

**GRAND TRAVERSE COUNTY, MICHIGAN  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
YEAR ENDED DECEMBER 31, 2016**



## **GRAND TRAVERSE COUNTY, MICHIGAN**

### **Principal Officials**

For the Fiscal Year Ended December 31, 2016

### **Board of Commissioners**

Carol Crawford - Chairperson

Ron Clous – Vice Chair

Dr. Dan Lathrop

Tom Mair

Cheryl Gore Follette

Dr. Bob Johnson

Addison “Sonny” Wheelock, Jr.

### **Administration**

Thomas Menzel - County Administrator

Jennifer DeHaan - Deputy County Administrator

Jody Lundquist - Finance Director

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## **Introductory Section**



## GRAND TRAVERSE COUNTY ADMINISTRATION

400 BOARDMAN AVENUE  
TRAVERSE CITY, MI 49684-2577

ADMINISTRATION  
BOARD OF COMMISSIONERS  
FAX

231/922-4780  
231/922-4797  
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June 28, 2017

Grand Traverse County Board of Commissioners and  
Citizens of Grand Traverse County, Michigan:

The Comprehensive Annual Financial Report (CAFR) of Grand Traverse County, Michigan, for the calendar year ended December 31, 2016, is hereby submitted. In accordance with State Law, re: Public Act 34 of 2001, the revised Municipal Finance Act, Section 141.2303 (1) requires each municipality within the state of Michigan to file an audit report annually with the Michigan Department of Treasury within 6 months from the end of its fiscal year or as otherwise provided in the Uniform Budgeting and Accounting Act, 1968 PA 2, MCL 141.421 to 141.440a. This report was prepared by the Grand Traverse County Finance Department. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the County. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the government based upon a comprehensive framework of internal control that has been established for this purpose. Since the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute assurance that the financial statements are free of any material misstatements.

Michigan law requires an annual audit of the County's financial statements. The Grand Traverse County Board of Commissioners has engaged Gabridge & Co., Independent Auditors, for this purpose. The independent auditors' unmodified ("clean") opinion has been included at the front of the financial section of this report.

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

### ORGANIZATIONAL STRUCTURE

County government is the largest unit of local government in Michigan and is also the oldest political subdivision of the state, having attained stature and importance before any other form of government now in existence.

Grand Traverse County, Michigan, incorporated in 1851, is located approximately 250 miles north of Detroit, in the northwestern section of Michigan's Lower Peninsula. It currently occupies 485 square miles and serves an estimated population of 92,084. In terms of population, this ranks Grand Traverse County as the 22nd largest of 83 counties in the State of Michigan. Grand Traverse County is empowered to levy a property tax on real, personal and industrial property located within its boundaries.

The Board of Commissioners exercises the legislative power of the County and determines all matters of policy. The Board of Commissioners is comprised of seven commissioners who are elected from their respective districts. Each commissioner serves a term of two years. The county administrator is the appointed head of the administrative branch of the county government. The judicial branch of government



consists of two Circuit Court judges, two District Court judges, and one Probate Court judge. All judges are elected at large for a six-year term. The Circuit and District Court judges are elected on two-year, staggered terms. The Offices of Prosecuting Attorney, Sheriff, Clerk, Treasurer, Register of Deeds, Drain Commissioner and County Surveyor are elected at large and serve for a four-year term.

Grand Traverse County provides a wide range of services, including public safety, health and welfare services, community and economic development, and recreational and cultural activities. Certain financing and oversight services on the construction of Grand Traverse County public buildings are provided through a component unit, a legally separate building authority, which functions, in essence, as a department of Grand Traverse County, and therefore has been included as an integral part of Grand Traverse County's financial statements. Grand Traverse County is also financially accountable for services provided by other legally separate component units of Grand Traverse County. These services include the construction and maintenance of the county's system of roads and bridges by the Grand Traverse County Road Commission, and water supply and wastewater disposal services provided by the Grand Traverse County Department of Public Works. In addition, the Grand Traverse County Drain Commissioner provides for the construction and maintenance of drainage districts throughout Grand Traverse County. The Grand Traverse County Brownfield Redevelopment Authority promotes the revitalization of environmentally distressed areas/sites. The Grand Traverse County Land Bank Authority works to provide affordable housing and economic development opportunities from foreclosed properties. These five component units are reported separately within Grand Traverse County's financial statements, and additional information on them can be found in the notes to the financial statements.

Grand Traverse County prepares, adopts and maintains budgetary controls on an annual basis. Governmental fund types of Grand Traverse County are under formal budgetary control. Activities of the General fund, Special Revenue funds and Debt Service funds are included in the annual appropriated budget. The level of budgetary control, that is, the level at which expenditures cannot legally exceed the appropriated amount, is established at the activity level. Capital Project funds are budgeted by project. Enterprise funds and Internal Service funds, which are Proprietary funds, are also subject to budgetary controls and are budgeted at the activity level as well. The County's procedures in establishing its annual budget are as follows:

Beginning in the summer of each year, budget forms are provided to all county elected officials and department heads, outlining the procedures for requesting appropriations for the subsequent budget year. In the fall of each year, the County Administrator and Finance Director may hold budget hearings with all elected officials and department heads to obtain additional information regarding budget requests.

In October, preceding the beginning of the next fiscal year, and in conformance with Act 2, PA 1968, as amended by Public Act 621 of 1978, (the Uniform Budgeting and Accounting Act), the Finance department prepares, and the County Administrator submits, a proposed operating budget for review and adoption by the County Board of Commissioners.

Subsequent to the County Administrator submitting the proposed budget to the Board of Commissioners, a public hearing is conducted to obtain taxpayer comments. The Board of Commissioners then makes any amendments to the budget it deems necessary and adopts the same by formal resolution prior to December 31.

The Board of Commissioners is authorized to make adjustments to the various budgets as deemed necessary. Elected officials and department heads are authorized to amend budgets under their control subject to the provisions of the County's budget resolutions as amended.

## **ECONOMIC CONDITION AND OUTLOOK**

### ***Population Trends***

In 2016, the estimated population of Grand Traverse County was 92,084 according to the U.S. Census. This is an increase of 5.9% from the 2010 U.S. Census population count of 86,986. Grand Traverse County is the 22nd most populated county in Michigan and was third fastest growing county in the state in 2016.

The 2015 median age in Grand Traverse County is 41.7 years, compared to 39.5 years for Michigan overall. In 2015, 16.3% of the population of the County was 65 years old and over which is higher than the 15.0% for Michigan overall. In comparison, only 13.1% of the County population in 2000 was 65 years old and over. This trend of an aging population is expected to continue for the region.

### ***Labor Market***

In 2016, the annual average workforce in Grand Traverse County was 49,359 employees, representing two-thirds of the total regional employment. Annual average unemployment for the County in 2016 was 4.1%, down from 4.4% in 2015. Health care and social assistance is the largest employment industry in the county. Over the next 30 years, Grand Traverse County is forecasted to experience employment growth more than 150% higher than the state average. Median household income in the County is \$54,874, 14th highest county in Michigan.

### ***Property Values and Home Sales***

There are 54,949 parcels of property in the County for the 2017 Assessment year, a decrease of -0.14% from 2016. The County Equalized Value (CEV) for Grand Traverse County for 2017 is \$6,077,177,576, an increase of 5.48% from 2016, which was \$5,761,372,513. Taxable value increased overall 3.622% countywide from 2016 to 2017.

Total listings of home sales in Grand Traverse County in 2016 by real estate agents were 1,735, up from 1,696 in 2015. The average sales price in 2016 was \$250,086, up from \$233,552 in 2015. In comparison, the average price for sales in Michigan in 2016 was \$154,133, an increase from \$147,035 in 2015.

### ***Education***

On a whole, Grand Traverse County residents tend to have a higher than average education compared to the remainder of Michigan. The County is ranked sixth in the state with 93.7% of the population having a high school diploma or more and ranked tenth in the state with 31.5% of the population having a bachelor's degree or more.

The two primary public school districts in Grand Traverse County are the Traverse City Area Public Schools and the Kingsley Area Schools. Traverse City Area Public Schools includes 23 schools spread over 285 square miles in three different counties. The district has a current enrollment of nearly 11,000 students. Kingsley Area Schools includes three schools and covers the southern end of the County. The district has a current enrollment of over 1,300 students. Both districts have a dual enrollment program which enables high school students to enroll in classes offered by Northwestern Michigan College and earn college credit while still in high school.

Northwestern Michigan College pioneered post-secondary education in northern Michigan when it was established as Michigan's first community college in 1951. With an enrollment of 5,600, the college provides collegiate-level instruction in the liberal arts and in many occupational fields. The college's Great Lakes Maritime Academy, the only maritime academy on the Great Lakes, prepares students to become



merchant marine officers. The college also is in partnership with 11 Michigan colleges and universities to provide bachelor's completion and advanced degrees.

### ***Tourism Industry***

The Grand Traverse region's largest industry is often considered to be tourism. With a market area accounting for close to 10 percent of the state's travel volume, Grand Traverse County ranks second among Michigan counties in the number of pleasure trips hosted. An estimated 3.3 million persons annually visit Grand Traverse County. This includes hotel guests, business meeting and convention travelers as well as seasonal property owners. The Grand Traverse visitor industry includes 3,900 hotel rooms and an estimated 3,600 seasonal condominiums. The total economic impact from the visitor industry in Grand Traverse County is \$1.2 billion annually.

### ***Cherry Industry***

The U.S. cherry industry produces more than 650 million pounds of tart and sweet cherries each year. Michigan, mainly the Grand Traverse region, grows about 75 percent of the tart cherry crop. Generally, Michigan produces 200 to 250 million pounds of tart cherries with the total U.S. crop being 275 to 350 million pounds. Sweet cherries primarily are grown in the Pacific Coast states, but Michigan joins the top four producers, harvesting about 20 percent of the crop each year. Michigan produces about 50 million pounds of sweet cherries.

### ***Wineries and Eateries***

The Traverse City area is home to numerous vintners who grow grapes and bottle wines on the scenic Old Mission and Leelanau Peninsulas. The wines are fast becoming among the finest offered nationally and internationally. The ideal climate, with vineyards protected by winter snows and conditions moderated by proximity to Lake Michigan, has given rise to a wine industry that has been recognized for its quality and variety since the first winery opened here in 1974. The area also contains nearly 20 breweries and 5 distilleries.

Thanks to its award-winning wines and talented local chefs, Traverse City enjoys a national reputation as a place of food and drink. Midwest Living listed Traverse City among its Five Top Food Towns two years in a row, and Bon Appetit has listed it as one of America's Top Five Foodie Towns.

### ***Arts and Culture***

The arts and culture industry represents a diverse group in this region from the world-renown Interlochen Center for the Arts to self-employed artists often working from their homes. Regionally, the arts and culture sector has grown significantly in the past few years and is an important contributing force in the economy. Highlights of the region include Dennon Museum Center, the Traverse City Opera House, the Old Town Playhouse, and the Traverse Symphony Orchestra.

### ***Healthcare***

Munson Healthcare, the parent company for Munson Medical Center in Traverse City and eight other affiliated hospitals, is the region's largest provider of health care and also the region's largest employer with over 5,000 employees. Munson serves 24 counties in northern Michigan and offers 41 specialties including one of the nation's top heart programs.

## ***Quality of Life***

The Grand Traverse region has been continuously recognized for its quality of life. This same high quality of life has been essential for the economic growth of the region. Recent recognition includes the following:

Strong Towns (March 2017) – “Strongest Town”

National Geographic (January 2017) – “21 Best Beaches in the World”

Travel Channel (January 2017) – “Top 10 Cities for Wine Snobs”

Travel & Leisure (August 2016) – “America's Favorite Beach Towns”

Livability (June 2016) - “Best Small Town in America”

Forbes Magazine (April 2016) – “Top 25 Places to Retire in 2016”

Midwest Living Magazine (March 2016) – “Midwest Living Greatest Town”

Condé Nast Traveler (January 2016) – “The Most Beautiful Towns in America”

## **MAJOR INITIATIVES**

### ***Boardman River Dams***

The Grand Traverse County Board of Commissioners has decided to remove the Boardman and Sabin Dams on the Boardman River after a long study that included surrounding property owners, the Michigan Department of Natural Resources and Environment (DNRE), the U.S. Army Corps of Engineers, Grand Traverse County Road Commission, City of Traverse City, and Traverse City Light and Power. This decision is joined by the City of Traverse City which has removed Brown Bridge Dam also on the Boardman River. The County and City are working with the Army Corps of Engineers and DNRE on the removal of the dams and to restore the river. A project of this scale is substantial and will have a significant impact on the community.

### ***Brownfield Redevelopment***

Since its inception, the Grand Traverse County Brownfield Redevelopment Authority has been one of the most active authorities in Michigan, working to revitalize environmentally distressed areas. Over \$250 million of private investment has been added to the Grand Traverse County tax base as a result of environmental clean-up of nearly 20 brownfield sites. The new investment and new businesses have resulted in the creation of over 1,800 jobs. Further, an additional \$250 million in investments is anticipated in the continued redevelopment of these sites.

### ***Economic Development***

Grand Traverse County has been designated as a Next Michigan Development Corporation by the Michigan Strategic Fund Board. As one of only seven communities in Michigan, “Northern Nexus” utilizes key economic development tools to assist in the expansion and attraction of businesses that ship goods by two or more modes of transportation. With strong support from the Michigan Economic Development Corporation, Northern Nexus works in partnership with the City of Traverse City, Garfield Charter Township, East Bay Charter Township and Blair Township.

### ***National Cherry Festival***

Traverse City is considered the Cherry Capital of the World. Its annual celebration, the National Cherry Festival, is held every July and attracts over 500,000 people over eight days. At a minimum, the annual festival contributes \$26 million to the region. The festival has been well recognized by the Governor, the Michigan legislature, AAA Michigan and USA Today. The festival is also annually rated in the Top 100 Festivals and Events in North America by the American Bus Association.



### ***Traverse City Film Festival***

Every summer, the annual Traverse City Film Festival, founded by Academy Award winning filmmaker Michael Moore and co-founders, photographer John Robert Williams and New York Times bestselling author Doug Stanton, presents the best of independent, foreign, and documentary films in several indoor movie houses and one free outdoor location. The Festival also operates the historic State Theatre as a highly successful year-round movie house.

### ***Traverse City Beach Bums Professional Baseball Team and Hockeytown North***

Averaging 125,000 fans a year, Wuerfel Park is home to the Traverse City Beach Bums professional baseball team of the Frontier League and draws fans from across northern Michigan. Across town, Centre Ice, known as Hockeytown North, is home to the training camp of the Detroit Red Wings and its annual prospects tournament.

### ***Coast Guard City***

In 2010, Traverse City was designated as a "Coast Guard City." Traverse City is one of only 21 Coast Guard Cities in the United States. There are 140 Coast Guard personnel stationed at Air Station Traverse City located at Cherry Capital Airport. Traverse City is considered the #1 retirement location for Coast Guard personnel.

## **FINANCIAL INFORMATION**

### ***Relevant Financial Policies***

In accordance with the County's General Financial Policy, the General fund objective is to establish and maintain a 15% level of unassigned fund balance based on the General fund's most current adopted operating budget.

The 100% Tax Payment Fund Policy, which authorizes appropriations from the 100% Tax Payment fund, requires that it be self-funded. Beginning in 1999, the fund retains 25% of the earnings, with the balance available for distribution or appropriation to the general fund. Since 2002, \$450,000 of the amount available for appropriation has been designated as a capital appropriation.

Cash balances are invested according to the Investment Policy adopted by the Board of Commissioners. The Board of Commissioners has authorized the Grand Traverse County Treasurer to invest surplus funds of the County in accordance with those investments permitted by Act 20 of the Michigan Public Acts of 1943 as amended, M.C.L. 129.91. The Act generally allows the County to deposit funds in banks, savings and loan associations, and credit unions in the state of Michigan. The Act also provides for investments in U.S. government obligations; certificates of deposit, savings accounts and deposit accounts of banks, savings and loans, and credit unions who are members of the FDIC, FSLIC, and NACU, respectively; commercial paper; U. S. government or federal agency obligation repurchase agreements; bankers' acceptances of United States banks; and, with some restrictions, mutual funds.

### ***Employees' Retirement Systems***

The County participates in the Municipal Employees Retirement System of Michigan (MERS), and offers both a defined benefit pension plan and a defined contribution pension plan for most full-time employees. The County's defined benefit pension plan remains the lowest funded of all 83 counties in the State of Michigan at 45% funded, a 0% increase in funding status from 2015. The Board of Commissioners and



County staff continue to identify a long-term strategy to resolve the County's \$54 million in unfunded pension debt outstanding as of December 31, 2016. The Pavilions are currently 73% funded, representing an additional \$10 million in unfunded pension debt. The Grand Traverse County Road Commission was audited separately as a component unit of the County. The Road Commission reports being 70% funded with a net pension liability of \$2.8 million.

### ***Retiree Healthcare***

In addition to the unfunded pension liability, the County's liability of \$7.7 million for other post-employment benefits (or retiree healthcare), remained 0% funded as of December 31, 2016.

### ***Information Technology and Infrastructure***

Assessments of the County's Information Technology (IT) and Facilities infrastructure have been performed and indicate a dire need for significant upgrades resulting from years of lack of appropriate planning and investment. External consultants estimate that nearly \$5.2 million will be necessary to improve the security, operational and functional vulnerabilities in the County's IT operations. Additionally, a preliminary report of infrastructure condition has identified over \$500,000 in improvements necessary at the Civic Center. The Grand Traverse Sheriff's Office has identified the need to update various outdated electronic systems at the jail at an estimated cost of approximately \$1.5 million. These and other matters will assist the County and its various departments in the development of an updated Capital Improvement Plan.

### ***Economic Factors and Next Year's Budgets and Rates***

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

Total revenues would decrease slightly as a result of eliminating the use of fund balance which is recognized as an unsustainable practice and from the loss of certain grant program funding.

The County was in active negotiations with 8 open labor contracts during the 2017 budget preparation process. The Circuit Court Association and Circuit Court Supervisors Association were settled by the Circuit Court Chief Judge in December 2016 at the objection of County Administration because of the detrimental financial impact caused by maintaining the status quo for the divisions containing the largest number of active defined benefit employees. The AFSCME and COAM Supervisory units settled in April and June 2017, respectively. The AFSCME Supervisory agreed to the bridged defined benefit plan consistent with that effective for non-contract employees. Both AFSCME and COAM Supervisors agreed to recognize the authority of the Board of Commissioners to implement a 20% healthcare contribution under Public Act 152. There was no wage increase for any of the 8 expired contracts included in the adopted 2017 budget.

Wage scale adjustments of 2.3% and 2.65% for the Sheriff's Department bargaining units were implemented pursuant to contract terms resulting in an increase to the total Sheriff's Department appropriations for personnel costs of approximately \$390,000.

Successful passage of a Veteran's Affairs Dedicated millage provided some relief to the General Fund by eliminating approximately \$500,000 in operating expenditures.

The Board of Commissioners recently adopted the MERS Retiree Healthcare Funding Vehicle in lieu of establishing a separate OPEB Trust. The County continued its efforts to pre-fund its unfunded OPEB liability in 2017 by setting aside another \$100,000 for retiree healthcare costs. The 2016 appropriation of \$250,000 that had been postponed is expected to be transferred in addition to the 2017 contribution.

The County will fully fund the total 2017 annual required defined benefit pension plan contribution of \$5.23 million, which increased by approximately \$400,000 over 2016. The County will continue to identify all available resources, including designation of fund balance, to increase the level of funding in its pension system and negotiate terms of an amortization extension agreement to lower and stabilize annual payments beginning in 2018.

Pursuant to the authority granted under Public Act 152, the Board of Commissioners began requiring 20% healthcare premium contribution for all employees effective January 1, 2017. The cost savings of approximately \$625,000 offset the increasing costs of the County's Traditional HMO \$250/500 deductible plan.

In order to address the County's growing need for investment in its failing IT and facilities infrastructure, \$450,000 was appropriated to the County's Capital Improvement Fund.

Overall the outlook for Grand Traverse County remains positive as a result of the dedicated elected officials and staff who constantly strive to improve efficiencies, reduce costs, and plan for the long-term financial stability necessary to provide high quality services to our residents.

### *Awards and Acknowledgments*

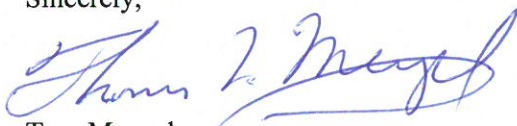
The Government Finance Officers Association of the United States and Canada (GFOA) awarded eleven consecutive Certificates of Achievement for Excellence in Financial Reporting to Grand Traverse County, Michigan for its Comprehensive Annual Financial Report (CAFR) for the fiscal years ended December 31, 2005-2015. This Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized CAFR whose contents conform to program standards. This CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department and other county departments, and the various elected and appointed officials. We would like to express our appreciation to everyone who assisted in and contributed to the preparation of this report. We would also like to thank the Board of Commissioners for their interest and support in planning and conducting the financial operations of the county in a responsible and progressive manner.

Sincerely,



Tom Menzel  
County Administrator





Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Grand Traverse County  
Michigan**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2015**

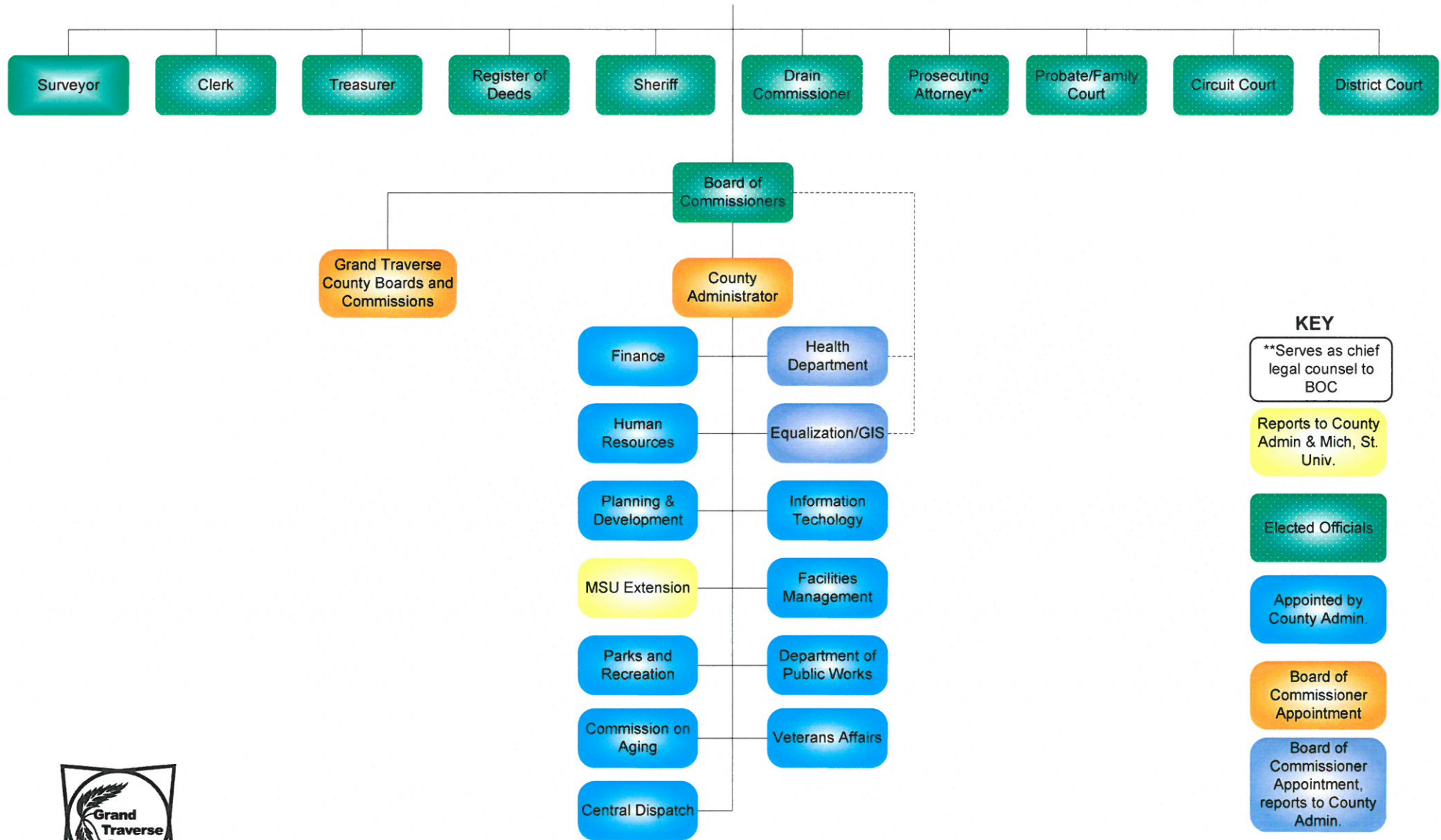
Executive Director/CEO



# Grand Traverse County

## Organizational Chart

### VOTERS OF GRAND TRAVERSE COUNTY



## **Financial Section**

## INDEPENDENT AUDITOR'S REPORT

Board of Commissioners  
Grand Traverse County  
Traverse City, Michigan

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Grand Traverse County, Michigan (the "County") as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the County'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 Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Grand Traverse County Road Commission, which represent 69 percent, 95 percent, and 68 percent, respectively, of the assets, net position, and revenues of the discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Grand Traverse County Road Commission is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of

expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinions***

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Grand Traverse County, Michigan, as of December 31, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and the required pension and OPEB schedules, 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 and other auditors 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 County'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 combining and individual fund financial statements and the schedules are 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.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2017, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

A handwritten signature in dark ink that reads "Gabridge & Company". The signature is written in a cursive, flowing style.

Gabridge & Company, PLC  
Grand Rapids, Michigan  
June 28, 2017



## **Management's Discussion and Analysis**

## **Grand Traverse County Management's Discussion and Analysis**

As management of Grand Traverse County, Michigan (the "County") we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2016. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

### **Financial Highlights**

As discussed in further detail in this discussion and analysis, the following represents the most significant financial highlights for the year ended December 31, 2016.

- The County implemented GASB Statement No. 68 in 2015. In addition to the expanded disclosure requirements made again this year, the County has reported a total net pension liability of \$64,262,282 on the statement of net position as of December 31, 2016, an increase of \$5,679,668 over the prior year.
- Together, the increases associated with pension, other post-employment benefits (OPEB), and compensated absences increased the County's total liabilities by \$6,738,047.
- The assets and deferred outflows of the County's governmental activities exceeded its assets and deferred inflows at the close of the most recent fiscal year by \$532,513 (*net position*).
- Total net position of the governmental activities decreased by \$3,631,016.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$21,909,370, an increase of \$3,268,351 in comparison with the prior year. The unassigned fund balance was \$6,074,735, or 27.7% of total fund balances, as of December 31, 2016.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$7,469,735, or 21.4% of total General Fund expenditures and transfers out.
- The County's total long-term debt decreased by \$2,137,559 during 2016, due to principal payments made by the County's building authority and Medical Care Facility (the Pavilions).

### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

This report 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 County's finances, in a manner similar to a private sector business.

The Statement of Net Position presents information on all of the County's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the residual 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 County 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 County 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 County include legislative, judicial, general government, public safety (including the jail), health and welfare, economic development, and recreation and culture. The business-type activities of the County include the medical care facility, delinquent tax collections, inspections and solid waste.

The government-wide financial statements include not only Grand Traverse County itself (known as the primary government), but also a legally separate Road Commission, Department of Public Works, Drain Commission, Brownfield Redevelopment Authority, Land Bank Authority, and Hospital Finance Authority for which Grand Traverse County is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself. The Grand Traverse County Building Authority, although legally separate, functions for all practical purposes as a department of the County, and therefore has been included as an integral part of the primary government.

The government-wide financial statements can be found as listed in the table of contents.

**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 County, 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 County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**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. For instance, the net change in fund balance on the governmental fund statement of revenues, expenditures, and changes in fund balance of \$3,268,351 must be adjusted by such major items as depreciation expense, net changes in pension and OPEB liabilities, and net change in compensated absences to reflect the long-term financial obligations associated with employee benefits. The result of the governmental funds reconciliation provided in the financial statements is a *negative* change in net position reported on the government-wide financial statements of \$3,631,016.

The County maintains a number of 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, Commission on Aging, and Health Department 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 County adopts an annual appropriated budget for its general and special revenues funds. The basic governmental fund financial statements can be found as listed in the table of contents.

**Proprietary funds.** The County 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 County uses enterprise funds to account for its medical care facility, delinquent tax collections, inspections and solid waste operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. Grand Traverse County uses internal service funds to account for its computer equipment maintenance and replacement, insurances, fringe benefits, office supplies, and motor pool. Because these services predominantly benefit governmental rather than business-type functions, they have been included within the 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 Grand Traverse Pavilions and the Delinquent Tax Revolving funds, both of which are considered to be major funds. The internal service funds are combined into a separate

single, aggregated presentation in the proprietary fund financial statements. Individual fund data for nonmajor enterprise funds and internal service funds are provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found as listed in the table of contents.

**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 County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found as listed in the table of contents.

**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.

The notes to the financial statements can be found as listed in the table of contents.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the County's progress in funding its obligation to provide retirement and other postemployment benefits to its employees.

Required supplementary information (RSI) can be found as listed in the table of contents.

The combining and individual fund financial statements and schedules are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found as listed in the table of contents, with the statistical data immediately following.

### **Government-wide Financial Analysis**

As previously stated, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows exceeded liabilities and deferred inflows by \$33,134,864 at the close of the most recent fiscal year.

### Grand Traverse County's Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2016	2015	2016	2015	2016	2015
<b>ASSETS</b>						
<i>Current Assets</i>						
Cash and Cash Equivalents	\$ 14,069,780	\$ 10,493,785	\$ 15,109,442	\$ 14,425,393	\$ 29,179,222	\$ 24,919,178
Investments	318,713	223,346	2,114,302	3,644,475	2,433,015	3,867,821
Taxes Receivable	3,033,861	2,448,512	3,307,256	3,097,926	6,341,117	5,546,438
Accounts Receivable	4,481,765	3,494,146	3,387,698	3,488,796	7,869,463	6,982,942
Interest Receivable	15,327	24,286	315,294	270,363	330,621	294,649
Due from Other Governments	6,089,045	6,492,181	-	9,400	6,089,045	6,501,581
Inventories	35,445	-	138,619	122,907	174,064	122,907
Prepays	735,865	1,112,787	189,517	9,921	925,382	1,122,708
Other Current Assets	129,017	-	-	-	129,017	-
<b>Total Current Assets</b>	<b>28,908,818</b>	<b>24,289,043</b>	<b>24,562,128</b>	<b>25,069,181</b>	<b>53,470,946</b>	<b>49,358,224</b>
<i>Noncurrent Assets</i>						
Restricted Cash	-	-	169,050	-	169,050	-
Capital Assets not Being Depreciated	15,639,877	18,774,788	1,839,513	1,919,218	17,479,390	20,694,006
Capital Assets Being Depreciated	29,916,689	27,522,707	19,842,042	20,623,338	49,758,731	48,146,045
<b>Total Assets</b>	<b>74,465,384</b>	<b>70,586,538</b>	<b>46,412,733</b>	<b>47,611,737</b>	<b>120,878,117</b>	<b>118,198,275</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred Loss on Advance Refunding	-	-	91,430	192,394	91,430	192,394
Pensions	1,360,273	3,013,912	2,303,229	1,946,046	3,663,502	4,959,958
<b>Total Deferred Outflows of Resources</b>	<b>1,360,273</b>	<b>3,013,912</b>	<b>2,394,659</b>	<b>2,138,440</b>	<b>3,754,932</b>	<b>5,152,352</b>
<b>LIABILITIES</b>						
<i>Current Liabilities</i>						
Accounts Payable	2,190,568	1,117,782	369,110	247,610	2,559,678	1,365,392
Accrued Liabilities	558,185	1,253,501	917,603	965,764	1,475,788	2,219,265
Accrued Interest	32,956	34,931	23,056	32,924	56,012	67,855
Unearned Revenue	214,788	91,940	-	-	214,788	91,940
Due to Other Governments	119,209	125,562	782,384	786,716	901,593	912,278
Current Portion of Long-term Debt	590,000	616,175	35,000	480,973	625,000	1,097,148
Current Portion of Compensated Absences	33,367	46,175	53,785	55,973	87,152	102,148
Internal Balances	(285,262)	2,121,058	285,262	(2,121,058)	-	-
<b>Total Current Liabilities</b>	<b>3,453,811</b>	<b>5,407,124</b>	<b>2,466,200</b>	<b>448,902</b>	<b>5,920,011</b>	<b>5,856,026</b>
<i>Noncurrent Liabilities</i>						
Long-term Debt	8,166,104	8,708,077	3,175,328	4,298,766	11,341,432	13,006,843
Net Pension Liability	52,973,278	48,591,571	11,289,004	9,991,043	64,262,282	58,582,614
Net OPEB Liability	3,149,271	2,563,066	1,471,452	1,030,470	4,620,723	3,593,536
Compensated Absences	1,449,281	1,398,206	522,169	527,056	1,971,450	1,925,262
Internal Balances	2,719,112	-	(2,719,112)	-	-	-
<b>Total Liabilities</b>	<b>71,910,857</b>	<b>66,668,044</b>	<b>16,205,041</b>	<b>16,296,237</b>	<b>88,115,898</b>	<b>82,964,281</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Taxes Levied for a Subsequent Period	3,382,287	2,768,877	-	-	3,382,287	2,768,877
<b>Total Deferred Inflows of Resources</b>	<b>3,382,287</b>	<b>2,768,877</b>	<b>-</b>	<b>-</b>	<b>3,382,287</b>	<b>2,768,877</b>
<b>NET POSITION</b>						
Net Investment in Capital Assets	36,800,462	36,973,243	18,562,657	17,955,211	55,363,119	54,928,454
Restricted	8,115,869	6,333,156	-	-	8,115,869	6,333,156
Unrestricted	(44,383,818)	(39,142,870)	14,039,694	15,498,729	(30,344,124)	(23,644,141)
<b>Total Net Position</b>	<b>\$ 532,513</b>	<b>\$ 4,163,529</b>	<b>\$ 32,602,351</b>	<b>\$ 33,453,940</b>	<b>\$ 33,134,864</b>	<b>\$ 37,617,469</b>

One of the largest portions of the County's net position (\$55,363,119) reflects its net investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to

acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County'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.

An additional portion of the County's net position (\$8,115,869) represents resources that are subject to external restrictions on how they may be used. The remaining amount of net position was an unrestricted deficit of \$30,344,124. This is primarily the result of the requirement to record the County's MERS net pension liability.

The County's net position decreased by \$4,482,605 during the current fiscal year. The overall decrease was a combination of the decrease in governmental activities net position of \$3,631,016 and a decrease in business-type activities net position of \$851,589.

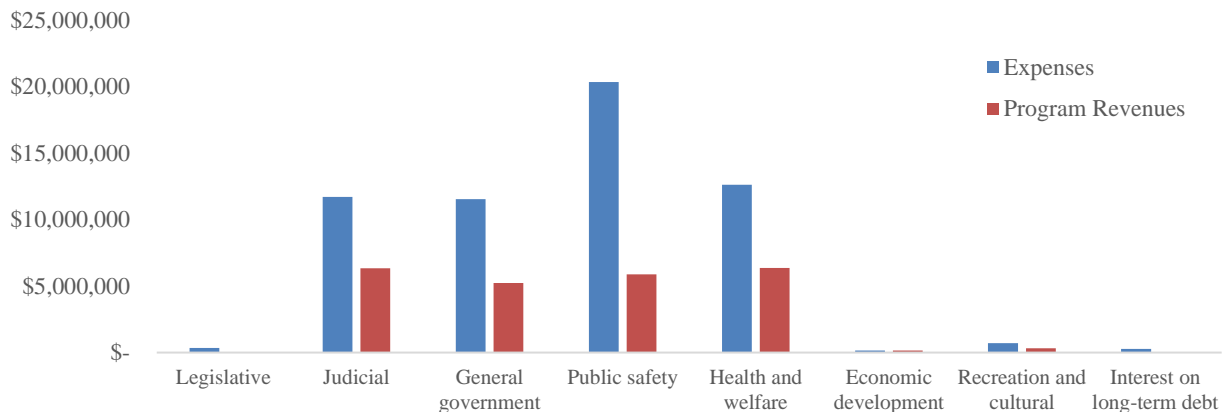
**Grand Traverse County's Changes in Net Position**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total Government</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
<b>Revenue</b>						
<b>Program Revenues</b>						
Charges for Services	\$ 13,579,154	\$ 10,939,133	\$ 30,266,432	\$ 28,566,723	\$ 43,845,586	\$ 39,505,856
Operating Grants and Contributions	10,715,287	11,780,314	2,513,794	3,437,010	13,229,081	15,217,324
Capital Grants and Contributions	-	3,266	-	-	-	3,266
<b>Total Program Revenues</b>	<b>24,294,441</b>	<b>22,722,713</b>	<b>32,780,226</b>	<b>32,003,733</b>	<b>57,074,667</b>	<b>54,726,446</b>
<b>General Revenues</b>						
Property Taxes	26,026,438	25,870,374	2,472	2,754,195	26,028,910	28,624,569
State Revenue Sharing	2,686,098	1,691,601	-	-	2,686,098	1,691,601
Interest Revenues	155,426	149,110	1,839	-	157,265	149,110
Gain on Disposals of Capital Assets	-	30,650	-	-	-	30,650
<b>Total General Revenues</b>	<b>28,867,962</b>	<b>27,741,735</b>	<b>4,311</b>	<b>2,754,195</b>	<b>28,872,273</b>	<b>30,495,930</b>
<b>Total Revenues</b>	<b>53,162,403</b>	<b>50,464,448</b>	<b>32,784,537</b>	<b>34,757,928</b>	<b>85,946,940</b>	<b>85,222,376</b>
<b>Expenses</b>						
Legislative	354,791	401,656	-	-	354,791	401,656
Judicial	11,702,188	10,768,560	-	-	11,702,188	10,768,560
General Government	11,528,918	8,950,493	-	-	11,528,918	8,950,493
Public Safety	20,352,667	17,689,667	-	-	20,352,667	17,689,667
Health and Welfare	12,629,556	11,896,208	-	-	12,629,556	11,896,208
Economic Development	158,685	118,290	-	-	158,685	118,290
Recreation and Culture	698,345	953,011	-	-	698,345	953,011
Interest on Long-term Debt	280,346	291,449	-	-	280,346	291,449
Grand Traverse Pavilions	-	-	30,922,034	30,337,583	30,922,034	30,337,583
Inspections	-	-	1,332,758	1,187,421	1,332,758	1,187,421
Delinquent Tax Revolving	-	-	162,705	538,836	162,705	538,836
Solid Waste	-	-	306,552	381,555	306,552	381,555
<b>Total Expenses</b>	<b>57,705,496</b>	<b>51,069,334</b>	<b>32,724,049</b>	<b>32,445,395</b>	<b>90,429,545</b>	<b>83,514,729</b>
<b>Change in Net Position Before Transfers</b>	<b>(4,543,093)</b>	<b>(604,886)</b>	<b>60,488</b>	<b>2,312,533</b>	<b>(4,482,605)</b>	<b>1,707,647</b>
Transfers	912,077	1,113,693	(912,077)	(1,113,693)	-	-
<b>Change in Net Position</b>	<b>(3,631,016)</b>	<b>508,807</b>	<b>(851,589)</b>	<b>1,198,840</b>	<b>(4,482,605)</b>	<b>1,707,647</b>
<i>Net Position at the Beginning of Period</i>	<i>4,163,529</i>	<i>3,654,722</i>	<i>33,453,940</i>	<i>32,255,100</i>	<i>37,617,469</i>	<i>35,909,822</i>
<b>Net Position at the End of Period</b>	<b>\$ 532,513</b>	<b>\$ 4,163,529</b>	<b>\$ 32,602,351</b>	<b>\$ 33,453,940</b>	<b>\$ 33,134,864</b>	<b>\$ 37,617,469</b>

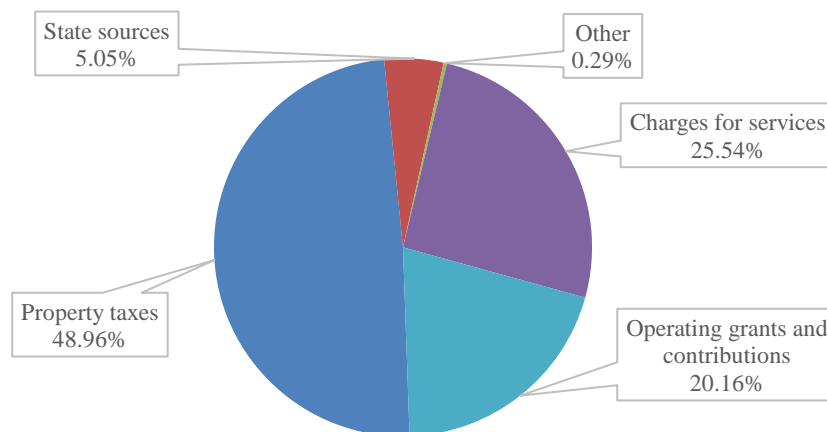
**Governmental activities.** Governmental activities decreased the County's net position by \$3,631,016. Key elements of this decrease are as follows:

- Significant decreases across a number of governmental activities were only partially offset by increases in charges for services, property taxes, and state revenue sharing.
- An additional \$6,035,346 of pension liability and related deferred outflows, and the related pension expense, was recognized in various governmental functions contributing to the overall increase in governmental expenses of \$6,636,162 during 2016.
- An additional \$586,205 of other post-employment benefit (OPEB) obligations for retiree healthcare were recorded as a liability in governmental activities as a result of the County's cost of actual retiree premiums being less than the actuarially determined contributions.

**Expenses and Program Revenues - Governmental Activities**



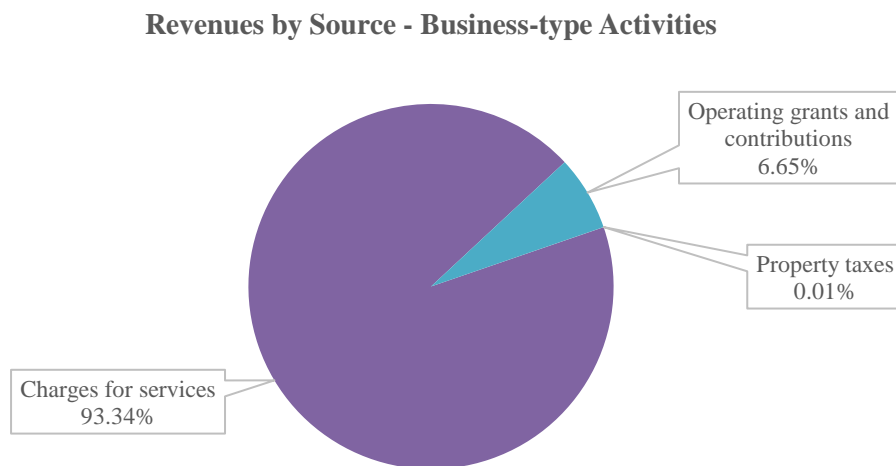
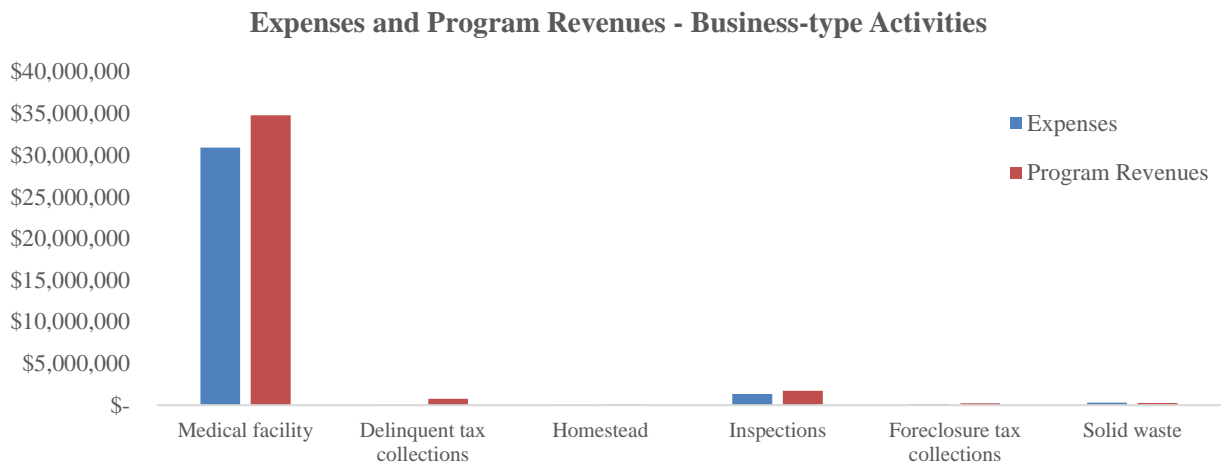
**Revenues by Source - Governmental Activities**





**Business-type activities.** Business-type activities decreased the County's net position by \$851,589. Key elements of this decrease are as follows:

- An operating loss for the Grand Traverse Pavilions Medical Facility of \$1,023,280 was comparable to the operating loss of \$1,220,904 during 2015. Non-operating property tax revenues declined from \$2,754,195 during 2015 to \$2,472 during 2016 because the debt service millage was discontinued as the underlying bond was paid in full during 2016.
- Operating income of \$721,464 for Delinquent Tax Revolving fund was offset by net transfers out of \$780,926 resulting in a decrease in total net position of \$59,462.
- Operating income of \$444,970 for the other enterprise funds was offset by net transfers out of \$131,151 and non-operating revenues of \$68,273 resulting in a net increase to net position of \$382,092.



## **Financial Analysis of the County's Funds**

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

**Governmental funds.** The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County'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 County's governmental funds reported combined ending fund balances of \$21,909,370, an increase of \$3,268,351 in comparison with the prior year. The unassigned fund balance is \$6,074,735, or 27.7% of total fund balances. The remainder of fund balance is not available for spending at the County's discretion because it is nonspendable \$4,940,135; restricted \$7,924,542; or committed \$2,969,958.

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$7,469,735 while total fund balance was \$12,345,702. 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 21.4% of total General Fund expenditures and transfers out.

The fund balance of the County's General Fund increased by \$2,829,190 during the current fiscal year. The main reasons for this increase were a result of the County's budgeting practice for vacant personnel positions, reorganization of departments resulting in cost savings, and one-time costs that were either avoided or failed to occur by year-end.

The Commission on Aging fund had an increase in fund balance of \$307,126 for an ending fund balance of \$1,922,449 as of December 31, 2016. This increase in fund balance was due to a decrease in operating costs that exceeded the decrease in total revenues.

The Health Department fund had a decrease in fund balance of \$259,107 for an ending fund balance of \$1,983,493 as of December 31, 2016.

## **General Fund Budgetary Highlights**

Differences between the original and final amended budgets for expenditures and transfers out resulted in a net increase of \$240,555 in appropriations. The original budget called for total expenditures of \$26,800,818, excluding transfers out, during the year while the final amended budget had total expenditures of \$27,041,373. There were no departments that had significant amendments to their budgeted expenditures during the year. Increases in total appropriations were often a result of a corresponding increase in revenue to recognize receipt of grants or local contributions.

A portion of the Register of Deeds fees are transferred to the Automation Fund as required by State Statute. Revenues received and transferred to the Automation Fund by year end were reported directly by the Automation Fund resulting in Charges for Services and Register of Deeds expenditures both being reported under budget.

Other variances in projected Charges for Services across General Fund departments resulted in total activity being under budget by \$352,991. In addition, loss of program funding and discontinuation of grant revenue resulted in State Revenue sources being under budget by \$153,291.

The County's annual budgeting process is to budget all positions for the entire year. In a number of departments, including County Administrator, Finance, Facilities, and Public Safety, turnover or positions that remained vacant for an extended period led to unexpended wages and total expenditures well below budget.

In addition to vacancies in staffing positions, Facilities Department appropriations for infrastructure and repairs were placed on hold pending completion of an audit of County properties. These events resulted in actual activity for the department falling below budget by approximately \$241,000.

The County originally budgeted \$359,000 for contingencies during 2016. This amount included \$333,000 for an estimated local commitment for the Boardman River Dams Restoration Project. The County partnered with other local stakeholders in the project and was able to avoid incurring the total budgeted cost resulting in unexpended appropriations by the Contingency Department of \$283,000.

Actual expenditures for general liability insurance and retiree healthcare (OPEB) was less than budget by \$202,800. In 2016 the County budgeted a \$250,000 contribution towards its unfunded retiree healthcare costs. Because the County has historically been pay-as-you-go, or only paid the actual expenditures incurred each year, the contribution to begin pre-funding this liability was postponed until an irrevocable trust or retiree healthcare funding vehicle could be formally adopted.

### **Capital Assets and Debt Administration**

**Capital assets.** The County's investment in capital assets for its governmental and business-type activities as of December 31, 2016, amounted to \$67,238,121. This investment in capital assets includes land, buildings and improvements, machinery and equipment, and vehicles. The total change in the County's net investment in capital assets for the current fiscal year was a decrease of 1.60% for the governmental activities and a decrease of 3.82% for business-type activities.

The following table summarizes capital assets of the County at year-end for each of the past two years:

	<b>Capital Assets (Net of Depreciation)</b>					
	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
Land	\$ 15,639,877	\$ 15,639,877	\$ 1,820,550	\$ 1,820,550	\$ 17,460,427	\$ 17,460,427
Construction in Progress	-	3,134,911	18,963	98,668	18,963	3,233,579
Land Improvements	635,688	732,946	576,291	709,361	1,211,979	1,442,307
Infrastructure	36,744	57,041	-	-	36,744	57,041
Buildings and Improvements	23,799,917	24,787,028	18,757,182	19,500,187	42,557,099	44,287,215
Furniture and Equipment	4,772,143	1,263,919	349,189	317,310	5,121,332	1,581,229
Vehicles and Equipment	672,197	681,773	159,380	96,480	831,577	778,253
<b>Total</b>	<b>\$ 45,556,566</b>	<b>\$ 46,297,495</b>	<b>\$ 21,681,555</b>	<b>\$ 22,542,556</b>	<b>\$ 67,238,121</b>	<b>\$ 68,840,051</b>

Additional information on the County's capital assets can be found in Note 6 to the financial statements.

**Long-term debt.** At the end of the current fiscal year, the County had total debt outstanding of \$14,025,034. Of this amount, \$12,005,000 comprises debt backed by the full faith and credit of the County. The remainder of the County's debt represents compensated absences and bond issuance discounts and premiums. The following table summarizes long-term debt of the County at year-end for each of the past two years:

	<b>Long-term Debt</b>					
	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
General Obligation Bonds	\$ 8,795,000	\$ 9,365,000	\$ 3,210,000	\$ 4,775,000	\$ 12,005,000	\$ 14,140,000
Unamortized Bond Discounts	(38,896)	(40,748)	328	4,739	(38,568)	(36,009)
Compensated Absences	1,482,648	1,444,381	575,954	583,029	2,058,602	2,027,410
<b>Total</b>	<b>\$ 10,238,752</b>	<b>\$ 10,768,633</b>	<b>\$ 3,786,282</b>	<b>\$ 5,362,768</b>	<b>\$ 14,025,034</b>	<b>\$ 16,131,401</b>

The County's total bonded debt decreased by \$2,106,367 during the current fiscal year. Total debt was decreased by scheduled repayments.

The County maintains bond ratings from Standard & Poor's and Moody's Investor Services, which are as follows:

- Standard & Poor's - AA. Debt rated AA has a very strong capacity to pay interest and repay principal and differs from the higher rated issues only in small degrees.
- Moody's Investors Service - Aa3. Bonds which are rated Aa3 are judged to be of a high quality by all standards.

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 County is approximately \$576,137,251, which is significantly in excess of the County's outstanding general obligation debt.

Additional information on the County's long-term debt can be found in Note 8 to the financial statements.

### **Requests for Information**

This financial report is designed to provide a general overview of the County'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:

Grand Traverse County Finance Office  
400 Boardman Avenue  
Traverse City, Michigan 49684

## **Basic Financial Statements**

**Grand Traverse County  
Statement of Net Position  
December 31, 2016**

	Primary Government				
	Governmental Activities	Business-type Activities	Total	Component Units	
ASSETS					
Current Assets					
Cash and Cash Equivalents	\$ 14,069,780	\$ 15,109,442	\$ 29,179,222	\$ 6,348,427	
Investments	318,713	2,114,302	2,433,015	--	
Taxes Receivable	3,033,861	3,307,256	6,341,117	6,440	
Accounts Receivable	4,481,765	3,387,698	7,869,463	5,907,297	
Interest Receivable	15,327	315,294	330,621	129,583	
Due from Other Governments	6,089,045	--	6,089,045	172,478	
Inventories	35,445	138,619	174,064	1,160,796	
Prepays	735,865	189,517	925,382	76,856	
Leases Receivable	--	--	--	2,920,000	
Other Current Assets	129,017	--	129,017	355,312	
Total Current Assets	28,908,818	24,562,128	53,470,946	17,077,189	
Noncurrent Assets					
Restricted Cash	--	169,050	169,050	--	
Capital Assets not Being Depreciated	15,639,877	1,839,513	17,479,390	28,446,523	
Capital Assets Being Depreciated	29,916,689	19,842,042	49,758,731	63,058,904	
Leases Receivable	--	--	--	22,052,960	
Long-term Receivables	--	--	--	413,990	
Total Assets	74,465,384	46,412,733	120,878,117	131,049,566	
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Loss on Advance Refunding	--	91,430	91,430	--	
Pensions	1,360,273	2,303,229	3,663,502	174,988	
Total Deferred Outflows of Resources	1,360,273	2,394,659	3,754,932	174,988	
LIABILITIES					
Current Liabilities					
Accounts Payable	2,190,568	369,110	2,559,678	1,655,207	
Accrued Liabilities	558,185	917,603	1,475,788	867,882	
Accrued Interest	32,956	23,056	56,012	170,100	
Unearned Revenue	214,788	--	214,788	45,901	
Due to Other Governments	119,209	782,384	901,593	4,137,126	
Current Portion of Long-term Debt	590,000	35,000	625,000	4,057,824	
Current Portion of Compensated Absences	33,367	53,785	87,152	--	
Internal Balances	(285,262)	285,262	--	--	
Total Current Liabilities	3,453,811	2,466,200	5,920,011	10,934,040	
Noncurrent Liabilities					
Long-term Debt	8,166,104	3,175,328	11,341,432	28,464,602	
Net Pension Liability	52,973,278	11,289,004	64,262,282	2,916,645	
Net OPEB Liability	3,149,271	1,471,452	4,620,723	2,338,906	
Compensated Absences	1,449,281	522,169	1,971,450	--	
Internal Balances	2,719,112	(2,719,112)	--	--	
Total Liabilities	71,910,857	16,205,041	88,115,898	44,654,193	
DEFERRED INFLOWS OF RESOURCES					
Taxes Levied for a Subsequent Period	3,382,287	--	3,382,287	14,668	
Total Deferred Inflows of Resources	3,382,287	--	3,382,287	14,668	
NET POSITION					
Net Investment in Capital Assets	36,800,462	18,562,657	55,363,119	87,426,275	
Restricted for:					
Nonexpendable Trusts	292,534	--	292,534	--	
Public Safety	408,523	--	408,523	--	
Recreation and Culture	50,148	--	50,148	--	
Public Works	--	--	--	909,328	
Health and Welfare	4,508,741	--	4,508,741	--	
Community and Economic Development	2,833,213	--	2,833,213	686,220	
Judicial	22,710	--	22,710	--	
Unrestricted	(44,383,818)	14,039,694	(30,344,124)	(2,466,130)	
Total Net Position	\$ 532,513	\$ 32,602,351	\$ 33,134,864	\$ 86,555,699	

The Notes to the Financial Statements are an integral part of these Financial Statements

**Grand Traverse County**  
**Statement of Activities**  
**For the Year Ended December 31, 2016**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue			Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
<b>Primary Government</b>								
<b>Governmental Activities:</b>								
Legislative	\$ 354,791	\$ 24,941	\$ --	\$ --	\$ (329,850)	\$ --	\$ (329,850)	\$ --
Judicial	11,702,188	2,722,164	3,610,179	--	(5,369,845)	--	(5,369,845)	--
General Government	11,528,918	4,925,734	279,196	--	(6,323,988)	--	(6,323,988)	--
Public Safety	20,352,667	3,500,071	2,390,286	--	(14,462,310)	--	(14,462,310)	--
Health and Welfare	12,629,556	2,048,598	4,309,944	--	(6,271,014)	--	(6,271,014)	--
Economic Development	158,685	68,219	96,417	--	5,951	--	5,951	--
Recreation and Culture	698,345	289,427	29,265	--	(379,653)	--	(379,653)	--
Interest on Long-term Debt	280,346	--	--	--	(280,346)	--	(280,346)	--
<i>Total Governmental Activities</i>	<u>57,705,496</u>	<u>13,579,154</u>	<u>10,715,287</u>	<u>--</u>	<u>(33,411,055)</u>	<u>--</u>	<u>(33,411,055)</u>	<u>--</u>
<b>Business-type Activities:</b>								
Grand Traverse Pavilions	30,922,034	27,297,983	2,447,360	--	--	(1,176,691)	(1,176,691)	--
Homestead	29,321	70,968	--	--	--	41,647	41,647	--
Inspections	1,332,758	1,730,362	--	--	--	397,604	397,604	--
Foreclosure Tax Collection	104,946	221,162	--	--	--	116,216	116,216	--
Delinquent Tax Revolving	28,438	749,902	--	--	--	721,464	721,464	--
Solid Waste	306,552	196,055	66,434	--	--	(44,063)	(44,063)	--
Building Authority	--	--	--	--	--	--	--	--
<i>Total Business-type Activities</i>	<u>32,724,049</u>	<u>30,266,432</u>	<u>2,513,794</u>	<u>--</u>	<u>--</u>	<u>56,177</u>	<u>56,177</u>	<u>--</u>
<i>Total Primary Government</i>	<u>\$ 90,429,545</u>	<u>\$ 43,845,586</u>	<u>\$ 13,229,081</u>	<u>\$ --</u>	<u>\$ (33,411,055)</u>	<u>\$ 56,177</u>	<u>\$ (33,354,878)</u>	<u>--</u>
<b>Component Units</b>								
County Road	\$ 12,761,281	\$ 1,621,640	\$ 7,856,887	\$ 5,150,830	--	--	--	1,868,076
Land Bank Authority	198,612	69,000	85,305	--	--	--	--	(44,307)
Department of Public Works	6,599,364	6,825,656	--	--	--	--	--	226,292
Brownfield Redevelopment Authority	2,029,465	3,010	35,516	--	--	--	--	(1,990,939)
Drain Commission	251,685	--	--	--	--	--	--	(251,685)
<i>Total Component Units</i>	<u>\$ 21,840,407</u>	<u>\$ 8,519,306</u>	<u>\$ 7,977,708</u>	<u>\$ 5,150,830</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(192,563)</u>
<b>General Purpose Revenues and Transfers:</b>								
<b>Revenues</b>								
Property Taxes					26,026,438	2,472	26,028,910	5,492,648
State Sources					2,686,098	--	2,686,098	--
Interest Revenues					155,426	1,839	157,265	56,331
<b>Transfers</b>					912,077	(912,077)	--	--
<i>Total General Revenues and Transfers</i>					<u>29,780,039</u>	<u>(907,766)</u>	<u>28,872,273</u>	<u>5,548,979</u>
<i>Change in Net Position</i>					<u>(3,631,016)</u>	<u>(851,589)</u>	<u>(4,482,605)</u>	<u>5,356,416</u>
<i>Net Position at Beginning of Period</i>					4,163,529	33,453,940	37,617,469	81,199,277
<i>Net Position at End of Period</i>					<u>\$ 532,513</u>	<u>\$ 32,602,351</u>	<u>\$ 33,134,864</u>	<u>\$ 86,555,693</u>

The Notes to the Financial Statements are an integral part of these Financial Statements



**Grand Traverse County  
Balance Sheet  
Governmental Funds  
December 31, 2016**

		<u>Special Revenue</u>			
	<u>General</u>	<u>Health Department</u>	<u>Commission on Aging</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 5,436,976	\$ 653,053	\$ 2,242,410	\$ 4,609,951	\$ 12,942,390
Investments	132,868	--	--	--	132,868
Taxes Receivable	--	--	2,112,590	921,271	3,033,861
Accounts Receivable	353,438	100,702	--	3,794,937	4,249,077
Interest Receivable	15,327	--	--	--	15,327
Due from Other Governments	4,066,745	1,343,802	--	678,498	6,089,045
Inventories	--	35,445	--	--	35,445
Prepays	17,410	18,594	75	10,054	46,133
Other Current Assets	--	--	--	129,017	129,017
Due from Other Funds	1,784,047	--	75	2,250	1,786,372
Advance to Other Funds	1,918,597	--	--	--	1,918,597
<b>Total Assets</b>	<b>\$ 13,725,408</b>	<b>\$ 2,151,596</b>	<b>\$ 4,355,150</b>	<b>\$ 10,145,978</b>	<b>\$ 30,378,132</b>
<b>LIABILITIES</b>					
Accounts Payable	\$ 1,046,762	\$ 87,480	\$ 59,914	\$ 549,509	\$ 1,743,665
Accrued Liabilities	246,914	22,892	23,538	123,922	417,266
Unearned Revenue	20,653	57,731	--	136,404	214,788
Due to Other Governments	--	--	--	119,209	119,209
Due to Other Funds	65,377	--	--	757,573	822,950
Advances from Other Funds	--	--	--	1,768,597	1,768,597
<b>Total Liabilities</b>	<b>1,379,706</b>	<b>168,103</b>	<b>83,452</b>	<b>3,455,214</b>	<b>5,086,475</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Taxes Levied for a Subsequent Period	--	--	2,349,249	1,033,038	3,382,287
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>1,379,706</b>	<b>168,103</b>	<b>2,432,701</b>	<b>4,488,252</b>	<b>8,468,762</b>
<b>FUND BALANCE</b>					
Nonspendable	4,875,967	54,039	75	10,054	4,940,135
Restricted	--	1,929,454	1,922,374	4,072,714	7,924,542
Committed	--	--	--	2,969,958	2,969,958
Unassigned	7,469,735	--	--	(1,395,000)	6,074,735
<b>Total Fund Balance</b>	<b>12,345,702</b>	<b>1,983,493</b>	<b>1,922,449</b>	<b>5,657,726</b>	<b>21,909,370</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<b>\$ 13,725,408</b>	<b>\$ 2,151,596</b>	<b>\$ 4,355,150</b>	<b>\$ 10,145,978</b>	<b>\$ 30,378,132</b>

The Notes to the Financial Statements are an integral part of these Financial Statements

**Grand Traverse County**  
**Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position**  
**December 31, 2016**

Total Fund Balance - Governmental Funds	\$ 21,909,370
Net position of internal service funds that are treated as proprietary in the fund level statements are treated as governmental in the entity-wide statements	1,947,926
General government capital assets of \$73,171,428, net of accumulated depreciation of \$31,488,961, are not financial resources, and accordingly are not reported in the funds.	41,682,467
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(8,756,104)
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.	(51,613,005)
In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, the interest expenditure is reported when due.	(32,956)
Compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.	(1,455,914)
Other post-employment benefits are not due and payable in the current period and, therefore, are not reported in the funds.	(3,149,271)
<b>Total Net Position - Governmental Funds</b>	<b>\$ <u>532,513</u></b>

The Notes to the Financial Statements are an integral part of these Financial Statements

**Grand Traverse County**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended December 31, 2016**

	<b>Special Revenue</b>			<b>Other</b>	<b>Total</b>
	<b>General</b>	<b>Health Department</b>	<b>Commission on Aging</b>	<b>Governmental Funds</b>	<b>Governmental Funds</b>
<b>Revenues</b>					
Property Taxes	\$ 23,291,456	\$ --	\$ 2,279,202	\$ 455,780	\$ 26,026,438
Licenses and Permits	188,373	381,480	--	134,025	703,878
Federal Sources	100,566	1,277,874	--	1,619,124	2,997,564
State Sources	3,491,014	1,857,884	--	1,432,876	6,781,774
Local Sources	1,824,039	495,098	6,824	3,723,346	6,049,307
Charges for Services	4,312,852	123,121	260,636	1,011,743	5,708,352
Fines and Forfeitures	96,039	--	--	138,499	234,538
Reimbursements	2,572,120	638,165	250	162,143	3,372,678
Rental Revenues	578,017	--	--	166,703	744,720
Other Revenues	67,146	10,616	50,781	259,185	387,728
Interest Revenues	126,496	1,314	10,573	17,043	155,426
<b>Total Revenues</b>	<b>36,648,118</b>	<b>4,785,552</b>	<b>2,608,266</b>	<b>9,120,467</b>	<b>53,162,403</b>
<b>Expenditures</b>					
Legislative	366,580	--	--	--	366,580
Judicial	2,320,176	--	--	7,689,160	10,009,336
General Government	7,972,401	--	--	1,930,382	9,902,783
Public Safety	13,427,025	--	--	3,470,452	16,897,477
Health and Welfare	872,804	6,061,438	2,295,662	2,357,334	11,587,238
Economic Development	--	--	--	226,830	226,830
Recreation and Culture	--	--	--	515,381	515,381
Debt Service - Principal	--	--	--	570,000	570,000
Debt Service - Interest	--	--	--	280,469	280,469
Capital Outlay	208,165	47,221	5,478	189,171	450,035
<b>Total Expenditures</b>	<b>25,167,151</b>	<b>6,108,659</b>	<b>2,301,140</b>	<b>17,229,179</b>	<b>50,806,129</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>11,480,967</b>	<b>(1,323,107)</b>	<b>307,126</b>	<b>(8,108,712)</b>	<b>2,356,274</b>
<b>Other Financing Sources (Uses)</b>					
Transfers In	1,008,367	1,064,000	--	8,664,143	10,736,510
Transfers Out	(9,660,144)	--	--	(164,289)	(9,824,433)
<b>Net Other Financing Sources (Uses)</b>	<b>(8,651,777)</b>	<b>1,064,000</b>	<b>--</b>	<b>8,499,854</b>	<b>912,077</b>
<b>Net Change in Fund Balance</b>	<b>2,829,190</b>	<b>(259,107)</b>	<b>307,126</b>	<b>391,142</b>	<b>3,268,351</b>
<i>Fund Balance at Beginning of Period</i>	<i>9,516,512</i>	<i>2,242,600</i>	<i>1,615,323</i>	<i>5,266,584</i>	<i>18,641,019</i>
<b>Fund Balance at End of Period</b>	<b>\$ 12,345,702</b>	<b>\$ 1,983,493</b>	<b>\$ 1,922,449</b>	<b>\$ 5,657,726</b>	<b>\$ 21,909,370</b>

The Notes to the Financial Statements are an integral part of these Financial Statements

**Grand Traverse County**  
**Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and**  
**Changes in Fund Balance with Statement of Activities**  
**For the Year Ended December 31, 2016**

Total Net Change in Fund Balances - Governmental Funds	\$ 3,268,351
Changes in net position of internal service funds that are treated as enterprise fund changes in net position in the fund level statements are treated as governmental fund changes in net position in the entity-wide statements	477,012
Governmental fund report capital outlay as expenditures; however, in the Statement of Activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense. This is the amount by which depreciation expense of \$1,699,761 plus a loss on disposal of \$31,039 exceeds capital outlay expenditures of \$450,035.	(1,280,765)
In the Statement of Activities, an expense is recorded for other post-employment benefits (OPEB) to adjust net OPEB obligation to the actuarial determined amount less any contributions to fund the obligation. This is the difference between the prior year and the current year net OPEB obligation.	(586,205)
Current year long-term debt principal payments on contractual obligations, bonds payable, and capital leases are expenditures in the fund financial statements but are reductions in long-term debt in the government-wide financial statements. This is the amount principal payments made on long-term debt during the year.	570,000
The change in net pension liability amounts, along with their pension related deferrals, does require the use of current resources and is not reported in the governmental funds.	(6,035,346)
Change to compensated absences are not shown in the fund financial statements. The net effect of the current year decrease is to increase net position.	(44,186)
Changes to accrued interest are not shown in the fund financial statements. The net effect of the current year increase is to decrease net position.	123
<b>Changes in Net Position - Governmental Funds</b>	<b>\$ <u>(3,631,016)</u></b>

The Notes to the Financial Statements are an integral part of these Financial Statements

**Grand Traverse County  
Statement of Net Position  
Proprietary Funds  
December 31, 2016**

	<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental Activities Internal Service Funds</b>
	<b>Grand Traverse Pavilions</b>	<b>Delinquent Tax Revolving</b>	<b>Other Enterprise Funds</b>	<b>Total Enterprise Funds</b>	
<b>ASSETS</b>					
<i>Current Assets</i>					
Cash and Cash Equivalents	\$ 8,385,257	\$ 3,238,668	\$ 3,485,517	\$ 15,109,442	\$ 1,127,390
Investments	--	2,114,302	--	2,114,302	185,845
Taxes Receivable	--	3,081,498	225,758	3,307,256	--
Accounts Receivable	3,262,291	90,171	35,236	3,387,698	232,688
Interest Receivable	--	315,294	--	315,294	--
Inventories	138,619	--	--	138,619	--
Prepays	189,017	--	500	189,517	689,732
Due from Other Funds	--	--	--	--	64,846
Advance to Other Funds	--	607,594	--	607,594	--
<b>Total Current Assets</b>	<b>11,975,184</b>	<b>9,447,527</b>	<b>3,747,011</b>	<b>25,169,722</b>	<b>2,300,501</b>
<i>Noncurrent Assets</i>					
Restricted Cash	169,050	--	--	169,050	--
Capital Assets not Being Depreciated	1,839,513	--	--	1,839,513	--
Capital Assets Being Depreciated	19,750,210	--	91,832	19,842,042	3,874,099
Advance to Other Funds	--	2,719,112	--	2,719,112	--
<b>Total Assets</b>	<b>33,733,957</b>	<b>12,166,639</b>	<b>3,838,843</b>	<b>49,739,439</b>	<b>6,174,600</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred Loss on Advance Refunding	91,430	--	--	91,430	--
Pension	2,279,423	--	23,806	2,303,229	--
<b>Total Deferred Outflows of Resources</b>	<b>2,370,853</b>	<b>--</b>	<b>23,806</b>	<b>2,394,659</b>	<b>--</b>
<b>LIABILITIES</b>					
<i>Current Liabilities</i>					
Accounts Payable	318,808	--	50,302	369,110	446,903
Accrued Liabilities	905,978	--	11,625	917,603	140,919
Accrued Interest	23,056	--	--	23,056	--
Due to Other Governments	543,840	--	238,544	782,384	--
Current Portion of Long-term Debt	35,000	--	--	35,000	--
Current Portion of Compensated Absences	52,301	--	1,484	53,785	--
Due to Other Funds	--	892,856	--	892,856	135,412
Advances from Other Funds	--	--	--	--	757,594
<b>Total Current Liabilities</b>	<b>1,878,983</b>	<b>892,856</b>	<b>301,955</b>	<b>3,073,794</b>	<b>1,480,828</b>
<i>Noncurrent Liabilities</i>					
Long-term Debt	3,175,328	--	--	3,175,328	--
Net Pension Liability	10,009,110	--	1,279,894	11,289,004	--
Net OPEB Liability	1,471,452	--	--	1,471,452	--
Compensated Absences	474,622	--	47,547	522,169	26,734
Advances from Other Funds	--	--	--	--	2,719,112
<b>Total Liabilities</b>	<b>17,009,495</b>	<b>892,856</b>	<b>1,629,396</b>	<b>19,531,747</b>	<b>4,226,674</b>
<b>NET POSITION</b>					
Net Investment in Capital Assets	18,470,825	--	91,832	18,562,657	3,874,099
<i>Unrestricted</i>	624,490	11,273,783	2,141,421	14,039,694	(1,926,173)
<b>Total Net Position</b>	<b>\$ 19,095,315</b>	<b>\$ 11,273,783</b>	<b>\$ 2,233,253</b>	<b>\$ 32,602,351</b>	<b>\$ 1,947,926</b>

The Notes to the Financial Statements are an integral part of these Financial Statements

**Grand Traverse County**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended December 31, 2016**

	<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental Activities Internal Service Funds</b>
	<b>Grand Traverse Pavilions</b>	<b>Delinquent Tax Revolving</b>	<b>Other Enterprise Funds</b>	<b>Total Enterprise Funds</b>	
<b>Operating Revenues</b>					
Charges for Services	\$ 26,933,242	\$ 203,395	\$ 2,028,062	\$ 29,164,699	\$ 14,185,929
Interest Revenues	--	528,578	--	528,578	--
Other Revenues	2,780,056	17,929	190,485	2,988,470	1,428,473
<b>Total Operating Revenues</b>	<b>29,713,298</b>	<b>749,902</b>	<b>2,218,547</b>	<b>32,681,747</b>	<b>15,614,402</b>
<b>Operating Expenses</b>					
Personnel Services	21,219,965	--	1,070,137	22,290,102	875,543
Supplies	1,338,404	--	22,375	1,360,779	302,836
Contractual Services	3,795,063	--	552,797	4,347,860	12,204,046
Depreciation	1,187,217	--	10,204	1,197,421	377,132
Other Operating Expenses	3,195,929	28,438	118,064	3,342,431	1,369,284
<b>Total Operating Expenses</b>	<b>30,736,578</b>	<b>28,438</b>	<b>1,773,577</b>	<b>32,538,593</b>	<b>15,128,841</b>
<b>Operating Income (Loss)</b>	<b>(1,023,280)</b>	<b>721,464</b>	<b>444,970</b>	<b>143,154</b>	<b>485,561</b>
<b>Non-Operating Revenues (Expenses)</b>					
Property Taxes	2,472	--	--	2,472	--
Intergovernmental Revenues	--	--	66,434	66,434	--
Interest Revenues	32,045	--	1,839	33,884	1,850
Interest and Fiscal Charges	(185,456)	--	--	(185,456)	(10,399)
<b>Net Non-Operating Revenues (Expenses)</b>	<b>(150,939)</b>	<b>--</b>	<b>68,273</b>	<b>(82,666)</b>	<b>(8,549)</b>
<b>Income Before Contributions and Transfers</b>	<b>(1,174,219)</b>	<b>721,464</b>	<b>513,243</b>	<b>60,488</b>	<b>477,012</b>
Transfers In	--	35,408	--	35,408	--
Transfers Out	--	(816,334)	(131,151)	(947,485)	--
<b>Change In Net Position</b>	<b>(1,174,219)</b>	<b>(59,462)</b>	<b>382,092</b>	<b>(851,589)</b>	<b>477,012</b>
<i>Net Position at Beginning of Period</i>	<i>20,269,534</i>	<i>11,333,245</i>	<i>1,851,161</i>	<i>33,453,940</i>	<i>1,470,914</i>
<b>Net Position at End of Period</b>	<b>\$ 19,095,315</b>	<b>\$ 11,273,783</b>	<b>\$ 2,233,253</b>	<b>\$ 32,602,351</b>	<b>\$ 1,947,926</b>

The Notes to the Financial Statements are an integral part of these Financial Statements

**Grand Traverse County  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2016**

	<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental Activities Internal Service Funds</b>
	<b>Grand Traverse Pavilions</b>	<b>Delinquent Tax Revolving</b>	<b>Nonmajor Enterprise Funds</b>	<b>Total Enterprise Funds</b>	
<b>Cash flows from operating activities</b>					
Cash received from customers	\$ 29,844,663	\$ 523,008	\$ 2,259,580	\$ 32,627,251	\$ -
Cash received from interfund services	-	-	-	-	15,412,731
Cash payments to suppliers	(8,376,815)	(75,220)	(482,668)	(8,934,703)	(13,474,074)
Cash payments to employees	(19,944,040)	-	(1,103,681)	(21,047,721)	(869,463)
<b>Total cash from operating activities</b>	<b>1,523,808</b>	<b>447,788</b>	<b>673,231</b>	<b>2,644,827</b>	<b>1,069,194</b>
<b>Cash flows from noncapital financing activities</b>					
Property taxes	2,472	-	-	2,472	-
Intergovernmental revenues	-	-	66,434	66,434	-
Advances to other funds	-	(263,118)	-	(263,118)	-
Decrease in due from other funds	-	56,135	1,265	57,400	105,138
Decrease in due to other funds	-	(57,134)	(49,940)	(107,074)	(652,531)
Transfers in	-	35,408	-	35,408	-
Transfers out	-	(816,334)	(131,151)	(947,485)	-
<b>Total cash flows from (used by) noncapital financing activities</b>	<b>2,472</b>	<b>(1,045,043)</b>	<b>(113,392)</b>	<b>(1,155,963)</b>	<b>(547,393)</b>
<b>Cash flows from capital and related financing activities</b>					
Purchase of capital assets	(333,051)	-	(102,036)	(435,087)	(916,968)
Advances from other funds	-	-	-	-	870,712
Principal payments on long-term debt	(1,569,411)	-	-	(1,569,411)	-
Interest payment and fiscal charges	(195,324)	-	-	(195,324)	(10,399)
<b>Total cash flows used by capital and related financing activities</b>	<b>(2,097,786)</b>	<b>-</b>	<b>(102,036)</b>	<b>(2,199,822)</b>	<b>(56,655)</b>
<b>Cash flows from investing activities</b>					
Purchase of investments	-	-	-	-	(185,845)
Sale of investments	-	1,530,173	-	1,530,173	-
Interest received	32,045	-	1,839	33,884	1,850
<b>Total cash flows from (used by) investing activities</b>	<b>32,045</b>	<b>1,530,173</b>	<b>1,839</b>	<b>1,564,057</b>	<b>(183,995)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(539,461)</b>	<b>932,918</b>	<b>459,642</b>	<b>853,099</b>	<b>281,151</b>
<i>Cash and cash equivalents - beginning of the year</i>	<i>9,093,768</i>	<i>2,305,750</i>	<i>3,025,875</i>	<i>14,425,393</i>	<i>846,239</i>
<b><i>Cash and cash equivalents - end of the year</i></b>	<b><i>\$ 8,554,307</i></b>	<b><i>\$ 3,238,668</i></b>	<b><i>\$ 3,485,517</i></b>	<b><i>\$ 15,278,492</i></b>	<b><i>\$ 1,127,390</i></b>

The Notes to the Financial Statements are an integral part of these Financial Statements

**Grand Traverse County  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2016**

	<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental Activities Internal Service Funds</b>
	<b>Grand Traverse Pavilions</b>	<b>Delinquent Tax Revolving</b>	<b>Nonmajor Enterprise Funds</b>	<b>Total Enterprise Funds</b>	
<b>Cash flows from operating activities</b>					
Operating income (loss)	\$ (1,023,280)	\$ 721,464	\$ 444,970	\$ 143,154	\$ 485,561
Adjustments to reconcile operating income to net cash provided by (used in) operations:					
Depreciation	1,187,217	-	10,204	1,197,421	377,132
Changes in assets and liabilities:					
Accounts receivable	131,365	39,774	28,626	199,765	(201,671)
Taxes receivable	-	(221,737)	12,407	(209,330)	-
Interest receivable	-	(44,931)	-	(44,931)	-
Prepaid items	(179,096)	-	(500)	(179,596)	360,241
Due from other governments	-	-	9,400	9,400	-
Inventories	(15,712)	-	-	(15,712)	-
Accounts payable	129,708	(46,782)	38,574	121,500	41,851
Accrued liabilities	(14,617)	-	(33,544)	(48,161)	11,999
Due to other governments	17,681	-	(22,013)	(4,332)	-
Compensated absences	(17,964)	-	10,889	(7,075)	(5,919)
Net pension liability and related deferred amount	867,524	-	174,218	1,041,742	-
Net other postemployment benefits obligation	440,982	-	-	440,982	-
<b>Net cash from (used by) operating activities</b>	<b>\$ 1,523,808</b>	<b>\$ 447,788</b>	<b>\$ 673,231</b>	<b>\$ 2,644,827</b>	<b>\$ 1,069,194</b>

The Notes to the Financial Statements are an integral part of these Financial Statements



**Grand Traverse County  
Statement of Fiduciary Net Position  
Fiduciary Funds  
December 31, 2016**

	<u><b>Agency Funds</b></u>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 4,719,478
Due from Other Governments	372,068
<i><b>Total Assets</b></i>	<u>5,091,546</u>
<b>LIABILITIES</b>	
Due to Other Governments	1,198,227
Court Items Payable	1,711,383
Undistributed Receipts	1,544,471
Other Liabilities	637,465
<i><b>Total Liabilities</b></i>	<u>5,091,546</u>
<b>NET POSITION</b>	
Held in Trust	<u>\$ --</u>

The Notes to the Financial Statements are an integral part of these Financial Statements

**Grand Traverse County**  
**Combining Statement of Net Position**  
**Component Units**  
**December 31, 2016**

	<b>County Road</b>	<b>Land Bank Authority</b>	<b>Brownfield Redevelopment Authority</b>	<b>Drain Commission</b>	<b>Department of Public Works</b>	<b>Total Component Units</b>
<b>ASSETS</b>						
<i>Current Assets</i>						
Cash and Cash Equivalents	\$ 2,059,213	\$ 240,519	\$ 3,212,628	\$ 144,673	\$ 691,394	\$ 6,348,427
Taxes Receivable	--	6,440	--	--	--	6,440
Accounts Receivable	2,874,426	--	1,140,172	--	1,892,699	5,907,297
Interest Receivable	--	--	--	--	129,583	129,583
Due from Other Governments	--	23,750	85,516	--	63,212	172,478
Inventories	694,984	465,812	--	--	--	1,160,796
Prepays	76,856	--	--	--	--	76,856
Leases Receivable	--	--	--	--	2,920,000	2,920,000
Other Current Assets	--	--	332,822	22,490	--	355,312
<b>Total Current Assets</b>	<b>5,705,479</b>	<b>736,521</b>	<b>4,771,138</b>	<b>167,163</b>	<b>5,696,888</b>	<b>17,077,189</b>
<i>Noncurrent Assets</i>						
Capital Assets not Being Depreciated	28,046,523	--	--	--	400,000	28,446,523
Capital Assets Being Depreciated	56,455,539	--	--	--	6,603,365	63,058,904
Leases Receivable	--	--	--	--	22,052,960	22,052,960
Long-term Receivables	--	13,990	400,000	--	--	413,990
<b>Total Assets</b>	<b>90,207,541</b>	<b>750,511</b>	<b>5,171,138</b>	<b>167,163</b>	<b>34,753,213</b>	<b>131,049,566</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Pensions	173,644	--	--	--	1,344	174,988
<b>Total Deferred Outflows of Resources</b>	<b>173,644</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>1,344</b>	<b>174,988</b>
<b>LIABILITIES</b>						
<i>Current Liabilities</i>						
Accounts Payable	753,942	15,417	112,062	36	773,750	1,655,207
Accrued Liabilities	639,338	--	--	--	228,544	867,882
Accrued Interest	--	--	17,405	5,130	147,565	170,100
Unearned Revenue	40,901	5,000	--	--	--	45,901
Due to Other Governments	--	29,206	140,000	25,000	3,942,920	4,137,126
Current Portion of Long-term Debt	437,340	--	215,484	300,000	3,105,000	4,057,824
<b>Total Current Liabilities</b>	<b>1,871,521</b>	<b>49,623</b>	<b>484,951</b>	<b>330,166</b>	<b>8,197,779</b>	<b>10,934,040</b>
<i>Noncurrent Liabilities</i>						
Long-term Debt	1,165,743	--	3,776,859	--	23,522,000	28,464,602
Net Pension Liability	2,830,961	--	--	--	85,684	2,916,645
Net OPEB Liability	2,338,906	--	--	--	--	2,338,906
<b>Total Liabilities</b>	<b>8,207,131</b>	<b>49,623</b>	<b>4,261,810</b>	<b>330,166</b>	<b>31,805,463</b>	<b>44,654,193</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Taxes Levied for a Subsequent Year	--	14,668	--	--	--	14,668
<b>Total Deferred Inflows of Resources</b>	<b>--</b>	<b>14,668</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>14,668</b>
<b>NET POSITION</b>						
Net Investment in Capital Assets	83,019,910	--	--	--	4,406,365	87,426,275
<i>Restricted for:</i>						
Public Works	--	--	909,328	--	--	909,328
Community and Economic Development	--	686,220	--	--	--	686,220
<i>Unrestricted</i>	(845,856)	--	--	(163,003)	(1,457,271)	(2,466,130)
<b>Total Net Position</b>	<b>\$ 82,174,054</b>	<b>\$ 686,220</b>	<b>\$ 909,328</b>	<b>\$ (163,003)</b>	<b>\$ 2,949,094</b>	<b>\$ 86,555,693</b>

The Notes to the Financial Statements are an integral part of these Financial Statements

**Grand Traverse County**  
**Combining Statement of Activities**  
**Component Units**  
**For the Year Ended December 31, 2016**

	<b>County Road</b>	<b>Land Bank Authority</b>	<b>Brownfield Redevelopment Authority</b>	<b>Drain Commission</b>	<b>Department of Public Works</b>	<b>Total Component Units</b>
<b>Expenses</b>						
General Government	\$ --	\$ 198,612	\$ --	\$ --	\$ --	\$ 198,612
Public Works	12,761,281	--	2,003,318	246,555	5,653,588	20,664,742
Interest and Fiscal Charges	--	--	26,147	5,130	945,776	977,053
<b>Total Expenses</b>	<b>12,761,281</b>	<b>198,612</b>	<b>2,029,465</b>	<b>251,685</b>	<b>6,599,364</b>	<b>21,840,407</b>
<b>Program Revenues</b>						
Charges for Services	1,621,640	69,000	3,010	--	6,825,656	8,519,306
Operating Grants and Contributions	7,856,887	85,305	35,516	--	--	7,977,708
Capital Grants and Contributions	5,150,830	--	--	--	--	5,150,830
<b>Total Program Revenues</b>	<b>14,629,357</b>	<b>154,305</b>	<b>38,526</b>	<b>--</b>	<b>6,825,656</b>	<b>21,647,844</b>
<b>Net Program Revenues (Expenses)</b>	<b>1,868,076</b>	<b>(44,307)</b>	<b>(1,990,939)</b>	<b>(251,685)</b>	<b>226,292</b>	<b>(192,563)</b>
<b>General Revenue</b>						
Property Taxes	3,670,873	3,181	1,818,594	--	--	5,492,648
Interest Revenues	16,613	480	36,878	1,952	408	56,331
<b>Total General Revenues</b>	<b>3,687,486</b>	<b>3,661</b>	<b>1,855,472</b>	<b>1,952</b>	<b>408</b>	<b>5,548,979</b>
<b>Change in Net Position</b>	<b>5,555,562</b>	<b>(40,646)</b>	<b>(135,467)</b>	<b>(249,733)</b>	<b>226,700</b>	<b>5,356,416</b>
<i>Net Position at Beginning of Period</i>	<i>76,618,492</i>	<i>726,866</i>	<i>1,044,795</i>	<i>86,730</i>	<i>2,722,394</i>	<i>81,199,277</i>
<b>Net Position at End of Period</b>	<b>\$ 82,174,054</b>	<b>\$ 686,220</b>	<b>\$ 909,328</b>	<b>\$ (163,003)</b>	<b>\$ 2,949,094</b>	<b>\$ 86,555,693</b>

The Notes to the Financial Statements are an integral part of these Financial Statements

## **Notes to the Financial Statements**

**Grand Traverse County**  
Notes to the Financial Statements

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**Note 1 - Summary of Significant Accounting Policies**

The financial statements of Grand Traverse County, Michigan (the “County”) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the County’s accounting policies are described below.

**Reporting Entity**

The County was organized in 1851 and covers an area of approximately 485 square miles with the County seat located in Traverse City, Michigan. The County operates under an elected Board of Commissioners of seven members and provides services, assistance and care to County residents, primarily from the operations of its General Fund and special revenue funds. The County's services, assistance and care includes the: (1) general county departments, boards and commissions; (2) court system administration; (3) law enforcement and corrections; (4) assistance and/or institutional care to the aged, needy, wards of the court and neglected children and public health recipients and; (5) recreation and cultural.

As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the County and its component units. The component units discussed below are included in the County's reporting entity because of the significance of their operational or financial relationship with the County.

The Hospital Finance Authority discretely presented component unit is maintained and included in the accompanying financial statements on a June 30 fiscal year basis.

***Blended Component Units***

The Grand Traverse County Building Authority is governed by a five-member board appointed by the County Board of Commissioners. Although it is legally separate from the County, the Grand Traverse County Building Authority is reported as if it were part of the primary government because its sole purpose is to obtain financing and pay for construction and capital improvements of county facilities.

***Discretely Presented Component Units***

The component unit columns in the combined financial statements include the financial data of the County's five discrete component units. These component units are presented in separate columns to emphasize that they are legally separate from the County.

*Grand Traverse County Road Commission.* Members of the governing body of the Road Commission are appointed by the County Board of Commissioners. The County also has the ability to influence the operations of the Road Commission and has accountability for fiscal

## Grand Traverse County

### Notes to the Financial Statements

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matters. The component unit is audited separately from the County and complete financial statements may be obtained from the Road Commission's administrative office. Accordingly, the County has elected to omit substantially all note disclosures related to the Road Commission in these financial statements.

Separate financial statements for the Road Commission are available from the Grand Traverse County Road Commission, 1881 LaFranier Road, Traverse City, MI 49696.

*Department of Public Works.* Members of the governing body of the Department of Public Works are appointed by the County Board of Commissioners. The County also has the ability to influence operations of the Department of Public Works and has accountability for fiscal matters.

The financial activity of the Department of Public Works for the year ended December 31, 2016 is reported discretely as an enterprise fund type. There are no separately issued financial statements for this component unit.

*Drain Commission.* Each of the drainage districts established pursuant to the Drain Code of 1956 are separate legal entities, with the power to contract, to sue and be sued, and to hold, manage and dispose of real and personal property. The statutory drainage board of Chapter 21 drainage districts consists of the State Director of Agriculture and the Drain Commissioner of each county involved in the project. The County Drain Commissioner has sole responsibility to administer the drainage districts established pursuant to Chapters 3, 4 and 8 of the Drain Code. The Drainage Board or Drain Commissioner, on behalf of the drainage districts, may issue debt and levy special assessments authorized by the Drain Code without the prior approval of the County Board of Commissioners. The full faith and credit of the County may be given for the debt of the drainage district. The County also has the ability to influence operations of the Drain Commission and has accountability for fiscal matters.

The financial activity of the Drain Commission for the year ended December 31, 2016 is reported discretely as a governmental fund type. There are no separately issued financial statements for this component unit, although financial information for the specific drainage districts may be obtained from the County Drain Commissioner, 400 Boardman Avenue, Traverse City, MI 49684.

*Brownfield Redevelopment Authority.* The members of the governing board of the Brownfield Redevelopment Authority are appointed by the County Board of Commissioners. They review and approve plans for business development within designated areas of the County where property was once contaminated. Property tax revenues from the "captured" portion of these properties are restricted to pay for site clean-up expenditures and future development depending on the development plan adopted for each project. The County has the ability to significantly influence the operations of the Brownfield Redevelopment Authority and has accountability for fiscal matters.

The financial activity of the Brownfield Redevelopment Authority for the year ended December



## **Grand Traverse County**

### **Notes to the Financial Statements**

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31, 2016 is reported discretely as a governmental fund type. There are no separately issued financial statements for this component unit.

*Land Bank Authority.* Members of the governing body of the Land Bank Authority are appointed by the County Board of Commissioners. The County also has the ability to influence the operations of the Land Bank Authority and has accountability for fiscal matters.

The financial activity of the Land Bank Authority for the year ended December 31, 2016 is reported discretely as an enterprise fund type. There are no separately issued financial statements for this component unit.

*Hospital Finance Authority.* The five members of the governing body of the Hospital Finance Authority are appointed by the County Board of Commissioners. The County also has the ability to influence the operations of the Hospital Finance Authority. Its primary purpose is constructing and improving hospital facilities within the boundaries of the County; lending money to hospitals for those purposes; refunding or refunding in advance obligations of the Authority; or refinancing the indebtedness of hospitals.

The Hospital Finance Authority is reported discretely as an enterprise fund type, however there was not any financial activity or balances for the year ended June 30, 2016. There are no separately issued financial statements for this component unit.

As of June 30, 2016, the Hospital Finance Authority had outstanding conduit debt of approximately \$180,770,428.

#### ***Regional Joint Operations***

The County participates in the operation of the Northwestern Regional Airport Commission with Leelanau County. The Airport Commission operates with a separate treasurer.

Separate financial statements for the Airport Commission are available from the Northwestern Regional Airport Commission, Cherry Capital Airport Administrative Office, 144 W. South Airport Road, Traverse City, MI 49686.

The County also participates jointly in the operation of the Northern Lakes Community Mental Health Authority with Missaukee, Leelanau, Crawford, Roscommon and Wexford counties. The County provides an annual appropriation of \$682,200 to the Authority.

Separate financial statements for the Northern Lakes Community Mental Health Authority are available at 105 Hall Street, Traverse City, MI 49684.

**Grand Traverse County**  
Notes to the Financial Statements

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**Basis of Presentation**

***Government-wide and Fund Financial Statements***

*Government-wide Financial Statements.* The statement of net position and the statement of activities report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of 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. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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 revenue.

*Fund Financial Statements.* The fund financial statements provide information about the County's funds, including its fiduciary funds and blended component unit. Separate statements for each fund category - governmental, proprietary, and fiduciary - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

***Measurement Focus, Basis of Accounting, and Financial Statement Presentation***

*Government-wide, Proprietary, and Fiduciary Fund Financial Statements.* The government-wide, proprietary, and fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, except for agency funds, which do not have a measurement focus. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

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 Grand Traverse Pavilions, Delinquent Tax Revolving, Inspections, and Solid Waste enterprise funds and the discretely presented component units Department of Public Works, Land Bank Authority, and Hospital Finance Authority enterprise funds and the County's internal service funds are charges to customers for sales and services.

## Grand Traverse County

### Notes to the Financial Statements

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Operating expenses for enterprise funds and internal service 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.

Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenues from property taxes are recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

*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. A 60-day availability period is used for revenue recognition for all governmental fund revenues, except for expenditure-driven grants, which must be collected within one year, and property taxes. Property taxes for the County, levied and payable within the current fiscal year, are fully recognized inasmuch as any uncollected taxes are settled with the Delinquent Tax Revolving fund not later than March 1 of the following fiscal year. While this schedule exceeds the normal availability period for property taxes of 60 days, management believes that fully recognizing property taxes in the year they are intended to finance better reflects the matching concept of generally accepted accounting principles.

Expenditures generally are recorded when a related fund liability is incurred, except for debt service expenditures, compensated absences, and claims and judgments, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds from general long-term debt and acquisitions under capital leases, if any, are reported as other financing sources.

Property taxes, state-shared revenue, and interest associated with the current period are all considered to be susceptible to accrual and so have been recognized as revenues of the current 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 County.

The County reports the following major governmental funds:

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

The *Commission on Aging special revenue fund* accounts for revenues received from property taxes and charges for services (fee revenues) to provide services and programs for county residents 60 years of age and older.

## Grand Traverse County

### Notes to the Financial Statements

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The *Grand Traverse County Health special revenue fund* accounts for the federal and state grants, local service fees, and General Fund appropriations, which are used to provide health services to citizens of the County.

The County reports the following major proprietary funds:

The *Grand Traverse Pavilions fund* accounts for the activities of the County's medical care facility.

The *Delinquent Tax Revolving fund* accounts for the funds paid to each local governmental unit, including the County General Fund, Commission on Aging fund and the Grand Traverse Pavilions fund for the respective amount of taxes not collected as of March 1st from previous years' tax levies. Financing for these purchases is provided by subsequent collection of delinquent property taxes by the County Treasurer.

Additionally, the County 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 expenditures for specified purposes other than debt service or capital projects.

*Debt service funds* are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

*Capital projects 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.

*Enterprise funds* account for those operations that are financed and operated in a manner similar to private business or where the County has decided that the determination of revenues earned, costs incurred, and/or net income is necessary for management's accountability.

*Internal service funds* account for the fleet and equipment management, data processing, copy machine, mailing department, and insurance services provided to other departments or agencies of the County on a cost reimbursement basis.

*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 that the County holds for others in an agency capacity (such as taxes collected for other governments).

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and various other functions of the County. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

**Grand Traverse County**  
Notes to the Financial Statements

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Restricted net position consists of amounts that are subject to restrictions beyond the County's control. The restrictions may be externally imposed or imposed by law. When both restricted and unrestricted resources are available for use, it is the County'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 Fund Balance**

***Cash and Cash Equivalents***

The County considers cash and cash equivalents 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 County to invest in obligations of the U.S. Treasury and U.S. agencies, deposit agreements with federally insured financial institutions within the State of Michigan, high grade commercial paper, repurchase obligations of the U.S. government and U.S. agencies, banker's acceptances of U.S. banks and mutual funds comprised of the above authorized investments.

The County's deposits and investment policy are in accordance with statutory authority.

The County pools cash resources of various funds in order to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the pooled cash accounts is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing securities and disclosed as part of the County's investments.

***Investments***

Investments displayed on the financial statements are recorded at fair value. The investment in external 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 pool shares.

***Restricted Cash***

Restricted cash represents deposits held in resident's trust accounts in the Grand Traverse Pavilions enterprise fund.

***Receivables and Payables***

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 noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and

## **Grand Traverse County**

### **Notes to the Financial Statements**

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business-type activities are reported in the government-wide financial statements as “internal balances”.

Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance account in applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources.

All Grand Traverse Pavilion’s accounts receivable are shown net of an allowance for uncollectible accounts. Grand Traverse Pavilion’s accounts receivable in excess of 120 days primarily comprise the allowance for uncollectible accounts. At December 31, 2016 the allowance amounted to \$897,000.

Amounts due from other governments include amounts due from grantors for specific programs and capital projects. Program grants and capital grants for capital assets are recorded as receivables and revenues at the time reimbursable project costs are incurred. Revenues received in advance of project costs being incurred are considered unearned revenues.

Loans receivable consists of economic development fund loans to promote economic development within the County, CDBG funds advanced to area residents for home improvements which must be repaid by the homeowner upon sale or foreclosure, and Brownfield Redevelopment Authority component unit loans to assist with the economic development of environmentally distressed sites within the County. The County has an enforceable lien on such property.

Leases receivable consist of various agreements with local governments and the Department of Public Works to issue bonded debt and to manage the construction of water and sewer systems in those jurisdictions. These agreements generally terminate with the retirement of the related bond issues. Leases receivable are reported at an amount equal to the lesser of the actual bond-financed construction costs incurred to date or the outstanding bond principal and interest thereon. Annual lease payments under these agreements are equal to the related bond principal and interest due each year. At termination of a lease, title to the leased property is passed to the particular local government.

All lease agreements provide for the lessees to use, operate and maintain the system, at their own expense, subject to the terms and conditions of the agreement.

The amount of lease receivables not expected to be collected within one year is \$22,052,960.

#### ***Inventories, Prepaid Items, and Other Assets***

All inventories are valued at cost using the first-in/first out method. Inventories of governmental funds are recorded as expenditures when purchased.

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. Prepaid items are

**Grand Traverse County**  
Notes to the Financial Statements

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recorded as expenditures proportionately over the periods that related service is provided (consumption method).

***Capital Assets***

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County 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 fair value at the date of donation.

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

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.

Capital assets of the primary government and component units are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	30-50
Land improvements	10-20
Public domain infrastructure	10-20
Vehicles	5
Equipment	5-25
Infrastructure	5-50

***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, deferred outflows of resources, 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 County reports deferred outflows of resources for the loss on advance bond refunding reported in the government-wide statement of net position, which results from the difference in the carrying value of refunded debt and its reacquisition price. In addition, the County reports deferred outflows of resources for changes in expected and actual investment returns, assumptions, and benefits provided in its pension plan. More detailed information can be found in Note 12.



**Grand Traverse County**  
Notes to the Financial Statements

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***Unearned Revenue***

Unearned revenue of governmental activities primarily consists of rentals and grants received in advance.

***Compensated Absences***

It is the County's policy to permit employees to accumulate earned but unused vacation, sick, and personal pay benefits depending on the date of hire. All accrued vacation, sick, and personal pay benefits are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

***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 straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as a component of interest expense when incurred.

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 future periods and so will not be recognized as an inflow of resources (revenue) until that time. The government-wide and governmental fund financial statements report deferred inflows of resources for property taxes levied during the year that were intended to finance future periods. In addition, the County reports deferred inflows of resources in its full accrual statements related to the net pension liability. Detailed information on pension-related deferred inflows can be found in Note 12.

***Interfund Transactions***

During the course of normal operations, the County has numerous transactions between funds,

**Grand Traverse County**  
Notes to the Financial Statements

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including expenditures and transfer of resources to provide services, construct assets, and service debt. The accompanying financial statements generally reflect such transactions as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements. Internal service funds are used to record charges for services to all County departments and funds as operating revenue. All County funds record these payments to the internal service funds as operating expenditures/expenses.

***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.

***Fund Balance***

In the fund financial statements, 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 be used for specific purposes pursuant to constraints imposed by formal action of the County's highest level of decision-making authority, the Board of Commissioners. A formal resolution of the County Board of Commissioners is required to establish, modify, or rescind a fund balance commitment. The County reports assigned fund balance for amounts that are constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed. The Board of Commissioners, through its general appropriations resolution, may assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unassigned fund balance is the residual classification for the General Fund. It may be necessary for governmental funds other than the General Fund to report negative unassigned fund balance if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned for those purposes.

The County Board of Commissioners has adopted a minimum fund balance policy in which the total fund balance of the General Fund will be equal to at least 15 percent of the subsequent year's adopted General Fund budgeted expenditures and transfers out. If the General Fund balance falls below the minimum range, the County will replenish shortages or deficiencies using budget strategies and timeframes as detailed in the policy.

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

**Grand Traverse County**  
Notes to the Financial Statements

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and finally unassigned fund balance.

***Use of Estimates***

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual amounts could differ from those estimates.

***New Accounting Standards Adopted***

For December 31, 2016, the County adopted Government Accounting Standards Board ("GASB") Statement No. 72, Fair Value Measurement and Application. GASB 72 requires the funds to use valuation techniques which are appropriate under the circumstances and are either a market approach, a cost approach or income approach. GASB 72 establishes a hierarchy of inputs used to measure fair value consisting of three levels. Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Level 2 inputs are inputs, other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs, and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability. GASB 72 also contains note disclosure requirements regarding the hierarchy of valuation inputs and valuation techniques that was used for the fair value measurements. There was no material impact on the County's financial statements as a result of the implementation of GASB 72.

**Note 2 - Budgetary Information**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general and special revenue funds. All annual appropriations lapse at year-end.

No later than December 31 of the preceding fiscal year the County Commission shall, by resolution, adopt the budget for the next year.

The budget document presents information by fund, function, department, and line items. The legal level of budgetary control adopted by the governing board is the activity level, which is the level at which expenditures may not legally exceed appropriations. Budget amendments are made in accordance with County Board of Commissioners policy.

**Note 3 - Excess of Expenditures Over Appropriations**

P.A. 621 of 1978, as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated. In the body of the financial statements, the County's actual expenditures and budgeted expenditures for the budgetary funds have been shown on the activity basis, which is the basis at which the approved budgets of the County for the budgetary funds

**Grand Traverse County**  
Notes to the Financial Statements

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were adopted.

The following funds had excess expenditures over appropriations:

	<b>Amended Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>General Fund</b>			
<i>General Government</i>			
Human Resources	\$ 478,034	\$ 514,500	\$ (36,466)
Soil Erosion and Sedimentation	174,097	198,635	(24,538)
<b>Register of Deeds Automation</b>			
<i>General Government</i>	114,114	116,559	(2,445)
<b>Corrections P.A. 511</b>			
<i>Public Safety</i>	746,004	746,036	(32)
<b>EDC Revolving Loan</b>			
<i>Economic Development</i>	87,795	90,960	(3,165)

**Note 4 - Deficit Fund Equity**

The County reported deficit unassigned fund balance of \$930,000 in the Building Authority LaFranier DPW nonmajor governmental debt service fund. This was the result of the fund receiving a lump sum payment (advance from other funds) in a prior year in order to call the related bonds early, which is reduced ratably over the course of the related rental agreement.

The Woodmere nonmajor governmental debt service fund also reported a deficit unassigned fund balance of \$465,000. This was also the result of the fund receiving a lump sum payment (advance from other funds) in a prior year in order to call the related bonds early, which is reduced ratably over the course of the related rental agreement.

The Motor Pool internal service fund also reported an unassigned deficit net position of \$3,326,706. Overall, the total net position for this fund amounted to \$378,698.

The Septage Facility fund within the DPW Component Unit also reported an unrestricted deficit net position of \$1,465,169. Overall, the net position within this fund is \$2,941,196.

The Drain Commission and County Road Component Units also reported unrestricted deficit net positions of \$163,003 and \$845,856, respectively. Overall, the net position within these Component Units are a deficit of \$163,003 and a surplus of \$82,174,054, respectively.

**Grand Traverse County**  
Notes to the Financial Statements

**Note 5 - Deposits and Investments**

***Deposits***

At December 31, 2016, the County's cash, investments, and restricted cash are reported as follows:

	<b>Primary Government</b>	<b>Component Units</b>	<b>Totals</b>
<b>Statement of Net Position</b>			
Cash and Cash Equivalents	\$ 29,179,222	\$ 6,348,427	\$ 35,527,649
Investments	2,433,015	-	2,433,015
Restricted Cash	169,050	-	169,050
<b>Statement of Fiduciary Net Position</b>			
Cash and Cash Equivalents	4,719,478	-	4,719,478
<b>Total</b>	36,500,765	6,348,427	42,849,192
<b>Less Separately Audited Component Unit</b>			
Road Commission	-	(2,059,213)	(2,059,213)
<b>Deposits and Investments Managed by the County Treasurer</b>	<u>\$ 36,500,765</u>	<u>\$ 4,289,214</u>	<u>\$ 40,789,979</u>
<b>Deposits and Investments:</b>			
Bank Deposits			\$ 25,396,111
Certificates of Deposit Due within One Year			740,058
Certificates of Deposit Due in One to Five Years			70,000
Investments			14,574,577
Cash on hand			<u>9,233</u>
<b>Total</b>			<u>\$ 40,789,979</u>

***Deposit and Investment Risk***

*Interest Rate Risk.* State law limits the allowable investments and the maturities of some of the allowable investments as identified below. The County'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. The maturity dates for each investment are identified below for investments held at year-end.

*Credit Risk.* State law limits investments to specific government securities, certificates of deposits,

## Grand Traverse County

### Notes to the Financial Statements

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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 below. The County's investment policy does not have specific limits in excess of state law pertaining to investment credit risk. The ratings for each investment are identified below for investments held at year-end.

*Custodial Credit Risk - Deposits.* Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned. State law does not require and the County's investment policy does not have specific limits in excess of state law pertaining to custodial credit risk. The County does a quarterly internal rating of the banks it has deposits in excess of the FDIC limit by utilizing outside sources to obtain the ratings. As of year-end, \$20,807,523 of the bank balance of the primary government (including its blended component unit) of \$23,146,293 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 County will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. State law does not require and the County does not have a specific policy pertaining to investment custodial credit risk which is more restrictive than state law. As of year-end, none of the County's investments were exposed to custodial credit risk inasmuch as all investments are held in the name of the County.

*Concentrations of Credit Risk.* State law limits allowable investments but does not limit concentration of credit risk as identified in the listing above. The County's investment policy does not have specific limits in excess of state law on concentration of credit risk.

**Grand Traverse County**  
Notes to the Financial Statements

***Investments***

At December 31, 2016, the County's investments consisted of the following:

	<u><b>Maturity</b></u>	<u><b>Carrying Amount (Fair Value)</b></u>	<u><b>Credit Rating</b></u>
Federal National Mortgage Association	12/27/2018	\$ 248,886	S&P AA+
Federal Home Loan Mortgage	2/26/2021	495,675	S&P AA+
State of Michigan GO Bonds	11/15/2017	129,398	S&P AA+
Federal Farm Credit Bank Notes	11/30/2018	250,099	S&P AA+
Federal Home Loan Bank Bonds	5/18/2020	623,532	S&P AA+
Federal Home Loan Bank Bonds	6/7/2021	147,364	S&P AA+
Federal Farm Credit Bank Bond	11/16/2021	494,596	S&P AA+
Michigan CLASS Accounts	n/a	<u>12,185,027</u>	S&P AAA/m
		<u>\$ 14,574,577</u>	

*Fair Value Measurement.* The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; level 2 inputs are significant other observable inputs; level 3 inputs are significant unobservable inputs.

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

- Federal agency securities held by the County totaled \$2,260,152. These are valued using level 1 inputs.
- A municipal bond held by the County totaled \$129,398. This is valued using a level 1 input.
- County funds invested in Michigan CLASS accounts totaled \$12,185,027. These are valued using level 2 inputs.



**Grand Traverse County**  
Notes to the Financial Statements

**Note 6 - Capital Assets**

Capital asset activity for the governmental activities of the primary government for the year ended December 31, 2016 was as follows:

	Balance December 31, 2015	Additions	Reductions	Balance December 31, 2016
<b>Governmental Activities</b>				
<b>Capital Assets not Being Depreciated</b>				
Land	\$ 15,639,877	\$ -	\$ -	\$ 15,639,877
Construction in Process	3,134,911	-	3,134,911	-
<b>Total Capital Assets not Being Depreciated</b>	<u>18,774,788</u>	<u>-</u>	<u>3,134,911</u>	<u>15,639,877</u>
<b>Capital Assets Being Depreciated</b>				
Land Improvements	2,283,469	6,782	183,922	2,106,329
Infrastructure	828,241	-	-	828,241
Buildings and Improvements	44,019,974	9,970	-	44,029,944
Equipment and Furniture	9,681,869	4,224,587	17,560	13,888,896
Vehicles	3,098,630	245,386	507,423	2,836,593
<b>Total Capital Assets Being Depreciated</b>	<u>59,912,183</u>	<u>4,486,725</u>	<u>708,905</u>	<u>63,690,003</u>
<b>Less Accumulated Depreciation</b>				
Land Improvements	1,550,523	94,844	174,726	1,470,641
Infrastructure	771,200	20,297	-	791,497
Buildings and Improvements	19,232,946	997,081	-	20,230,027
Equipment and Furniture	8,417,950	716,363	17,560	9,116,753
Vehicles	2,416,857	248,308	500,769	2,164,396
<b>Total Accumulated Depreciation</b>	<u>32,389,476</u>	<u>2,076,893</u>	<u>693,055</u>	<u>33,773,314</u>
<b>Total Net Capital Assets Being Depreciated</b>	<u>27,522,707</u>	<u>2,409,832</u>	<u>15,850</u>	<u>29,916,689</u>
<b>Total Governmental Capital Assets, net</b>	<u>\$ 46,297,495</u>	<u>\$ 2,409,832</u>	<u>\$ 3,150,761</u>	<u>\$ 45,556,566</u>

**Grand Traverse County**  
Notes to the Financial Statements

Capital asset activity for the business-type activities of the primary government for the year ended December 31, 2016 was as follows:

	Balance December 31, 2015	Additions	Reductions	Balance December 31, 2016
<b>Business-type Activities</b>				
<b>Capital Assets not Being Depreciated</b>				
Land	\$ 1,820,550	\$ -	\$ -	\$ 1,820,550
Construction in Process	98,668	18,963	98,668	18,963
<b>Total Capital Assets not Being Depreciated</b>	<u>1,919,218</u>	<u>18,963</u>	<u>98,668</u>	<u>1,839,513</u>
<b>Capital Assets Being Depreciated</b>				
Land Improvements	2,866,941	-	-	2,866,941
Buildings and Improvements	35,284,360	163,158	-	35,447,518
Equipment and Furniture	2,877,746	150,930	865,265	2,163,411
Vehicles	389,434	102,036	-	491,470
<b>Total Capital Assets Being Depreciated</b>	<u>41,418,481</u>	<u>416,124</u>	<u>865,265</u>	<u>40,969,340</u>
<b>Less Accumulated Depreciation</b>				
Land Improvements	2,157,580	133,070	-	2,290,650
Buildings and Improvements	15,784,172	906,164	-	16,690,336
Equipment and Furniture	2,560,436	119,051	865,265	1,814,222
Vehicles	292,954	39,136	-	332,090
<b>Total Accumulated Depreciation</b>	<u>20,795,142</u>	<u>1,197,421</u>	<u>865,265</u>	<u>21,127,298</u>
<b>Total Net Capital Assets Being Depreciated</b>	<u>20,623,339</u>	<u>(781,297)</u>	<u>-</u>	<u>19,842,042</u>
<b>Total Business-type Capital Assets</b>	<u>\$ 22,542,557</u>	<u>\$ (762,334)</u>	<u>\$ 98,668</u>	<u>\$ 21,681,555</u>

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

<b>Governmental activities</b>	
Judicial	\$ 277,629
General Government	348,252
Public Safety	710,833
Health and Welfare	165,164
Recreation and Culture	197,883
Internal Service Funds	377,132
<b>Total Governmental Activities</b>	<u>\$ 2,076,893</u>
<b>Business-type activities</b>	
Medical Care Facility	\$ 1,187,217
Inspections	10,204
<b>Total Business-type Activities</b>	<u>\$ 1,197,421</u>

# Grand Traverse County

## Notes to the Financial Statements

Capital asset activity for the Department of Public Works component unit for the year ended December 31, 2016 was as follows:

	Balance December 31, 2015	Additions	Reductions	Balance December 31, 2016
<b>Department of Public Works</b>				
<b>Capital Assets not Being Depreciated</b>				
Land	\$ 400,000	\$ -	\$ -	\$ 400,000
<i>Total Capital Assets not Being Depreciated</i>	<u>400,000</u>	<u>-</u>	<u>-</u>	<u>400,000</u>
<b>Capital Assets Being Depreciated</b>				
Buildings	7,623,862	-	-	7,623,862
Equipment and Furniture	219,299	-	-	219,299
<i>Total Capital Assets Being Depreciated</i>	<u>7,843,161</u>	<u>-</u>	<u>-</u>	<u>7,843,161</u>
<b>Less Accumulated Depreciation</b>				
Buildings	980,209	217,825	-	1,198,034
Equipment and Furniture	21,104	20,658	-	41,762
<i>Total Accumulated Depreciation</i>	<u>1,001,313</u>	<u>238,483</u>	<u>-</u>	<u>1,239,796</u>
<i>Total Net Capital Assets Being Depreciated</i>	<u>6,841,848</u>	<u>(238,483)</u>	<u>-</u>	<u>6,603,365</u>
<i>Total Governmental Capital Assets, net</i>	<u>\$ 7,241,848</u>	<u>\$ (238,483)</u>	<u>\$ -</u>	<u>\$ 7,003,365</u>

### Note 7 - Interfund Receivables, Payables, and Transfers

Interfund balances were as follows as of December 31, 2016:

	Due from Other Funds	Due to Other Funds
General Fund	\$ 1,784,047	\$ 65,377
Commission on Aging	75	-
Nonmajor Governmental Funds	2,250	757,573
Delinquent Tax Revolving	-	892,856
Internal Service Funds	64,846	135,412
	<u>\$ 1,851,218</u>	<u>\$ 1,851,218</u>

The outstanding balances between funds are primarily short-term cash advances from the General Fund to cover cash deficits, or the result of the time lag between the dates interfund transactions are recorded and when the payments are made. These balances will be collected in the subsequent year. The Delinquent Tax Revolving fund amount due to other funds is the amount due the General Fund for the balance of the summer tax revenue that will be paid in the subsequent year as part of the tax settlement process.

**Grand Traverse County**  
Notes to the Financial Statements

Interfund advances were as follows as of December 31, 2016:

	<b>Advance from Other Funds</b>	<b>Advance to Other Funds</b>
General Fund	\$ -	\$ 1,918,597
Nonmajor Governmental Funds	1,768,597	-
Delinquent Tax Revolving	-	607,594
Internal Service Funds	757,594	-
	<u>\$ 2,526,191</u>	<u>\$ 2,526,191</u>

The amounts payable to the General Fund and Delinquent Tax Revolving Fund relate to working capital loans that were made to the nonmajor governmental and internal service funds. \$757,594 of these balances are expected to be paid/collected in the subsequent year.

	<b>Transfers In</b>				
<b>Transfers Out</b>	General Fund	Health Fund	Delinquent Tax Revolving	Nonmajor Governmental Funds	Total
General Fund	\$ -	\$ 1,064,000	\$ -	\$ 8,596,144	9,660,144
Health Department	-	-	-	-	-
Delinquent Tax Revolving	816,334	-	-	-	816,334
Nonmajor Governmental Funds	96,290	-	-	67,999	164,289
Nonmajor Enterprise Funds	95,743	-	35,408	-	131,151
	<u>\$ 1,008,367</u>	<u>\$ 1,064,000</u>	<u>\$ 35,408</u>	<u>\$ 8,664,143</u>	<u>\$ 10,771,918</u>

Interfund transfers are to: (1) use as unrestricted revenues in various funds to finance various programs accounted for in other funds in accordance with budgetary authorizations and (2) use amounts from the revenue sharing reserve fund to cover the elimination of state shared revenue in the General Fund.

**Grand Traverse County**  
Notes to the Financial Statements

**Note 8 - Long-term Debt**

Long-term debt activity of the primary government for the year ended December 31, 2016 was as follows:

	Balance December 31, 2015	Additions	Deletions	Balance December 31, 2016	Due in One Year
<b>Governmental Activities - General</b>					
General Obligation Bonds	\$ 9,365,000	\$ -	\$ 570,000	\$ 8,795,000	\$ 590,000
Bond Discounts	(40,748)	-	(1,852)	(38,896)	-
Compensated absences	1,444,381	234,337	196,070	1,482,648	33,367
<b>Total Governmental Activities</b>	<u>\$ 10,768,633</u>	<u>\$ 234,337</u>	<u>\$ 764,218</u>	<u>\$ 10,238,752</u>	<u>\$ 623,367</u>
<b>Business-type Activities</b>					
General Obligation Bonds	\$ 4,775,000	\$ -	\$ 1,565,000	\$ 3,210,000	\$ 35,000
Unamortized bond premium	4,739	-	4,411	328	-
Compensated absences*	583,029	251,624	258,700	575,953	53,785
<b>Total Business-type Activities</b>	<u>\$ 5,362,768</u>	<u>\$ 251,624</u>	<u>\$ 1,828,111</u>	<u>\$ 3,786,281</u>	<u>\$ 88,785</u>

Long-term debt activity for the Department of Public Works, Drain Commission, and Brownfield Redevelopment Authority component units for the year ended December 31, 2016 was as follows:

<b>Department of Public Works</b>					
General Obligation Bonds	\$ 22,590,000	\$ 5,000,000	\$ 2,960,000	\$ 24,630,000	\$ 2,995,000
Notes Payable	2,097,000	-	100,000	1,997,000	110,000
<b>Total Department of Public Works</b>	<u>\$ 24,687,000</u>	<u>\$ 5,000,000</u>	<u>\$ 3,060,000</u>	<u>\$ 26,627,000</u>	<u>\$ 3,105,000</u>
<b>Drain Commission</b>					
Notes Payable	\$ 300,000	\$ -	\$ -	\$ 300,000	\$ 300,000
<b>Brownfield Redevelopment Authority</b>					
Loans Payable	\$ 4,123,795	\$ -	\$ 131,452	\$ 3,992,343	\$ 215,484

Purpose	Installment	Interest Rates	Amount
<b>Governmental activities</b>			
County Building Authority- Hall of Justice Refunding Bonds of \$6,170,000	\$420,000 to \$560,000	2.00 to 3.125%	\$ 4,510,000
County Building Authority- Health Dept Development Bonds of \$5,000,000	\$150,000 to 310,000	2.00 to 4.00%	4,285,000
			<u>\$ 8,795,000</u>
<b>Business-type activities</b>			
Series 2007 Grand Traverse Pavilions Refunding Bonds of \$3,745,000	\$35,000 to \$270,000	4.00% to 4.375%	<u>\$ 3,210,000</u>

**Grand Traverse County**

## Notes to the Financial Statements

<b>Purpose</b>	<b>Installment</b>	<b>Interest Rates</b>	<b>Amount</b>
<b>Department of Public Works</b>			
Blair 2007 Water System Improvement Refunding Bonds of \$5,015,000	\$330,000 to \$410,000	4.00% to 4.625%	\$ 2,715,000
Blair 2015 Sewer System Improvement Refunding Bonds of \$2,725,000	\$255,000 to \$290,000	1.00% to 2.10%	2,455,000
East Bay and Peninsula Sewer /Water Refunding Bonds of \$2,895,000	\$255,000 to \$290,000	1.25% to 2.20%	1,870,000
Traverse City wastewater treatment plant upgrade Refunding Bonds of \$21,470,000	\$1,830,000 to \$2,225,000	3.00% to 4.00%	12,190,000
2004 Septage treatment facility Refunding Bonds of \$1,300,000	\$75,000	3.05% to 5.00%	600,000
East Bay Township Water System Improvements, Series 2016 Refunding Bonds of \$5,000,000	\$200,000 to \$330,000	2.00% to 3.00%	<u>4,800,000</u>
Total General Obligation Bonds			<u>24,630,000</u>
Septage Treatment Facility Notes Payable of \$2,381,231	\$150,000	2.00%	<u>1,997,000</u>
Total Department of Public Works			<u>\$ 26,627,000</u>

**Grand Traverse County**  
Notes to the Financial Statements

<b>Purpose</b>	<b>Installment</b>	<b>Interest Rates</b>	<b>Amount</b>
<b>Brownfield Redevelopment</b>			
MI Environmental Quality -2006 Redemption Loan of \$886,591	\$45,523 to \$49,275	2.00%	\$ 233,902
MI Environmental Quality -2012 Redemption Loan of \$863,395	\$72,779 to \$84,463	1.50%	863,395
MI Environmental Quality -2013 Redemption Loan of \$1,397,424	\$117,794 to \$134,685	1.50%	1,397,424
MI Environmental Quality -2013 Redemption Loan of \$600,000	\$50,576 to \$57,828	1.50%	600,000
MI Environmental Quality -2009 Redemption Loan of \$1,000,000	\$83,822 to \$98,210	2.00%	733,826
MI Environmental Quality -2014 Redemption Loan of \$163,796	\$13,807 to \$15,787	1.50%	163,796
Total General Obligation Bonds			<u>\$ 3,992,343</u>

The annual requirements to pay principal and interest on general obligation bonds payable are as follows:

<b>Year Ended December 31,</b>	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Component Units</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2017	\$ 590,000	\$ 268,269	\$ 35,000	\$ 137,638	\$ 2,995,000	\$ 803,986
2018	615,000	253,969	35,000	136,238	3,115,000	697,124
2019	640,000	236,381	35,000	134,838	3,235,000	584,744
2020	645,000	218,381	270,000	128,738	3,320,000	466,306
2021	670,000	199,969	265,000	118,038	3,390,000	344,719
2022-2027	3,295,000	789,962	1,310,000	422,427	5,970,000	630,726
2028-2032	1,185,000	364,850	1,260,000	137,316	1,355,000	305,945
2033-2036	1,155,000	118,200	-	-	1,250,000	95,250
	<u>\$ 8,795,000</u>	<u>\$ 2,449,981</u>	<u>\$ 3,210,000</u>	<u>\$ 1,215,233</u>	<u>\$24,630,000</u>	<u>\$ 3,928,800</u>



**Grand Traverse County**  
Notes to the Financial Statements

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The annual requirements to pay principal and interest on notes payable are as follows:

<b>Year Ended December 31,</b>	<b>Component Units</b>	
	<b>Principal</b>	<b>Interest</b>
2017	\$ 410,000	\$ 39,940
2018	110,000	37,740
2019	115,000	35,540
2020	115,000	33,240
2021	115,000	30,940
2022-2027	607,000	119,160
2028-2032	825,000	59,600
	<u>\$ 2,297,000</u>	<u>\$ 356,160</u>

The annual requirements to pay principal and interest on loans payable are as follows:

<b>Year Ended December 31,</b>	<b>Component Units</b>	
	<b>Principal</b>	<b>Interest</b>
2017	\$ 215,484	\$ 19,415
2018	401,821	28,479
2019	394,580	51,744
2020	398,722	47,601
2021	402,397	40,925
2022-2027	1,765,818	114,628
2028-2029	413,521	9,327
	<u>\$ 3,992,343</u>	<u>\$ 312,118</u>

General obligation debt for governmental activities consists of general obligation bonds of the Building Authority. The Building Authority bonds were issued in prior years for construction or purchase of the Woodmere Public Safety Building and District/Probate Courthouse. These County buildings are security for these Building Authority bonds. The Building Authority has also issued the construction bonds for the Grand Traverse Pavilions (medical care facility); however, these medical care facility construction bonds are reported in and will be paid from the Grand Traverse Pavilions enterprise fund.

Compensated absences, the net pension liability, and the net OPEB obligation in governmental activities are generally liquidated by the General Fund.

**Grand Traverse County**  
Notes to the Financial Statements

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***Defeased Debt***

During 2004, the County advance refunded \$2,950,000 of Building Authority, Series 1999 Bonds. Resources to purchase U.S. government securities were placed in an escrow fund for the purpose of generating resources for all future debt service payments of the refunded debt. As a result, the liability for the bonds was removed from the statement of net position. As of December 31, 2016, \$900,000 remains in escrow for the payment of these bonds through 2019. Therefore, the bonds in the amount of \$900,000 are considered defeased at year-end.

During 2011, the County advance refunded \$21,300,000 of County, Series 2002 Bonds. Resources to purchase U.S. government securities were placed in an escrow fund for the purpose of generating resources for all future debt service payments of the refunded debt. As a result, the liability for the bonds was removed from the statement of net position. As of December 31, 2016, \$11,300,000 remains in escrow for the payment of these bonds through 2022. Therefore, the bonds in the amount of \$11,300,000 are considered defeased at year-end.

During 2012, the County advance refunded \$6,160,000 of County, Series 2005 Bonds. Resources to purchase U.S. government securities were placed in an escrow fund for the purpose of generating resources for all future debt service payments of the refunded debt. As a result, the liability for the bonds was removed from the statement of net position. As of December 31, 2016, \$4,350,000 remains in escrow for the payment of these bonds through 2025. Therefore, the bonds in the amount of \$4,350,000 are considered defeased at year-end.

***Discretely Presented Component Units***

The Department of Public Works has entered into various bond agreements. The proceeds were used to finance water, sewer, wastewater treatment plant, and septage treatment facility projects throughout the County. The water and sewer project bonds are direct obligations of five townships: Acme, East Bay Charter, Elmwood Charter, Garfield Charter, and Peninsula. The wastewater treatment plant bonds are a direct obligation of the City of Traverse City and an indirect obligation of the County and the septage treatment facility bonds are a direct obligation of the County. The bonds payable will mature from 2016 through 2025.

The Brownfield Redevelopment Authority has entered into five loan agreements with the Michigan Department of Environmental Quality (MDEQ) that have a balance of \$3,992,343 at December 31, 2016. The loans are to be paid back over a 10-year period with annual payments ranging from \$15,787 to \$402,398 with interest ranging from 1.5% to 2.0%. The final loan matures in 2029. The proceeds were used for development site clean-up. The payments will be funded with tax increment financing revenues. The County holds letters of credit with project developers that will be used to meet loan payments should the tax increment financing revenue fall short.

**Grand Traverse County**  
Notes to the Financial Statements

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As of June 30, 2016, the Hospital Finance Authority had outstanding conduit debt in the amount \$180,770,428.

**Note 9 - Risk Management**

**General Liability Insurance**

Grand Traverse County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters.

The County participates as a member in the Michigan Municipal Risk Management Authority. The Authority is a municipal self-insurance entity operating pursuant to the State of Michigan Public Act 138 of 1982. The purpose of the Authority is to administer a risk management fund, which provides members with loss protection for general and auto liability, motor vehicle physical damage, and property.

The Authority has entered into reinsurance agreements providing for loss coverage in excess of the amounts to be retained by the Authority and individual members. An individual member's maximum retention on general liability and auto liability is \$75,000. The limits on auto physical damage are \$15,000 per unit and \$30,000 per occurrence. The retention limits for property coverage are subject to a \$1,000 deductible with 10 percent of the first \$100,000 to be paid by the member. Some members have individual retention levels different than the ones previously stated.

In the event a reinsurance company does not meet its obligation to the Authority, responsibility for payment of any unreimbursed claims will be that of the Authority Reinsurance Fund.

The Authority has retained certain levels of risk rather than obtaining coverage through reinsurance agreements. The Authority established the Authority Reinsurance Fund in order to participate in the reinsurance agreements. Individual members are provided the same level of coverage previously afforded through a combination of the reinsurance agreements and the Reinsurance Fund.

In addition, the Authority purchases insurance for certain risks not covered by the reinsurance agreements.

The reinsurance agreements discussed above include provisions for minimum annual premiums. As of December 31, 2016, the Authority had met the minimum requirements.

The County reports the activity and its share of the reinsurance fund in the County Insurance internal service fund.

**Grand Traverse County**  
Notes to the Financial Statements

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**Risk Management Self-insurance for Workers' Compensation**

The County has established a self-insurance program for workers' compensation, which is accounted for in the Fringe Benefits internal service fund. This program is administered by a third party administrator that provides claims reviews and processing. A specific excess workers' compensation reinsurance policy indemnifies the County up to \$5,000,000 for each loss in excess of the first \$400,000. All applicable funds are charged premiums based on payroll. There has been no reduction in insurance coverage from the prior year. Settled claims have not exceeded insurance coverage in any of the past three fiscal years.

The workers' compensation claims liability of \$87,815 reported as an accrued liability in the Fringe Benefits fund at December 31, 2016 is based on the requirements that a liability for claims be reported if 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. The claims liability is reported based on information provided by the administrator of the plan. No annuity contracts have been purchased for claims liability.

The changes in the workers' compensation claims liability are as follows for the years ended December 31:

	<u>2016</u>	<u>2015</u>
Claims Liability, Beginning of Year	\$ 40,833	\$ 65,101
Claims and Damages Incurred	72,865	16,998
Claims Payments	<u>(25,883)</u>	<u>(41,266)</u>
Claims Liability, End of Year	<u>\$ 87,815</u>	<u>\$ 40,833</u>

As the County anticipates settlement on all outstanding claims during the next twelve months, all amounts have been reported as current.

**Note 10 - Joint Agreements**

Beginning June 1, 1978, the County entered into an agreement with the City of Traverse City for the joint ownership and operation of the Governmental Center. Under the terms of the agreement, the City owns 26.39% of the property and the County owns the remaining 73.61%. The County's share of the original building cost was approximately \$2,900,000.

Under the terms of a separate agreement, the City reimburses the County for its pro rata share of operation and maintenance costs.

**Note 11 - Property Taxes**

The County's property taxes are levied each July 1 for the General Fund and on December 1 for the Commission on Aging, Veterans Millage, and Senior Center funds on the taxable

## Grand Traverse County

### Notes to the Financial Statements

valuation of property located in the County as of the preceding December 31, the lien date. Property taxes are collected by the local government units payable without penalty and interest through February 14 of the succeeding year; as of March 1 of the succeeding year, unpaid real property taxes are turned over to the Grand Traverse County Treasurer for collections.

Assessed values, as established annually by the local units of government and subject to acceptance by the County, are equalized by the State at an estimated 50 percent of current market value. Real and personal property in the County for the summer 2016 levy was assessed and equalized at \$4,698,287,253, representing approximately 50 percent of estimated current market value. The County's general operating, commission on aging, veterans, and senior center tax rates for 2016 were 4.9823, 0.4998, 0.1200, and 0.0999 mills, respectively.

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

##### **Defined Benefit Pension Plan – County (excluding the Grand Traverse Pavilions)**

###### ***General Information About the Plan***

*Plan Description.* The County participates in the Municipal Employees' Retirement System (MERS) of Michigan, a defined benefit pension plan providing certain retirement, disability 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](http://www.mersofmich.com).

*Benefits Provided.* Pension benefits vary by division/bargaining unit and are calculated as final average compensation (based on a 3 or 5 year period) and multipliers ranging from 2.25% to 2.80%. Participants are considered to be fully vested in the plan after 6 or 10 years. Normal retirement age is 60 with early retirement at age 50 with 25 years of service, age 55 with 15 years of service, age 55 with 25 years of service, or with 25 years of service (no age requirement).

*Employees Covered by Benefit Terms.* At December 31, 2015, plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	276
Inactive plan members entitled to but not yet receiving benefits	47
Active plan members	80
Total employees covered by MERS	<u>403</u>

## Grand Traverse County

### Notes to the Financial Statements

*Contributions.* The County is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS Retirement Board. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. In addition, the employer may establish contribution rates to be paid by its covered employees.

Employer and employee monthly contribution amounts or rates, by division/bargaining unit, were as follows for the year ended December 31, 2016:

<u>Division/Bargaining Unit</u>	<u>Employer Contribution</u>	<u>Employee Contribution</u>	<u>Plan Status</u>
01 - General Teamsters	64,070	-	Closed
02 - Deputies POAM	67,487	2.00%	Closed
10 - Elected Employees	39,796	-	Closed
11 - General Non-contract	19,106	-	Closed
12 - AFSCME	13,138	-	Closed
13 - Circuit Court	41,748	-	Closed
14 - Health Department Union	18,009	-	Closed
15 - District Court Teamsters	23,584	-	Closed
16 - TPOAM	7,705	0.67%	Closed
17 - Circuit Court Supervisors	7,786	-	Closed
18 - Exempt	95,708	-	Closed
20 - Sheriff POLC	58,839	-	Closed
21 - Dispatch Unit	202	-	Closed
23 - Sergeants Teamsters	30,835	-	Closed

*Net Pension Liability.* The County'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%	3.75% in the long-term
Investment rate of return	7.75%	Net of investment expense, including inflation

## Grand Traverse County

### Notes to the Financial Statements

Although no specific price inflation assumptions are needed for the valuation, the 3.75% long-term wage inflation assumption would be consistent with a price inflation of 3%-4%.

Mortality rates used were based on the RP-2014 Group Annuity Mortality Table of a 50% Male and 50% Female blend.

The actuarial assumptions used in valuation were based on the results of the most recent actuarial experience study of 2009-2013.

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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Global equity	57.5%	5.02%
Global fixed income	20%	2.18%
Real assets	12.5%	4.23%
Diversifying strategies	10%	6.56%

*Discount Rate.* The discount rate used to measure the total pension liability is 8.00%. 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.

**Grand Traverse County**  
Notes to the Financial Statements

***Changes in Net Pension Liability***

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

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
<b>Balance at December 31, 2015</b>	\$ 87,971,749	\$ 38,150,118	\$ 49,821,631
Service cost	505,704	-	505,704
Interest	7,004,145	-	7,004,145
Difference between expected and actual experience	947,500	-	947,500
Changes in assumptions	4,941,688	-	4,941,688
Contributions - Employer	-	4,782,033	(4,782,033)
Contributions - Employee	-	5,907	(5,907)
Net investment income	-	4,232,341	(4,232,341)
Benefit payments, including refunds	(6,651,752)	(6,651,752)	-
Administrative expenses		(83,603)	83,603
Other changes	54,865	-	54,865
Net changes	6,802,150	2,284,926	4,517,224
<b>Balance at December 31, 2016</b>	<b>\$ 94,773,899</b>	<b>\$ 40,435,044</b>	<b>\$ 54,338,855</b>

At December 31, 2016, the County's net pension liability was reported as follows:

Governmental Activities	\$52,973,278
Business-type Activities	1,279,894
Department of Public Works Component Unit	85,683
	<u>\$54,338,855</u>

*Sensitivity of the Net Pension Liability to Changes in the Discount Rate.* The following presents the net pension liability of the County, calculated using the discount rate of 8%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1% lower (7%) or 1% higher (9%) than the current rate:

	1% Decrease (7%)	Current Discount Rate (8%)	1% Increase (9%)
Net pension liability of the County	\$ 64,080,780	\$ 54,338,855	\$ 46,039,097



**Grand Traverse County**  
Notes to the Financial Statements

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*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 December 31, 2016, the County recognized pension expense of \$5,861,753. The County reported deferred outflows of resources related to pensions from the following sources:

Source	Deferred Outflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 1,385,423

At December 31, 2016 the County's deferred related to pensions are reported as follows:

Governmental Activities	\$ 1,360,273
Business-type Activities	23,806
Department of Public Works Component Unit	1,344
	<u>\$ 1,385,423</u>

The amount reported as deferred outflows of resources will be recognized in pension expense as follows:

Years Ending December 31	Amount
2017	\$ 539,494
2018	539,494
2019	539,494
2020	(233,059)

*Payable to the Pension Plan.* At December 31, 2016, the County reported a payable of \$399,294 for the outstanding amount of contributions to the pension plan required for the year ended December 31, 2016.

**Defined Benefit Pension Plan - Grand Traverse Pavilions**

***General Information About the Plan***

*Plan Description.* The Grand Traverse Pavilions (the "Pavilions") participates in the Municipal Employees' Retirement System (MERS) of Michigan, a defined benefit pension plan providing certain retirement, disability and death benefits to plan members and

## Grand Traverse County

### Notes to the Financial Statements

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](http://www.mersofmich.com).

*Benefits Provided.* Pension benefits vary by division/bargaining unit and are calculated as final average compensation (based on a 5 year period) and multipliers ranging from 2.0% to 2.5%. Participants are considered to be fully vested in the plan after 6 years. Normal retirement age is 60 with early retirement at age 50 with 25 years of service or age 55 with 15 years of service.

*Employees Covered by Benefit Terms.* At December 31, 2015, plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	162
Inactive plan members entitled to but not yet receiving benefits	110
Active plan members	379
Total employees covered by MERS	<u>651</u>

*Contributions.* The Pavilions is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS Retirement Board. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. In addition, the employer may establish contribution rates to be paid by its covered employees.

Employer and employee contribution rates, by division/bargaining unit, were as follows for the year ended December 31, 2016:

<u>Division/Bargaining Unit</u>	<u>Employer Contribution</u>	<u>Employee Contribution</u>	<u>Plan Status</u>
04 - General Unit	7.51%	0.40%	Open
40 - LPN Unit	9.75%	3.41%	Open
41 - Non-Union	\$ 41,931	10.35%	Closed
42 - Union RN	6.09%	7.81%	Open
43 - Non-Union after 09/01/15	7.52%	3.00%	Open

*Net Pension Liability.* The Pavilion'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.

**Grand Traverse County**  
Notes to the Financial Statements

*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%	3.75% in the long-term
Investment rate of return	7.75%	Net of investment expense, including inflation

Although no specific price inflation assumptions are needed for the valuation, the 4.5% long-term wage inflation assumption would be consistent with a price inflation of 3%-4%.

Mortality rates used were based on the RP-2014 Group Annuity Mortality Table of a 50% Male and 50% Female blend.

The actuarial assumptions used in valuation were based on the results of the most recent actuarial experience study of 2009-2013.

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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Global equity	57.5%	5.02%
Global fixed income	20%	2.18%
Real assets	12.5%	4.23%
Diversifying strategies	10%	6.56%

*Discount Rate.* The discount rate used to measure the total pension liability is 8.00%. 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

## Grand Traverse County

### Notes to the Financial Statements

pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

#### *Changes in Net Pension Liability*

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

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
<b>Balance at December 31, 2015</b>	\$ 32,587,914	\$ 23,750,281	\$ 8,837,633
Service cost	1,365,747	-	1,365,747
Interest	2,606,420	-	2,606,420
Difference between expected and actual experience	132,036	-	132,036
Changes in assumptions	1,712,954	-	1,712,954
Contributions - Employer	-	1,124,502	(1,124,502)
Contributions - Employee	-	838,781	(838,781)
Net investment income	-	2,751,075	(2,751,075)
Benefit payments, including refunds	(1,381,081)	(1,381,081)	-
Administrative expenses	-	(54,225)	54,225
Other changes	14,453	-	14,453
Net changes	4,450,529	3,279,052	1,171,477
<b>Balance at December 31, 2016</b>	<b>\$ 37,038,443</b>	<b>\$ 27,029,333</b>	<b>\$ 10,009,110</b>

*Sensitivity of the Net Pension Liability to Changes in the Discount Rate.* The following presents the net pension liability of the Pavilions, calculated using the discount rate of 8%, as well as what the Pavilion's net pension liability would be if it were calculated using a discount rate that is 1% lower (7%) or 1% higher (9%) than the current rate:

	1% Decrease (7%)	Current Discount Rate (8%)	1% Increase (9%)
Net pension liability of the County	\$ 14,814,752	\$ 10,009,110	\$ 6,018,079

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

**Grand Traverse County**  
Notes to the Financial Statements

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

For the year ended December 31, 2016, the Pavilions recognized pension expense of \$766,560. The Pavilions reported deferred outflows of resources related to pensions from the following sources:

Source	Deferred Outflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 741,931
Differences in experience	110,030
Changes in assumptions	1,427,462
Total	<u>\$ 2,279,423</u>

The amount reported as deferred outflows of resources will be recognized in pension expense as follows:

Years Ending December 31	Amount
2017	\$ 610,138
2018	610,138
2019	610,136
2020	141,511
2021	307,500

*Payable to the Pension Plan.* At December 31, 2016, the Pavilions reported a payable of \$210,916 for the outstanding amount of contributions to the pension plan required for the year ended December 31, 2016.

**Note 13 - Defined Contribution Plan**

**Primary Government**

The County sponsors the “Grand Traverse County Defined Contribution Plan” created in accordance with Internal Revenue Code Section 401(a), which is available to all full-time employees. Employees who were hired previous to May 1, 2001 were able to choose to either stay in the defined benefit plan or to change to the defined contribution plan once their union contract was settled. Participants do not vest in the first two years of service, and become 25%, 50%, 75% and 100% vested in years three through six, respectively. Participants may contribute 3% of their base pay. The County is required to contribute an amount equal to 6% of the participant’s base pay plus match employee contributions up to 3% of the employees’ base pay for employees hired prior to January 1, 2014 and for certain bargaining unit members. New employees hired after January 1, 2014 and for certain bargaining unit members, the

**Grand Traverse County**  
Notes to the Financial Statements

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employer is required to contribute 3% of the participant's base pay plus match employee contributions of 3%.

The plan is administered by MERS. Plan provisions and contribution requirements were established and can only be amended by authorization of the County Commission. In 2016, the County contributed \$1,528,933 and employees contributed \$536,076.

**Note 14 - Other Postemployment Benefits**

**Primary Government (excluding the Grand Traverse Pavilions)**

*Plan Description.* The County administers the County's Retiree Health Insurance Plan (the Plan) as a single-employer defined benefit other postemployment benefit (OPEB) plan. The Plan provides for continuation of medical insurance benefits for certain retirees and can be amended by action of the County subject to the applicable collective bargaining and employment agreements. The Plan does not issue a stand-alone financial report nor is it reported as an employee benefits trust fund since there are no assets legally segregated for the sole purpose of paying benefits under the plan.

*Plan Membership.* As of December 31, 2016, the date of the most recent actuarial valuation, the plan had 44 retirees and beneficiaries currently receiving benefits and 261 total plan participants.

*Funding Policy.* The obligations of plan members, employers and other entities are established by action of the County pursuant to the applicable collective bargaining and employment agreements. The required contribution rates of the employer and members vary depending on the applicable agreement. The County currently contributes enough money to the plan to satisfy current obligations on a pay-as-you-go basis. The costs of administering the plan are paid by the County.

*Annual OPEB Cost and Net OPEB Obligation.* The County's annual OPEB cost is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

## Grand Traverse County

### Notes to the Financial Statements

The following table shows the components of the County's annual OPEB cost for the year, the amount actually contributed to the plan, and the County's net OPEB obligation to the Retiree Health Plan at December 31, 2016:

Annual required contribution	\$ 653,490
Interest on net OPEB obligation	100,344
Adjustment to annual required contribution	(113,612)
<b>Annual OPEB cost (expense)</b>	<b>640,222</b>
Contributions credit	(54,017)
<b>Increase in net OPEB obligation</b>	<b>586,205</b>
<i>Net OPEB obligation, beginning of year</i>	<i>2,563,066</i>
<b>Net OPEB obligation, end of year</b>	<b>\$ 3,149,271</b>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2016 and the previous two years was as follows:

<b>Fiscal Year Ending</b>	<b>Annual OPEB Cost</b>	<b>Actual Contribution</b>	<b>Percentage Contributed</b>	<b>Net OPEB Obligation</b>
12/31/2014	\$ 476,032	\$ 72,357	15.2%	\$ 2,047,832
12/31/2015	611,069	95,835	15.7%	2,563,066
12/31/2016	640,222	54,017	8.4%	3,149,271

The schedule of employer contributions, presented as required supplementary information (RSI) following the notes to the financial statements, 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 45.

*Funded Status and Funding Progress* – December 31, 2016, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was \$7,704,335, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$7,704,335. The covered payroll (annual payroll of active employees covered by the plan) was \$11,822,757, and the ratio of the UAAL to the covered payroll was 65.2%. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

## Grand Traverse County

### Notes to the Financial Statements

*Actuarial Methods and Assumptions* - 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.

In the December 31, 2016 actuarial valuation, the individual entry-age actuarial cost method was used. The actuarial assumptions included a 4.0% investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets, and an annual healthcare cost trend inflation rate of 4%. The UAAL is being amortized as a level percentage of projected payroll if the divisions are open to new hires, and as a level dollar if the divisions are closed to new hires. The remaining amortization period at December 31, 2016 was 30 years.

The County's allocation of its OPEB expense to the County's functions was as follows:

	<b><u>Governmental Activities</u></b>
Legislative	\$ 83
Judicial	65,433
General Government	2,257
Public Safety	312,660
Health and Welfare	205,270
Recreation & Culture	502
<b>Total Governmental Activities OPEB Expense</b>	<b><u>\$ 586,205</u></b>

### Grand Traverse Pavilions

*Plan Description.* The Pavilions administers the Retiree Health Insurance Plan (the Plan) as a single-employer defined benefit OPEB plan. The Plan provides for continuation of medical insurance benefits for certain retirees and can be amended by action of the Pavilions subject to the applicable collective bargaining and employment agreements. The Plan does not issue a stand-alone financial report since there are no assets legally segregated for the sole purpose of paying benefits under the plan.

*Plan Membership.* As of January 1, 2016, the date of the most recent actuarial valuation, the plan had 37 retirees and beneficiaries currently receiving benefits and 339 total plan participants.

*Funding Policy.* The obligations of plan members, employers and other entities are established by action of the Pavilions pursuant to the applicable collective bargaining and employment



## Grand Traverse County

### Notes to the Financial Statements

agreements. The required contribution rates of the employer and members vary depending on the applicable agreement. The Pavilions currently contributes enough money to the plan to satisfy current obligations on a pay-as-you-go basis. The costs of administering the plan are paid by the Pavilions.

*Annual OPEB Cost and Net OPEB Obligation.* The Pavilions' annual OPEB cost is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Pavilions' annual OPEB cost for the year, the amount actually contributed to the plan, and the Pavilions' net OPEB obligation to the Plan at December 31, 2016:

Annual required contribution	\$ 495,910
Interest on net OPEB obligation	30,914
Adjustment to annual required contribution	(40,502)
<b><i>Annual OPEB cost (expense)</i></b>	<b>486,322</b>
Contributions credit	(45,340)
<b><i>Increase in net OPEB obligation</i></b>	<b>440,982</b>
<i>Net OPEB obligation, beginning of year</i>	<u>1,030,470</u>
<b><i>Net OPEB obligation, end of year</i></b>	<b><u>\$ 1,471,452</u></b>

The Pavilions' annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2016 and the previous two years was as follows:

<b>Fiscal Year Ending</b>	<b>Annual OPEB Cost</b>	<b>Actual Contribution</b>	<b>Percentage Contributed</b>	<b>Net OPEB Obligation</b>
12/31/2014	\$ 406,258	\$ 58,095	14.3%	\$ 685,886
12/31/2015	401,259	56,578	14.1%	1,030,470
12/31/2016	486,322	45,340	9.3%	1,471,452

The schedule of employer contributions, presented as required supplementary information (RSI) following the notes to the financial statements, 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 45.

## Grand Traverse County

### Notes to the Financial Statements

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*Funded Status and Funding Progress* - As of January 1, 2016, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was \$5,631,381, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$5,631,381. The covered payroll (annual payroll of active employees covered by the plan) was \$14,131,917, and the ratio of the UAAL to the covered payroll was 39.8%. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

*Actuarial Methods and Assumptions* - 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.

In the January 1, 2016 actuarial valuation, the individual entry-age actuarial cost method was used. The actuarial assumptions included a 3.0% investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets, and an annual healthcare cost trend inflation rate of 4.3%. The UAAL is being amortized as a level percentage of projected payroll if the divisions are open to new hires, and as a level dollar if the divisions are closed to new hires. The remaining amortization period at January 1, 2016 was 30 years.

#### **Note 15 - Contingencies and Commitments**

There are lawsuits pending in which the County is involved. The County estimates that the potential claims against it, not covered by insurance resulting from such litigation, would not materially affect the financial statements of the County.

The County participates in a number of federal and state assisted grant programs, including mainly the Friend of Court and Prosecuting Attorney cooperative reimbursement programs, and Health Department grant programs, which are subject to financial and compliance audits. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies.

## **Grand Traverse County**

### **Notes to the Financial Statements**

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The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the County expects such amounts, if any, to be insignificant.

#### **Note 16 - Related Party Transactions**

In July 1998, the Grand Traverse Pavilions Foundation (the “Foundation”) and, in 2001, the Grand Traverse Pavilions Endowment were organized for the following purposes:

- To accept and administer donations, contributions and gifts for the benefit of the Grand Traverse Pavilions, an enterprise fund of the County.
- To operate for the benefit of and in support of Pavilions.
- To provide resources for any activities that will provide a direct benefit to, and improve the health and welfare of Pavilion's residents.
- To operate solely as nonprofit corporations in such a manner that no part of their net earnings will incur to the benefit of any member, trustee, officer or individual.

The Foundation’s Board of Directors is appointed by the Grand Traverse Pavilions’ Board of Directors. During 2016, Pavilions paid operating expenses on behalf of the Foundation for which Pavilions is reimbursed. There is no balance due to Pavilions at December 31, 2016.

**Grand Traverse County**  
Notes to the Financial Statements

**Note 17 - Fund Balances - Governmental Funds**

Fund balances of governmental funds were comprised as follows at December 31, 2016:

	<b>General Fund</b>	<b>Health Fund</b>	<b>Commission on Aging</b>	<b>Nonmajor Governmental</b>	<b>Total Governmental Funds</b>
<b>Nonspendable</b>					
Prepays	\$ 17,410	\$ 18,594	\$ 75	\$ 10,054	\$ 46,133
Inventories	-	35,445	-	-	35,445
Long-term Advances	1,918,597	-	-	-	1,918,597
Long-term Advances to Component Units	2,939,960	-	-	-	2,939,960
<i>Total Nonspendable</i>	<u>4,875,967</u>	<u>54,039</u>	<u>75</u>	<u>10,054</u>	<u>4,940,135</u>
<b>Restricted</b>					
Health Fund	-	1,929,454	-	-	1,929,454
Commission on Aging	-	-	1,922,374	-	1,922,374
Parks and Recreation	-	-	-	49,246	49,246
Veterans Trust	-	-	-	9,162	9,162
Register of Deeds Automation	-	-	-	265,042	265,042
County Law Library	-	-	-	22,710	22,710
Federal Equitable Sharing	-	-	-	8,192	8,192
Concealed Pistol Licensing	-	-	-	43,310	43,310
Criminal Justice Training Act	-	-	-	23,826	23,826
Housing Trust	-	-	-	283,372	283,372
CDBG Housing Grant	-	-	-	1,875,537	1,875,537
EDC Revolving Loan	-	-	-	692,634	692,634
TNT Forfeiture	-	-	-	177,102	177,102
TNT Grant	-	-	-	7,863	7,863
Animal Control	-	-	-	19,213	19,213
Local Emergency Planning	-	-	-	595,505	595,505
<i>Total Restricted</i>	<u>-</u>	<u>1,929,454</u>	<u>1,922,374</u>	<u>4,072,714</u>	<u>7,924,542</u>
<b>Committed</b>					
13th Circuit Court	-	-	-	48,165	48,165
Local Crime Victims Rights	-	-	-	14,642	14,642
County Special Projects	-	-	-	27,323	27,323
Parks and Recreation	-	-	-	130,874	130,874
Maple Bay Development	-	-	-	10,855	10,855
Friend of the Court	-	-	-	1,448,038	1,448,038
Gypsy Moth Suppression	-	-	-	626	626
Corrections P.A. 511	-	-	-	407,252	407,252
Corrections Officers Training	-	-	-	42,240	42,240
Mitchell Creek Water Shed	-	-	-	8,155	8,155
Next Michigan	-	-	-	75,293	75,293
Capital Projects	-	-	-	756,495	756,495
<i>Total Committed</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,969,958</u>	<u>2,969,958</u>
<b>Unassigned (Deficit)</b>	<u>7,469,735</u>	<u>-</u>	<u>-</u>	<u>(1,395,000)</u>	<u>6,074,735</u>
<b>Total Fund Balances - Governmental Funds</b>	<u>\$ 12,345,702</u>	<u>\$ 1,983,493</u>	<u>\$ 1,922,449</u>	<u>\$ 5,657,726</u>	<u>\$ 21,909,370</u>

**Grand Traverse County**  
Notes to the Financial Statements

**Note 18 - Net Investment in Capital Assets**

The composition of the net investment in capital assets as of December 31, 2016 was as follows:

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Component Units</b>
<b>Capital Assets:</b>			
Capital Assets not Being Depreciated	\$ 15,639,877	\$ 1,839,513	\$ 28,446,523
Capital Assets Being Depreciated, Net	29,916,689	19,842,042	63,058,904
	<u>45,556,566</u>	<u>21,681,555</u>	<u>91,505,427</u>
<b>Related Debt:</b>			
Bonds Payable	8,795,000	3,210,000	24,630,000
Notes Payable	-	-	2,297,000
Leases Payable	-	-	567,152
Bond Premiums and Discounts, Net	(38,896)	328	-
Deferred Loss on Refunding	-	(91,430)	-
Bonds Payable Related to Capital Leases	-	-	(23,415,000)
	<u>8,756,104</u>	<u>3,118,898</u>	<u>4,079,152</u>
<b>Net Investment in Capital Assets</b>	<u><u>\$ 36,800,462</u></u>	<u><u>\$ 18,562,657</u></u>	<u><u>\$ 87,426,275</u></u>

**Note 19 - Tax Abatement Disclosure**

Municipalities within the County have entered into tax abatement agreements with several different programs, the first being industrial property tax abatements. Industrial property tax abatements are granted in the State of Michigan under Public Act 198, as amended, to promote economic development, creation of jobs, and new or improvement facilities. The industrial facilities tax (IFT) exemption must be approved by both the local unit (after a public hearing is held) and the State of Michigan. IFT exemptions can cover real and/or personal property. By State law, the exemption must be applied for no later than six months after commencement of the project, and must be accompanied by a written agreement between the taxpayer and the local unit. An exemption allows for taxation on IFT property at 50% of the local property tax millage rate for a period of 1 to 12 years. Accordingly, such agreements meet the criteria of "tax abatements" under GASB Statement No. 77. For the year ended December 31, 2016, the County's property taxes were reduced by \$61,204 under this program.

The second program is with local businesses under the Renaissance Zone Act, P.A. 376 of 1996. This allows for the creation of Renaissance Zones in qualified local governmental units. For the year ended December 31, 2016 the County's property taxes were reduced by \$80,769 under this program.

## **Grand Traverse County**

### Notes to the Financial Statements

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Third, is with Payments in Lieu of Tax Programs (PILOTS) related to housing. For the year ended December 31, 2016 the County's property taxes were reduced by \$169,882 under this program.

Fourth, is with the Neighborhood Enterprise Zone Act, P.A. 147 of 1992, which provides for the development and rehabilitation of residential housing located within eligible distressed communities. For the year ended December 31, 2016 the County's property taxes were reduced by \$2,337 under this program.

## **Required Supplementary Information**

**Grand Traverse County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**General Fund**  
**For the Year Ended December 31, 2016**

	<b>Budgeted Amounts</b>			<b>Variance Positive (Negative) Final to Actual</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Revenues</b>				
Property Taxes	\$ 22,865,142	\$ 22,865,142	\$ 23,291,456	\$ 426,314
Licenses and Permits	159,000	159,000	188,373	29,373
Federal Sources	2,520	2,520	100,566	98,046
State Sources	3,554,261	3,644,305	3,491,014	(153,291)
Local Sources	1,884,291	1,899,712	1,824,039	(75,673)
Charges for Services	4,654,843	4,665,843	4,312,852	(352,991)
Fines and Forfeitures	113,100	113,100	96,039	(17,061)
Reimbursements	2,462,016	2,470,816	2,572,120	101,304
Interest and Rents	707,803	707,803	704,513	(3,290)
Other Revenues	40,706	59,706	67,146	7,440
<b>Total Revenues</b>	<b>36,443,682</b>	<b>36,587,947</b>	<b>36,648,118</b>	<b>60,171</b>
<b>Other Financing Sources</b>				
Transfers In	816,334	912,624	1,008,367	95,743
<b>Total Revenues and Other Financing Sources</b>	<b>37,260,016</b>	<b>37,500,571</b>	<b>37,656,485</b>	<b>155,914</b>
<b>Expenditures</b>				
<b>Legislative</b>				
Board of Commissioners	357,459	367,459	366,580	879
<b>Judicial</b>				
Jury Commission	46,897	46,897	39,107	7,790
Probate Court	734,213	734,213	732,514	1,699
Probate Court - Juvenile	1,832,697	1,832,797	1,548,555	284,242
<b>Total Judicial</b>	<b>2,613,807</b>	<b>2,613,907</b>	<b>2,320,176</b>	<b>293,731</b>
<b>General Government</b>				
Art Grant	--	55,019	20,366	34,653
County Administrator	388,585	378,585	283,436	95,149
Brownfield Administration	189,206	189,206	186,269	2,937
Elections	86,207	96,307	90,138	6,169
Finance	525,882	525,882	438,389	87,493
County Clerk	893,280	893,280	872,469	20,811
Equalization	413,012	412,012	394,946	17,066
Equalization - East Bay	160,968	161,968	152,953	9,015
Human Resources	478,034	478,034	514,500	(36,466)
Prosecuting Attorney	1,649,217	1,649,717	1,610,511	39,206
Register of Deeds	461,258	461,258	332,539	128,719
County Surveyor	58,187	58,187	58,203	(16)
County Treasurer	383,335	393,035	382,078	10,957
Cooperative Extension	269,931	269,931	264,891	5,040
MSU Extension	32,789	32,789	24,739	8,050
Facilities Management	1,101,529	1,102,179	860,888	241,291
Drain Commission	22,133	22,133	19,890	2,243
Soil Erosion and Sedimentation	174,097	174,097	198,635	(24,538)
Soil Conservation	37,500	37,500	37,500	--
Planning	199,116	199,116	172,013	27,103
G.I.S. Assessment Project	155,906	171,327	166,648	4,679
Contingencies	359,000	359,000	76,000	283,000
Special Appropriations	682,200	682,200	682,200	--
Insurance and Bonds	335,000	335,000	132,200	202,800
<b>Total General Government</b>	<b>9,056,372</b>	<b>9,137,762</b>	<b>7,972,401</b>	<b>1,165,361</b>



**Grand Traverse County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**General Fund**  
**For the Year Ended December 31, 2016**

	<b>Budgeted Amounts</b>			<b>Variance Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Final to Actual</b>
<b>Public Safety</b>				
Secondary Road Patrol	110,851	110,851	100,742	10,109
Central Records	864,549	865,549	836,995	28,554
Special Investigation	198,130	201,130	193,660	7,470
County Investigation	1,094,294	1,100,194	1,059,326	40,868
County Patrol	5,626,008	5,530,732	5,473,335	57,397
Sheriff Administration	617,989	617,989	589,248	28,741
Snowmobile Enforcement	11,819	11,819	11,138	681
Marine Law Enforcement	81,625	106,511	103,771	2,740
Medical Marihuana	--	35,025	21,959	13,066
Public Safety	5,213,558	5,138,558	5,001,017	137,541
Corrections - Interim Services	40,000	40,000	35,834	4,166
<b>Total Public Safety</b>	<b>13,858,823</b>	<b>13,758,358</b>	<b>13,427,025</b>	<b>331,333</b>
<b>Health and Welfare</b>				
Substance Abuse	327,041	327,041	317,324	9,717
Ambulance	25,000	25,000	25,000	--
DHHS - Child Care	49,365	49,365	49,365	--
Veterans Counselor	502,951	502,951	481,115	21,836
<b>Total Health and Welfare</b>	<b>904,357</b>	<b>904,357</b>	<b>872,804</b>	<b>31,553</b>
Capital Outlay	10,000	259,530	208,165	51,365
<b>Total Expenditures</b>	<b>26,800,818</b>	<b>27,041,373</b>	<b>25,167,151</b>	<b>1,874,222</b>
<b>Other Financing Uses</b>				
Transfers Out	10,959,198	10,959,198	9,660,144	1,299,054
<b>Total Expenditures and Other Financing Uses</b>	<b>37,760,016</b>	<b>38,000,571</b>	<b>34,827,295</b>	<b>3,173,276</b>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<b>(500,000)</b>	<b>(500,000)</b>	<b>2,829,190</b>	<b>3,329,190</b>
<b>Net Change in Fund Balance</b>	<b>(500,000)</b>	<b>(500,000)</b>	<b>2,829,190</b>	<b>3,329,190</b>
<b>Fund Balance at Beginning of Period</b>	<b>9,516,512</b>	<b>9,516,512</b>	<b>9,516,512</b>	<b>--</b>
<b>Fund Balance at End of Period</b>	<b>\$ 9,016,512</b>	<b>\$ 9,016,512</b>	<b>\$ 12,345,702</b>	<b>\$ 3,329,190</b>

**Grand Traverse County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Health Department**  
**For the Year Ended December 31, 2016**

	<b>Budgeted Amounts</b>			<b>Variance Positive (Negative) Final to Actual</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Revenues</b>				
Licenses and Permits	\$ 338,800	\$ 382,325	\$ 381,480	\$ (845)
Federal Sources	992,175	1,366,391	1,277,874	(88,517)
State Sources	1,866,212	1,491,996	1,857,884	365,888
Local Sources	519,896	550,909	495,098	(55,811)
Charges for Services	123,985	134,085	123,121	(10,964)
Reimbursements	622,360	637,270	638,165	895
Interest and Rents	--	--	1,314	1,314
Other Revenues	9,000	9,000	10,616	1,616
<b>Total Revenues</b>	<b>4,472,428</b>	<b>4,571,976</b>	<b>4,785,552</b>	<b>213,576</b>
<b>Other Financing Sources</b>				
Transfers In	1,269,000	1,269,000	1,064,000	(205,000)
<b>Total Revenues and Other Financing Sources</b>	<b>5,741,428</b>	<b>5,840,976</b>	<b>5,849,552</b>	<b>8,576</b>
<b>Expenditures</b>				
Health and Welfare	8,067,564	8,207,437	6,061,438	2,145,999
Capital Outlay	--	46,675	47,221	(546)
<b>Total Expenditures</b>	<b>8,067,564</b>	<b>8,254,112</b>	<b>6,108,659</b>	<b>2,145,453</b>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<b>(2,326,136)</b>	<b>(2,413,136)</b>	<b>(259,107)</b>	<b>2,154,029</b>
<b>Net Change in Fund Balance</b>	<b>(2,326,136)</b>	<b>(2,413,136)</b>	<b>(259,107)</b>	<b>2,154,029</b>
<b>Fund Balance at Beginning of Period</b>	<b>2,242,600</b>	<b>2,242,600</b>	<b>2,242,600</b>	<b>--</b>
<b>Fund Balance at End of Period</b>	<b>\$ (83,536)</b>	<b>\$ (170,536)</b>	<b>\$ 1,983,493</b>	<b>\$ 2,154,029</b>

**Grand Traverse County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Commission on Aging**  
**For the Year Ended December 31, 2016**

	<b>Budgeted Amounts</b>			<b>Variance Positive (Negative) Final to Actual</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Revenues</b>				
Property Taxes	\$ 2,193,092	\$ 2,193,092	\$ 2,279,202	\$ 86,110
Local Sources	22,700	22,700	6,824	(15,876)
Charges for Services	279,300	279,300	260,636	(18,664)
Reimbursements	--	--	250	250
Interest and Rents	3,900	3,900	10,573	6,673
Other Revenues	33,370	33,370	50,781	17,411
<b>Total Revenues</b>	<b>2,532,362</b>	<b>2,532,362</b>	<b>2,608,266</b>	<b>75,904</b>
<b>Expenditures</b>				
Health and Welfare	2,725,031	2,782,162	2,295,662	486,500
Capital Outlay	45,000	19,750	5,478	14,272
<b>Total Expenditures</b>	<b>2,770,031</b>	<b>2,801,912</b>	<b>2,301,140</b>	<b>500,772</b>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<b>(237,669)</b>	<b>(269,550)</b>	<b>307,126</b>	<b>576,676</b>
<b>Net Change in Fund Balance</b>	<b>(237,669)</b>	<b>(269,550)</b>	<b>307,126</b>	<b>576,676</b>
<b>Fund Balance at Beginning of Period</b>	<b>1,615,323</b>	<b>1,615,323</b>	<b>1,615,323</b>	<b>--</b>
<b>Fund Balance at End of Period</b>	<b>\$ 1,377,654</b>	<b>\$ 1,345,773</b>	<b>\$ 1,922,449</b>	<b>\$ 576,676</b>

**Grand Traverse County**  
**Required Supplementary Information**  
**Schedule of Changes in Net Pension Liability and Related Ratios**  
**Last Two Years (Schedule is built prospectively upon implementation of GASB 68)**

	2016	2015
<b>Total Pension Liability</b>		
Service Cost	\$ 505,704	\$ 548,234
Interest	7,004,145	6,923,107
Differences Between Expected & Actual Experience	947,500	-
Changes in Assumptions	4,941,688	-
Benefit Payments, Including Refunds	(6,651,752)	(6,270,104)
Other Changes	54,865	(6,868)
<b>Net Change in Pension Liability</b>	<b>6,802,150</b>	<b>1,194,369</b>
<i>Total Pension Liability - Beginning</i>	<i>87,971,749</i>	<i>86,777,380</i>
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 94,773,899</b>	<b>\$ 87,971,749</b>
 <b>Plan Fiduciary Net Position</b>		
Contributions - Employer	\$ 4,782,033	\$ 4,479,187
Contributions - Member	5,907	6,978
Net Investment Income	4,232,341	(589,551)
Benefit Payments, Including Refunds	(6,651,752)	(6,270,104)
Administrative Expenses	(83,603)	(87,177)
<b>Net Change in Plan Fiduciary Net Position</b>	<b>2,284,926</b>	<b>(2,460,667)</b>
<i>Plan Fiduciary Net Position - Beginning</i>	<i>38,150,118</i>	<i>40,610,785</i>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 40,435,044</b>	<b>\$ 38,150,118</b>
 <b>Net Pension Liability - Ending (a) - (b)</b>	<b>\$ 54,338,855</b>	<b>\$ 49,821,631</b>
 Plan Fiduciary Net Position as a Percentage of Total Pension Liability	42.66%	43.37%
 Covered Employee Payroll	\$ 4,213,993	\$ 4,557,937
 Net Pension Liability as a Percentage of Covered Employee Payroll	1289.49%	1093.07%

\* Built prospectively upon implementation on GASB 68

**Grand Traverse County  
Required Supplementary Information  
Schedule of Contributions  
Last Two Fiscal Years**

	2016	2015
Actuarially Determined Contribution	\$ 4,782,033	\$ 4,479,187
Contributions in Relation to the Actuarially Determined Contribution	4,782,033	4,479,187
Contribution Excess (Deficiency)	\$ -	\$ -
Covered Employee Payroll	4,213,993	4,557,937
Contributions as a Percentage of Covered Employee Payroll	113%	98%

*Notes*

**Valuation Date**

Actuarially determined contribution amounts are calculated as of December 31 each year, which is 12 months prior to the beginning of the fiscal year in which the contributions are required.

**Methods and assumptions used to determine contribution rates**

Actuarial cost method	Entry-age Normal
Amortization method	Level percentage of pay, open
Remaining amortization period	21-24 years
Asset valuation method	5-year smoothed
Inflation	2.50%
Salary increases	3.75% in the long-term
Investment rate of return	7.75%, net of investment expense, including inflation
Retirement Age	Experience-based tables of rates that are specific to the type of eligibility condition
Mortality	Rates used were based on the RP-2014 Group Annuity Mortality Table of a 50% Male and 50% Female blend.

**Grand Traverse County**  
**Required Supplementary Information**  
**Schedule of Changes in Net Pension Liability and Related Ratios**  
**Last Two Years (Schedule is built prospectively upon implementation of GASB 68)**  
**Grand Traverse Pavilions**

	2016	2015
<b>Total Pension Liability</b>		
Service Cost	\$ 1,365,747	\$ 1,277,800
Interest	2,606,420	2,486,886
Differences Between Expected & Actual Experience	132,036	-
Changes in Assumptions	1,712,954	-
Benefit Payments, Including Refunds	(1,381,081)	(1,334,411)
Other Changes	14,453	(14,734)
<b>Net Change in Pension Liability</b>	<b>4,450,529</b>	<b>2,415,541</b>
<i>Total Pension Liability - Beginning</i>	<i>32,587,914</i>	<i>30,172,373</i>
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 37,038,443</b>	<b>\$ 32,587,914</b>
 <b>Plan Fiduciary Net Position</b>		
Contributions - Employer	\$ 1,124,502	\$ 1,030,460
Contributions - Member	838,781	727,311
Net Investment Income	2,751,075	(368,610)
Benefit Payments, Including Refunds	(1,381,081)	(1,334,411)
Administrative Expenses	(54,225)	(52,824)
<b>Net Change in Plan Fiduciary Net Position</b>	<b>3,279,052</b>	<b>1,926</b>
<i>Plan Fiduciary Net Position - Beginning</i>	<i>23,750,281</i>	<i>23,748,355</i>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 27,029,333</b>	<b>\$ 23,750,281</b>
 <b>Net Pension Liability - Ending (a) - (b)</b>	<b>\$ 10,009,110</b>	<b>\$ 8,837,633</b>
 Plan Fiduciary Net Position as a Percentage of Total Pension Liability	72.98%	72.88%
 Covered Employee Payroll	\$ 15,117,289	\$ 13,864,604
 Net Pension Liability as a Percentage of Covered Employee Payroll	66.21%	63.74%

\* Built prospectively upon implementation on GASB 68

**Grand Traverse County  
Required Supplementary Information  
Schedule of Contributions  
Last Two Fiscal Years  
Grand Traverse Pavilions**

	2016	2015
Actuarially Determined Contribution	\$ 1,124,502	\$ 1,030,460
Contributions in Relation to the Actuarially Determined Contribution	1,124,502	1,030,460
Contribution Excess (Deficiency)	\$ -	\$ -
Covered Employee Payroll	15,117,289	13,864,604
Contributions as a Percentage of Covered Employee Payroll	7%	7%

*Notes*

**Valuation Date**

Actuarially determined contribution amounts are calculated as of December 31 each year, which is 12 months prior to the beginning of the fiscal year in which the contributions are required.

**Methods and assumptions used to determine contribution rates**

Actuarial cost method	Entry-age Normal
Amortization method	Level percentage of pay, open
Remaining amortization period	21-24 years
Asset valuation method	5-year smoothed
Inflation	2.50%
Salary increases	3.75% in the long-term
Investment rate of return	7.75%, net of investment expense, including inflation
Retirement Age	Experience-based tables of rates that are specific to the type of eligibility condition
Mortality	Rates used were based on the RP-2014 Group Annuity Mortality Table of a 50% Male and 50% Female blend.

**Grand Traverse County**  
**Primary Government (Excluding Grand Traverse Pavilions)**  
**Other Post Employment Benefits**  
**Schedule of Funding Progress**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (A)</b>	<b>Actuarial Accrued Liability (AAL) (B)</b>	<b>Unfunded AAL (UAAL) (B-A)</b>	<b>Funded Ratio (A/B)</b>	<b>Covered Payroll (C)</b>	<b>UAAL as a % of Covered Payroll ((B-A)/C)</b>
12/31/2012	\$ -	\$ 7,322,566	\$ 7,322,566	0%	\$ 11,680,068	62.7%
12/31/2015	-	7,265,462	7,265,462	0%	11,590,938	62.7%
12/31/2016	-	7,704,335	7,704,335	0%	11,822,757	65.2%

<b>Schedule of Employer Contributions</b>				
<b>Year Ended December 31</b>	<b>Annual OPEB Cost</b>	<b>Actual Contributions</b>	<b>Percentage Contributed</b>	<b>Net OPEB Obligation</b>
2013	\$ 395,542	\$ 60,122	15.2%	\$ 1,643,816
2014	476,032	72,357	15.2%	2,047,832
2015	611,069	95,835	15.7%	2,563,066
2016	640,222	54,017	8.4%	3,149,281



**Grand Traverse County  
Grand Traverse Pavilions  
Other Post Employment Benefits  
Schedule of Funding Progress**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (A)</b>	<b>Actuarial Accrued Liability (AAL) (B)</b>	<b>Unfunded AAL (UAAL) (B-A)</b>	<b>Funded Ratio (A/B)</b>	<b>Covered Payroll (C)</b>	<b>UAAL as a % of Covered Payroll ((B-A)/C)</b>
1/1/2012	\$ -	\$ 4,843,273	\$ 4,843,273	0%	\$ 14,507,965	33.4%
1/1/2014	-	4,720,079	4,720,079	0%	14,652,011	32.2%
1/1/2016	-	5,631,381	5,631,381	0%	14,131,917	39.8%

**Schedule of Employer Contributions**

<b>Year Ended December 31</b>	<b>Annual Required Contributions</b>	<b>Actual Contributions</b>	<b>Percentage Contributed</b>	<b>Net OPEB Obligation</b>
2013	\$ 396,359	\$ 58,661	14.8%	\$ 337,862
2014	408,138	58,364	14.3%	685,886
2015	405,076	56,711	14.0%	1,030,470
2016	495,910	45,340	9.1%	1,471,452

## **Combining and Individual Fund Statements and Schedules**

## **Grand Traverse County**

### **Description of Nonmajor Governmental Funds**

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#### **Special Revenue Funds**

*13th Circuit Court Fund* - This fund is used to account for revenues received from Grand Traverse, Antrim and Leelanau counties to cover court activities.

*Local Crime Victims Rights Fund* - This fund is used to account for payments from defendants for LCVR sentencing assessment, to allow timely payments to victims when restitution from defendants is not likely due to incarceration, etc. as determined by Circuit Court Administration.

*86th District Court Fund* - This fund is used to account for revenues received from Grand Traverse, Antrim and Leelanau counties to cover court activities.

*County Special Projects Fund* - This fund is used to account for grants or other revenue received specifically for County special projects such as trails and the nature center.

*Central Dispatch/911 Fund* - This fund is used to account for revenue received from 911 surcharge fees to be used for central dispatch operations.

*Parks and Recreation Fund* - This fund is used to account for revenue sources generated by County park facilities to cover the cost of corresponding expenditures.

*Maple Bay Development Fund* - This fund is used to account for grants and other revenues specifically for improvement of the Maple Bay property.

*Friend of the Court Fund* - This fund is used to account for judgment fees, state grants, Title IV-D, charges for services, and revenues received from Grand Traverse, Antrim, and Leelanau counties for FOC activities.

*Safe Havens Fund* - This fund is used to account for revenues received from the federal government for the supervised visitation and safe exchange program.

*Gypsy Moth Suppression Program Fund* - This fund is used to account for revenues received from property owners and federal and state grants for controlling gypsy moths.

*Veterans Trust Fund* - This fund is used to account for revenue received from the State and County match funds to provide emergency assistance to Michigan veterans.

*Veterans Millage Fund* - This fund is used to account for funds provided by a tax levy for indigent veterans.

## Grand Traverse County

### Description of Nonmajor Governmental Funds

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*Register of Deeds Automation Fund* - This fund is used to account for the collection of \$5.00 of the total fee collected for each recording, which is used for upgrading technology in the Register of Deeds' Office.

*Corrections P.A. 511 Fund* - This fund is used to account for tether program revenue, appropriations from the General Fund and state grant revenue for community corrections programs such as the transition house and tether program.

*County Law Library Fund* - This fund is used to account for revenue received from penal fines and General Fund appropriations earmarked for maintaining a law library.

*Federal Equitable Sharing Fund* - This fund is used to account for revenue received from the United States Treasury/IRS for a portion of properties seized/confiscated during a federal investigation. Revenue is to be used for law enforcement purposes.

*Concealed Pistol Licensing Fund* - This fund is used to account for revenue received from concealed pistol licensing fees to be used for law enforcement activities.

*Corrections Officers Training Fund* - This fund is used to account for revenue received from inmate booking fees to be used for costs relating to the continuing education, certification, re-certification, and training of local correction officers.

*Criminal Justice Training Act Fund* - This fund is used to account for state grant revenue to help continue law enforcement employee training.

*Mitchell Creek Watershed Fund* - This fund is used to account for the DEQ Coastal Management state grant and County funds for improvement of the Mitchell Creek Watershed.

*Housing Trust Fund* - This fund is used to account for HUD grant revenue and County contributions for affordable housing, corridor revitalization plans, and housing inventory/assessment.

*CDBG Housing Grant Fund* - This fund accounts for federal Community Development Block Grant (CDBG) funds provided to the County and program income for the rehabilitation of owner-occupied, single family residential units in the County.

*Next Michigan Fund* - This fund is used to account for economic development activities relating to the expansion and attraction of businesses that ship goods by two or more modes of transportation.

*EDC Revolving Loan Fund* - This fund is used to account for interest revenue and principal repayments from EDC loans to help promote economic development within the County.

## **Grand Traverse County**

### **Description of Nonmajor Governmental Funds**

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*TNT Forfeiture Fund* - This fund is used to account for revenue generated by multijurisdictional drug task force activities.

*TNT Grant Fund* - This fund is used to account for revenue generated by federal grant funding for the TNT program.

*Child Care Fund* - This fund is used to account for revenues received from the General Fund, federal and state grants, private agencies, and individuals to provide care, guidance, and control of children coming under the jurisdiction of the Family Division of the 13th Circuit Court.

*Animal Control Fund* – This fund is used to account for revenues generated from licenses as well as the related animal control service expenditures.

*Senior Center Fund* – This fund is used to account for a dedicated millage, as well as charges for services, for activities within the County for senior citizens.

#### **Debt Service Funds**

*Building Authority LaFranier DPW Debt Fund* - This fund was established to accumulate resources to meet the annual debt service requirements for the bond issued to construct the Public Services Building and to construct an addition to the DPW shop.

*Woodmere Debt Fund* - This fund was established to accumulate resources to meet the annual debt service requirements for the bond issued to purchase and renovate the Woodmere Law Enforcement Building.

*Courthouse Debt Fund* - This fund was established to accumulate resources to meet the annual debt service requirements for the bond issued to build the new Hall of Justice Building.

*Health Services Debt Fund* - This fund was established to accumulate resources to meet the annual debt service requirements for the bond issued to build the new Health Services Building.

#### **Capital Projects Funds**

*County Facilities Fund* - This fund was established to account for the cost of maintaining and operating County facilities.

*Capital Improvement Fund* - This fund was established to accumulate resources for infrastructure, capital improvements, major repairs, and maintenance expenditures.

**Grand Traverse County  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2016**

	Special Revenue							
	13th Circuit Court Fund	Local Crime Victims Rights	86th District Court Fund	County Special Projects	Central Dispatch/911	Parks and Recreation	Maple Bay Development	Friend of the Court
<b>ASSETS</b>								
Cash and Cash Equivalents	\$ --	\$ 14,642	\$ --	\$ 27,323	\$ --	\$ 197,193	\$ 10,855	\$ 1,096,471
Taxes Receivable	--	--	--	--	--	--	--	--
Accounts Receivable	257,850	--	574,041	--	507,419	--	--	27,815
Due from Other Governments	--	--	395	--	58,892	--	--	355,861
Prepays	495	--	125	--	1,822	902	--	--
Other Current Assets	--	--	--	--	--	--	--	--
Due from Other Funds	--	--	--	--	456	--	--	--
<i>Total Assets</i>	<b>\$ 258,345</b>	<b>\$ 14,642</b>	<b>\$ 574,561</b>	<b>\$ 27,323</b>	<b>\$ 568,589</b>	<b>\$ 198,095</b>	<b>\$ 10,855</b>	<b>\$ 1,480,147</b>
<b>LIABILITIES</b>								
Accounts Payable	\$ 26,056	\$ --	\$ 38,096	\$ --	\$ 3,976	\$ 7,798	\$ --	\$ 9,131
Accrued Liabilities	11,769	--	41,292	--	27,080	9,275	--	22,978
Unearned Revenue	--	--	--	--	--	--	--	--
Due to Other Governments	31,470	--	87,739	--	--	--	--	--
Due to Other Funds	9,680	--	164,422	--	535,711	--	--	--
Advances from Other Funds	130,710	--	242,887	--	--	--	--	--
<i>Total Liabilities</i>	<b>209,685</b>	<b>--</b>	<b>574,436</b>	<b>--</b>	<b>566,767</b>	<b>17,073</b>	<b>--</b>	<b>32,109</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Taxes Levied for a Subsequent Year	--	--	--	--	--	--	--	--
<i>Total Liabilities and Deferred Inflows of Resources</i>	<b>209,685</b>	<b>--</b>	<b>574,436</b>	<b>--</b>	<b>566,767</b>	<b>17,073</b>	<b>--</b>	<b>32,109</b>
<b>FUND BALANCE</b>								
Nonspendable	495	--	125	--	1,822	902	--	--
Restricted	--	--	--	--	--	49,246	--	--
Committed	48,165	14,642	--	27,323	--	130,874	10,855	1,448,038
Unassigned	--	--	--	--	--	--	--	--
<i>Total Fund Balance</i>	<b>48,660</b>	<b>14,642</b>	<b>125</b>	<b>27,323</b>	<b>1,822</b>	<b>181,022</b>	<b>10,855</b>	<b>1,448,038</b>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balance</i>	<b>\$ 258,345</b>	<b>\$ 14,642</b>	<b>\$ 574,561</b>	<b>\$ 27,323</b>	<b>\$ 568,589</b>	<b>\$ 198,095</b>	<b>\$ 10,855</b>	<b>\$ 1,480,147</b>

**Grand Traverse County  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2016**

	Special Revenue							
	Safe Havens	Gypsy Moth Suppression	Veterans Trust	Veterans Millage	Register of Deeds Automation	Corrections P.A. 511	County Law Library	Federal Equitable Sharing
<b>ASSETS</b>								
Cash and Cash Equivalents	\$ --	\$ 626	\$ 10,571	\$ 64,494	\$ 265,821	\$ 359,210	\$ 22,710	\$ 8,192
Taxes Receivable	--	--	--	499,219	--	--	--	--
Accounts Receivable	--	--	--	--	--	3,747	--	--
Due from Other Governments	--	--	--	--	--	112,568	--	--
Prepays	--	--	--	--	--	--	--	--
Other Current Assets	--	--	--	--	--	--	--	--
Due from Other Funds	--	--	--	--	--	--	--	--
<b>Total Assets</b>	<b>\$ --</b>	<b>\$ 626</b>	<b>\$ 10,571</b>	<b>\$ 563,713</b>	<b>\$ 265,821</b>	<b>\$ 475,525</b>	<b>\$ 22,710</b>	<b>\$ 8,192</b>
<b>LIABILITIES</b>								
Accounts Payable	\$ --	\$ --	\$ --	\$ --	\$ 779	\$ 63,760	\$ --	\$ --
Accrued Liabilities	--	--	1,409	--	--	4,513	--	--
Unearned Revenue	--	--	--	--	--	--	--	--
Due to Other Governments	--	--	--	--	--	--	--	--
Due to Other Funds	--	--	--	--	--	--	--	--
Advances from Other Funds	--	--	--	--	--	--	--	--
<b>Total Liabilities</b>	<b>--</b>	<b>--</b>	<b>1,409</b>	<b>--</b>	<b>779</b>	<b>68,273</b>	<b>--</b>	<b>--</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Taxes Levied for a Subsequent Year	--	--	--	563,713	--	--	--	--
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>--</b>	<b>--</b>	<b>1,409</b>	<b>563,713</b>	<b>779</b>	<b>68,273</b>	<b>--</b>	<b>--</b>
<b>FUND BALANCE</b>								
Nonspendable	--	--	--	--	--	--	--	--
Restricted	--	--	9,162	--	265,042	--	22,710	8,192
Committed	--	626	--	--	--	407,252	--	--
Unassigned	--	--	--	--	--	--	--	--
<b>Total Fund Balance</b>	<b>--</b>	<b>626</b>	<b>9,162</b>	<b>--</b>	<b>265,042</b>	<b>407,252</b>	<b>22,710</b>	<b>8,192</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<b>\$ --</b>	<b>\$ 626</b>	<b>\$ 10,571</b>	<b>\$ 563,713</b>	<b>\$ 265,821</b>	<b>\$ 475,525</b>	<b>\$ 22,710</b>	<b>\$ 8,192</b>

**Grand Traverse County  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2016**

	<b>Special Revenue</b>							
	<b>Concealed Pistol Licensing</b>	<b>Corrections Officers Training</b>	<b>Criminal Justice Training Act</b>	<b>Mitchell Creek Water Shed</b>	<b>Housing Trust</b>	<b>CDBG Housing Grant</b>	<b>Next Michigan</b>	<b>EDC Revolving Loan</b>
<b>ASSETS</b>								
Cash and Cash Equivalents	\$ 43,551	\$ 39,703	\$ 23,826	\$ 8,155	\$ 218,372	\$ 181,599	\$ 77,907	\$ 120,226
Taxes Receivable	--	--	--	--	--	--	--	--
Accounts Receivable	--	2,537	--	--	65,000	1,706,702	3,000	592,742
Due from Other Governments	--	--	--	--	--	9,515	--	--
Prepays	--	--	--	--	--	--	--	--
Other Current Assets	--	--	--	--	--	--	--	--
Due from Other Funds	--	--	--	--	--	--	--	--
<b>Total Assets</b>	<b>\$ 43,551</b>	<b>\$ 42,240</b>	<b>\$ 23,826</b>	<b>\$ 8,155</b>	<b>\$ 283,372</b>	<b>\$ 1,897,816</b>	<b>\$ 80,907</b>	<b>\$ 712,968</b>
<b>LIABILITIES</b>								
Accounts Payable	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 21,723	\$ 131	\$ 18,430
Accrued Liabilities	241	--	--	--	--	556	--	--
Unearned Revenue	--	--	--	--	--	--	5,483	1,904
Due to Other Governments	--	--	--	--	--	--	--	--
Due to Other Funds	--	--	--	--	--	--	--	--
Advances from Other Funds	--	--	--	--	--	--	--	--
<b>Total Liabilities</b>	<b>241</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>22,279</b>	<b>5,614</b>	<b>20,334</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Taxes Levied for a Subsequent Year	--	--	--	--	--	--	--	--
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>241</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>22,279</b>	<b>5,614</b>	<b>20,334</b>
<b>FUND BALANCE</b>								
Nonspendable	--	--	--	--	--	--	--	--
Restricted	43,310	--	23,826	--	283,372	1,875,537	--	692,634
Committed	--	42,240	--	8,155	--	--	75,293	--
Unassigned	--	--	--	--	--	--	--	--
<b>Total Fund Balance</b>	<b>43,310</b>	<b>42,240</b>	<b>23,826</b>	<b>8,155</b>	<b>283,372</b>	<b>1,875,537</b>	<b>75,293</b>	<b>692,634</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<b>\$ 43,551</b>	<b>\$ 42,240</b>	<b>\$ 23,826</b>	<b>\$ 8,155</b>	<b>\$ 283,372</b>	<b>\$ 1,897,816</b>	<b>\$ 80,907</b>	<b>\$ 712,968</b>



**Grand Traverse County  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2016**

	Special Revenue					Debt Service		
	TNT Forfeiture	TNT Grant	Child Care	Animal Control	Senior Center	Building Authority LaFranier DPW	Woodmere	Courthouse
<b>ASSETS</b>								
Cash and Cash Equivalents	\$ 183,759	\$ --	\$ --	\$ 30,309	\$ 659,135	\$ --	\$ --	\$ --
Taxes Receivable	--	--	--	--	422,052	--	--	--
Accounts Receivable	350	--	--	5,720	--	--	--	--
Due from Other Governments	--	24,649	116,618	--	--	--	--	--
Prepays	--	--	--	--	320	--	--	--
Other Current Assets	129,017	--	--	--	--	--	--	--
Due from Other Funds	1,794	--	--	--	--	--	--	--
<b>Total Assets</b>	<b>\$ 314,920</b>	<b>\$ 24,649</b>	<b>\$ 116,618</b>	<b>\$ 36,029</b>	<b>\$ 1,081,507</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>
<b>LIABILITIES</b>								
Accounts Payable	\$ 8,801	\$ 620	\$ 83,598	\$ 16,667	\$ 13,123	\$ --	\$ --	\$ --
Accrued Liabilities	--	1,426	--	149	3,234	--	--	--
Unearned Revenue	129,017	--	--	--	--	--	--	--
Due to Other Governments	--	--	--	--	--	--	--	--
Due to Other Funds	--	14,740	33,020	--	--	--	--	--
Advances from Other Funds	--	--	--	--	--	930,000	465,000	--
<b>Total Liabilities</b>	<b>137,818</b>	<b>16,786</b>	<b>116,618</b>	<b>16,816</b>	<b>16,357</b>	<b>930,000</b>	<b>465,000</b>	<b>--</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Taxes Levied for a Subsequent Year	--	--	--	--	469,325	--	--	--
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>137,818</b>	<b>16,786</b>	<b>116,618</b>	<b>16,816</b>	<b>485,682</b>	<b>930,000</b>	<b>465,000</b>	<b>--</b>
<b>FUND BALANCE</b>								
Nonspendable	--	--	--	--	320	--	--	--
Restricted	177,102	7,863	--	19,213	595,505	--	--	--
Committed	--	--	--	--	--	--	--	--
Unassigned	--	--	--	--	--	(930,000)	(465,000)	--
<b>Total Fund Balance</b>	<b>177,102</b>	<b>7,863</b>	<b>--</b>	<b>19,213</b>	<b>595,825</b>	<b>(930,000)</b>	<b>(465,000)</b>	<b>--</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<b>\$ 314,920</b>	<b>\$ 24,649</b>	<b>\$ 116,618</b>	<b>\$ 36,029</b>	<b>\$ 1,081,507</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>

**Grand Traverse County  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2016**

	<u>Debt Service</u>	<u>Capital Projects</u>		<u>Total Nonmajor Governmental Funds</u>
	<u>Health Services</u>	<u>County Facilities</u>	<u>Capital Improvement</u>	
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ --	\$ 414,574	\$ 530,727	\$ 4,609,951
Taxes Receivable	--	--	--	921,271
Accounts Receivable	--	48,014	--	3,794,937
Due from Other Governments	--	--	--	678,498
Prepays	--	6,390	--	10,054
Other Current Assets	--	--	--	129,017
Due from Other Funds	--	--	--	2,250
<i><b>Total Assets</b></i>	<u>\$ --</u>	<u>\$ 468,978</u>	<u>\$ 530,727</u>	<u>\$ 10,145,978</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ --	\$ 168,379	\$ 68,441	\$ 549,509
Accrued Liabilities	--	--	--	123,922
Unearned Revenue	--	--	--	136,404
Due to Other Governments	--	--	--	119,209
Due to Other Funds	--	--	--	757,573
Advances from Other Funds	--	--	--	1,768,597
<i><b>Total Liabilities</b></i>	<u>--</u>	<u>168,379</u>	<u>68,441</u>	<u>3,455,214</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Taxes Levied for a Subsequent Year	--	--	--	1,033,038
<i><b>Total Liabilities and Deferred Inflows of Resources</b></i>	<u>--</u>	<u>168,379</u>	<u>68,441</u>	<u>4,488,252</u>
<b>FUND BALANCE</b>				
Nonspendable	--	6,390	--	10,054
Restricted	--	--	--	4,072,714
Committed	--	294,209	462,286	2,969,958
Unassigned	--	--	--	(1,395,000)
<i><b>Total Fund Balance</b></i>	<u>--</u>	<u>300,599</u>	<u>462,286</u>	<u>5,657,726</u>
<i><b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b></i>	<u>\$ --</u>	<u>\$ 468,978</u>	<u>\$ 530,727</u>	<u>\$ 10,145,978</u>

**Grand Traverse County**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2016**

	<b>Special Revenue</b>							
	<b>13th Circuit Court Fund</b>	<b>Local Crime Victims Rights</b>	<b>86th District Court Fund</b>	<b>County Special Projects</b>	<b>Central Dispatch/911</b>	<b>Parks and Recreation</b>	<b>Maple Bay Development</b>	<b>Friend of the Court</b>
<b>Revenues</b>								
Property Taxes	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Licenses and Permits	--	--	--	--	--	--	--	--
Federal Sources	--	--	--	--	--	--	--	1,354,284
State Sources	--	--	4,687	--	255,463	--	--	126,799
Local Sources	411,493	15,073	901,468	--	2,036,976	29,265	--	119,523
Charges for Services	--	--	--	--	--	132,795	--	203,587
Fines and Forfeitures	--	--	--	--	--	--	--	--
Reimbursements	--	--	--	--	--	--	--	--
Rental Revenues	--	--	--	--	4,800	153,511	390	--
Other Revenues	--	--	1,728	--	--	2,731	--	--
Interest Revenues	--	--	--	--	--	--	--	--
<b>Total Revenues</b>	<b>411,493</b>	<b>15,073</b>	<b>907,883</b>	<b>--</b>	<b>2,297,239</b>	<b>318,302</b>	<b>390</b>	<b>1,804,193</b>
<b>Expenditures</b>								
Judicial	1,797,609	13,168	3,840,516	--	--	--	--	2,037,867
General Government	--	--	--	--	--	--	--	--
Public Safety	--	--	--	--	2,360,167	--	--	--
Health and Welfare	--	--	--	--	--	--	--	--
Economic Development	--	--	--	--	--	--	--	--
Recreation and Culture	--	--	--	--	--	515,381	--	--
Debt Service - Principal	--	--	--	--	--	--	--	--
Debt Service - Interest	--	--	--	--	--	--	--	--
Capital Outlay	12,038	--	--	--	--	6,782	--	--
<b>Total Expenditures</b>	<b>1,809,647</b>	<b>13,168</b>	<b>3,840,516</b>	<b>--</b>	<b>2,360,167</b>	<b>522,163</b>	<b>--</b>	<b>2,037,867</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(1,398,154)</b>	<b>1,905</b>	<b>(2,932,633)</b>	<b>--</b>	<b>(62,928)</b>	<b>(203,861)</b>	<b>390</b>	<b>(233,674)</b>
<b>Other Financing Sources (Uses)</b>								
Transfers In	1,398,199	--	2,931,870	--	64,294	275,632	--	283,868
Transfers Out	--	--	--	--	--	--	--	--
<b>Net Other Financing Sources (Uses)</b>	<b>1,398,199</b>	<b>--</b>	<b>2,931,870</b>	<b>--</b>	<b>64,294</b>	<b>275,632</b>	<b>--</b>	<b>283,868</b>
<b>Net Change in Fund Balance</b>	<b>45</b>	<b>1,905</b>	<b>(763)</b>	<b>--</b>	<b>1,366</b>	<b>71,771</b>	<b>390</b>	<b>50,194</b>
<b>Fund Balance at Beginning of Period</b>	<b>48,615</b>	<b>12,737</b>	<b>888</b>	<b>27,323</b>	<b>456</b>	<b>109,251</b>	<b>10,465</b>	<b>1,397,844</b>
<b>Fund Balance at End of Period</b>	<b>\$ 48,660</b>	<b>\$ 14,642</b>	<b>\$ 125</b>	<b>\$ 27,323</b>	<b>\$ 1,822</b>	<b>\$ 181,022</b>	<b>\$ 10,855</b>	<b>\$ 1,448,038</b>

**Grand Traverse County**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2016**

	<b>Special Revenue</b>							
	<b>Safe Havens</b>	<b>Gypsy Moth Suppression</b>	<b>Veterans Trust</b>	<b>Veterans Millage</b>	<b>Register of Deeds Automation</b>	<b>Corrections P.A. 511</b>	<b>County Law Library</b>	<b>Federal Equitable Sharing</b>
<b>Revenues</b>								
Property Taxes	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Licenses and Permits	--	--	--	--	--	--	--	--
Federal Sources	143,574	--	--	--	--	--	--	--
State Sources	--	--	61,516	--	--	288,902	--	--
Local Sources	--	--	2,314	--	--	21,565	--	--
Charges for Services	--	--	--	--	112,610	408,482	--	--
Fines and Forfeitures	--	--	--	--	--	--	--	--
Reimbursements	--	--	--	--	--	32,650	--	--
Rental Revenues	--	--	--	--	--	--	--	--
Other Revenues	--	--	--	--	--	--	6,500	--
Interest Revenues	--	--	--	--	--	--	--	31
<b>Total Revenues</b>	<b>143,574</b>	<b>--</b>	<b>63,830</b>	<b>--</b>	<b>112,610</b>	<b>751,599</b>	<b>6,500</b>	<b>31</b>
<b>Expenditures</b>								
Judicial	--	--	--	--	--	--	--	--
General Government	--	--	--	--	116,559	--	--	--
Public Safety	--	--	--	--	--	746,036	--	--
Health and Welfare	143,574	--	56,436	--	--	--	--	--
Economic Development	--	--	--	--	--	--	--	--
Recreation and Culture	--	--	--	--	--	--	--	--
Debt Service - Principal	--	--	--	--	--	--	--	--
Debt Service - Interest	--	--	--	--	--	--	--	--
Capital Outlay	--	--	--	--	9,590	--	--	--
<b>Total Expenditures</b>	<b>143,574</b>	<b>--</b>	<b>56,436</b>	<b>--</b>	<b>126,149</b>	<b>746,036</b>	<b>--</b>	<b>--</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>--</b>	<b>--</b>	<b>7,394</b>	<b>--</b>	<b>(13,539)</b>	<b>5,563</b>	<b>6,500</b>	<b>31</b>
<b>Other Financing Sources (Uses)</b>								
Transfers In	--	--	--	--	--	36,061	--	--
Transfers Out	--	--	--	--	--	--	--	--
<b>Net Other Financing Sources (Uses)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>36,061</b>	<b>--</b>	<b>--</b>
<b>Net Change in Fund Balance</b>	<b>--</b>	<b>--</b>	<b>7,394</b>	<b>--</b>	<b>(13,539)</b>	<b>41,624</b>	<b>6,500</b>	<b>31</b>
<i>Fund Balance at Beginning of Period</i>	<i>--</i>	<i>626</i>	<i>1,768</i>	<i>--</i>	<i>278,581</i>	<i>365,628</i>	<i>16,210</i>	<i>8,161</i>
<b>Fund Balance at End of Period</b>	<b>\$ --</b>	<b>\$ 626</b>	<b>\$ 9,162</b>	<b>\$ --</b>	<b>\$ 265,042</b>	<b>\$ 407,252</b>	<b>\$ 22,710</b>	<b>\$ 8,192</b>

**Grand Traverse County**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2016**

	Special Revenue							
	Concealed Pistol Licensing	Corrections Officers Training	Criminal Justice Training Act	Mitchell Creek Water Shed	Housing Trust	CDBG Housing Grant	Next Michigan	EDC Revolving Loan
Revenues								
Property Taxes	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Licenses and Permits	54,040	--	--	--	--	--	--	--
Federal Sources	--	--	--	--	--	21,723	--	--
State Sources	--	--	13,390	--	--	--	--	--
Local Sources	--	--	--	--	--	--	23,000	--
Charges for Services	--	36,589	--	--	--	--	--	--
Fines and Forfeitures	--	--	--	--	--	--	--	--
Reimbursements	--	--	--	--	--	--	--	--
Rental Revenues	--	--	--	--	--	--	--	--
Other Revenues	--	14,400	--	--	--	146	--	56,000
Interest Revenues	--	--	--	--	1,638	--	--	12,392
Total Revenues	54,040	50,989	13,390	--	1,638	21,869	23,000	68,392
Expenditures								
Judicial	--	--	--	--	--	--	--	--
General Government	--	--	--	--	192	--	--	--
Public Safety	19,600	56,622	10,379	--	--	--	--	--
Health and Welfare	--	--	--	--	--	--	--	--
Economic Development	--	--	--	--	--	110,834	25,036	90,960
Recreation and Culture	--	--	--	--	--	--	--	--
Debt Service - Principal	--	--	--	--	--	--	--	--
Debt Service - Interest	--	--	--	--	--	--	--	--
Capital Outlay	--	--	--	--	--	--	--	--
Total Expenditures	19,600	56,622	10,379	--	192	110,834	25,036	90,960
Excess of Revenues Over (Under) Expenditures	34,440	(5,633)	3,011	--	1,446	(88,965)	(2,036)	(22,568)
Other Financing Sources (Uses)								
Transfers In	--	--	--	--	--	--	67,999	--
Transfers Out	--	--	--	--	--	--	--	(67,999)
Net Other Financing Sources (Uses)	--	--	--	--	--	--	67,999	(67,999)
Net Change in Fund Balance	34,440	(5,633)	3,011	--	1,446	(88,965)	65,963	(90,567)
Fund Balance at Beginning of Period	8,870	47,873	20,815	8,155	281,926	1,964,502	9,330	783,201
Fund Balance at End of Period	\$ 43,310	\$ 42,240	\$ 23,826	\$ 8,155	\$ 283,372	\$ 1,875,537	\$ 75,293	\$ 692,634

**Grand Traverse County**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2016**

	Special Revenue					Debt Service		
	TNT Forfeiture	TNT Grant	Child Care	Animal Control	Senior Center	Building Authority LaFranier DPW	Woodmere	Courthouse
<b>Revenues</b>								
Property Taxes	\$ --	\$ --	\$ --	\$ --	\$ 455,780	\$ --	\$ --	\$ --
Licenses and Permits	--	--	--	79,985	--	--	--	--
Federal Sources	2,250	97,293	--	--	--	--	--	--
State Sources	--	--	682,119	--	--	--	--	--
Local Sources	120,941	7,864	--	--	--	--	--	--
Charges for Services	--	--	--	4,850	112,830	--	--	--
Fines and Forfeitures	138,499	--	--	--	--	--	--	--
Reimbursements	30,142	--	--	--	--	--	--	--
Rental Revenues	--	--	--	--	--	--	--	--
Other Revenues	--	--	176,651	--	1,029	--	--	--
Interest Revenues	2	--	--	--	2,980	--	--	--
<b>Total Revenues</b>	<b>291,834</b>	<b>105,157</b>	<b>858,770</b>	<b>84,835</b>	<b>572,619</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Expenditures</b>								
Judicial	--	--	--	--	--	--	--	--
General Government	--	--	--	--	--	--	--	--
Public Safety	114,732	97,294	--	65,622	--	--	--	--
Health and Welfare	--	--	1,635,033	--	522,291	--	--	--
Economic Development	--	--	--	--	--	--	--	--
Recreation and Culture	--	--	--	--	--	--	--	--
Debt Service - Principal	--	--	--	--	--	--	--	420,000
Debt Service - Interest	--	--	--	--	--	--	--	136,100
Capital Outlay	--	--	--	--	--	--	--	--
<b>Total Expenditures</b>	<b>114,732</b>	<b>97,294</b>	<b>1,635,033</b>	<b>65,622</b>	<b>522,291</b>	<b>--</b>	<b>--</b>	<b>556,100</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>177,102</b>	<b>7,863</b>	<b>(776,263)</b>	<b>19,213</b>	<b>50,328</b>	<b>--</b>	<b>--</b>	<b>(556,100)</b>
<b>Other Financing Sources (Uses)</b>								
Transfers In	--	--	776,263	--	--	200,000	225,000	556,100
Transfers Out	--	--	--	--	--	--	--	--
<b>Net Other Financing Sources (Uses)</b>	<b>--</b>	<b>--</b>	<b>776,263</b>	<b>--</b>	<b>--</b>	<b>200,000</b>	<b>225,000</b>	<b>556,100</b>
<b>Net Change in Fund Balance</b>	<b>177,102</b>	<b>7,863</b>	<b>--</b>	<b>19,213</b>	<b>50,328</b>	<b>200,000</b>	<b>225,000</b>	<b>--</b>
<i>Fund Balance at Beginning of Period</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>545,497</i>	<i>(1,130,000)</i>	<i>(690,000)</i>	<i>--</i>
<b>Fund Balance at End of Period</b>	<b>\$ 177,102</b>	<b>\$ 7,863</b>	<b>\$ --</b>	<b>\$ 19,213</b>	<b>\$ 595,825</b>	<b>\$ (930,000)</b>	<b>\$ (465,000)</b>	<b>\$ --</b>

**Grand Traverse County**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2016**

	<b>Debt Service</b>		<b>Capital Projects</b>		<b>Total Nonmajor Governmental Funds</b>
	<b>Health Services</b>	<b>County Facilities</b>	<b>Capital Improvement</b>		
<b>Revenues</b>					
Property Taxes	\$ --	\$ --	\$ --	\$	455,780
Licenses and Permits	--	--	--		134,025
Federal Sources	--	--	--		1,619,124
State Sources	--	--	--		1,432,876
Local Sources	--	33,864	--		3,723,346
Charges for Services	--	--	--		1,011,743
Fines and Forfeitures	--	--	--		138,499
Reimbursements	--	99,351	--		162,143
Rental Revenues	--	8,002	--		166,703
Other Revenues	--	--	--		259,185
Interest Revenues	--	--	--		17,043
<b>Total Revenues</b>	--	141,217	--		9,120,467
<b>Expenditures</b>					
Judicial	--	--	--		7,689,160
General Government	--	1,668,964	144,667		1,930,382
Public Safety	--	--	--		3,470,452
Health and Welfare	--	--	--		2,357,334
Economic Development	--	--	--		226,830
Recreation and Culture	--	--	--		515,381
Debt Service - Principal	150,000	--	--		570,000
Debt Service - Interest	144,369	--	--		280,469
Capital Outlay	--	--	160,761		189,171
<b>Total Expenditures</b>	294,369	1,668,964	305,428		17,229,179
<b>Excess of Revenues Over (Under) Expenditures</b>	(294,369)	(1,527,747)	(305,428)		(8,108,712)
<b>Other Financing Sources (Uses)</b>					
Transfers In	294,369	1,216,988	337,500		8,664,143
Transfers Out	--	--	(96,290)		(164,289)
<b>Net Other Financing Sources (Uses)</b>	294,369	1,216,988	241,210		8,499,854
<b>Net Change in Fund Balance</b>	--	(310,759)	(64,218)		391,142
<b>Fund Balance at Beginning of Period</b>	--	611,358	526,504		5,266,584
<b>Fund Balance at End of Period</b>	\$ --	\$ 300,599	\$ 462,286	\$	5,657,726

**Grand Traverse County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**13th Circuit Court Fund**  
**For the Year Ended December 31, 2016**

	<b>Budgeted Amounts</b>			<b>Variance Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Final to Actual</b>
<b>Revenues</b>				
Local Sources	\$ 377,644	\$ 377,644	\$ 411,493	\$ 33,849
<i><b>Total Revenues</b></i>	<u>377,644</u>	<u>377,644</u>	<u>411,493</u>	<u>33,849</u>
<b>Other Financing Sources</b>				
Transfers In	1,568,524	1,568,524	1,398,199	(170,325)
<i><b>Total Revenues and Other Financing Sources</b></i>	<u>1,946,168</u>	<u>1,946,168</u>	<u>1,809,692</u>	<u>(136,476)</u>
<b>Expenditures</b>				
Judicial	1,946,168	1,933,168	1,797,609	135,559
Capital Outlay	--	13,000	12,038	962
<i><b>Total Expenditures</b></i>	<u>1,946,168</u>	<u>1,946,168</u>	<u>1,809,647</u>	<u>136,521</u>
<i><b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b></i>	<u>--</u>	<u>--</u>	<u>45</u>	<u>45</u>
<i><b>Net Change in Fund Balance</b></i>	<u>--</u>	<u>--</u>	<u><b>45</b></u>	<u><b>45</b></u>
<i>Fund Balance at Beginning of Period</i>	<u>48,615</u>	<u>48,615</u>	<u>48,615</u>	<u>--</u>
<i><b>Fund Balance at End of Period</b></i>	<u><b>\$ 48,615</b></u>	<u><b>\$ 48,615</b></u>	<u><b>\$ 48,660</b></u>	<u><b>\$ 45</b></u>



**Grand Traverse County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Local Crime Victims Rights**  
**For the Year Ended December 31, 2016**

	<b>Budgeted Amounts</b>			<b>Variance Positive (Negative) Final to Actual</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Revenues</b>				
Local Sources	\$ 10,000	\$ 10,000	\$ 15,073	\$ 5,073
<b>Total Revenues</b>	<u>10,000</u>	<u>10,000</u>	<u>15,073</u>	<u>5,073</u>
<b>Expenditures</b>				
Judicial	15,000	15,000	13,168	1,832
<b>Total Expenditures</b>	<u>15,000</u>	<u>15,000</u>	<u>13,168</u>	<u>1,832</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<u>(5,000)</u>	<u>(5,000)</u>	<u>1,905</u>	<u>6,905</u>
<b>Net Change in Fund Balance</b>	<u>(5,000)</u>	<u>(5,000)</u>	<u>1,905</u>	<u>6,905</u>
<b>Fund Balance at Beginning of Period</b>	<u>12,737</u>	<u>12,737</u>	<u>12,737</u>	<u>--</u>
<b>Fund Balance at End of Period</b>	<u>\$ 7,737</u>	<u>\$ 7,737</u>	<u>\$ 14,642</u>	<u>\$ 6,905</u>

**Grand Traverse County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**86th District Court Fund**  
**For the Year Ended December 31, 2016**

	<b>Budgeted Amounts</b>			<b>Variance Positive (Negative) Final to Actual</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Revenues</b>				
State Sources	\$ --	\$ 4,344	\$ 4,687	\$ 343
Local Sources	1,052,894	1,052,894	901,468	(151,426)
Other Revenues	--	1,065	1,728	663
<b>Total Revenues</b>	<u>1,052,894</u>	<u>1,058,303</u>	<u>907,883</u>	<u>(150,420)</u>
<b>Other Financing Sources</b>				
Transfers In	<u>2,914,640</u>	<u>2,914,640</u>	<u>2,931,870</u>	<u>17,230</u>
<b>Total Revenues and Other Financing Sources</b>	<u>3,967,534</u>	<u>3,972,943</u>	<u>3,839,753</u>	<u>(133,190)</u>
<b>Expenditures</b>				
Judicial	<u>3,967,534</u>	<u>3,972,943</u>	<u>3,840,516</u>	<u>132,427</u>
<b>Total Expenditures</b>	<u>3,967,534</u>	<u>3,972,943</u>	<u>3,840,516</u>	<u>132,427</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<u>--</u>	<u>--</u>	<u>(763)</u>	<u>(763)</u>
<b>Net Change in Fund Balance</b>	<u>--</u>	<u>--</u>	<u>(763)</u>	<u>(763)</u>
<b>Fund Balance at Beginning of Period</b>	<u>888</u>	<u>888</u>	<u>888</u>	<u>--</u>
<b>Fund Balance at End of Period</b>	<u>\$ 888</u>	<u>\$ 888</u>	<u>\$ 125</u>	<u>\$ (763)</u>

**Grand Traverse County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**County Special Projects**  
**For the Year Ended December 31, 2016**

	Budgeted Amounts			Variance Positive (Negative)
	Original	Final	Actual	Final to Actual
<b>Revenues</b>	--	--	--	--
<i>Total Revenues</i>	--	--	--	--
<b>Expenditures</b>				
Capital Outlay	\$ 27,322	\$ 27,322	\$ --	\$ 27,322
<i>Total Expenditures</i>	27,322	27,322	--	27,322
<i>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</i>	(27,322)	(27,322)	--	27,322
<i>Net Change in Fund Balance</i>	(27,322)	(27,322)	--	27,322
<i>Fund Balance at Beginning of Period</i>	27,323	27,323	27,323	--
<i>Fund Balance at End of Period</i>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 27,323</u>	<u>\$ 27,322</u>

**Grand Traverse County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Central Dispatch/911**  
**For the Year Ended December 31, 2016**

	<b>Budgeted Amounts</b>			<b>Variance Positive (Negative) Final to Actual</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Revenues</b>				
State Sources	\$ 260,000	\$ 260,000	\$ 255,463	\$ (4,537)
Local Sources	1,998,000	1,998,000	2,036,976	38,976
Interest and Rents	4,800	4,800	4,800	--
<b>Total Revenues</b>	<u>2,262,800</u>	<u>2,262,800</u>	<u>2,297,239</u>	<u>34,439</u>
<b>Other Financing Sources</b>				
Transfers In	266,942	266,942	64,294	(202,648)
<b>Total Revenues and Other Financing Sources</b>	<u>2,529,742</u>	<u>2,529,742</u>	<u>2,361,533</u>	<u>(168,209)</u>
<b>Expenditures</b>				
Public Safety	2,529,742	2,529,742	2,360,167	169,575
<b>Total Expenditures</b>	<u>2,529,742</u>	<u>2,529,742</u>	<u>2,360,167</u>	<u>169,575</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<u>--</u>	<u>--</u>	<u>1,366</u>	<u>1,366</u>
<b>Net Change in Fund Balance</b>	<u>--</u>	<u>--</u>	<u>1,366</u>	<u>1,366</u>
<b>Fund Balance at Beginning of Period</b>	<u>456</u>	<u>456</u>	<u>456</u>	<u>--</u>
<b>Fund Balance at End of Period</b>	<u>\$ 456</u>	<u>\$ 456</u>	<u>\$ 1,822</u>	<u>\$ 1,366</u>

**Grand Traverse County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Parks and Recreation**  
**For the Year Ended December 31, 2016**

	<b>Budgeted Amounts</b>			<b>Variance Positive (Negative) Final to Actual</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Revenues</b>				
Local Sources	\$ --	\$ 15,562	\$ 29,265	\$ 13,703
Charges for Services	14,200	14,200	132,795	118,595
Interest and Rents	171,500	171,500	153,511	(17,989)
Other Revenues	500	500	2,731	2,231
<b>Total Revenues</b>	<b>186,200</b>	<b>201,762</b>	<b>318,302</b>	<b>116,540</b>
<b>Other Financing Sources</b>				
Transfers In	290,302	290,302	275,632	(14,670)
<b>Total Revenues and Other Financing Sources</b>	<b>476,502</b>	<b>492,064</b>	<b>593,934</b>	<b>101,870</b>
<b>Expenditures</b>				
Recreation and Culture	480,056	517,102	515,381	1,721
Capital Outlay	14,000	20,937	6,782	14,155
<b>Total Expenditures</b>	<b>494,056</b>	<b>538,039</b>	<b>522,163</b>	<b>15,876</b>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<b>(17,554)</b>	<b>(45,975)</b>	<b>71,771</b>	<b>117,746</b>
<b>Net Change in Fund Balance</b>	<b>(17,554)</b>	<b>(45,975)</b>	<b>71,771</b>	<b>117,746</b>
<b>Fund Balance at Beginning of Period</b>	<b>109,251</b>	<b>109,251</b>	<b>109,251</b>	<b>--</b>
<b>Fund Balance at End of Period</b>	<b>\$ 91,697</b>	<b>\$ 63,276</b>	<b>\$ 181,022</b>	<b>\$ 117,746</b>

**Grand Traverse County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Maple Bay Development**  
**For the Year Ended December 31, 2016**

	<b>Budgeted Amounts</b>			<b>Variance Positive (Negative) Final to Actual</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Revenues</b>				
Interest and Rents	\$ --	\$ --	\$ 390	\$ 390
<b>Total Revenues</b>	<u>--</u>	<u>--</u>	<u>390</u>	<u>390</u>
<b>Expenditures</b>				
General Government	10,000	10,000	--	10,000
<b>Total Expenditures</b>	<u>10,000</u>	<u>10,000</u>	<u>--</u>	<u>10,000</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<u>(10,000)</u>	<u>(10,000)</u>	<u>390</u>	<u>10,390</u>
<b>Net Change in Fund Balance</b>	<u>(10,000)</u>	<u>(10,000)</u>	<u>390</u>	<u>10,390</u>
<b>Fund Balance at Beginning of Period</b>	<u>10,465</u>	<u>10,465</u>	<u>10,465</u>	<u>--</u>
<b>Fund Balance at End of Period</b>	<u>\$ 465</u>	<u>\$ 465</u>	<u>\$ 10,855</u>	<u>\$ 10,390</u>

**Grand Traverse County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Friend of the Court**  
**For the Year Ended December 31, 2016**

	<b>Budgeted Amounts</b>			<b>Variance Positive (Negative) Final to Actual</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Revenues</b>				
Federal Sources	\$ 1,344,324	\$ 1,344,324	\$ 1,354,284	\$ 9,960
State Sources	122,000	122,000	126,799	4,799
Local Sources	119,523	119,523	119,523	--
Charges for Services	177,814	177,814	203,587	25,773
<b>Total Revenues</b>	<b>1,763,661</b>	<b>1,763,661</b>	<b>1,804,193</b>	<b>40,532</b>
<b>Other Financing Sources</b>				
Transfers In	378,490	378,490	283,868	(94,622)
<b>Total Revenues and Other Financing Sources</b>	<b>2,142,151</b>	<b>2,141,151</b>	<b>2,088,061</b>	<b>(54,090)</b>
<b>Expenditures</b>				
Judicial	2,180,827	2,187,867	2,037,867	150,000
<b>Total Expenditures</b>	<b>2,180,827</b>	<b>2,187,867</b>	<b>2,037,867</b>	<b>150,000</b>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<b>(38,676)</b>	<b>(45,716)</b>	<b>50,194</b>	<b>95,910</b>
<b>Net Change in Fund Balance</b>	<b>(38,676)</b>	<b>(45,716)</b>	<b>50,194</b>	<b>95,910</b>
<b>Fund Balance at Beginning of Period</b>	<b>1,397,844</b>	<b>1,397,844</b>	<b>1,397,844</b>	<b>--</b>
<b>Fund Balance at End of Period</b>	<b>\$ 1,359,168</b>	<b>\$ 1,352,128</b>	<b>\$ 1,448,038</b>	<b>\$ 95,910</b>

**Grand Traverse County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Safe Havens**  
**For the Year Ended December 31, 2016**

	<b>Budgeted Amounts</b>			<b>Variance Positive (Negative) Final to Actual</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Revenues</b>				
Federal Sources	\$ 110,000	\$ 143,574	\$ 143,574	\$ --
<b>Total Revenues</b>	<u>110,000</u>	<u>143,574</u>	<u>143,574</u>	<u>--</u>
<b>Expenditures</b>				
Health and Welfare	110,000	143,574	143,574	--
<b>Total Expenditures</b>	<u>110,000</u>	<u>143,574</u>	<u>143,574</u>	<u>--</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	--	--	--	--
<b>Net Change in Fund Balance</b>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<b>Fund Balance at Beginning of Period</b>	--	--	--	--
<b>Fund Balance at End of Period</b>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>



**Grand Traverse County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Gypsy Moth Suppression**  
**For the Year Ended December 31, 2016**

	Budgeted Amounts			Variance Positive (Negative)
	Original	Final	Actual	Final to Actual
<b>Revenues</b>	--	--	--	--
<i>Total Revenues</i>	--	--	--	--
<b>Expenditures</b>				
<i>Total Expenditures</i>	--	--	--	--
<i>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</i>	--	--	--	--
<i>Net Change in Fund Balance</i>	--	--	--	--
<i>Fund Balance at Beginning of Period</i>	626	626	626	--
<i>Fund Balance at End of Period</i>	<u>\$ 626</u>	<u>\$ 626</u>	<u>\$ 626</u>	<u>\$ --</u>

**Grand Traverse County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Veterans Trust**  
**For the Year Ended December 31, 2016**

	<b>Budgeted Amounts</b>			<b>Variance Positive (Negative) Final to Actual</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Revenues</b>				
State Sources	\$ 48,000	\$ 68,000	\$ 61,516	\$ (6,484)
Local Sources	1,000	2,200	2,314	114
<b>Total Revenues</b>	<b>49,000</b>	<b>70,200</b>	<b>63,830</b>	<b>(6,370)</b>
<b>Expenditures</b>				
Health and Welfare	49,000	70,200	56,436	13,764
<b>Total Expenditures</b>	<b>49,000</b>	<b>70,200</b>	<b>56,436</b>	<b>13,764</b>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<b>--</b>	<b>--</b>	<b>7,394</b>	<b>7,394</b>
<b>Net Change in Fund Balance</b>	<b>--</b>	<b>--</b>	<b>7,394</b>	<b>7,394</b>
<i>Fund Balance at Beginning of Period</i>	1,768	1,768	1,768	--
<b>Fund Balance at End of Period</b>	<b>\$ 1,768</b>	<b>\$ 1,768</b>	<b>\$ 9,162</b>	<b>\$ 7,394</b>

**Grand Traverse County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Register of Deeds Automation**  
**For the Year Ended December 31, 2016**

	<b>Budgeted Amounts</b>			<b>Variance Positive (Negative) Final to Actual</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Revenues</b>				
Charges for Services	\$ --	\$ 8,704	\$ 112,610	\$ 103,906
<b>Total Revenues</b>	<u>--</u>	<u>8,704</u>	<u>112,610</u>	<u>103,906</u>
<b>Expenditures</b>				
General Government	115,000	114,114	116,559	(2,445)
Capital Outlay	--	9,590	9,590	--
<b>Total Expenditures</b>	<u>115,000</u>	<u>123,704</u>	<u>126,149</u>	<u>(2,445)</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<u>(115,000)</u>	<u>(115,000)</u>	<u>(13,539)</u>	<u>101,461</u>
<b>Net Change in Fund Balance</b>	<b>(115,000)</b>	<b>(115,000)</b>	<b>(13,539)</b>	<b>101,461</b>
<b>Fund Balance at Beginning of Period</b>	<u>278,581</u>	<u>278,581</u>	<u>278,581</u>	<u>--</u>
<b>Fund Balance at End of Period</b>	<b>\$ 163,581</b>	<b>\$ 163,581</b>	<b>\$ 265,042</b>	<b>\$ 101,461</b>

**Grand Traverse County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Corrections P.A. 511**  
**For the Year Ended December 31, 2016**

	<b>Budgeted Amounts</b>			<b>Variance Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Final to Actual</b>
<b>Revenues</b>				
Charges for Services	\$ 356,750	\$ 356,750	\$ 408,482	\$ 51,732
State Sources	188,915	269,186	288,902	19,716
Local Sources	21,564	21,564	21,565	1
Reimbursements	37,000	37,000	32,650	(4,350)
<b>Total Revenues</b>	<b>604,229</b>	<b>684,500</b>	<b>751,599</b>	<b>67,099</b>
<b>Other Financing Sources</b>				
Transfers In	48,081	48,081	36,061	(12,020)
<b>Total Revenues and Other Financing Sources</b>	<b>652,310</b>	<b>732,581</b>	<b>787,660</b>	<b>55,079</b>
<b>Expenditures</b>				
Public Safety	665,733	746,004	746,036	(32)
<b>Total Expenditures</b>	<b>665,733</b>	<b>746,004</b>	<b>746,036</b>	<b>(32)</b>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<b>(13,423)</b>	<b>(13,423)</b>	<b>41,624</b>	<b>55,047</b>
<b>Net Change in Fund Balance</b>	<b>(13,423)</b>	<b>(13,423)</b>	<b>41,624</b>	<b>55,047</b>
<b>Fund Balance at Beginning of Period</b>	<b>365,628</b>	<b>365,628</b>	<b>365,628</b>	<b>--</b>
<b>Fund Balance at End of Period</b>	<b>\$ 352,205</b>	<b>\$ 352,205</b>	<b>\$ 407,252</b>	<b>\$ 55,047</b>

**Grand Traverse County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**County Law Library**  
**For the Year Ended December 31, 2016**

	<b>Budgeted Amounts</b>			<b>Variance Positive (Negative) Final to Actual</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Revenues</b>				
Other Revenues	\$ 6,500	\$ 6,500	\$ 6,500	\$ --
<b>Total Revenues</b>	<u>6,500</u>	<u>6,500</u>	<u>6,500</u>	<u>--</u>
<b>Expenditures</b>				
Judicial	6,500	6,500	--	6,500
<b>Total Expenditures</b>	<u>6,500</u>	<u>6,500</u>	<u>--</u>	<u>6,500</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<u>--</u>	<u>--</u>	<u>6,500</u>	<u>6,500</u>
<b>Net Change in Fund Balance</b>	<u>--</u>	<u>--</u>	<u><b>6,500</b></u>	<u><b>6,500</b></u>
<b>Fund Balance at Beginning of Period</b>	<u>16,210</u>	<u>16,210</u>	<u>16,210</u>	<u>--</u>
<b>Fund Balance at End of Period</b>	<u><b>\$ 16,210</b></u>	<u><b>\$ 16,210</b></u>	<u><b>\$ 22,710</b></u>	<u><b>\$ 6,500</b></u>

**Grand Traverse County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Federal Equitable Sharing**  
**For the Year Ended December 31, 2016**

	<b>Budgeted Amounts</b>			<b>Variance Positive (Negative) Final to Actual</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Revenues</b>				
Interest and Rents	\$ --	\$ --	\$ 31	\$ 31
<b>Total Revenues</b>	<u>--</u>	<u>--</u>	<u>31</u>	<u>31</u>
<b>Expenditures</b>				
Public Safety	8,000	8,000	--	8,000
<b>Total Expenditures</b>	<u>8,000</u>	<u>8,000</u>	<u>--</u>	<u>8,000</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<u>(8,000)</u>	<u>(8,000)</u>	<u>31</u>	<u>8,031</u>
<b>Net Change in Fund Balance</b>	<u>(8,000)</u>	<u>(8,000)</u>	<u>31</u>	<u>8,031</u>
<b>Fund Balance at Beginning of Period</b>	<u>8,161</u>	<u>8,161</u>	<u>8,161</u>	<u>--</u>
<b>Fund Balance at End of Period</b>	<u>\$ 161</u>	<u>\$ 161</u>	<u>\$ 8,192</u>	<u>\$ 8,031</u>

**Grand Traverse County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Concealed Pistol Licensing**  
**For the Year Ended December 31, 2016**

	<b>Budgeted Amounts</b>			<b>Variance Positive (Negative) Final to Actual</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Revenues</b>				
Licenses and Permits	\$ 13,000	\$ 23,000	\$ 54,040	\$ 31,040
<b>Total Revenues</b>	<u>13,000</u>	<u>23,000</u>	<u>54,040</u>	<u>31,040</u>
<b>Expenditures</b>				
Public Safety	23,000	23,000	19,600	3,400
<b>Total Expenditures</b>	<u>23,000</u>	<u>23,000</u>	<u>19,600</u>	<u>3,400</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<u>(10,000)</u>	<u>--</u>	<u>34,440</u>	<u>34,440</u>
<b>Net Change in Fund Balance</b>	<u>(10,000)</u>	<u>--</u>	<u>34,440</u>	<u>34,440</u>
<b>Fund Balance at Beginning of Period</b>	<u>8,870</u>	<u>8,870</u>	<u>8,870</u>	<u>--</u>
<b>Fund Balance at End of Period</b>	<u>\$ (1,130)</u>	<u>\$ 8,870</u>	<u>\$ 43,310</u>	<u>\$ 34,440</u>

**Grand Traverse County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Corrections Officers Training**  
**For the Year Ended December 31, 2016**

	<b>Budgeted Amounts</b>			<b>Variance Positive (Negative) Final to Actual</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Revenues</b>				
Charges for Services	\$ 40,000	\$ 40,000	\$ 36,589	\$ (3,411)
Other Revenues	8,500	8,500	14,400	5,900
<b>Total Revenues</b>	<b>48,500</b>	<b>48,500</b>	<b>50,989</b>	<b>2,489</b>
<b>Expenditures</b>				
Public Safety	63,500	63,500	56,622	6,878
<b>Total Expenditures</b>	<b>63,500</b>	<b>63,500</b>	<b>56,622</b>	<b>6,878</b>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<b>(15,000)</b>	<b>(15,000)</b>	<b>(5,633)</b>	<b>9,367</b>
<b>Net Change in Fund Balance</b>	<b>(15,000)</b>	<b>(15,000)</b>	<b>(5,633)</b>	<b>9,367</b>
<b>Fund Balance at Beginning of Period</b>	<b>47,873</b>	<b>47,873</b>	<b>47,873</b>	<b>--</b>
<b>Fund Balance at End of Period</b>	<b>\$ 32,873</b>	<b>\$ 32,873</b>	<b>\$ 42,240</b>	<b>\$ 9,367</b>



**Grand Traverse County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Criminal Justice Training Act**  
**For the Year Ended December 31, 2016**

	<b>Budgeted Amounts</b>			<b>Variance Positive (Negative) Final to Actual</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Revenues</b>				
State Sources	\$ 12,000	\$ 12,000	\$ 13,390	\$ 1,390
<b>Total Revenues</b>	<u>12,000</u>	<u>12,000</u>	<u>13,390</u>	<u>1,390</u>
<b>Expenditures</b>				
Public Safety	20,000	20,000	10,379	9,621
<b>Total Expenditures</b>	<u>20,000</u>	<u>20,000</u>	<u>10,379</u>	<u>9,621</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<u>(8,000)</u>	<u>(8,000)</u>	<u>3,011</u>	<u>11,011</u>
<b>Net Change in Fund Balance</b>	<u>(8,000)</u>	<u>(8,000)</u>	<u>3,011</u>	<u>11,011</u>
<b>Fund Balance at Beginning of Period</b>	<u>20,815</u>	<u>20,815</u>	<u>20,815</u>	<u>--</u>
<b>Fund Balance at End of Period</b>	<u>\$ 12,815</u>	<u>\$ 12,815</u>	<u>\$ 23,826</u>	<u>\$ 11,011</u>

**Grand Traverse County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Housing Trust**  
**For the Year Ended December 31, 2016**

	<b>Budgeted Amounts</b>			<b>Variance Positive (Negative) Final to Actual</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Revenues</b>				
Interest and Rents	\$ 600	\$ 600	\$ 1,638	\$ 1,038
<b>Total Revenues</b>	<u>600</u>	<u>600</u>	<u>1,638</u>	<u>1,038</u>
<b>Expenditures</b>				
Health and Welfare	74,600	74,600	192	74,408
<b>Total Expenditures</b>	<u>74,600</u>	<u>74,600</u>	<u>192</u>	<u>74,408</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<u>(74,000)</u>	<u>(74,000)</u>	<u>1,446</u>	<u>75,446</u>
<b>Net Change in Fund Balance</b>	<u>(74,000)</u>	<u>(74,000)</u>	<u>1,446</u>	<u>75,446</u>
<b>Fund Balance at Beginning of Period</b>	<u>281,926</u>	<u>281,926</u>	<u>281,926</u>	<u>--</u>
<b>Fund Balance at End of Period</b>	<u>\$ 207,926</u>	<u>\$ 207,926</u>	<u>\$ 283,372</u>	<u>\$ 75,446</u>

**Grand Traverse County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**CDBG Housing Grant**  
**For the Year Ended December 31, 2016**

	<b>Budgeted Amounts</b>			<b>Variance Positive (Negative) Final to Actual</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Revenues</b>				
Federal Sources	\$ --	\$ --	\$ 21,723	\$ 21,723
Other Revenues	6,600	6,600	146	(6,454)
<b>Total Revenues</b>	<u>6,600</u>	<u>6,600</u>	<u>21,869</u>	<u>15,269</u>
<b>Expenditures</b>				
Economic Development	31,600	123,600	110,834	12,766
<b>Total Expenditures</b>	<u>31,600</u>	<u>123,600</u>	<u>110,834</u>	<u>12,766</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<u>(25,000)</u>	<u>(117,000)</u>	<u>(88,965)</u>	<u>28,035</u>
<b>Net Change in Fund Balance</b>	<u>(25,000)</u>	<u>(117,000)</u>	<u>(88,965)</u>	<u>28,035</u>
<b>Fund Balance at Beginning of Period</b>	<u>1,964,502</u>	<u>1,964,502</u>	<u>1,964,502</u>	<u>--</u>
<b>Fund Balance at End of Period</b>	<u>\$ 1,939,502</u>	<u>\$ 1,847,502</u>	<u>\$ 1,875,537</u>	<u>\$ 28,035</u>

**Grand Traverse County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Next Michigan**  
**For the Year Ended December 31, 2016**

	<b>Budgeted Amounts</b>			<b>Variance Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Final to Actual</b>
<b>Revenues</b>				
Local Sources	\$ 20,000	\$ 20,000	\$ 23,000	\$ 3,000
<i><b>Total Revenues</b></i>	<u>20,000</u>	<u>20,000</u>	<u>23,000</u>	<u>3,000</u>
<b>Other Financing Sources</b>				
Transfers In	10,000	68,000	67,999	(1)
<i><b>Total Revenues and Other Financing Sources</b></i>	<u>30,000</u>	<u>88,000</u>	<u>90,999</u>	<u>2,999</u>
<b>Expenditures</b>				
Economic Development	40,700	88,200	25,036	63,164
<i><b>Total Expenditures</b></i>	<u>40,700</u>	<u>88,200</u>	<u>25,036</u>	<u>63,164</u>
<i><b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b></i>	<u>(10,700)</u>	<u>(200)</u>	<u>65,963</u>	<u>66,163</u>
<i><b>Net Change in Fund Balance</b></i>	<u><b>(10,700)</b></u>	<u><b>(200)</b></u>	<u><b>65,963</b></u>	<u><b>66,163</b></u>
<i>Fund Balance at Beginning of Period</i>	9,330	9,330	9,330	--
<i><b>Fund Balance at End of Period</b></i>	<u><b>\$ (1,370)</b></u>	<u><b>\$ 9,130</b></u>	<u><b>\$ 75,293</b></u>	<u><b>\$ 66,163</b></u>

**Grand Traverse County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**EDC Revolving Loan**  
**For the Year Ended December 31, 2016**

	<b>Budgeted Amounts</b>			<b>Variance Positive (Negative) Final to Actual</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Revenues</b>				
Interest and Rents	\$ 11,800	\$ 11,800	\$ 12,392	\$ 592
Other Revenues	20,000	76,000	56,000	(20,000)
<b>Total Revenues</b>	<b>31,800</b>	<b>87,800</b>	<b>68,392</b>	<b>(19,408)</b>
<b>Expenditures</b>				
Economic Development	31,800	87,795	90,960	(3,165)
<b>Total Expenditures</b>	<b>31,800</b>	<b>87,795</b>	<b>90,960</b>	<b>(3,165)</b>
<b>Other Financing Uses</b>				
Transfers Out	10,000	68,000	67,999	1
<b>Total Expenditures and Other Financing Uses</b>	<b>41,800</b>	<b>155,795</b>	<b>158,959</b>	<b>(3,164)</b>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<b>(10,000)</b>	<b>(67,995)</b>	<b>(90,567)</b>	<b>(22,572)</b>
<b>Net Change in Fund Balance</b>	<b>(10,000)</b>	<b>(67,995)</b>	<b>(90,567)</b>	<b>(22,572)</b>
<b>Fund Balance at Beginning of Period</b>	<b>783,201</b>	<b>783,201</b>	<b>783,201</b>	<b>--</b>
<b>Fund Balance at End of Period</b>	<b>\$ 773,201</b>	<b>\$ 715,206</b>	<b>\$ 692,634</b>	<b>\$ (22,572)</b>

**Grand Traverse County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**TNT Forfeiture**  
**For the Year Ended December 31, 2016**

	<b>Budgeted Amounts</b>			<b>Variance Positive (Negative) Final to Actual</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Revenues</b>				
Federal Sources	\$ --	\$ --	\$ 2,250	\$ 2,250
Local Sources	--	--	120,941	120,941
Fines and Forfeitures	--	68,374	138,499	70,125
Interest and Rents	--	186	2	(184)
Other Revenues	--	38,880	30,142	(8,738)
<b>Total Revenues</b>	--	107,440	291,834	184,394
<b>Other Financing Sources</b>				
Transfers In	--	9,193	--	(9,193)
<b>Total Revenues and Other Financing Sources</b>	--	116,633	291,834	175,201
<b>Expenditures</b>				
Public Safety	--	116,633	114,732	1,901
<b>Total Expenditures</b>	--	116,633	114,732	1,901
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	--	--	177,102	177,102
<b>Net Change in Fund Balance</b>	--	--	<b>177,102</b>	<b>177,102</b>
<b>Fund Balance at Beginning of Period</b>	--	--	--	--
<b>Fund Balance at End of Period</b>	\$ --	\$ --	\$ <b>177,102</b>	\$ <b>177,102</b>

**Grand Traverse County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**TNT Grant**  
**For the Year Ended December 31, 2016**

	<b>Budgeted Amounts</b>			<b>Variance Positive (Negative) Final to Actual</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Revenues</b>				
Federal Sources	\$ --	\$ 90,107	\$ 97,293	\$ 7,186
Local Sources	--	7,863	7,864	1
<b>Total Revenues</b>	--	97,970	105,157	7,187
<b>Expenditures</b>				
Public Safety	--	97,970	97,294	676
<b>Total Expenditures</b>	--	97,970	97,294	676
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	--	--	7,863	7,863
<b>Net Change in Fund Balance</b>	--	--	<b>7,863</b>	<b>7,863</b>
<b>Fund Balance at Beginning of Period</b>	--	--	--	--
<b>Fund Balance at End of Period</b>	\$ --	\$ --	\$ <b>7,863</b>	\$ <b>7,863</b>

**Grand Traverse County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Child Care**  
**For the Year Ended December 31, 2016**

	<b>Budgeted Amounts</b>			<b>Variance Positive (Negative) Final to Actual</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Revenues</b>				
State Sources	\$ 742,931	\$ 742,931	\$ 682,119	\$ (60,812)
Other Revenues	170,000	170,000	176,651	6,651
<b>Total Revenues</b>	<b>912,931</b>	<b>912,931</b>	<b>858,770</b>	<b>(54,161)</b>
<b>Other Financing Sources</b>				
Transfers In	875,000	875,000	776,263	(98,737)
<b>Total Revenues and Other Financing Sources</b>	<b>1,787,931</b>	<b>1,787,931</b>	<b>1,635,033</b>	<b>(152,898)</b>
<b>Expenditures</b>				
Health and Welfare	1,887,931	1,887,931	1,635,033	252,898
<b>Total Expenditures</b>	<b>1,887,931</b>	<b>1,887,931</b>	<b>1,635,033</b>	<b>252,898</b>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<b>(100,000)</b>	<b>(100,000)</b>	<b>--</b>	<b>100,000</b>
<b>Net Change in Fund Balance</b>	<b>(100,000)</b>	<b>(100,000)</b>	<b>--</b>	<b>100,000</b>
<b>Fund Balance at Beginning of Period</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Fund Balance at End of Period</b>	<b>\$ (100,000)</b>	<b>\$ (100,000)</b>	<b>\$ --</b>	<b>\$ 100,000</b>



**Grand Traverse County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Animal Control**  
**For the Year Ended December 31, 2016**

	<b>Budgeted Amounts</b>			<b>Variance Positive (Negative) Final to Actual</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Revenues</b>				
Licenses and Permits	\$ --	\$ 85,525	\$ 79,985	\$ (5,540)
Charges for Services	--	3,300	4,850	1,550
<b>Total Revenues</b>	--	88,825	84,835	(3,990)
<b>Expenditures</b>				
Public Safety	--	88,825	65,622	23,203
<b>Total Expenditures</b>	--	88,825	65,622	23,203
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	--	--	19,213	19,213
<b>Net Change in Fund Balance</b>	--	--	<b>19,213</b>	<b>19,213</b>
<b>Fund Balance at Beginning of Period</b>	--	--	--	--
<b>Fund Balance at End of Period</b>	\$ --	\$ --	\$ <b>19,213</b>	\$ <b>19,213</b>

**Grand Traverse County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Senior Center**  
**For the Year Ended December 31, 2016**

	<b>Budgeted Amounts</b>			<b>Variance Positive (Negative) Final to Actual</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Revenues</b>				
Property Taxes	\$ 438,911	\$ 438,911	\$ 455,780	\$ 16,869
Charges for Services	48,000	58,200	112,830	54,630
Interest and Rents	1,500	1,500	2,980	1,480
Other Revenues	1,000	1,000	1,029	29
<b>Total Revenues</b>	<b>489,411</b>	<b>499,611</b>	<b>572,619</b>	<b>73,008</b>
<b>Expenditures</b>				
General Government	637,330	652,330	522,291	130,039
<b>Total Expenditures</b>	<b>637,330</b>	<b>652,330</b>	<b>522,291</b>	<b>130,039</b>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<b>(147,919)</b>	<b>(152,719)</b>	<b>50,328</b>	<b>203,047</b>
<b>Net Change in Fund Balance</b>	<b>(147,919)</b>	<b>(152,719)</b>	<b>50,328</b>	<b>203,047</b>
<i>Fund Balance at Beginning of Period</i>	545,497	545,497	545,497	--
<b>Fund Balance at End of Period</b>	<b>\$ 397,578</b>	<b>\$ 392,778</b>	<b>\$ 595,825</b>	<b>\$ 203,047</b>

## **Grand Traverse County**

### **Description of Nonmajor Enterprise Funds**

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*Foreclosure Tax Collection Fund* - This fund was established to account for the collection of tax revenue on foreclosed properties.

*Inspections Fund* - This fund was established to account for revenue received by the individual construction code trades through permit fees and charges for service and track the corresponding expenditures by trade.

*Solid Waste Fund* - This fund was established to account for revenue received from fees for landfill tipping, tub grinder fees, service fees and state grants for hazardous waste and pesticide management to provide corresponding services to the community.

*Homestead Fund* - This fund is used to account for interest earned on delinquent tax revenues from properties determined not eligible for homestead exemptions. Collected tax payments are remitted to local school districts.

*Building Authority Fund* - This fund was established to account for the operation of public facilities by the Building Authority board.

**Grand Traverse County**  
**Combining Statement of Net Position**  
**Nonmajor Enterprise Funds**  
**December 31, 2016**

	<b>Enterprise</b>					
	<b>Homestead</b>	<b>Inspections</b>	<b>Foreclosure Tax Collection</b>	<b>Solid Waste</b>	<b>Building Authority</b>	<b>Total Enterprise Funds</b>
<b>ASSETS</b>						
<i>Current Assets</i>						
Cash and Cash Equivalents	\$ 140,979	\$ 2,174,148	\$ 718,442	\$ 451,908	\$ 40	\$ 3,485,517
Taxes Receivable	225,758	--	--	--	--	225,758
Accounts Receivable	--	--	--	35,236	--	35,236
Prepays	--	--	500	--	--	500
<b>Total Current Assets</b>	<b>366,737</b>	<b>2,174,148</b>	<b>718,942</b>	<b>487,144</b>	<b>40</b>	<b>3,747,011</b>
<i>Noncurrent Assets</i>						
Capital Assets Being Depreciated	--	91,832	--	--	--	91,832
<b>Total Assets</b>	<b>366,737</b>	<b>2,265,980</b>	<b>718,942</b>	<b>487,144</b>	<b>40</b>	<b>3,838,843</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Pension	--	19,233	--	4,573	--	23,806
<b>Total Deferred Outflows of Resources</b>	<b>--</b>	<b>19,233</b>	<b>--</b>	<b>4,573</b>	<b>--</b>	<b>23,806</b>
<b>LIABILITIES</b>						
<i>Current Liabilities</i>						
Accounts Payable	25	9,222	--	41,055	--	50,302
Accrued Liabilities	220	9,728	1,127	550	--	11,625
Due to Other Governments	238,544	--	--	--	--	238,544
Current Portion of Compensated Absences	--	1,484	--	--	--	1,484
<b>Total Current Liabilities</b>	<b>238,789</b>	<b>20,434</b>	<b>1,127</b>	<b>41,605</b>	<b>--</b>	<b>301,955</b>
<i>Noncurrent Liabilities</i>						
Net Pension Liability	--	1,004,546	--	275,348	--	1,279,894
Compensated Absences	--	47,547	--	--	--	47,547
<b>Total Liabilities</b>	<b>238,789</b>	<b>1,072,527</b>	<b>1,127</b>	<b>316,953</b>	<b>--</b>	<b>1,629,396</b>
<b>NET POSITION</b>						
Net Investment in Capital Assets	--	91,832	--	--	--	91,832
<i>Unrestricted</i>	127,948	1,120,854	717,815	174,764	40	2,141,421
<b>Total Net Position</b>	<b>\$ 127,948</b>	<b>\$ 1,212,686</b>	<b>\$ 717,815</b>	<b>\$ 174,764</b>	<b>\$ 40</b>	<b>\$ 2,233,253</b>

**Grand Traverse County**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**Nonmajor Enterprise Funds**  
**For the Year Ended December 31, 2016**

	Enterprise					
	Homestead	Inspections	Foreclosure Tax Collection	Solid Waste	Building Authority	Total Enterprise Funds
<b>Operating Revenues</b>						
Charges for Services	\$ --	\$ 1,730,202	\$ 104,678	\$ 193,182	\$ --	\$ 2,028,062
Other Revenues	70,968	160	116,484	2,873	--	190,485
<b>Total Operating Revenues</b>	<b>70,968</b>	<b>1,730,362</b>	<b>221,162</b>	<b>196,055</b>	<b>--</b>	<b>2,218,547</b>
<b>Operating Expenses</b>						
Personnel Services	26,378	944,339	39,675	59,745	--	1,070,137
Supplies	1,784	17,206	2,402	983	--	22,375
Contractual Services	1,159	244,516	61,771	245,351	--	552,797
Depreciation	--	10,204	--	--	--	10,204
Other Operating Expenses	--	116,493	1,098	473	--	118,064
<b>Total Operating Expenses</b>	<b>29,321</b>	<b>1,332,758</b>	<b>104,946</b>	<b>306,552</b>	<b>--</b>	<b>1,773,577</b>
<b>Operating Income (Loss)</b>	<b>41,647</b>	<b>397,604</b>	<b>116,216</b>	<b>(110,497)</b>	<b>--</b>	<b>444,970</b>
<b>Non-Operating Revenues (Expenses)</b>						
Intergovernmental Revenues	--	--	--	66,434	--	66,434
Interest Revenues	443	--	1,396	--	--	1,839
<b>Net Non-Operating Revenues (Expenses)</b>	<b>443</b>	<b>--</b>	<b>1,396</b>	<b>66,434</b>	<b>--</b>	<b>68,273</b>
<b>Income Before Contributions and Transfers</b>	<b>42,090</b>	<b>397,604</b>	<b>117,612</b>	<b>(44,063)</b>	<b>--</b>	<b>513,243</b>
Transfers Out	--	--	(131,151)	--	--	(131,151)
<b>Change In Net Position</b>	<b>42,090</b>	<b>397,604</b>	<b>(13,539)</b>	<b>(44,063)</b>	<b>--</b>	<b>382,092</b>
<i>Net Position at Beginning of Period</i>	85,858	815,082	731,354	218,827	40	1,851,161
<b>Net Position at End of Period</b>	<b>\$ 127,948</b>	<b>\$ 1,212,686</b>	<b>\$ 717,815</b>	<b>\$ 174,764</b>	<b>\$ 40</b>	<b>\$ 2,233,253</b>

**Grand Traverse County  
Combining Statement of Cash Flows  
Nonmajor Enterprise Funds  
For the Year Ended December 31, 2016**

	<b>Enterprise</b>					
	<b>Homestead</b>	<b>Inspections</b>	<b>Foreclosure Tax Collection</b>	<b>Solid Waste</b>	<b>Building Authority</b>	<b>Total Enterprise Funds</b>
<b>Cash flows from operating activities</b>						
Cash received from customers	\$ 83,375	\$ 1,730,362	\$ 221,162	\$ 224,681	\$ -	\$ 2,259,580
Cash payments to suppliers	(24,931)	(227,645)	(71,076)	(159,016)	-	(482,668)
Cash payments to employees	(27,601)	(966,408)	(40,021)	(69,651)	-	(1,103,681)
<b>Total cash provided (used) by operating activities</b>	<b>30,843</b>	<b>536,309</b>	<b>110,065</b>	<b>(3,986)</b>	<b>-</b>	<b>673,231</b>
<b>Cash flows from noncapital financing activities</b>						
Intergovernmental revenues	-	-	-	66,434	-	66,434
Transfers out	-	-	(131,151)	-	-	(131,151)
Decrease in due from other funds	-	-	-	1,265	-	1,265
Decrease in due to other funds	-	(1,713)	(47,929)	(298)	-	(49,940)
<b>Total cash flows provided (used) by noncapital financing activities</b>	<b>-</b>	<b>(1,713)</b>	<b>(179,080)</b>	<b>67,401</b>	<b>-</b>	<b>(113,392)</b>
<b>Cash flows from related capital and related financing activities</b>						
Purchase of capital assets	-	(102,036)	-	-	-	(102,036)
<b>Total cash flows used by capital and related financing activities</b>	<b>-</b>	<b>(102,036)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(102,036)</b>
<b>Cash flows from investing activities</b>						
Interest received	443	-	1,396	-	-	1,839
<b>Total cash flows provided by investing activities</b>	<b>443</b>	<b>-</b>	<b>1,396</b>	<b>-</b>	<b>-</b>	<b>1,839</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>31,286</b>	<b>432,560</b>	<b>(67,619)</b>	<b>63,415</b>	<b>-</b>	<b>459,642</b>
<i>Cash and cash equivalents - beginning of the year</i>	<i>109,693</i>	<i>1,741,588</i>	<i>786,061</i>	<i>388,493</i>	<i>40</i>	<i>3,025,875</i>
<b><i>Cash and cash equivalents - end of the year</i></b>	<b><i>\$ 140,979</i></b>	<b><i>\$ 2,174,148</i></b>	<b><i>\$ 718,442</i></b>	<b><i>\$ 451,908</i></b>	<b><i>\$ 40</i></b>	<b><i>\$ 3,485,517</i></b>
<b>Cash flows from operating activities</b>						
Operating income (loss)	\$ 41,647	\$ 397,604	\$ 116,216	\$ (110,497)	\$ -	\$ 444,970
Adjustments to reconcile operating income to net cash provided by (used in) operations:						
Depreciation	-	10,204	-	-	-	10,204
Changes in assets and liabilities:						
Accounts receivable	-	-	-	28,626	-	28,626
Taxes receivable	12,407	-	-	-	-	12,407
Prepays	-	-	(500)	-	-	(500)
Due from other governments	-	-	-	9,400	-	9,400
Accounts payable	25	4,663	(5,305)	39,191	-	38,574
Accrued liabilities	(1,223)	(22,069)	(346)	(9,906)	-	(33,544)
Due to other governments	(22,013)	-	-	-	-	(22,013)
Compensated absences	-	10,889	-	-	-	10,889
Net pension liability and related deferred amount	-	135,018	-	39,200	-	174,218
<b>Net cash provided by operating activities</b>	<b>\$ 30,843</b>	<b>\$ 536,309</b>	<b>\$ 110,065</b>	<b>\$ (3,986)</b>	<b>\$ -</b>	<b>\$ 673,231</b>

**Grand Traverse County**  
Description of Internal Service Funds

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*Information Technology Fund* - This fund was established by the County to account for the cost of the IT and telecommunications department and properly distribute the cost back to the departments that utilize their service proportionately.

*County Insurance Fund* - This fund was established by the County to provide insurance coverage to its departments or funds for general liability insurance. It is funded by charges to the various funds covered under the program, with all claims being paid from the fund.

*Fringe Benefits Fund* - This fund was established by the County to provide insurance coverage and fringe benefits to its departments or funds for healthcare, post-employment healthcare, workers' compensation, short-term and long-term disability, life insurance, MERS and defined contribution retirement plan costs. It is funded by charges to the various funds covered under the program, with all claims/costs being paid from the fund.

*Central Services Fund* - This fund was established by the County to centralize the purchase of supply items to obtain a volume discount, perform the postage and mailing tasks for all departments, and purchase and maintain departmental copiers.

*Motor Pool Fund* - This fund was established by the County to track the purchase of County vehicles and maintain the inventory for insurance and depreciation purposes.

**Grand Traverse County**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**December 31, 2016**

	<b>Internal Service</b>					
	<b>Information Technology</b>	<b>County Insurance</b>	<b>Fringe Benefits</b>	<b>Central Services</b>	<b>Motor Pool</b>	<b>Total Internal Service Funds</b>
<b>ASSETS</b>						
<i>Current Assets</i>						
Cash and Cash Equivalents	\$ 212,527	\$ --	\$ 696,920	\$ 217,943	\$ --	\$ 1,127,390
Investments	--	185,845	--	--	--	185,845
Accounts Receivable	217,816	--	--	14,872	--	232,688
Prepays	210,539	--	465,299	13,894	--	689,732
Due from Other Funds	--	--	64,846	--	--	64,846
<b>Total Current Assets</b>	<b>640,882</b>	<b>185,845</b>	<b>1,227,065</b>	<b>246,709</b>	<b>--</b>	<b>2,300,501</b>
<i>Noncurrent Assets</i>						
Capital Assets Being Depreciated	124,209	--	--	44,486	3,705,404	3,874,099
<b>Total Assets</b>	<b>765,091</b>	<b>185,845</b>	<b>1,227,065</b>	<b>291,195</b>	<b>3,705,404</b>	<b>6,174,600</b>
<b>LIABILITIES</b>						
<i>Current Liabilities</i>						
Accounts Payable	40,714	--	403,986	2,203	--	446,903
Accrued Liabilities	15,366	16,000	108,406	1,147	--	140,919
Due to Other Funds	--	135,412	--	--	--	135,412
Advances from Other Funds	150,000	--	--	--	607,594	757,594
<b>Total Current Liabilities</b>	<b>206,080</b>	<b>151,412</b>	<b>512,392</b>	<b>3,350</b>	<b>607,594</b>	<b>1,480,828</b>
<i>Noncurrent Liabilities</i>						
Compensated Absences	26,734	--	--	--	--	26,734
Advances from Other Funds	--	--	--	--	2,719,112	2,719,112
<b>Total Liabilities</b>	<b>232,814</b>	<b>151,412</b>	<b>512,392</b>	<b>3,350</b>	<b>3,326,706</b>	<b>4,226,674</b>
<b>NET POSITION</b>						
Net Investment in Capital Assets	124,209	--	--	44,486	3,705,404	3,874,099
<i>Unrestricted</i>	408,068	34,433	714,673	243,359	(3,326,706)	(1,926,173)
<b>Total Net Position</b>	<b>\$ 532,277</b>	<b>\$ 34,433</b>	<b>\$ 714,673</b>	<b>\$ 287,845</b>	<b>\$ 378,698</b>	<b>\$ 1,947,926</b>



**Grand Traverse County**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**Internal Service Funds**  
**For the Year Ended December 31, 2016**

	Internal Service					
	Information Technology	County Insurance	Fringe Benefits	Central Services	Motor Pool	Total Internal Service Funds
<b>Operating Revenues</b>						
Charges for Services	\$ 1,721,259	\$ 83,588	\$ 11,450,857	\$ 256,097	\$ 674,128	\$ 14,185,929
Other Revenues	56,583	673,088	698,764	38	--	1,428,473
<b>Total Operating Revenues</b>	<b>1,777,842</b>	<b>756,676</b>	<b>12,149,621</b>	<b>256,135</b>	<b>674,128</b>	<b>15,614,402</b>
<b>Operating Expenses</b>						
Personnel Services	777,944	--	24,861	72,738	--	875,543
Supplies	157,922	--	623	144,291	--	302,836
Contractual Services	178,303	9,605	12,013,846	2,292	--	12,204,046
Depreciation	77,477	--	--	14,624	285,031	377,132
Other Operating Expenses	571,870	715,097	48,032	34,285	--	1,369,284
<b>Total Operating Expenses</b>	<b>1,763,516</b>	<b>724,702</b>	<b>12,087,362</b>	<b>268,230</b>	<b>285,031</b>	<b>15,128,841</b>
<b>Operating Income (Loss)</b>	<b>14,326</b>	<b>31,974</b>	<b>62,259</b>	<b>(12,095)</b>	<b>389,097</b>	<b>485,561</b>
<b>Non-Operating Revenues (Expenses)</b>						
Interest Revenues	--	--	1,850	--	--	1,850
Interest and Fiscal Charges	--	--	--	--	(10,399)	(10,399)
<b>Net Non-Operating Revenues (Expenses)</b>	<b>--</b>	<b>--</b>	<b>1,850</b>	<b>--</b>	<b>(10,399)</b>	<b>(8,549)</b>
<b>Change In Net Position</b>	<b>14,326</b>	<b>31,974</b>	<b>64,109</b>	<b>(12,095)</b>	<b>378,698</b>	<b>477,012</b>
<i>Net Position at Beginning of Period</i>	<i>517,951</i>	<i>2,459</i>	<i>650,564</i>	<i>299,940</i>	<i>--</i>	<i>1,470,914</i>
<b>Net Position at End of Period</b>	<b>\$ 532,277</b>	<b>\$ 34,433</b>	<b>\$ 714,673</b>	<b>\$ 287,845</b>	<b>\$ 378,698</b>	<b>\$ 1,947,926</b>

**Grand Traverse County**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended December 31, 2016**

	<b>Internal Service Funds</b>					
	<b>Information Technology</b>	<b>County Insurance</b>	<b>Fringe Benefits</b>	<b>Central Services</b>	<b>Motor Pool</b>	<b>Total Internal Service Funds</b>
<b>Cash flows from operating activities</b>						
Cash received from interfund services	\$ 1,582,105	\$ 746,647	\$ 12,149,621	\$ 250,201	\$ 674,128	\$ 15,402,702
Cash payments to suppliers	(844,221)	(573,450)	(11,888,261)	(163,347)	(4,795)	(13,474,074)
Cash payments to employees	(809,842)	(9,000)	23,271	(73,892)	-	(869,463)
<b>Total cash provided (used) by operating activities</b>	<u>(71,958)</u>	<u>164,197</u>	<u>284,631</u>	<u>12,962</u>	<u>669,333</u>	<u>1,059,165</u>
<b>Cash flows from noncapital financing activities</b>						
Change in due from other funds	119,166	-	(64,846)	50,818	-	105,138
Transfers in	-	10,029	-	-	-	10,029
Change in due to other funds	(390)	11,619	(31)	-	(663,729)	(652,531)
<b>Total cash flows provided (used) by noncapital financing activities</b>	<u>118,776</u>	<u>21,648</u>	<u>(64,877)</u>	<u>50,818</u>	<u>(663,729)</u>	<u>(537,364)</u>
<b>Cash flows from capital and related financing activities</b>						
Purchase of capital assets	(35,256)	-	-	(11,000)	(870,712)	(916,968)
Advance from other funds	-	-	-	-	870,712	870,712
Interest payment and fiscal charges	-	-	-	-	(10,399)	(10,399)
<b>Total cash flows (used) by capital and related financing activities</b>	<u>(35,256)</u>	<u>-</u>	<u>-</u>	<u>(11,000)</u>	<u>(10,399)</u>	<u>(56,655)</u>
<b>Cash flows from investing activities</b>						
Purchase of investments	-	(185,845)	-	-	-	(185,845)
Interest received	-	-	1,850	-	-	1,850
<b>Total cash flows provided (used by) investing activities</b>	<u>-</u>	<u>(185,845)</u>	<u>1,850</u>	<u>-</u>	<u>-</u>	<u>(183,995)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	11,562	-	221,604	52,780	(4,795)	281,151
<i>Cash and cash equivalents - beginning of the year</i>	200,965	-	475,316	165,163	4,795	846,239
<b><i>Cash and cash equivalents - end of the year</i></b>	<u>\$ 212,527</u>	<u>\$ -</u>	<u>\$ 696,920</u>	<u>\$ 217,943</u>	<u>\$ -</u>	<u>\$ 1,127,390</u>

**Grand Traverse County  
Combining Statement of Cash Flows  
Internal Service Funds  
For the Year Ended December 31, 2016**

	<b>Internal Service Funds</b>					
	<b>Information Technology</b>	<b>County Insurance</b>	<b>Fringe Benefits</b>	<b>Central Services</b>	<b>Motor Pool</b>	<b>Total Internal Service Funds</b>
<b>Cash flows from operating activities</b>						
Operating income (loss)	\$ 14,326	\$ 21,945	\$ 62,259	\$ (12,095)	\$ 389,097	\$ 475,532
Adjustments to reconcile operating income to net cash provided by (used in) operations:						
Depreciation	77,477	-	-	14,624	285,031	377,132
Changes in assets and liabilities:						
Accounts receivable	(195,737)	-	-	(5,934)	-	(201,671)
Prepaid items	30,147	160,412	152,272	17,410	-	360,241
Accounts payable	33,727	(9,160)	21,968	111	(4,795)	41,851
Accrued liabilities	(25,979)	(9,000)	48,132	(1,154)	-	11,999
Compensated absences	(5,919)	-	-	-	-	(5,919)
<b><i>Net cash provided (used) by operating activities</i></b>	<b><u>\$ (71,958)</u></b>	<b><u>\$ 164,197</u></b>	<b><u>\$ 284,631</u></b>	<b><u>\$ 12,962</u></b>	<b><u>\$ 669,333</u></b>	<b><u>\$ 1,059,165</u></b>

**Grand Traverse County**  
Description of Fiduciary Funds

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*Trust and Agency Fund* - This fund accounts for money held by the County in trust for other local units of government and their political subdivisions as well as some receipts that are not initially allocated to individual funds. As required by accounting principles generally accepted in the United States of America (GAAP), all monies that accrue to the benefit of the County have been allocated to the appropriate funds within these financial statements. Any balance remaining in the Trust and Agency fund is held in a fiduciary capacity for other parties.

*Inmate Trust Fund* - This fund was established to account for the profits accruing from the inmate commissary activities in the county jail. These funds are used mainly to purchase items for common benefit or use by the inmates.

*District Court Trust Fund* - This fund was established to account for bond and other trust money held by the 86th District Court.

*Friend of the Court Trust Fund* - This fund accounts for escrow funds received until their ultimate disposition or use has been determined.

*Library Fines Fund* - This fund is used to accumulate money collected by courts for fines imposed for State law violations. The accumulated fines must be apportioned annually among the public libraries and county library in accordance with the directions of the State Board for Libraries.

*Water and Sewer Receiving Funds* - These funds were established to account for the user fees collected on the various township sewer and water systems to cover the related maintenance, operating, and debt service costs associated with those systems.

**Grand Traverse County**  
**Combining Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**December 31, 2016**

	Agency						
	Trust and Agency Fund	Library Fines	Inmate Trust	District Court Trust	Friend of the Court Trust	Water & Sewer Receiving Funds	Total Fiduciary Funds
<b>ASSETS</b>							
Cash and Cash Equivalents	\$ 3,744,859	\$ 118,249	\$ 70,586	\$ 23,777	\$ 4,554	\$ 757,453	\$ 4,719,478
Due from Other Governments	--	--	--	--	--	372,068	372,068
<i><b>Total Assets</b></i>	<u>3,744,859</u>	<u>118,249</u>	<u>70,586</u>	<u>23,777</u>	<u>4,554</u>	<u>1,129,521</u>	<u>5,091,546</u>
<b>LIABILITIES</b>							
Due to Other Governments	1,198,227	--	--	--	--	--	1,198,227
Court Items Payable	1,683,052	--	--	23,777	4,554	--	1,711,383
Undistributed Receipts	296,701	118,249	--	--	--	1,129,521	1,544,471
Other Liabilities	566,879	--	70,586	--	--	--	637,465
<i><b>Total Liabilities</b></i>	<u>3,744,859</u>	<u>118,249</u>	<u>70,586</u>	<u>23,777</u>	<u>4,554</u>	<u>1,129,521</u>	<u>5,091,546</u>
<b>NET POSITION</b>							
Held in Trust	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

**Grand Traverse County**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended December 31, 2016**

**Trust and Agency Fund**

	<b>December 31, 2015</b>	<b>Additions</b>	<b>Deductions</b>	<b>December 31, 2016</b>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 1,498,026	\$ 77,887,114	\$ 75,640,281	\$ 3,744,859
Due from Other Governments	611,206	350	611,556	-
<b>Total Assets</b>	<u>2,109,232</u>	<u>77,887,464</u>	<u>76,251,837</u>	<u>3,744,859</u>
<b>LIABILITIES</b>				
Due to Other Governments	932,787	67,496,620	67,231,180	1,198,227
Court Items Payable	375,056	2,207,425	899,429	1,683,052
Undistributed Receipts	244,955	10,451,470	10,399,724	296,701
Other Liabilities	556,434	1,929,654	1,919,209	566,879
<b>Total Liabilities</b>	<u>\$ 2,109,232</u>	<u>\$ 82,085,169</u>	<u>\$ 80,449,542</u>	<u>\$ 3,744,859</u>

**Library Fines**

	<b>December 31, 2015</b>	<b>Additions</b>	<b>Deductions</b>	<b>December 31, 2016</b>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 163,744	\$ 254,967	\$ 300,462	\$ 118,249
<b>LIABILITIES</b>				
Undistributed Receipts	<u>\$ 163,744</u>	<u>\$ 254,967</u>	<u>\$ 300,462</u>	<u>\$ 118,249</u>

**Inmate Trust**

	<b>December 31, 2015</b>	<b>Additions</b>	<b>Deductions</b>	<b>December 31, 2016</b>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 45,728	\$ 699,375	\$ 674,517	\$ 70,586
<b>LIABILITIES</b>				
Other Liabilities	<u>\$ 45,728</u>	<u>\$ 699,375</u>	<u>\$ 674,517</u>	<u>\$ 70,586</u>

**District Court Trust**

	<b>December 31, 2015</b>	<b>Additions</b>	<b>Deductions</b>	<b>December 31, 2016</b>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 140,396	\$ 302,825	\$ 419,444	\$ 23,777
<b>LIABILITIES</b>				
Court Items Payable	<u>\$ 140,396</u>	<u>\$ 302,825</u>	<u>\$ 419,444</u>	<u>\$ 23,777</u>

**Grand Traverse County**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended December 31, 2016**

**Friend of the Court Trust**

	<b>December 31, 2015</b>	<b>Additions</b>	<b>Deductions</b>	<b>December 31, 2016</b>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 5,448	\$ 1,571,639	\$ 1,572,533	\$ 4,554
<b>LIABILITIES</b>				
Court Items Payable	\$ 5,448	\$ 1,571,639	\$ 1,572,533	\$ 4,554

**Water & Sewer Receiving Funds**

	<b>December 31, 2015</b>	<b>Additions</b>	<b>Deductions</b>	<b>December 31, 2016</b>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 901,735	\$ 10,314,677	\$ 10,458,959	\$ 757,453
Due from Other Governments	511,217	10,175,959	10,315,108	372,068
<b>Total Assets</b>	<u>1,412,952</u>	<u>20,490,636</u>	<u>20,774,067</u>	<u>1,129,521</u>
<b>LIABILITIES</b>				
Undistributed Receipts	\$ 1,412,952	\$ 10,983,175	\$ 11,266,606	\$ 1,129,521

**Total Trust & Agency**

	<b>December 31, 2015</b>	<b>Additions</b>	<b>Deductions</b>	<b>December 31, 2016</b>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 2,755,077	\$ 91,030,597	\$ 89,066,196	\$ 4,719,478
Due from Other Governments	1,122,423	10,176,309	10,926,664	372,068
<b>Total Assets</b>	<u>3,877,500</u>	<u>101,206,906</u>	<u>99,992,860</u>	<u>5,091,546</u>
<b>LIABILITIES</b>				
Due to Other Governments	932,787	67,496,620	67,231,180	1,198,227
Court Items Payable	520,900	4,081,889	2,891,406	1,711,383
Undistributed Receipts	1,821,651	21,689,612	21,966,792	1,544,471
Other Liabilities	602,162	2,629,029	2,593,726	637,465
<b>Total Liabilities</b>	<u>\$ 3,877,500</u>	<u>\$ 95,897,150</u>	<u>\$ 94,683,104</u>	<u>\$ 5,091,546</u>

**Grand Traverse County**  
Description of Component Units

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*Grand Traverse County Department of Public Works (the “DPW”)* - Members of the governing body of the Department of Public Works are appointed by the County Board of Commissioners. The County also has the ability to influence operations of the Department of Public Works and has accountability for fiscal matters.

*Drainage Districts* – Each of the drainage districts established pursuant to the Drain Code of 1956 are separate legal entities, with the power to contract, to sue and be sued, to hold, manage and dispose of real and personal property, etc. The statutory drainage board of Chapter 21 drainage districts consists of the State Director of Agriculture and the Drain Commissioner of each county involved in the project. The County Drain Commissioner has sole responsibility to administer the drainage districts established pursuant to Chapters 3, 4 and 8 of the Drain Code. The Drainage Board or Drain Commissioner, on behalf of the drainage districts, may issue debt and levy special assessments authorized by the Drain Code without the prior approval of the County Board of Commissioners. The full faith and credit of the County may be given for the debt of the drainage district. The County also has the ability to influence operations of the Drain Commission and has accountability for fiscal matters.

*Brownfield Redevelopment Authority* – The members of the governing board of the Brownfield Redevelopment Authority are appointed by the County Board of Commissioners. They review and approve plans for business development within designated areas of the County where property was once contaminated. Property tax revenues from the “captured” portion of these properties are restricted to pay for site clean-up expenditures and future development depending on the development plan adopted for each project. The County has the ability to significantly influence the operations of the Brownfield Redevelopment Authority and has accountability for fiscal matters.

*Land Bank Authority* – Members of the governing body of the Land Bank Authority are appointed by the County Board of Commissioners. The County also has the ability to influence the operations of the Land Bank Authority and has accountability for fiscal matters.

*Hospital Finance Authority* - The five members of the governing body of the Hospital Finance Authority are appointed by the County Board of Commissioners. The County also has the ability to influence the operations of the Hospital Finance Authority. Its primary purpose is constructing and improving hospital facilities within the boundaries of the County; lending money to hospitals for those purposes; refunding or refunding in advance obligations of the Authority; or refinancing the indebtedness of hospitals.



**Grand Traverse County Department of Public Works**  
**Statement of Net Position**  
**December 31, 2016**

	<u>Septage Facility</u>	<u>Garfield Septage Facility</u>	<u>DPW</u>	<u>Total</u>
<b>ASSETS</b>				
<i>Current Assets</i>				
Cash and Cash Equivalents	\$ 690,944	\$ --	\$ 450	\$ 691,394
Accounts Receivable	75,584	1,292	1,815,823	1,892,699
Interest Receivable	--	--	129,583	129,583
Due from Other Governments	--	--	63,212	63,212
Leases Receivable	--	--	2,920,000	2,920,000
<b>Total Current Assets</b>	<b>766,528</b>	<b>1,292</b>	<b>4,929,068</b>	<b>5,696,888</b>
<i>Noncurrent Assets</i>				
Capital assets not Being Depreciated	400,000	--	--	400,000
Capital Assets Being Depreciated	6,603,365	--	--	6,603,365
Leases Receivable	--	--	22,052,960	22,052,960
<b>Total Assets</b>	<b>7,769,893</b>	<b>1,292</b>	<b>26,982,028</b>	<b>34,753,213</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension	1,344	--	--	1,344
<b>Total Deferred Outflows of Resources</b>	<b>1,344</b>	<b>--</b>	<b>--</b>	<b>1,344</b>
<b>LIABILITIES</b>				
<i>Current Liabilities</i>				
Accounts Payable	36,185	260	737,305	773,750
Accrued Liabilities	512	--	228,032	228,544
Accrued Interest	17,982	--	129,583	147,565
Due to Other Governments	2,092,678	794	1,849,448	3,942,920
Current Portion of Long-term Debt	185,000	--	2,920,000	3,105,000
<b>Total Current Liabilities</b>	<b>2,332,357</b>	<b>1,054</b>	<b>5,864,368</b>	<b>8,197,779</b>
<i>Noncurrent Liabilities</i>				
Long-term Debt	2,412,000	--	21,110,000	23,522,000
Net Pension Liability	85,684	--	--	85,684
<b>Total Liabilities</b>	<b>4,830,041</b>	<b>1,054</b>	<b>26,974,368</b>	<b>31,805,463</b>
<b>NET POSITION</b>				
Net Investment in Capital Assets	4,406,365	--	--	4,406,365
<i>Unrestricted</i>	(1,465,169)	238	7,660	(1,457,271)
<b>Total Net Position</b>	<b>\$ 2,941,196</b>	<b>\$ 238</b>	<b>\$ 7,660</b>	<b>\$ 2,949,094</b>

**Grand Traverse County Department of Public Works  
Statement of Revenues, Expenses, and Changes in Net Position  
For the Year Ended December 31, 2016**

	<u>Septage Facility</u>	<u>Garfield Septage Facility</u>	<u>DPW</u>	<u>Total</u>
<b>Operating Revenues</b>				
Local Sources	\$ --	\$ --	\$ 5,516,837	\$ 5,516,837
Charges for Services	1,218,811	5,392	84,616	1,308,819
<b><i>Total Operating Revenues</i></b>	<u>1,218,811</u>	<u>5,392</u>	<u>5,601,453</u>	<u>6,825,656</u>
<b>Operating Expenses</b>				
Personnel Services	78,134	5,392	1,155,973	1,234,107
Supplies	390	--	276,293	276,683
Contractual Services	277,400	--	112,562	389,962
Depreciation	238,483	--	--	238,483
Other Operating Expenses	288,048	--	3,220,913	3,514,353
<b><i>Total Operating Expenses</i></b>	<u>882,455</u>	<u>5,392</u>	<u>4,765,741</u>	<u>5,653,588</u>
<b><i>Operating Income (Loss)</i></b>	<u>336,356</u>	<u>--</u>	<u>835,712</u>	<u>1,172,068</u>
<b>Non-Operating Revenues (Expenses)</b>				
Interest Revenues	408	--	--	408
Interest and Fiscal Charges	(117,721)	--	(828,055)	(945,776)
<b><i>Net Non-Operating Revenues (Expenses)</i></b>	<u>(117,313)</u>	<u>--</u>	<u>(828,055)</u>	<u>(945,368)</u>
<b><i>Change In Net Position</i></b>	<u><b>219,043</b></u>	<u><b>--</b></u>	<u><b>7,657</b></u>	<u><b>226,700</b></u>
<i>Net Position at Beginning of Period</i>	2,722,153	238	3	2,722,394
<b><i>Net Position at End of Period</i></b>	<u><b>\$ 2,941,196</b></u>	<u><b>\$ 238</b></u>	<u><b>\$ 7,660</b></u>	<u><b>\$ 2,949,094</b></u>

**Grand Traverse County Department of Public Works**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2016**

	<b>Septage Facility</b>	<b>Garfield Septage Facility</b>	<b>DPW</b>	<b>Total</b>
<b>Cash Flows from Operating Activities</b>				
Receipts from Services	\$ 1,077,324	\$ 15,943	\$ 6,109,644	\$ 7,202,911
Payments to Suppliers for Goods and Services	(573,628)	(15,943)	(4,191,452)	(4,781,023)
Payments to Employees for Services	(65,690)	-	(1,210,139)	(1,275,829)
<b>Net Cash Provided by Operating Activities</b>	<b>438,006</b>	<b>-</b>	<b>708,053</b>	<b>1,146,059</b>
<b>Cash Flows from Capital and Related Financing Activities</b>				
Payment of Lease Receivable	-	-	(1,995,000)	(1,995,000)
Proceeds from Issuance of Debt	-	-	5,000,000	5,000,000
Principal Payments	(175,000)	-	(2,885,000)	(3,060,000)
Interest Payments	(119,143)	-	(829,935)	(949,078)
<b>Net Cash Used by Capital and Related Financing Activities</b>	<b>(294,143)</b>	<b>-</b>	<b>(709,935)</b>	<b>(1,004,078)</b>
<b>Cash Flows from Investing Activities</b>				
Interest Received	408	-	-	408
<b>Total Cash Flows Provided by Investing Activities</b>	<b>408</b>	<b>-</b>	<b>-</b>	<b>408</b>
<b>Net Increase (Decrease) in Cash and Equivalents</b>	<b>144,271</b>	<b>-</b>	<b>(1,882)</b>	<b>142,389</b>
<i>Cash and Equivalents - Beginning of Year</i>	<i>546,673</i>	<i>-</i>	<i>2,332</i>	<i>549,005</i>
<b>Cash and Equivalents - End of Year</b>	<b>\$ 690,944</b>	<b>\$ -</b>	<b>\$ 450</b>	<b>\$ 691,394</b>
<b>Reconciliation of Operating Income to</b>				
<b>Net Cash Provided (Used) by Operating Activities</b>				
<b>Operating Income</b>	\$ 336,356	\$ -	\$ 835,712	\$ 1,172,068
Adjustments to Reconcile Operating Income to Net Cash				
<b>Provided (Used) by Operating Activities</b>				
Depreciation	238,483	-	-	238,483
(Increase) decrease in:				
Receivables	(34,987)	23,281	(1,802,931)	(1,814,637)
Due from Other Governments	-	-	2,556,321	2,556,321
Prepays	7,312	-	-	7,312
Accounts Payable	(14,294)	(10,551)	(625,296)	(650,141)
Due to Other Governments	(106,500)	(12,730)	(245,199)	(364,429)
Compensated Absences	-	-	(53,031)	(53,031)
Net Pension Liability	12,444	-	-	12,444
Accrued Liabilities	(808)	-	42,477	41,669
<b>Net Cash Provided by Operating Activities</b>	<b>438,006</b>	<b>\$ -</b>	<b>\$ 708,053</b>	<b>\$ 1,146,059</b>

**Grand Traverse County Drain Commission**  
**Statement of Net Position**  
**December 31, 2016**

**ASSETS**

*Current Assets*

Cash and cash equivalents	\$ 144,673
Other Current Assets	22,490
<b>Total Current Assets</b>	<b>167,163</b>

**LIABILITIES**

*Current Liabilities*

Accounts Payable	36
Accrued Interest	5,130
Due to Other Governments	25,000
Current Portion of Long-term Debt	300,000
<b>Total Current Liabilities</b>	<b>330,166</b>

**NET POSITION**

<i>Unrestricted</i>	(163,003)
<b>Total Net Position</b>	<b>\$ (163,003)</b>

**Grand Traverse County Drain Commission**  
**Statement of Activities**  
**For the Year Ended December 31, 2016**

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenues</b>			<b>Net (Expense) Revenue</b>
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	
Interest and Fiscal Charges	\$ 5,130	\$ --	\$ --	\$ --	\$ (5,130)
Public Works	246,555	--	--	--	(246,555)
<b>Total</b>	<b>\$ 251,685</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ (251,685)</b>
<b>General Purpose Revenues:</b>					
<b>Revenues</b>					
Interest Revenues					1,952
<b>Total General Revenues</b>					<b>1,952</b>
<b>Change in Net Position</b>					<b>(249,733)</b>
<i>Net Position at Beginning of Period</i>					86,730
<b>Net Position at End of Period</b>					<b>\$ (163,003)</b>

**Grand Traverse County Drain Commission  
Balance Sheet  
Governmental Funds  
December 31, 2016**

	<u>Special Revenue</u>	<u>Capital Projects</u>						
	<u>Drain Revolving</u>	Heritage Estates Drain Special Assessment	Acme Town Center Project	Sam's Club Drain Special Assessment	Silver Lake Farms Drain Special	Cherry Ridge Estates Drain Special	Holiday South Drain Special Assessment	Westchester Hills Drain Special Assessment
<b>ASSETS</b>								
Cash and cash equivalents	\$ 1,971	\$ 1,521	\$ 1,852	\$ 4,318	\$ 932	\$ 4,591	\$ 702	\$ 376
Other Current Assets	22,490	--	--	--	--	--	--	--
Due from Other Funds	575	--	--	--	--	--	--	--
<b>Total Assets</b>	<b><u>\$ 25,036</u></b>	<b><u>\$ 1,521</u></b>	<b><u>\$ 1,852</u></b>	<b><u>\$ 4,318</u></b>	<b><u>\$ 932</u></b>	<b><u>\$ 4,591</u></b>	<b><u>\$ 702</u></b>	<b><u>\$ 376</u></b>
<b>LIABILITIES</b>								
Accounts Payable	\$ 36	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Due to Other Governments	25,000	--	--	--	--	--	--	--
Due to Other Funds	--	--	--	--	--	--	--	--
<b>Total Liabilities</b>	<b><u>25,036</u></b>	<b><u>--</u></b>	<b><u>--</u></b>	<b><u>--</u></b>	<b><u>--</u></b>	<b><u>--</u></b>	<b><u>--</u></b>	<b><u>--</u></b>
<b>FUND BALANCE</b>								
Restricted	--	1,521	1,852	4,318	932	4,591	702	376
Unassigned	--	--	--	--	--	--	--	--
<b>Total Fund Balance</b>	<b><u>--</u></b>	<b><u>1,521</u></b>	<b><u>1,852</u></b>	<b><u>4,318</u></b>	<b><u>932</u></b>	<b><u>4,591</u></b>	<b><u>702</u></b>	<b><u>376</u></b>
<b>Total Liabilities and Fund Balance</b>	<b><u>\$ 25,036</u></b>	<b><u>\$ 1,521</u></b>	<b><u>\$ 1,852</u></b>	<b><u>\$ 4,318</u></b>	<b><u>\$ 932</u></b>	<b><u>\$ 4,591</u></b>	<b><u>\$ 702</u></b>	<b><u>\$ 376</u></b>

**Grand Traverse County Drain Commission**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2016**

	Capital Projects						
	Silver Lake Lake Level Special Assessment	Deepwater Point Drain Special Assessment	Old Mission Drain Special Assessment	Cass Road Drain Special Assessment	Gilbert Park Drain Special Assessment	Timberlane Drive Drain Special Assessment	Total Governmental Funds
<b>ASSETS</b>							
Cash and cash equivalents	\$ 376	\$ 5,822	\$ 2,394	\$ 44,717	\$ 9,122	\$ 65,979	\$ 144,673
Other Current Assets	--	--	--	--	--	--	22,490
Due from Other Funds	--	--	--	--	--	--	575
<i>Total Assets</i>	<b>\$ 376</b>	<b>\$ 5,822</b>	<b>\$ 2,394</b>	<b>\$ 44,717</b>	<b>\$ 9,122</b>	<b>\$ 65,979</b>	<b>\$ 167,738</b>
<b>LIABILITIES</b>							
Accounts Payable	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 36
Due to Other Governments	--	--	--	--	--	--	25,000
Due to Other Funds	--	--	--	575	--	--	575
<i>Total Liabilities</i>	--	--	--	575	--	--	25,611
<b>FUND BALANCE</b>							
Restricted	376	5,822	2,394	44,142	9,122	65,979	142,127
Unassigned	--	--	--	--	--	--	--
<i>Total Fund Balance</i>	376	5,822	2,394	44,142	9,122	65,979	142,127
<i>Total Liabilities and Fund Balance</i>	<b>\$ 376</b>	<b>\$ 5,822</b>	<b>\$ 2,394</b>	<b>\$ 44,717</b>	<b>\$ 9,122</b>	<b>\$ 65,979</b>	<b>\$ 167,738</b>

**Grand Traverse County Drain Commission**  
**Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position**  
**December 31, 2016**

Total Fund Balance - Governmental Funds	\$ 142,127
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(300,000)
In the statement of activities, interest is accrued on long-term debt, whereas in governmental funds, the interest expenditure is reported when due.	(5,130)
<b>Total Net Position - Governmental Funds</b>	<b>\$ <u>(163,003)</u></b>



**Grand Traverse County Drain Commission**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended December 31, 2016**

	Special Revenue	Capital Projects						
	Drain Revolving	Heritage Estates Drain Special Assessment	Acme Town Center Project	Sam's Club Drain Special Assessment	Farms Drain Special Assessment	Estates Drain Special Assessment	Holiday South Drain Special Assessment	Hills Drain Special Assessment
Revenues								
Interest Revenues	\$ --	\$ 9	\$ 12	\$ 26	\$ 6	\$ 27	\$ 4	\$ 2
Total Revenues	--	9	12	26	6	27	4	2
Expenditures								
Public Works	585	--	--	--	--	--	--	--
Total Expenditures	585	--	--	--	--	--	--	--
Excess of Revenues Over (Under) Expenditures	(585)	9	12	26	6	27	4	2
Net Change in Fund Balance	(585)	9	12	26	6	27	4	2
Fund Balance at Beginning of Period	585	1,512	1,840	4,292	926	4,564	698	374
Fund Balance at End of Period	\$ --	\$ 1,521	\$ 1,852	\$ 4,318	\$ 932	\$ 4,591	\$ 702	\$ 376

**Grand Traverse County Drain Commission**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended December 31, 2016**

	<b>Capital Projects</b>						
	<b>Silver Lake Lake Level Special Assessment</b>	<b>Deepwater Point Drain Special Assessment</b>	<b>Old Mission Drain Special Assessment</b>	<b>Cass Road Drain Special Assessment</b>	<b>Gilbert Park Drain Special Assessment</b>	<b>Timberlane Drive Drain Special Assessment</b>	<b>Total Governmental Funds</b>
<b>Revenues</b>							
Interest Revenues	\$ 8	\$ 113	\$ 13	\$ 1,285	\$ 54	\$ 393	\$ 1,952
<b>Total Revenues</b>	<u>8</u>	<u>113</u>	<u>13</u>	<u>1,285</u>	<u>54</u>	<u>393</u>	<u>1,952</u>
<b>Expenditures</b>							
Public Works	1,047	28,337	--	216,586	--	--	246,555
<b>Total Expenditures</b>	<u>1,047</u>	<u>28,337</u>	<u>--</u>	<u>216,586</u>	<u>--</u>	<u>--</u>	<u>246,555</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(1,039)</u>	<u>(28,224)</u>	<u>13</u>	<u>(215,301)</u>	<u>54</u>	<u>393</u>	<u>(244,603)</u>
<b>Net Change in Fund Balance</b>	<u>(1,039)</u>	<u>(28,224)</u>	<u>13</u>	<u>(215,301)</u>	<u>54</u>	<u>393</u>	<u>(244,603)</u>
Fund Balance at Beginning of Period	1,415	34,046	2,381	259,443	9,068	65,586	386,730
<b>Fund Balance at End of Period</b>	<u><u>\$ 376</u></u>	<u><u>\$ 5,822</u></u>	<u><u>\$ 2,394</u></u>	<u><u>\$ 44,142</u></u>	<u><u>\$ 9,122</u></u>	<u><u>\$ 65,979</u></u>	<u><u>\$ 142,127</u></u>

**Grand Traverse County Drain Commission**  
**Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and**  
**Changes in Fund Balance with Statement of Activities**  
**For the Year Ended December 31, 2016**

Total Net Change in Fund Balances - Governmental Funds	\$ (244,603)
Changes to accrued interest are not shown in the fund financial statements. The net effect of the current year increase in accrued interest is to decrease net position.	(5,130)
<b>Changes in Net Position - Governmental Funds</b>	<b>\$ <u>(249,733)</u></b>

**Grand Traverse County Brownfield Redevelopment**  
**Statement of Net Position**  
**December 31, 2016**

**ASSETS**

*Current Assets*

Cash and Cash Equivalents	\$ 3,212,628
Accounts Receivable	920,172
Loans Receivable	220,000
Due from Other Governments	85,516
Prepaid Items and Other Assets	332,822
<b>Total Current Assets</b>	<b>4,771,138</b>

*Noncurrent Assets*

Long-term Receivables	400,000
<b>Total Assets</b>	<b>5,171,138</b>

**LIABILITIES**

*Current Liabilities*

Accounts Payable	112,062
Accrued Interest	17,405
Due to Other Governments	140,000
Current Portion of Long-term Debt	215,484
<b>Total Current Liabilities</b>	<b>484,951</b>

*Noncurrent Liabilities*

Long-term Debt	3,776,859
<b>Total Liabilities</b>	<b>4,261,810</b>

**NET POSITION**

*Restricted for:*

Public Safety	909,328
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*Unrestricted*

	--
<b>Total Net Position</b>	<b>\$ 909,328</b>

**Grand Traverse County Brownfield Redevelopment**  
**Statement of Activities**  
**For the Year Ended December 31, 2016**

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenues</b>			<b>Net (Expense) Revenue</b>
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	
<b>Governmental Activities:</b>					
Interest on Long-term Debt	\$ 26,147	\$ --	\$ --	\$ --	\$ (26,147)
Public Works	2,003,318	3,010	35,516	--	(1,964,792)
<b><i>Total</i></b>	<b>\$ 2,029,465</b>	<b>\$ 3,010</b>	<b>\$ 35,516</b>	<b>\$ --</b>	<b>\$ (1,990,939)</b>
<b>General Purpose Revenues:</b>					
<b>Revenues</b>					
Property Taxes					1,818,594
Interest Revenues					36,878
<b><i>Total General Revenues and Transfers</i></b>					<b>1,855,472</b>
<b><i>Change in Net Position</i></b>					<b>(135,467)</b>
<i>Net Position at Beginning of Period</i>					1,044,795
<b><i>Net Position at End of Period</i></b>					<b>\$ 909,328</b>

**Grand Traverse County Brownfield Redevelopment  
Balance Sheet  
Governmental Funds  
December 31, 2016**

	<b>Debt Service</b>		<b>Capital Projects</b>				
	<b>General</b>	<b>Local Revolving Loan Fund</b>	<b>River's Edge</b>	<b>Park Street</b>	<b>CSXT Boardman Lake</b>	<b>Bridgestone Firestone</b>	<b>Traverse House Scamehorn</b>
<b>ASSETS</b>							
Cash and Cash Equivalents	\$ 204,655	\$ 839,071	\$ --	\$ 119,587	\$ 1,083,562	\$ --	\$ 12,060
Accounts Receivable	--	20,172	--	--	--	--	--
Loans Receivable	--	620,000	--	--	--	--	--
Due from Other Governments	--	50,000	--	--	--	--	--
Prepaid Items and Other Assets	--	38,529	--	--	--	--	--
Due from Other Funds	--	1,124,893	--	--	--	--	--
<b>Total Assets</b>	<b>\$ 204,655</b>	<b>\$ 2,692,665</b>	<b>\$ --</b>	<b>\$ 119,587</b>	<b>\$ 1,083,562</b>	<b>\$ --</b>	<b>\$ 12,060</b>
<b>LIABILITIES</b>							
Accounts Payable	\$ 5,343	\$ 75,831	\$ --	\$ --	\$ --	\$ --	\$ --
Due to Other Governments	140,000	--	--	--	--	--	--
Due to Other Funds	--	--	--	--	--	--	--
<b>Total Liabilities</b>	<b>145,343</b>	<b>75,831</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>FUND BALANCE</b>							
Nonspendable	--	658,529	--	--	--	--	--
Restricted	59,312	1,958,305	--	119,587	1,083,562	--	12,060
Unassigned	--	--	--	--	--	--	--
<b>Total Fund Balance</b>	<b>59,312</b>	<b>2,616,834</b>	<b>--</b>	<b>119,587</b>	<b>1,083,562</b>	<b>--</b>	<b>12,060</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 204,655</b>	<b>\$ 2,692,665</b>	<b>\$ --</b>	<b>\$ 119,587</b>	<b>\$ 1,083,562</b>	<b>\$ --</b>	<b>\$ 12,060</b>

**Grand Traverse County Brownfield Redevelopment  
Balance Sheet  
Governmental Funds  
December 31, 2016**

	<b>Capital Projects</b>						
	<b>Grand Traverse Auto</b>	<b>Traverse Cast</b>	<b>Grand Traverse Commons</b>	<b>Kinney</b>	<b>Blarney Castle</b>	<b>River West Snowden</b>	<b>GT Land Bank Parcels</b>
<b>ASSETS</b>							
Cash and Cash Equivalents	\$ 21,152	\$ --	\$ 194,619	\$ 742	\$ 333,264	\$ 169,879	\$ 13,876
Accounts Receivable	900,000	--	--	--	--	--	--
Loans Receivable	--	--	--	--	--	--	--
Due from Other Governments	15,108	--	--	--	--	--	--
Prepaid Items and Other Assets	--	--	69,400	224,893	--	--	--
Due from Other Funds	--	--	--	--	--	--	--
<b>Total Assets</b>	<b>\$ 936,260</b>	<b>\$ --</b>	<b>\$ 264,019</b>	<b>\$ 225,635</b>	<b>\$ 333,264</b>	<b>\$ 169,879</b>	<b>\$ 13,876</b>
<b>LIABILITIES</b>							
Accounts Payable	\$ 29,553	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Due to Other Governments	--	--	--	--	--	--	--
Due to Other Funds	900,000	--	--	224,893	--	--	--
<b>Total Liabilities</b>	<b>929,553</b>	<b>--</b>	<b>--</b>	<b>224,893</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>FUND BALANCE</b>							
Nonspendable	--	--	69,400	224,893	--	--	--
Restricted	6,707	--	194,619	--	333,264	169,879	13,876
Unassigned	--	--	--	(224,151)	--	--	--
<b>Total Fund Balance</b>	<b>6,707</b>	<b>--</b>	<b>264,019</b>	<b>742</b>	<b>333,264</b>	<b>169,879</b>	<b>13,876</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 936,260</b>	<b>\$ --</b>	<b>\$ 264,019</b>	<b>\$ 225,635</b>	<b>\$ 333,264</b>	<b>\$ 169,879</b>	<b>\$ 13,876</b>

**Grand Traverse County Brownfield Redevelopment  
Balance Sheet  
Governmental Funds  
December 31, 2016**

	<b>Capital Projects</b>					<b>Total Governmental Funds</b>
	<b>TC East Bay Plaza</b>	<b>TBA Credit Union</b>	<b>Graetz Property</b>	<b>Old Town Center</b>	<b>Uptown</b>	
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ 26,295	\$ 101,347	\$ 103	\$ 70,630	\$ 21,786	\$ 3,212,628
Accounts Receivable	--	--	--	--	--	920,172
Loans Receivable	--	--	--	--	--	620,000
Due from Other Governments	--	--	--	--	20,408	85,516
Prepaid Items and Other Assets	--	--	--	--	--	332,822
Due from Other Funds	--	--	--	--	--	1,124,893
<b>Total Assets</b>	<b>\$ 26,295</b>	<b>\$ 101,347</b>	<b>\$ 103</b>	<b>\$ 70,630</b>	<b>\$ 42,194</b>	<b>\$ 6,296,031</b>
<b>LIABILITIES</b>						
Accounts Payable	\$ --	\$ --	\$ --	\$ --	\$ 1,335	\$ 112,062
Due to Other Governments	--	--	--	--	--	140,000
Due to Other Funds	--	--	--	--	--	1,124,893
<b>Total Liabilities</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>1,335</b>	<b>1,376,955</b>
<b>FUND BALANCE</b>						
Nonspendable	--	--	--	--	--	952,822
Restricted	26,295	101,347	103	70,630	40,859	4,190,405
Unassigned	--	--	--	--	--	(224,151)
<b>Total Fund Balance</b>	<b>26,295</b>	<b>101,347</b>	<b>103</b>	<b>70,630</b>	<b>40,859</b>	<b>4,919,076</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 26,295</b>	<b>\$ 101,347</b>	<b>\$ 103</b>	<b>\$ 70,630</b>	<b>\$ 42,194</b>	<b>\$ 6,296,031</b>



**Grand Traverse County Brownfield Redevelopment**  
**Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position**  
**December 31, 2016**

Total Fund Balance - Governmental Funds	\$ 4,919,076
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, the interest expenditure is reported when due.	(17,405)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(3,992,343)
<b>Total Net Position - Governmental Funds</b>	<b>\$ <u>909,328</u></b>

**Grand Traverse County Brownfield Redevelopment**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended December 31, 2016**

		Debt Service		Capital Projects			
	General	Local Revolving Loan Fund	River's Edge	Park Street	CSXT Boardman Lake	Bridgestone Firestone	Traverse House Scamehorn
<b>Revenues</b>							
Property Taxes	\$ --	\$ 60,457	\$ --	\$ 118,795	\$ 403,975	\$ 189,016	\$ 50,200
State Sources	--	--	--	--	--	--	--
Charges for Services	--	3,010	--	--	--	--	--
Interest Revenues	--	30,304	250	188	2,676	97	180
<b>Total Revenues</b>	--	93,771	250	118,983	406,651	189,113	50,380
<b>Expenditures</b>							
Public Works	162,281	--	535,000	110,000	75,907	173,302	50,000
Debt Service - Principal	--	--	--	--	--	--	--
Debt Service - Interest	--	--	--	--	--	4,736	--
<b>Total Expenditures</b>	162,281	--	535,000	110,000	75,907	178,038	50,000
<b>Excess of Revenues Over (Under) Expenditures</b>	(162,281)	93,771	(534,750)	8,983	330,744	11,075	380
<b>Other Financing Sources (Uses)</b>							
Transfers In	175,000	16,887	--	--	--	--	--
Transfers Out	--	--	(5,543)	(4,184)	(67,052)	(11,649)	(16,042)
<b>Net Other Financing Sources (Uses)</b>	175,000	16,887	(5,543)	(4,184)	(67,052)	(11,649)	(16,042)
<b>Net Change in Fund Balance</b>	<b>12,719</b>	<b>110,658</b>	<b>(540,293)</b>	<b>4,799</b>	<b>263,692</b>	<b>(574)</b>	<b>(15,662)</b>
<i>Fund Balance at Beginning of Period</i>	46,593	2,506,176	540,293	114,788	819,870	574	27,722
<b>Fund Balance at End of Period</b>	<b>\$ 59,312</b>	<b>\$ 2,616,834</b>	<b>\$ --</b>	<b>\$ 119,587</b>	<b>\$ 1,083,562</b>	<b>\$ --</b>	<b>\$ 12,060</b>

**Grand Traverse County Brownfield Redevelopment  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Governmental Funds  
For the Year Ended December 31, 2016**

	Capital Projects						
	Grand Traverse Auto	Traverse Cast	Grand Traverse Commons	Kinney	Blarney Castle	River West Snowden	GT Land Bank Parcels
<b>Revenues</b>							
Property Taxes	\$ 158,170	\$ --	\$ 482,439	\$ 57,020	\$ 85,547	\$ 24,052	\$ 4,041
State Sources	15,108	--	--	--	--	--	--
Charges for Services	--	--	--	--	--	--	--
Interest Revenues	740	20	420	44	865	439	70
<b>Total Revenues</b>	<b>174,018</b>	<b>20</b>	<b>482,859</b>	<b>57,064</b>	<b>86,412</b>	<b>24,491</b>	<b>4,111</b>
<b>Expenditures</b>							
Public Works	486,159	--	236,728	56,000	--	--	--
Debt Service - Principal	47,630	--	83,822	--	--	--	--
Debt Service - Interest	5,631	--	16,353	--	--	--	--
<b>Total Expenditures</b>	<b>539,420</b>	<b>--</b>	<b>336,903</b>	<b>56,000</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(365,402)</b>	<b>20</b>	<b>145,956</b>	<b>1,064</b>	<b>86,412</b>	<b>24,491</b>	<b>4,111</b>
<b>Other Financing Sources (Uses)</b>							
Transfers In	--	--	--	--	--	--	--
Transfers Out	(6,615)	(7,279)	(36,406)	(1,992)	(17,640)	(826)	(726)
<b>Net Other Financing Sources (Uses)</b>	<b>(6,615)</b>	<b>(7,279)</b>	<b>(36,406)</b>	<b>(1,992)</b>	<b>(17,640)</b>	<b>(826)</b>	<b>(726)</b>
<b>Net Change in Fund Balance</b>	<b>(372,017)</b>	<b>(7,259)</b>	<b>109,550</b>	<b>(928)</b>	<b>68,772</b>	<b>23,665</b>	<b>3,385</b>
<i>Fund Balance at Beginning of Period</i>	378,724	7,259	154,469	1,670	264,492	146,214	10,491
<b>Fund Balance at End of Period</b>	<b>\$ 6,707</b>	<b>\$ --</b>	<b>\$ 264,019</b>	<b>\$ 742</b>	<b>\$ 333,264</b>	<b>\$ 169,879</b>	<b>\$ 13,876</b>

**Grand Traverse County Brownfield Redevelopment**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended December 31, 2016**

	Capital Projects					Total Governmental Funds
	TC East Bay Plaza	TBA Credit Union	Graetz Property	Old Town Center	Uptown	
<b>Revenues</b>						
Property Taxes	\$ 29,379	\$ 64,333	\$ 9,151	\$ 53,065	\$ 28,954	\$ 1,818,594
State Sources	--	--	--	--	20,408	35,516
Charges for Services	--	--	--	--	--	3,010
Interest Revenues	83	212	9	114	167	36,878
<b>Total Revenues</b>	<u>29,462</u>	<u>64,545</u>	<u>9,160</u>	<u>53,179</u>	<u>49,529</u>	<u>1,893,998</u>
<b>Expenditures</b>						
Public Works	15,889	4,515	7,642	2,634	87,261	2,003,318
Debt Service - Principal	--	--	--	--	--	131,452
Debt Service - Interest	--	--	--	--	--	26,720
<b>Total Expenditures</b>	<u>15,889</u>	<u>4,515</u>	<u>7,642</u>	<u>2,634</u>	<u>87,261</u>	<u>2,161,490</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>13,573</u>	<u>60,030</u>	<u>1,518</u>	<u>50,545</u>	<u>(37,732)</u>	<u>(267,492)</u>
<b>Other Financing Sources (Uses)</b>						
Transfers In	--	--	--	--	--	191,887
Transfers Out	(3,736)	(10,676)	(1,521)	--	--	(191,887)
<b>Net Other Financing Sources (Uses)</b>	<u>(3,736)</u>	<u>(10,676)</u>	<u>(1,521)</u>	<u>--</u>	<u>--</u>	<u>--</u>
<b>Net Change in Fund Balance</b>	<u>9,837</u>	<u>49,354</u>	<u>(3)</u>	<u>50,545</u>	<u>(37,732)</u>	<u>(267,492)</u>
<b>Fund Balance at Beginning of Period</b>	16,458	51,993	106	20,085	78,591	5,186,568
<b>Fund Balance at End of Period</b>	<u>\$ 26,295</u>	<u>\$ 101,347</u>	<u>\$ 103</u>	<u>\$ 70,630</u>	<u>\$ 40,859</u>	<u>\$ 4,919,076</u>

**Grand Traverse County Brownfield Redevelopment  
Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and  
Changes in Fund Balance with Statement of Activities  
For the Year Ended December 31, 2016**

Total Net Change in Fund Balances - Governmental Funds	\$ (267,492)
Changes to accrued interest are not shown in the fund financial statements. The net effect of the current year decrease in accrued interest is to increase net position.	573
Current year long-term debt principal payments are recorded as expenditures in the fund financial statements but are reductions in long-term debt in the government-wide financial statements.	131,452
<b>Changes in Net Position - Governmental Funds</b>	<b>\$ <u>(135,467)</u></b>

**Grand Traverse County Land Bank Authority**  
**Statement of Net Position**  
**December 31, 2016**

**ASSETS**

*Current Assets*

Cash and Cash Equivalents	\$ 240,519
Taxes Receivable	6,440
Due from Other Governments	23,750
Property Inventory	465,812
<b>Total Current Assets</b>	<b>736,521</b>

*Noncurrent Assets*

Long-term Receivables	13,990
<b>Total Assets</b>	<b>750,511</b>

**LIABILITIES**

*Current Liabilities*

Accounts Payable	15,417
Unearned Revenues	5,000
Due to Other Governments	29,206
<b>Total Current Liabilities</b>	<b>49,623</b>

**DEFERRED INFLOWS OF RESOURCES**

Property Taxes Levied for Subsequent Year	14,668
<b>Total Deferred Inflows of Resources</b>	<b>14,668</b>

**NET POSITION**

*Restricted for:*

Land Bank	686,220
-----------	---------

*Unrestricted*

	--
<b>Total Net Position</b>	<b>\$ 686,220</b>

**Grand Traverse County Land Bank Authority**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**For the Year Ended December 31, 2016**

<b>Operating Revenues</b>	
Property Sales	\$ 69,000
<b><i>Total Operating Revenues</i></b>	<u>69,000</u>
<b>Operating Expenses</b>	
Economic Development	198,612
<b><i>Total Operating Expenses</i></b>	<u>198,612</u>
<b><i>Operating Income (Loss)</i></b>	<u>(129,612)</u>
<b>Non-Operating Revenues (Expenses)</b>	
Property Taxes	3,181
Intergovernmental Revenues	85,305
Interest Revenues	480
<b><i>Net Non-Operating Revenues (Expenses)</i></b>	<u>88,966</u>
<b><i>Change In Net Position</i></b>	<u><b>(40,646)</b></u>
<i>Net Position at Beginning of Period</i>	726,866
<b><i>Net Position at End of Period</i></b>	<u><b>\$ 686,220</b></u>

**Grand Traverse County Land Bank Authority**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2016**

**Cash Flows Used by Operating Activities**

Receipts from Services	\$ 55,010
Payments to Suppliers for Goods and Services	(160,360)
<b>Total Cash Flows Used by Operating Activities</b>	<u>(105,350)</u>

**Cash Flows from Non-capital and Related Financing Activities**

Cash Received from Property Taxes	14,069
Cash Received from Other Governments	100,456
<b>Total Cash Flows from Non-capital and Related Financing Activities</b>	<u>114,525</u>

**Cash Flows from Investing Activities**

Interest on Investments	480
<b>Total Cash Flows from Investing Activities</b>	<u>480</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	9,655
<i>Cash and Cash Equivalents - Beginning of Year</i>	230,864
<b>Cash and Cash Equivalents - End of Year</b>	<u>\$ 240,519</u>

**Reconciliation of Operating Income (Loss) to**

**Net Cash Provided (Used) by Operating Activities**

<b>Operating Income (Loss)</b>	\$ (129,612)
<b>Adjustments to Reconcile Operating Income to Net Cash</b>	
<b>Provided (Used) by Operating Activities</b>	
<b>Changes in Assets &amp; Liabilities</b>	
Long-term Receivables	(13,990)
Property Inventory	32,537
Accounts Payable	5,715
<b>Net Cash Used by Operating Activities</b>	<u>\$ (105,350)</u>



## **Statistical Section**

## Statistical Section Table of Contents

This part of the County'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 Grand Traverse County.

		<b><u>Page</u></b>
<b>Financial Trends Tables 1-4</b>	These schedules contain trend information to help the reader understand and evaluate how the County's financial condition, performance, and well-being have changed over time.	180
<b>Revenue Capacity Tables 5-8</b>	These schedules contain information to help the reader assess the County's ability to generate its most significant local revenue source, the property tax.	185
<b>Debt Capacity Tables 9-12</b>	These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and its ability to issue additional debt in the future.	189
<b>Demographic and Economic Information Tables 13-14</b>	These schedules present various demographic and economic indicators to help the reader understand the environment within which the County operates and how they affect the County's financial activities.	193
<b>Operating Information Tables 15-17</b>	These schedules contain information about the County's operations and resources to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.	195

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year. The County implemented GASB Statement No. 34 in 2003, schedules presenting government-wide information include data beginning in that year.

**GRAND TRAVERSE COUNTY**  
**Net Position by Component**  
**Last Ten Years**  
*(amounts expressed in thousands)*

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Governmental activities</b>										
Net investment in capital assets	\$ 36,800	\$ 36,973	\$ 34,741	\$ 35,450	\$ 36,440	\$ 35,668	\$ 33,229	\$ 32,048	\$ 32,644	\$ 31,048
Restricted	8,117	6,333	5,991	5,926	10,177	15,617	7,077	8,645	10,218	11,728
Unrestricted	(44,384)	(39,143)	7,950	10,794	6,733	4,138	17,572	19,918	19,254	19,832
Total governmental activities net position	<u>\$ 533</u>	<u>\$ 4,163</u>	<u>\$ 48,682</u>	<u>\$ 52,170</u>	<u>\$ 53,350</u>	<u>\$ 55,423</u>	<u>\$ 57,878</u>	<u>\$ 60,611</u>	<u>\$ 62,116</u>	<u>\$ 62,608</u>
<b>Business-type activities</b>										
Net investment in capital assets	\$ 18,563	\$ 17,955	\$ 17,659	\$ 16,096	\$ 14,928	\$ 13,708	\$ 11,728	\$ 10,522	\$ 9,121	\$ 8,397
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	14,039	15,499	22,088	21,552	20,520	20,216	19,630	17,173	17,237	16,348
Total business-type activities net position	<u>\$ 32,602</u>	<u>\$ 33,454</u>	<u>\$ 39,747</u>	<u>\$ 37,648</u>	<u>\$ 35,448</u>	<u>\$ 33,924</u>	<u>\$ 31,358</u>	<u>\$ 27,695</u>	<u>\$ 26,358</u>	<u>\$ 24,745</u>
<b>Primary government</b>										
Net investment in capital assets	\$ 55,363	\$ 54,928	\$ 52,400	\$ 51,546	\$ 51,368	\$ 49,376	\$ 44,957	\$ 42,570	\$ 41,765	\$ 39,445
Restricted	8,117	6,333	5,991	5,926	10,177	15,617	7,077	8,645	10,218	11,728
Unrestricted	(30,345)	(23,644)	30,038	32,346	27,253	24,354	37,202	37,091	36,491	36,180
Total primary government net position	<u>\$ 33,135</u>	<u>\$ 37,617</u>	<u>\$ 88,429</u>	<u>\$ 89,818</u>	<u>\$ 88,798</u>	<u>\$ 89,347</u>	<u>\$ 89,236</u>	<u>\$ 88,306</u>	<u>\$ 88,474</u>	<u>\$ 87,353</u>

Source: Grand Traverse County Finance Department

# GRAND TRAVERSE COUNTY

## Changes in Net Position

### Last Ten Years

(amounts expressed in thousands)

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Expenses</b>										
Governmental activities:										
Legislative	\$ 355	\$ 402	\$ 351	\$ 344	\$ 383	\$ 434	\$ 413	\$ 423	\$ 539	\$ 471
Judicial	11,702	10,769	10,460	10,685	10,570	8,639	8,862	8,826	8,511	7,852
General government	11,528	8,950	9,066	8,839	8,838	11,202	11,653	11,765	11,967	22,504
Public safety	20,353	17,690	17,283	16,203	16,544	16,379	16,058	15,480	16,471	14,835
Health and welfare	12,630	11,896	11,479	12,141	11,047	10,481	10,660	9,567	9,753	9,990
Economic development	159	118	1,497	213	9	445	84	322	251	-
Recreation and culture	698	953	892	985	888	915	966	1,640	650	915
Interest on long-term debt	280	291	303	314	442	360	481	516	537	575
Total governmental activities expenses	57,705	51,069	51,331	49,724	48,721	48,855	49,177	48,539	48,679	57,142
Business-type activities:										
Inspections	1,333	1,187	1,137	1,102	1,041	949	989	1,137	1,327	1,503
Medical Care Facility (Pavilions)	30,922	30,338	28,723	28,305	28,047	25,439	24,259	24,937	24,594	23,618
Solid waste	307	382	318	307	339	320	661	705	575	703
Delinquent tax collection and administration	162	539	185	348	280	193	250	277	89	48
Total business-type activities expenses	32,724	32,446	30,363	30,062	29,707	26,901	26,159	27,056	26,585	25,872
Total primary government expenses	90,429	83,515	81,694	79,786	78,428	75,756	75,336	75,595	75,264	83,014
<b>Program revenues</b>										
Governmental activities:										
Charges for services:										
Legislative	25	-	2	-	1	8	9	1	4	4
Judicial	2,722	2,946	2,882	2,944	2,832	2,920	3,005	2,927	3,100	3,150
General government	4,926	3,256	3,008	3,049	3,238	2,677	2,410	2,426	2,351	4,703
Public safety	3,500	981	1,739	1,628	1,509	1,516	1,625	1,603	1,593	2,681
Health and welfare	2,049	3,414	2,402	2,353	2,442	2,048	2,443	1,989	1,704	2,605
Economic development	68	-	3	-	-	-	-	-	-	-
Recreation and culture	289	344	486	471	419	395	460	306	402	237
Operating grants and contributions	10,715	11,780	9,908	11,218	9,828	10,033	10,438	11,218	11,944	17,728
Capital grants and contributions	-	3	9	-	165	387	443	33	900	42
Total governmental activities program revenues	24,294	22,724	20,439	21,663	20,434	19,984	20,833	20,503	21,998	31,150
Business-type activities:										
Charges for services:										
Inspections	1,730	1,685	1,676	1,428	990	925	871	846	1,017	1,376
Medical Care Facility (Pavilions)	27,297	26,213	24,736	24,753	24,037	25,191	23,747	23,429	23,280	21,770
Solid waste	196	296	261	284	357	442	568	576	737	777
Delinquent tax collection and administration	1,043	372	414	453	548	2,170	2,334	1,874	1,163	1,109
Operating grants and contributions	2,514	3,437	3,590	4,192	4,070	120	112	136	93	19
Total business-type activities program revenues	32,780	32,003	30,677	31,110	30,002	28,848	27,632	26,861	26,290	25,051
Total primary government program revenues	57,074	54,727	51,116	52,773	50,436	48,832	48,465	47,364	48,288	56,201
<b>Net (Expense)/Revenue</b>										
Government activities	(33,411)	(28,345)	(30,892)	(28,061)	(28,287)	(28,871)	(28,344)	(28,036)	(26,681)	(25,992)
Business-type activities	56	(443)	314	1,048	295	1,947	1,473	(195)	(295)	(821)
Total primary government net expense	(33,355)	(28,788)	(30,578)	(27,013)	(27,992)	(26,924)	(26,871)	(28,231)	(26,976)	(26,813)

**GRAND TRAVERSE COUNTY**  
**Changes in Net Position (Concluded)**  
**Last Ten Years**  
*(amounts expressed in thousands)*

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>General Revenues</b>										
Governmental activities:										
Property taxes	\$ 26,027	\$ 25,870	\$ 25,840	\$ 25,550	\$ 24,501	\$ 24,008	\$ 24,146	\$ 24,619	\$ 23,922	\$ 23,857
State revenue sharing	2,686	1,692	332	-	-	-	-	-	-	-
Unrestricted investment earnings	155	149	163	143	156	227	344	611	1,294	2,471
Other revenues (expense)	-	31	30	12	-	17	13	-	(29)	-
Transfers - internal activities	912	1,114	1,039	1,177	1,558	2,164	1,158	1,301	1,001	930
Total governmental activities	29,780	28,856	27,404	26,882	26,215	26,416	25,661	26,531	26,188	27,258
Business-type activities:										
Property taxes	2	2,754	2,824	2,767	2,882	2,754	3,203	2,784	2,677	2,525
Unrestricted investment earnings	2	-	-	-	-	29	78	60	237	391
Other revenues (expense)	-	-	1	-	-	-	16	(11)	(5)	-
Transfers - internal activities	(912)	(1,114)	(1,039)	(1,177)	(1,558)	(2,164)	(1,158)	(1,301)	(1,001)	(930)
Total business-type activities	(908)	1,640	1,786	1,590	1,324	619	2,139	1,532	1,908	1,986
Total primary government	28,872	30,496	29,190	28,472	27,539	27,035	27,800	28,063	28,096	29,244
<b>Change in Net Position</b>										
Government activities	(3,631)	511	(3,488)	(1,179)	(2,072)	(2,455)	(2,683)	(1,505)	(493)	1,266
Business-type activities	(852)	1,197	2,100	2,638	1,619	2,566	3,612	1,337	1,613	1,165
Total primary government	\$ (4,483)	\$ 1,708	\$ (1,388)	\$ 1,459	\$ (453)	\$ 111	\$ 929	\$ (168)	\$ 1,120	\$ 2,431

Source: Grand Traverse County Finance Department

**GRAND TRAVERSE COUNTY**  
**Fund Balances - Governmental Funds**  
**Last Ten Years**  
*(amounts expressed in thousands)*

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>General fund</b>										
Nonspendable	\$ 4,876	\$ 2,351	\$ 2,811	\$ 3,194	\$ 3,434	\$ 2,988	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	10	-	-	-	-
Assigned	-	500	706	1,582	625	625	-	-	-	-
Unassigned	7,470	6,665	5,421	4,425	3,976	4,148	-	-	-	-
Reserved	-	-	-	-	-	-	870	961	660	795
Unreserved	-	-	-	-	-	-	7,230	8,206	8,909	8,723
Total general fund	<u>\$ 12,346</u>	<u>\$ 9,516</u>	<u>\$ 8,938</u>	<u>\$ 9,201</u>	<u>\$ 8,035</u>	<u>\$ 7,771</u>	<u>\$ 8,100</u>	<u>\$ 9,167</u>	<u>\$ 9,569</u>	<u>\$ 9,518</u>
<b>All Other Governmental Funds</b>										
Nonspendable	\$ 64	\$ 53	\$ 32	\$ 8	\$ 6	\$ 349	\$ -	\$ -	\$ -	\$ -
Restricted	7,924	6,330	3,411	5,925	9,949	10,130	-	-	-	-
Committed	2,970	4,562	3,958	4,061	216	104	-	-	-	-
Assigned	-	-	-	-	1,891	2,682	-	-	-	-
Unassigned	(1,395)	(1,820)	(2,235)	(2,621)	(2,995)	(1,845)	-	-	-	-
Reserved	-	-	-	-	-	-	7,184	8,645	10,218	11,812
Special revenue funds	-	-	-	-	-	-	7,173	6,873	5,658	6,840
Capital projects funds	-	-	-	-	-	-	1,064	1,996	2,217	1,018
Total all other governmental funds	<u>\$ 9,563</u>	<u>\$ 9,125</u>	<u>\$ 5,166</u>	<u>\$ 7,373</u>	<u>\$ 9,067</u>	<u>\$ 11,420</u>	<u>\$ 15,421</u>	<u>\$ 17,514</u>	<u>\$ 18,093</u>	<u>\$ 19,670</u>
Total governmental funds	<u>\$ 21,909</u>	<u>\$ 18,641</u>	<u>\$ 14,104</u>	<u>\$ 16,574</u>	<u>\$ 17,102</u>	<u>\$ 19,191</u>	<u>\$ 23,521</u>	<u>\$ 26,681</u>	<u>\$ 27,662</u>	<u>\$ 29,188</u>

Source: Grand Traverse County Finance Department

Note: The County implemented GASB Statement No. 54 for the fiscal year ended December 31, 2011. Prior years were not restated retroactively.

**GRAND TRAVERSE COUNTY**  
**Changes in Fund Balances - Governmental Funds**  
**Last Ten Years**  
*(amounts expressed in thousands)*

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Revenues</b>										
Taxes	\$ 26,026	\$ 25,870	\$ 25,841	\$ 25,550	\$ 24,501	\$ 24,008	\$ 24,146	\$ 24,619	\$ 23,923	\$ 23,857
Licenses and permits	704	632	566	569	500	460	461	434	448	457
Intergovernmental:										
Federal sources	2,998	4,732	3,632	4,581	3,903	4,224	4,590	3,574	4,757	3,848
State sources	6,782	5,329	4,073	3,783	3,633	3,799	3,672	4,240	3,810	4,129
Local sources	6,049	5,185	3,714	3,645	3,576	3,470	3,704	3,522	3,644	3,544
Charges for services	5,708	6,164	6,623	6,548	6,311	6,068	6,222	5,915	5,789	5,971
Fines and forfeits	235	94	118	113	93	87	104	101	123	160
Reimbursements	3,373	2,478	2,506	2,780	3,062	3,040	3,172	3,023	2,360	2,067
Contributions	-	-	1	3	20	1	2	5	2	14
Rental revenues	745	691	697	689	619	649	638	620	659	613
Interest revenues	155	148	162	151	165	251	349	609	1,275	1,985
Other revenues	387	666	596	478	811	802	1,946	2,596	1,801	1,648
<b>Total revenues</b>	<b>53,162</b>	<b>51,989</b>	<b>48,529</b>	<b>48,890</b>	<b>47,194</b>	<b>46,859</b>	<b>49,006</b>	<b>49,258</b>	<b>48,591</b>	<b>48,293</b>
<b>Expenditures</b>										
Legislative	367	426	378	373	421	411	422	534	468	404
Judicial	10,009	10,381	10,139	10,393	10,225	10,212	10,016	9,272	8,598	8,452
General government	9,904	10,136	10,335	10,123	10,258	11,012	11,311	10,846	10,690	10,447
Public safety	16,897	16,117	15,367	15,276	15,421	15,453	14,656	15,838	13,931	13,879
Health and welfare	11,587	11,932	11,965	11,807	10,514	11,708	10,990	10,803	10,657	9,744
Economic development	227	118	1,498	213	9	84	322	251	-	-
Recreation and culture	515	760	667	741	640	716	686	752	937	621
Other	-	-	-	-	-	-	-	-	53	-
Debt service:										
Principal	570	570	545	550	2,005	1,050	740	710	680	650
Interest and fiscal charges	280	291	303	314	356	484	512	538	563	247
Capital outlay	450	336	689	574	5,814	1,820	1,590	1,445	1,138	6,036
<b>Total expenditures</b>	<b>50,806</b>	<b>51,067</b>	<b>51,886</b>	<b>50,364</b>	<b>55,663</b>	<b>52,950</b>	<b>51,245</b>	<b>50,989</b>	<b>47,715</b>	<b>50,480</b>
<b>Revenues over (under) expenditures</b>	<b>2,356</b>	<b>922</b>	<b>(3,357)</b>	<b>(1,474)</b>	<b>(8,469)</b>	<b>(6,091)</b>	<b>(2,239)</b>	<b>(1,731)</b>	<b>876</b>	<b>(2,187)</b>
<b>Other financing sources (uses)</b>										
Issuance of long-term debt	-	-	-	-	11,170	-	-	-	-	-
Discount on issuance of long-term debt	-	-	-	-	(46)	-	-	-	-	-
Payment to refunding bond escrow agent	-	-	-	-	(6,192)	-	-	-	-	-
Proceeds from sale of capital assets	-	31	29	12	17	16	12	31	-	-
Transfers in	10,736	12,857	1,286	13,381	13,082	13,371	14,410	13,464	11,762	11,395
Transfers out	(9,824)	(11,841)	(12,003)	(12,446)	(11,650)	(12,553)	(13,416)	(12,623)	(10,997)	(10,640)
<b>Total other financing sources (uses)</b>	<b>912</b>	<b>1,047</b>	<b>(10,688)</b>	<b>947</b>	<b>6,381</b>	<b>834</b>	<b>1,006</b>	<b>872</b>	<b>765</b>	<b>755</b>
<b>Net changes in fund balances</b>	<b>\$ 3,268</b>	<b>\$ 1,969</b>	<b>\$ (14,045)</b>	<b>\$ (527)</b>	<b>\$ (2,088)</b>	<b>\$ (5,257)</b>	<b>\$ (1,233)</b>	<b>\$ (859)</b>	<b>\$ 1,641</b>	<b>\$ (1,432)</b>
<b>Debt services as a percentage of noncapital expenditures</b>	<b>1.69%</b>	<b>1.70%</b>	<b>1.66%</b>	<b>1.74%</b>	<b>4.74%</b>	<b>3.00%</b>	<b>2.52%</b>	<b>2.52%</b>	<b>2.67%</b>	<b>2.02%</b>

Source: Grand Traverse County Finance Department

**GRAND TRAVERSE COUNTY**  
**Assessed and Estimated Actual Value of Taxable Property**  
**Last Ten Years**

Year	Real Property		Personal Property	Total Assessed Value	Total Direct Tax Rate	Estimated Actual Value	Percentage of Taxable to Actual Value
	Residential Property	Commercial Property					
2007	\$ 4,238,375,228	\$ 1,343,000,157	\$ 258,664,798	\$ 5,840,040,183	6.1291	\$ 11,680,080,366	50%
2008	4,342,963,319	1,390,127,029	251,468,812	5,984,559,160	6.1291	11,969,118,320	50%
2009	4,283,832,904	1,369,999,093	266,500,315	5,920,332,312	6.1291	11,840,664,624	50%
2010	4,042,595,921	1,286,802,285	261,118,622	5,590,516,828	6.2291	11,181,033,656	50%
2011	3,806,716,018	1,184,052,681	253,983,234	5,244,751,933	6.2433	10,489,503,866	50%
2012	3,765,597,955	1,106,117,252	256,999,566	5,128,714,773	6.2433	10,257,429,546	50%
2013	3,820,469,838	1,113,170,336	279,915,132	5,213,555,306	6.2433	10,427,110,612	50%
2014	3,926,367,866	1,129,839,306	268,290,120	5,324,497,292	7.2433	10,648,994,584	50%
2015	4,104,608,188	1,142,210,172	281,365,300	5,528,183,660	6.5838	11,056,367,320	50%
2016	4,340,796,138	1,164,031,275	256,545,100	5,761,372,513	6.7017	11,522,745,026	50%

Sources:

Grand Traverse County Equalization Department

Note: Property in the County is equalized annually. The county assesses property at approximately 50 percent of market value for all types of real and personal property.

Tax rates are per \$1,000 of assessed value.



**GRAND TRAVERSE COUNTY**  
**Direct and Overlapping Property Tax Rates**  
**Last Ten Years**  
*(rate per \$1,000 of taxable value)*

Fiscal Year (1) (2)	Grand Traverse County					Overlapping Rates					Grand Total	
	Operating Millage	Commission on Aging	Medical Care Facility	Road Commission	Total Millage	Intermediate Schools	District Library Operations	District Library Debt	Community College	Community College Debt	BATA	Direct & Overlapping Rates
2007	4.9838	0.4858	0.6595	-	6.1291	2.9334	0.9548	0.1830	2.1700	0.7000	0.3283	13.3986
2008	4.9838	0.4858	0.6595	-	6.1291	2.9312	0.9548	0.1450	2.1700	0.7000	0.3272	13.3573
2009	4.9838	0.4858	0.6595	-	6.1291	2.9312	0.9548	0.1344	2.1700	0.7000	0.3454	13.3649
2010	4.9838	0.5858	0.6595	-	6.2291	2.9312	0.9548	0.1597	2.1700	0.7000	0.3454	13.4902
2011	4.9838	0.6000	0.6595	-	6.2433	2.9312	0.9548	0.1520	2.1700	0.7700	0.3454	13.5667
2012	4.9838	0.6000	0.6595	-	6.2433	2.9312	0.9548	0.1520	2.1700	0.7700	0.3454	13.5667
2013	4.9838	0.6000	0.6595	-	6.2433	2.9312	0.9548	0.1502	2.1700	0.7500	0.3454	13.5449
2014	4.9838	0.6000	0.6595	1.0000	7.2433	2.9312	0.9548	0.1454	2.1700	0.7400	0.3454	14.5301
2015	4.9838	0.6000	-	1.0000	6.5838	2.9312	0.9548	0.1454	2.1700	0.6600	0.3454	13.7906
2016	4.9838	0.6000	-	1.0000	6.5838	2.9299	0.9544	0.1326	2.1692	0.6500	0.3447	13.7646

Source:

Grand Traverse County Apportionment Reports

(1) Rates reduced to comply with the Headlee Amendment.

(2) Fiscal year is the year in which the tax is levied. 2007 refers to the 2008 tax collection. Starting with the 2005 County levy there was a shift, 1/3 each year for three years, from the traditional December levy for the subsequent year to a July levy for the current year.

**GRAND TRAVERSE COUNTY**  
**Principal Property Taxpayers**  
**Current Year and Nine Years Ago**

Taxpayer	2016			2007		
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
Consumers Energy	\$ 30,144,374	1	0.64%	\$ 18,693,077	3	0.54%
Grand Traverse Mall LTD PTNR	22,684,966	2	0.48%	13,696,980	8	0.39%
Michigan Electric Transmission Co.	21,220,600	3	0.45%			
DTE Gas	19,370,225	4	0.41%	15,613,701	5	0.45%
Grand Traverse Resort & Spa LLC	15,088,602	5	0.32%			
Cherryland Rural Electric Corp	13,716,396	6	0.29%			
Elmer's Crane & Dozer	12,569,617	7	0.27%			
Liv Arbors	11,067,031	8	0.24%			
Wolverine Power Supply Co-op	10,295,007	9	0.22%			
Brixmor Grand Traverse II LLC	10,023,895	10	0.21%			
Grand Traverse Bank of Ottawa				21,273,017	1	0.61%
Great Wolf Lodge of TC				20,026,760	2	0.58%
GD Traverse Crossing Shopping				16,133,870	4	0.46%
Sara Lee Corp				14,780,040	6	0.43%
Pinnacle Arizona Development				14,021,600	7	0.40%
Hillsdale Automotive LLC				11,740,780	9	0.34%
GDO Investments				10,409,978	10	0.30%
	<u>\$ 166,180,713</u>		<u>3.54%</u>	<u>\$ 156,389,803</u>		<u>4.51%</u>
County Taxable Value 2015 / 2016	\$ 4,698,287,253			\$ 3,470,883,407		

Source: Grand Traverse County Equalization Department.

# GRAND TRAVERSE COUNTY

## Property Tax Levies and Collections

### Last Ten Years

(1)

Tax Year Levy	Total Tax Levy for Fiscal Year		Collected to March 1 Fiscal Year of the Levy		Delinquents Purchased by Treasurer	Subsequent Years Collections	Total Collections to Date	
			Amount	% of Levy			Amount	% of Levy
2007	\$	20,245,356	\$ 19,257,383	95.12%	\$ 927,609	\$ 60,364	\$ 20,245,356	100.00%
2008		21,015,942	19,909,206	94.73%	1,056,543	50,193	21,015,942	100.00%
2009		21,697,005	20,562,406	94.77%	1,091,846	42,753	21,697,005	100.00%
2010		21,310,329	20,318,560	95.35%	934,969	56,800	21,310,329	100.00%
2011		20,746,929	19,875,126	95.80%	842,469	29,334	20,746,929	100.00%
2012		20,759,994	20,064,727	96.65%	673,697	21,570	20,759,994	100.00%
2013		21,301,311	20,564,903	96.54%	686,347	50,061	21,301,311	100.00%
2014		21,684,008	21,049,613	97.07%	575,635	58,760	21,684,008	100.00%
2015		22,294,423	21,709,522	97.38%	553,470	31,431	22,294,423	100.00%
2016		22,888,976	22,319,008	97.51%	544,053	25,915	22,888,976	100.00%

Source: Grand Traverse County Treasurer's Office

(1) Personal property collected over 5 year period, if not collected after 5 years, amounts are written off through Circuit Court

## GRAND TRAVERSE COUNTY

### Ratios of Outstanding Debt by Type

### Last Ten Years

Fiscal Year	Governmental Activities		Business-type Activities		Total Primary Government	% of Personal Income (1)	Per Capita (1)
	General	Notes	General				
	Obligation Bonds	Payable	Obligation Bonds				
2007	\$ 13,050,000	\$ 76,623	\$ 20,517,570	\$	33,644,193	1.11%	394
2008	12,340,000	101,293	18,872,963		31,314,256	1.01%	364
2009	11,600,000	34,990	16,275,751		27,910,741	0.89%	323
2010	10,550,000	3,206	14,342,791		24,895,997	0.81%	286
2011	8,025,000	1,640	12,290,488		20,317,128	0.62%	230
2012	10,983,696	-	10,606,887		21,590,583	0.61%	242
2013	10,435,548	-	8,244,029		18,679,577	0.51%	208
2014	9,892,400	-	6,041,171		15,933,571	0.41%	176
2015	9,324,252	-	4,779,739		14,103,991	0.35%	154
2016	8,756,104	-	3,210,328		11,966,432	(2)	130

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

(1) Personal income and population data can be found in the Schedule of Demographic and Economic Statistics. (Table 13)

(2) This information is not yet available.

**GRAND TRAVERSE COUNTY**  
**Ratios of General Bonded Debt Outstanding**  
**Last Ten Years**

<b>Fiscal Year Ended December 31,</b>	<b>General Obligation Bonds</b>	<b>Less: Amounts Available in Debt Service Funds</b>	<b>Total Primary Government</b>	<b>Taxable Value of Property</b>	<b>% of Actual Taxable Value of Property (1)</b>	<b>Per Capita (2)</b>
2007	\$ 33,567,570	\$ 148	\$ 33,567,422	\$ 5,840,040,183	0.57%	\$ 393
2008	31,212,963	-	31,212,963	5,984,559,160	0.52%	363
2009	27,875,751	-	27,875,751	5,920,332,312	0.47%	323
2010	24,892,791	-	24,892,791	5,590,516,828	0.45%	286
2011	20,315,488	-	20,315,488	5,244,751,933	0.39%	230
2012	21,590,583	-	21,590,583	5,128,714,773	0.42%	242
2013	18,679,577	-	18,679,577	5,213,555,306	0.36%	208
2014	15,933,571	-	15,933,571	5,324,497,292	0.30%	176
2015	14,103,991	-	14,103,991	5,528,183,660	0.26%	154
2016	11,966,432	-	11,966,432	5,761,372,513	0.21%	130

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements. Taxable value provided by the Grand Traverse County Equalization Department.

(1) Population data can be found in the Schedule of Demographic and Economic Statistics.

(2) See Statistical Schedule Number 13 for population data.

**GRAND TRAVERSE COUNTY**  
**Computation of Direct and Overlapping Governmental Activities Debt**  
**As of December 31, 2016**

	<b>Debt Outstanding</b>	<b>Estimated Percentage Applicable</b>	<b>Estimated Share of Overlapping Debt</b>
Debt repaid with property taxes: County	\$ 181,652,014	84.16%	\$ 152,890,944
County direct debt			<u>8,754,252</u>
Total direct and overlapping debt			<u>\$ 161,645,196</u>

Source:

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 County. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the County. This process recognizes that, when considering the County'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.

(1) Applicable percentages were estimated by determining the portion of the County's taxable value that is within the County's boundaries and dividing it by the County's total taxable value.

**GRAND TRAVERSE COUNTY**  
**Legal Debt Margin**  
**Last Ten Years**  
(amounts expressed in thousands)

**Legal Debt Margin Calculation for 2016**

Total assessed value	\$ 5,761,372,513
Debt limit (10% of assessed value)	\$ 576,137,251
Debt applicable to limit	42,409,495
<b>Legal debt margin</b>	<b>\$ 533,727,756</b>

	<b>Debt Limit</b>	<b>Total Net Debt Applicable to Limit</b>	<b>Legal Debt Margin</b>	<b>Total Net Debt Applicable to Limit as a Percentage of Debt Limit</b>
2007	\$ 584,004	\$ 102,658	\$ 481,346	17.58%
2008	598,456	100,386	498,070	16.77%
2009	592,033	91,896	500,137	15.52%
2010	559,052	83,427	475,625	14.92%
2011	524,475	70,590	453,885	13.46%
2012	512,871	57,156	455,715	11.14%
2013	521,356	54,127	467,229	10.38%
2014	532,450	47,678	484,772	8.95%
2015	552,818	43,289	509,529	7.83%
2016	576,137	42,409	533,728	7.36%

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

## GRAND TRAVERSE COUNTY

### Demographic and Economic Statistics

#### Last Ten Years

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2) (thousands of dollars)</u>	<u>Per Capita Personal Income (2)</u>	<u>School Enrollment (3)</u>	<u>Unemployment Rate (4)</u>
2007	\$ 85,479	\$ 3,033,402	\$ 35,487	10,310	6.50%
2008	86,071	3,104,898	36,129	9,984	7.60%
2009	86,333	3,119,045	36,128	9,859	11.80%
2010	86,986	3,086,127	35,459	9,773	11.70%
2011	88,349	3,259,588	36,894	9,773	9.60%
2012	89,112	3,516,506	39,462	9,774	8.00%
2013	89,987	3,654,267	40,609	9,729	6.80%
2014	90,782	3,870,325	42,633	9,639	5.90%
2015	91,636	4,020,628	43,876	9,524	4.40%
2016	92,084	(5)	(5)	9,474	4.10%

Sources:

(1) U.S. Census Bureau

(2) [Bureau of Economic Analysis, www.bea.gov](http://www.bea.gov), U.S. Department of Commerce

(3) MaryBeth Stein, TCAPS Pupil Accounting Specialist

(4) [U.S. Department of Labor Statistics Data www.data.bls.gov](http://www.data.bls.gov). Unemployment rate information is a yearly average not seasonally adjusted

(5) Data not available at this time



**GRAND TRAVERSE COUNTY**  
**Principal Employers**  
**Curent Year and Nine Years Ago**

<b>Employer</b>	<b>2016</b>			<b>2007</b>		
	<b>Employees</b>	<b>Rank</b>	<b>% of Total County Employment</b>	<b>Employees</b>	<b>Rank</b>	<b>% of Total County Employment</b>
Munson Medical Center	3,100	1	6.55%	4,000	1	8.39%
Traverse City Public Schools	1,825	2	3.86%	1,825	2	3.83%
Northwestern Michigan College	742	3	1.57%			
Traverse Bay Int School	550	4	1.16%			
Grand Traverse Resort & Spa	500	5	1.06%	900	3	1.89%
Hagerty Insurance	500	6	1.06%	370	6	0.78%
Interlochen Center for the Arts	475	7	1.00%	300	8	0.63%
Grand Traverse County	450	8	0.95%	499	5	1.05%
Grand Traverse Pavilions Foundation	415	9	0.88%			
Britten Banners, Inc.	410	10	0.87%			
Sara Lee Corp				640	4	1.34%
Tower Automotive				360	7	0.76%
Elmer's Crane & Dozer				225	9	0.47%
Huntington Bank				225	10	0.47%
	<b>8,967</b>		<b>18.95%</b>	<b>9,344</b>		<b>19.61%</b>

Source: Grand Traverse County Planning Department

**GRAND TRAVERSE COUNTY**  
**Full-Time Equivalent County Government Employees by Function**  
**Last Ten Years**

<b>Function</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
Legislative	1	1	1	1	1	1	1	1	1	1
Judicial	94	90	96	90	93	93	95	94	94	93
General Government	90	95	100	98	110	122	124	129	128	126
Public Safety	149	152	144	149	149	149	154	158	158	156
Public Works	16	18	17	20	22	21	21	21	21	21
Health & Welfare	109	127	123	123	128	127	128	121	111	102
Total	<u>459</u>	<u>483</u>	<u>481</u>	<u>481</u>	<u>503</u>	<u>513</u>	<u>523</u>	<u>524</u>	<u>513</u>	<u>499</u>

Source: Grand Traverse County Human Resources

**GRAND TRAVERSE COUNTY**  
**Operating Indicators by Function**  
**Last Ten Years**

Function/Program	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Public safety:</b>										
Average daily inmate population - Jail only	148.48	162.08	158.00	158.80	138.60	146.00	150.00	149.00	154.00	164.00
Average daily population - includes inmates boarded-out	153.00	172.58	163.42	160.80	138.60	146.00	150.00	149.00	154.00	164.00
911 Computer aided dispatch call*	70,423	70,195	56,473	57,278	55,654	98,901	53,701	54,086	54,433	50,449
<b>Commissary:</b>										
Number of orders placed by inmates	4,057	17,587	18,716	15,250	7,553	(1)	6,910	7,241	7,814	7,902
<b>Health and welfare:</b>										
Commission on aging-client visits:										
Homemaker Aid Program	11,554	12,956	15,648	15,247	16,058	16,376	17,065	16,157	14,828	13,073
Home Health Care Program	5,506	6,286	6,873	6,986	8,011	8,308	7,489	7,573	7,022	4,911
Home chore Program	9,736	10,030	8,803	8,112	8,365	10,476	8,914	10,481	9,962	5,840
Walk in & telephone assistance calls**	6,392	3,778	28,566	27,830	13,184	30,968	37,173	26,129	22,742	16,582
<b>Public works:</b>										
Number of sewer billings	30,720	20,344	7,791	7,770	7,968	8,024	7,916	8,988	15,587	15,445
Number of water billings	9,732	9,316	1,028	1,041	1,035	1,017	1,468	6,256	8,171	7,962
Number if combined billings	44,172	48,552	69,112	68,716	68,504	67,424	66,096	50,844	37,384	36,319
<b>General Government:</b>										
County Clerk-Passports processed	1,999	1,646	1,317	1,284	1,424	1,531	1,669	1,978	1,675	2,826
Finance-Checks processed	16,608	16,013	16,898	21,824	19,488	16,644	20,457	18,022	19,552	19,090
MSU-Extension:	-	-	-	-	-	-	-	-	-	-
4-H Participants	2,231	3,066	1,325	1,187	1,384	-	-	-	-	1,605
FNP Participants	684	797	882	683	679	565	430	1,771	1,672	778
PAT Participants	-	-	-	-	-	-	-	1,884	1,213	1,222
Register of Deeds-records filed:										
Discharge of Mortgage	4,834	4,666	3,600	4,896	4,900	4,148	4,243	5,286	4,417	5,236
Mortgage	4,704	4,378	3,786	5,011	5,577	4,143	4,672	5,728	4,671	6,046
Warranty Deed	3,329	3,208	2,843	2,731	2,266	1,760	1,678	1,680	1,820	2,492
<b>Judicial:</b>										
Circuit court total caseload	2,132	2,282	2,247	2,260	2,584	2,694	2,983	3,205	3,254	3,179
District court total caseload	11,649	14,185	15,028	15,751	14,046	16,433	19,348	20,414	21,754	24,659
Probate court total caseload	565	560	586	549	596	531	563	514	556	618
<b>Recreation and culture:</b>										
Swimming pool admissions	29,896	12,727	23,411	23,438	19,706	18,014	19,564	15,630	16,215	15,246
<b>Community and Economic Development:</b>										
Construction permits issued	5,915	5,842	5,211	5,097	4,236	4,162	3,965	3,709	3,777	4,541
EDC Loans	-	-	-	-	-	7	6	13	11	13
<b>Medical care facility-skilled nursing:</b>										
Resident Admits	614	491	454	461	492	425	350	263	314	281
Resident Days	83,597	83,659	84,250	85,498	85,727	81,513	78,857	79,479	79,465	79,231

Source: Various County departments

\*911 changed its numbering system to include every department involved in the call to be counted separately

\*\*Includes Senior Center Network

(1) Data is unavailable for this year

**GRAND TRAVERSE COUNTY**  
**Capital Asset Statistics by Function**  
**Last Ten Years**

Function/Program	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Public safety:</b>										
Police										
Stations	1	1	1	1	1	2	2	2	2	2
Buildings	5	5	5	5	5	6	5	5	5	5
Radio Towers	5	5	6	6	6	6	6	6	6	6
Vehicles	78	93	91	95	96	98	92	91	90	95
Boats	8	8	8	7	5	9	9	9	9	9
Snowmobiles	3	3	2	2	2	4	4	2	2	4
Animal control:										
Building	1	1	1	1	1	1	1	1	1	1
Vehicles	2	2	2	2	2	2	2	2	2	1
<b>General government:</b>										
Building	4	4	4	4	3	4	4	4	4	4
Vehicles	19	21	20	20	22	30	28	28	28	26
<b>Health and welfare:</b>										
Building	2	2	2	2	1	3	3	3	3	3
Vehicles	21	21	24	23	23	15	15	15	14	14
<b>Public works:</b>										
Building	1	1	1	1	1	1	1	1	1	1
Vehicles	16	16	16	16	16	17	17	18	17	18
<b>Judicial:</b>										
Building	3	3	3	3	3	3	3	3	3	3
Vehicles	3	3	4	4	-	3	3	3	3	3
<b>Recreation and culture:</b>										
Buildings	15	15	15	15	15	18	18	18	18	16
Vehicles	3	3	3	3	3	3	3	4	5	3
Parks	10	10	10	10	10	10	10	10	10	10
Boats	1	1	1	1	1	1	1	1	1	1
<b>Construction trades:</b>										
Vehicles	12	8	8	9	9	9	10	10	11	12
<b>Medical care facility:</b>										
Beds	240	240	240	240	240	240	221	221	221	221

Source: Various Departments

**GRAND TRAVERSE COUNTY, MICHIGAN  
SINGLE AUDIT ACT COMPLIANCE  
YEAR ENDED DECEMBER 31, 2016**



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INDEPENDENT AUDITOR'S REPORT ON THE SCHEUDLE OF EXPENDITURES OF  
FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Commissioners  
Grand Traverse County  
Traverse City, Michigan

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of *Grand Traverse County, Michigan* (the "County") as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated June 28, 2017, which contained unmodified opinions on those financial statements. Our report includes a reference to other auditors. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



Gabridge & Company, PLC  
Grand Rapids, MI  
June 28, 2017

**Grand Traverse County**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2016**

<b>Federal Agency / Cluster / Program Title</b>	<b>CFDA Number</b>	<b>Passed Through</b>	<b>Pass-through / Grantor Number</b>	<b>2016 Subawards</b>	<b>2016</b>
<b>U.S. Department of Agriculture</b>					
Women, Infant, and Children Program	10.557	MDHHS	20161683-07	\$ -	\$ 382,560
WIC Breastfeeding	10.557	MDHHS	20161683-07	-	49,225
<b>Total U.S. Department of Agriculture</b>				-	431,785
<b>U.S. Department of Commerce</b>					
Michigan Coastal Zone Management Grant	11.419	MDEQ	NA15NOS4190163	-	85,305
<b>U.S. Department of Housing and Urban Development</b>					
Neighborhood Enterprise Zone	14.228	MSHDA	MSC-2013-0781-HO	-	21,723
<b>U.S. Department of Justice</b>					
Safe Haven Supervised Visitation and Safe Exchange Program	16.527	Direct	2013FLAXK013	-	143,574
Bullet Proof Vest	16.607	Direct	N/A	-	3,267
Justice Assistance Grant Program:					
Byrne JAG State FY 2016	16.738	MSP	2015-MU-BX-0964	-	69,082
Byrne JAG State FY 2017	16.738	MSP	2015-MU-BX-0964	-	28,211
				-	97,293
<b>Total U.S. Department of Justice</b>				-	244,134
<b>U.S. Environmental Protection Agency</b>					
Safe Drinking Water Revolving Loan Fund Program	66.468	MDEQ	FS975487-15	-	2,440
<b>U.S. Department of Health and Human Services</b>					
Public Health Emergency Preparedness:					
Bioterrorism - Supplemental	93.069	MDHHS	20161683-07	-	106,384
Bioterrorism - Supplemental - Regional EPI	93.069	MDHHS	20161683-07	-	8,014
PHEP - Ebola Virus Disease	93.069	MDHHS	20161683-07	-	316
				-	114,714

See notes to the schedule of expenditures of federal awards



**Grand Traverse County**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2016**

<b>Federal Agency / Cluster / Program Title</b>	<b>CFDA Number</b>	<b>Passed Through</b>	<b>Pass-through / Grantor Number</b>	<b>2016 Subawards</b>	<b>2016</b>
<b>U.S. Department of Health and Human Services (continued)</b>					
Family Planning Services	93.217	MDHHS	20161683-07	\$ -	\$ 32,399
Immunization:					
Immunization & Vaccine Program	93.268	MDHHS	20161683-07	-	18,773
Vaccines (non-cash assistance)	93.268	MDHHS	20161683-07	-	101,522
				-	120,295
Immunization Action Plan (IAP) PPHF Capacity Bldg Assistance	93.539	MDHHS	20161683-07	-	33,222
Child Support Enforcement:					
Title IV-D - Incentive Payments	93.563	MDHHS	CSFOC-13-28001	-	166,098
Title IV-D - Incentive Payments	93.563	MDHHS	CSFOC-17-28001	-	45,277
Title IV-D Reimbursement - Friend of the Court	93.563	MDHHS	CSFOC-13-28001	-	816,931
Title IV-D Reimbursement - Friend of the Court	93.563	MDHHS	CSFOC-17-28001	-	325,978
Title IV-D Reimbursement - Prosecutor	93.563	MDHHS	CSPA 13-28002	-	70,118
Title IV-D Reimbursement - Prosecutor	93.563	MDHHS	CSPA-17-28002	-	27,180
				-	1,451,582
Medicaid Cluster:					
Medical Assistance Program - Medicaid Outreach	93.778	MDHHS	20161683-07	-	315,935
CSHCS - Medical Assistance Program (MDCD Outreach)	93.778	MDHHS	20161683-07	-	30,347
CSHCS - Medical Assistance Program	93.778	MDHHS	20161683-07	-	20,000
Total Medicaid Cluster				-	366,282
Maternal and Child Health Services Block Grant	93.994	MDHHS	20161683-07	-	40,597
Family Planning Service	93.994	MDHHS	20161683-07	-	6,843
CSHCS - Maternal and Child Health Services Block Grant	93.994	MDHHS	20161683-07	-	1,250
				-	48,690
<b>Total U.S. Department of Health and Human Services</b>				-	2,167,184
<b>U.S. Department of Homeland Security</b>					
Emergency Management Performance	97.042	MSP	EMC-2016-EP-00001-S01	-	27,924
2014 State Homeland Security Grant Program (noncash assistance)	97.067	COCM	EMW-2014-SS-00059	-	856
2015 State Homeland Security Grant Program (noncash assistance)	97.067	COCM	EMW-2015-SS-00033	-	3,747
<b>Total U.S. Department of Homeland Security</b>				-	32,527
<b>Total Expenditures of Federal Awards</b>				\$ -	\$ 2,985,098

See notes to the schedule of expenditures of federal awards

## Grand Traverse County

### Notes to the Schedule of Expenditures of Federal Awards

#### Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Grand Traverse County, Michigan (the "County") under programs of the federal government for the year ended December 31, 2016. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position or cash flows of the County.

The County's reporting entity is defined in Note 1 of the County's Audited Financial Statements. The County's financial statements include the operations of the Grand Traverse County Road Commission discretely presented component unit, which received federal awards that are not included in the Schedule for the year ended December 31, 2016, as the Road Commission was separately audited.

#### Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting, which is described in Note 1 to the County's financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

For purposes of charging indirect costs to federal awards, the County has not elected to use the 10 percent de minimis cost rate as permitted by §200.414 of the Uniform Guidance.

#### Note 3 - Pass-through Agencies

The County receives certain federal grants as subawards from non-federal entities. Pass-through entities, where applicable, have been identified in the Schedule with an abbreviation, defined as follows:

Pass-through Agency Abbreviation	Pass-through Agency Name
MSHDA	Michigan State Housing Development Authority
MSP	Michigan State Police
MDEQ	Michigan Department of Natural Resources
MSHDA	Michigan State Housing Development Authority
COCM	County of Crawford, Michigan
MDHHS	Michigan Department of Health and Human Services

## Grand Traverse County

### Notes to the Schedule of Expenditures of Federal Awards

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#### Note 4 - Reconciliation to the Financial Statements

A reconciliation of the amounts presented in the Schedule to the amounts presented in the financial statements is as follows:

Total federal sources per financial statements	
Governmental funds	\$ 2,997,564
Component unit, Land Bank	85,305
	<hr/> 3,082,869
Less federal funds not subject to single audit reporting	(97,771)
Total federal revenue recognized per schedule of expenditures of federal awards	<hr/> \$ 2,985,098 <hr/>

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED  
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Commissioners  
Grand Traverse County  
Traverse City, Michigan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Grand Traverse County, Michigan (the "County"), as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 28, 2017. Our report includes a reference to other auditors who audited the financial statements of the Grand Traverse County Road Commission, as described in our report on the County's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the County'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 County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Grand Traverse County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as 2016-001 through 2016-003.

### **The County's Response to Findings**

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Gabridge & Company, PLC  
Grand Rapids, MI  
June 28, 2017

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY  
THE UNIFORM GUIDANCE**

To the Board of Commissioners  
Grand Traverse County  
Traverse City, Michigan

**Report on Compliance for Each Major Federal Program**

We have audited Grand Traverse County's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County of Grand Traverse, Michigan's (the "County") major federal programs for the year ended December 31, 2016. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. The County's basic financial statements include the operations of the Grand Traverse County Road Commission, a discretely presented component unit, which received certain federal awards which are not included in the schedule of expenditures of federal awards for the year ended December 31, 2016. Our audit, as described below, did not include the operations of the Grand Traverse County Road Commission because they arranged for a separate financial statement audit report and they did not meet the criteria for a single audit.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's

compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

### ***Opinion on its Major Federal Program***

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2016.

### ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as items 2016-001 through 2016-003. Our opinion on each major federal program is not modified with respect to this matter.

The County's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

### **Report on Internal Control over Compliance**

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a

combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

***Purpose of this Report***

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in dark ink that reads "Gabridge & Company". The script is cursive and fluid, with the ampersand being a simple loop.

Gabridge & Company, PLC  
Grand Rapids, MI  
June 28, 2017



**Grand Traverse County**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended December 31, 2016**

<b>SECTION I - SUMMARY OF AUDITOR'S RESULTS</b>
---

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal controls over financial reporting	
Material weaknesses identified?	No
Significant deficiencies identified not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs	
Material weaknesses identified?	No
Significant deficiencies identified not considered to be material weaknesses?	No
Type of auditors' report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	Yes

Identification of Major Programs

<u>Name of Federal Program or Cluster</u>	<u>CFDA Number</u>
Child Support Enforcement	93.563
Dollar threshold used to distinguish between Type A and B programs?	\$ 750,000
Auditee qualified as a low-risk auditee?	No

**Grand Traverse County**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended December 31, 2016**

<b>SECTION II - FINANCIAL STATEMENT FINDINGS</b>
--

None

<b>SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS</b>
--

**2016-001 - Written Procedures Required by OMB's Uniform Grant Guidance (Repeat Comment)**

Finding Type - Immaterial noncompliance

Program: Child Support Enforcement (CFDA# 93.563)

Condition: The County has not developed the written procedures as required by OMB's Uniform Guidance.

Criteria: Uniform Grant Guidance requires written procedures covering the following: payments (draws of federal funds and how to minimize the time elapsing between the receipt of federal funds and the disbursement) and allowability of costs charged to federal programs.

Cause: The County has not developed the required written procedures.

Effect: The County is not in compliance with the required written procedures under the Uniform Guidance.

Questioned Costs: No costs have been questioned as a result of this finding.

Recommendation: The County should develop and implement the required federal written procedures.

Corrective Action Plan: Written procedures for payments and allowability of costs charged to federal programs will be drafted and implemented to ensure adequate guidance and controls are in place for drawing of federal funds and to minimize the time elapsed between the receipt of federal funds and disbursement.

**Grand Traverse County**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended December 31, 2016**

<b>SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS</b>
--

**2016-002 - Allowability of costs inconsistent to County purchasing policy**

Finding Type - Immaterial noncompliance relating to allowability of costs

Program: Child Support Enforcement (CFDA# 93.563)

Condition: The County's Purchasing Policy considers staff only meals/food purchases as ineligible expenses. There were two instances where food was purchased for staff meetings that do not appear to be considered allowable based on the County's purchasing policy.

Criteria: The Uniform Guidance §200.432 considers food purchased for conferences, which is defined as a meeting, retreat, seminar, symposium, workshop or event whose primary purpose is the dissemination of technical information beyond the non-Federal entity and is necessary and reasonable for successful performance under the federal award, as an allowable cost. §200.403(c) requires the allowability of costs to be consistent with policies and procedures that apply uniformly to both federally-financed and other activities of the non-Federal entity. As the County's policy does not allow meal/food purchases for staff only meals, it appears that these purchases are not consistent with the County's purchasing policy, which would question whether the costs would be allowable under Uniform Guidance.

Cause: The County did not consistently apply Uniform Guidance procedures and County policy to its federal awards.

Effect: The County has questioned costs that have been charged to a Federal award as a result of this condition, and was exposed to increase risk of a misstatement due to an error or fraud.

Questioned Costs: As a result of this finding, questioned costs that were tested totaled \$71.50.

Recommendation: The County should review written County purchasing procedures and apply them to Federal awards.

Corrective Action Plan: The County will review its County-wide purchasing policy with all Friend of the Court staff to prevent incurrence of future unallowable costs.

**Grand Traverse County  
Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2016**

<b>SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS</b>
--

**2016-003 - Internal controls required by Uniform Guidance**

Finding Type - Immaterial noncompliance relating to internal controls

Program: Child Support Enforcement (CFDA# 93.563)

Condition: An employee of the Friend of the Court received a raise without the proper form signed by a supervisor.

Criteria: The Uniform Guidance §200.303 states that the non-Federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

Cause: Although the employee had an email from the judge to increase his pay at least 4.5%, the actual increase amounted to 20%. The employee submitted the form to Human Resources, who posted the change to the system. Upon review, it was determined the increase was appropriate with the step level and the employee's new promotion; however, there was a lack of internal control.

Effect: There appears to be a lack of controls over the County's processes regarding changes in employment status and compensation.

Questioned Costs: No costs have been questioned as a result of this finding.

Recommendation: We recommend all pay increases be specific and the form signed off by an appropriate supervisor.

Corrective Action Plan: The County recognizes the importance of having complete records documenting any changes in employee compensation. The employee change in status form has been updated to ensure the appropriate approval signatures are obtained on a completed form before any change may be implemented.

**Grand Traverse County  
Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2016**

<b>SECTION IV - SUMMARY OF PRIOR AUDIT FINDINGS</b>
---

**2015-001 - Prior Period Adjustment and Material Audit Adjustments**

During the prior year audit, certain material audit adjustments were identified and proposed by the auditor to adjust the County's general ledger to the appropriate balances. This matter is considered resolved.

**2015-002 - Review of Pavilions General Journal Entries**

During the prior year audit, evidence of review of journal entries was not documented relating to the Pavilions medical care facility. This matter is considered resolved.

**2015-003 Documented Approval of Grant Disbursements**

During the prior year audit, various charges allocated to the Child Support Enforcement award did not have evidence of review and approval. This matter is considered resolved.

**2015-004 - Written Procedures Required by OMB's Uniform Grant Guidance**

During the prior year audit, the County did not have formal written policies covering payments and allowability of costs. The County remains in the process of resolving this finding, see 2016-001.



## GRAND TRAVERSE COUNTY FINANCE DEPARTMENT

400 BOARDMAN AVENUE  
TRAVERSE CITY, MI 49684-2577

FINANCE DIRECTOR  
DEPUTY FINANCE DIRECTOR  
FAX

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### CORRECTIVE ACTION PLAN

During the course of the annual audit for Grand Traverse County (the “County”), certain deficiencies were identified by the auditors. These matters are described in the Schedule of Findings and Questioned Costs. The County has evaluated these matters, as described below, and plans to correct each item in the following manner:

#### **2016-001 – Written procedures required by OMB’s Uniform Grant Guidance**

PLANNED CORRECTIVE ACTION: Written procedures for payments and allowability of costs charged to federal programs will be drafted and implemented to ensure adequate guidance and controls are in place for drawing of federal funds and to minimize the time elapsed between the receipt of federal funds and disbursement.

RESPONSIBLE PARTY: Finance Staff

DATE OF PLANNED CORRECTIVE ACTION: July 2017

MANAGEMENT ASSESSMENT: We concur with the audit assessment regarding this matter.

#### **2016-002 – Allowability of costs inconsistent to County purchasing policy**

PLANNED CORRECTIVE ACTION: The County will review its County-wide purchasing policy with all Friend of the Court staff to prevent incurrence of future unallowable costs.

RESPONSIBLE PARTY: Finance Staff

DATE OF PLANNED CORRECTIVE ACTION: July 2017

MANAGEMENT ASSESSMENT: We concur with the audit assessment regarding this matter.

#### **2016-003 – Internal controls required by Uniform Guidance**

PLANNED CORRECTIVE ACTION: The County recognizes the importance of having complete records documenting any changes in employee compensation. The employee change in status form has been updated to ensure the appropriate approval signatures are obtained on a completed form before any change may be implemented.

RESPONSIBLE PARTY: Finance and Human Resources Staff

DATE OF PLANNED CORRECTIVE ACTION: June 2017

MANAGEMENT ASSESSMENT: We concur with the audit assessment regarding this matter and addressed its resolution as described above.

June 28, 2017

To the Board of Commissioners  
Grand Traverse County, Michigan  
Traverse City, Michigan

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Grand Traverse County (the "County") as of and for the year ended December 31, 2016. Our report includes a reference to other auditors. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 19, 2017. Professional standards also require that we communicate to you the following information related to our audit.

### Significant Audit Findings

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County are described in Note 1 to the financial statements. As described in Note 1 to the financial statements, the County has adopted Governmental Accounting Standards Board Statement No. 72. We noted no transactions entered into by the County during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's 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 significantly from those expected. The most sensitive estimates affecting the County's financial statements were:

- Management's estimate of the useful life 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.
- Management's estimate of the insurance claims incurred but not reported is based on information provided by the entity's third party administrators and subsequent claims activity.
- The assumptions used in the actuarial valuations of the pension plan and other post-employment benefit plan are based on historical trends and industry standards.

We evaluated the key factors and assumptions used to develop these estimates in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

#### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

#### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated June 28, 2017.



### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to County’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the County’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### Other Matters

We applied certain limited procedures to management’s discussion and analysis, budgetary comparison schedules, and the required pension and OPEB schedules, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining and individual fund statements and schedules, along with the Schedule of Expenditures of Federal Awards, which accompany the financial statements but are not RSI. With respect to this supplementary information, 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.

The introductory section and statistical tables 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.

### Restriction on Use

This information is intended solely for the information and use of the Board of Commissioners and management of Grand Traverse County and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

*Gabridge & Company*

Gabridge & Company, PLC  
Grand Rapids, MI  
June 28, 2017