

<p align="center">Rennie School Road Redevelopment Amended Brownfield Plan</p>	<p align="center">Figure 5.2: Middle and West Parcel Conceptual Site Plans</p>
<p>Grand Traverse County Brownfield Redevelopment Authority</p>	<p>Date: December 2018</p>

Exhibit A - Proposed Parcel Split Legal Description

LEGAL DESCRIPTION (AS PROVIDED IN FIRST AMERICAN TITLE INSURANCE COMPANY TITLE COMMITMENT NO. 2465-669767)

THE LAND REFERRED TO IN THIS POLICY, SITUATED IN THE COUNTY OF GRAND TRAVERSE, TOWNSHIP OF BLAIR, STATE OF MICHIGAN, IS DESCRIBED AS FOLLOWS:

THE NORTH 1/2 OF THE NORTHEAST 1/4, SECTION 5, TOWN 26 NORTH, RANGE 11 WEST.

EXCEPT THE FOLLOWING:

BEGINNING AT THE NORTHEAST CORNER THEREOF; THENCE SOUTH 00 DEGREES 12 MINUTES 17 SECONDS EAST 300 FEET; THENCE NORTHWESTERLY TO A POINT ON THE NORTH LINE OF SAID SECTION WHICH IS 200 FEET WESTERLY OF SAID POINT OF BEGINNING; THENCE SOUTH 88 DEGREES 53 MINUTES 63 SECONDS EAST ON SECTION LINE 200 FEET TO POINT OF BEGINNING.

AND EXCEPT:

PART OF THE NORTHEAST 1/4 OF SECTION 5, TOWN 26 NORTH, RANGE 11 WEST, BLAIR TOWNSHIP, GRAND TRAVERSE COUNTY, MICHIGAN, MORE FULLY DESCRIBED AS FOLLOWS: COMMENCING AT THE EAST 1/4 CORNER OF SAID SECTION 5; THENCE NORTH 89 DEGREES 34 MINUTES 23 SECONDS WEST, 658.83 FEET ALONG THE EAST-WEST 1/4 LINE OF SAID SECTION 5; THENCE NORTH 00 DEGREES 01 MINUTE 29 SECONDS WEST 1316.92 FEET TO THE POINT OF BEGINNING; THENCE NORTH 89 DEGREES 25 MINUTES 18 SECONDS WEST 927.23 FEET ALONG THE NORTH 1/8 LINE OF SAID SECTION 5; THENCE NORTH 00 DEGREES 01 MINUTE 29 SECONDS WEST 243.58 FEET; THENCE SOUTH 89 DEGREES 25 MINUTES 18 SECONDS EAST, 927.23 FEET; THENCE SOUTH 00 DEGREES 01 MINUTE 29 SECONDS EAST 243.58 FEET TO THE POINT OF BEGINNING.

FORMERLY DESCRIBED FOR TAX PURPOSES AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER FOR THE POINT OF BEGINNING; THENCE WEST 2636.51 FEET; THENCE SOUTH 1336.86 FEET; THENCE EAST 1052.54 FEET; THENCE NORTH 253.58 FEET; THENCE EAST 927.23 FEET; THENCE SOUTH 243.58 FEET; THENCE EAST 658.83 FEET; THENCE NORTH 1336.86 FEET TO THE POINT OF BEGINNING; EXCEPT COMMENCING AT THE NORTHEAST CORNER FOR THE POINT OF BEGINNING; THENCE SOUTH 300 FEET; THENCE NORTHWESTERLY TO A POINT ON THE NORTH LINE 200 FEET WEST OF THE POINT OF BEGINNING; THENCE SOUTH 88 DEGREES EAST 200 FEET TO THE POINT OF BEGINNING, SECTION 5 TOWN 26 NORTH, RANGE 11 WEST.

TAX ITEM NOS.

28-02-005-001-03

28-02-005-001-04

THE ABOVE LAND MAY ALSO BE DESCRIBED AS FOLLOWS:

PART OF THE NORTHEAST FRACTIONAL 1/4 OF SECTION 5, TOWN 26 NORTH, RANGE 11 WEST, BLAIR TOWNSHIP, GRAND TRAVERSE COUNTY, MICHIGAN, MORE FULLY DESCRIBED AS FOLLOWS: COMMENCING AT THE EAST 1/4 CORNER OF AND SECTION 5; THENCE NORTH 89 DEGREES 34 MINUTES 23 SECONDS WEST 658.83 FEET ALONG THE EAST-WEST 1/4 LINE OF SAID SECTION 5; THENCE NORTH 00 DEGREES 01 MINUTE 29 SECONDS WEST 1316.92 FEET TO THE POINT OF BEGINNING; THENCE CONTINUING NORTH 00 DEGREES 01 MINUTE 29 SECONDS WEST 243.58 FEET; THENCE NORTH 89 DEGREES 25 MINUTES 18 SECONDS WEST 1125.95 FEET; THENCE SOUTH 00 DEGREES 01 MINUTE 29 SECONDS EAST 243.58 FEET TO THE NORTH 1/8 LINE OF SAID SECTION 5; THENCE NORTH 89 DEGREES 25 MINUTES 18 SECONDS WEST 854.19 FEET ALONG SAID NORTH 1/8 LINE TO THE NORTH-SOUTH 1/4 LINE; THENCE NORTH 00 DEGREES 08 MINUTES 05 SECONDS WEST 1351.17 FEET ALONG SAID NORTH-SOUTH 1/4 LINE TO THE NORTH LINE OF SAID SECTION 5; THENCE SOUTH 89 DEGREES 25 MINUTES 18 SECONDS WEST 2441.58 FEET ALONG SAID NORTH LINE OF SECTION 5; THENCE SOUTH 33 DEGREES 21 MINUTES 32 SECONDS EAST 363.62 FEET TO THE EAST LINE OF SAID SECTION 5; THENCE SOUTH 00 DEGREES 01 MINUTES 12 SECONDS WEST 1028.81 FEET ALONG SAID EAST SECTION LINE TO SAID NORTH 1/8 LINE; THENCE NORTH 89 DEGREES 25 MINUTES 18 SECONDS WEST, 658.49 FEET ALONG SAID NORTH 1/8 LINE TO THE POINT OF BEGINNING.

TAX ITEM NO. 28-02-005-001-04

ALSO:

PART OF THE NORTHEAST FRACTIONAL 1/4 OF SECTION 5, TOWN 26 NORTH, RANGE 11 WEST, BLAIR TOWNSHIP, GRAND TRAVERSE COUNTY, MICHIGAN, MORE FULLY DESCRIBED AS FOLLOWS: COMMENCING AT THE EAST 1/4 CORNER OF SAID SECTION 5; THENCE NORTH 89 DEGREES 34 MINUTES 23 SECONDS WEST 658.83 FEET ALONG THE EAST-WEST 1/4 LINE OF SAID SECTION 5; THENCE NORTH 00 DEGREES 01 MINUTE 29 SECONDS WEST 1316.92 FEET TO THE NORTH 1/8 LINE OF SAID SECTION 5; THENCE NORTH 89 DEGREES 25 MINUTES 18 SECONDS WEST 927.23 FEET ALONG SAID NORTH 1/8 LINE TO THE POINT OF BEGINNING; THENCE CONTINUING NORTH 89 DEGREES 25 MINUTES 18 SECONDS WEST 106.72 FEET; THENCE NORTH 00 DEGREES 01 MINUTE 29 SECONDS WEST 243.58 FEET; THENCE SOUTH 89 DEGREES 25 MINUTES 18 SECONDS EAST 198.72 FEET; THENCE SOUTH 00 DEGREES 01 MINUTE 29 SECONDS EAST 243.58 FEET TO THE POINT OF BEGINNING.

TAX ITEM NO. 28-02-005-001-03

LAND DIVISION PARCEL DESCRIPTIONS

PARCEL 1:

PART OF THE NORTH HALF OF THE NORTHEAST FRACTIONAL 1/4 OF SECTION 5, TOWN 26 NORTH, RANGE 11 WEST, BLAIR TOWNSHIP, GRAND TRAVERSE COUNTY, MICHIGAN, DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTHEAST CORNER OF SAID SECTION; THENCE ALONG THE EAST LINE OF SAID SECTION SOUTH 00°58'52" WEST 379.89 FEET TO THE POINT OF BEGINNING; THENCE CONTINUING ALONG SAID EAST LINE SOUTH 00°58'52" WEST 948.92 FEET TO THE NORTH 1/8 LINE OF SAID SECTION; THENCE ALONG SAID NORTH 1/8 LINE NORTH 89°26'26" WEST 659.38 FEET; THENCE NORTH 00°57'23" EAST 243.58 FEET; THENCE NORTH 89°26'26" WEST 158.90 FEET; THENCE PARALLEL WITH SAID EAST LINE NORTH 00°58'52" EAST 787.05 FEET; THENCE SOUTH 89°01'16" EAST 385.26 FEET; THENCE PARALLEL WITH SAID EAST LINE SOUTH 00°58'52" WEST 80.00 FEET; THENCE SOUTH 89°01'16" EAST 433.08 FEET TO THE POINT OF BEGINNING, CONTAINING 17.66 ACRES, TOGETHER WITH A 66 FOOT WIDE EASEMENT FOR INGRESS AND EGRESS AND INSTALLATION MAINTENANCE OF PUBLIC AND PRIVATE UTILITIES DESCRIBED AS A 66 FOOT WIDE STRIP OF LAND LYING 33 FEET EACH SIDE AND ADJACENT TO THE FOLLOWING CENTERLINE WHICH IS DESCRIBED AS COMMENCING AT THE NORTHEAST CORNER OF SAID SECTION; THENCE ALONG THE EAST LINE OF SAID SECTION SOUTH 00°58'52" WEST 379.89 FEET; THENCE NORTH 89°01'16" WEST 433.08 FEET TO THE POINT OF BEGINNING; THENCE PARALLEL WITH SAID EAST LINE NORTH 00°58'52" EAST 354.94 FEET TO THE SOUTHERLY RIGHT-OF-WAY OF RENNE SCHOOL ROAD AND THE POINT OF ENDING, SUBJECT TO A VARIABLE WIDTH PUBLIC UTILITIES EASEMENT RECORDED AS INSTRUMENT NUMBER 2005R-18097, ALSO SUBJECT TO EASEMENTS AND RESTRICTIONS OF RECORD.

OUTLOT 1:

PART OF THE NORTH HALF OF THE NORTHEAST FRACTIONAL 1/4 OF SECTION 5, TOWN 26 NORTH, RANGE 11 WEST, BLAIR TOWNSHIP, GRAND TRAVERSE COUNTY, MICHIGAN, DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTHEAST CORNER OF SAID SECTION; THENCE ALONG THE EAST LINE OF SAID SECTION SOUTH 00°58'52" WEST 300.00 FEET TO THE POINT OF BEGINNING; THENCE CONTINUING ALONG SAID EAST LINE SOUTH 00°58'52" WEST 79.89 FEET; THENCE NORTH 89°01'16" WEST 433.08 FEET; THENCE PARALLEL WITH THE EAST SECTION LINE NORTH 00°58'52" EAST 157.00 FEET; THENCE SOUTH 89°01'16" EAST 382.31 FEET TO THE RIGHT-OF-WAY OF HIGHWAY US-31 & M-37; THENCE ALONG SAID RIGHT-OF-WAY SOUTH 37°22'50" EAST 14.12 FEET; THENCE LEAVING SAID RIGHT-OF-WAY SOUTH 37°22'50" EAST 78.19 FEET TO SAID EAST LINE AND THE POINT OF BEGINNING, CONTAINING 1.52 ACRES, SUBJECT TO AND TOGETHER WITH A 66 FOOT WIDE EASEMENT FOR INGRESS AND EGRESS AND INSTALLATION MAINTENANCE OF PUBLIC AND PRIVATE UTILITIES DESCRIBED AS A 66 FOOT WIDE STRIP OF LAND LYING 33 FEET EACH SIDE AND ADJACENT TO THE FOLLOWING CENTERLINE WHICH IS DESCRIBED AS COMMENCING AT THE NORTHEAST CORNER OF SAID SECTION; THENCE ALONG SAID EAST LINE SOUTH 00°58'52" WEST 379.89 FEET; THENCE NORTH 89°01'16" WEST 433.08 FEET TO THE POINT OF BEGINNING; THENCE PARALLEL WITH SAID EAST LINE NORTH 00°58'52" EAST 354.94 FEET TO THE SOUTHERLY RIGHT-OF-WAY OF RENNE SCHOOL ROAD AND THE POINT OF ENDING, SUBJECT TO A VARIABLE WIDTH PUBLIC UTILITIES EASEMENT RECORDED AS INSTRUMENT NUMBER 2005R-18097, ALSO SUBJECT TO EASEMENTS AND RESTRICTIONS OF RECORD.

OUTLOT 2:

PART OF THE NORTH HALF OF THE NORTHEAST FRACTIONAL 1/4 OF SECTION 5, TOWN 26 NORTH, RANGE 11 WEST, BLAIR TOWNSHIP, GRAND TRAVERSE COUNTY, MICHIGAN, DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTHEAST CORNER OF SAID SECTION; THENCE ALONG THE NORTH LINE OF SAID SECTION NORTH 87°57'23" WEST 200.00 FEET TO THE POINT OF BEGINNING; THENCE ALONG THE RIGHT-OF-WAY OF US-31 & M-37 SOUTH 32°22'50" EAST 271.31 FEET; THENCE NORTH 89°01'16" WEST 382.31 FEET; THENCE PARALLEL WITH THE EAST LINE OF SAID SECTION NORTH 00°58'52" EAST 230.94 FEET; THENCE ALONG SAID NORTH LINE SOUTH 87°57'23" EAST 233.16 FEET TO THE POINT OF BEGINNING, CONTAINING 1.61 ACRES, SUBJECT TO AND TOGETHER WITH A 66 FOOT WIDE EASEMENT FOR INGRESS AND EGRESS AND INSTALLATION MAINTENANCE OF PUBLIC AND PRIVATE UTILITIES DESCRIBED AS A 66 FOOT WIDE STRIP OF LAND LYING 33 FEET EACH SIDE AND ADJACENT TO THE FOLLOWING CENTERLINE WHICH IS DESCRIBED AS COMMENCING AT THE NORTHEAST CORNER OF SAID SECTION; THENCE ALONG THE EAST LINE OF SAID SECTION SOUTH 00°58'52" WEST 379.89 FEET; THENCE NORTH 89°01'16" WEST 433.08 FEET TO THE POINT OF BEGINNING; THENCE PARALLEL WITH SAID EAST LINE NORTH 00°58'52" EAST 354.94 FEET TO THE SOUTHERLY RIGHT-OF-WAY OF RENNE SCHOOL ROAD AND THE POINT OF ENDING, SUBJECT TO A VARIABLE WIDTH PUBLIC UTILITIES EASEMENT RECORDED AS INSTRUMENT NUMBER 2005R-18097, ALSO SUBJECT TO EASEMENTS AND RESTRICTIONS OF RECORD.

OUTLOT 3:

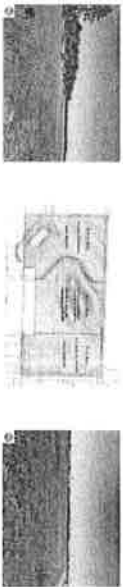
PART OF THE NORTH HALF OF THE NORTHEAST FRACTIONAL 1/4 OF SECTION 5, TOWN 26 NORTH, RANGE 11 WEST, BLAIR TOWNSHIP, GRAND TRAVERSE COUNTY, MICHIGAN, DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTHEAST CORNER OF SECTION 5; THENCE ALONG THE NORTH LINE OF SAID SECTION NORTH 87°57'23" WEST 433.16 FEET TO THE POINT OF BEGINNING; THENCE PARALLEL WITH THE EAST LINE OF SAID SECTION SOUTH 00°58'52" WEST 292.84 FEET; THENCE NORTH 89°01'16" WEST 385.26 FEET; THENCE PARALLEL WITH SAID EAST LINE NORTH 00°58'52" EAST 305.10 FEET TO THE NORTH LINE OF SAID SECTION; THENCE ALONG THE NORTH LINE OF SAID SECTION SOUTH 87°57'23" EAST 385.33 FEET TO THE POINT OF BEGINNING, CONTAINING 2.67 ACRES, SUBJECT TO AND TOGETHER WITH A 66 FOOT WIDE EASEMENT FOR INGRESS AND EGRESS AND INSTALLATION MAINTENANCE OF PUBLIC AND PRIVATE UTILITIES DESCRIBED AS A 66 FOOT WIDE STRIP OF LAND LYING 33 FEET EACH SIDE AND ADJACENT TO THE FOLLOWING CENTERLINE WHICH IS DESCRIBED AS COMMENCING AT THE NORTHEAST CORNER OF SAID SECTION; THENCE ALONG THE EAST LINE OF SAID SECTION SOUTH 00°58'52" WEST 379.89 FEET; THENCE NORTH 89°01'16" WEST 433.08 FEET TO THE POINT OF BEGINNING; THENCE PARALLEL WITH SAID EAST LINE NORTH 00°58'52" EAST 354.94 FEET TO THE SOUTHERLY RIGHT-OF-WAY OF RENNE SCHOOL ROAD AND THE POINT OF ENDING, SUBJECT TO A VARIABLE WIDTH PUBLIC UTILITIES EASEMENT RECORDED AS INSTRUMENT NUMBER 2005R-18097, ALSO SUBJECT TO EASEMENTS AND RESTRICTIONS OF RECORD.

REMAINDER PARCEL:

PART OF THE NORTH HALF OF THE NORTHEAST FRACTIONAL 1/4 OF SECTION 5, TOWN 26 NORTH, RANGE 11 WEST, BLAIR TOWNSHIP, GRAND TRAVERSE COUNTY, MICHIGAN, DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTHEAST CORNER OF SECTION 5; THENCE ALONG THE NORTH LINE OF SAID SECTION NORTH 87°57'23" WEST 818.40 FEET TO THE POINT OF BEGINNING; THENCE PARALLEL TO THE EAST LINE OF SAID SECTION SOUTH 00°58'52" WEST 1092.15 FEET; THENCE NORTH 89°26'26" WEST 768.33 FEET; THENCE SOUTH 00°57'23" WEST 243.58 FEET; THENCE NORTH 89°26'26" WEST 1050.91 FEET TO THE NORTH-SOUTH 1/4 LINE OF SAID SECTION; THENCE ALONG SAID 1/4 LINE NORTH 00°50'47" EAST 1351.17 FEET TO THE NORTH LINE OF SAID SECTION; THENCE ALONG SAID NORTH LINE SOUTH 87°57'23" EAST 1827.53 FEET TO THE POINT OF BEGINNING, CONTAINING 51.85 ACRES, SUBJECT TO A VARIABLE WIDTH PUBLIC UTILITIES EASEMENT RECORDED AS INSTRUMENT NUMBER 2005R-18097, ALSO SUBJECT TO AND TOGETHER WITH AN 86 FOOT WIDE EASEMENT FOR INGRESS/EGRESS INSTALLATION AND MAINTENANCE OF PUBLIC AND PRIVATE UTILITIES RECORDED AS INSTRUMENT NUMBER 2007R-23439, ALSO SUBJECT TO EASEMENTS AND RESTRICTIONS OF RECORD.

RENNIE SCHOOL ROAD REDEVELOPMENT

GRAND TRAVERSE COUNTY LAND BANK AUTHORITY



Proposed Brownfield Plan Amendment

Blair Township Board of Trustees
February 12, 2019

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PURPOSE

- Pass resolution concurring with Amended Brownfield Plan



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OVERVIEW

- Summary
- Background
- Additional Eligible Activity Costs
- GTCLBA 5/50 Specific Tax
- Amended Brownfield Plan
 - Eligible Activities
 - Reimbursement Schedule



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SUMMARY

- A Brownfield Plan was approved in August 2018 to support redevelopment of the tax reverted property owned by the Land Bank Authority.
- Certain Brownfield Eligible Activities were proposed to be reimbursed over time through the capture of increased taxes generated by additional private investment.
- Additional Eligible Activity costs have been identified due to MDOT, Road Commission and Blair Township stipulations which requires an amendment to the Brownfield Plan for reimbursement.
- State law provides for a levy of 50% taxes for 5 years by the County Land Bank Authority
- An Amended Brownfield Plan approved by the GTCBRA on January 30 and must be approved by the County Board, with



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PROJECT GENESIS

- Grand Traverse County Land Bank Authority received a 75.31 acre parcel at the corner of Rennie School Road and US-31 South through tax foreclosure.

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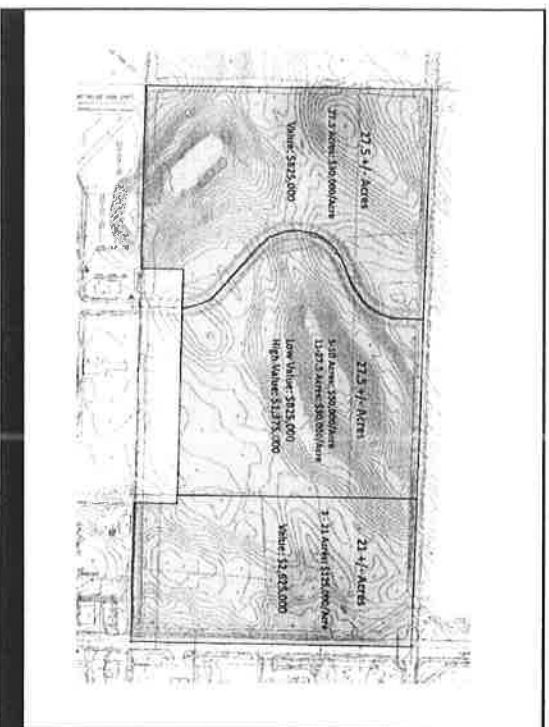
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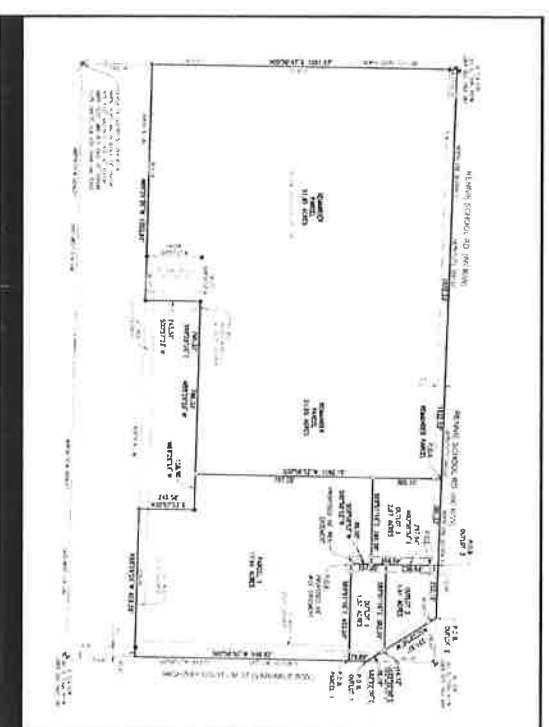
PROJECT GENESIS

- Grand Traverse County Land Bank Authority received a 73.51 acre parcel at the corner of Rennie School Road and US-31 South through tax foreclosure.
- The property was split into three parcels, with additional splits.

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PROJECT GENESIS

- Grand Traverse County Land Bank Authority received a 73.51 acre parcel at the corner of Rennie School Road and US-31 South through tax foreclosure.
- The property was split into three parcels, with additional splits.
- The east parcel was sold to Blain's Farm and Fleet and the middle parcel was sold to H&M Development.
- Purchase of the middle parcel was contingent upon approval of a Brownfield Plan for reimbursement of certain Eligible Activities.
- Land Bank Authority property qualifies as Brownfield Eligible Property.

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ADDITIONAL ELIGIBLE ACTIVITIES

- The original Brownfield Plan identified private and public Eligible Activities for reimbursement from future tax capture.
- Additional Eligible Activity costs have been identified due to MDOT, Road Commission and Blair Township stipulations which requires an amendment to the Brownfield Plan for reimbursement.
- There is interest in the extension of Stadium Drive being a County road and the Road Commission and Blair Township approved an allocation for the cost of construction.
- The Road Commission is requiring expansion of Rennie School Road from US 31 to Stadium Drive – Rennie Intersection.

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INFRASTRUCTURE IMPROVEMENTS



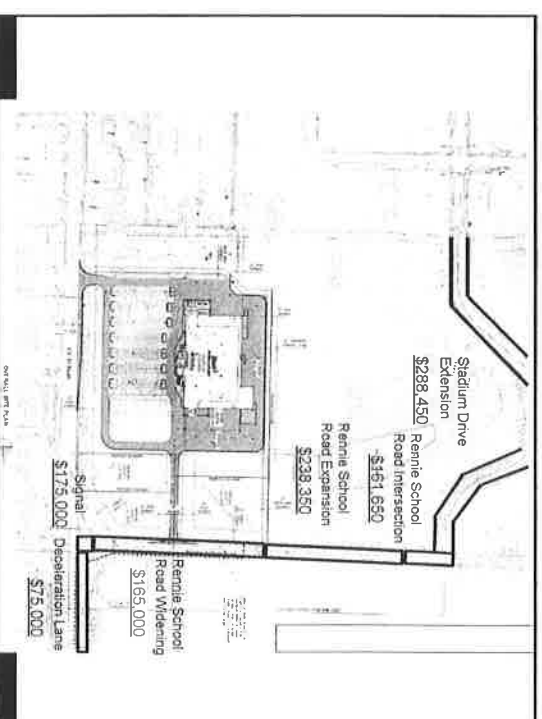
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COST ALLOCATION



- These additional infrastructure improvement presented a challenge for up-front funding and realizing the potential full build out and tax increment revenue for the property.
- A meeting was held October 7 with all interested parties and an allocation proposal was presented.
- Road Commission offered to provide 100% of up-front costs for Rennie School Road expansion.
- Stadium Drive expenses proposed at 50% for H&M Development, 25% for Road Commission, and 25% for Blair Township.
- Deferred reimbursement for Road Commission and Blair.
- The capture timeframe was extended to 15 years.

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GTCLBA SPECIFIC TAX



- Originally, the Brownfield Plan was going to capture local taxes only, since the MEDC generally does not support these types of projects for State tax capture.
- Act 260, PA 2003 provides for the levy of an Eligible Tax Reverted Property Specific Tax that is equal to 50% of equivalent property taxes for a period for 5 years.
- This Specific Tax is anticipated to provide an additional **\$498,950** in State taxes than the local-only Brownfield Plan.
- These taxes can be used to reimburse GTCLBA expenses and potentially other infrastructure costs.

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COMPLEXITY

- Tax Increment Financing (TIF) revenue is tracked separately for each of the three major parcels.
- There are four entities that are incurring Brownfield Eligible Activities which anticipate reimbursement: Blain's, H&M, Blair Township, and the Grand Traverse County Road Commission.
- The GTCLBA also incurred expenses that are being reimbursed through the 5/50 Specific Tax that are tracked separately.

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GTCLBA Public Infrastructure

Eligible Activities	Cost
Roads - Traffic Signal: US 31 S and Rennie School Road	\$175,000
Roads - US 31 Deceleration Land	\$75,000
Roads - Rennie School Road Improvements: East	\$165,000
Soft Costs	\$38,315
Transaction Costs	\$6,500
Brownfield Plan Development, Approval, and Implementation	\$30,000
GTCLBA Infrastructure Subtotal	\$487,815

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Brownfield Eligible Activities Costs

Eligible Activities	Total	East Parcel	Middle Parcel
PRIVATE ELIGIBLE ACTIVITIES			
Environmental Activities	\$4,600	\$2,300	\$2,300
Demolition	\$10,500	\$10,500	
Site Preparation	\$497,233	\$173,730	\$323,783
Infrastructure			
Roads - Deceleration Lane US 31 S	\$121,000	\$121,000	
Roads - Stadium Drive (50%)	\$144,250		\$144,250
Sewer and Water	\$513,750	\$105,000	\$408,750
Soft Costs	\$58,163	\$19,775	\$48,388
Contingency	\$203,280	\$64,894	\$138,778
PRIVATE ELIGIBLE ACTIVITY TOTAL	\$1,583,075	\$496,829	\$1,086,246
PUBLIC ELIGIBLE ACTIVITIES			
Rennie School Road Improvements:			
Stadium Intersection	\$161,650		\$161,650
Rennie School Road Expansion	\$238,350		\$238,350
Stadium Drive (50%)	\$144,250		\$144,250
PUBLIC ELIGIBLE ACTIVITY TOTAL	\$544,250		\$544,250
ELIGIBLE ACTIVITY TOTAL	\$2,107,325	\$496,829	\$1,610,496
Administrative and Operating Costs	\$40,000	\$20,000	\$20,000
TOTAL	\$2,147,325	\$516,829	\$1,630,496

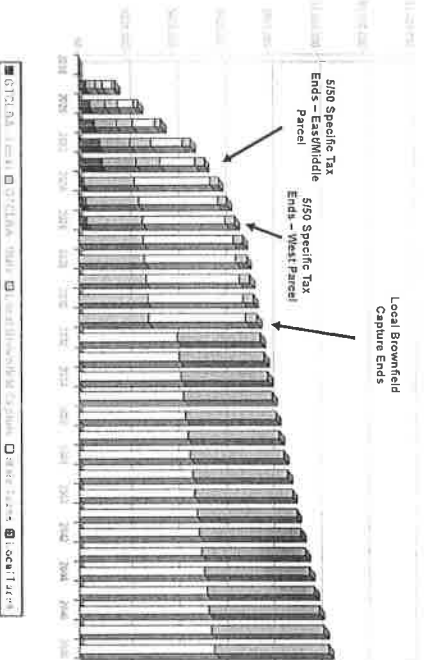
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ESTIMATED INVESTMENT

Eligible Activities	Total	2019	2020	2021	2022	2023	2024
Blain's: East Parcel	10,000,000	7,000,000	3,000,000				
H&M South - Commercial: Middle Parcel	6,000,000						
H&M South - Residential: Middle Parcel	6,000,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	
Residential: West Parcel* (investment continues thru 2027)	6,000,000			3,000,000	3,000,000		
TOTAL	28,000,000	8,200,000	4,200,000	4,200,000	4,200,000	2,400,000	1,000,000

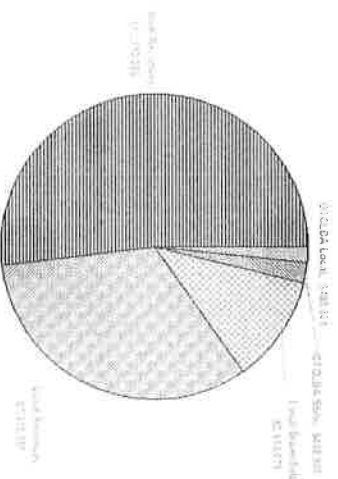
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Captured Taxes, Specific Taxes and Revenues Rennie School Road Redevelopment



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Brownfield/GTCLBA Taxes – Revenues: 30 Years Rennie School Road Brownfield Plan



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ADVANTAGES


- Extensive public infrastructure reimbursed by Brownfield revenues over time.
- Public safety benefits and broader community benefit.
- Spurs development of multi-family on middle parcel and residential on west parcel.
- Leverages limited township funds into over \$1 million in public infrastructure.

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PROPOSAL

- Amend Brownfield Plan to:
 - Increase Eligible Activity budget for additional costs
 - Extend capture period to 15 years to ensure reimbursement of public infrastructure costs.
 - Note the GTCLBA 5/50 Specific Tax Levy
- Blair Township concurred with an allocation of 25% of the cost to extend Stadium Drive to Rennie School Road, estimated at \$72,125 at their October 8 meeting.
- Road Commission approved an allocation of 25% for Stadium Drive and 100% of Rennie School Road costs, estimated at \$472,125 at their October 25 meeting.


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PROPOSED BROWNFIELD SCHEDULE

<i>ACTION</i>	<i>BOARD</i>	<i>DATE</i>
Amendment Introduction	Blair Township	October 9
Brownfield Plan Consideration	GTCBRA	January 30
Notices to Taxing Jurisdictions	GTCBRA	Sent January 25
Public Hearing, Brownfield Plan Consideration	County Board	February 5
Brownfield Plan Concurrence	Blair Township	February 12

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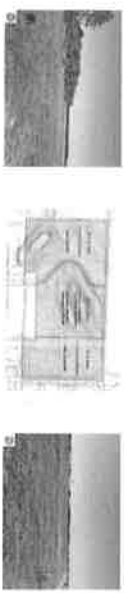
PURPOSE

- Pass resolution concurring with Amended Brownfield Plan

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RENNIE SCHOOL ROAD REDEVELOPMENT

GRAND TRAVERSE COUNTY LAND BANK AUTHORITY



Proposed Brownfield Plan Amendment

Blair Township Board of Trustees
February 12, 2019

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Rehmann Robson

107 S. Cass St, Suite A
Traverse City, MI 49684
Ph: 231.946.3230
Fx: 231.946.3955
rehmann.com

Independent Auditors' Communication with Those Charged with Governance

Month xx, 2019

Honorable members of the Board
of the Blair Township
Grawn, Michigan

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of **Blair Township, Michigan** (the "Township") as of and for the year ended June 30, 2018, and have issued our report thereon dated Month xx, 2019. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated October 25, 2018, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements that have been prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Township solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Our findings regarding internal control over financial reporting, compliance, and other matters noted during our audit are included in Attachment A to this letter.

Planned Scope and Timing of the Audit

The planned scope and timing of our audit procedures previously communicated to you in our engagement letter and in our meeting about planning matters on October 3, 2018 was delayed due to issues related to communication with the predecessor auditor, as well as a health related issue related to a key member of the Township's management. On December 19, 2018, the State of Michigan granted the Township an extension to file its audit through February 2, 2019.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm has complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Township's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Township is included in Note 1 to the financial statements.

There have been no initial selections of accounting policies and no changes in significant accounting policies or their application during the year.

During the year, there were restatements of fund balance and/or net position to correct various errors noted in the prior year financial statements. Note 13 to the financial statements contain a more complete description of these restatements. No matters have come to our attention that would require us, under professional standards, to inform you about the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements were:

- Management's estimate of the useful lives of depreciable capital assets is based on the length of time it is believed that those assets will provide some economic benefit in the future.
- Management's estimate of the accrued compensated absences is based on current hourly rates and policies regarding payment of sick and vacation banks.
- Management's estimate of the allowance for uncollectible receivable balances is based on past experience and future expectation for collection of various account balances.

We evaluated the key factors and assumptions used to develop these estimates and determined that they are reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Significant Difficulties Encountered During the Audit

The timing of our audit procedures was delayed from the schedule agreed to during the planning stages of our engagement due to delays in receiving information from the Township's predecessor auditors. Upon receiving the information from the predecessor auditors, it was determined that additional procedures would need to be performed regarding beginning balances. The process was further delayed by a health issue with a key member of Township management, resulting in an extension of time to file being granted by the State of Michigan.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The material misstatements, both current and prior period, detected as a result of audit procedures and corrected by management are described in Attachment A to this letter.

The schedule of adjustments passed is included with management's written representations in Attachment C to this letter, and summarizes uncorrected financial statement misstatements whose effects in the current and prior periods, as determined by management, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole and each applicable opinion unit.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Township's financial statements or the auditors' report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in Attachment C to this letter.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the Township, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Township's auditors.

Other Information in Documents Containing Audited Financial Statements

Our responsibility for the supplementary information accompanying the financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole. We made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Upcoming Changes in Accounting Standards

Generally accepted accounting principles (GAAP) are continually changing in order to promote the usability and enhance the applicability of information included in external financial reporting. While it would not be practical to include an in-depth discussion of every upcoming change in professional standards, Attachment B to this letter contains a brief overview of recent pronouncements of the Governmental Accounting Standards Board (GASB) and their related effective dates. Management is responsible for reviewing these standards, determining their applicability, and implementing them in future accounting periods.

This information is intended solely for the use of the governing body and management of the Blair Township and is not intended to be and should not be used by anyone other than these specified parties.

BLAIR TOWNSHIP

■ Attachment A - Consideration of Internal Control Over Financial Reporting For the June 30, 2018 Audit

We have audited, in accordance with the auditing standards generally accepted in the United States of America the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of **Blair Township** (the "Township"), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated Month xx, 2019.

In planning and performing our audit of the financial statements, we considered the Township's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies, described in the accompanying schedule of findings and responses as items 2018-001 and -002, to be a material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

BLAIR TOWNSHIP

Attachment A - Schedule of Findings and Responses

For the June 30, 2018 Audit

Finding 2018-001 - Preparation of Financial Statements in Accordance with GAAP, Material Audit and Prior Period Adjustments

Finding Type. Material Weakness in Internal Control over Financial Reporting.

Criteria. All Michigan governments are required to prepare financial statements in accordance with accounting principles generally accepted in the United States of America. This is a responsibility of the Township's management. The preparation of financial statements in accordance with GAAP requires internal controls over both (1) recording, processing, and summarizing accounting data (i.e., maintaining internal books and records), and (2) reporting government-wide and fund financial statements, including the related footnotes (i.e., external financial reporting).

Condition. As is the case with many smaller and medium-sized entities, the Township has historically relied on its independent external auditors to assist in the preparation of the government-wide financial statements and footnotes as part of its external financial reporting process. In addition, several material adjustments were necessary in the areas of receivables, including special assessments, payables, accrued payroll, and long-term debt to agree the Township's accounts to their underlying year-end balances. We also proposed several prior period adjustments to correct errors in the previous year's financial statements. These adjustments were made to governmental funds and activities to adjust accrued compensated absences, amounts due from other governments, and accounts receivable. Other adjustments were made to enterprise funds to write off bond issuance costs, adjust long-term debt, special assessments receivable, accumulated depreciation, and to record an interfund liability owed from the general fund. Accordingly, the Township's ability to prepare financial statements in accordance with GAAP is based, in part, on its reliance on its external auditors, who cannot by definition be considered a part of the Township's internal controls.

Cause. The Township did not identify certain adjustments that were necessary for the financial statements to be presented in accordance with GAAP. In addition, the Township has decided that it is more cost effective to outsource the preparation of its annual financial statements to the auditors than to incur the time and expense of obtaining the necessary training and expertise required for the Township to perform this task internally.

Effect. As a result of this condition, the Township's accounting records were initially misstated by amounts material to the financial statements. Further, the Township lacks internal controls over the preparation of financial statements in accordance with GAAP, and instead relies, in part, on its external auditors for assistance with this task.

Recommendation. For the adjustments, we recommend an individual review year-end balances and supporting schedules and record adjustments as needed, to provide reasonable assurance that all account balances are properly stated and complete before the adjusted trial balance is provided for the audit.

View of Responsible Officials. The Township has evaluated the benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the Township to outsource this task to its external auditors (including recording year-end entries), and to carefully review the proposed journal entries, draft financial statements and notes prior to approving them and accepting responsibility for their content and presentation.

BLAIR TOWNSHIP

Attachment A - Schedule of Findings and Responses

For the June 30, 2018 Audit

Finding 2018-002 - Lack of Appropriate Segregation of Accounting Duties

Finding Type. Material Weakness in Internal Control over Financial Reporting.

Criteria. Management is responsible for establishing effective internal controls to safeguard the Township's assets, and to prevent or detect misstatements to the financial statements. In establishing appropriate internal controls, careful consideration must be given to the cost of a particular control and the related benefits to be received. Accordingly, management must make the difficult decision of what degree of risk it is willing to accept, given the Township's unique circumstances.

Condition. As is the case with many organizations of similar size, the Township lacks a sufficient number of accounting personnel in order to ensure a complete segregation of duties within its accounting function. Ideally, no single individual should ever be able to authorize a transaction, record the transaction in the accounting records, and maintain custody of the assets resulting from the transaction. Effectively, proper segregation of duties is intended to prevent an individual from committing an act of fraud or abuse and being able to conceal it.

Cause. This condition is a result of the Township's limited resources, and the small size of its accounting staff.

Effect. As a result of this condition, the Township is exposed to an increased risk that misstatements (whether caused by error or fraud) may occur and not be prevented or detected by management in a timely manner.

Recommendation. There are, of course, no easy answers to the challenge of balancing the costs and benefits of internal controls and the segregation of incompatible duties. Recognizing this fact, we encourage the Township to mitigate this risk by requiring as much independent review, reconciliation, and approval of accounting function by qualified members of management as possible.

View of Responsible Officials. The Township recognizes that this limitation is a natural outgrowth of the small number of staff, and applies its judgment in determining how best to allocate the Township's resources to provide an appropriate balance between sound internal controls and fiscal prudence.

BLAIR TOWNSHIP

Attachment A - Schedule of Findings and Responses

For the June 30, 2018 Audit

Other Matters

Continuing Bond Disclosure Reporting

To comply with ongoing bond reporting requirements, the Township is required to submit annual reports to the Electronic Municipal Market Access ("EMMA") website. This report includes various information including current property taxable values, select pension and other postemployment benefit data, and a summary of outstanding debt. During our audit procedures, we noted the Township has not been filing these required reports. We recommend the Township implement a policy to annually report the required information to the EMMA website.

Reporting Unclaimed Property

During our testing of the Township's bank reconciliations, we noted outstanding checks and deposits that were older than one year. According to the Michigan Department of Treasury's "Manual for Reporting Unclaimed Property", unclaimed checks related to payments for goods or services have a dormancy period of three years before they must be reported to the State as unclaimed property. Payroll-related checks have a dormancy period of one year. As such, we recommend that the Township report to the State any unclaimed property exceeding these thresholds and review its current policies to ensure these items are monitored for compliance and reported in a timely manner.

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BLAIR TOWNSHIP

Attachment B - Upcoming Changes in Accounting Standards / Regulations

For the June 30, 2018 Audit

The following pronouncements of the Governmental Accounting Standards Board (GASB) have been released recently and may be applicable to the Township in the near future. We encourage management to review the following information and determine which standard(s) may be applicable to the Township. For the complete text of these and other GASB standards, visit www.gasb.org and click on the "Standards & Guidance" tab. If you have questions regarding the applicability, timing, or implementation approach for any of these standards, please contact your audit team.

GASB 83 ■ Certain Asset Retirement Obligations

Effective 06/15/2019 (your FY 2020)

This standard addresses accounting and financial reporting for certain asset retirement obligations--legally enforceable liabilities associated with the retirement of a tangible capital asset. We do not expect this standard to have any significant effect on the Township.

GASB 84 ■ Fiduciary Activities

Effective 12/15/2019 (your FY 2020)

This standard establishes new criteria for determining how to report fiduciary activities in governmental financial statements. The focus is on whether the government is controlling the assets, and who the beneficiaries are. Under this revised standard, certain activities previously reported in agency funds may be reclassified in future periods. Due to the number of specific factors to consider, we will continue to assess the degree to which this standard may impact the Township. We do not expect this standard to have any significant effect on the Township.

GASB 85 ■ Omnibus 2017

Effective 06/15/2018 (your FY 2019)

This standard includes a variety of small technical revisions to previously issued GASB statements. We do not expect this standard to have any significant effect on the Township.

GASB 86 ■ Certain Debt Extinguishment Issues

Effective 06/15/2018 (your FY 2019)

This standard provides guidance for reporting the in-substance defeasance of outstanding debt obligations using existing resources. Qualifying transactions will remove both the assets placed into trust and the related debt obligation from the government's statement of net position. We do not expect this standard to have any significant effect on the Township.

GASB 87 ■ Leases

Effective 12/15/2020 (your FY 2021)

This standard establishes a single model for reporting all leases (including those previously classified as operating and capital). Lessees will now report offsetting intangible lease assets and lease liabilities equal to the present value of future lease payments. Lessors will report offsetting lease receivables and deferred inflows of resources. We do not expect this standard to have any significant effect on the Township.

BLAIR TOWNSHIP

Attachment B - Upcoming Changes in Accounting Standards / Regulations For the June 30, 2018 Audit

GASB 88 ■ Certain Disclosures Related to Debt *Effective 06/15/2019 (your FY 2020)*

This standard provides guidance on note disclosures related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. We do not expect this standard to have any significant effect on the Township.

GASB 89 ■ Accounting for Interest Cost Incurred before the End of a Construction Period *Effective 01/00/1900 (your FY 1901)*

This standard eliminates the requirement for governments to capitalize interest during the construction period for business-type activities. As this simplifies the accounting for interest, early implementation is encouraged. We do not expect this standard to have any significant effect on the Township.

GASB 90 ■ Majority Equity Interests *Effective 01/00/1900 (your FY 1901)*

This standard addresses situations in which a government acquires a majority of the equity interest in a legally separate organization, and whether such holdings should be reported as an investment or a component unit. We do not expect this standard to have any significant effect on the Township.

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BLAIR TOWNSHIP

■ Attachment C - Management Representations For the June 30, 2018 Audit

The following pages contain the written representations that we requested from management.

MONTH XX, 2019

Rehmann Robson
107 S. Cass Street, Suite A
Traverse City, MI 49684

This representation letter is provided in connection with your audit of the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Blair Township, Michigan (the "Township"), as of and for the year ended June 30, 2018, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, where applicable, and the respective budgetary comparison for the General Fund and each major special revenue fund of the Township in conformity with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of MONTH XX, 2019:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated October 25, 2018, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP. We have reviewed, approved, and taken responsibility for the financial statements and related notes.
2. We have reviewed and approved the various adjusting journal entries that were proposed by you for recording in our books and records and reflected in the financial statements.
3. We acknowledge our responsibility for 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.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
6. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP. For the purposes of this letter, related parties mean members of the governing body; board members; administrative officials; immediate families of administrative officials, board members, and members of the governing body; and any companies affiliated with or owned by such individuals.
7. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.

8. The effects of uncorrected misstatements summarized in the attached schedule and aggregated by you during the current engagement are immaterial, both individually and in the aggregate, to the applicable opinion units and to the financial statements as a whole.
9. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
10. All funds and activities are properly classified.
11. All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, and GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
12. All components of net position and fund balance classifications have been properly reported.
13. All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
14. All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
15. All interfund and intra-entity transactions and balances have been properly classified and reported.
16. Deposit and investment risks have been properly and fully disclosed.
17. Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
18. All required supplementary information is measured and presented within the prescribed guidelines.
19. In connection with the restatements of beginning fund balance/net position, the Township has determined that the presentation of restated amounts in the current year financial statements is sufficient to inform financial statement users, and accordingly, no revised and reissued financial statements for fiscal year 2017 or any previous fiscal years are necessary. Also, the Township has evaluated the underlying cause of this error and determined that it does not affect any other areas of the financial statements.

Information Provided

20. We have provided you with:
 - a. Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
 - b. Additional information that you have requested from us for the purpose of the audit; and
 - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
21. All transactions have been recorded in the accounting records and are reflected in the financial statements.
22. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
23. We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - a. Management;
 - b. Employees who have significant roles in internal control; or
 - c. Others where the fraud could have a material effect on the financial statements.
24. We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, vendors, regulators, or others.

25. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.
26. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
27. There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
28. The government has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
29. We have disclosed to you all guarantees, whether written or oral, under which the government is contingently liable.
30. We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
31. There are no:
 - a. Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
 - b. Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.
 - c. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62.
32. The government has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
33. We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
34. We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB-62. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.

Supplementary Information in Relation to the Financial Statements as a Whole

35. With respect to the supplementary information accompanying the financial statements:
 - a. We acknowledge our responsibility for the presentation of the supplementary information in accordance with accounting principles generally accepted in the United States of America.
 - b. We believe the supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America.
 - c. The methods of measurement or presentation have not changed from those used in the prior period.
 - d. We believe the significant assumptions or interpretations underlying the measurement or presentation of the supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.

Required Supplementary Information

36. With respect to the required supplementary information accompanying the financial statements:
- a. We acknowledge our responsibility for the presentation of the required supplementary information in accordance with accounting principles generally accepted in the United States of America.
 - b. We believe the required supplementary information, including its form and content, is measured and fairly presented in accordance with accounting principles generally accepted in the United States of America.
 - c. The methods of measurement or presentation have not changed from those used in the prior period.
 - d. We believe the significant assumptions or interpretations underlying the measurement or presentation of the required supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.

Nicole Blonshine, Township Supervisor

Lynette Wolfgang, Township Clerk

Tracie Campbell, Township Treasurer

BLAIR TOWNSHIP

Schedule of Adjustments Passed (SOAP)

For the June 30, 2018 Audit

In accordance with generally accepted auditing standards, we have prepared the following schedule of proposed audit adjustments, which we believe are immaterial both individually and in the aggregate. We are providing this schedule to both management and those charged with governance to receive their assurance that they agree that the amounts listed below are not material to the financial statements, either individually or in the aggregate, and do not need to be recorded.

	Effect of Passed Adjustment - Over(Under)Statement				
	Assets	Liabilities	Beginning Equity	Revenues	Expenses/ Expenditures
General fund					
Understated special assessment receivable	\$ (7,833)	\$ -	\$ -	\$ (7,833)	\$ -
Ambulance Fund					
Understated accrued payroll	\$ -	\$ (1,263)	\$ -	\$ -	\$ (1,263)
Fire and Police Fund					
Understated accrued payroll	\$ -	\$ (1,263)	\$ -	\$ -	\$ (1,263)
Governmental activities					
Cumulative effect of items noted above	\$ (7,833)	\$ (2,526)	\$ -	\$ (7,833)	\$ (2,526)
Misstatement as a percentage of					
total assets - governmental activities	-0.14%	-0.04%	0.00%	-0.14%	-0.04%

MONTH XX, 2019

Blair Township
Grawn, Michigan

State of Michigan
Department of Treasury
Lansing, Michigan

Dear Sir or Madam:

Pursuant to your letter dated September 7, 2018 (a copy of which is attached), please find attached our response in the form of a corrective action plan related to the findings noted in our most audit for the year ended June 30, 2018:

FINDING 1: Preparation of Financial Statements in Accordance with GAAP, Material Audit and Prior Period Adjustments

TYPE – Material Weakness in Internal Control over Financial Reporting

As is the case with many smaller and medium-sized entities, the Township has historically relied on its independent external auditors to assist in the preparation of the government-wide financial statements and footnotes as part of its external financial reporting process. In addition, several material adjustments were necessary in the areas of receivables, including special assessments, payables, accrued payroll, and long-term debt to agree the Township's accounts to their underlying year-end balances. We also proposed several prior period adjustments to correct errors in the previous year's financial statements. These adjustments were made to governmental funds and activities to adjust accrued compensated absences, amounts due from other governments, and accounts receivable. Other adjustments were made to enterprise funds to write off bond issuance costs, adjust long-term debt, special assessments receivable, accumulated depreciation, and to record an interfund liability owed from the general fund. Accordingly, the Township's ability to prepare financial statements in accordance with GAAP is based, in part, on its reliance on its external auditors, who cannot by definition be considered a part of the Township's internal controls.

Corrective Action/View of Responsible Officials

The Township has evaluated the benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the Township to outsource this task to its external auditors (including recording year-end entries), and to carefully review the proposed journal entries, draft financial statements and notes prior to approving them and accepting responsibility for their content and presentation.

FINDING 2: Lack of Appropriate Segregation of Accounting Duties

TYPE – Material Weakness in Internal Control over Financial Reporting

As is the case with many organizations of similar size, the Township lacks a sufficient number of accounting personnel in order to ensure a complete segregation of duties within its accounting function. Ideally, no single individual should ever be able to authorize a transaction, record the transaction in the accounting records, and maintain custody of the assets resulting from the transaction. Effectively, proper segregation of duties is intended to prevent an individual from committing an act of fraud or abuse and being able to conceal it.

Corrective Action/View of Responsible Officials

The Township recognizes that this limitation is a natural outgrowth of the small number of staff, and applies its judgment in determining how best to allocate the Township's resources to provide an appropriate balance between sound internal controls and fiscal prudence.

FINDING 3: Delinquent Water/Sewer Customer Accounts

TYPE – Material Weakness in Internal Control over Financial Reporting

During our audit, we noted that an unusually high number of water/sewer customers had delinquent outstanding balances that were added to the tax rolls. This process is built into Michigan law to protect municipal governments from default, but was never intended to serve as the primary mechanism for collecting water/sewer operating revenues. Most governments follow the best practice of collecting water/sewer revenues throughout the year, and sending shut-off notices for non-payment—using the tax rolls as a collection tool of last resort.

Corrective Action/View of Responsible Officials

The Township will review the current ordinance and consider the necessary revisions to mitigate the risk of fraud.

FINDING 4: Continuing Bond Disclosure Reporting

TYPE – Other matter

To comply with ongoing bond reporting requirements, the Township is required to submit annual reports to the Electronic Municipal Market Access ("EMMA") website. This report includes various information including current property taxable values, select pension and other postemployment benefit data, and a summary of outstanding debt. During audit procedures, it was noted the Township has not been filing these required reports.

Corrective Action/View of Responsible Officials

RESPONSE

FINDING 5: Reporting Unclaimed Property

TYPE – Other matter

During audit testing of the Township's bank reconciliations, it was noted that outstanding checks and deposits that were older than one year. According to the Michigan Department of Treasury's "Manual for Reporting Unclaimed Property", unclaimed checks related to payments for goods or services have a dormancy period of three years before they must be reported to the State as unclaimed property. Payroll related checks have a dormancy period of one year.

Corrective Action/View of Responsible Officials

RESPONSE

The Township takes seriously all comments made during our audit and will work cooperatively with our external audit firm to make sure that the corrective actions listed above are completed during the current fiscal year.

If you have any questions, please do not hesitate to reach out to me.

Very truly yours,

Nicole Blonshine
Township Supervisor

Enclosure – Letter from the State of Michigan dated September 7, 2018