,689,816</u>	<u>\$16,179,151</u>	<u>\$48,332,773</u>	<u>\$48,504,565</u>	<u>\$68,022,589</u>	<u>\$64,683,716</u>

At the end of the current fiscal year, the Township is able to report positive balances in all of the categories of net position for the government as a whole, as well as positive balances for its separate governmental and business-type activities with the exception of the unrestricted net position in governmental activities due to the net pension liability balance of \$7,100,638 at year-end. Prior to the implementation of GASB 68, the Township had positive net position for governmental and business-type activities.

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Management's Discussion and Analysis

The following condensed financial information was derived from the government-wide statement of activities and reflects how the Township's net position changed during the fiscal year:

	Change in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Program revenues						
Charges for services	\$ 4,028,901	\$ 4,134,219	\$12,027,554	\$10,998,802	\$16,056,455	\$15,133,021
Operating grants and contributions	117,016	216,932	-	-	117,016	216,932
Capital grants and contributions	-	-	54,669	292,350	54,669	292,350
General revenues						
Property taxes	9,807,748	9,772,762	-	-	9,807,748	9,772,762
Grants and contributions not restricted to specific programs	3,364,047	3,213,789	-	-	3,364,047	3,213,789
Unrestricted investment earnings	30,839	14,204	42,572	43,885	73,411	58,089
Franchise fees	773,358	785,718	-	-	773,358	785,718
Gain on sale of capital assets	-	-	12,191	-	12,191	785,718
Miscellaneous	84,239	61,596	-	96,498	84,239	158,094
Total revenues	<u>18,206,148</u>	<u>18,199,220</u>	<u>12,136,986</u>	<u>11,431,535</u>	<u>30,343,134</u>	<u>29,630,755</u>
Expenses						
General government	2,043,268	2,330,484	-	-	2,043,268	2,330,484
Public safety	7,037,309	8,969,486	-	-	7,037,309	8,969,486
Public works	1,949,376	1,965,834	-	-	1,949,376	1,965,834
Highways and streets	1,127,782	1,411,497	-	-	1,127,782	1,411,497
Community development	486,745	460,305	-	-	486,745	460,305
Recreation and culture	2,051,003	2,031,047	-	-	2,051,003	2,031,047
Sewer	-	-	6,457,734	6,299,380	6,457,734	6,299,380
Water	-	-	5,851,044	5,271,567	5,851,044	5,271,567
Total expenses	<u>14,695,483</u>	<u>17,168,653</u>	<u>12,308,778</u>	<u>11,570,947</u>	<u>27,004,261</u>	<u>28,739,600</u>
Change in net position	<u>3,510,665</u>	<u>1,030,567</u>	<u>(171,792)</u>	<u>(139,412)</u>	<u>3,338,873</u>	<u>891,155</u>
Net position:						
Beginning of year	16,179,151	21,795,112	48,504,565	48,643,977	64,683,716	70,439,089
Restatement for implementation of GASB 68	-	(6,646,528)	-	-	-	(6,646,528)
	<u>16,179,151</u>	<u>15,148,584</u>	<u>48,504,565</u>	<u>48,643,977</u>	<u>64,683,716</u>	<u>63,792,561</u>
End of year	<u>\$19,689,816</u>	<u>\$16,179,151</u>	<u>\$48,332,773</u>	<u>\$48,504,565</u>	<u>\$68,022,589</u>	<u>\$64,683,716</u>

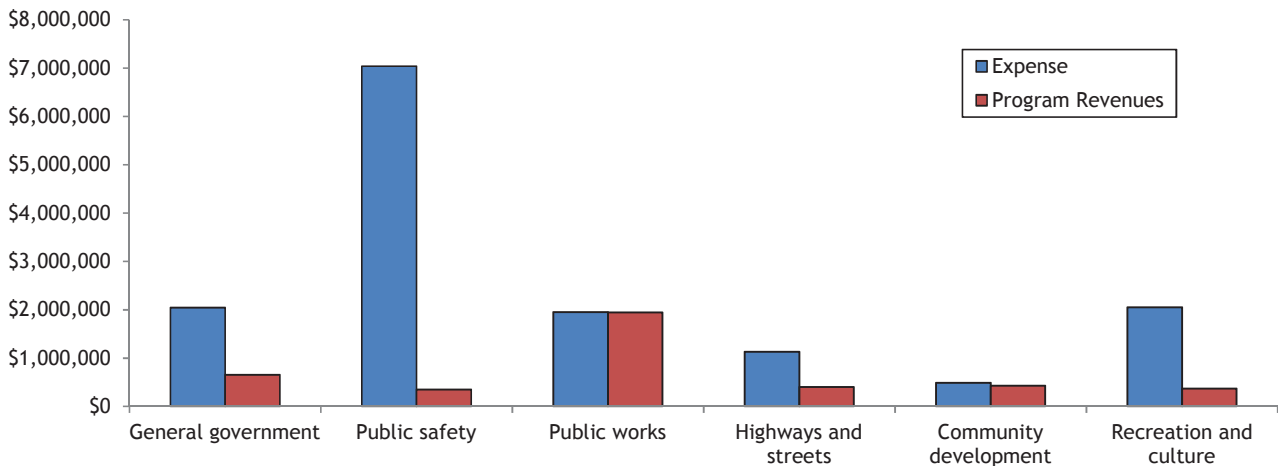
SAGINAW CHARTER TOWNSHIP, MICHIGAN

Management's Discussion and Analysis

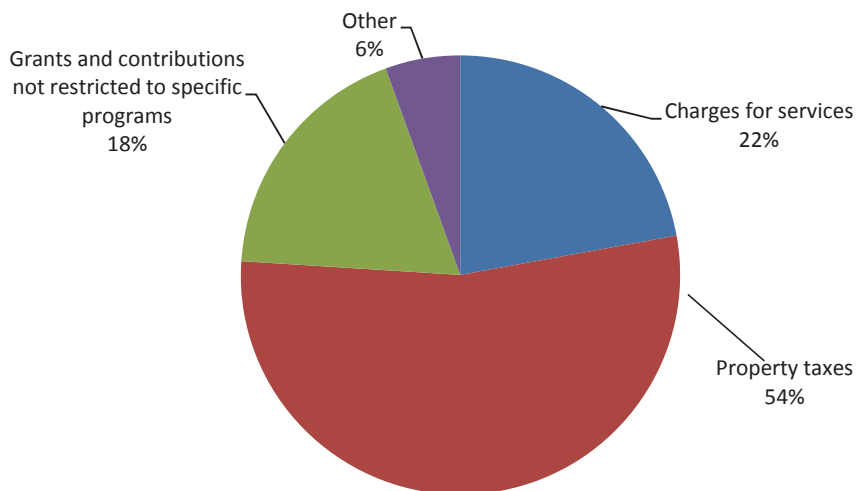
Governmental activities. Governmental activities increased the Township's net position by \$3,510,665. The Police Department is building a fund balance in the early years of a 15-year, 5.5 mill levy, approved in 2014 that will sustain the operations of the police department for the life of the levy. There were no expenditures in the Fire Capital Fund this year adding \$402,298 to fund balance in anticipation of several capital expenditures for the upcoming year. The Garbage and Rubbish fund was able to add to its fund balance as expenses decreased for remediation work completed at the closed landfill. Lastly, the tennis court rehabilitation and Shattuckville Road projects that were initiated in the prior year were completed which reduced the overall expenses in the areas of Highways/Streets and Recreation/Culture.

Overall, expenses decreased by 15 percent.

Expenses and Program Revenues - Governmental Activities



Revenues by Source - Governmental Activities



SAGINAW CHARTER TOWNSHIP, MICHIGAN

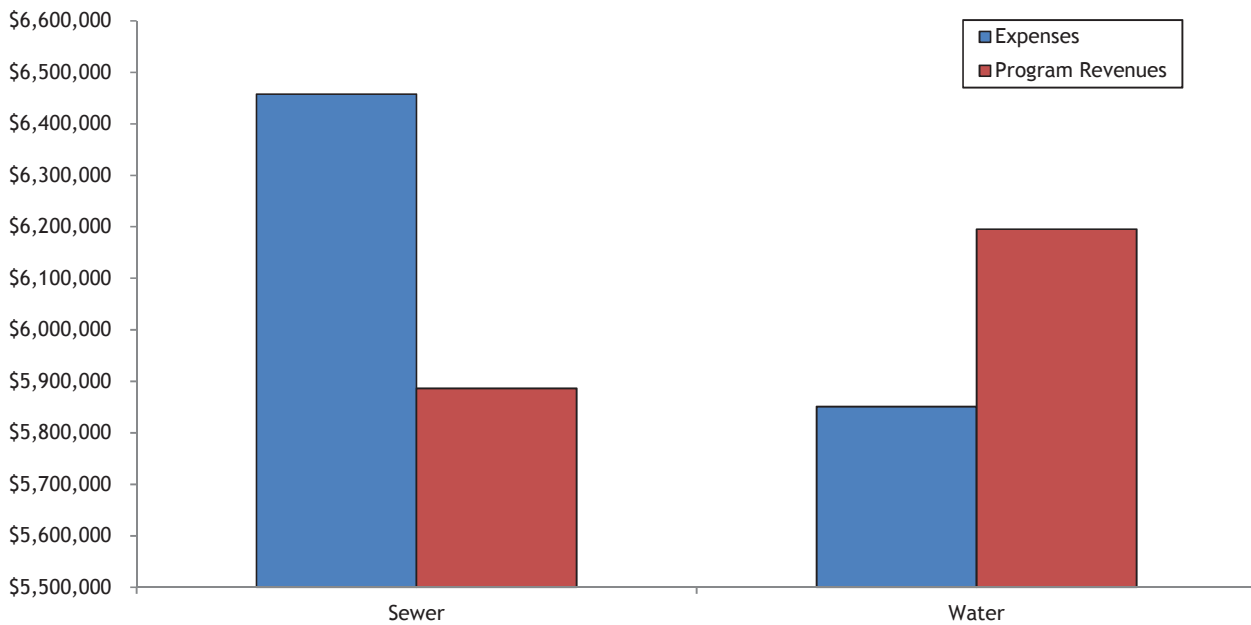
Management's Discussion and Analysis

Business-type activities. In the later part of 2009, the Township completed the first comprehensive study of utility rates in approximately 20 years. Prior rate adjustments were made “as needed” to keep pace with basic operating expenses. The goal of the study was to keep rates as low as possible for all customers, yet generate the revenues required to meet anticipated operations, maintenance, capital, and debt requirements. The sewer fund had an excess of cash that would be useful in moderating the impact of anticipated rate increases in future years. The cash position in the water fund was not as strong and needed to be improved. The revised rate structures should enable the Township to meet immediate cash needs and establish reserves to ensure financial stability in both funds.

Business-type activities decreased the Township’s net position by \$171,792. The water fund added \$370,173 to net position as a result of revenues outpacing expenses. An increase in revenues is attributed to a rate increase approved by the Township Board for commodity charges (12.0%) and readiness to serve fees (5.5%). A decrease in rainfall for the year increased sales of water by 7.75%. On the expense side, the cost of goods sold (water purchases from the City of Saginaw) increased based on a rate increase from the City and an increase in demand. Other fluctuations in expenses are attributed to a decrease in staff due to attrition and an increase in repairs and maintenance and connection expenses. The last several years have seen an increase in meter repairs as we change out old meters to move toward modernizing our data collection process. The Township’s goal is to build reserves in the water fund to be used for capital improvements to the aging water distribution system. Net position was reduced by \$527,998 due to sewer fund operations. Cash reserves remain strong in this fund allowing for rate increases to be held to a minimum. The installment purchase and 1997 NWUA bond issue have been paid off and no new debt is anticipated. Future projects will focus on assessing the system and developing a replacement plan.

Capital investments in the water fund included the completion of two watermain replacement projects. The first was a scheduled replacement on Weiss St. from Bay Rd. to Barnard Rd. The second project was a result of a waterline break that required an emergency replacement at Center Rd. and W. Michigan.

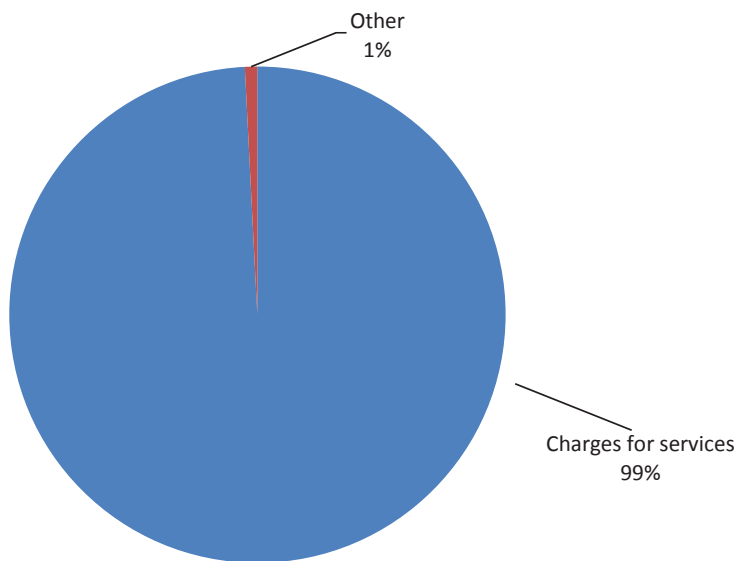
Expenses and Program Revenues - Business-type Activities



SAGINAW CHARTER TOWNSHIP, MICHIGAN

Management's Discussion and Analysis

Revenues by Source - Business-type Activities



Financial Analysis of the Government's Funds

As noted earlier, the Township uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental Funds. The focus of the Township's governmental funds is to provide information on near term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Township's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Township's governmental funds reported combined ending fund balances of \$15,569,357, an increase of \$2,237,764 in comparison with the prior year. Approximately 33 percent of this total amount (\$5,209,857) constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is not available for new spending because it is either in a nonspendable form (\$318,102), restricted (\$7,943,412), committed (\$979,983) or assigned (\$1,118,003).

The general fund is the chief operating fund of the Township. At the end of the current fiscal year, unassigned fund balance of the general fund was \$5,209,857, and total fund balance was \$5,537,107. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents approximately 90 percent of total general fund expenditures.

The fund balance of the Township's general fund increased by \$85,740 during the current fiscal year. This increase can be attributed to a mid-year reduction in staff in the Planning Department. Additionally, expenses for Recreation and Culture were less than anticipated. Community Development, which receives financial assistance from the General Fund, saw an increase in permit revenues and changes in staffing allowing for a smaller payment from the General Fund.

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Management's Discussion and Analysis

The fire protection fund has a total fund balance of \$698,959, which decreased by \$15,399 during the year. The fund balance has shown a decline in the past three years as overall expenditures out pace revenues. The Township has authority to levy 2.5 mills for fire protection and the current levy is 1.7 mills for the fiscal year ending March 31, 2017. The Board will continue to monitor areas where costs can be reduced.

The police fund has a total fund balance of \$5,645,108, which increased by \$1,615,777 during the year. In August 2014 voters approved a 15 year millage request for 5.5 mills. The millage request was designed to build a fund balance in the early years of the levy that will sustain a consistent level of service as costs increase throughout the life of the levy. By securing support for this request, the Township has ensured funding to provide police services to the community for 15 years.

The garbage and rubbish collection fund has a total fund balance of \$1,742,362 which increased by \$114,721 during the year. The Township Board anticipated a small increase to fund balance during the budget process. The reserves will help to mitigate future increases in the cost for trash/yard waste and curbside recycling services, and allows the service fee charged to residents to remain at a constant level. In addition, expenses have declined now that the Township has fulfilled its obligation to remediate the closed landfill.

Proprietary Funds. The Township's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Total net position of the water and sewer funds at the end of the year amounted to \$23,066,407 and \$25,275,070, respectively. The water fund had an increase in net position for the year of \$370,173 and the sewer fund had a decrease in net position for the year of \$527,998. Other factors concerning the finances of these two funds have already been addressed in the discussion of the Township's business-type activities.

General Fund Budgetary Highlights

Over the course of the year, the Township amended the budget to take into account various events occurring during the year. Differences between the original and final amended budgets for expenditures were relatively minor with the exception of the amendments to complete the reconstruction of Shattuckville Road and re-surfacing of Jameson St. Adjustments were also made for demolition of several abandoned houses and the assessment from the County Drain Commission for the maintenance of drains-at-large. The Township takes an active role in monitoring department needs and budget requests throughout the fiscal year. The Township will continue to find ways to reduce costs and yet provide essential services, allowing for favorable budgetary results.

Capital Asset and Debt Administration

Capital Assets. The Township's investment in capital assets as of March 31, 2017, amounted to \$55,984,862 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, land improvements, building and improvements, plants and mains, equipment, and vehicles.

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

- Installation of approximately 1,270 ft. of new sidewalk
- Children's play structure at Can Amera Park
- Completion of the reconstruction of the Olson Park tennis courts and fence replacement
- Purchase of three replacement staff vehicles
- Purchase of four police patrol vehicles
- Purchase of a utility van and three pick-up trucks
- Purchase of a utility tractor
- Equipment for evaluating sewer line systems
- Primary power conversion at the W. Michigan Wastewater Treatment Plant

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Management's Discussion and Analysis

	Capital Assets (Net of Depreciation)					
	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$ 1,168,098	\$ 1,168,098	\$ 283,260	\$ 283,260	\$ 1,451,358	\$ 1,451,358
Construction in progress	-	239,182	118,418	98,180	118,418	337,362
Land improvements	2,176,406	2,011,653	-	-	2,176,406	2,011,653
Buildings and improvements, plants and mains	6,344,273	6,600,516	42,847,898	44,276,725	49,192,171	50,877,241
Equipment	250,578	273,161	371,390	424,720	621,968	697,881
Vehicles	2,087,462	2,242,857	337,079	288,823	2,424,541	2,531,680
Total capital assets, net	\$12,026,817	\$12,535,467	\$43,958,045	\$45,371,708	\$55,984,862	\$57,907,175

Additional information on the Township's capital assets can be found in the notes to the financial statements.

Debt Administration. At the end of the current fiscal year, the Township had total long-term debt outstanding of \$8,758,203. Of this amount, \$7,702,984 represents bonds secured solely by specified revenue sources (i.e., revenue bonds), and \$1,055,219 represents accrued compensated absences.

	Long-term Debt					
	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Bonds payable	\$ -	\$ -	\$ 7,702,984	\$ 8,302,795	\$ 7,702,984	\$ 8,302,795
Installment purchase	-	-	-	13,234	-	13,234
Compensated absences	864,570	885,511	190,649	189,317	1,055,219	1,074,828
Total debt	\$ 864,570	\$ 885,511	\$ 7,893,633	\$ 8,505,346	\$ 8,758,203	\$ 9,390,857

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total assessed valuation. The current debt limitation for the Township is \$127,700,630. As of March 31, 2017, the Township had no outstanding general obligation debt.

Additional information on the Township's long-term debt can be found in the notes to the financial statements.

Economic Factors and Next Year's Budget and Rates

The following factors were considered in preparing the Township's budget for the 2017-2018 fiscal year:

- The March 2017 unemployment rate for the Saginaw County metropolitan area (the Township is in the Saginaw area) was 5.2 percent, which is a decrease of 0.1 percent from a year ago. The Township rate was 2.9 percent. The State average was 4.8 percent and the National rate was 4.6 percent.
- The Township is comprised principally of residential areas with several key commerce corridors. There is a stable business base.
- Inflationary trends in the region compare favorably to national indices.

Requests for Information

This financial report is designed to provide a general overview of the Township's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Township Fiscal Services Department, 4980 Shattuck Rd, Saginaw, Michigan 48603.

BASIC FINANCIAL STATEMENTS

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Statement of Net Position

March 31, 2017

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 14,589,345	\$ 9,170,526	\$ 23,759,871
Investments	50,575	-	50,575
Receivables	1,562,549	4,461,634	6,024,183
Internal balances	253,187	(253,187)	-
Inventory	26,095	227,552	253,647
Prepaid items and other assets	567,856	53,570	621,426
Capital assets not being depreciated	1,168,098	401,678	1,569,776
Capital assets being depreciated, net	10,858,719	43,556,367	54,415,086
Total assets	29,076,424	57,618,140	86,694,564
Deferred outflows of resources			
Deferred pension amounts	1,533,874	-	1,533,874
Liabilities			
Accounts payable	316,950	344,657	661,607
Accrued liabilities	255,212	41,197	296,409
Unearned revenue	6,764	412,905	419,669
Long-term liabilities:			
Due within one year	626,566	563,141	1,189,707
Due in more than one year	238,004	7,330,492	7,568,496
Net pension liability	7,100,638	-	7,100,638
Net other postemployment benefit obligation	2,376,348	592,975	2,969,323
Total liabilities	10,920,482	9,285,367	20,205,849
Net position			
Net investment in capital assets	12,026,817	36,255,061	48,281,878
Restricted for:			
Fire protection	698,959	-	698,959
Police	4,713,108	-	4,713,108
Garbage and rubbish collection	1,742,362	-	1,742,362
Fire improvement	876,991	-	876,991
Arts in public places	8,835	-	8,835
Unrestricted (deficit)	(377,256)	12,077,712	11,700,456
Total net position	\$ 19,689,816	\$ 48,332,773	\$ 68,022,589

The accompanying notes are an integral part of these basic financial statements.

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Statement of Activities

For the Year Ended March 31, 2017

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government					
Governmental activities:					
General government	\$ 2,043,268	\$ 654,849	\$ -	\$ -	\$ (1,388,419)
Public safety	7,037,309	232,647	117,016	-	(6,687,646)
Public works	1,949,376	1,943,342	-	-	(6,034)
Highways and streets	1,127,782	402,405	-	-	(725,377)
Community development	486,745	429,103	-	-	(57,642)
Recreation and culture	2,051,003	366,555	-	-	(1,684,448)
Total governmental activities	14,695,483	4,028,901	117,016	-	(10,549,566)
Business-type activities:					
Sewer	6,457,734	5,886,653	-	-	(571,081)
Water	5,851,044	6,140,901	-	54,669	344,526
Total business-type activities	12,308,778	12,027,554	-	54,669	(226,555)
Total primary government	\$ 27,004,261	\$ 16,056,455	\$ 117,016	\$ 54,669	\$ (10,776,121)

continued...

The accompanying notes are an integral part of these basic financial statements.

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Statement of Activities

For the Year Ended March 31, 2017

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Changes in net position			
Net expense	<u>\$ (10,549,566)</u>	<u>\$ (226,555)</u>	<u>\$ (10,776,121)</u>
General revenues:			
Property taxes	9,807,748	-	9,807,748
Grants and contributions not restricted to specific programs	3,364,047	-	3,364,047
Unrestricted investment earnings	30,839	42,572	73,411
Franchise fees	773,358	-	773,358
Gain on sale of capital assets	-	12,191	12,191
Miscellaneous	84,239	-	84,239
Total general revenues	<u>14,060,231</u>	<u>54,763</u>	<u>14,114,994</u>
Change in net position	3,510,665	(171,792)	3,338,873
Net position, beginning of year	<u>16,179,151</u>	<u>48,504,565</u>	<u>64,683,716</u>
Net position, end of year	<u>\$ 19,689,816</u>	<u>\$ 48,332,773</u>	<u>\$ 68,022,589</u>

concluded

The accompanying notes are an integral part of these basic financial statements.

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Balance Sheet Governmental Funds March 31, 2017

	Special Revenue Funds			
	General Fund	Fire Protection	Police	Garbage and Rubbish Collection
Assets				
Cash and cash equivalents	\$ 4,567,574	\$ 630,687	\$ 5,332,605	\$ 1,630,818
Accounts receivable	32,391	-	33,257	47
Taxes receivable	99,363	66,981	294,472	91,431
Special assessments receivable	73,073	-	-	-
Due from other funds	244,483	-	-	-
Due from other governmental units	585,518	-	-	-
Inventory	26,095	-	-	-
Prepays	74,165	13,802	82,787	-
Advance to Mid Michigan Waste Authority	-	-	-	144,100
Advance to Soccer Association	114,924	-	-	-
Total assets	\$ 5,817,586	\$ 711,470	\$ 5,743,121	\$ 1,866,396
Liabilities				
Accounts payable	\$ 36,512	\$ 1,438	\$ 5,580	\$ 123,704
Accrued liabilities	143,806	11,073	92,433	330
Deposits payable	27,088	-	-	-
Total liabilities	207,406	12,511	98,013	124,034
Deferred inflows of resources				
Unavailable revenue - special assessments	73,073	-	-	-
Fund balances				
Nonspendable	215,184	13,802	82,787	-
Restricted	-	685,157	4,630,321	1,742,362
Committed	-	-	-	-
Assigned	112,066	-	932,000	-
Unassigned	5,209,857	-	-	-
Total fund balances	5,537,107	698,959	5,645,108	1,742,362
Total liabilities, deferred inflows of resources, and fund balances	\$ 5,817,586	\$ 711,470	\$ 5,743,121	\$ 1,866,396

The accompanying notes are an integral part of these basic financial statements.



Nonmajor Governmental Funds	Total
\$ 1,925,216	\$ 14,086,900
784	66,479
-	552,247
1,648	74,721
-	244,483
18,960	604,478
-	26,095
6,329	177,083
-	144,100
-	114,924
<u>\$ 1,952,937</u>	<u>\$ 16,091,510</u>
\$ 275	\$ 167,509
5,193	252,835
-	27,088
<u>5,468</u>	<u>447,432</u>
<u>1,648</u>	<u>74,721</u>
6,329	318,102
885,572	7,943,412
979,983	979,983
73,937	1,118,003
-	5,209,857
<u>1,945,821</u>	<u>15,569,357</u>
<u>\$ 1,952,937</u>	<u>\$ 16,091,510</u>

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Reconciliation

Fund Balances of Governmental Funds
To Net Position of Governmental Activities
March 31, 2017

Fund balances - total governmental funds	\$ 15,569,357
Amounts reported for <i>governmental activities</i> in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Capital assets not being depreciated	1,168,098
Capital assets being depreciated, net	10,858,719
Because the focus of governmental funds is on short-term financing, some assets will not be available to pay for current expenditures. Those assets (i.e., receivables) are offset by deferred inflows of resources in the governmental funds and, therefore, are not included in fund balance.	
Deferred special assessments	74,721
Certain pension-related amounts, such as the net pension liability and deferred amounts are not due and payable in the current period or do not represent current financial resources and therefore are not reported in the funds.	
Net pension liability	(7,100,638)
Deferred pension amounts	1,533,874
Internal service funds are used by management to charge the costs of certain insurances to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	
Net position of governmental activities accounted for in internal service funds	817,899
Net position allocated to business-type activities from governmental activities internal service funds	8,704
Certain liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated absences	(864,570)
Net other postemployment benefit obligation	(2,376,348)
Net position of governmental activities	<u>\$ 19,689,816</u>

The accompanying notes are an integral part of these basic financial statements.

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds For the Year Ended March 31, 2017

	General Fund	Special Revenue Funds		
		Fire Protection	Police	Garbage and Rubbish Collection
Revenues				
Property taxes	\$ 1,582,269	\$ 1,546,479	\$ 6,719,626	\$ -
Licenses and permits	805,854	-	27,984	-
Intergovernmental -				
State sources	3,351,080	-	34,146	-
Charges for services	336,473	8,486	16,599	1,943,343
Fines and forfeits	103,192	-	-	-
Special assessments	458,755	-	-	-
Interest	11,792	627	7,019	2,289
Other	224,083	30,566	139,834	-
Total revenues	6,873,498	1,586,158	6,945,208	1,945,632
Expenditures				
Current:				
General government	2,294,986	-	-	-
Public safety	412,026	1,601,557	6,261,431	-
Highway and streets	1,123,632	-	-	-
Public works	104,706	-	-	1,830,911
Community development	-	-	-	-
Recreation and culture	1,829,868	-	-	-
Other	32,160	-	-	-
Total expenditures	5,797,378	1,601,557	6,261,431	1,830,911
Revenues over (under) expenditures	1,076,120	(15,399)	683,777	114,721
Other financing sources (uses)				
Transfers in	-	-	932,000	-
Transfers out	(990,380)	-	-	-
Total other financing sources (uses)	(990,380)	-	932,000	-
Net change in fund balances	85,740	(15,399)	1,615,777	114,721
Fund balances, beginning of year	5,451,367	714,358	4,029,331	1,627,641
Fund balances, end of year	\$ 5,537,107	\$ 698,959	\$ 5,645,108	\$ 1,742,362

The accompanying notes are an integral part of these basic financial statements.



Nonmajor Governmental Funds	Total
\$ 400,958	\$ 10,249,332
428,666	1,262,504
-	3,385,226
11,540	2,316,441
-	103,192
24,028	482,783
3,416	25,143
5,437	399,920
<u>874,045</u>	<u>18,224,541</u>
-	2,294,986
-	8,275,014
-	1,123,632
-	1,935,617
486,745	486,745
8,755	1,838,623
-	32,160
<u>495,500</u>	<u>15,986,777</u>
<u>378,545</u>	<u>2,237,764</u>
58,380	990,380
-	(990,380)
<u>58,380</u>	<u>-</u>
436,925	2,237,764
<u>1,508,896</u>	<u>13,331,593</u>
<u>\$ 1,945,821</u>	<u>\$ 15,569,357</u>

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Reconciliation

Net Changes in Fund Balances of Governmental Funds
To Change in Net Position of Governmental Activities
For the Year Ended March 31, 2017

Net change in fund balances - total governmental funds	\$ 2,237,764
Amounts reported for <i>governmental activities</i> in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.	
Capital assets purchased/constructed	331,914
Depreciation expense	(830,074)
Loss on disposal of capital assets	(10,490)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, but rather are deferred to subsequent fiscal years.	
Change in deferred special assessments	(24,089)
Internal service funds are used by management to charge the costs of certain insurances to individual funds. The change in the internal service funds net position is reported with governmental activities.	
Change in net position from governmental activities accounted for in internal service funds	212,265
Change in net position from governmental activities accounted for in internal service funds charged to business-type activities	13,967
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the funds.	
Change in the accrual of compensated absences	20,941
Change in the other postemployment benefit obligation	(145,545)
Change in net pension liability and related deferred amounts	<u>1,704,012</u>
Change in net position of governmental activities	<u>\$ 3,510,665</u>

The accompanying notes are an integral part of these basic financial statements.

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund
For the Year Ended March 31, 2017

	Original Budget	Amended Budget	Actual	Actual Over (Under) Amended Budget
Revenues				
Property taxes	\$ 1,548,923	\$ 1,548,923	\$ 1,582,269	\$ 33,346
Licenses and permits	859,400	859,400	805,854	(53,546)
Intergovernmental -				
State sources	3,307,484	3,307,484	3,351,080	43,596
Charges for services	322,150	322,150	336,473	14,323
Fines and forfeits	114,000	114,000	103,192	(10,808)
Special assessments	505,000	505,000	458,755	(46,245)
Interest	7,500	7,500	11,792	4,292
Other	195,352	195,352	224,083	28,731
Total revenues	6,859,809	6,859,809	6,873,498	13,689
Expenditures				
Current:				
General government				
Township board	37,900	39,400	39,242	(158)
Township supervisor	20,877	20,977	20,899	(78)
Township manager	189,177	167,738	163,610	(4,128)
Fiscal services	213,473	217,771	217,440	(331)
Elections/clerk	272,406	232,017	214,652	(17,365)
Data processing	70,300	70,300	52,442	(17,858)
Assessors	367,523	401,304	395,612	(5,692)
Township attorney	105,000	105,000	94,767	(10,233)
Board of review	3,950	3,950	2,415	(1,535)
Treasurer's office	126,392	128,944	128,770	(174)
Township property	238,750	316,000	309,237	(6,763)
Motor vehicle - equipment pool	154,300	161,800	147,867	(13,933)
Less: administration reimbursement	(836,250)	(836,250)	(737,442)	98,808
Other	1,227,603	1,260,890	1,245,475	(15,415)
Total general government	2,191,401	2,289,841	2,294,986	5,145
Public safety				
Parking enforcement	24,838	24,838	19,856	(4,982)
Housing inspection	48,500	62,500	51,878	(10,622)
Planning	375,774	367,447	340,292	(27,155)
Less: administration reimbursement	(14,696)	(14,696)	-	14,696
Total public safety	434,416	440,089	412,026	(28,063)

continued...

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund
For the Year Ended March 31, 2017

Highway and streets				
Department of public services	\$ 459,737	\$ 424,176	\$ 416,752	\$ (7,424)
Sidewalks	100,000	80,000	75,917	(4,083)
Road construction and resurfacing	65,750	177,850	193,064	15,214
Street lighting	500,000	450,000	437,899	(12,101)
Total highway and streets	<u>1,125,487</u>	<u>1,132,026</u>	<u>1,123,632</u>	<u>(8,394)</u>
Public works				
Drains - public benefit	<u>85,675</u>	<u>105,225</u>	<u>104,706</u>	<u>(519)</u>
Recreation and culture				
Parks and recreation	784,724	794,468	780,701	(13,767)
Center courts	264,832	264,832	257,394	(7,438)
Library	776,558	797,058	791,773	(5,285)
Total recreation and culture	<u>1,826,114</u>	<u>1,856,358</u>	<u>1,829,868</u>	<u>(26,490)</u>
Other	<u>112,625</u>	<u>32,625</u>	<u>32,160</u>	<u>(465)</u>
Total expenditures	<u>5,775,718</u>	<u>5,856,164</u>	<u>5,797,378</u>	<u>(58,786)</u>
Revenues over expenditures	1,084,091	1,003,645	1,076,120	72,475
Other financing uses				
Transfers out	<u>(1,084,091)</u>	<u>(1,079,861)</u>	<u>(990,380)</u>	<u>(89,481)</u>
Net change in fund balance	-	(76,216)	85,740	161,956
Fund balance, beginning of year	<u>5,451,367</u>	<u>5,451,367</u>	<u>5,451,367</u>	<u>-</u>
Fund balance, end of year	<u>\$ 5,451,367</u>	<u>\$ 5,375,151</u>	<u>\$ 5,537,107</u>	<u>\$ 161,956</u>

concluded

The accompanying notes are an integral part of these basic financial statements.

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Fire Protection Fund
For the Year Ended March 31, 2017

	Original Budget	Amended Budget	Actual	Actual Over (Under) Amended Budget
Revenues				
Property taxes	\$ 1,556,450	\$ 1,556,450	\$ 1,546,479	\$ (9,971)
Charges for services	9,100	9,100	8,486	(614)
Interest	300	300	627	327
Other	26,100	26,100	30,566	4,466
Total revenues	1,591,950	1,591,950	1,586,158	(5,792)
Expenditures				
Current:				
Public safety:				
Salaries and wages	685,935	685,935	679,655	(6,280)
Contractual services	1,000	1,000	1,000	-
Volunteer firemen	423,230	423,230	418,789	(4,441)
Supplies	59,715	59,715	61,256	1,541
Services	85,470	85,470	80,236	(5,234)
Gas and oil	16,000	16,000	11,909	(4,091)
Insurance	47,000	47,000	53,575	6,575
Public utilities	80,000	80,000	77,514	(2,486)
Repairs and maintenance	104,300	104,300	103,325	(975)
Education and training	27,500	27,500	21,816	(5,684)
Computer expense	8,300	8,300	4,143	(4,157)
Workmen's compensation insurance	24,000	24,000	41,767	17,767
Less workmen's compensation dividend	(11,000)	(11,000)	(9,997)	1,003
Capital outlay	40,500	71,550	56,569	(14,981)
Total expenditures	1,591,950	1,623,000	1,601,557	(21,443)
Net change in fund balance	-	(31,050)	(15,399)	15,651
Fund balance, beginning of year	714,358	714,358	714,358	-
Fund balance, end of year	\$ 714,358	\$ 683,308	\$ 698,959	\$ 15,651

The accompanying notes are an integral part of these basic financial statements.

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Police Fund
For the Year Ended March 31, 2017

	Original Budget	Amended Budget	Actual	Actual Over (Under) Amended Budget
Revenues				
Property taxes	\$ 6,745,800	\$ 6,745,800	\$ 6,719,626	\$ (26,174)
Licenses and permits	27,300	27,300	27,984	684
Intergovernmental -				
State sources	40,711	40,711	34,146	(6,565)
Charges for services	14,300	14,300	16,599	2,299
Interest	1,000	1,000	7,019	6,019
Other	172,800	172,800	139,834	(32,966)
Total revenues	7,001,911	7,001,911	6,945,208	(56,703)
Expenditures				
Current:				
Public safety:				
Salaries and wages	5,272,864	5,272,864	5,105,853	(167,011)
Supplies	119,600	119,600	109,722	(9,878)
Contractual services	38,212	38,212	35,382	(2,830)
Gas and oil	120,000	120,000	75,729	(44,271)
Insurance	114,500	114,500	126,656	12,156
Public utilities	19,544	19,544	16,105	(3,439)
Repairs and maintenance	127,465	127,465	106,667	(20,798)
Education and training	20,500	20,500	17,363	(3,137)
Miscellaneous	450,081	450,081	400,316	(49,765)
Workmen's compensation insurance	63,000	63,000	79,059	16,059
Less workmen's compensation dividend	(18,000)	(18,000)	(18,928)	(928)
Capital outlay	213,150	213,150	207,507	(5,643)
Total expenditures	6,540,916	6,540,916	6,261,431	(279,485)
Revenues over (under) expenditures	460,995	460,995	683,777	222,782
Other financing sources				
Transfers in	932,000	932,000	932,000	-
Net change in fund balance	1,392,995	1,392,995	1,615,777	222,782
Fund balance, beginning of year	4,029,331	4,029,331	4,029,331	-
Fund balance, end of year	\$ 5,422,326	\$ 5,422,326	\$ 5,645,108	\$ 222,782

The accompanying notes are an integral part of these basic financial statements.

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Garbage and Rubbish Collection Fund

For the Year Ended March 31, 2017

	Original Budget	Amended Budget	Actual	Actual Over (Under) Amended Budget
Revenues				
Charges for services	\$ 1,916,900	\$ 1,916,900	\$ 1,943,343	\$ 26,443
Interest	100	100	2,289	2,189
Total revenues	<u>1,917,000</u>	<u>1,917,000</u>	<u>1,945,632</u>	<u>28,632</u>
Expenditures				
Current:				
Public works:				
Salaries and wages	17,637	17,637	15,276	(2,361)
Sanitation collection	1,797,475	1,797,475	1,799,783	2,308
Supplies	1,000	1,000	-	(1,000)
Other	65,420	65,420	15,852	(49,568)
Total expenditures	<u>1,881,532</u>	<u>1,881,532</u>	<u>1,830,911</u>	<u>(50,621)</u>
Net change in fund balance	35,468	35,468	114,721	79,253
Fund balance, beginning of year	<u>1,627,641</u>	<u>1,627,641</u>	<u>1,627,641</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1,663,109</u>	<u>\$ 1,663,109</u>	<u>\$ 1,742,362</u>	<u>\$ 79,253</u>

The accompanying notes are an integral part of these basic financial statements.

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Statement of Net Position

Proprietary Funds
March 31, 2017

	Business-type Activities - Enterprise Funds			Governmental Activities
	Water Fund	Sewer Fund	Total	Internal Service Fund
Assets				
Current assets:				
Cash and cash equivalents	\$ 3,544,345	\$ 5,626,181	\$ 9,170,526	\$ 502,445
Investments	-	-	-	50,575
Accounts receivable	1,410,009	2,509,063	3,919,072	5,600
Current portion of special assessment receivable	-	22,270	22,270	-
Inventory	227,552	-	227,552	-
Prepays	14,008	39,562	53,570	390,773
Total current assets	<u>5,195,914</u>	<u>8,197,076</u>	<u>13,392,990</u>	<u>949,393</u>
Noncurrent assets:				
Special assessment receivable, net of current portion	-	520,292	520,292	-
Capital assets not being depreciated	148,595	253,083	401,678	-
Capital assets being depreciated, net	18,555,108	25,001,259	43,556,367	-
Total noncurrent assets	<u>18,703,703</u>	<u>25,774,634</u>	<u>44,478,337</u>	<u>-</u>
Total assets	<u>23,899,617</u>	<u>33,971,710</u>	<u>57,871,327</u>	<u>949,393</u>
Liabilities				
Current liabilities:				
Accounts payable	263,225	73,737	336,962	122,353
Accrued liabilities	15,146	26,051	41,197	2,377
Deposits payable	1,000	-	1,000	-
Current portion of bonds payable	37,500	381,200	418,700	-
Current portion of accrued compensated absences	53,641	90,800	144,441	-
Due to other governmental units	-	6,695	6,695	-
Due to other funds	87,186	157,297	244,483	-
Unearned revenue	6,665	406,240	412,905	6,764
Total current liabilities	<u>464,363</u>	<u>1,142,020</u>	<u>1,606,383</u>	<u>131,494</u>
Noncurrent liabilities:				
Bonds payable, net of current portion	127,500	7,156,784	7,284,284	-
Accrued compensated absences, net of current portion	21,023	25,185	46,208	-
Net other postemployment benefit obligation	220,324	372,651	592,975	-
Total noncurrent liabilities	<u>368,847</u>	<u>7,554,620</u>	<u>7,923,467</u>	<u>-</u>
Total liabilities	<u>833,210</u>	<u>8,696,640</u>	<u>9,529,850</u>	<u>131,494</u>
Net position				
Net investment in capital assets	18,538,703	17,716,358	36,255,061	-
Unrestricted	4,527,704	7,558,712	12,086,416	817,899
Total net position	<u>\$ 23,066,407</u>	<u>\$ 25,275,070</u>	<u>48,341,477</u>	<u>\$ 817,899</u>
Adjustment to reflect the consolidation of internal service fund activities related to business-type activities			<u>(8,704)</u>	
Net position of business-type activities			<u>\$ 48,332,773</u>	

The accompanying notes are an integral part of these basic financial statements.

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Statement of Revenues, Expenses and Changes in Fund Net Position

Proprietary Funds

For the Year Ended March 31, 2017

	Business-type Activities - Enterprise Funds			Governmental Activities
	Water Fund	Sewer Fund	Total	Internal Service Fund
Operating revenues				
Charges for services	\$ 6,121,585	\$ 5,872,895	\$ 11,994,480	\$ 3,175,458
Special assessments	-	9,353	9,353	-
Other	19,316	4,405	23,721	-
Total operating revenues	6,140,901	5,886,653	12,027,554	3,175,458
Operating expenses				
Operation and maintenance	928,676	1,651,399	2,580,075	-
Administration	84,729	156,331	241,060	365,675
Professional services	84,636	248,510	333,146	-
Supplies	44,281	239,950	284,231	-
Property and liability claims	-	-	-	113,167
Other services and charges	67,553	66,322	133,875	-
Insurance	39,148	90,167	129,315	2,490,047
Utilities	35,619	335,121	370,740	-
Cost of goods sold	3,582,038	1,652,890	5,234,928	-
Repairs and maintenance	256,316	294,612	550,928	-
Education and training	2,893	1,994	4,887	-
Depreciation	704,169	1,424,520	2,128,689	-
Total operating expenses	5,830,058	6,161,816	11,991,874	2,968,889
Operating income (loss)	310,843	(275,163)	35,680	206,569
Nonoperating revenues (expenses)				
Gain on sale of capital assets	-	12,191	12,191	-
Interest revenue	12,714	29,858	42,572	5,696
Interest expense	(8,053)	(294,884)	(302,937)	-
Total nonoperating revenues (expenses)	4,661	(252,835)	(248,174)	5,696
Income (loss) before capital contributions	315,504	(527,998)	(212,494)	212,265
Capital contributions	54,669	-	54,669	-
Change in net position	370,173	(527,998)	(157,825)	212,265
Net position, beginning of year	22,696,234	25,803,068		605,634
Net position, end of year	\$ 23,066,407	\$ 25,275,070		\$ 817,899
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			(13,967)	
Change in net position of business-type activities			\$ (171,792)	

The accompanying notes are an integral part of these basic financial statements.

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Statement of Cash Flows

Proprietary Funds

For the Year Ended March 31, 2017

	Business-type Activities - Enterprise Funds			Governmental Activities
	Water Fund	Sewer Fund	Total	Internal Service Funds
Cash flows from operating activities				
Cash received from customers	\$ 6,088,571	\$ 5,853,248	\$ 11,941,819	\$ -
Cash received from employees and retirees	-	-	-	74,162
Cash received from interfund services	-	4,554	4,554	3,108,060
Cash payments for interfund services	(504)	-	(504)	-
Cash payments to employees	(914,730)	(1,621,917)	(2,536,647)	-
Cash payments to suppliers for goods and services	(3,915,493)	(3,132,238)	(7,047,731)	(3,744,705)
Net cash provided by (used in) operating activities	1,257,844	1,103,647	2,361,491	(562,483)
Cash flows from capital and related financing activities				
Acquisition of capital assets	(406,459)	(253,898)	(660,357)	-
Proceeds from sale of capital asset	-	12,191	12,191	-
Proceeds from the issuance of debt	-	17,322	17,322	-
Principal paid on long-term debt	(35,000)	(595,367)	(630,367)	-
Interest and fiscal charges paid on long-term debt	(8,053)	(294,884)	(302,937)	-
Net cash used in capital and related financing activities	(449,512)	(1,114,636)	(1,564,148)	-
Cash flows from investing activities				
Proceeds from the sale of investments	-	-	-	39,549
Interest received	12,714	29,858	42,572	5,696
Net cash provided by investing activities	12,714	29,858	42,572	45,245
Net increase (decrease) in cash and cash equivalents	821,046	18,869	839,915	(517,238)
Cash and cash equivalents, beginning of year	2,723,299	5,607,312	8,330,611	1,019,683
Cash and cash equivalents, end of year	\$ 3,544,345	\$ 5,626,181	\$ 9,170,526	\$ 502,445

continued...

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Statement of Cash Flows

Proprietary Funds

For the Year Ended March 31, 2017

	Business-type Activities - Enterprise Funds			Governmental Activities
	Water Fund	Sewer Fund	Total	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	\$ 310,843	\$ (275,163)	\$ 35,680	\$ 206,569
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	704,169	1,424,520	2,128,689	-
Change in operating assets and liabilities that provided (used) cash:				
Accounts receivable	(45,400)	(55,675)	(101,075)	-
Special assessments receivable	-	22,270	22,270	-
Due from other funds	-	-	-	-
Inventory	26,334	-	26,334	-
Prepays	(741)	(4,477)	(5,218)	(224,346)
Accounts payable	256,127	(29,442)	226,685	(192,645)
Accrued liabilities	1,718	4,060	5,778	1,175
Accrued compensated absences	(1,266)	2,598	1,332	-
Due to other governmental units	-	(12,422)	(12,422)	-
Due to other funds	(504)	4,554	4,050	-
Due to others	-	-	-	(360,000)
Unearned revenue	(6,930)	-	(6,930)	6,764
Net other postemployment benefit obligation	13,494	22,824	36,318	-
Net cash provided by (used in) operating activities	<u>\$ 1,257,844</u>	<u>\$ 1,103,647</u>	<u>\$ 2,361,491</u>	<u>\$ (562,483)</u>
Noncash capital and other financing activities:				
Capital contributions	<u>\$ 54,669</u>	<u>\$ -</u>	<u>\$ 54,669</u>	<u>\$ -</u>

concluded

The accompanying notes are an integral part of these basic financial statements.

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Statement of Fiduciary Net Position
 Fiduciary Funds
 March 31, 2017

	Retiree Health Trust	Agency Funds
Assets		
Cash and cash equivalents	\$ -	\$ 96,036
Investments - mutual funds	3,525,751	-
Delinquent personal property taxes	-	101,759
Due from others	-	7,028
	<u>3,525,751</u>	<u>204,823</u>
Total assets	<u>3,525,751</u>	<u>\$ 204,823</u>
Liabilities		
Due to others	-	\$ 128,637
Due to other governmental units	-	76,186
	<u>-</u>	<u>204,823</u>
Total liabilities	<u>-</u>	<u>\$ 204,823</u>
Net position restricted for retiree healthcare	<u>\$ 3,525,751</u>	

The accompanying notes are an integral part of these basic financial statements.

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Statement of Changes in Fiduciary Net Position

Retiree Health Trust

For the Year Ended March 31, 2017

	Retiree Health Trust
Additions	
Contributions:	
Employer	\$ 247,000
Current premium contributions	271,797
Total contributions	<u>518,797</u>
Investment income:	
Net appreciation in fair value of investments	<u>388,233</u>
Total additions	<u>907,030</u>
Deductions	
Retiree healthcare premium payments	271,797
Administration	<u>7,683</u>
Total deductions	<u>279,480</u>
Change in net position	627,550
Net position, beginning of year	<u>2,898,201</u>
Net position, end of year	<u><u>\$ 3,525,751</u></u>

The accompanying notes are an integral part of these basic financial statements.

NOTES TO FINANCIAL STATEMENTS

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

Saginaw Charter Township is a municipal corporation governed by an elected Board. As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the Township.

Government-wide and Fund Financial Statements

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. For the most part, the effect of the interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements, except for agency funds which do not have a measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, or within one year for reimbursement-based grants. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, intergovernmental revenues and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those accounted for and reported in another fund.

The *fire protection special revenue fund* accounts for the separate voted millage and related operation of the fire department.

The *police special revenue fund* accounts for the separate voted millage and the related operation of the police department.

The *garbage and rubbish collection special revenue fund* accounts for separate charges for service and the related operation of garbage and rubbish collection.

The government reports the following major proprietary funds:

The *water enterprise fund* accounts for the activities of the government's water distribution system.

The *sewer enterprise fund* accounts for the activities of the government's sewage disposal and treatment system.

Additionally, the Township reports the following fund types:

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than capital projects.

Capital project funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Internal service funds account for health benefits and risk management services provided to other departments or agencies of the government on a cost reimbursement basis.

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

The *retiree health trust* fund accounts for the accumulation of resources to be used for certain health costs for retirees.

The *agency funds* are custodial in nature and do not present results of operations or have a measurement focus. These funds are used to account for assets held for other governments in an agency capacity, including tax collections.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's water and sewer functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

When both restricted and unrestricted resources are available for use, it is the Township's policy to use restricted resources first, then unrestricted resources as they are needed.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Equity

Deposits and Investments

The government's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the government to deposit in the accounts of federally insured banks, credit unions, and savings and loan associations, and to invest in obligations of the U.S. Treasury, certain commercial paper, repurchase agreements, banker's acceptances, and mutual funds composed of otherwise legal investments.

Investments are reported at fair value.

Receivables and Payables

All receivables and payables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. The Township expects to receive all outstanding receivable balances, therefore, no allowance was considered necessary as of March 31, 2017.

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business type activities are reported in the government wide financial statements as “internal balances.”

Inventory and Prepaids

Inventory maintained by the general fund and water enterprise fund is valued at cost using the first-in, first-out method. Inventory of expendable supplies in other funds have not been recorded and the amount of any such inventory is not considered material. The cost value of such expendable supplies was recorded as an expenditure at the time of purchase.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Items are recorded as prepaid at the time of payment if the Township is to receive a future benefit. Prepaids in governmental funds are accounted for using the purchase method.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure such as water and sewer systems, are reported in the governmental and business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition cost at the date of donation. The governmental activities have no infrastructure assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are expensed when incurred.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities, if any, is included as part of the capitalized value of the assets constructed. No such interest expense was incurred during the current fiscal year. Capital assets of the primary government are depreciated using the straight-line method over the following estimated useful lives:

	Years
Land improvements	20-30
Buildings and improvements	20-50
Water / sewer plants and mains	5-40
Equipment	5-20
Vehicles	5-20

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

Deferred Outflows of Resources

In addition to assets, the statement of financial 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 one or more future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Township reports deferred outflows of resources related to its pension plan for differences between expected and actual experience, changes in assumptions, differences between projected and actual earnings on investments and contributions made subsequent to the measurement date.

Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Deferred Inflows of Resources

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The governmental funds report unavailable revenues, which arise only under a modified accrual basis of accounting, from special assessments receivable. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Fund Equity

Governmental funds report nonspendable fund balance for amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Restricted fund balance is reported when externally imposed constraints are placed on the use of resources by grantors, contributors, or laws or regulations of other governments. Committed fund balance is reported for amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Trustees (the government's highest level of decision-making authority). A formal resolution of the Board of Trustees is required to establish, modify, or rescind a fund balance commitment. The Township reports assigned fund balance for amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. The Board of Trustees by resolution has delegated the authority to assign fund balance to the Fiscal Services Director. Unassigned fund balance is the residual classification for the general fund.

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

When the government incurs an expenditure for purposes for which various fund balance classifications can be used, it is the government's policy to use restricted fund balance first, then committed fund balance, assigned fund balance, and finally unassigned fund balance.

Pensions

For purposes 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 plan and additions to/deductions from the plan fiduciary net position have been determined on the same basis as they are reported by the 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.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

The Township utilizes various investment instruments which are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

2. BUDGETARY INFORMATION

Comparisons to budget are presented for the general and special revenue funds as required by generally accepted accounting principles. The Township follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to March 31, the Township Manager submits to the Township Board a proposed operating budget for the fiscal year commencing the following April 1. The operating budget includes proposed expenditures and the means of financing them. A public hearing is conducted to obtain taxpayer comments.
2. The budget is legally enacted through passage of a resolution on or before March 31.
3. Budgets for the general and special revenue funds are legally adopted on a basis consistent with generally accepted accounting principles (GAAP). The budget for the general fund and special revenue funds is adopted at the activity level. Expenditures are reported using the administrative detail for informational purposes.
4. Adoption and amendments of all budgets used by the Township are governed by Michigan Public Act 621, which was complied with during the year ended March 31, 2017. Any amendment of the original budget must meet the requirements of Public Act 621. The Township amended its budget for the year ended March 31, 2017.
5. The Township Board must approve amendments to the budget for changes in activities which exceed \$1,500 in the general fund. Management can amend appropriations in the budget between activities for amounts less than \$1,500 without the approval of the Board. Changes in total expenditures in the special revenue funds must be approved by the Township Board.

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

Budgeted amounts are as originally adopted, or as amended by the Township Board. Encumbered appropriations lapse at year-end and amounts are reappropriated for expenditures to be incurred in the next fiscal year.

For the year ended March 31, 2017, the Township incurred expenditures in excess of the amounts appropriated, as follows:

	Total Appropriations	Amount of Expenditures	Budget Variance
General fund			
Road construction and resurfacing	\$ 177,850	\$ 193,064	\$ 15,214

3. DEPOSITS AND INVESTMENTS

A reconciliation of cash and investments as shown in the basic financial statements to the Township's deposits and investments is as follows:

Statement of net position		
Cash and cash equivalents	\$ 23,759,871	
Investments	50,575	
Statement of fiduciary net position		
Cash and cash equivalents	96,036	
Investments - mutual funds	<u>3,525,751</u>	
Total		<u>\$ 27,432,233</u>
Deposits and investments		
Bank deposits	\$ 23,854,457	
Investments	3,576,326	
Cash on hand	<u>1,450</u>	
Total		<u>\$ 27,432,233</u>

The Township chooses to disclose its investments by specifically identifying each. As of March 31, 2017, the Township had the following investments:

	Maturity	Fair Value	S&P Rating
MBIA Michigan Class Pool	N/A	\$ 50,575	AAAm
Mutual funds on deposit with MERS	N/A	<u>3,525,751</u>	Not rated
Total		<u>\$ 3,576,326</u>	

Interest Rate Risk. State law limits the allowable investments and the maturities of some of the allowable investments as identified below. The Township's investment policy does not have specific limits in excess of state law on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

Credit Risk. State law limits investments to specific government securities, certificates of deposit and bank accounts with qualified financial institutions, commercial paper with specific maximum maturities and ratings when purchased, bankers acceptances of specific financial institutions, qualified mutual funds and qualified external investment pools as identified in the list of authorized investments in the summary of significant accounting policies. The Township’s investment policy does not have specific limits in excess of state law on investment credit risk. Credit risk ratings, where applicable, are noted above.

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of a bank failure, the Township’s deposits may not be returned. State law does not require and the Township does not have a policy for deposit custodial credit risk. As of year-end \$22,446,666 of the Township’s bank balance of \$24,910,961 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Custodial Credit Risk - Investments. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State law does not require and the Township does not have a policy for investment custodial credit risk. The MERS total market pool and MBIA investments above are held in the counterparty’s trust department in the Township’s name, so are not exposed to custodial credit risk.

Concentration of Credit Risk. State law limits allowable investments but does not limit concentration of credit risk as identified below. The Township’s investment policy does not have specific limits in excess of state law on concentration of credit risk.

The Township Board is authorized to designate depositories for Township funds, and to determine that the funds are invested in accordance with State of Michigan statutory authority. The Township’s deposits are in accordance with statutory authority.

The MBIA Michigan Class and MERS total market pools operate in accordance with appropriate state laws and regulations. The reported value of the pools is the same as the fair value of the pooled shares.

Fair Value Measurement

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 assets. 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. The Township had the following recurring fair value measurements as of year end:

Investment Type	Level 1	Level 2	Level 3	Total Fair Value
Michigan Class investment pool	\$ -	\$ 50,575	\$ -	\$ 50,575
Mutual funds on deposit with MERS	1,107,112	733,621	1,035,337	2,876,070
	<u>\$ 1,107,112</u>	<u>\$ 784,196</u>	<u>\$ 1,035,337</u>	<u>\$ 2,926,645</u>

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

4. RECEIVABLES

Receivables of the primary government are as follows:

	Governmental Activities	Business-type Activities
Taxes	\$ 552,247	\$ -
Accounts	72,079	3,919,072
Special assessments:		
Due within one year	-	22,270
Due after one year	74,721	520,292
Due from other governmental units	604,478	-
Advance to Soccer Association		
Due within one year	76,190	-
Due after one year	38,734	-
Advance to Mid Michigan Waste Authority	144,100	-
	<u>\$ 1,562,549</u>	<u>\$ 4,461,634</u>

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not earned. At the end of the current fiscal year, the Township has recorded \$74,721 of deferred inflows of resources for special assessments receivable.

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

5. CAPITAL ASSETS

Capital asset activity for the year ended March 31, 2017, was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Governmental Activities					
Capital assets not being depreciated:					
Land	\$ 1,168,098	\$ -	\$ -	\$ -	\$ 1,168,098
Construction in progress	239,182	-	-	(239,182)	-
	<u>1,407,280</u>	<u>-</u>	<u>-</u>	<u>(239,182)</u>	<u>1,168,098</u>
Capital assets being depreciated:					
Land improvements	6,808,080	101,034	(141,549)	239,182	7,006,747
Buildings and improvements	11,592,410	8,128	-	-	11,600,538
Equipment	1,241,560	36,625	(110,715)	-	1,167,470
Vehicles	5,372,843	186,127	(206,885)	-	5,352,085
	<u>25,014,893</u>	<u>331,914</u>	<u>(459,149)</u>	<u>239,182</u>	<u>25,126,840</u>
Less accumulated depreciation for:					
Land improvements	(4,796,427)	(168,494)	134,580	-	(4,830,341)
Buildings and improvements	(4,991,894)	(264,371)	-	-	(5,256,265)
Equipment	(968,399)	(57,782)	109,289	-	(916,892)
Vehicles	(3,129,986)	(339,427)	204,790	-	(3,264,623)
	<u>(13,886,706)</u>	<u>(830,074)</u>	<u>448,659</u>	<u>-</u>	<u>(14,268,121)</u>
Total capital assets being depreciated, net	<u>11,128,187</u>	<u>(498,160)</u>	<u>(10,490)</u>	<u>239,182</u>	<u>10,858,719</u>
Governmental activities capital assets, net	<u>\$ 12,535,467</u>	<u>\$ (498,160)</u>	<u>\$ (10,490)</u>	<u>\$ -</u>	<u>\$ 12,026,817</u>

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Business-type Activities					
Capital assets not being depreciated:					
Land	\$ 283,260	\$ -	\$ -	\$ -	\$ 283,260
Construction in progress	98,180	292,686	-	(272,448)	118,418
	<u>381,440</u>	<u>292,686</u>	<u>-</u>	<u>(272,448)</u>	<u>401,678</u>
Capital assets being depreciated:					
Buildings, plants and mains	90,668,864	276,428	(2,059,315)	272,448	89,158,425
Equipment	1,647,519	36,010	(49,185)	-	1,634,344
Vehicles	913,160	109,902	(32,021)	-	991,041
	<u>93,229,543</u>	<u>422,340</u>	<u>(2,140,521)</u>	<u>272,448</u>	<u>91,783,810</u>
Less accumulated depreciation for:					
Buildings, plants and mains	(46,392,139)	(1,977,703)	2,059,315	-	(46,310,527)
Equipment	(1,222,799)	(89,340)	49,185	-	(1,262,954)
Vehicles	(624,337)	(61,646)	32,021	-	(653,962)
	<u>(48,239,275)</u>	<u>(2,128,689)</u>	<u>2,140,521</u>	<u>-</u>	<u>(48,227,443)</u>
Total capital assets being depreciated, net	<u>44,990,268</u>	<u>(1,706,349)</u>	<u>-</u>	<u>272,448</u>	<u>43,556,367</u>
Business-type activities capital assets, net	<u>\$ 45,371,708</u>	<u>\$ (1,413,663)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,958,045</u>

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

Depreciation of governmental activities by function

General government	\$ 73,152
Public safety	435,282
Public works	40,984
Highways and streets	48,374
Recreation and culture	232,282
	<u>\$ 830,074</u>

Depreciation of business-type activities by function

Water	\$ 704,169
Sewer	1,424,520
	<u>\$ 2,128,689</u>

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

6. INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS

The composition of interfund balances as of March 31, 2017, was as follows:

	Due from Other Funds	Due to Other Funds
General fund	\$ 244,483	\$ -
Water fund	-	87,186
Sewer fund	-	157,297
	<u>\$ 244,483</u>	<u>\$ 244,483</u>

The above balances generally resulted from a time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

Transfers are used to: (1) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them; (2) move receipts restricted to or allowed for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due; and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. The interfund transfer from the general fund to the police fund and nonmajor governmental funds is to subsidize those operations.

7. LONG-TERM LIABILITIES

Long-term debt activity for the year ended March 31, 2017, was as follows:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Governmental Activities					
Compensated absences	<u>\$ 885,511</u>	<u>\$ 605,625</u>	<u>\$ (626,566)</u>	<u>\$ 864,570</u>	<u>\$ 626,566</u>
Business-type Activities					
Bonds payable	\$ 8,302,795	\$ 17,322	\$ (617,133)	\$ 7,702,984	\$ 418,700
Installment purchase	13,234	-	(13,234)	-	-
	<u>8,316,029</u>	<u>17,322</u>	<u>(630,367)</u>	<u>7,702,984</u>	<u>418,700</u>
Compensated absences	189,317	145,773	(144,441)	190,649	144,441
Total business-type activities	<u>\$ 8,505,346</u>	<u>\$ 163,095</u>	<u>\$ (774,808)</u>	<u>\$ 7,893,633</u>	<u>\$ 563,141</u>

The Township has pledged future water and sewer customer revenues, net of specified operating expenses, to repay the \$7.7 million in bonds payable recorded in business-type activities. The bonds are payable solely from the water and sewer customers net revenues and are payable through 2041. Annual principal and interest payments on the bonds are expected to require less than 50 percent of net revenues. The total principal and interest remaining to be paid on the bonds is \$9,949,555. Principal and interest paid for the current year and total customer net revenues were \$617,133, \$302,937, and \$2,131,295, respectively. The Township has bonds payable debt that can be levied if there is no revenue to cover the obligation.

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

For the governmental activities, the compensated absences are generally liquidated by the general, fire protection, and police funds.

Business-type activities

Bonds payable at March 31, 2017, are comprised of the following individual issues:

2008 Capital Improvement Bonds due in annual installments of \$200,000 to \$500,000 through May 1, 2028, with interest at 4.20%.	\$ 4,400,000
2010 NWUA Sewage Disposal System Improvement Bonds. The Township participated, as a member of the NWUA, in a pump station improvement program. To finance this project \$4,450,000 in bonds were issued by the NWUA. The Township has a contract with NWUA for the cost of the construction attributable to its 3 year average flow. For the year ended March 31, 2017, the Township's share was \$539,120, plus their portion of the flow (52.266%), based on the 3 year average. Prorata share of annual installments varies from \$58,700 to \$137,944 through May 1, 2041, with interest at 3.00%.	2,347,984
2008 Special Assessment Bonds due in annual installments of \$85,000 to \$90,000 through May 1, 2023, with interest ranging from 4.20% to 4.90%.	625,000
2010 Capital Improvement Bonds due in annual installments of \$75,000 to \$90,000 through November 1, 2020 with interest at 4.35%.	<u>330,000</u>
Total bonds payable	<u>\$ 7,702,984</u>

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

Business-type bond debt service requirements to maturity are as follows:

Year Ended March 31,	Principal	Interest
2018	\$ 418,700	\$ 284,419
2019	531,635	263,087
2020	539,570	240,949
2021	547,505	218,369
2022	460,440	197,111
2023-2027	2,585,027	676,417
2028-2032	1,507,751	224,321
2033-2037	586,996	116,372
2038-2041	525,360	25,526
	<u>\$ 7,702,984</u>	<u>\$ 2,246,571</u>

8. BENEFIT PLANS

Defined Contribution Pension Plan

The Saginaw Charter Township Municipal Government Employees Pension Plan is a defined contribution pension plan, which is held in trust and covers 76 full-time employees, over the age of 18, employed with the Township for more than four months prior to April 1st. The Plan is administered by a third-party. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Defined contribution pension cost to the Township for the fiscal year ending March 31, 2017, was \$743,186, which represented 15 percent of current year covered payroll. Defined contribution pension cost to the employees was \$167,928. Contributions to the plan are recognized when due and payable. Plan provisions and contribution rates are set for union employees by contract and for non-union employees by resolution of the Township Board under the Township's Pension Ordinance. The Township contributes 15 percent of covered payroll, while employees are required to contribute 2 percent. Employees may make voluntary contributions not to exceed 25 percent of total wages.

The Township's contributions for each employee are fully vested after five years for non-union/police union employees and 10 years for Union Local 406 employees. Unvested benefits forfeited by employees who leave employment early are used to reduce future Township contributions. At March 31, 2017, assets of the defined contribution plan were valued at \$24,281,686.

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

Defined Benefit Pension Plan

Plan Description. As of April 1, 2010, members of the police union must enroll in the Municipal Employees Retirement System of Michigan (MERS) defined benefit pension. For police union employees participating in the Township's defined benefit pension plan, the plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. MERS is an agent multiple-employer, statewide public employee pension plan established by the Michigan Legislature under Public Act 135 of 1945 and administered by a nine member Retirement Board. Public Act 427 of 1984, as amended, establishes and amends the benefit provisions of the participants in MERS. MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained accessing the MERS website at www.mersofmich.com.

Benefits Provided. Pension benefits are calculated as final average compensation (based on a 5 year period) and multiplier of 2.00/2.50 (new/old members) percent. Participants are considered to be fully vested in the plan after 10/6 (new/old members) years. Normal retirement age is 60 with early retirement at age 55/50 (new/old members) with 25 years of service.

Employees Covered by Benefit Terms. At December 31, 2016, plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits	26
Inactive employees entitled to but not yet receiving benefits	9
Active employees	<u>33</u>
 Total membership	 <u><u>68</u></u>

Contributions. The Township is required to contribute at an actuarially determined rate; the current rate is 15% of annual covered payroll. The Township's contribution is capped at 15%. If the actuarially determined rate is higher than the cap, the difference is paid by the employees. Employees are currently required to contribute 12.21% to the Plan. The contribution requirements of the Township are established and may be amended by the MERS Retirement Board. The contribution requirements of plan members, if any, are established and may be amended by the Township depending on the MERS contribution program adopted by the Township.

Net Pension Liability. The Township's net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015.

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

Inflation	2.50%
Salary increases	3.75% in the long-term
Investment rate of return	7.75%, net of administrative and investment expenses, including inflation

Although no specific price inflation assumptions are needed for the valuation, the 2.50 percent long-term wage inflation assumption would be consistent with a price inflation of 3 - 4 percent.

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

Mortality rates used were based on the RP-2014 Group Annuity Mortality Table of a 50% Male and 50% Female blend. For disabled retirees, the regular mortality table is used with a 10-year set forward in ages to reflect the higher expected mortality rates of disabled members.

The actuarial assumptions used in the December 31, 2015 valuation were based on the results of the actuarial 2009-2013 Five-Year Experience Study, completed in 2015.

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

Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Expected Money-Weighted Rate of Return
Global equity	57.50%	5.02%	2.89%
Global fixed income	20.00%	2.18%	0.44%
Real assets	12.50%	4.23%	0.53%
Diversifying strategies	10.00%	6.56%	0.64%
	100%		
Inflation			3.25%
Administrative expenses netted above			0.50%
Investment rate of return			8.25%

Discount Rate. The discount rate used to measure the total pension liability is 8.25% for 2015. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

Changes in Net Pension Liability

The components of the change in the net pension liability are summarized as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at December 31, 2015	\$ 19,760,991	\$ 11,472,350	\$ 8,288,641
Changes for the year:			
Service cost	395,376	-	395,376
Interest	1,599,971	-	1,599,971
Changes in benefits	(2,541,688)	-	(2,541,688)
Differences between expected and actual experience	175,247	-	175,247
Changes in assumptions	1,108,393	-	1,108,393
Employer contributions	-	357,488	(357,488)
Employee contributions	-	271,458	(271,458)
Net investment income	-	1,286,251	(1,286,251)
Benefit payments, including refunds of employee contributions	(1,130,184)	(1,130,184)	-
Administrative expense	-	(25,411)	25,411
Other changes	(35,516)	-	(35,516)
Net changes	<u>(428,401)</u>	<u>759,602</u>	<u>(1,188,003)</u>
Balances at December 31, 2016	<u>\$ 19,332,590</u>	<u>\$ 12,231,952</u>	<u>\$ 7,100,638</u>

The pension obligation is expected to be liquidated by the police special revenue fund.

Changes in Benefits. The following benefits provisions apply to employees hired after March 1, 2015: (1) day of work defined as 8 hours a day for full time employees, (2) benefit FAC-5 (5 Year Final Average Compensation) (3) non standard compensation definition (4) 10 year vesting (5) benefit B-2 (6) benefit F55 (with 25 years of service) (6) participant contribution rate 9.19%.

Changes in Assumptions. Based on the 2009-2013 Experience Study the following assumptions were changed starting with the December 31, 2015 valuation: (1) mortality table was adjusted to reflect longer lifetimes, (2) assumed annual rate of return of investment return, net of all expenses, was lowered from 8% to 7.75% (3) asset smoothing period was changed from 10 years to 5 years (4) the amortization period was moved to a fixed period amortization for the December 31, 2015 annual valuations.

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability of the Township, calculated using the discount rate of 8.25%, as well as what the Township's net pension liability would be if it were calculated using a discount rate that is 1% lower (7.25%) or 1% higher (9.25%) than the current rate:

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
Township's net pension liability	\$ 9,390,018	\$ 7,100,638	\$ 5,199,667

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Plan financial statements.

Pension Expense and Deferred Outflows of Resources Related to Pensions

For the year ended March 31, 2017, the Township recognized pension expense of \$1,336,058. The Township reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources
Difference between expected and actual experience	\$ 140,198
Changes in assumptions	886,714
Net difference between projected and actual earnings on pension plan investments	407,285
	<u>1,434,197</u>
Contributions subsequent to the measurement date	<u>99,677</u>
Total	<u>\$ 1,533,874</u>

The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the total pension liability for the year ending March 31, 2018. Other amounts reported as deferred outflows of resources related to pension will be recognized in pension expense as follows:

Year Ended March 31,	Amount
2018	\$ 416,591
2019	416,591
2020	416,588
2021	<u>184,427</u>
Total	<u>\$ 1,434,197</u>

Payable to the Pension Plan. At March 31, 2017, the Township did not have any outstanding payables for contributions to the pension plan.

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

9. OTHER POSTEMPLOYMENT BENEFITS

Saginaw Township administers a single-employer defined benefit postemployment healthcare plan, the Retiree Health Trust. A separately issued financial report of the plan has not been prepared.

Membership of the plan consisted of the following at April 1, 2015, the date of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	27
Active plan members	<u>115</u>
Total	<u><u>142</u></u>

The Retiree Health Trust financial statements are prepared using the accrual basis of accounting. Employer contributions to the plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value. Investments that are traded on a national securities exchange are valued at the last reported sales price on the last business day of the Township's fiscal year. Investments traded in the over-the-counter market and listed securities for which no sale was reported on that date are valued at the last reported bid price.

The Township provides postemployment health care benefits in accordance with a Township resolution to all non-union employees who retire between the ages of 55 and 65 with at least 20 years of service, all police union employees retiring between the ages of 52 and 65 with 25 years of service, and Local 406 (Department of Public Services, "DPS") employees retiring between the ages of 55 and 65 with 25 years of service.

Prior to age 65, non-union and DPS employees are entitled to 50% of Blue Cross/Blue Shield health insurance premiums to a maximum annual benefit of \$2,500/\$5,000 and \$3,000/\$6,000, respectively. Payments are expensed as incurred in the individual funds. Police union retirees are eligible for 100% of Blue Cross/Blue Shield health insurance coverage annually. In addition, non-union police command employees are eligible for the 100% benefits which are not advance funded. Currently 17 retirees meet the eligibility requirements for these benefits. During the year, employer contributions totaled \$247,000 in addition to the current year premium payments of \$271,797 which were recognized for the retiree health benefit premiums.

Upon attaining age 65, the Township reimburses the Medicare supplement premiums for retirees and their qualified spouses up to \$1,436 per person annually. Expenditures for the reimbursement are recognized as they are paid in the health benefit internal service fund. Currently 18 retirees meet the eligibility requirements.

The Township's annual required contribution of the employer (ARC) is an amount actuarially determined in accordance with the parameters of GASB Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The Township's unfunded actuarial accrued liability, if any, is being amortized as a level percentage of projected payroll on an open basis. Township employees are not required to contribute to the plan.

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

For 2017, the components of the Township's annual OPEB (other postemployment benefits) cost for the year, the amount actually contributed to the Plan, and changes in the Township's net OPEB obligation of the Plan are as follows:

Annual required contribution	\$ 744,161
Interest on net OPEB obligation	111,498
Adjustment to annual required contribution	<u>(154,999)</u>
Net OPEB cost	700,660
Contributions made	<u>(518,797)</u>
Increase in net OPEB obligation	181,863
Net OPEB obligation, beginning of year	<u>2,787,460</u>
Net OPEB obligation, end of year	<u><u>\$ 2,969,323</u></u>
Net OPEB obligation reconciliation	
Governmental activities	\$ 2,376,348
Business-type activities:	
Water fund	220,324
Sewer fund	<u>372,651</u>
Net OPEB obligation, end of year	<u><u>\$ 2,969,323</u></u>

For the governmental activities, the OPEB obligation is generally liquidated by the general, fire protection, and police funds.

The Township's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation is as follows:

Three-Year Trend Information			
Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2015	\$ 1,037,483	57.2%	\$ 2,662,350
2016	697,111	82.1%	2,787,460
2017	700,660	74.0%	2,969,323

Plan provisions and contribution requirements are established and may be amended by the Township Board.

As of April 1, 2015, the date of the latest actuarial valuation, the Plan was 25.4 percent funded. The actuarial accrued liability for benefits was \$10,109,362, and the actuarial value of assets was \$2,566,542, resulting in an unfunded actuarial accrued liability (UAAL) of \$7,542,820. The covered payroll (annual payroll of active employees covered by the plan) was \$7,142,382, and the ratio of the UAAL to the covered payroll was 106 percent.

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedules of funding progress, presented as required supplementary information following the notes to the financial statements, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities or benefits.

The schedule of employer contributions, presented as required supplementary information (RSI) following the notes to the financial statement, presents trend information about the amounts contributed to the plan by employers in comparison to the ARC, an amount that is actuarially determined in accordance with the parameters of GASB Statement 43. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost for each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

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

The following actuarial assumptions were used in the development of Saginaw Charter Township's retiree health cost projections. Where consistent with the terms of the plan, actuarial assumptions have utilized the proposed assumptions for the Michigan Employees' Retirement System (MERS), and Michigan State Police Retirement System (MSPRS) as provided in their April 1, 2015, actuarial valuation reports.

- Inflation rate: 2.0-2.3% per year.
- Projected salary increase: 2.5% per year compounded annually.
- Interest discount rate: 4.00% compounded annually.
- Amortization period: 30 years
- Mortality: 50% male/50% female blend of the 1994 Group Annuity Mortality table. For disabled retirees, the table 50% male/50% female of the 1994 Group Annuity Mortality Table is used with a 10-year set forward in ages. Mortality improvements have not been assumed.
- Employee Turnover/Withdrawal: MERS rates for all employees.
- Disablement: MERS disability rates for all employees.
- Retirement: Actuary developed rates between 5 and 40 percent, based on years of service.
- Percentage of retirees participating in retiree medical coverage:
 - Future retirees* - 100% of current employees are expected to participate in Saginaw Charter Township's retiree health insurance plan.
 - Current retirees* - Actual retiree participation.
- Percentage of retirees electing family coverage:
 - Future retirees* - 75% of future retirees that take coverage are assumed to elect two-party coverage.
 - Current retirees* - Actual family coverage.
- Age difference of active employees and spouses: Spouses are the same age as the employees.
- Annual medical trend rate assumptions: Based on "Getzen" model published by the Society of Actuaries for purposes of evaluating long-term medical trend. 11.1% per annum for 2015 grading down to 10.0% per annum over an 6-year period.

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

- Expected monthly medical and dental costs per retiree: Estimates of monthly medical costs per retiree by age based on the Township's current premiums, adjusted for demographic differences between retirees and all participants. Saginaw Charter Township has a self-funded health plan administered by Blue Cross/Blue Shield of Michigan that they offer to their employees and retirees.

10. RISK MANAGEMENT

Generally Accepted Accounting Principles (GAAP) requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. A summary of the Township's self-insurance is as follows.

Health Benefit - The Township initiated a self-insurance health benefit package August 10, 1981. As of March 31, 2017, the maximum aggregate health liability to the Township was \$2,048,437. Amounts above this are covered by an insurance policy. In addition, insurance was purchased for individual health claims which have a \$45,000 per person deductible. Life insurance premiums, short-term disability benefits of 70% of compensation, police early-retiree health insurance and medigap premium reimbursement are also paid by this fund. Assets of this plan of \$735,098 are recorded in the health benefit internal service fund. Accounts payable and accrued liabilities of \$53,316 represent accrued wages and unpaid medical invoices which are incurred but not reported as of March 31, 2017, and are expected to be paid in the next year.

The changes in the claims liability for the years ended March 31, 2017 and 2016, are as follows:

	Beginning of Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	End of Year Liability
2016	\$ 73,783	\$ 1,977,950	\$ 1,994,085	\$ 57,648
2017	57,648	2,243,047	2,249,756	50,939

The Township is exposed to various risks of loss related to torts; theft of, damage to, and distribution of assets; errors and omissions; injuries to employees and natural disasters. The Township carries commercial insurance to cover any potential claims associated with these risks and has had no claims that exceeded the insurance coverage during the past three years.

Property and Liability - Saginaw Charter Township entered into a Joint Exercise of Powers Agreement with the Michigan Municipal Risk Management Authority (MMRMA) on July 19, 1985. Net position of \$142,881 represents Saginaw Charter Township's excess cash which is recorded in the MMRMA self insurance internal service fund. The liability of the fund is \$71,414 in estimated claims that were incurred but not reported (IBNR) as of March 31, 2017, and are expected to be paid in the next year.

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

The changes in the claims liability for the years ended March 31, 2017 and 2016, are as follows:

	Beginning of Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	End of Year Liability
2016	\$ 29,308	\$ 322,528	\$ 94,486	\$ 257,350
2017	257,350	(125,198)	60,738	71,414

Currently, the Township self-insures the first \$100,000 for each liability claim. After the first \$100,000 and up to \$15,000,000, the Michigan Municipal Risk Management Authority (MMRMA) is responsible for the claims. Each property claim is subject to a \$1,000 deductible, paid by the Township. A stop loss coverage through the MMRMA protects the Township from aggregate liability claims exceeding \$250,000. The revenues for this fund’s operation are reimbursements from various funds. The funds are charged for general liability insurance based on number of employees, previous claims, number of vehicles and other pertinent information. Losses, damages and administrative expenses are all paid from this fund.

There were no significant reductions in insurance coverage from the prior year and there were no insurance settlements exceeding insurance coverage in any of the past three years for either the health benefit or property and liability insurance.

11. PROPERTY TAXES

Township property taxes are attached as an enforceable lien on property as of December 1 and recorded in the Township ledgers as receivables as of that date. Township taxes are levied December 1 and are due without penalty on or before February 14. The December tax bills include the Township’s own property taxes, special assessments and taxes billed on behalf of Saginaw County.

Real property and special assessment taxes not collected as of March 1 are turned over to Saginaw County for collection, which advances the Township 100% for those delinquent taxes. Collection of delinquent personal property taxes remains the responsibility of the Township Treasurer.

Property taxes levied in December of each year and collected within sixty days after the fiscal year-end are recognized as revenue in that fiscal year.

The Township acts as a collection agent for Saginaw County, Saginaw Intermediate Schools, Delta College and Saginaw Charter Township Community Schools for property taxes.

Taxes collected on behalf of the educational institutions and Saginaw County are turned over to the districts and the County following collection and are accounted for in designated agency funds.

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

12. COMMITMENTS AND CONTINGENCIES

In the normal course of its activities, the Township is a party to various legal actions. After taking into consideration legal counsel's evaluation of pending actions, the Township is of the opinion that the potential claims not covered by insurance will not have a material effect on the financial statements.

In addition, the Township has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowance under terms of the grants, management believes that any required reimbursements would not be material.

As of March 31, 2017, the Township has a commitment of approximately \$157,000 for a fire apparatus for the fire department and \$469,000 remaining for the Leo Street and Pacelli Street Water Main replacements, as well as Michigan Avenue hydrant replacements.

13. OPERATING LEASES

The Township has several vehicles, copiers, and printers obtained through operating leases. The final lease payments, totaling \$23,667 are due in fiscal 2018.

Rent expense on operating leases was \$23,378 for the year ended March 31, 2017.

14. NET INVESTMENT IN CAPITAL ASSETS

The composition of net investment in capital assets as of March 31, 2017, was as follows:

	Governmental Activities	Business-type Activities
Capital assets:		
Capital assets not being depreciated	\$ 1,168,098	\$ 401,678
Capital assets being depreciated, net	10,858,719	43,556,367
	<u>12,026,817</u>	<u>43,958,045</u>
Related debt:		
Bonds payable	-	7,702,984
		<u>7,702,984</u>
Net investment in capital assets	<u>\$ 12,026,817</u>	<u>\$ 36,255,061</u>

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

15. FUND BALANCES - GOVERNMENTAL FUNDS

In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the Township classifies fund balances based primarily on the extent to which it is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Detailed information on fund balances of governmental funds is as follows:

	General Fund	Fire Protection	Police	Garbage and Rubbish Collection	Nonmajor Governmental Funds	Total
Nonspendable						
Inventory	\$ 26,095	\$ -	\$ -	\$ -	\$ -	\$ 26,095
Prepays	74,165	13,802	82,787	-	6,329	177,083
Long-term advances	114,924	-	-	-	-	114,924
	<u>215,184</u>	<u>13,802</u>	<u>82,787</u>	<u>-</u>	<u>6,329</u>	<u>318,102</u>
Restricted						
Fire protection	-	685,157	-	-	-	685,157
Police	-	-	4,630,321	-	-	4,630,321
Garbage and rubbish collection	-	-	-	1,742,362	-	1,742,362
Fire improvement	-	-	-	-	876,991	876,991
Art in public places	-	-	-	-	8,581	8,581
Parks	-	-	-	-	-	-
Special assessment improvements	-	-	-	-	-	-
	<u>-</u>	<u>685,157</u>	<u>4,630,321</u>	<u>1,742,362</u>	<u>885,572</u>	<u>7,943,412</u>
Committed						
Special assessments	-	-	-	-	979,983	979,983
Assigned						
Police	-	-	932,000	-	-	932,000
Center courts	112,066	-	-	-	-	112,066
Building capital projects	-	-	-	-	55,874	55,874
Art in public places	-	-	-	-	-	-
Parks	-	-	-	-	12,354	12,354
Community development	-	-	-	-	5,709	5,709
	<u>112,066</u>	<u>-</u>	<u>932,000</u>	<u>-</u>	<u>73,937</u>	<u>1,118,003</u>
Unassigned						
	<u>5,209,857</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,209,857</u>
Total fund balances - governmental funds						
	<u>\$ 5,537,107</u>	<u>\$ 698,959</u>	<u>\$ 5,645,108</u>	<u>\$ 1,742,362</u>	<u>\$ 1,945,821</u>	<u>\$ 15,569,357</u>

16. SUBSEQUENT EVENTS

In April 2017, the Township entered into a construction contract for approximately \$722,000 to remodel the fire station. The Township also purchased an engine apparatus and equipment totaling the amount of approximately \$453,000 in June 2017.



REQUIRED SUPPLEMENTARY INFORMATION

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Required Supplementary Information MERS Agent Multiple-Employer Defined Benefit Pension Plan

Schedule of Changes in the Township's Net Pension Liability and Related Ratios

	Year Ended March 31, 2017	Year Ended March 31, 2016
Total pension liability		
Service cost	\$ 395,376	\$ 406,867
Interest	1,599,971	1,531,237
Benefit payments, including refunds of employee contributions	(1,130,184)	(1,028,871)
Changes in benefits	(2,541,688)	-
Difference between expected and actual experience	175,247	-
Changes in assumptions	1,108,393	-
Other changes	(35,516)	(19,688)
Net change in total pension liability	<u>(428,401)</u>	<u>889,545</u>
Total pension liability, beginning of year	<u>19,760,991</u>	<u>18,871,446</u>
Total pension liability, end of year	<u>19,332,590</u>	<u>19,760,991</u>
Plan fiduciary net position		
Employer contributions	357,488	322,586
Employee contributions	271,458	234,135
Net investment income	1,286,251	(179,018)
Benefit payments, including refunds of employee contributions	(1,130,184)	(1,028,871)
Administrative expense	(25,411)	(26,326)
Net change in plan fiduciary net position	<u>759,602</u>	<u>(677,494)</u>
Plan fiduciary net position, beginning of year	<u>11,472,350</u>	<u>12,149,844</u>
Plan fiduciary net position, end of year	<u>12,231,952</u>	<u>11,472,350</u>
Township's net pension liability	<u>\$ 7,100,638</u>	<u>\$ 8,288,641</u>
Plan fiduciary net position as a percentage of total pension liability	63.3%	58.1%
Covered-employee payroll	\$ 2,079,587	\$ 2,055,071
Township's net pension liability as a percentage of covered-employee payroll	341%	403%

Notes:

The amounts presented for each fiscal year were determined as of December 31 of the preceding year.

GASB 68 was implemented in fiscal year 2016. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Required Supplementary Information MERS Agent Multiple-Employer Defined Benefit Pension Plan

Schedule of the Township's Net Pension Liability

Fiscal Year Ended March 31,	Total Pension Liability	Plan Net Position	Net Pension Liability	Plan Net Position as Percentage of Total Pension Liability	Covered-Employee Payroll	Net Pension Liability as Percentage of Covered Payroll
2016	\$ 19,760,991	\$ 11,472,350	\$ 8,288,641	58.1%	\$ 2,055,071	403%
2017	19,332,590	12,231,952	7,100,638	63.3%	2,079,587	341%

The amounts presented for each fiscal year were determined as of December 31 of the preceding year.

Note: GASB 68 was implemented in fiscal year 2016. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Required Supplementary Information

MERS Agent Multiple-Employer Defined Benefit Pension Plan

Schedule of Contributions

Fiscal Year Ended March 31,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered-Employee Payroll	Contributions as Percentage of Covered-Employee Payroll
2016	\$ 322,525	\$ 336,723	\$ (14,198)	\$ 2,283,884	14.7%
2017	362,548	367,954	(5,406)	2,423,270	15.2%

Note: GASB 68 was implemented in fiscal year 2016. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

Notes to Schedule of Contributions

Valuation date Actuarially determined contribution rates are calculated as of December 31, which is 15 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry-age normal
Amortization method	Level percent of payroll
Remaining amortization period	23 years
Asset valuation method	Open; 10-year smooth market
Inflation	2.50%
Salary increases	3.75% in the long-term
Investment rate of return	7.75%
Retirement age	Age-based table of rates that are specific to the type of eligibility condition. Last updated for the December 31, 2011 valuation. The next study is scheduled for 2016.
Mortality	50% Male - 50% Female blend of the 1994 Group Annuity Mortality Table. For disabled retirees, the regular mortality table is used with a 10-year set forward rate.

Changes in Benefits

The following benefits provisions apply to employees hired after March 1, 2015: (1) day of work defined as 8 hours a day for full time employees, (2) benefit FAC-5 (5 Year Final Average Compensation) (3) non standard compensation definition (4) 10 year vesting (5) benefit B-2 (6) benefit F55 (with 25 years of service) (6) participant contribution rate 9.19%.

Changes in Assumptions

Based on the 2009-2013 Experience Study the following assumptions were changed starting with the December 31, 2015 valuation: (1) mortality table was adjusted to reflect longer lifetimes, (2) assumed annual rate of return of investment return, net of all expenses, was lowered from 8% to 7.75% (3) asset smoothing period was changed from 10 years to 5 years.

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Required Supplementary Information Postemployment Healthcare Plan - Retiree Health Trust

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a) / c)
3/31/2011	\$ 872,338	\$ 7,691,250	\$ 6,818,912	11.3%	\$ 6,825,271	100%
4/1/2012	1,120,014	11,400,758	10,280,744	9.8%	6,731,926	153%
4/1/2015	2,566,542	10,109,362	7,542,820	25.4%	7,142,382	106%

Schedule of Employer Contributions

Year Ended March 31,	Annual Required Contribution	Percentage Contributed
2015	\$ 1,072,107	55.4%
2016	738,659	77.4%
2017	744,161	69.7%

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

These financial statements provide a more detailed view of the "Basic Financial Statements" presented in the preceding subsection.

Combining statements are presented when there is more than one fund of a given fund type. Individual fund statements are presented when there is only one fund of a given type. They are also necessary to present budgetary comparisons.

GENERAL FUND

The general fund accounts for all revenues and expenditures used to finance the traditional services associated with Township government, which are not accounted for and reported in other funds. In the Township these services include elections, data processing, motor pool, parks, public services, library and general administration services, and any other activity for which a special fund has not been created.

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Schedule of Revenues

Budget and Actual - General Fund
For the Year Ended March 31, 2017

	Original Budget	Amended Budget	Actual	Actual Over (Under) Amended Budget
Property taxes				
Operating	\$ 1,137,291	\$ 1,137,291	\$ 1,140,685	\$ 3,394
Administration fee	400,187	400,187	422,770	22,583
Interest and penalties on delinquent taxes	11,445	11,445	18,814	7,369
Total property taxes	1,548,923	1,548,923	1,582,269	33,346
Licenses and permits				
Ordinance 229 fees-business	26,200	26,200	25,375	(825)
Mobile home fees	4,100	4,100	4,331	231
Peddler's permits	1,900	1,900	2,490	590
Miscellaneous	2,000	2,000	300	(1,700)
Franchise fees	825,200	825,200	773,358	(51,842)
Total licenses and permits	859,400	859,400	805,854	(53,546)
Intergovernmental - State sources				
Sales tax - constitutional	3,199,400	3,199,400	3,242,993	43,593
Sales tax - statutory	108,084	108,084	108,087	3
Total intergovernmental - State sources	3,307,484	3,307,484	3,351,080	43,596
Charges for services				
Recreation fees	272,700	272,700	269,314	(3,386)
Sales	2,950	2,950	3,367	417
Administration fees	2,500	2,500	1,021	(1,479)
Zoning fees	6,000	6,000	4,200	(1,800)
Site review fees	9,500	9,500	9,701	201
Weed cutting	500	500	395	(105)
Other	28,000	28,000	48,475	20,475
Total charges for services	322,150	322,150	336,473	14,323
Fines and forfeits				
Parking	18,000	18,000	19,840	1,840
Circuit court	95,000	95,000	81,962	(13,038)
Ordinance	1,000	1,000	1,390	390
Total fines and forfeits	114,000	114,000	103,192	(10,808)
Special assessments				
Street lighting	460,000	460,000	402,405	(57,595)
Other	45,000	45,000	56,350	11,350
Total special assessments	505,000	505,000	458,755	(46,245)
Interest	7,500	7,500	11,792	4,292
Other				
Vehicles and equipment	1,090	1,090	24,344	23,254
Rent	79,107	79,107	84,919	5,812
Donations-private sources	5,100	5,100	4,030	(1,070)
Other miscellaneous	110,055	110,055	110,790	735
Total other	195,352	195,352	224,083	28,731
Total revenues	\$ 6,859,809	\$ 6,859,809	\$ 6,873,498	\$ 13,689

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Schedule of Expenditures

Budget and Actual - General Fund
For the Year Ended March 31, 2017

	Original Budget	Amended Budget	Actual	Actual Over (Under) Amended Budget
General government				
Township board:				
Fees and per diem	\$ 20,000	\$ 20,000	\$ 20,000	\$ -
Supplies	9,400	9,400	9,312	(88)
Dues and conferences	8,500	10,000	9,930	(70)
Total township board	37,900	39,400	39,242	(158)
Township supervisor:				
Salaries and wages	19,697	19,697	19,701	4
Miscellaneous	1,180	1,280	1,198	(82)
Total township supervisor	20,877	20,977	20,899	(78)
Township manager:				
Salaries and wages	178,387	158,448	157,217	(1,231)
Supplies	1,280	1,280	1,009	(271)
Contractual service	5,000	5,000	3,450	(1,550)
Education and training	4,010	2,510	1,622	(888)
Miscellaneous	500	500	312	(188)
Total township manager	189,177	167,738	163,610	(4,128)
Fiscal services:				
Salaries and wages	211,748	216,396	216,580	184
Supplies	350	350	95	(255)
Education and training	1,275	925	370	(555)
Miscellaneous	100	100	395	295
Total fiscal services	213,473	217,771	217,440	(331)
Elections/clerk:				
Elections:				
Salaries and wages	109,096	109,096	108,914	(182)
Supplies	22,600	17,600	12,221	(5,379)
Computer services and maintenance	5,500	5,500	2,994	(2,506)
Education and training	200	200	-	(200)
Equipment	38,000	-	-	-
Miscellaneous	1,400	1,400	1,028	(372)
Clerk:				
Salaries	80,260	82,871	80,029	(2,842)
Supplies	1,500	1,500	1,346	(154)
Contractual services	10,600	10,600	5,839	(4,761)
Education and training	2,950	2,950	2,281	(669)
Equipment repairs	300	300	-	(300)
Total elections/clerk	272,406	232,017	214,652	(17,365)

continued...

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Schedule of Expenditures

Budget and Actual - General Fund
For the Year Ended March 31, 2017

	Original Budget	Amended Budget	Actual	Actual Over (Under) Amended Budget
General government (continued)				
Data processing:				
Consultant services	\$ 20,600	\$ 20,600	\$ 16,433	\$ (4,167)
Repairs and maintenance	33,025	33,025	19,212	(13,813)
Supplies	3,900	3,900	2,223	(1,677)
Education and training	-	-	1,800	1,800
Internet services	12,775	12,775	12,774	(1)
Total data processing	<u>70,300</u>	<u>70,300</u>	<u>52,442</u>	<u>(17,858)</u>
Assessors:				
Salaries and wages	367,523	375,508	375,523	15
Supplies	-	18,390	15,576	(2,814)
Contractual services	-	756	703	(53)
Miscellaneous	-	500	-	(500)
Repairs and maintenance	-	500	-	(500)
Education and training	-	5,350	3,810	(1,540)
Equipment	-	300	-	(300)
Total assessors	<u>367,523</u>	<u>401,304</u>	<u>395,612</u>	<u>(5,692)</u>
Township attorney	<u>105,000</u>	<u>105,000</u>	<u>94,767</u>	<u>(10,233)</u>
Board of review:				
Fees and per diem	3,600	3,600	2,040	(1,560)
Miscellaneous	350	350	375	25
Total board of review	<u>3,950</u>	<u>3,950</u>	<u>2,415</u>	<u>(1,535)</u>
Treasurer's office:				
Salaries	122,492	124,794	126,395	1,601
Supplies	1,200	1,450	1,057	(393)
Repairs and maintenance	450	450	400	(50)
Education and training	1,250	1,250	918	(332)
Equipment	200	200	-	(200)
Miscellaneous	800	800	-	(800)
Total treasurer's office	<u>126,392</u>	<u>128,944</u>	<u>128,770</u>	<u>(174)</u>
Township property:				
Salaries	25,170	25,170	27,147	1,977
Postage	42,500	42,500	39,379	(3,121)
Operating supplies	15,100	15,100	14,508	(592)
Telephone	16,230	16,230	14,802	(1,428)
Insurance	57,800	112,800	113,903	1,103
Public utilities	42,500	42,500	38,530	(3,970)
Repairs and maintenance	39,200	53,700	52,588	(1,112)
Equipment	-	-	380	380
Miscellaneous	250	8,000	8,000	-
Total township property	<u>238,750</u>	<u>316,000</u>	<u>309,237</u>	<u>(6,763)</u>

continued...

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Schedule of Expenditures

Budget and Actual - General Fund
For the Year Ended March 31, 2017

	Original Budget	Amended Budget	Actual	Actual Over (Under) Amended Budget
General government (concluded)				
Motor vehicle - equipment pool:				
Supplies	\$ 15,000	\$ 15,000	\$ 22,895	\$ 7,895
Gas and oil	28,000	35,500	15,154	(20,346)
Repairs and maintenance	15,000	15,000	15,260	260
Insurance	27,000	27,000	27,237	237
Equipment	69,000	69,000	66,737	(2,263)
Miscellaneous	300	300	584	284
Total motor vehicle - equipment pool	154,300	161,800	147,867	(13,933)
Less: administration reimbursement	(836,250)	(836,250)	(737,442)	98,808
Other:				
Social security - township share	163,833	167,120	161,662	(5,458)
Health insurance - cash benefit	6,000	6,000	6,030	30
Hospitalization insurance	495,780	495,780	496,440	660
Life insurance	10,992	10,992	10,992	-
Disability insurance	23,664	53,664	64,337	10,673
Retirement contribution	342,426	342,426	321,552	(20,874)
Retiree health	159,703	159,703	159,703	-
Unemployment compensation	2,150	2,150	1,024	(1,126)
Workmen's compensation insurance	32,255	32,255	31,160	(1,095)
Less workmen's compensation dividend	(9,200)	(9,200)	(7,425)	1,775
Total other	1,227,603	1,260,890	1,245,475	(15,415)
Total general government	2,191,401	2,289,841	2,294,986	5,145
Public safety				
Parking enforcement:				
Salaries	16,588	16,588	15,814	(774)
Supplies	250	250	-	(250)
Miscellaneous	7,750	7,750	3,969	(3,781)
Equipment	250	250	73	(177)
Total parking enforcement	24,838	24,838	19,856	(4,982)
Housing inspection:				
Salaries	8,500	8,500	9,108	608
Services-maintenance	40,000	54,000	42,770	(11,230)
Total housing inspection	48,500	62,500	51,878	(10,622)
Planning:				
Planning department:				
Salaries and wages	311,444	303,117	280,885	(22,232)
Operating supplies	5,600	5,600	4,394	(1,206)
Contractual services	35,400	35,400	42,889	7,489
Development plan	9,000	9,000	1,413	(7,587)
Education and training	7,170	7,170	5,223	(1,947)
Miscellaneous	4,400	4,400	5,103	703

continued...

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Schedule of Expenditures Budget and Actual - General Fund For the Year Ended March 31, 2017

	Original Budget	Amended Budget	Actual	Actual Over (Under) Amended Budget
Public safety (concluded)				
Planning (concluded):				
Zoning board of appeals:				
Wages	\$ 1,680	\$ 1,680	\$ 385	\$ (1,295)
Education and training	1,080	1,080	-	(1,080)
Total planning	<u>375,774</u>	<u>367,447</u>	<u>340,292</u>	<u>(27,155)</u>
Less: administration reimbursement	<u>(14,696)</u>	<u>(14,696)</u>	<u>-</u>	<u>14,696</u>
Total public safety	<u>434,416</u>	<u>440,089</u>	<u>412,026</u>	<u>(28,063)</u>
Highway and streets				
Department of public services:				
Salaries	428,496	392,935	384,508	(8,427)
Operating supplies	18,591	18,591	19,480	889
Contractual services	10,900	10,900	12,221	1,321
Education and training	750	750	297	(453)
Miscellaneous	1,000	1,000	246	(754)
Total department of public services	<u>459,737</u>	<u>424,176</u>	<u>416,752</u>	<u>(7,424)</u>
Sidewalks:				
Repairs	<u>100,000</u>	<u>80,000</u>	<u>75,917</u>	<u>(4,083)</u>
Road construction and resurfacing				
County Road Commission	<u>65,750</u>	<u>177,850</u>	<u>193,064</u>	<u>15,214</u>
Street lighting	<u>500,000</u>	<u>450,000</u>	<u>437,899</u>	<u>(12,101)</u>
Total highway and streets	<u>1,125,487</u>	<u>1,132,026</u>	<u>1,123,632</u>	<u>(8,394)</u>
Public works				
Drains - public benefit:				
Storm water authority	35,675	35,675	35,108	(567)
Drains-at-large	<u>50,000</u>	<u>69,550</u>	<u>69,598</u>	<u>48</u>
Total public works	<u>85,675</u>	<u>105,225</u>	<u>104,706</u>	<u>(519)</u>

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SAGINAW CHARTER TOWNSHIP, MICHIGAN

Schedule of Expenditures

Budget and Actual - General Fund
For the Year Ended March 31, 2017

	Original Budget	Amended Budget	Actual	Actual Over (Under) Amended Budget
Recreation and culture				
Parks and recreation:				
Salaries	\$ 395,642	\$ 400,386	\$ 404,922	\$ 4,536
Officials	65,000	65,000	55,809	(9,191)
Operating supplies	60,900	60,900	59,132	(1,768)
Contractual services	9,500	9,500	6,782	(2,718)
Public utilities	59,000	59,000	51,267	(7,733)
Repairs and maintenance - equipment	188,730	193,730	196,680	2,950
Miscellaneous	5,052	5,052	5,763	711
Education and training	900	900	346	(554)
Total parks and recreation	<u>784,724</u>	<u>794,468</u>	<u>780,701</u>	<u>(13,767)</u>
Center courts:				
Salaries	132,346	132,346	121,557	(10,789)
Operating supplies	20,160	20,160	11,546	(8,614)
Contractual services	3,050	3,050	4,255	1,205
Public utilities	80,876	80,876	77,391	(3,485)
Repairs and maintenance	28,200	28,200	29,245	1,045
Miscellaneous	200	200	-	(200)
Equipment	-	-	13,400	13,400
Total center courts	<u>264,832</u>	<u>264,832</u>	<u>257,394</u>	<u>(7,438)</u>
Library:				
Salaries - maintenance	23,558	28,558	26,699	(1,859)
Supplies - operating	6,000	6,000	6,600	600
Services - Public Libraries of Saginaw	700,000	700,000	700,000	-
Public utilities	32,000	32,000	28,195	(3,805)
Repairs and maintenance	15,000	30,500	30,279	(221)
Total library	<u>776,558</u>	<u>797,058</u>	<u>791,773</u>	<u>(5,285)</u>
Total recreation and culture	<u>1,826,114</u>	<u>1,856,358</u>	<u>1,829,868</u>	<u>(26,490)</u>
Other functions	<u>112,625</u>	<u>32,625</u>	<u>32,160</u>	<u>(465)</u>
Total expenditures	<u>\$ 5,775,718</u>	<u>\$ 5,856,164</u>	<u>\$ 5,797,378</u>	<u>\$ (58,786)</u>

concluded

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for revenues derived from specific taxes or other "earmarked" revenue sources. The Township utilizes the following special revenue funds:

Community Development - This fund was established in April 2000 to comply with regulations issued for compliance with PA 245 of Michigan Public Acts of 1999. It accounts for the revenues and expenditures for construction site plan review, inspection, and construction code enforcement.

Fire Improvement - This fund was established in 1983 to purchase fire equipment, construct fire stations and other major capital outlay. Funding is currently received from the fire protection tax levy.

Art in Public Places - This fund is used to account for private donations received to fund an annual art show and display art works throughout the year at the township office.

Capital Project Funds

Building Capital Improvement - This fund was established in 2009 to receive transfers from the general, fire and police funds. The fund accounts for renovations made to various Township buildings.

Parks - This fund was established to construct park improvements from the proceeds of the sale of property adjacent to the Harvey Randall Wickes Recreational Complex.

Special Assessment Revolving - This fund was established by the 1985-86 budget resolution to receive transfers from the general fund consisting of balances on closed out water and sewer special assessment debt service funds. These monies are used to finance construction of public improvements supported by special assessments.

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Combining Balance Sheet Nonmajor Governmental Funds March 31, 2017

	Special Revenue Funds		
	Community Development	Fire Improvement	Art In Public Places
Assets			
Cash and cash equivalents	\$ 10,138	\$ 859,627	\$ 8,835
Accounts receivable	784	-	-
Special assessments receivable	-	-	-
Due from other governmental units	-	17,365	-
Prepays	6,075	-	254
Total assets	<u>\$ 16,997</u>	<u>\$ 876,992</u>	<u>\$ 9,089</u>
Liabilities			
Accounts payable	\$ 20	\$ 1	\$ 254
Accrued liabilities	5,193	-	-
Total liabilities	<u>5,213</u>	<u>1</u>	<u>254</u>
Deferred inflows of resources			
Unavailable revenue - special assessments	-	-	-
Fund balances			
Nonspendable	6,075	-	254
Restricted	-	876,991	8,581
Committed	-	-	-
Assigned	5,709	-	-
Total fund balances	<u>11,784</u>	<u>876,991</u>	<u>8,835</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 16,997</u>	<u>\$ 876,992</u>	<u>\$ 9,089</u>



Capital Projects Funds			
Building Capital Improvement	Parks	Special Assessment Revolving	Total
\$ 55,874	\$ 12,354	\$ 978,388	\$ 1,925,216
-	-	-	784
-	-	1,648	1,648
-	-	1,595	18,960
-	-	-	6,329
<u>\$ 55,874</u>	<u>\$ 12,354</u>	<u>\$ 981,631</u>	<u>\$ 1,952,937</u>
\$ -	\$ -	\$ -	\$ 275
-	-	-	5,193
-	-	-	5,468
-	-	1,648	1,648
-	-	-	6,329
-	-	-	885,572
-	-	979,983	979,983
55,874	12,354	-	73,937
<u>55,874</u>	<u>12,354</u>	<u>979,983</u>	<u>1,945,821</u>
<u>\$ 55,874</u>	<u>\$ 12,354</u>	<u>\$ 981,631</u>	<u>\$ 1,952,937</u>

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds For the Year Ended March 31, 2017

	Special Revenue Funds		
	Community Development	Fire Improvement	Art In Public Places
Revenues			
Property taxes	\$ -	\$ 400,958	\$ -
Licenses and permits	428,666	-	-
Charges for services	-	-	2,188
Special assessments	-	-	-
Interest	51	1,340	13
Other	437	-	5,000
Total revenues	429,154	402,298	7,201
Expenditures			
Current:			
Community development	486,745	-	-
Recreation and culture	-	-	6,955
Total expenditures	486,745	-	6,955
Revenues over (under) expenditures	(57,591)	402,298	246
Other financing sources			
Transfers in	58,380	-	-
Net change in fund balances	789	402,298	246
Fund balances, beginning of year	10,995	474,693	8,589
Fund balances, end of year	\$ 11,784	\$ 876,991	\$ 8,835



Capital Projects Funds			
Building Capital Improvement	Parks	Special Assessment Revolving	Total
\$ -	\$ -	\$ -	\$ 400,958
-	-	-	428,666
9,352	-	-	11,540
-	-	24,028	24,028
101	27	1,884	3,416
-	-	-	5,437
<u>9,453</u>	<u>27</u>	<u>25,912</u>	<u>874,045</u>
-	-	-	486,745
-	1,800	-	8,755
-	1,800	-	495,500
9,453	(1,773)	25,912	378,545
-	-	-	58,380
9,453	(1,773)	25,912	436,925
46,421	14,127	954,071	1,508,896
<u>\$ 55,874</u>	<u>\$ 12,354</u>	<u>\$ 979,983</u>	<u>\$ 1,945,821</u>

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual Community Development For the Year Ended March 31, 2017

	Original Budget	Amended Budget	Actual	Actual Over (Under) Amended Budget
Revenues				
Licenses and permits	\$ 385,500	\$ 385,500	\$ 428,666	\$ 43,166
Interest	-	-	51	51
Other	180	180	437	257
Total revenues	385,680	385,680	429,154	43,474
Expenditures				
Community development:				
Current:				
Salaries and wages	412,376	418,146	403,574	(14,572)
Supplies	1,000	1,000	1,431	431
Contractual services	43,260	43,260	42,864	(396)
Repairs and maintenance	960	960	967	7
Training and education	3,750	3,750	3,471	(279)
Office equipment	1,200	1,200	-	(1,200)
Miscellaneous	42,608	42,608	34,438	(8,170)
Total expenditures	505,154	510,924	486,745	(24,179)
Revenues under expenditures	(119,474)	(125,244)	(57,591)	67,653
Other financing sources				
Transfers in	119,474	125,244	58,380	(66,864)
Net change in fund balance	-	-	789	789
Fund balance, beginning of year	10,995	10,995	10,995	-
Fund balance, end of year	\$ 10,995	\$ 10,995	\$ 11,784	\$ 789

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual Fire Improvement For the Year Ended March 31, 2017

	Original Budget	Amended Budget	Actual	Actual Over (Under) Amended Budget
Revenues				
Property taxes	\$ 403,135	\$ 403,135	\$ 400,958	\$ (2,177)
Interest	2,000	2,000	1,340	(660)
Other	65,000	65,000	-	(65,000)
Total revenues	470,135	470,135	402,298	(67,837)
Expenditures				
Current:				
Public safety	590,000	590,000	-	(590,000)
Net change in fund balance	(119,865)	(119,865)	402,298	522,163
Fund balance, beginning of year	474,693	474,693	474,693	-
Fund balance, end of year	\$ 354,828	\$ 354,828	\$ 876,991	\$ 522,163

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual Art in Public Places For the Year Ended March 31, 2017

	Original Budget	Amended Budget	Actual	Actual Over (Under) Amended Budget
Revenues				
Charges for services	\$ 2,300	\$ 2,300	\$ 2,188	\$ (112)
Interest	-	-	13	13
Other	4,200	4,200	5,000	800
Total revenues	6,500	6,500	7,201	701
Expenditures				
Current:				
Recreation and culture	7,200	7,200	6,955	(245)
Net change in fund balance	(700)	(700)	246	946
Fund balance, beginning of year	8,589	8,589	8,589	-
Fund balance, end of year	\$ 7,889	\$ 7,889	\$ 8,835	\$ 946

INTERNAL SERVICE FUNDS

The Township uses the following internal service funds:

Health Benefit - This fund was created in 1981 to account for the receipt of revenues from the various operating funds of the Township to be used for payment of employee health benefits, short-term disability income, and third party processing costs and reinsurance.

MMRMA Self Insurance - This fund receives contributions from the other Township funds for property and liability self insurance and is used to account for transactions made on behalf of the Township by the Michigan Municipal Risk Management Authority.

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Combining Statement of Net Position

Internal Service Funds

March 31, 2017

	Health Benefit	MMRMA Self Insurance	Total
Assets (all current)			
Cash and cash equivalents	\$ 288,150	\$ 214,295	\$ 502,445
Investments	50,575	-	50,575
Accounts receivable	5,600	-	5,600
Prepays	390,773	-	390,773
Total assets	735,098	214,295	949,393
Liabilities (all current)			
Accounts payable	50,939	71,414	122,353
Accrued liabilities	2,377	-	2,377
Due to others	-	-	-
Unearned revenue	6,764	-	6,764
Total liabilities	60,080	71,414	131,494
Net position			
Unrestricted	<u>\$ 675,018</u>	<u>\$ 142,881</u>	<u>\$ 817,899</u>

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Combining Statement of Revenues, Expenses and Changes in Fund Net Position Internal Service Funds For the Year Ended March 31, 2017

	Health Benefit	MMRMA Self Insurance	Total
Operating revenues			
Charges for services	\$ 2,400,183	\$ 775,275	\$ 3,175,458
Operating expenses			
Administration	-	365,675	365,675
Property and liability claims	-	113,167	113,167
Health insurance benefit claims	2,490,047	-	2,490,047
Total operating expenses	2,490,047	478,842	2,968,889
Operating gain (loss)	(89,864)	296,433	206,569
Nonoperating revenues			
Interest	451	5,245	5,696
Change in net position	(89,413)	301,678	212,265
Net position (deficit), beginning of year	764,431	(158,797)	605,634
Net position, end of year	\$ 675,018	\$ 142,881	\$ 817,899

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Combining Statement of Cash Flows

Internal Service Funds

For the Year Ended March 31, 2017

	Health Benefit	MMRMA Self Insurance	Total
Cash flows from operating activities			
Cash received from employees and retirees	\$ 74,162	\$ -	\$ 74,162
Cash received from interfund services	2,332,785	775,275	3,108,060
Cash payments to suppliers for goods and services	(3,079,927)	(664,778)	(3,744,705)
Net cash provided by (used in) operating activities	<u>(672,980)</u>	<u>110,497</u>	<u>(562,483)</u>
Cash flows from investing activities			
Proceeds from the sale of investments	39,549	-	39,549
Interest received	451	5,245	5,696
Net cash provided by investing activities	<u>40,000</u>	<u>5,245</u>	<u>45,245</u>
Net increase (decrease) in cash and cash equivalents	(632,980)	115,742	(517,238)
Cash and cash equivalents, beginning of year	<u>921,130</u>	<u>98,553</u>	<u>1,019,683</u>
Cash and cash equivalents, end of year	<u>\$ 288,150</u>	<u>\$ 214,295</u>	<u>\$ 502,445</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ (89,864)	\$ 296,433	\$ 206,569
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Change in operating assets and liabilities that provided (used) cash:			
Prepays	(224,346)	-	(224,346)
Accounts payable	(6,709)	(185,936)	(192,645)
Unearned revenue	6,764	-	6,764
Accrued liabilities	1,175	-	1,175
Due to others	(360,000)	-	(360,000)
Net cash provided by (used in) operating activities	<u>\$ (672,980)</u>	<u>\$ 110,497</u>	<u>\$ (562,483)</u>

AGENCY FUNDS

Clearing Account - This fund is used to account for monies deposited with the Treasurer but requiring disbursement to multiple funds or other entities.

Current Tax Collections - This fund is used to account for current property tax collections.

Delinquent Tax Collections - This fund is used to account for unpaid personal property taxes.

Imprest Payroll - This fund is used to account for all payroll disbursements.

Golfside - This fund is used to account for the reimbursement of police patrol costs for special patrol of the Golfside subdivision.

Private Finance Construction - This fund is used to account for deposits by private developers for construction, by the Township, of water and sewer lines.

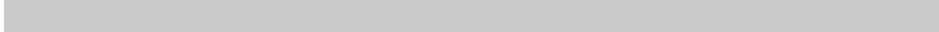
Contractor's Retainage - This fund is used to account for retainage deposits made on behalf of a contractor for the purpose of earning interest in the contractor's name.

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Combining Statement of Fiduciary Assets and Liabilities

Agency Funds
March 31, 2017

	Clearing Account	Current Tax Collections	Delinquent Tax Collections	Imprest Payroll
Assets				
Cash and cash equivalents	\$ 2,625	\$ 672	\$ -	\$ -
Delinquent personal property taxes receivable	-	-	101,759	-
Due from others	-	11	-	-
Total assets	\$ 2,625	\$ 683	\$ 101,759	\$ -
Liabilities				
Due to others	\$ 2,625	\$ 683	\$ 25,573	\$ -
Due to other governmental units	-	-	76,186	-
Total liabilities	\$ 2,625	\$ 683	\$ 101,759	\$ -



Golfside	Private Finance Construction	Jeopardy Tax Fund	Contractor's Retainage	Totals
\$ 1,664	\$ 90,845	\$ -	\$ 230	\$ 96,036
-	-	-	-	101,759
7,017	-	-	-	7,028
<u>\$ 8,681</u>	<u>\$ 90,845</u>	<u>\$ -</u>	<u>\$ 230</u>	<u>\$ 204,823</u>
\$ 8,681	\$ 90,845	\$ -	\$ 230	\$ 128,637
-	-	-	-	76,186
<u>\$ 8,681</u>	<u>\$ 90,845</u>	<u>\$ -</u>	<u>\$ 230</u>	<u>\$ 204,823</u>

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Combining Statement of Changes in Fiduciary Assets and Liabilities

Agency Funds

For the Year Ended March 31, 2017

	Balance April 1, 2016	Additions	Deductions	Balance March 31, 2017
Clearing Account Fund				
Assets				
Cash and cash equivalents	\$ 1,128	\$ 80,981	\$ 79,484	\$ 2,625
Liabilities				
Due to others	\$ 1,128	\$ 80,981	\$ 79,484	\$ 2,625
Current Tax Collections Fund				
Assets				
Cash and cash equivalents	\$ 18,432	\$ 46,153,420	\$ 46,171,180	\$ 672
Due from others	-	11	-	11
Total liabilities	\$ 18,432	\$ 46,153,431	\$ 46,171,180	\$ 683
Liabilities				
Due to others	\$ 766	\$ 12,313,166	\$ 12,313,249	\$ 683
Due to other governmental units	17,666	33,840,265	33,857,931	-
Total liabilities	\$ 18,432	\$ 46,153,431	\$ 46,171,180	\$ 683
Delinquent Tax Collections Fund				
Assets				
Cash and cash equivalents	\$ -	\$ 48,410	\$ 48,410	\$ -
Delinquent personal property taxes	84,834	67,842	50,917	101,759
Total assets	\$ 84,834	\$ 116,252	\$ 99,327	\$ 101,759
Liabilities				
Due to others	\$ 22,333	\$ 40,367	\$ 37,127	\$ 25,573
Due to other governmental units	62,501	71,923	58,238	76,186
Penalties and interest payable	-	3,962	3,962	-
Total liabilities	\$ 84,834	\$ 116,252	\$ 99,327	\$ 101,759

continued...

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Combining Statement of Changes in Fiduciary Assets and Liabilities

Agency Funds

For the Year Ended March 31, 2017

	Balance April 1, 2016	Additions	Deductions	Balance March 31, 2017
Imprest Payroll Fund				
Assets				
Cash and cash equivalents	\$ -	\$ 10,685,332	\$ 10,685,332	\$ -
Due from others	5,406	-	5,406	-
Total assets	\$ 5,406	\$ 10,685,332	\$ 10,690,738	\$ -
Liabilities				
Due to others	\$ 5,406	\$ 10,685,332	\$ 10,690,738	\$ -
Golfside				
Assets				
Cash and cash equivalents	\$ 552	\$ 67,017	\$ 65,905	\$ 1,664
Due from others	7,997	66,037	67,017	7,017
Total assets	\$ 8,549	\$ 133,054	\$ 132,922	\$ 8,681
Liabilities				
Due to others	\$ 8,549	\$ 133,054	\$ 132,922	\$ 8,681
Private Finance Construction				
Assets				
Cash and cash equivalents	\$ -	\$ 436,886	\$ 346,041	\$ 90,845
Liabilities				
Due to others	\$ -	\$ 436,886	\$ 346,041	\$ 90,845
Jeopardy Tax Fund				
Assets				
Cash and cash equivalents	\$ -	\$ 144	\$ 144	\$ -
Liabilities				
Due to others	\$ -	\$ -	\$ -	\$ -
Contractor's Retainage Fund				
Assets				
Cash and cash equivalents	\$ 230	\$ -	\$ -	\$ 230
Liabilities				
Due to others	\$ 230	\$ -	\$ -	\$ 230

continued...

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Combining Statement of Changes in Fiduciary Assets and Liabilities

Agency Funds

For the Year Ended March 31, 2017

	Balance April 1, 2016	Additions	Deductions	Balance March 31, 2017
Total-all agency funds				
Assets				
Cash and cash equivalents	\$ 20,342	\$ 57,472,190	\$ 57,396,496	\$ 96,036
Delinquent personal property taxes receivable	84,834	67,842	50,917	101,759
Due from others	13,403	66,048	72,423	7,028
Total assets	<u>\$ 118,579</u>	<u>\$ 57,606,080</u>	<u>\$ 57,519,836</u>	<u>\$ 204,823</u>
Liabilities				
Due to others	\$ 38,412	\$ 23,689,786	\$ 23,599,561	\$ 128,637
Due to other governmental units	80,167	33,912,188	33,916,169	76,186
Penalties and interest payable	-	3,962	3,962	-
Total liabilities	<u>\$ 118,579</u>	<u>\$ 57,605,936</u>	<u>\$ 57,519,692</u>	<u>\$ 204,823</u>

concluded

STATISTICAL SECTION

Statistical tables differ from the financial statements because they usually cover more than one year and may present non-accounting data. These tables reflect social and economic data, financial trends and the fiscal capability of the Township.

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Statistical Section Table of Contents

This part of the Township’s Comprehensive Annual Financial Report presents detailed information to assist the user in understanding what the financial statements, note disclosures and required supplementary information say about the overall economic condition of Saginaw Township.

		<u>Page</u>
Financial Trends Tables 1-4	These schedules contain trend information to help the reader understand and evaluate how the Township’s financial condition, performance and well-being have changed over time.	102-111
Revenue Capacity Tables 5-9	These schedules contain information to help the reader assess the Township’s ability to generate its most significant local revenue source, the property tax.	112-120
Debt Capacity Tables 10-13	These schedules present information to help the reader assess the affordability of the Township’s current levels of outstanding debt and its ability to issue additional debt in the future.	121-125
Demographic and Economic Information Table 14-15	These schedules present various demographic and economic indicators to help the reader understand the environment within which the Township operates and how they affect the Township’s financial activities.	126-127
Operating Information Tables 16-18	These schedules contain information about the Township’s operations and resources to help the reader understand how the information in the Township’s financial report relates to the services the Township provides and the activities it performs.	128-133

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Report for the relevant year.

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Net Position by Component

Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year			
	2008	2009	2010	2011
Governmental activities				
Net investment in capital assets	\$ 10,462,873	\$ 10,233,919	\$ 11,000,826	\$ 11,423,393
Restricted	-	-	-	-
Unrestricted (deficit)	<u>15,557,839</u>	<u>15,581,369</u>	<u>13,144,843</u>	<u>12,896,395</u>
Total governmental activities net position	<u>26,020,712</u>	<u>25,815,288</u>	<u>24,145,669</u>	<u>24,319,788</u>
Business-type activities				
Net investment in capital assets	38,676,447	40,143,550	41,822,045	39,982,111
Unrestricted	<u>5,387,951</u>	<u>7,984,596</u>	<u>7,951,227</u>	<u>9,010,974</u>
Total business-type activities net position	<u>44,064,398</u>	<u>48,128,146</u>	<u>49,773,272</u>	<u>48,993,085</u>
Primary government				
Net investment in capital assets	49,139,320	50,377,469	52,822,871	51,405,504
Restricted	-	-	-	-
Unrestricted	<u>20,945,790</u>	<u>23,565,965</u>	<u>21,096,070</u>	<u>21,907,369</u>
Total primary government net position	<u>\$ 70,085,110</u>	<u>\$ 73,943,434</u>	<u>\$ 73,918,941</u>	<u>\$ 73,312,873</u>

Table 1
Unaudited

Fiscal Year					
2012	2013	2014	2015	2016	2017
\$ 11,194,476	\$ 12,050,162	\$ 12,332,959	\$ 11,971,309	\$ 12,535,467	\$ 12,026,817
	5,309,504	4,066,819	4,212,572	5,914,023	8,040,255
12,379,500	4,636,419	4,008,643	5,611,231	(2,270,339)	(377,256)
<u>23,573,976</u>	<u>21,996,085</u>	<u>20,408,421</u>	<u>21,795,112</u>	<u>16,179,151</u>	<u>19,689,816</u>
39,710,508	39,336,705	38,486,362	37,959,130	37,055,679	36,255,061
8,454,692	8,911,212	9,189,951	9,718,693	11,448,886	12,077,712
<u>48,165,200</u>	<u>48,247,917</u>	<u>47,676,313</u>	<u>47,677,823</u>	<u>48,504,565</u>	<u>48,332,773</u>
50,904,984	51,386,867	50,819,321	49,930,439	49,591,146	48,281,878
	5,309,504	4,066,819	4,212,572	5,914,023	8,040,255
20,834,192	13,547,631	13,198,594	15,329,924	9,178,547	11,700,456
<u>\$ 71,739,176</u>	<u>\$ 70,244,002</u>	<u>\$ 68,084,734</u>	<u>\$ 69,472,935</u>	<u>\$ 64,683,716</u>	<u>\$ 68,022,589</u>

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

	2008	2009	2010	2011
Expenses				
Governmental activities				
General government	\$ 2,835,027	\$ 2,499,264	\$ 3,077,367	\$ 2,800,950
Public safety	7,352,925	7,530,896	8,179,947	8,027,261
Public works	2,517,508	2,418,256	1,801,809	1,936,945
Highway and streets	1,335,667	1,076,199	1,016,195	1,091,335
Community development	429,561	445,235	462,762	435,413
Recreation and culture	1,799,826	1,891,829	1,969,197	885,427
Total governmental activities expenses	16,270,514	15,861,679	16,507,277	15,177,331
Business-type activities:				
Sewer	4,960,853	5,192,550	5,366,142	5,549,570
Water	4,169,997	4,201,443	4,615,918	4,921,684
Total business-type activities expenses	9,130,850	9,393,993	9,982,060	10,471,254
Total primary government expenses	25,401,364	25,255,672	26,489,337	25,648,585
Program Revenues				
Governmental activities:				
Charges for services:				
General government	587,814	562,334	507,859	433,741
Public safety	188,138	240,970	220,814	232,665
Public works	1,765,763	1,725,061	1,583,867	1,586,100
Highways and streets	391,430	450,636	484,148	510,255
Community development	231,714	230,952	281,485	329,229
Recreation and culture	354,563	389,089	412,780	463,708
Operating grants and contributions	227,296	229,865	297,060	391,243
Capital grants and contributions	55,000	-	-	-
Total governmental activities program revenues	3,801,718	3,828,907	3,788,013	3,946,941
Business-type activities:				
Charges for services:				
Sewer	5,073,123	5,071,210	5,096,825	4,547,499
Water	3,855,270	3,889,194	4,668,896	4,965,184
Capital grants and contributions	124,609	4,225,615	1,749,462	238,052
Total business-type activities program revenues	9,053,002	13,186,019	11,515,183	9,750,735
Total primary government program revenues	12,854,720	17,014,926	15,303,196	13,697,676

Table 2
Unaudited

	2012	2013	2014	2015	2016	2017
\$	2,580,093	\$ 2,926,236	\$ 2,909,911	\$ 2,288,834	\$ 2,330,484	\$ 2,043,268
	7,727,872	8,080,467	8,293,347	8,453,387	8,969,486	7,037,309
	1,976,678	1,616,090	1,793,059	1,839,469	1,965,834	1,949,376
	1,178,305	1,007,096	1,542,996	1,095,794	1,411,497	1,127,782
	432,308	435,179	410,085	487,366	460,305	486,745
	1,785,970	2,061,903	1,448,412	2,059,299	2,031,047	2,051,003
	<u>15,681,226</u>	<u>16,126,971</u>	<u>16,397,810</u>	<u>16,224,149</u>	<u>17,168,653</u>	<u>14,695,483</u>
	6,174,723	5,833,084	6,240,183	6,341,458	6,299,380	6,457,734
	4,960,007	5,247,437	5,338,405	5,071,970	5,271,567	5,851,044
	<u>11,134,730</u>	<u>11,080,521</u>	<u>11,578,588</u>	<u>11,413,428</u>	<u>11,570,947</u>	<u>12,308,778</u>
	<u>26,815,956</u>	<u>27,207,492</u>	<u>27,976,398</u>	<u>27,637,577</u>	<u>28,739,600</u>	<u>27,004,261</u>
	409,128	379,741	346,813	665,733	731,223	654,849
	200,198	215,901	221,780	270,258	264,572	232,647
	1,589,300	1,591,170	1,597,724	1,599,655	1,920,248	1,943,342
	512,470	481,598	497,732	445,762	453,167	402,405
	378,994	385,524	361,747	391,297	399,139	429,103
	424,211	403,289	391,857	376,686	365,870	366,555
	237,287	367,713	571,155	264,073	216,932	117,016
	-	-	-	-	-	-
	<u>3,751,588</u>	<u>3,824,936</u>	<u>3,988,808</u>	<u>4,013,464</u>	<u>4,351,151</u>	<u>4,145,917</u>
	4,929,566	5,488,665	5,664,342	6,008,509	5,716,178	5,886,653
	5,005,409	5,335,282	5,304,823	5,216,657	5,282,624	6,140,901
	401,829	216,507	155,792	60,159	292,350	54,669
	<u>10,336,804</u>	<u>11,040,454</u>	<u>11,124,957</u>	<u>11,285,325</u>	<u>11,291,152</u>	<u>12,082,223</u>
	<u>14,088,392</u>	<u>14,865,390</u>	<u>15,113,765</u>	<u>15,298,789</u>	<u>15,642,303</u>	<u>16,228,140</u>

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

	2008	2009	2010	2011
Net (expense)/revenue				
Governmental activities	\$ (12,257,576)	\$ (12,032,772)	\$ (12,719,264)	\$ (11,230,390)
Business-type activities	(77,848)	3,792,026	1,533,123	(720,519)
Total primary government net expense	(12,335,424)	(8,240,746)	(11,186,141)	(11,950,909)
General revenues				
Governmental activities:				
Property taxes	6,512,631	6,453,425	6,419,913	6,393,806
Grants and contributions not restricted to specific programs	2,974,433	2,851,361	2,527,758	2,712,958
Unrestricted investment earnings	600,278	264,897	118,464	86,497
Franchise fees	488,751	514,231	568,706	642,824
Miscellaneous	35,971	98,488	72,914	129,127
Transfers - internal activities	193,657	223,047	228,214	218,739
Total governmental activities	10,805,721	10,405,449	9,935,969	10,183,951
Business-type activities:				
Unrestricted investment earnings	169,875	126,554	37,717	21,926
Gain on sale of capital assets	9,439	45,777	22,759	-
Miscellaneous	9,004	78,562	13,160	61,251
Transfers - internal activities	(193,657)	(223,047)	(228,214)	(218,739)
Total business-type activities	(5,339)	27,846	(154,578)	(135,562)
Total primary government	10,800,382	10,433,295	9,781,391	10,048,389
Change in net position				
Governmental activities	(123,045)	(205,424)	(1,669,619)	174,119
Business-type activities	(83,187)	4,063,748	1,645,126	(780,187)
Total primary government	\$ (206,232)	\$ 3,858,324	\$ (24,493)	\$ (606,068)

Table 2
Unaudited

2012	2013	2014	2015	2016	2017
\$ (11,929,638)	\$ (11,858,921)	\$ (11,918,780)	\$ (12,210,715)	\$ (12,817,502)	\$ (10,549,566)
(797,926)	(40,067)	(453,631)	(128,103)	(279,795)	(226,555)
(12,727,564)	(11,898,988)	(12,372,411)	(12,338,818)	(13,097,297)	(10,776,121)
6,391,591	6,422,463	6,406,329	9,466,064	9,772,762	9,807,748
3,054,233	2,973,296	3,025,985	3,282,325	3,213,789	3,364,047
88,779	61,473	34,195	19,427	14,204	30,839
667,437	696,824	729,752	771,698	785,718	773,358
234,017	53,814	62,736	57,892	61,596	84,239
213,832	218,000	229,856	-	-	-
10,649,889	10,425,870	10,488,853	13,597,406	13,848,069	14,060,231
14,649	9,152	8,260	25,855	43,885	42,572
51,551	-	-	-	-	12,191
44,445	76,457	66,206	103,758	96,498	-
(213,832)	(218,000)	(229,856)	-	-	-
(103,187)	(132,391)	(155,390)	129,613	140,383	54,763
10,546,702	10,293,479	10,333,463	13,727,019	13,988,452	14,114,994
(745,813)	(1,577,891)	(1,587,664)	1,386,691	1,030,567	3,510,665
(827,885)	82,717	(571,604)	1,510	(139,412)	(171,792)
\$ (1,573,698)	\$ (1,495,174)	\$ (2,159,268)	\$ 1,388,201	\$ 891,155	\$ 3,338,873

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2008	2009	2010	2011
General fund				
Reserved	\$ 651,991	\$ 572,385	\$ 446,120	\$ 398,662
Unreserved	4,101,484	4,145,024	3,709,258	4,112,543
Nonspendable	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total general fund	\$ 4,753,475	\$ 4,717,409	\$ 4,155,378	\$ 4,511,205
All other governmental funds				
Reserved	\$ 12,728	\$ 11,694	\$ 1,873	\$ 1,982
Unreserved:				
Special revenue funds	9,397,486	9,223,482	7,811,247	7,423,689
Capital projects funds	810,660	613,237	775,372	776,986
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Total all other governmental funds	\$ 10,220,874	\$ 9,848,413	\$ 8,588,492	\$ 8,202,657

The Township implemented GASB 54 in 2012.

Table 3
Unaudited

2012	2013	2014	2015	2016	2017
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
3,700,339	257,463	221,839	215,751	233,197	215,184
106,716	106,841	106,947	111,941	112,016	112,066
4,673,788	5,151,361	5,089,006	5,333,621	5,106,154	5,209,857
<u>\$ 8,480,843</u>	<u>\$ 5,515,665</u>	<u>\$ 5,417,792</u>	<u>\$ 5,661,313</u>	<u>\$ 5,451,367</u>	<u>\$ 5,537,107</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
145,053	154,465	155,410	4,379	83,903	102,918
7,306,732	5,155,039	4,066,214	4,212,572	5,836,495	7,943,412
-	-	-	923,174	954,071	979,983
17,998	22,557	59,795	1,001,717	1,005,757	1,005,937
<u>\$ 7,469,783</u>	<u>\$ 5,332,061</u>	<u>\$ 4,281,419</u>	<u>\$ 6,141,842</u>	<u>\$ 7,880,226</u>	<u>\$ 10,032,250</u>

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2008	2009	2010	2011
Revenues				
Property taxes	\$ 8,079,249	\$ 7,725,394	\$ 7,723,530	\$ 7,427,816
Licenses and permits	772,957	795,437	907,304	1,033,842
Intergovernmental:				
Federal sources	3,816	4,591	97,598	99,256
State sources	3,148,526	2,977,815	2,638,422	2,719,524
Charges for services	2,090,378	2,063,488	1,944,417	2,010,531
Fines and forfeits	163,759	168,088	180,745	169,642
Special assessments	414,534	817,906	750,220	756,597
Interest	523,153	226,032	93,852	68,311
Other	379,181	489,875	393,196	798,618
Total revenues	<u>15,575,553</u>	<u>15,268,626</u>	<u>14,729,284</u>	<u>15,084,137</u>
Expenditures				
General government	1,608,170	1,949,237	2,031,048	1,492,652
Public safety	7,556,701	7,385,006	8,606,160	7,542,536
Highway and streets	1,278,118	1,015,282	957,150	1,038,134
Public works	2,502,987	2,402,686	1,789,291	1,926,136
Community development	429,561	445,235	462,762	435,413
Recreation and culture	1,859,297	1,670,055	1,746,450	1,761,792
Other	1,043,600	1,171,987	1,186,589	1,136,221
Total expenditures	<u>16,278,434</u>	<u>16,039,488</u>	<u>16,779,450</u>	<u>15,332,884</u>
Revenues over (under) expenditures	<u>(702,881)</u>	<u>(770,862)</u>	<u>(2,050,166)</u>	<u>(248,747)</u>
Other financing sources (uses)				
Proceeds from issuance of debt	-	139,288	-	-
Transfers in	2,164,857	2,185,222	2,524,289	1,933,097
Transfers out	(1,971,200)	(1,962,175)	(2,296,075)	(1,714,358)
Total other financing sources (uses)	<u>193,657</u>	<u>362,335</u>	<u>228,214</u>	<u>218,739</u>
Net change in fund balances	<u>\$ (509,224)</u>	<u>\$ (408,527)</u>	<u>\$ (1,821,952)</u>	<u>\$ (30,008)</u>
Debt service as a percentage of noncapital expenditures	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>

Table 4
Unaudited

	2012	2013	2014	2015	2016	2017
\$	7,073,901	\$ 6,877,313	\$ 6,880,790	\$ 9,889,748	\$ 10,206,759	\$ 10,249,332
	1,108,323	1,144,719	1,151,056	1,223,704	1,245,303	1,262,504
	5,026	63,216	363,723	32,846	-	-
	3,122,439	3,108,758	3,139,771	3,338,768	3,244,259	3,385,226
	1,988,686	1,978,825	1,973,572	1,999,074	2,308,549	2,316,441
	138,013	132,716	124,829	107,680	109,496	103,192
	754,237	589,511	578,407	549,221	518,028	482,783
	67,250	49,446	27,151	13,730	9,536	25,143
	685,647	466,727	412,712	509,355	580,414	399,920
	<u>14,943,522</u>	<u>14,411,231</u>	<u>14,652,011</u>	<u>17,664,126</u>	<u>18,222,344</u>	<u>18,224,541</u>
	1,533,323	1,571,657	1,915,867	1,000,725	2,024,392	2,294,986
	7,349,964	8,964,704	7,587,756	8,265,739	8,841,810	8,275,014
	1,126,167	950,162	1,488,464	1,043,195	1,361,756	1,123,632
	1,970,081	1,606,263	1,789,871	1,792,915	1,924,023	1,935,617
	432,308	435,179	410,085	487,366	460,305	486,745
	1,778,803	1,777,236	1,719,565	1,795,401	2,050,363	1,838,623
	1,060,244	1,096,630	1,118,780	1,174,835	31,257	32,160
	<u>15,250,890</u>	<u>16,401,831</u>	<u>16,030,388</u>	<u>15,560,176</u>	<u>16,693,906</u>	<u>15,986,777</u>
	<u>(307,368)</u>	<u>(1,990,600)</u>	<u>(1,378,377)</u>	<u>2,103,950</u>	<u>1,528,438</u>	<u>2,237,764</u>
	-	-	-	-	-	-
	2,141,402	2,235,270	2,114,130	1,029,050	999,000	990,380
	<u>(1,927,570)</u>	<u>(2,017,270)</u>	<u>(1,884,274)</u>	<u>(1,029,050)</u>	<u>(999,000)</u>	<u>(990,380)</u>
	<u>213,832</u>	<u>218,000</u>	<u>229,856</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$	<u>(93,536)</u>	<u>(1,772,600)</u>	<u>(1,148,521)</u>	<u>2,103,950</u>	<u>1,528,438</u>	<u>2,237,764</u>
	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>

Governmental Activities Tax Revenue by Year
Last Ten Fiscal Years
(accrual basis of accounting)

Fiscal Year	Property Tax
2008	\$ 8,330,192
2009	8,203,183
2010	7,867,031
2011	7,763,719
2012	7,176,785
2013	6,974,447
2014	6,978,344
2015	9,466,064
2016	9,772,762
2017	9,807,748

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Assessed Value and Taxable Value of Property Last Ten Fiscal Years

Fiscal Year Ended March 31,	Agricultural	Commercial	Industrial	Residential	Developmental
2008	\$ 410,700	\$ 403,761,400	\$ 6,931,400	\$ 1,012,815,400	\$ 8,243,400
2009	410,900	414,770,000	7,033,300	1,001,359,800	8,254,900
2010	410,900	408,747,500	7,132,000	931,746,700	8,199,100
2011	409,500	401,094,600	7,170,900	877,396,800	7,882,500
2012	409,500	345,909,300	6,875,700	849,326,400	7,805,300
2013	411,800	354,302,100	6,905,900	810,471,200	7,696,500
2014	2,877,000 (2)	349,310,600	6,895,200	810,783,000	2,481,300 (2)
2015	2,960,200	338,933,900	7,002,100	822,132,200	2,393,100
2016	2,989,100	339,571,900	7,082,200	835,736,900	2,202,100
2017	3,059,500	341,526,900	7,354,700	850,733,500	2,202,100

Source: Saginaw Charter Township Assessing Department

(1) Assessed values as of 3/31.

(2) A number of parcels were reclassified resulting in this change.

Table 6
Unaudited

Personal	Total Assessed Value (1)	Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Value as a Percentage of Assessed Value
\$ 76,740,200	\$1,508,902,500	5.4155	\$ 1,359,905,829	90.13%
76,781,900	1,508,610,800	5.4155	1,387,383,893	91.96%
79,512,300	1,435,748,500	5.4155	1,365,523,751	95.11%
76,203,800	1,370,158,100	5.4155	1,309,287,298	95.56%
74,659,100	1,284,985,300	5.4155	1,258,139,759	97.91%
73,049,600	1,252,837,100	5.4155	1,225,459,905	97.81%
74,969,600	1,247,316,700	5.4155	1,221,384,667	97.92%
70,686,400	1,244,107,900	7.9311	1,217,378,338	97.85%
72,088,100	1,259,670,300	8.1311	1,221,402,095	96.96%
72,129,600	1,277,006,300	8.1311	1,223,170,035	95.78%

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Property Tax Rates

Direct and Overlapping Governments

Last Ten Fiscal Years

Fiscal Year	Saginaw Charter Township				Overlapping Rates
	Operating Millage (1)	Police Millage (1)	Fire Special Assessment	Total Township Millage	Saginaw County Operating
2008	0.9311	2.9844	1.5000	5.4155	7.5265
2009	0.9311	2.9844	1.5000	5.4155	7.5508
2010	0.9311	2.9844	1.5000	5.4155	7.6048
2011	0.9311	2.9844	1.5000	5.4155	7.7284
2012	0.9311	2.9844	1.5000	5.4155	8.5192
2013	0.9311	2.9844	1.5000	5.4155	8.5192
2014	0.9311	2.9844	1.5000	5.4155	8.3007
2015	0.9311	5.5000	1.5000	7.9311	8.4468
2016	0.9311	5.5000	1.7000	8.1311	8.7805
2017	0.9311	5.5000	1.7000	8.1311	8.8111

Source: Saginaw Charter Township Assessing Department

(1) Rates reduced to comply with the Headlee Amendment, except for year 2015 for Police Millage, as voters approved a new levy that was not reduced by Headlee

Non-homestead school operating millage

2008	18.0000
2009	18.0000
2010	18.0000
2011	18.0000
2012	18.0000
2013	18.0000
2014	18.0000
2015	18.0000
2016	18.0000
2017	18.0000

The above millage rates apply only to non-homestead properties, and therefore are not included in the Total Direct and Overlapping Rates column above.

Source: Saginaw Charter Township Assessing Department

Table 7
Unaudited

Overlapping Rates				Total Direct & Overlapping Rates
Inter- mediate Schools	Delta Community College	State Education Tax	Saginaw Twp Schools Debt	
2.0695	2.0427	6.0000	2.2500	25.30420
2.1046	2.0427	6.0000	2.2500	25.36360
2.0872	2.0427	6.0000	2.2500	25.40020
2.0872	2.0427	6.0000	2.4000	25.67380
2.0872	2.0427	6.0000	2.8000	26.86460
2.0872	2.0427	6.0000	2.8000	26.86460
2.0872	2.0427	6.0000	2.8000	26.64610
2.0872	2.0427	6.0000	2.9000	29.40780
2.0872	2.0427	6.0000	2.9000	29.94150
2.0872	2.0427	6.0000	2.9000	29.97210

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Principal Property Taxpayers

March 31, 2017 and Nine Years Ago

Taxpayer	2017		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
JG Saginaw LLC/Fashion Square Mall	\$ 22,315,200	1	1.82%
Consumers Energy	18,964,500	2	1.55%
Bre DDR BR East Valley MI LLC	6,634,578	3	0.54%
Wellspring Lutheran Services	5,058,138	4	0.41%
LPC Partners LC/Morley Companies	4,737,961	5	0.39%
Wal-Mart Property	3,880,916	6	0.32%
Fox Glen Apartments	3,767,877	7	0.31%
Township Square Logan LLC et al	3,653,992	8	0.30%
Saginaw Lodging LLC	3,276,639	9	0.27%
Galileo Fashion Corners Mall	3,114,208	10	0.25%
Sears Roebuck & Company	-	N/A	0.00%
New Plan Realty/Green Acres Plaza	-	N/A	0.00%
Menard, Inc	-	N/A	0.00%
Totals	\$ 75,404,009		6.16%

Source: Saginaw Charter Township Assessing Department

Table 8
Unaudited



2008		
Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
\$ 22,518,800	1	1.49%
16,106,300	2	1.07%
6,583,540	3	0.44%
-	N/A	
-	N/A	
6,273,200	4	0.42%
4,731,910	6	0.31%
-	N/A	
4,280,200	10	0.28%
4,474,400	8	0.30%
4,700,785	7	0.31%
4,402,048	9	0.29%
5,781,600	5	0.38%
\$ 79,852,783		5.29%

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Property Tax Levies and Collections

Last Ten Fiscal Years

Fiscal Year Ended March 31,	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Delinquents Purchased by County Treasurer	Collections in Subsequent Years
		Amount	Percentage of Levy		
2008	\$ 7,251,430	\$ 6,839,020	94.31%	\$ 404,764	\$ 5,870
2009	7,397,353	7,035,236	95.10%	350,265	9,705
2010	7,272,678	6,907,491	94.98%	350,142	14,554
2011	6,990,027	6,632,776	94.89%	339,798	16,407
2012	6,694,063	6,412,986	95.80%	273,621	4,604
2013	6,524,397	6,254,941	95.87%	262,562	3,468
2014	6,494,644	6,248,789	96.21%	235,556	7,105
2015	9,520,062	9,150,191	96.11%	361,137	5,304
2016	9,780,292	9,355,631	95.66%	404,255	12,824
2017	9,799,523	9,373,768	95.66%	387,800	(1)

Source: Saginaw Charter Township Treasurer

(1) This information is not yet available.

Saginaw County reimburses the Township for all delinquent real property tax.

Delinquent personal property tax, interest, and penalty is collected in subsequent years.

Table 9
Unaudited



Total Collections to Date		
	Amount	Percentage of Levy
\$	7,249,654	99.98%
	7,395,206	99.97%
	7,272,187	99.99%
	6,988,981	99.99%
	6,691,211	99.96%
	6,520,971	99.95%
	6,491,450	99.95%
	9,516,632	99.96%
	9,772,710	99.92%
	(1)	(1)

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Table 10
Unaudited

Direct and Overlapping Debt

As of March 31, 2017

Governmental Unit	Debt Outstanding	Percentage Applicable to Saginaw Twp	Share of Overlapping Debt
Direct			
Township of Saginaw	\$ 7,702,984	100.00%	\$ 7,702,984
Less debt payable from enterprise revenues	<u>(7,702,984)</u>	100.00%	<u>(7,702,984)</u>
Net tax supported debt	-		-
Overlapping (1)			
Saginaw Township Schools	33,735,000	100.00%	33,735,000
Saginaw County	75,577,144	25.36%	19,166,364
Saginaw Intermediate School District	<u>1,335,000</u>	25.49%	<u>340,292</u>
TOTAL	<u><u>\$ 110,647,144</u></u>		<u><u>\$ 53,241,655</u></u>

(1) Sources: Debt outstanding and estimated share of overlapping debt provided by Municipal Advisory Council of Michigan.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Township. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Saginaw Charter Township. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Legal Debt Margin Information Last Ten Fiscal Years

	Fiscal Year			
	2008	2009	2010	2011
Legal debt limit	\$ 150,890,250	\$ 150,861,080	\$ 143,574,850	\$ 137,015,810
Total net debt applicable to limit	-	-	-	-
Legal debt margin	<u>\$ 150,890,250</u>	<u>\$ 150,861,080</u>	<u>\$ 143,574,850</u>	<u>\$ 137,015,810</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%

Note: Under state finance law Saginaw Charter Township's outstanding general obligation debt should not exceed 10 percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

Table 11
Unaudited

Fiscal Year					
2012	2013	2014	2015	2016	2017
\$ 128,498,530	\$ 125,283,710	\$ 124,731,670	\$ 124,410,790	\$ 125,967,030	\$ 127,700,630
-	-	-	-	-	-
<u>\$ 128,498,530</u>	<u>\$ 125,283,710</u>	<u>\$ 124,731,670</u>	<u>\$ 124,410,790</u>	<u>\$ 125,967,030</u>	<u>\$ 127,700,630</u>
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2016

State equalized value of real property	\$ 1,204,876,700
State equalized value of personal property	72,129,600
Total state equalized value	<u>1,277,006,300</u>
Debt limit (10% of total state equalized value)	127,700,630
Debt applicable to limit	<u>-</u>
Legal debt margin	<u>\$ 127,700,630</u>

Pledged-Revenue Coverage
Last Ten Fiscal Years

Sewer Fund Revenue Bonds							
Fiscal Year	Operating Revenue (1)	Operating Expenses (2)	Net Available Revenue	Debt Service		Total	Coverage
				Principal	Interest		
2008	\$ 5,202,851	\$ 3,305,538	\$ 1,897,313	\$ 478,190	\$ 101,764	\$ 579,954	3.27
2009	5,468,212	3,421,194	2,047,018	483,141	279,130	762,271	2.69
2010	5,394,734	3,409,208	1,985,526	617,551	348,266	965,817	2.06
2011	4,680,026	3,524,506	1,155,520	685,665	359,184	1,044,849	1.11
2012	5,040,527	4,020,255	1,020,272	743,294	404,691	1,147,985	0.89
2013	5,807,393	3,977,324	1,830,069	701,241	334,319	1,035,560	1.77
2014	5,759,277	4,400,969	1,358,308	370,038	319,168	689,206	1.97
2015	6,101,671	4,407,527	1,694,144	482,173	301,936	784,109	2.16
2016	5,782,970	4,426,261	1,356,709	495,700	284,494	780,194	1.74
2017	5,916,511	4,737,296	1,179,215	497,133	265,562	762,695	1.55

(1) Total operating revenues including interest and excluding capital contributions

(2) Total operating expenses exclusive of depreciation but including transfer to the general fund for administration

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

Fiscal Year Ended March 31,	Business-type Activities				Debt as a Percentage of Personal Income	Debt Per Capita
	Revenue Bonds	Special Assessment Bonds	Installment Purchase	Total		
2008	\$ 3,287,502	\$ -	\$ -	\$ 3,287,502	0.05%	\$ 78.75
2009	9,528,831	-	-	9,528,831	0.16%	227.84
2010	8,889,924	-	-	8,889,924	0.14%	212.24
2011	10,135,790	1,135,000	-	11,270,790	0.18%	275.97
2012	9,508,024	1,050,000	315,687	10,873,711	0.17%	266.25
2013	8,916,948	965,000	243,602	10,125,550	0.15%	247.93
2014	8,523,561	880,000	169,214	9,572,775	0.14%	234.40
2015	8,087,965	795,000	92,450	8,975,415	0.14%	219.77
2016	7,592,795	710,000	13,234	8,316,029	(1)	203.62
2017	7,077,984	625,000	-	7,702,984	(1)	188.61

See the schedule of Demographic and Economic Statistics on table 14 for personal income and population data.

(1) This information is not yet available.

Demographic and Economic Statistics

Last Ten Fiscal Years

Fiscal Year	Population (1)	Personal Income (2)	Per Capita Personal Income (3)	School Enrollment (4)	Unemployment Rate (5)
2008	41,744	\$ 6,054,484	\$ 30,143	5,169	4.40%
2009	41,823	6,028,933	30,137	5,134	6.70%
2010	41,886	6,135,019	30,681	5,107	7.60%
2011	40,840	6,372,166	32,007	4,979	5.60%
2012	40,840	6,561,225	33,079	4,862	4.70%
2013	40,840	6,561,082	33,383	4,788	4.50%
2014	40,840	6,640,133	34,050	4,721	4.50%
2015	40,840	6,848,582	35,429	4,697	3.30%
2016	40,840	(6)	(6)	4,717	2.90%
2017	40,840	(6)	(6)	4,731	2.90%

Data Sources:

- (1) Population is an estimate as of March 31, of fiscal year with the exception of 2011-2017 which reflects the actual 2010 census.
- (2) Amounts expressed in thousands
- (3) Bureau of Economic Analysis, U.S. Department of Commerce - Saginaw - Saginaw Township North, MI
- (4) Local school district
- (5) U.S. Department of Labor Bureau of Labor Statistics Data - Unemployment rate information is a yearly average not seasonally adjusted.
- (6) This information is not yet available.

Principal Employers

2017 and Nine Years Ago

Employer	2017		2008	
	Employees	Rank	Employees	Rank
Morley Companies	1,750	1	250	6
Saginaw Twp Community Schools	621	2	672	1
Saginaw Intermediate School District	613	3	575	3
HealthSource Saginaw	562	4	430	5
Consumers Energy	407	5	450	4
Wal-Mart Supercenter	320	6	n/a	n/a
Saginaw Control & Engineering	280	7	233	8
United Parcel Service	215	8	215	9
Covenant Healthcare	200	9	200	10
Kroger Co. of Michigan #738	193	10	n/a	n/a
Fashion Square Mall	n/a	n/a	650	2
Romano Sales Co. Inc.	n/a	n/a	250	7
Totals	<u>5,161</u>		<u>3,925</u>	

Source:
Saginaw Future, Inc.
Saginaw Township Clerk's Office

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Full-time Equivalent Township Employees by Function

Last Ten Fiscal Years

Function	Full-time Equivalent Employees as of March 31,				
	2008	2009	2010	2011	2012
General government	22.0	22.0	21.5	21.5	20.5
Public safety	102.0	106.0	105.5	101.5	97.8
Public works	41.0	42.0	40.0	38.0	38.3
Community development	5.0	5.0	4.0	3.0	3.0
Recreation and culture	6.0	6.0	7.0	6.0	5.5
Total	176.0	181.0	178.0	170.0	165.0

Source: Saginaw Township Fiscal Services

Table 16
Unaudited



Full-time Equivalent Employees as of March 31,				
2013	2014	2015	2016	2017
21.0	22.0	21.0	21.0	22.0
98.0	98.0	97.0	93.0	93.0
39.0	39.0	39.0	39.0	38.0
3.0	3.0	3.0	3.0	3.0
6.0	6.0	6.0	6.0	6.0
<u>167.0</u>	<u>168.0</u>	<u>166.0</u>	<u>162.0</u>	<u>162.0</u>

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Operating Indicators by Function

Last Ten Fiscal Years

Function	Fiscal Year			
	2008	2009	2010	2011
Public safety				
Police				
Number of traffic accidents	1,104	1,025	957	1,020
Number of traffic offenses issued	4,776	5,901	6,146	5,751
Fire				
Number of alarms	765	810	774	727
Completed inspections	1,206	968	1,313	1,761
Community development				
Permits issued	298	315	266	268
Code enforcement complaints	2,654	2,915	3,789	5,464
General government				
Fiscal services				
Number of W-2's processed	483	505	468	457
Number of accounts payable checks processed	4,633	4,665	4,415	4,255
Clerk's office				
Number of licensed businesses	1,752	1,705	1,689	1,758
Elections				
Number of registered voters	30,979	31,740	31,071	31,735
Treasurer's office				
Average number of sewer/water bills per month	4,804	4,823	4,833	4,821
Number of tax bills - two billings/year	15,904	15,947	15,960	15,812
Recreation and culture				
Number of programs	72	72	72	71
Number of participants	10,316	10,235	10,295	10,350
Sewer				
Average daily sewage treatment -millions of gallons per day	4.222	4.468	4.503	3.951
Water				
Number of active customers	14,490	14,520	14,523	14,578
Number of gallons sold (000 omitted)	1,517,900	1,367,924	1,323,455	1,375,565

Source: Applicable Township Departments

Table 17
Unaudited

Fiscal Year						
2012	2013	2014	2015	2016	2017	
951	913	998	997	942	1,098	
4,157	4,352	3,167	2,324	2,318	1,767	
807	703	719	751	736	749	
1,256	1,159	1,489	1,569	1,656	1,607	
293	328	310	334	273	316	
5,887	5,701	5,607	5,929	4,683	5,322	
431	420	401	396	384	380	
4,255	4,396	3,984	3,999	3,992	3,989	
1,732	1,732	1,679	1,638	1,633	1,619	
31,748	31,988	31,768	31,193	31,443	31,517	
4,833	4,867	4,890	4,895	4,878	4,920	
15,898	16,059	15,656	15,425	15,434	15,373	
70	70	74	78	75	75	
9,885	9,460	9,620	9,520	9,400	9,275	
5.363	4.454	4.592	4.968	5.946	4.749	
14,645	14,672	14,744	14,744	14,814	14,871	
1,313,516	1,411,236	1,289,933	1,181,309	1,161,659	1,262,619	

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Capital Asset Statistics by Function

Last Ten Fiscal Years

Function	Fiscal Year			
	2008	2009	2010	2011
Public safety				
Police				
Station	1	1	1	1
Patrol vehicles	19	19	20	20
Fire				
Admin. office/stations	1/3	1/3	1/3	1/3
Fire fighting vehicles	12	12	12	10
Recreation and culture				
Parks	13	13	13	13
Recreation center	1	1	1	1
Library	1	1	1	1

Source: Saginaw Township Fiscal Services

Table 18
Unaudited



Fiscal Year					
2012	2013	2014	2015	2016	2017

1	1	1	1	1	1
20	20	20	20	20	20
1/3	1/3	1/3	1/3	1/3	1/3
10	10	10	10	10	11
13	13	13	13	13	13
1	1	1	1	1	1
1	1	1	1	1	1