



**GRAND TRAVERSE COUNTY, MICHIGAN**

**COMPREHENSIVE ANNUAL FINANCIAL REPORTS**

***FOR THE YEAR ENDED DECEMBER 31, 2018***

# **GRAND TRAVERSE COUNTY, MICHIGAN**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

***FOR THE YEAR ENDED DECEMBER 31, 2018***

### **Principal Officials**

#### **Board of Commissioners**

Robert Hentschel - Chairperson  
Ron Clous – Vice Chair  
Betsy Coffia  
Brad Jewett  
Bryce Hundley  
Addison “Sonny” Wheelock Jr.  
Gordie LaPointe

### **Administration**

Nate Alger, County Administrator

Dean Bott, 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

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231/922-4797  
231/922-4636

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June 28, 2019

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, 2018, 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 Vredeveld Haefner LLC, 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 92,573. 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, and Drain Commissioner 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. The Pavilions Foundation provides a fund raising vehicle that supports the Pavilions medical care facility and PACE North provides all-inclusive care for the elderly. These 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 2018, the estimated population of Grand Traverse County was 92,573 according to the U.S. Census. This is an increase of 6.4% 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 2017 median age in Grand Traverse County is 42.8 years, compared to 39.6 years for Michigan overall. In 2017, 17.8% of the population of the County was 65 years old and over which is higher than the 15.9% 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 2018, the annual average workforce in Grand Traverse County was 45,390 employees, representing two-thirds of the total regional employment. Annual average unemployment for the County in 2018 was 3.5%, down from 3.6% in 2017. 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 \$58,229, the 14th highest county in Michigan.

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

There are 55,446 parcels of property in the County for the 2019 Assessment year, an increase of .57% from 2018. The County Equalized Value (CEV) for Grand Traverse County for 2019 is \$6,838,320,468, an increase of 8.12% from 2018, which was \$6,324,678,828. Taxable value increased overall 5.13% countywide from 2018 to 2019.

Total listings of home sales in Grand Traverse County in 2018 by real estate agents were 2,439, up from 2,293 in 2017. The average sales price in 2018 was \$288,147, up from \$279,083 in 2017. In comparison, the average price for sales in Michigan in 2018 was \$167,865, an increase from \$155,250 in 2017.

### ***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 95% of the population having a high school diploma or more and ranked tenth in the state with 34% 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 16 schools. The district has a current enrollment of nearly 10,000 students spread over 300 square miles across three counties. Kingsley Area Schools includes three schools and covers the southern end of the County. The district has a current enrollment of approximately 1,500 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 4,200, 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 7 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 approximately 1 in 6 jobs dependent on tourism in the five-county region, the impact is twice that of the rest of Michigan. Grand Traverse County has more than 4000 hotel rooms and is second only to Wayne County in number of Airbnb guests. The estimated total economic impact from the visitor industry in Grand Traverse County is \$1.2 billion annually and totals for more than \$5,000 for each resident in the region.

### ***Cherry Industry***

The U.S. cherry industry produces more than 1,000 million pounds of tart and sweet cherries each year. Michigan, mainly the Grand Traverse region, grows about 70 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 11 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 Dennos 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.

## **MAJOR INTIATIVES**

### ***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. The Boardman Dam was removed in 2017 and the Sabin Dam was removed in 2018. A project of this scale is substantial and will have a significant impact on the community. Restoration and monitoring activities will continue on the Boardman River for several years.

### ***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 \$27 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 120,000 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 the 10<sup>th</sup> “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.

### ***Awards and Acknowledgments***

The Government Finance Officers Association of the United States and Canada (GFOA) awarded thirteen 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, 2005-2017. 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,

A handwritten signature in blue ink, appearing to read "Nate Alger".

Nate Alger  
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, 2017**

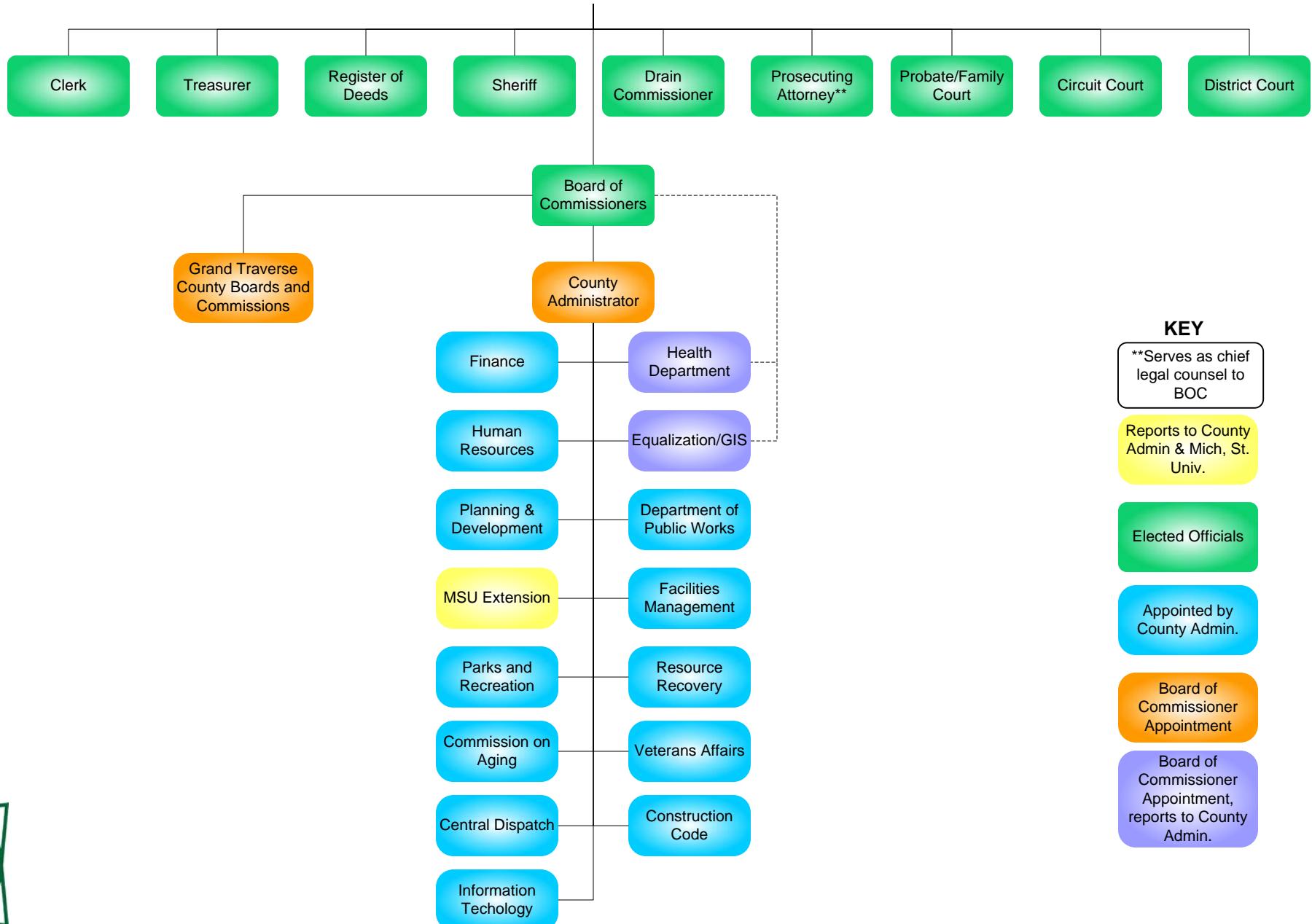
*Christopher P. Monill*

Executive Director/CEO

# Grand Traverse County

## Organizational Chart

### VOTERS OF GRAND TRAVERSE COUNTY



## **FINANCIAL SECTION**



## Vredeveld Haefner LLC

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### INDEPENDENT AUDITORS' REPORT

June 28, 2019

Board of Commissioners  
Grand Traverse County, 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, 2018, 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.

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

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

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

#### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Grand Traverse County, as of December 31, 2018, 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 on pages 3 through 9 and the information on pages 79 through 93 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the 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* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards 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, 2019 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.

*Donald Haefner LLC*

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

# Management's Discussion and Analysis

As management of the County of Grand Traverse, 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, 2018.

## Financial Highlights

The financial statements, which follow this Management's Discussion and Analysis, provide these significant key financial highlights for the 2018 fiscal year as follows:

- Tax revenues are increasing due to construction activity and increasing property values
- The pension payment to MERS was higher than the actuarial determined or required payment
- The Sabin Dam was removed with minimal County cost compared to the total project cost

## 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 also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements** The Government-wide financial statements are designed to provide readers with a broad overview of the 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 and liabilities, with the difference between the two 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 County'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 revenues and earned but unused compensated absences).

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, public works, health and welfare, economic development, and parks and recreation. The business-type activities of the County include the Pavilions, Homestead, Inspections, Solid Waste, Foreclosure tax collection, and Delinquent tax revolving funds.

The government-wide financial statements include not only the County itself (known as the primary government), but also the legally separate Road Commission, Brownfield Redevelopment Authority, Land Bank Authority, Drain Commission, Department of Public Works, Building Authority, PACE and Pavilions Foundation.

**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 County'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 County'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.

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 fund, health department, commission on aging and Building Authority Pace debt fund, all of which are considered to be major funds. Data is combined into a single aggregated presentation for the other governmental funds (non-major governmental funds). Individual fund data for each of the non-major governmental funds is provided in the form of combining statements and schedules.

The County adopts an annual appropriated budget for its general fund and all special revenue funds as required by state law. Budgetary comparison statements have been provided for the general and special revenue funds to demonstrate legal compliance.

**Proprietary funds** The County also maintains 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 the Pavilions and the Delinquent Tax Revolving Fund, both of which are considered to be major funds. Data is combined into a single aggregated presentation for the other enterprise funds (non-major enterprise funds). Individual fund data for each of the non-major enterprise funds is provided in the form of combining statements and schedules.

The County has internal service funds to account for and allocate costs internally among the various functions. Because these services predominantly benefit governmental functions, they have been included within governmental activities in the government-wide financial statements.

**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 statement because the resources of these 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.

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

**Other information** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. This is limited to this discussion and analysis, major fund budgetary schedules and benefit plan trend information. Supplemental information follows the required supplementary information.

## Government-wide Financial Analysis

**Statement of Net Position** As noted earlier, net position may serve over time as a useful indicator of the County's financial position. In the case of the County, assets exceeded liabilities \$40,028,154 at the close of the most recent fiscal year. The following chart illustrates the composition of net position.

### Net Position

	Governmental Activities		Business-type Activities		Total	
	2017	2018	2017	2018	2017	2018
<b>Assets</b>						
Current and other assets	\$31,434,910	\$34,022,922	\$26,632,571	\$27,312,370	\$58,067,481	\$61,335,292
Long-term assets	44,347,862	46,510,045	20,863,497	19,984,253	65,211,359	66,494,298
<b>Total assets</b>	<b>75,782,772</b>	<b>80,532,967</b>	<b>47,496,068</b>	<b>47,296,623</b>	<b>123,278,840</b>	<b>127,829,590</b>
<b>Deferred outflows of resources</b>						
	2,584,432	6,100,331	2,857,724	3,347,010	5,442,156	9,447,341
<b>Liabilities</b>						
Current liabilities	3,963,736	2,093,620	2,135,132	2,170,099	6,098,868	4,263,719
Long-term liabilities	61,151,352	62,522,854	14,233,406	16,418,661	75,384,758	78,941,515
<b>Total liabilities</b>	<b>65,115,088</b>	<b>64,616,474</b>	<b>16,368,538</b>	<b>18,588,760</b>	<b>81,483,626</b>	<b>83,205,234</b>
<b>Deferred inflows of resources</b>						
	8,500,439	11,634,198	469,483	2,409,345	8,969,922	14,043,543
<b>Net position</b>						
Net investment in capital assets	29,409,638	34,481,571	21,008,360	17,077,341	50,417,998	51,558,912
Restricted	8,638,956	6,296,563	-	-	8,638,956	6,296,563
Unrestricted	(33,296,917)	(30,395,508)	12,507,411	12,568,187	(20,789,506)	(17,827,321)
<b>Total net position</b>	<b>\$ 4,751,677</b>	<b>\$10,382,626</b>	<b>\$33,515,771</b>	<b>\$29,645,528</b>	<b>\$38,267,448</b>	<b>\$40,028,154</b>

By far the largest portion of the County's net position reflects its investment in capital assets (e.g., land, buildings, machinery and equipment and infrastructure), 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 in the amount of \$6,296,563 represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position was an unrestricted deficit of \$17,827,321.

At the end of the current fiscal year, the County is able to report positive balances in two categories of net position, for the governmental activities and all three categories of net position for the business-type activities.

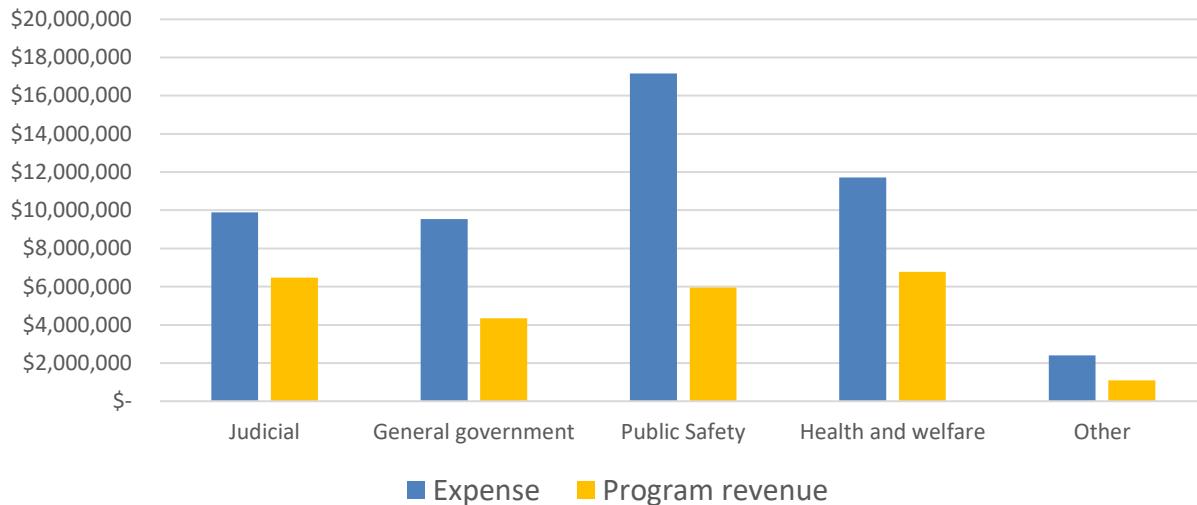
**Statement of Activities** The County's total revenue for the fiscal year ended December 31, 2018, was \$90,215,318 while total cost of all programs and services was \$81,209,626. This results in an increase in net position of \$9,005,692. The following table presents a summary of the changes in net position for the years ended December 31.

### Changes in Net Position

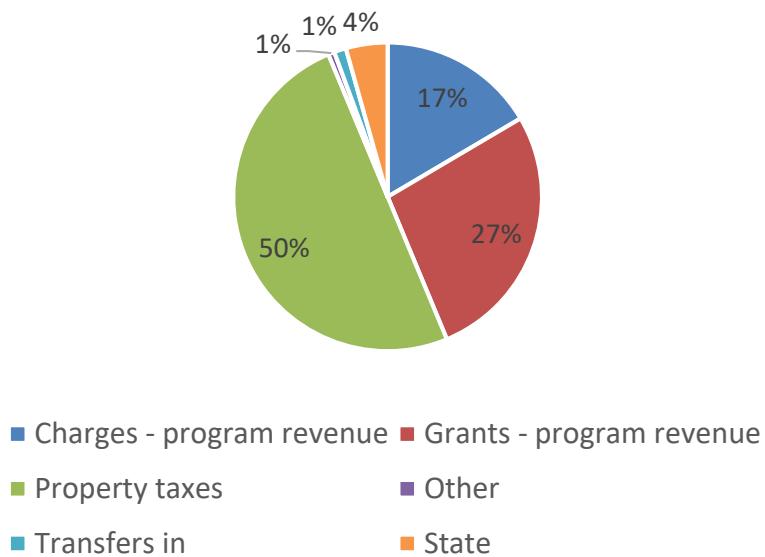
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2017	2018	2017	2018	2017	2018
<b>Revenues</b>						
Program revenues						
Charges for services	\$8,654,686	\$9,310,795	\$33,334,025	\$34,312,517	\$41,988,711	\$43,623,312
Operating grants and contributions	13,357,579	15,335,818	176,546	101,536	13,534,125	15,437,354
Capital grants and contributions	-	-	-	-	-	-
General revenues						
Property taxes	27,776,028	28,175,697	-	-	27,776,028	28,175,697
State revenue sharing	2,428,342	2,461,516	-	-	2,428,342	2,461,516
Interest	186,850	332,489	61,344	149,067	248,194	481,556
Gain on capital asset disposals	245,614	35,883	2,019	-	247,633	35,883
<b>Total revenues</b>	<b>52,649,099</b>	<b>55,652,198</b>	<b>33,573,934</b>	<b>34,563,120</b>	<b>86,223,033</b>	<b>90,215,318</b>
<b>Expenses</b>						
Legislative	210,370	236,699	-	-	210,370	236,699
Judicial	9,735,023	9,892,645	-	-	9,735,023	9,892,645
General government	7,122,267	9,539,314	-	-	7,122,267	9,539,314
Public safety	16,243,981	17,164,419	-	-	16,243,981	17,164,419
Public works	228,223	129,379	-	-	228,223	129,379
Health and welfare	11,550,310	11,723,888	-	-	11,550,310	11,723,888
Economic Development	703,708	257,122	-	-	703,708	257,122
Parks and Recreation	659,348	1,410,810	-	-	659,348	1,410,810
Interest on long-term debt	269,737	374,148	-	-	269,737	374,148
Grand Traverse Pavilions	-	-	28,824,047	28,392,851	28,824,047	28,392,851
Inspections	-	-	785,371	1,601,678	785,371	1,601,678
Delinquent tax revolving	-	-	31,867	9,068	31,867	9,068
Homestead	-	-	11,931	16,675	11,931	16,675
Foreclosure tax collections	-	-	124,152	149,050	124,152	149,050
Solid Waste	-	-	35,051	311,850	35,051	311,850
Building Authority	-	-	-	30	-	30
<b>Total expenses</b>	<b>46,722,967</b>	<b>50,728,424</b>	<b>29,812,419</b>	<b>30,481,202</b>	<b>76,535,386</b>	<b>81,209,626</b>
<b>Increase (decrease) before transfers</b>	<b>5,926,132</b>	<b>4,923,774</b>	<b>3,761,515</b>	<b>4,081,918</b>	<b>9,687,647</b>	<b>9,005,692</b>
<b>Transfers in (out)</b>	<b>2,848,095</b>	<b>707,175</b>	<b>(2,848,095)</b>	<b>(707,175)</b>	<b>-</b>	<b>-</b>
<b>Increase (decrease) in net position</b>	<b>8,774,227</b>	<b>5,630,949</b>	<b>913,420</b>	<b>3,374,743</b>	<b>9,687,647</b>	<b>9,005,692</b>
<b>Net position – beginning</b>	<b>(4,022,550)</b>	<b>4,751,677</b>	<b>32,602,351</b>	<b>26,270,785</b>	<b>28,579,801</b>	<b>31,022,462</b>
<b>Net position – ending</b>	<b>\$4,751,677</b>	<b>\$ 10,382,626</b>	<b>\$33,515,771</b>	<b>\$29,645,528</b>	<b>\$38,267,448</b>	<b>\$40,028,154</b>

The beginning net position for the business type activities was reduced by \$4,926,072 due to the County adopting GASB Statement Number 75 relating to other post-employment benefits and 2,318,914 to properly reflect deferred inflows and outflows.

## Governmental activities - expense and program revenue by function



## Governmental activities - revenues by source



**Governmental Activities** The preceding table shows that the governmental activities increased the County's net position by \$5,630,949 during this fiscal year. The increase was primarily related to increased revenues and lower pension expenditures compared to 2017.

**Business-type Activities** Business-type activities increased the County's net position by \$3,374,743 during the year. This increase is primarily the result of pension and OPEB activity.

### Financial Analysis of the Government's Funds

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

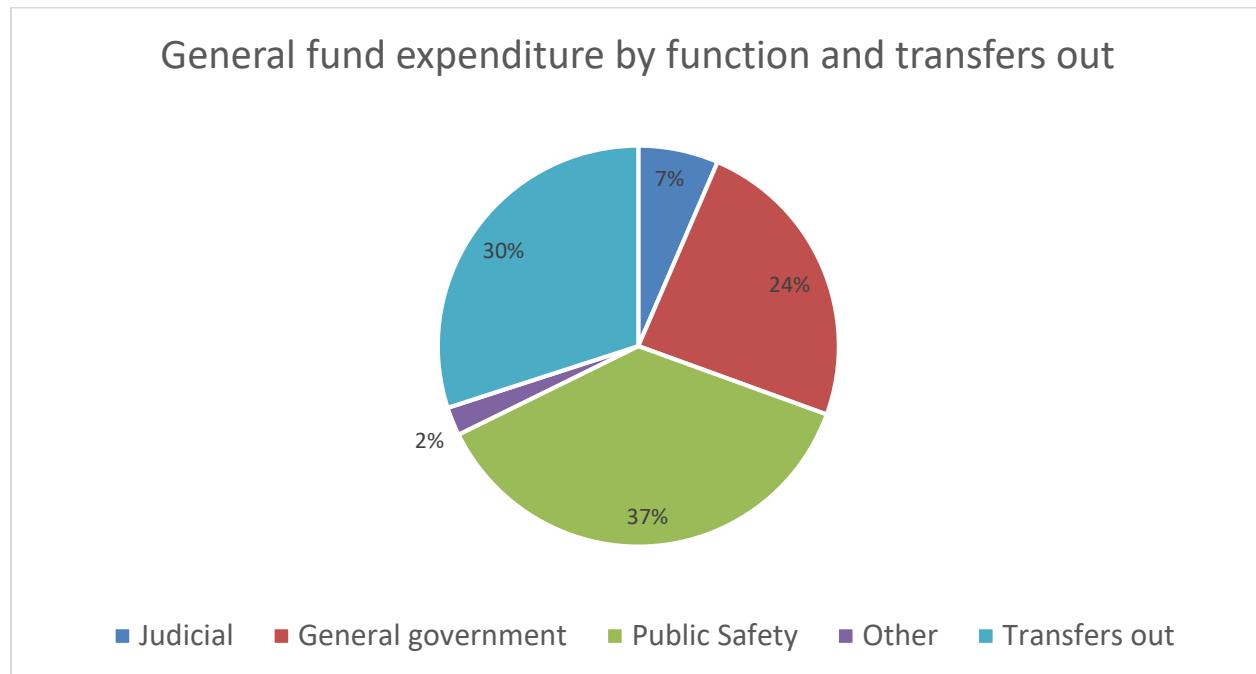
**Governmental funds** The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balance may serve as a useful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

The general fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance was \$11,088,302. 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 30% of total general fund expenditures and transfers.

Health Department - At the end of the current fiscal year, fund balance was \$2,093,963, an increase of \$141,108 from the prior year.

Commission on Aging - At the end of the current fiscal year, fund balance was \$1,946,844, an increase of \$371,031 from the prior year. The primary reason for the increase was planned program revenue exceeding expenditures.

Building Authority PACE Debt - At the end of the current fiscal year, long-term receivable of \$2,908,074 were offset with an equal amount of deferred inflows. These balance represent future minimum payments expected be received on a lease of facilities to PACE (a discretely presented component unit).



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

The County of Grand Traverse's major enterprise operations consist of separate and distinct activities. These activities are accounted for in the Grand Traverse Pavilions and the delinquent tax revolving fund. These activities provide services to residents and businesses of the County. The Pavilions had an increase in net position of \$2,928,205 largely due to changes in the pensions and OPEB plan. The delinquent tax revolving fund had an increase of \$220,284 while transferring approximately \$630,000 to other funds.

## Budgetary Highlights

### General Fund

- Tax revenue in the general fund exceeded conservative budget estimates
- Reimbursement revenues were higher due to employee defined contribution forfeitures
- General government was less than budget due to vacant positions and lower net insurance costs
- Public safety expenditures were less than planned due to lower staffing levels at the jail
- Actual transfers were less than budget due to lower costs in Central Dispatch and the Child Care Fund

### Health Department

- Medicaid cost settlement revenue was significantly more than budgeted
- Total expenditures were lower than budget due to unexpended grant funds that carry over to 2019

### Commission on Aging

- Total expenditures less than budget due to staffing levels and lower contract services

## Capital Asset and Debt Administration

**Capital assets** The County's investment in capital assets for its governmental and business-type activities as of December 31, 2018, amounted to \$66,494,298 (net of accumulated depreciation). Of this amount, \$46,510,045 was for its governmental activities and \$19,984,253 was for its business-type activities. This investment in capital assets includes land, buildings, equipment and vehicles, and infrastructure.

Significant additions to capital assets during the year include vehicle replacements, equipment and IT system upgrades and improvements to County facilities.

Additional information about the County's capital asset activity can be found in Note 6 to these financial statements.

**Long-term debt** At the end of the current fiscal year, the County had total long-term debt outstanding of \$14,519,104 for governmental and business-type activities. The County made principal payments on debt of approximately \$1,030,000.

Additional information on the County's long-term debt can be found in Note 9 to these financial statements.

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

The following economic factors were considered in preparing the County's budget for the 2019 fiscal year:

- Property values and taxable values continue to increase due to construction activity and economic growth. The 2019 Equalization Report indicates a 5.12% increase in taxable value
- The county transitioned employee health insurance to a health savings plan at a lower total cost while retaining a 20% cost sharing by employees
- Several labor contracts need to be negotiated in 2019 and may include a wage increase for employees

## 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 County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, Grand Traverse County, 400 Boardman Avenue, Suite 304, Traverse City, MI 49684.

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## **BASIC FINANCIAL STATEMENTS**

**GRAND TRAVERSE COUNTY**

**STATEMENT OF NET POSITION**

**DECEMBER 31, 2018**

	<b>Primary Government</b>			<b>Component Units</b>
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>	
<b>Assets</b>				
Cash and pooled investments	\$ 20,703,530	\$ 18,759,575	\$ 39,463,105	\$ 16,022,779
Accounts receivable, net	973,576	3,839,270	4,812,846	2,801,704
Property tax receivable	3,304,073	2,930,313	6,234,386	9,679
Interest receivable	21,962	261,597	283,559	103,508
Internal balances	(1,110,964)	1,110,964	-	-
Due from component unit	762,406	-	762,406	-
Due from other governments	2,402,602	26,065	2,428,667	4,983,027
Inventory	115,524	163,905	279,429	1,371,505
Prepaid items	147,805	21,387	169,192	99,223
Restricted cash	-	199,294	199,294	151,956
Advance to component units	2,169,960	-	2,169,960	-
Long-term receivables	4,532,448	-	4,532,448	24,010,354
Capital assets				
Land	15,639,877	1,820,550	17,460,427	28,830,886
Construction in progress	3,331,391	-	3,331,391	938,343
Depreciable capital assets, net	27,538,777	18,163,703	45,702,480	66,886,223
Right-to-use lease; net	-	-	-	2,895,089
<b>Total assets</b>	<b>80,532,967</b>	<b>47,296,623</b>	<b>127,829,590</b>	<b>149,104,276</b>
<b>Deferred outflows of resources</b>				
Deferred charge on refunding	-	78,088	78,088	-
Pension/OPEB related	6,100,331	3,268,922	9,369,253	589,555
<b>Total deferred outflows of resources</b>	<b>6,100,331</b>	<b>3,347,010</b>	<b>9,447,341</b>	<b>589,555</b>
<b>Liabilities</b>				
Accounts payable	741,253	720,994	1,462,247	2,818,204
Accrued liabilities	841,486	702,664	1,544,150	1,170,012
Unearned revenue	203,315	-	203,315	3,671
Due to primary government	-	-	-	762,406
Due to other governments	307,566	746,441	1,054,007	711,118
Note payable	-	-	-	475,000
Noncurrent liabilities				
Due within one year	966,539	225,000	1,191,539	4,486,300
Due in more than one year	10,567,565	2,760,000	13,327,565	27,783,216
Advance from primary government	-	-	-	2,169,960
Net pension liability	47,466,507	11,688,983	59,155,490	846,613
Net OPEB liability	2,004,176	994,784	2,998,960	1,072,330
Compensated absences	1,518,067	749,894	2,267,961	112,087
<b>Total liabilities</b>	<b>64,616,474</b>	<b>18,588,760</b>	<b>83,205,234</b>	<b>42,410,917</b>
<b>Deferred inflows of resources</b>				
Taxes levied for subsequent year	3,717,225	-	3,717,225	25,036
Unavailable lease	2,908,074	-	2,908,074	-
Pension/OPEB related	5,008,899	2,409,345	7,418,244	-
<b>Total deferred inflows of resources</b>	<b>11,634,198</b>	<b>2,409,345</b>	<b>14,043,543</b>	<b>25,036</b>
<b>Net position</b>				
Net investment in capital assets	34,481,571	17,077,341	51,558,912	91,092,189
Restricted				
Commission on Aging	1,946,844	-	1,946,844	-
CDBG Housing Grants	1,809,387	-	1,809,387	-
Other	2,540,332	-	2,540,332	10,947,022
Unrestricted	(30,395,508)	12,568,187	(17,827,321)	5,218,667
<b>Total net position</b>	<b>\$ 10,382,626</b>	<b>\$ 29,645,528</b>	<b>\$ 40,028,154</b>	<b>\$ 107,257,878</b>

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

# GRAND TRAVERSE COUNTY

## STATEMENT OF ACTIVITIES

**FOR THE YEAR ENDED DECEMBER 31, 2018**

<u>Functions/Programs</u>	<u>Program Revenues</u>				
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Net (Expense) Revenue</u>
<b>Primary government</b>					
Governmental activities					
Legislative	\$ 236,699	\$ 846	\$ -	\$ -	\$ (235,853)
Judicial	9,892,645	2,559,453	3,910,290	-	(3,422,902)
General government	9,539,314	3,663,563	684,728	-	(5,191,023)
Public safety	17,164,419	1,202,754	4,757,423	-	(11,204,242)
Public works	129,379	44,263	-	-	(85,116)
Health and welfare	11,723,888	1,605,908	5,173,467	-	(4,944,513)
Economic development	257,122	58	84,561	-	(172,503)
Parks and recreation	1,410,810	233,950	725,349	-	(451,511)
Interest on long-term debt	374,148	-	-	-	(374,148)
Total governmental activities	<u>50,728,424</u>	<u>9,310,795</u>	<u>15,335,818</u>	<u>-</u>	<u>(26,081,811)</u>
Business-type activities					
Grand Traverse Pavilions	28,392,851	31,092,148	90,493	-	2,789,790
Delinquent tax revolving	9,068	850,125	-	-	841,057
Homestead	16,675	-	5,022	-	(11,653)
Inspections	1,601,678	1,838,830	-	-	237,152
Foreclosure tax collection	149,050	170,510	-	-	21,460
Solid waste	311,850	360,904	6,020	-	55,074
Building Authority	30	-	1	-	(29)
Total business-type activities	<u>30,481,202</u>	<u>34,312,517</u>	<u>101,536</u>	<u>-</u>	<u>3,932,851</u>
<b>Total primary government</b>	<u>\$ 81,209,626</u>	<u>\$ 43,623,312</u>	<u>\$ 15,437,354</u>	<u>\$ -</u>	<u>\$ (22,148,960)</u>
<b>Component units</b>	<u>\$ 27,183,247</u>	<u>\$ 6,393,363</u>	<u>\$ 20,869,082</u>	<u>\$ 3,543,594</u>	<u>\$ 3,622,792</u>

(Continued)

**GRAND TRAVERSE COUNTY**

**STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED DECEMBER 31, 2018**

	<b>Primary Government</b>			<b>Component Units</b>
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	
<b>Changes in net position</b>				
Net (expense) revenue	<u>\$ (26,081,811)</u>	<u>\$ 3,932,851</u>	<u>\$ (22,148,960)</u>	<u>\$ 3,622,792</u>
General revenues				
Property taxes	28,175,697	-	28,175,697	3,845,622
State revenues	2,461,516	-	2,461,516	-
Unrestricted interest	332,489	149,067	481,556	108,548
Gain on capital asset disposals	35,883	-	35,883	158,814
Transfers - internal activities	<u>707,175</u>	<u>(707,175)</u>	<u>-</u>	<u>-</u>
Total general revenues and transfers	<u>31,712,760</u>	<u>(558,108)</u>	<u>31,154,652</u>	<u>4,112,984</u>
Change in net position	5,630,949	3,374,743	9,005,692	7,735,776
<b>Net position, beginning of year, as restated</b>	<u>4,751,677</u>	<u>26,270,785</u>	<u>31,022,462</u>	<u>99,522,102</u>
<b>Net position, end of year</b>	<u>\$ 10,382,626</u>	<u>\$ 29,645,528</u>	<u>\$ 40,028,154</u>	<u>\$ 107,257,878</u>

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

# GRAND TRAVERSE COUNTY

## GOVERNMENTAL FUNDS BALANCE SHEET

**DECEMBER 31, 2018**

	<u>General</u>	<u>Health Department</u>	<u>Commission on Aging</u>	<u>Building Authority PACE Debt</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
<b>Assets</b>						
Cash and pooled investments	\$ 8,910,285	\$ 1,264,120	\$ 2,295,474	\$ -	\$ 6,496,983	\$ 18,966,862
Accounts receivable, net	75,113	71,894	-	-	825,753	972,760
Property tax receivable	-	-	2,182,625	-	1,121,448	3,304,073
Interest receivable	21,962	-	-	-	-	21,962
Due from other funds	1,922,399	-	-	-	516,053	2,438,452
Due from component unit	759,400	-	-	-	-	759,400
Due from other governments	436,951	823,965	-	-	1,119,652	2,380,568
Advance to other funds	832,349	-	-	-	-	832,349
Advance to component units	2,169,960	-	-	-	-	2,169,960
Long-term receivable	-	-	-	2,908,074	1,624,374	4,532,448
Inventory	-	42,893	-	-	72,631	115,524
Prepaid items	9,644	34,094	210	-	15,627	59,575
<b>Total assets</b>	<b>\$ 15,138,063</b>	<b>\$ 2,236,966</b>	<b>\$ 4,478,309</b>	<b>\$ 2,908,074</b>	<b>\$ 11,792,521</b>	<b>\$ 36,553,933</b>
<b>Liabilities, deferred inflows of resources and fund balances</b>						
<b>Liabilities</b>						
Accounts payable	\$ 137,715	\$ 31,719	\$ 44,088	\$ -	\$ 467,105	\$ 680,627
Accrued liabilities	372,834	16,715	26,914	-	136,330	552,793
Unearned revenue	19,362	78,322	-	-	105,631	203,315
Due to other funds	495,002	16,247	5,909	-	832,995	1,350,153
Due to other governments	12,895	-	-	-	288,371	301,266
Advance from other funds	-	-	-	-	832,349	832,349
<b>Total liabilities</b>	<b>1,037,808</b>	<b>143,003</b>	<b>76,911</b>	<b>-</b>	<b>2,662,781</b>	<b>3,920,503</b>
<b>Deferred inflows of resources</b>						
Taxes levied for subsequent year	-	-	2,454,554	-	1,262,671	3,717,225
Unavailable leases	-	-	-	2,908,074	-	2,908,074
	-	-	2,454,554	2,908,074	1,262,671	6,625,299
<b>Fund balances</b>						
Nonspendable						
Inventory	-	42,893	-	-	72,631	115,524
Prepaid	9,644	34,094	210	-	15,627	59,575
Advances to other funds	832,349	-	-	-	-	832,349
Advances to component units	2,169,960	-	-	-	-	2,169,960
Long-term receivable				-	1,624,374	1,624,374
Restricted						
Special revenue funds	-	-	1,946,634	-	2,641,299	4,587,933
Capital projects funds	-	-	-	-	494,370	494,370
Committed						
Special revenue funds	-	2,016,976	-	-	1,936,766	3,953,742
Capital projects funds	-	-	-	-	1,572,002	1,572,002
Unassigned	11,088,302	-	-	-	(490,000)	10,598,302
<b>Total fund balances</b>	<b>14,100,255</b>	<b>2,093,963</b>	<b>1,946,844</b>	<b>-</b>	<b>7,867,069</b>	<b>26,008,131</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>						
	<b>\$ 15,138,063</b>	<b>\$ 2,236,966</b>	<b>\$ 4,478,309</b>	<b>\$ 2,908,074</b>	<b>\$ 11,792,521</b>	<b>\$ 36,553,933</b>

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

## GRAND TRAVERSE COUNTY

### RECONCILIATION OF FUND BALANCES ON THE BALANCE SHEET FOR GOVERNMENTAL FUNDS TO NET POSITION OF GOVERNMENTAL ACTIVITIES ON THE STATEMENT OF NET POSITION

DECEMBER 31, 2018

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<b>Fund balances - total governmental funds</b>	\$ 26,008,131
Amounts reported for <i>governmental activities</i> in the statement of net position are different because	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.	
Add - land	15,639,877
Add - construction in progress	3,014,050
Add - capital assets (net of accumulated depreciation)	24,531,636
Internal service funds are used by management to charge the costs of centralized services to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities.	
Add - net position of governmental activities accounted for in the internal service funds	2,033,677
Certain liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Deduct - bonds payable	(10,939,808)
Deduct - net OPEB liability	(2,004,176)
Deduct - compensated absences payable	(1,470,964)
Deduct - net pension liability	(47,466,507)
Add - deferred inflows and outflows related to benefit plan liabilities	1,091,432
Deduct - accrued interest on bonds payable	<u>(54,722)</u>
<b>Net position of governmental activities</b>	<u>\$ 10,382,626</u>

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

**GRAND TRAVERSE COUNTY**

**GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**

**FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>General</u>	<u>Health Department</u>	<u>Commission on Aging</u>	<u>Building Authority PACE Debt</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
<b>Revenues</b>						
Property taxes	\$ 24,757,148	\$ -	\$ 2,374,643	\$ -	\$ 1,043,906	\$ 28,175,697
Intergovernmental revenues						
Federal	168,135	1,387,646	-	-	1,459,297	3,015,078
State	3,690,693	2,290,971	-	-	1,609,497	7,591,161
Local	1,582,679	269,854	14,344	-	4,795,970	6,662,847
Licenses and permits	51,632	404,782	-	-	169,477	625,891
Charges for services	4,363,818	367,418	282,758	209,676	1,148,136	6,371,806
Fines and forfeitures	100,147	-	-	-	95,513	195,660
Reimbursements	2,488,229	718,136	49,476	-	-	3,255,841
Rental	569,412	-	-	-	-	569,412
Interest	332,489	3,328	43,502	-	85,528	464,847
Miscellaneous	1,231	2,432	48,970	-	439,691	492,324
<b>Total revenues</b>	<b>38,105,613</b>	<b>5,444,567</b>	<b>2,813,693</b>	<b>209,676</b>	<b>10,847,015</b>	<b>57,420,564</b>
<b>Expenditures</b>						
Current						
Legislative	259,137	-	-	-	-	259,137
Judicial	2,363,200	-	-	-	7,569,480	9,932,680
General government	8,790,413	-	-	-	3,071,109	11,861,522
Public safety	13,577,665	-	-	-	3,961,050	17,538,715
Public works	129,379	-	-	-	-	129,379
Health and welfare	449,466	6,565,653	2,401,119	-	2,223,956	11,640,194
Economic development	-	-	-	-	257,122	257,122
Parks and recreation	-	-	-	-	1,279,202	1,279,202
Debt service						
Principal	-	-	-	115,000	615,000	730,000
Interest	-	-	-	94,676	254,869	349,545
Capital outlay	145,640	51,806	41,543	-	3,148,784	3,387,773
<b>Total expenditures</b>	<b>25,714,900</b>	<b>6,617,459</b>	<b>2,442,662</b>	<b>209,676</b>	<b>22,380,572</b>	<b>57,365,269</b>
Revenues over (under) expenditures	12,390,713	(1,172,892)	371,031	-	(11,533,557)	55,295
Other financing sources (uses)						
Sales of capital assets	26,223	-	-	-	-	26,223
Transfers in	707,175	1,314,000	-	-	9,661,444	11,682,619
Transfers out	(10,950,444)	-	-	-	(25,000)	(10,975,444)
Total other financing sources (uses)	(10,217,046)	1,314,000	-	-	9,636,444	733,398
Net changes in fund balances	2,173,667	141,108	371,031	-	(1,897,113)	788,693
<b>Fund balances, beginning of year</b>	<b>11,926,588</b>	<b>1,952,855</b>	<b>1,575,813</b>	<b>-</b>	<b>9,764,182</b>	<b>25,219,438</b>
<b>Fund balances, end of year</b>	<b>\$ 14,100,255</b>	<b>\$ 2,093,963</b>	<b>\$ 1,946,844</b>	<b>\$ -</b>	<b>\$ 7,867,069</b>	<b>\$ 26,008,131</b>

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

## GRAND TRAVERSE COUNTY

### **RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED DECEMBER 31, 2018**

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<b>Net changes in fund balances - total governmental funds</b>	\$ 788,693
Amounts reported for <i>governmental activities</i> in the statement of activities are different because	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense.	
Add - capital outlay	3,693,896
Deduct - depreciation expense	(1,584,307)
Deduct - net book value of disposed assets	(1,620)
Issuance of bonds or notes provides current financial resources to governmental funds in the period issued, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond or note principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
Add - principal payments on debt	730,000
Deduct - amortization of premium/discounts	(1,852)
Internal service funds are used by management to charge the costs of certain services to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.	
Add - increase in net position from the internal service funds	14,848
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the funds.	
deduct - increase in accrued employee benefits	(53,969)
deduct - increase in net pension obligation	(1,959,623)
add - decrease in deferred inflows and outflows related to benefit plans	3,515,952
Add - decrease in other post-employment benefit liability	511,681
Add - decrease in accrued interest	<u>(22,750)</u>
<b>Change in net position of governmental activities</b>	<u>\$ 5,630,949</u>

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

# GRAND TRAVERSE COUNTY

## PROPRIETARY FUNDS STATEMENT OF NET POSITION

DECEMBER 31, 2018

	Enterprise Funds					
	Grand Traverse Pavilions	Delinquent Tax Revolving Fund	Nonmajor Enterprise Funds	Enterprise Fund Total	Governmental Activities Internal Service Funds	
					Funds	
<b>Assets</b>						
Current assets						
Cash and pooled investments	\$ 8,696,674	\$ 5,246,207	\$ 4,816,694	\$ 18,759,575	\$ 1,736,668	
Accounts receivable, net	3,732,950	76,084	30,236	3,839,270	816	
Property tax receivable	-	2,911,476	18,837	2,930,313	-	
Interest receivable	-	261,597	-	261,597	-	
Due from other funds	-	-	530	530	154,207	
Due from component units	-	-	-	-	3,006	
Due from other governments	-	-	26,065	26,065	22,034	
Prepaid and other assets	20,575	-	812	21,387	88,230	
Inventory	163,905	-	-	163,905	-	
Total current assets	<u>12,614,104</u>	<u>8,495,364</u>	<u>4,893,174</u>	<u>26,002,642</u>	<u>2,004,961</u>	
Noncurrent assets						
Restricted cash	199,294	-	-	199,294	-	
Advance to other funds	-	2,099,366	-	2,099,366	-	
Capital assets						
Land	1,820,550	-	-	1,820,550	-	
Construction in progress	-	-	-	-	317,341	
Capital assets	18,112,685	-	51,018	18,163,703	3,007,141	
Total noncurrent assets	<u>20,132,529</u>	<u>2,099,366</u>	<u>51,018</u>	<u>22,282,913</u>	<u>3,324,482</u>	
<b>Total assets</b>	<u>32,746,633</u>	<u>10,594,730</u>	<u>4,944,192</u>	<u>48,285,555</u>	<u>5,329,443</u>	
<b>Deferred outflows of resources</b>						
Deferred charge on refunding	78,088	-	-	78,088	-	
Pension & OPEB related	3,124,606	-	144,316	3,268,922	-	
<b>Total deferred outflows of resources</b>	<u>3,202,694</u>	<u>-</u>	<u>144,316</u>	<u>3,347,010</u>	<u>-</u>	
<b>Liabilities</b>						
Current liabilities						
Accounts payable	678,983	55	41,956	720,994	60,626	
Accrued liabilities	686,762	-	15,902	702,664	233,971	
Due to other funds	-	987,020	1,912	988,932	254,104	
Due to other governmental units	718,831	-	27,610	746,441	6,300	
Total current liabilities	<u>2,084,576</u>	<u>987,075</u>	<u>87,380</u>	<u>3,159,031</u>	<u>555,001</u>	
Long-term liabilities						
Due within one year	225,000	-	-	225,000	191,539	
Due in more than one year	2,760,000	-	-	2,760,000	402,757	
Advance from other funds	-	-	-	-	2,099,366	
Compensated absences	699,718	-	50,176	749,894	47,103	
Net OPEB liability	994,784	-	-	994,784	-	
Net pension liability	10,558,103	-	1,130,880	11,688,983	-	
Total long-term liabilities	<u>15,237,605</u>	<u>-</u>	<u>1,181,056</u>	<u>16,418,661</u>	<u>2,740,765</u>	
<b>Total liabilities</b>	<u>17,322,181</u>	<u>987,075</u>	<u>1,268,436</u>	<u>19,577,692</u>	<u>3,295,766</u>	
<b>Deferred inflows of resources</b>						
Pension & OPEB related	2,409,345	-	-	2,409,345	-	
<b>Net position</b>						
Net investment in capital assets	17,026,323	-	51,018	17,077,341	2,730,186	
Unrestricted	(808,522)	9,607,655	3,769,054	12,568,187	(696,509)	
<b>Total net position</b>	<u>\$ 16,217,801</u>	<u>\$ 9,607,655</u>	<u>\$ 3,820,072</u>	<u>\$ 29,645,528</u>	<u>\$ 2,033,677</u>	

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

# GRAND TRAVERSE COUNTY

## PROPRIETARY FUNDS STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

**FOR THE YEAR ENDED DECEMBER 31, 2018**

	Enterprise Funds				
	<u>Grand Traverse Pavilions</u>	<u>Delinquent Tax Revolving Fund</u>	<u>Nonmajor Enterprise Funds</u>	<u>Enterprise Fund Total</u>	<u>Governmental Activities Internal Service Funds</u>
<b>Operating revenue</b>					
Charges for services	\$ 27,984,196	\$ 834,074	\$ 2,282,472	\$ 31,100,742	\$ 15,739,018
Miscellaneous	<u>3,198,445</u>	<u>16,051</u>	<u>98,815</u>	<u>3,313,311</u>	<u>804,793</u>
<b>Total operating revenue</b>	<u>31,182,641</u>	<u>850,125</u>	<u>2,381,287</u>	<u>34,414,053</u>	<u>16,543,811</u>
<b>Operating expense</b>					
Personnel services	17,920,046	-	1,468,030	19,388,076	1,015,031
Contracted services	4,175,292	-	440,835	4,616,127	13,484,254
Supplies	1,719,289	-	36,221	1,755,510	252,740
Other	3,344,712	9,068	113,789	3,467,569	1,066,674
Depreciation	1,153,737	-	20,408	1,174,145	655,882
<b>Total operating expense</b>	<u>28,313,076</u>	<u>9,068</u>	<u>2,079,283</u>	<u>30,401,427</u>	<u>16,474,581</u>
Operating income (loss)	<u>2,869,565</u>	<u>841,057</u>	<u>302,004</u>	<u>4,012,626</u>	<u>69,230</u>
Non-operating revenue (expense)					
Interest income	138,415	-	10,652	149,067	-
Interest expense	(79,775)	-	-	(79,775)	(54,382)
Total non-operating revenue (expense)	<u>58,640</u>	<u>-</u>	<u>10,652</u>	<u>69,292</u>	<u>(54,382)</u>
Income (loss) before transfers	<u>2,928,205</u>	<u>841,057</u>	<u>312,656</u>	<u>4,081,918</u>	<u>14,848</u>
Transfers in	-	11,535	-	11,535	-
Transfers out	-	(632,308)	(86,402)	(718,710)	-
<b>Total transfers</b>	<u>-</u>	<u>(620,773)</u>	<u>(86,402)</u>	<u>(707,175)</u>	<u>-</u>
Change in net position	2,928,205	220,284	226,254	3,374,743	14,848
<b>Net position, beginning of year, as restated</b>	<u>13,289,596</u>	<u>9,387,371</u>	<u>3,593,818</u>	<u>26,270,785</u>	<u>2,018,829</u>
<b>Net position, end of year</b>	<u>\$ 16,217,801</u>	<u>\$ 9,607,655</u>	<u>\$ 3,820,072</u>	<u>\$ 29,645,528</u>	<u>\$ 2,033,677</u>

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

**GRAND TRAVERSE COUNTY**

**PROPRIETARY FUNDS**  
**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED DECEMBER 31, 2018**

	<b>Enterprise Funds</b>				
	<b>Grand Traverse Pavilions</b>	<b>Delinquent Tax Revolving Fund</b>	<b>Nonmajor Enterprise Funds</b>	<b>Enterprise Fund Total</b>	<b>Governmental Activities Internal Service Funds</b>
<b>Cash flows from operating activities</b>					
Receipts from customers and users	\$ 30,877,468	\$ 5,994,756	\$ 2,379,063	\$ 39,251,287	\$ 16,887,874
Payments to employees	(21,760,246)	-	(1,018,492)	(22,778,738)	(1,011,588)
Purchase of delinquent tax roll	-	(4,945,132)	-	(4,945,132)	-
Payments to suppliers	<u>(8,824,087)</u>	<u>(9,013)</u>	<u>(685,479)</u>	<u>(9,518,579)</u>	<u>(14,613,009)</u>
<b>Net cash provided by (used in) operating activities</b>	<u>293,135</u>	<u>1,040,611</u>	<u>675,092</u>	<u>2,008,838</u>	<u>1,263,277</u>
<b>Cash flows from non-capital financing activities</b>					
Payment of loan from other funds	-	(65,501)	(530)	(66,031)	(650,645)
Receipt of loan to other funds	-	619,746	1,911	621,657	254,104
Receipt of loan from other funds	-	0	-	-	-
Transfers in	-	11,535	-	11,535	-
Transfers out	<u>-</u>	<u>(632,308)</u>	<u>(86,402)</u>	<u>(718,710)</u>	<u>-</u>
<b>Net cash provided by (used in) non-capital financing activities</b>	<u>-</u>	<u>(66,528)</u>	<u>(85,021)</u>	<u>(151,549)</u>	<u>(396,541)</u>
<b>Cash flows from capital and related financing activities</b>					
Interest expense	(73,268)	-	-	(73,268)	(54,382)
Principal payment	(225,000)	-	-	(225,000)	-
Issuance of long-term debt	-	-	-	-	594,296
Acquisitions of capital assets	<u>(294,900)</u>	<u>-</u>	<u>-</u>	<u>(294,900)</u>	<u>(710,096)</u>
<b>Net cash provided by (used in) capital and related financing activities</b>	<u>(593,168)</u>	<u>-</u>	<u>-</u>	<u>(593,168)</u>	<u>(170,182)</u>
<b>Cash flows from investing activities</b>					
Interest income	<u>138,415</u>	<u>21,939</u>	<u>10,652</u>	<u>171,006</u>	<u>-</u>
Net increase (decrease) in cash and pooled investments	<u>(161,618)</u>	<u>996,022</u>	<u>600,723</u>	<u>1,435,127</u>	<u>696,554</u>
<b>Cash and pooled investments, beginning of year</b>	<u>9,057,586</u>	<u>4,250,185</u>	<u>4,215,971</u>	<u>17,523,742</u>	<u>1,040,114</u>
<b>Cash and pooled investments, end of year</b>	<u>\$ 8,895,968</u>	<u>\$ 5,246,207</u>	<u>\$ 4,816,694</u>	<u>\$ 18,958,869</u>	<u>\$ 1,736,668</u>
<b>Cash flows from operating activities</b>					
Operating income (loss)	\$ 2,869,565	\$ 841,057	\$ 302,004	\$ 4,012,626	\$ 69,230
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities					
Depreciation	1,153,737	-	20,408	1,174,145	655,882
Changes in operating assets and liabilities which provided (used) cash					
Accounts receivable	(222,458)	6,005	(19,929)	(236,382)	523,310
Due from other funds	-	-	-	-	(154,207)
Due from component units	-	-	-	-	(3,006)
Property tax receivable	-	193,494	43,770	237,264	-
Net pension & OPEB deferred outflows and inflows	(762,940)	-	(111,905)	(874,845)	-
Prepaid assets and other items	203,297	-	(352)	202,945	226,706
Due from other governments	-	-	(26,065)	(26,065)	(22,034)
Accounts payable	202,200	55	(12,927)	189,328	37,142
Accrued liabilities	9,709	-	3,490	13,199	(79,489)
Unearned revenue	-	-	-	-	-
Due to other governments	(82,715)	-	(84,845)	(167,560)	6,300
Compensated absences	74,625	-	2,023	76,648	3,443
Net OPEB liability	(5,845,367)	-	-	(5,845,367)	-
Net pension liability	<u>2,693,482</u>	<u>-</u>	<u>559,420</u>	<u>3,252,902</u>	<u>-</u>
<b>Net cash provided by (used in) operating activities</b>	<u>\$ 293,135</u>	<u>\$ 1,040,611</u>	<u>\$ 675,092</u>	<u>\$ 2,008,838</u>	<u>\$ 1,263,277</u>

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

# GRAND TRAVERSE COUNTY

## ***FIDUCIARY FUNDS STATEMENT OF NET POSITION***

***DECEMBER 31, 2018***

	<u>OPEB Trust Fund</u>	<u>Agency Funds</u>
<b>Assets</b>		
Cash and pooled investments	\$ -	\$ 2,940,103
Investments		
MERS Total Market Portfolio fund	1,037,888	-
Due from other governments	- <hr/>	957,294
<b>Total assets</b>	<hr/> 1,037,888	<hr/> \$ <u>3,897,397</u>
<b>Liabilities</b>		
Due to other governmental units	\$ -	\$ 824,377
Court items payable	- <hr/>	152,358
Undistributed receipts	- <hr/>	1,771,013
Other	- <hr/>	1,149,649
<b>Total liabilities</b>	<hr/> - <hr/>	<hr/> \$ <u>3,897,397</u>
<b>Net Position</b>		
Restricted for OPEB	<hr/> \$ <u>1,037,888</u>	

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

# GRAND TRAVERSE COUNTY

## ***FIDUCIARY FUNDS STATEMENT OF CHANGES IN FIDUCIARY NET POSITION***

***FOR THE YEAR ENDED DECEMBER 31, 2018***

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	<b>OPEB <u>Trust Fund</u></b>
<b>Additions</b>	
Contributions:	
Employer	\$ 800,000
Plan participants	-
	<hr/>
Total contributions	800,000
Investment income:	
Net appreciation in fair value of securities	(18,244)
<b>Total additions</b>	<hr/> 781,756
<b>Deductions</b>	
Health insurance premiums and pension benefits	-
Administrative expenses	-
	<hr/>
<b>Total deductions</b>	<hr/> -
Changes in net position	781,756
<b>Net position, beginning of year</b>	<hr/> 256,132
<b>Net position, end of year</b>	<hr/> \$ 1,037,888

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

**GRAND TRAVERSE COUNTY**  
**COMPONENT UNIT**  
**COMBINING STATEMENT OF NET POSITION**

**DECEMBER 31, 2018**

	<u>Road Commission</u>	<u>Land Bank Authority</u>	<u>Brownfield Redevelopment Authority</u>	<u>Drain Commission</u>	<u>Department of Public Works</u>	<u>PACE</u>	<u>Pavilions Foundation</u>	<u>Total</u>
<b>Assets</b>								
Cash and pooled investments	\$ 8,506,101	\$ 722,537	\$ 2,781,062	\$ 112,538	\$ 514,109	\$ 1,420,023	\$ 1,966,409	\$ 16,022,779
Accounts receivable, net	46,192	184,000	-	-	61,512	1,255,000	1,255,000	2,801,704
Property tax receivable	-	9,679	-	-	-	-	-	9,679
Interest receivable	-	-	-	-	103,508	-	-	103,508
Due from other governments	3,089,037	-	216,549	-	1,677,441	-	-	4,983,027
Inventory	917,623	453,882	-	-	-	-	-	1,371,505
Prepaid items	80,462	-	18,761	-	-	-	-	99,223
Restricted cash	151,956	-	-	-	-	-	-	151,956
Long-term receivables	-	-	2,957,394	-	21,052,960	-	-	24,010,354
Capital assets								
Land	28,430,886	-	-	-	400,000	-	-	28,830,886
Construction in progress	264,190	-	-	575,153	-	99,000	-	938,343
Depreciable capital assets, net	60,759,824	-	-	-	6,126,399	-	-	66,886,223
Right-to-use lease; net	-	-	-	-	-	2,895,089	-	2,895,089
<b>Total assets</b>	<b>102,246,271</b>	<b>1,370,098</b>	<b>5,973,766</b>	<b>687,691</b>	<b>29,935,929</b>	<b>5,669,112</b>	<b>3,221,409</b>	<b>149,104,276</b>
<b>Deferred outflows of resources</b>								
Pension/OPEB related	589,555	-	-	-	-	-	-	589,555
<b>Total deferred outflows of resources</b>	<b>589,555</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>589,555</b>
<b>Liabilities</b>								
Accounts payable	501,267	1,004	231,683	144,648	156,623	527,979	1,255,000	2,818,204
Accrued liabilities	859,928	-	21,832	-	288,252	-	-	1,170,012
Unearned revenue	3,671	-	-	-	-	-	-	3,671
Due to primary government	-	7,500	-	61,956	692,950	-	-	762,406
Due to other governments	-	-	26,300	-	684,818	-	-	711,118
Note payable	-	-	-	475,000	-	-	-	475,000
Noncurrent liabilities								
Due within one year	730,000	-	266,300	-	3,355,000	135,000	-	4,486,300
Due in more than one year	3,740,231	-	1,760,230	-	19,527,125	2,755,630	-	27,783,216
Advance from primary government	-	-	-	-	2,169,960	-	-	2,169,960
Net pension obligation	846,613	-	-	-	-	-	-	846,613
Net OPEB liability	1,072,330	-	-	-	-	-	-	1,072,330
Compensated absences	52,481	-	-	-	59,606	-	-	112,087
<b>Total liabilities</b>	<b>7,806,521</b>	<b>8,504</b>	<b>2,306,345</b>	<b>681,604</b>	<b>26,934,334</b>	<b>3,418,609</b>	<b>1,255,000</b>	<b>42,410,917</b>
<b>Deferred inflows of resources</b>								
Taxes levied for subsequent year	-	25,036	-	-	-	-	-	25,036
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>25,036</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25,036</b>
<b>Net position</b>								
Net investment in capital assets	88,361,303	-	-	100,153	2,527,274	103,459	-	91,092,189
Restricted	4,078,891	1,336,558	3,667,421	-	10,032	-	1,854,120	10,947,022
Unrestricted	2,589,111	-	-	(94,066)	464,289	2,147,044	112,289	5,218,667
<b>Total net position</b>	<b>\$ 95,029,305</b>	<b>\$ 1,336,558</b>	<b>\$ 3,667,421</b>	<b>\$ 6,087</b>	<b>\$ 3,001,595</b>	<b>\$ 2,250,503</b>	<b>\$ 1,966,409</b>	<b>\$ 107,257,878</b>

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

**GRAND TRAVERSE COUNTY**

**COMPONENT UNIT**  
**COMBINING STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED DECEMBER 31, 2018**

<b>Functions/Programs</b>	<b>Program Revenues</b>				
	<b>Expenses</b>	<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	<b>Net (Expense) Revenue</b>
<b>Component units</b>					
Road Commission	\$ 13,514,401	\$ 1,604,505	\$ 10,852,381	\$ 3,543,594	\$ 2,486,079
Land Bank Authority	394,312	1,016,376	-	-	622,064
Brownfield Redevelopment Authority	3,166,622	2,547,374	363,234	-	(256,014)
Drain Commission	61,598	-	-	-	(61,598)
Department of Public Works	7,776,554	1,225,108	6,324,453	-	(226,993)
PACE	604,746	-	2,855,249	-	2,250,503
Pavilions Foundation	1,665,014	-	473,765	-	(1,191,249)
 Total component units	 \$ 27,183,247	 \$ 6,393,363	 \$ 20,869,082	 \$ 3,543,594	 \$ 3,622,792

(Continued)

**GRAND TRAVERSE COUNTY**

**COMPONENT UNIT**  
**COMBINING STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>County Road</u>	<u>Land Bank Authority</u>	<u>Brownfield Redevelopment Authority</u>	<u>Drain Commission</u>	<u>Department of Public Works</u>	<u>PACE</u>	<u>Pavilions Foundation</u>	<u>Total Component Units</u>
<b>Changes in net position</b>								
<b>Net (expense) revenue</b>	<u>\$ 2,486,079</u>	<u>\$ 622,064</u>	<u>\$ (256,014)</u>	<u>\$ (61,598)</u>	<u>\$ (226,993)</u>	<u>\$ 2,250,503</u>	<u>\$ (1,191,249)</u>	<u>\$ 3,622,792</u>
General revenues								
Property taxes	3,828,084	17,538	-	-	-	-	-	3,845,622
Unrestricted interest	132,367	7,398	35,364	4,649	89	-	(71,319)	108,548
Gain on capital asset disposals	<u>158,814</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>158,814</u>
Total general revenues and transfers	<u>4,119,265</u>	<u>24,936</u>	<u>35,364</u>	<u>4,649</u>	<u>89</u>	<u>-</u>	<u>(71,319)</u>	<u>4,112,984</u>
Change in net position	6,605,344	647,000	(220,650)	(56,949)	(226,904)	2,250,503	(1,262,568)	7,735,776
<b>Net position, beginning of year, as restated</b>	<u>88,423,961</u>	<u>689,558</u>	<u>3,888,071</u>	<u>63,036</u>	<u>3,228,499</u>	<u>-</u>	<u>3,228,977</u>	<u>99,522,102</u>
<b>Net position, end of year</b>	<u>\$ 95,029,305</u>	<u>\$ 1,336,558</u>	<u>\$ 3,667,421</u>	<u>\$ 6,087</u>	<u>\$ 3,001,595</u>	<u>\$ 2,250,503</u>	<u>\$ 1,966,409</u>	<u>\$ 107,257,878</u>

(Concluded)

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

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# GRAND TRAVERSE COUNTY

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2018

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#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Grand Traverse County (the County) conform to generally accepted accounting principles as applicable to governments. The following is a summary of the significant policies.

##### ***Reporting Entity***

The County was organized in 1851 and covers an area of approximately 485 square miles with the county seat in Traverse City. The County operates under an elected County Board of Commissioners (seven members) and provides services to its residents in many areas including law enforcement, administration of justice, community enrichment and development, and human services.

These financial statements present the County and its component units, entities for which the County is considered to be financially accountable. Blended component units, although legally separate entities are, in substance, part of the County's operations, so data from these units are combined with data of the primary government. Discretely presented component units are reported in a separate column in the financial statements to emphasize they are legally separate from the County.

##### ***Blended Component Unit***

The Grand Traverse Building Authority (the Building Authority) is governed by a five-member Board appointed by the County Board of Commissioners. Although legally separate from the County, the Building Authority is reported as if it were part of the primary government because its sole purpose is to finance and construct the County's public buildings. The Building Authority activity is presented in the Building Authority, capital projects, and debt service funds. A separate audit report is not issued for the Grand Traverse County Building Authority.

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

The component unit columns in the component unit statement of net position and statement of activities include the financial data of the Grand Traverse County Road Commission (the Road Commission), the Grand Traverse County Brownfield Redevelopment Authority (the Brownfield Redevelopment Authority), the Grand Traverse County Land Bank Authority (the Land Bank Authority), the Grand Traverse County Department of Public Works (the Department of Public Works), the Grand Traverse County Drain Commission (the Drain Commission), PACE and the Pavilions Foundation. They are reported in separate columns to emphasize they are legally separate from the County.

The Road Commission was established pursuant to the County Road Law (MCL 224.1) to maintain and construct county roads and is governed by a Board of County Road Commissioners appointed by the County Board of Commissioners. Complete financial statements for the Road Commission can be obtained from: 1881 LaFranier Road, Traverse City, MI 49696.

The Brownfield Redevelopment Authority was established pursuant to Public Act 381 of 1996 to fund redevelopment of contaminated property and is governed by a Board of Directors appointed by the Grand Traverse County Board of Commissioners. The Brownfield Redevelopment Authority is fiscally dependent on the County. The County Commission has the ability to significantly influence operations of the Brownfield Redevelopment Authority. Financial statements are not separately issued for the Brownfield Redevelopment Authority.

**GRAND TRAVERSE COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

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The Land Bank Authority was established pursuant to the Michigan Land Bank Fast Track Act (2003 P.A. 258, MCL 124.751) to facilitate use of property obtained as a result of delinquent property taxes. Members of the governing body of the Land Bank Authority are appointed by the County Board of Commissioners. The County Commission has the ability to significantly influence operations of the Land Bank Authority. Financial statements are not separately issued for the Land Bank Authority.

The Department of Public Works was established to facilitate municipal shared public utilities and is governed by a Board of Directors appointed by the County Board of Commissioners. The County Commission has the ability to significantly influence operations of the Department of Public Works. Financial statements are not separately issued for the Department of Public Works.

The Drain Commission drainage districts are established pursuant to the Drain Code of 1956 and were legally separate entities. The Drain Commissioner has 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 County Commission has the ability to significantly influence operations of the Drain Commission. Financial statements are not separately issued for the Drain Commission although financial information for specific drainage districts may be obtained from the County Drain Commissioner, 400 Boardman Avenue, Traverse City, MI 49684.

PACE is a legally separate nonprofit organization established under IRS Code Section 501(c)3. PACE was established to provide all needed preventive, primary, acute and long-term care services so that older individuals can live as independently as possible. Due to appointing the voting majority of the Board Members and the financial benefit/burden relationship, the County reports PACE as a discretely presented component unit. Financial statements are not separately issued for PACE.

The Pavilions Foundation is a legally separate nonprofit organization established under IRS Code Section 501(c)3. The Pavilions Foundation was established in order to exclusively advance the mission and programs of the continuum of care at The Pavilions. The Pavilions Foundation oversees the development and fundraising endeavors for The Pavilions. Due to appointing the voting majority of the Board Members and the financial benefit/burden relationship, the County reports the Pavilions Foundation as a discretely presented component unit. Financial statements are not separately issued for the Pavilions Foundation.

***Related Organizations***

Hospital Finance Authority

The Hospital Finance Authority is a related organization with outstanding conduit debt of \$174,643,971. The County Board of Commissioners appoints the five members of the governing board but does not have the ability to impose their will, and there is no benefit/burden relationship.

**GRAND TRAVERSE COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

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***Jointly Governed Organizations***

*Northwestern Regional Airport Commission*

The County participates in the operation of the Northwestern Regional Airport Commission (Airport Commission) with Leelanau County. Complete financial statements for the Airport Commission can be obtained from: Cherry Capital Airport Administrative Office, 144 W. South Airport Road, Traverse City, MI 49686.

*Northern Lakes Community Mental Health*

The County also participates in the operation of the Northern Lakes Community Mental Health Authority (NLCMH) with Missaukee, Leelanau, Crawford, Roscommon and Wexford counties. Complete financial statements for NLCMH can be obtained from: 105 Hall Street, Traverse City, MI 49684.

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

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges between enterprise functions and other various functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. *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 is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements, except for agency funds which do not have a measurement focus. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

**GRAND TRAVERSE COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

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Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for reimbursement-based grants and interest, which use a one-year collection period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to long-term employee benefits and claims and judgments, are recorded only when payment is due. Property taxes, state revenue, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the County.

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 enterprise fund are charges for services. Operating expenses for the enterprise funds include depreciation on capital assets, labor, supplies and contracted services. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The County reports the following major governmental funds:

The *General Fund* is the general operating fund of the County. It is used to account for all financial resources, except those required to be accounted for in another fund.

The *Health Department 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 *Commission on Aging Fund* is used to account for revenues received from property taxes and fees to provide services and programs for County residents 60 years of age and older.

The *Building Authority PACE Debt Fund* is used to account for revenues received from a lease agreement for facilities with PACE (a discretely presented component unit).

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* is used to account for the purchase and subsequent collection of delinquent real property taxes of local units of government.

Additionally, the County reports the following fund types:

The *Special Revenue Funds* are used to account for the proceeds of specific revenue sources (other than permanent trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

**GRAND TRAVERSE COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

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The *Capital Projects Funds* account for the accumulation and disbursement of resources for the purchase and construction of governmental fund capital assets.

The *Debt Service Funds* are used to record revenues which are restricted or otherwise provided for the payment of principal and interest on general long-term debt.

The *Enterprise Funds* are used to account for operations of the County that are financed by charges for the services provided.

The *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.

The *Agency Funds* are used to account for the collection and disbursement of funds that are collected on behalf of outside governments or other parties.

The *Other Post-employment Benefits Trust Funds* accounts for the accumulation of resources to be used for retirement annuity payments and other postemployment benefits at appropriate amounts and times in the future.

***Budgets and Budgetary Accounting***

The County adopts a budget for the general fund and special revenue funds as required by state law (P.A. 621 of 1978, as amended). Budgets for other funds are used as a management control device. The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Management submits to the County Commission a proposed operating budget for the fiscal year commencing the following January 1.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to January 1, the budget is legally enacted through passage of a resolution. Formal budgetary integration is employed as a management control device during the year for the general and special revenue funds. Budgets for the General and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). 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.
4. Adoption and amendments of all budgets used by the County are governed by Michigan Law. The appropriations ordinances are based on the projected revenue and expenditure of the various functions of the County. Any amendment to the original budget must meet the requirements of Michigan Law. The County did amend its budget for the year. Any revisions that alter the total expenditures of any fund must be approved by the County Commission. Appropriation laps at year end.

**GRAND TRAVERSE COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

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***Cash and Pooled Investments***

For the purpose of the statement of cash flows the County considers all assets held in the cash, restricted cash and investment pooled to be cash and cash equivalents because the investments are not identifiable to specific funds and the assets can be withdrawn at any time, similar to demand deposit accounts.

***Investments***

Investments are stated at fair value at the balance sheet date.

County investment policy allows for all investments authorized by State statutes. State statutes authorize the County to invest in:

- a. Bonds, securities, other obligations and repurchase agreements of the United States, or an agency or instrumentality of the United States.
- b. Certificates of deposit, savings accounts, deposit accounts or depository receipts of a qualified financial institution.
- c. Commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and that matures not more than 270 days after the date of purchase.
- d. Bankers' acceptances of United States banks.
- e. Obligations of the State of Michigan and its political subdivisions that, at the time of purchase are rated as investment grade by at least one standard rating service.
- f. Mutual funds registered under the Investment Company Act of 1940 with the authority to purchase only investment vehicles that are legal for direct investment by a public corporation.
- g. External investment pools as authorized by Public Act 20 as amended.
- h. The OPEB Trusts may also invest in corporate debt and equity securities.

The Pavilions Foundation and PACE (discretely presented component unit) have no restrictions on deposit and investment options.

***Receivables / Due From Other Governments***

All receivables are recorded at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. For the Pavilions fund receivables, an allowance for uncollectible accounts of \$1,091,253 has been established. All other estimated uncollectible balances are immaterial to the financial statements.

Economic development fund receivables consist of loans to promote economic development within the County, community development block grant fund receivables consist of loans to area residents for home improvements which must be repaid by the homeowner upon sale, foreclosure or as scheduled. Brownfield Redevelopment Authority component unit receivables represent loans to assist with the economic development of environmentally distressed sites within the County. Department of public works receivables are due from local units of governments that participate in utility projects. Long-term receivables generally represent the balance due on capital projects financed by the County for local units of government (the local unit reports the capital asset as property ownership transfers to the local unit upon completion of debt service). The County has an enforceable lien on such property. Long-term receivables in the Building Authority PACE debt fund represent a facility lease agreement with PACE (a discretely presented component unit) that is equally offset with a deferred inflow.

**GRAND TRAVERSE COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

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***Prepaid and Items***

Certain payments to vendors represent costs applicable to future accounting periods and are recorded as prepaid and other assets in both the government-wide and fund financial statements. The County uses the consumption method of accounting for prepaid items.

***Inventory***

All inventories are valued at cost using the first-in/first-out (FIFO) method (average unit cost method used for the Road Commission). Inventory represents parts, materials, and supplies utilized in the various County operations. The County uses the consumption method of accounting for inventory items.

***Capital Assets***

Capital assets, which include land and improvements, construction in progress, buildings and improvements, equipment, vehicles, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and right-to-use lease are reported in the governmental, business-type activities, and component unit columns in the government-wide financial statements.

Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (\$1,000 for DPW and Drain Commission) and an estimated useful life in excess of two years. Such assets are valued at cost where historical records are available and at estimated historical cost where no historical records exist. Donated capital assets are valued at acquisition value (the price that would be paid to acquire an asset with an equivalent service potential in an orderly market transaction) on the date received.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable. No interest expense has been capitalized on capital assets.

Depreciation on capital assets (including infrastructure) is computed using the straight-line method (sum of the year's digits for Road Commission) over the following estimated useful lives:

	<u>County</u>	<u>DPW &amp; Drain Commission</u>	<u>Road Commission</u>
Land improvements	10-20	-	-
Buildings and improvements	30-50	50	50
Furniture and equipment	5-25	5-30	5-30
Vehicles	5	-	-
Infrastructure	5-50	5-50	20-50

***Unearned Revenue***

Funds report *unearned revenue* in connection with asset balances that have not yet been earned.

**GRAND TRAVERSE COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

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***Deferred Outflows / Inflows 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 a future period(s) 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. The County and Road Commission have items that qualify for reporting in this category related to the net pension and OPEB liability, these items are discussed in Notes 7 and 8.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The governmental funds and governmental activities report deferred inflows for property taxes levied for the following year. The County also has items that qualify for reporting in this category related to the net pension/OPEB liability and lease receivable, these items are discussed in Notes 7, 8 and 9.

***Compensated Absences***

Under contracts negotiated with employee groups and personnel policy, individual employees have a vested right to receive payments for unused vacation and other compensation depending on employment agreements. Compensated absences reported for governmental activities are primarily liquidated from General fund resources. The current portion of compensated absences are undeterminable and considered immaterial to the financial statements.

***Long-Term Obligations***

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

In the fund financial statements, governmental fund types recognize bond premiums, discounts and issuance costs in the year of issuance. The face amount of debt issued and any premiums received are reported as other financing sources. Discounts on debt issuances are reported as an other financing use. Governmental, proprietary, and component units report issuance costs are reported as expenditures/expenses.

**GRAND TRAVERSE COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

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***Net Position and Fund Balance Reporting***

Governmental funds report fund balance in the following five categories:

1. Non-spendable - the related asset's form does not allow expenditure of the balance. The assets are either (a) not in a spendable form or (b) legally or contractually required to be maintained intact. Non-spendable fund balance would be equal to inventory, prepaid items, non-current financial assets, and the non-spendable portion of endowments.
2. Restricted - the related assets can only be spent for the specific purposes stipulated by constitution, external resource providers, or as identified in enabling legislation.
3. Committed - the related assets can only be spent for a specific purpose identified by formal resolution of the governing board.
4. Assigned - the related assets can only be spent for a specific purpose but do not meet the criteria to be classified as committed.
5. Unassigned - is the residual classification and includes all spendable amounts not contained in the other classifications.

The Commission has delegated the authority to assign fund balance to the County Administrator. Only the Commission can commit fund balance.

The Commission 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.

***Net Position and Fund Balance Flow Assumptions***

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position/fund balance and unrestricted – net position/fund balance, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to use restricted resources first, then unrestricted resource as they are needed. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

***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 net position restricted for pensions of the Municipal Employees' Retirement Plan (the Plan) and additions to/deductions from the Plan's 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.

**GRAND TRAVERSE COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

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***Property Taxes***

County property taxes for general operations are levied as of July 1 and property taxes for special purposes are levied as of December 1 on property values assessed as of the preceding December 31, the lien date. The taxes levied as of December 1 are due February 14 of the following year and taxes levied July 1 are due on September 14 after which applicable property is subject to lien, and penalties and interest are assessed.

It is the County's policy to recognize the summer tax levy in the financial statements as current revenue because these revenues are budgeted and made "available" to fund current operations. It is the County's policy to report the winter tax levy in the financial statements as deferred inflows because it is intended to fund next year's activities. Winter taxes are recognized as revenues in the subsequent year when the proceeds of this levy are budgeted.

***Intergovernmental Revenues***

Grants and assistance awards made on the basis of entitlement periods are recorded as due from other governments and revenue when entitlement occurs. Reimbursement-type grants are recorded as intergovernmental receivables and revenues when the related expenditure/expenses are incurred.

***Interfund Transactions***

During the course of normal operations, the County has numerous transactions between funds. Transactions that constitute reimbursement to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as a reduction of expenditures/expenses in the fund that is reimbursed. Charges between enterprise funds and other functions of the County are not reimbursements because elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. Remaining transactions are generally reflected as transfers.

**2. EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN BUDGETARY FUNDS**

Michigan law provides that a local unit of government shall not incur expenditures in excess of the amount appropriated. In the body of the financial statements, the County's actual and budgeted expenditures for the budgeted funds have been shown at the activity level. The legal level of budgetary control defined through the County's budgetary process is the activity level.

During the year, the County did not incurred expenditures in budgeted funds which were in excess of the amounts appropriated.

# GRAND TRAVERSE COUNTY

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2018

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#### 3. CASH AND INVESTMENTS

The captions on the financial statements relating to cash and pooled investments and investments are as follows:

	<b>Governmental Activities</b>	<b>Business- type activities</b>	<b>Component Units</b>	<b>Fiduciary Funds</b>	<b>Total</b>
Cash and pooled investments	\$20,703,530	\$18,759,575	\$16,022,779	\$2,940,103	\$58,425,987
Restricted cash	-	199,294	151,956	-	351,250
Investments	-	-	-	1,037,888	1,037,888
<b>Total</b>	<b>\$20,703,530</b>	<b>\$18,958,869</b>	<b>\$16,174,735</b>	<b>\$3,977,991</b>	<b>\$59,815,125</b>

The cash and investments making up the above balances are as follows:

County	
Deposits	\$19,456,184
Investments	36,951,836
Petty cash	20,673
Segregated component units (PACE & Pavilions Foundation)	
Deposits	1,933,926
Investments	1,452,406
Petty cash	100
<b>Total</b>	<b>\$59,815,125</b>

The County deposits are in financial institutions located in Michigan in varying amounts. State policy limits the Treasurer's investing options to financial institutions located in Michigan. All accounts are in the name of the County and a specific fund or common account or a component units name. They are recorded in County and component unit records at fair value. Interest is recorded when earned.

*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 does not have, a policy for deposit custodial credit risk. As of year-end, the County's bank balance was \$19,380,644; of this amount, \$13,499,477 was collateralized, \$2,388,281 was insured, and \$1,746,443 was exposed to custodial credit risk because the balance was uninsured and uncollateralized. As of year-end, the segregated component units' bank balance was \$1,933,425; of this amount, \$678,113 was insured, and \$1,255,312 was exposed to custodial credit risk because the balance was uninsured and uncollateralized.

# GRAND TRAVERSE COUNTY

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2018

#### Investments

The County chooses to specifically identify its investments. As of year-end, the County had the following investments:

<b>County</b>	<b>Maturity</b>	<b>Fair Value</b>	<b>Rate</b>	<b>Rating</b>
MBIA MI Class fund	n/a	\$ 31,142,536	n/a	AAAm S&P
MILAF fund	n/a	506,012	n/a	AAAm S&P
JP Morgan Commercial Paper	8/26/19	490,017	Tbd	A1 S&P
JP Morgan Commercial Paper	5/1/19	495,160	tbd	A1 S&P
MMRMA Pool	n/a	263,785	n/a	None
<b>Government Securities</b>				
Federated trust for treasury	n/a	222	n/a	AAAm S&P
FHLB bond	05/18/20	620,172	1.40%	None
FHLMC bond	12/28/20	250,317	3.00%	None
FHLMC bond	2/26/21	497,300	1.50%	AAA S&P
FHLB note	06/7/21	146,673	1.60%	None
FFCB bond	11/16/21	487,120	1.73%	None
Fidelity FIMM Govt Portfolio: Class I	n/a	1,000,000	n/a	AAAm S&P
Fidelity Govt MM Daily Money	n/a	14,634	n/a	None
MERS Total Market Portfolio fund	n/a	500,000	n/a	None
MERS Total Market Portfolio fund	n/a	537,888	n/a	None
<b>Total</b>		<b>\$36,951,836</b>		

#### Segregated component units

Huntington MM	n/a	\$ 63,388	n/a	None
Equity mutual funds				
DFA US Core Equity	n/a	148,332	n/a	None
ISHares S&P 500 Growth	n/a	108,030	n/a	None
ISHares Core S&P Mid-cap	n/a	20,757	n/a	None
Oppenheimer Developing Mkt	n/a	70,440	n/a	None
Vanguard Equity Income Fund	n/a	253,339	n/a	None
Vanguard Developing Mkt Index	n/a	67,331	n/a	None
Vanguard Small Cap index	n/a	66,166	n/a	None
Wisdomtree US Midcap	n/a	70,693	n/a	None
Fixed income				
PIMCO Low Duration Fund	n/a	157,779	n/a	None
PIMCO Income Fund	n/a	342,791	n/a	None
PIMCO Long Duration	n/a	83,360	n/a	None
<b>Total</b>		<b>\$1,452,406</b>		

The aforementioned investments do not include certificates of deposit which are classified as deposits for risk identification purposes.

**GRAND TRAVERSE COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

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***Investment and deposit risk***

*Interest Rate Risk.* State law and County policy limit the allowable investments and the maturities of some of the allowable investments as identified in Note 1, the summary of significant accounting policies. 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 date for each investment is identified above for investments held at year-end.

*Credit Risk.* State law limits investments to specific government securities, certificates of deposits and bank accounts with qualified financial institutions, commercial paper with specific maximum maturities and ratings when purchased, bankers acceptances of specific financial institutions, qualified mutual funds and qualified external investment pools as identified in Note 1, the summary of significant accounting policies. The investment policy does not have specific limits in excess of state law on investment credit risk. The rating for each investment is identified above for investments held at year-end.

*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 the possession of an outside party. State law does not require and the County does not have a policy for investment custodial credit risk. Of the above \$36,951,836 of investments, the County has a custodial credit risk of \$2,253,776 because the related securities are uninsured, unregistered and held by the government's brokerage firm which is also the counterparty for these particular securities. Of the above County and segregated component units' mutual fund/pool investments the custodial credit risk exposure cannot be determined because the funds do not consist of specifically identifiable securities.

*Concentration of Credit Risk.* Concentration of credit risk is the risk of loss attributed to the magnitude of the County's investment in a single issuer. The County does not have an investment policy that limits the amount that may be invested in any one issuer. Excluding U.S. government guaranteed, mutual funds and pooled investments, the County does not own investments in any one issuer that represent 5% or more of total County investments at year-end.

The County categorizes its fair value measurements of investments 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 year-end. All of the County's investments are valued using a pricing model utilizing observable fair value measures of bond/pool investments and other observable inputs to determining the fair value of the securities making up the investment bond/pool (Level 2 inputs).

# GRAND TRAVERSE COUNTY

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2018

#### 4. INTERFUND TRANSFERS

Transfers in and out for the year ended December 31, 2018 are as follows:

<u>Transfers in</u>	<u>Transfers Out</u>				
	<u>General fund</u>	<u>Delinquent Tax fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Nonmajor Enterprise Funds</u>	<u>Total</u>
General fund	\$ -	\$632,308	\$ -	\$ 74,867	\$ 707,175
Health fund	1,314,000	-	-	-	1,314,000
Delinquent Tax fund	-	-	-	11,535	11,535
Nonmajor governmental funds	9,636,444	-	25,000	-	9,661,444
<b>Total</b>	<b>\$10,950,444</b>	<b>\$632,308</b>	<b>\$25,000</b>	<b>\$86,402</b>	<b>\$11,694,154</b>

Transfers are used to (1) move unrestricted revenues collected in the General fund to finance capital and other various programs accounted for in other funds in accordance with budgetary authorizations and (2) move allocated cost of general operations to applicable funds.

#### 5. INTERFUND / INTER-ENTITY BALANCES

Interfund/inter-entity balances represent short-term borrowing (due to/from) and long-term borrowing (advances payable/receivable) between the various County funds and component units. This borrowing is used to assist the borrowing fund with additional cash flow.

The balances consisted of the following at fiscal year-end:

<u>Due from Component Unit</u>	<u>Due to Primary Government</u>			<u>Total</u>
	<u>Landbank Component Unit</u>	<u>Drain Component Unit</u>	<u>DPW Component Unit</u>	
General fund	\$7,500	\$61,956	\$692,950	\$762,406
<u>Advance from Primary Government</u>				
<u>Advance to Component Unit</u>	DPW Component Unit			
General fund	<u>\$2,169,960</u>			

# GRAND TRAVERSE COUNTY

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

Due from Other Funds	Due to other funds				Total
	General Fund	Nonmajor Governmental	Nonmajor Enterprise	Internal Service	
General fund	\$ -	\$433,847	\$ -	\$61,155	\$495,002
Health fund	-			16,247	16,247
Commission on Aging	-		530	5,379	5,909
Nonmajor governmental	770,303	5,586		57106	832,995
Delinquent Tax revolving	987,020				987,020
Nonmajor Enterprise	-			1,912	1,912
Internal service	165,076	76,620		12,408	254,104
<b>Total</b>	<b>\$1,922,399</b>	<b>\$516,053</b>	<b>\$530</b>	<b>\$154,207</b>	<b>\$2,593,189</b>

Advance Receivable	Advance Payable		
	Internal Service Fund	Non-major Governmental	Total
General fund	\$ -	\$832,349	\$ 832,349
Delinquent tax fund	2,099,366	-	2,099,366
<b>Total</b>	<b>\$2,099,366</b>	<b>\$832,349</b>	<b>\$2,931,715</b>

## 6. CAPITAL ASSETS

Capital asset activity for the year was as follows:

	Balance January 1, 2018	Additions	Deletions	Balance December 31, 2018
<b>Governmental Activities</b>				
<b>Capital assets, not being depreciated</b>				
Land	\$15,639,877	\$ -	\$ -	\$15,639,877
Construction in progress	317,466	3,192,265	178,340	3,331,391
Total capital assets, not being depreciated	15,957,343	3,192,265	178,340	18,971,268
<b>Capital assets, being depreciated</b>				
Land improvements	2,288,306	-	-	2,288,306
Buildings and improvements	44,029,944	-	-	44,029,944
Furniture and equipment	14,149,366	897,117	108,287	14,938,196
Vehicles	2,898,041	445,333	355,905	2,987,469
Infrastructure	828,241	-	-	828,241
Total capital assets, being depreciated	64,193,898	1,342,450	464,192	65,072,156
<b>Less accumulated depreciation for</b>				
Land improvements	1,563,757	93,417	-	1,657,174
Buildings and improvements	21,143,497	901,939	-	22,045,436
Furniture and equipment	9,997,342	943,005	106,666	10,833,681
Vehicles	2,239,371	290,892	355,905	2,174,358
Infrastructure	811,794	10,936	-	822,730
Total accumulated depreciation	35,755,761	2,240,189	462,571	37,533,379
<b>Net capital assets, being depreciated</b>	<b>28,438,137</b>	<b>(897,739)</b>	<b>1,621</b>	<b>27,538,777</b>
<b>Governmental Activities capital assets, net</b>	<b>\$44,395,480</b>	<b>\$2,294,526</b>	<b>\$179,961</b>	<b>\$46,510,045</b>

# GRAND TRAVERSE COUNTY

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

	Balance January 1, 2018	Additions	Deletions	Balance December 31, 2018
<b>Business-type Activities</b>				
<b>Capital assets, not being depreciated</b>				
Land	\$ 1,820,550	\$ -	\$ -	\$ 1,820,550
Construction in progress	-	-	-	-
Total capital assets, not being depreciated	1,820,550	-	-	1,820,550
<b>Capital assets being depreciated</b>				
Land improvements	2,899,259	99,365	-	2,998,624
Buildings and improvements	35,646,698	112,033	-	35,758,731
Furniture and equipment	2,288,063	83,503	72,395	2,299,171
Vehicles	440,585	-	-	440,585
Total capital assets, being depreciated	41,274,605	294,901	72,395	41,497,111
Less accumulated depreciation for				
Land improvements	2,421,832	111,153	-	2,532,985
Buildings and improvements	17,606,307	917,318	-	18,523,625
Furniture and equipment	1,891,728	103,984	72,395	1,923,317
Vehicles	311,791	41,690	-	353,481
Total accumulated depreciation	22,231,658	1,174,145	72,395	23,333,408
<b>Net capital assets, being depreciated</b>	<b>19,042,947</b>	<b>(879,244)</b>	<b>-</b>	<b>18,163,703</b>
<b>Business-type Activities capital assets, net</b>	<b>\$20,863,497</b>	<b>\$(879,244)</b>	<b>\$ -</b>	<b>\$19,984,253</b>

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

<b>Governmental Activities</b>	
Judicial	\$ 340,438
General government	245,161
Public safety	266,492
Health and welfare	558,132
Parks and recreation	174,084
Depreciation included in internal service funds	1,584,307
	655,882
<b>Total depreciation expense - governmental activities</b>	<b>\$2,240,189</b>
<b>Business-type Activities</b>	
Pavilions	\$1,153,737
Inspections	20,408
<b>Total depreciation expense - business-type activities</b>	<b>\$1,174,145</b>

# GRAND TRAVERSE COUNTY

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

	Balance January 1, 2018	Additions	Deletions	Balance December 31, 2018
<b>Component Unit – Road Commission</b>				
<b>Capital assets, not being depreciated</b>				
Land	\$ 1,035,799	\$ -	\$ -	\$ 1,035,799
Land and right-of-way	26,999,883	395,204	-	27,395,087
Construction in progress	10,841	264,190	10,841	264,190
Total capital assets, not being depreciated	28,046,523	659,394	10,841	28,695,076
<b>Capital assets, being depreciated</b>				
Building and improvements	4,211,125	21,194	-	4,232,319
Road equipment	11,521,851	1,639,803	951,524	12,210,130
Shop equipment	264,492	14,992	-	279,484
Office equipment	279,652	1,833	-	281,485
Engineering equipment	175,696	28,064	-	203,760
Yard and storage equipment	1,687,650	-	-	1,687,650
Infrastructure				
Bridges	4,358,823	28,050	-	4,386,873
Roads	81,796,448	8,824,075	108,123	90,512,400
Total capital assets, being depreciated	104,295,737	10,558,011	1,059,647	113,794,101
<b>Less accumulated depreciation for</b>				
Building and improvements	1,321,660	82,691	-	1,404,351
Road equipment	8,841,360	1,167,301	938,824	9,069,837
Shop equipment	190,887	19,108	-	209,995
Office equipment	249,011	18,372	-	267,383
Engineering equipment	127,966	17,252	-	145,218
Yard and storage equipment	1,236,855	51,131	-	1,287,986
Infrastructure				
Bridges	1,031,947	71,871	-	1,103,818
Roads	34,328,202	5,325,610	108,123	39,545,689
Total accumulated depreciation	47,327,888	6,753,336	1,046,947	53,034,277
<b>Net capital assets, being depreciated</b>	<b>56,967,849</b>	<b>3,804,675</b>	<b>12,700</b>	<b>60,759,824</b>
<b>Component Unit – Road Commission</b>				
<b>capital assets, net</b>	<b>\$85,014,372</b>	<b>\$4,464,069</b>	<b>\$ 23,541</b>	<b>\$89,454,900</b>

# GRAND TRAVERSE COUNTY

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

	Balance January 1, <u>2018</u>	Additions	Deletions	Balance December 31, <u>2018</u>
<b>Component Unit – Drain Commission</b>				
<b>Capital assets, not being depreciated</b>				
Construction in progress	\$ 287,155	\$ 287,998	\$ -	\$ 575,153
<b>Component Unit – Department of Public Works</b>				
<b>Capital assets, not being depreciated</b>				
Land	\$ 400,000	\$ -	\$ -	\$ 400,000
<b>Capital assets, being depreciated</b>				
Buildings	7,623,862	-	-	7,623,862
Furniture and equipment	219,299	-	-	219,299
Total capital assets, being depreciated	7,843,161	-	-	7,843,161
Less accumulated depreciation for				
Buildings	1,415,859	217,825	-	1,633,684
Furniture and equipment	62,420	20,658	-	83,078
Total accumulated depreciation	1,478,279	238,483	-	1,716,762
<b>Net capital assets, being depreciated</b>	6,364,882	(238,483)	-	6,126,399
<b>Component Unit – Department of Public Works capital assets, net</b>	<u>\$ 6,764,882</u>	<u>\$(238,483)</u>	<u>\$ -</u>	<u>\$ 6,526,399</u>
<b>Component Unit – PACE</b>				
<b>Capital assets, not being depreciated</b>				
Construction in progress	\$ -	\$ 99,000	\$ -	\$ 99,000
<b>Capital assets, being depreciated</b>				
Right to use lease	-	2,895,089	-	2,895,089
Less accumulated depreciation for				
Buildings	-	-	-	-
<b>Net capital assets, being depreciated</b>	-	2,895,089	-	2,895,089
<b>Component Unit – Department of Public Works capital assets, net</b>	<u>\$ -</u>	<u>\$ 2,994,089</u>	<u>\$ -</u>	<u>\$ 2,994,089</u>

**GRAND TRAVERSE COUNTY**  
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**7. PENSION PLANS**

**Defined Contribution Pension Plans**

**Defined Contribution Pension Plan – Grand Traverse County**

The **Grand Traverse County Defined Contribution Plan** is sponsored by the County created in accordance with Internal Revenue Code Section 401(a), which is available to all full-time employees. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. 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 are considered 25%, 50%, 75% and 100% vested in years three through six, respectively. Members may contribute 3% of their base pay, and the County's required contribution is 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 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 2018, the County contributed \$1,547,668 and employees contributed \$562,076.

**Defined Contribution Pension Plan – Road Commission**

The Road Commission maintains a defined contribution plan administered by MERS for those employees who do not participate in the defined benefit pension plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Administrative employees are eligible to participate from the date of employment. Union employees are eligible after one year as established by agreement. The Commission contributes 9% of administrative and 8% of union personnel gross earnings, respectively plus match employee contributions in an amount equal to 3% administrative and 2% union. Contributions for each employee (adjusted for gains and losses allocated to the employee's account) are vested 20%, 40%, 60%, 80% and 100% in years two through six, respectively. Plan provisions and contribution requirements are established and may be amended by the Board of County Road Commissioners. During 2018, the Commission contributed \$225,421 and employees contributed \$52,301 towards the defined contribution plan.

**Defined Benefit Plans**

**General Plan Description**

The following is applicable to the Grand Traverse County defined benefit pension plan (closed to new employees), Grand Traverse Pavilions defined benefit pension plan (open to new employees) and Grand Traverse County Road Commission defined benefit pension plan (closed to new employees).

**Plan Description**

The defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The employer participates in the Municipal Employees Retirement System (MERS) of Michigan. 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-

**GRAND TRAVERSE COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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member Retirement Board. MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the MERS website at [www.mersofmich.com](http://www.mersofmich.com).

***Investments***

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%
Fixed Income	20.0%	2.18%
Real Assets	12.5%	4.23%
Diversifying Strategies	10.0%	6.56%

***Actuarial Assumptions***

The total pension liability was determined by an actuarial valuation as of December 31, 2017, using the following actuarial assumptions:

Inflation – 2.5%  
Salary increases – 3.75% in the long term  
Investment rate of return - 7.75 percent; net of investment expense including inflation  
Mortality rates – based on the RP-2014 Group Annuity Mortality Table of a 50% male and 50% female blend  
The actuarial assumptions used in the valuation were based on the results of the 2015 actuarial experience study

The actuarial assumptions used in the valuation were based on the results of the 2015 actuarial experience study.

***Discount Rate***

The discount rate used to measure the total pension liability was 8 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made at the current actuarially determined rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. 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

### FOR THE YEAR ENDED DECEMBER 31, 2018

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#### **Aggregate Primary Government Defined Benefit Pension Plan Balances**

	County	Pavilions	Total
Net pension liability	\$48,597,387	\$10,558,103	\$59,155,490
Deferred outflows	6,201,698	856,478	7,058,176
Deferred inflows	-	3,074,906	3,074,906
Pension expense	3,784,975	1,277,558	5,062,533

#### **Net Pension Liability**

The employer's Net Pension Liability was measured as of December 31, 2017, and the total pension liability used to calculate the Net Pension Liability at December 31, 2018 was determined utilizing roll forward procedures as part of the annual actuarial valuation as of December 31, 2017.

#### **Defined Benefit Pension Plan – Grand Traverse County**

##### **Plan Membership**

At December 31, 2017, participants included the following:

Active plan members	58
Terminated vested plan members	41
Retirees and beneficiaries	297
Total participants	<u>396</u>

##### **Benefits**

Pension benefits vary by division 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, 8, 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).

##### **Contributions**

The County is required to contribute at least an amount 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 are generally fixed by division/bargaining unit and based on a percentage of payroll for employee contributions. The employer actuarial determined contribution was \$5,720,352.

# GRAND TRAVERSE COUNTY

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

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### ***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 percent, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7 percent) or 1-percentage point higher (9 percent) than the current rate:

	One percent decrease <u>(7%)</u>	Current Discount rate <u>(8%)</u>	One percent increase <u>(9%)</u>
Total pension liability	\$104,444,253	\$95,012,108	\$86,962,900
Fiduciary net position	46,414,721	46,414,721	46,414,721
Net pension liability	<u>\$ 58,029,532</u>	<u>\$48,597,387</u>	<u>\$40,548,179</u>

### ***Changes in the Net Pension Liability of the County***

The components of the change in the net pension liability of the County were as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance at December 31, 2017	\$95,780,941	\$49,702,597	\$46,078,344
Changes for the Year:			
Service costs	375,255	-	375,255
Interest	7,389,442	-	7,389,442
Benefit changes	(440,519)	-	(440,519)
Differences between expected and actual experience	(1,143,899)	-	(1,143,899)
Changes in assumptions	(53,751)	-	(53,751)
Other changes	305,735	-	305,735
Contributions: employer	-	5,964,888	(5,964,888)
Contributions: member	-	-	-
Net investment income	-	(1,950,963)	1,950,963
Administrative expense	-	(100,706)	100,706
Benefit payments, including refunds	(7,201,095)	(7,201,095)	-
Net changes	(768,833)	(3,287,876)	(2,519,043)
Balance at December 31, 2018	\$95,012,108	\$46,414,721	\$48,597,387

**GRAND TRAVERSE COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

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

For the year ended December 31, 2018, the County recognized pension expense of \$3,784,975. At December 31, 2018, the County reported pension-related deferred outflows of resources and deferred inflows of resources from the following sources:

	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -
Net difference between projected and actual earnings on pension plan investments	<u>6,201,698</u>
<b>Total</b>	<u><b>\$6,201,698</b></u>

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

<u>Year Ending December 31</u>	<u>Amount</u>
2019	\$2,113,002
2020	1,340,449
2021	1,573,508
2022	1,174,739
<b>Total</b>	<u><b>\$6,201,698</b></u>

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

***Plan Membership***

At December 31, 2017, participants included the following:

Active plan members	360
Terminated vested plan members	127
Retirees and beneficiaries	188
<b>Total participants</b>	<u><b>675</b></u>

***Benefits***

Pension benefits vary by division 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, age 55 with 15 years of service.

***Contributions***

The Pavilions are required to contribute at least an amount 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.

# GRAND TRAVERSE COUNTY

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2018

Employer and employee monthly contribution amounts or rates (percentage of covered payroll), by division/bargaining unit, were as follows for the year ended December 31, 2018:

Division	Employer Contribution Rate	Employee Contribution Rate
04-General Unit	7.00%	0.40%
40-LPN Unit	9.06%	3.41%
41-NonUnion Unit	-	10.35%
42-Union RN	5.73%	7.81%
43-Non-Union after 9/1/15	7.74%	3.00%

#### ***Sensitivity of the Net Pension Liability to Changes in the Discount rate***

The following presents the net pension liability of the Grand Traverse Pavilions, calculated using the discount rate of 8 percent, as well as what the Pavilions' net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7 percent) or 1-percentage point higher (9 percent) than the current rate:

	One percent decrease (7%)	Current Discount rate (8%)	One percent increase (9%)
Total pension liability	\$45,860,499	\$40,750,982	\$36,517,749
Fiduciary net position	30,192,879	30,192,879	30,192,879
Net pension liability	\$15,667,620	\$10,558,103	\$ 6,324,870

#### ***Changes in the Net Pension Liability of the Pavilions***

The components of the change in the net pension liability of the Pavilions were as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance at December 31, 2017	\$38,972,485	\$31,107,864	\$ 7,864,621
Changes for the Year:			
Service costs	1,317,595	-	1,317,595
Interest	3,100,887	-	3,100,887
Benefit changes	-	-	-
Differences between expected and actual experience	(840,111)	-	(840,111)
Other changes	(59,476)	-	(59,476)
Contributions: employer	-	1,393,517	(1,393,517)
Contributions: member	-	742,149	(742,149)
Net investment income	-	(1,249,335)	1,249,335
Administrative expense	-	(60,918)	60,918
Benefit payments, including refunds	(1,740,398)	(1,740,398)	-
Net changes	1,778,497	(914,985)	2,693,482
Balance at December 31, 2018	\$40,750,982	\$30,192,879	\$ 10,558,103

# GRAND TRAVERSE COUNTY

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2018

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

For the year ended December 31, 2018, the Pavilions recognized pension expense of \$1,277,558. At December 31, 2018, the Pavilions reported pension-related deferred outflows of resources and deferred inflows of resources from the following sources:

	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Net Deferred Inflow/Outflow of Resources</u>
Difference between expected and actual experience	\$ (1,080,080)	\$ -	\$ (1,080,080)
Net difference between projected and actual earnings on pension plan investments	-	2,268,128	2,268,128
Net difference between assumptions	-	856,478	856,478
<b>Total</b>	<b>\$ (1,080,080)</b>	<b>\$3,124,606</b>	<b>\$2,044,526</b>

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

<u>Year Ending December 31</u>	<u>Amount</u>
2019	\$ 819,020
2020	350,395
2021	516,381
2022	498,746
2023	(140,016)
<b>Total</b>	<b>\$2,044,526</b>

#### **Defined Benefit Pension Plan – Road Commission**

##### ***Plan Description***

The employer's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The plan is closed to new entrants. The employer participates in the Municipal Employees Retirement System (MERS) of Michigan. 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. 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).

# GRAND TRAVERSE COUNTY

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2018

#### **Benefits provided**

Benefits provided include plans with multipliers ranging from 2.25 to 2.50. Vesting period of 6-10 years. Normal retirement age is 60. Final average compensation is calculated based on a 5 years average.

Membership of the defined benefit plan consisted of the following at the date of the latest actuarial valuation (December 31, 2017):

Inactive employees or beneficiaries currently receiving benefits	54
Inactive employees entitled but not yet receiving benefits	3
Active plan members	2
Total	59

#### **Contributions**

The Commission is required to contribute at an actuarially determined amount, which for the current year was \$731,250. Actual contributions for the year were \$1,208,374 which is \$476,854 in excess of the actuarial required contribution. Participating employees are not required to contribute to the Plan. The contribution requirements of the Commission are established and may be amended by the MERS Retirement Board. The contribution requirements of employees are established and may be amended by labor agreements.

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:

#### **Changes in the Net Pension Liability**

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance at January 1, 2018	\$9,014,963	\$7,972,501	\$1,042,462
Changes for the Year:			
Service cost	8,166	-	8,166
Interest	684,961	-	684,961
Change in benefits	-	-	-
Differences between expected and actual experience	11,278	-	11,278
Change in assumptions	-	-	-
Contributions : employer	-	1,208,374	(1,208,374)
Contributions: employee	-	-	-
Net investment income	-	(285,143)	285,143
Benefit payments, including refunds	(914,065)	(914,065)	-
Administrative expense	-	(14,787)	14,787
Other changes	8,190	-	8,190
Net changes	(201,470)	(5,621)	(195,849)
Balance at December 31, 2018	\$8,813,493	\$7,966,880	\$ 846,613

# GRAND TRAVERSE COUNTY

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2018

#### **Sensitivity of the Net Pension Liability to changes in the discount rate.**

The following presents the Net Pension Liability of the employer, calculated using the discount rate of 8.0%, as well as what the employer's Net Pension Liability would be using a discount rate that is 1 percentage point lower (7.0%) or 1% higher (9.0%) than the current rate.

	1% Decrease	Current Discount rate	1 % increase
Total Pension Liability	\$9,503,797	\$8,813,493	\$8,209,098
Fiduciary Net Position	7,966,880	7,966,880	7,966,880
Net Pension Liability	<u>\$1,536,917</u>	<u>\$ 846,613</u>	<u>\$ 242,218</u>

For the year ended December 31, 2018 the employer recognized pension expense of \$273,435. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in experience	\$ -	\$ -
Differences in assumptions	-	-
Excess(Deficit) Investment Returns	589,555	-
Contributions subsequent to the measurement date	-	-
Total	<u>\$589,555</u>	<u>\$ -</u>

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

2017	\$195,033
2018	83,867
2019	123,831
2020	186,824
2021	-
Thereafter	-
 Total	 <u>\$589,555</u>

#### **8. OTHER POST-EMPLOYMENT BENEFITS**

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

###### ***Plan Description***

**Grand Traverse County Retiree Health Care Plan** is a single employer defined benefit plan sponsored and administered by Grand Traverse County. The plan is reported as an OPEB Trust Fund in the County's financial statements.

**GRAND TRAVERSE COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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The Plan provides of health insurance premiums for retirees based on specified contributions. The plan is closed to new participant. Benefit provisions may be amended by the Plan administrator (subject to bargaining agreements). Separate financial statements are not issued for the Plan.

The long-term expected rate of return on retirement plan investments was determined using a building-block 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	55.5%	6.15%
Global Equity	18.5%	1.26%
Real Assets	13.5%	7.22%
Diversifying Strategies	12.5%	5.00%
	<u>100%</u>	

***Plan Membership***

At December 31, 2018, participants included the following:

Active plan members	203
Retired plan members	35
Total participants	<u>238</u>

***Benefits***

Retirees have access to employer sponsored Medical, Dental, Vision and Life Insurance coverage subject to varying specified contributions. Members pay a percentage of premiums; additional beneficiaries must pay 100% of additional premiums.

***Contributions***

The Plan was established and is being funded under the authority of the County and under agreements with the unions representing various classes of employees. The Plan's funding policy is to contribute \$300,000 in 2019 and \$300,000 per year thereafter beginning in 2020. There are no long-term contracts for contributions to the Plan. The Plan has no legally required reserves.

***Rate of Return***

For the year ended December 31, 2018, the money-weighted rate of return was (.4)%.

**GRAND TRAVERSE COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

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***Net OPEB Liability of the County***

The components of the net OPEB liability of the County at December 31, 2018, were as follows:

Total OPEB liability	\$2,542,063
Plan fiduciary net position	<u>537,887</u>
County's net OPEB liability	<u><u>\$2,004,176</u></u>
Plan fiduciary net position as a percentage of total OPEB liability	<u><u>21.2%</u></u>

***Actuarial Assumptions***

The total OPEB liability was determined at December 31, 2018 using the entry age normal actuarial cost method by an actuarial valuation using the following actuarial assumptions based on 2018 County experience:

Inflation – 2.5%  
 Salary increases – 2.0%  
 Investment rate of return – 7.75% (including 2.5% inflation)  
 20-year Aa Municipal bond rate – 3.15%  
 Remaining amortization period of 13 year  
 Healthcare cost trend – 8% in 2018 graded to 6% in 2022  
 Asset value - market  
 Mortality rates – based on SOA RPH-2014 at 2006 projected with MP-2017, annuitant, non-annuitant (sex-distinct) Mortality Table

***Discount Rate***

The discount rate used to measure the total OPEB liability was 7.75 percent. The projection of cash flows used to determine the discount rate assumed that County contributions will be made at the current contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. For projected benefits that are covered by projected assets, the long-term expected rate was used to discount the projected benefits. From the year that the benefit payments were not projected to be covered by the projected assets (the "depletion date"), projected benefits were discounted at a discount rate reflecting a 20-year AA/Aa tax-exempt municipal bond yield. A single equivalent discount rate that yields the same present value of benefits is calculated. This discount rate is used to determine the total OPEB liability. As of December 31, 2017, the discount rate used to value OPEB liabilities was 6.0%

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

The following presents the net OPEB liability of the County, calculated using the discount rate of 6% percent, as well as what the County's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5 percent) or 1-percentage point higher (7 percent) than the current rate:

	One percent decrease <u>(5%)</u>	Current discount rate <u>(6%)</u>	One percent increase <u>(7%)</u>
Total OPEB liability	\$2,814,683	\$2,542,063	\$2,309,686
Fiduciary net position	537,887	537,887	537,887
Net OPEB liability	<u><u>\$2,276,796</u></u>	<u><u>\$2,004,176</u></u>	<u><u>\$1,771,799</u></u>

# GRAND TRAVERSE COUNTY

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2018

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

The following presents the net OPEB liability of the County, calculated using the healthcare trend rate of 8% in 2018 graded to 6% in 2022, as well as what the County's net OPEB liability would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage point higher than the current rate:

	<b>One Percent Decrease (-1%)</b>	<b>Current Healthcare Cost Trend Rate</b>	<b>One Percent Increase (+1%)</b>
Total OPEB liability	\$2,273,036	\$2,542,063	\$2,868,644
Fiduciary net position	537,887	537,887	537,887
Net OPEB liability	<u>\$1,735,149</u>	<u>\$2,004,176</u>	<u>\$2,330,757</u>

#### ***Changes in the Net OPEB Liability of the County***

The components of the change in the net OPEB liability of the County were as follows:

	<b>Increase (Decrease)</b>		
	<b>Total OPEB Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net OPEB Liability (a)-(b)</b>
Balance at December 31, 2017	\$2,771,988	\$256,132	\$2,515,856
Changes for the Year:			
Service Costs	77,422	-	77,422
Interest	166,460	-	166,460
Benefit Changes	-	-	-
Differences between expected and actual experience	(68,693)	-	(68,693)
Change in actuarial assumptions	(330,052)	-	(330,052)
Contributions	375,062	(375,062)	-
Net investment Income	-	(17,508)	17,508
Benefit payments, including refunds	(75,062)	(75,062)	-
Administrative Expenses	-	(737)	737
Net changes	<u>(229,925)</u>	<u>281,755</u>	<u>(511,680)</u>
Balance at December 31, 2018	<u>\$2,542,063</u>	<u>\$537,887</u>	<u>\$2,004,176</u>

# GRAND TRAVERSE COUNTY

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2018

#### **Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended December 31, 2018, the County recognized OPEB expense of \$(176,623). At December 31, 2018, the County reported pension-related deferred outflows of resources and deferred inflows of resources from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
Difference between expected and actual experience	\$ -	\$ 134,479	\$ (134,479)
Changes of Assumptions	-	4,874,420	(4,874,420)
Investment Earnings (Gains)/Losses	42,949	-	42,949
<b>Total</b>	<b>\$42,949</b>	<b>\$5,008,899</b>	<b>\$(4,965,950)</b>

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

<u>Year Ending December 31</u>	<u>Amount</u>
2019	\$ (387,874)
2020	(387,874)
2021	(387,873)
2022	(388,622)
2023	(398,798)
Thereafter	(3,014,909)
<b>Total</b>	<b>\$(4,965,950)</b>

#### **Defined Benefit Plan – Grand Traverse Pavilions**

##### ***Plan Description***

**Grand Travers Pavilions Retiree Health Care Plan** is a single employer defined benefit plan sponsored and administered by Grand Traverse County. The plan is reported as an OPEB Trust Fund in the County's financial statements.

The Plan provides of health insurance premiums for retirees based on specified contributions. The plan is closed to new participant. Benefit provisions may be amended by the Plan administrator (subject to bargaining agreements). Separate financial statements are not issued for the Plan.

The long-term expected rate of return on retirement plan investments was determined using a building-block 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.

**GRAND TRAVERSE COUNTY**  
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The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<b><u>Asset Class</u></b>	<b><u>Target Allocation</u></b>	<b><u>Long-Term Expected Real Rate of Return</u></b>
Global Equity	55.5%	6.15%
Global Equity	18.5%	1.26%
Real Assets	13.5%	7.22%
Diversifying Strategies	12.5%	5.00%
	<b><u>100%</u></b>	

***Plan Membership***

At December 31, 2018, participants included the following:

Active plan members	34
Retired plan members	289
Total participants	<b><u>323</u></b>

***Benefits***

Retirees have access to employer sponsored Medical, Dental, Vision and Life Insurance coverage subject to varying specified contributions. Members pay a percentage of premiums; additional beneficiaries must pay 100% of additional premiums.

***Contributions***

The Plan was established and is being funded under the authority of the County and under agreements with the unions representing various classes of employees. The Plan is funded on a pay-as-you-go basis with additional payments to the trust based on Board action. There are no long-term contracts for contributions to the Plan. The Plan has no legally required reserves.

***Rate of Return***

For the year ended December 31, 2018, the money-weighted rate of return was 0%

***Net OPEB Liability of the Pavilions***

The components of the net OPEB liability of the Pavilions at December 31, 2018, were as follows:

Total OPEB liability	\$1,494,784
Plan fiduciary net position	<u>500,000</u>
County's net OPEB liability	<b><u>\$ 994,784</u></b>
Plan fiduciary net position as a percentage of total OPEB liability	<b><u>33.4%</u></b>

***Actuarial Assumptions***

The total OPEB liability was determined at December 31, 2018 using the entry age normal actuarial cost method by an actuarial valuation using the following actuarial assumptions based on 2018 County experience:

# GRAND TRAVERSE COUNTY

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2018

Inflation – 2.5%  
 Salary increases – 2.0%  
 Investment rate of return – 7.75% (including 2.5% inflation)  
 20-year Aa Municipal bond rate – 3.15%  
 Remaining amortization period of 13 year  
 Healthcare cost trend – not applicable  
 Asset value - market  
 Mortality rates – based on SOA RPH-2014 at 2006 projected with MP-2017, annuitant, non-annuitant (sex-distinct) Mortality Table

**Discount rate.** The discount rate used to measure the total OPEB liability is 7.75%. The projection of cash flows used to determine the discount rate assumed that County contributions will be made at the current contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. For projected benefits that are covered by projected assets, the long-term expected rate was used to discount the projected benefits. From the year that the benefit payments were not projected to be covered by the projected assets (the "depletion date"), projected benefits were discounted at a discount rate reflecting a 20-year AA/Aa tax-exempt municipal bond yield. A single equivalent discount rate that yields the same present value of benefits is calculated. This discount rate is used to determine the total OPEB liability. As of December 31, 2016, the discount rate used to value OPEB liabilities was 3.0%

#### ***Changes in the Net OPEB Liability***

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balance at January 1, 2018	\$6,967,651	\$ -	\$6,967,651
Changes for the Year:			
Service cost	231,153	-	231,153
Interest	213,488	-	213,488
Change in benefits	(4,383,381)	-	(4,383,381)
Differences between expected and actual experience	-	-	-
Change in assumptions	(1,451,552)	-	(1,451,552)
Contributions: employer	-	582,575	(582,575)
Contributions: employee	-	-	-
Net investment Income	-	-	-
Benefit payments, including refunds	(82,575)	(82,575)	-
Administrative expense	-	-	-
Other changes	-	-	-
Net changes	(5,472,867)	500,000	(5,972,867)
<b>Balance at December 31, 2018</b>	<b>\$1,494,784</b>	<b>\$500,000</b>	<b>\$994,784</b>

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***Sensitivity of the Net OPEB Liability to changes in the discount rate.***

The following presents the net OPEB liability of the employer, calculated using the discount rate of 3%, as well as what the employer's net OPEB liability would be using a discount rate that is 1 percentage point lower (2%) or 1% higher (4%) than the current rate.

	1% Decrease	Current Discount rate	1 % increase
Total OPEB liability	\$1,668,687	\$1,494,784	\$1,347,811
Plan Fiduciary Net Position	500,000	500,000	500,000
<b>Net OPEB Liability</b>	<b>1,168,687</b>	<b>994,784</b>	<b>847,811</b>

***Sensitivity of the Net OPEB Liability to changes in the healthcare cost trend rates.***

The following presents the net OPEB liability of the employer, calculated using the healthcare cost trend rate, as well as what the employer's net OPEB liability would be using a healthcare cost trend rate that is 1 percentage point lower or 1% higher than the current rate. Plan benefits are fixed and not subject to healthcare trend rates.

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

For the year ended December 31, 2018 the employer recognized OPEB expense of \$(4,061,027). At December 31, 2018, the County reported pension-related deferred outflows of resources and deferred inflows of resources from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
Difference between expected and actual experience	\$ -	\$ -	\$ -
Changes of Assumptions	-	1,329,265	(1,329,265)
Investment Earnings (Gains)/Losses	-	-	-
<b>Total</b>	<b>\$ -</b>	<b>\$1,329,265</b>	<b>\$(1,329,265)</b>

**GRAND TRAVERSE COUNTY**  
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Amounts reported as OPEB-related deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

<u>Year Ending December 31</u>	<u>Amount</u>
2019	\$ (122,287)
2020	(122,287)
2021	(122,287)
2022	(122,287)
2023	(122,287)
Thereafter	(717,830)
<b>Total</b>	<b><u><u>\$ (1,329,265)</u></u></b>

**Defined Benefit Plan – Road Commission**

***Plan Description***

The Grand Traverse County Road Commission (the Commission) administers a single-employer defined benefit healthcare plans. The plan provides healthcare benefits to eligible retirees, in accordance with the Commission's policy and employment agreements. The Retiree Health Plan does not issue a publicly available financial report. The actuarial valuation was prepared using the alternative method as provided for in Governmental Accounting Standards Board Statement No. 75.

***Benefits Provided***

Only employees retiring before May 1, 2016 are eligible for the following retiree medical coverage stipend:

- Early retirees – eligible for \$500 monthly stipend until age 65 (no benefits provided subsequent to age 65)
- Past retirees – eligible for \$112/224 monthly stipend until death (retiree and spouse received \$112 each)

Membership of the Plan consisted of the following at the date of the latest valuation (December 31, 2018):

Early retirees		
\$500 monthly stipend – retiree		7
Current retirees		
\$122 monthly stipend – retiree		45
\$122 monthly stipend – retiree spouse		<u>29</u>
Total		<u>81</u>

***Contributions***

The Commission has no obligation to make contributions in advance of when the stipend is paid (in other words, the Plan may be financed on a "pay-as-you-go" basis). Participants do not make contributions to the Plan. There are no long-term contracts for contributions to the Plan. The Plan has no legally required reserves.

# GRAND TRAVERSE COUNTY

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2018

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#### ***Net OPEB Liability***

The employer's net OPEB liability was measured as of December 31, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an annual valuation as of that date.

The total OPEB liability in the December 31, 2018 annual valuation was determined using the following assumptions, applied to all periods included in the measurement:

Inflation: Not applicable due to a fixed stipend not expected to change over time

Salary increases: Not applicable due to closed plan status with no active participants

Investment rate of return: 3% (unfunded status is consistent with Michigan Department of Treasury requirements and generally accepted accounting principles (GAAP)

Healthcare cost trend rates: Not applicable due to a fixed stipend not expected to change over time

Mortality rates were based on the 2014 life tables for males or females, as appropriate, from the Centers for Disease Control.

The assumptions used in valuation were based on the results of the most recent actuarial experience study and State of Michigan requirements.

Discount rate. The discount rate used to measure the total OPEB liability is 3% (20 year AA/Aa tax exempt municipal bond yield). Because the plan does not have a reasonably funded OPEB trust, there are not assets projected to be sufficient to make projected future benefit payments of current plan members. A discount rate is used to determine the Total OPEB Liability. December 31, 2018 is the first year of required compliance with GASB 75, so there is no required discount rate change to disclose.

#### ***Changes in the Net OPEB Liability***

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balance at January 1, 2018	\$1,155,464	\$107,826	\$1,047,638
Changes for the Year:			
Service cost	34,664	-	34,664
Interest	-	-	-
Change in benefits	-	-	-
Differences between expected and actual experience	28,002	-	28,002
Change in assumptions	-	-	-
Contributions: employer	-	-	-
Contributions: employee	-	-	-
Net investment Income	-	1,106	(1,106)
Benefit payments, including refunds	(143,172)	(106,304)	(36,868)
Administrative expense	-	-	-
Other changes	-	-	-
Net changes	(80,506)	(105,198)	24,692
Balance at December 31, 2018	<b>\$1,074,958</b>	<b>\$2,628</b>	<b>\$1,072,330</b>

# GRAND TRAVERSE COUNTY

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2018

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#### ***Sensitivity of the Net OPEB Liability to changes in the discount rate.***

The following presents the net OPEB liability of the employer, calculated using the discount rate of 3%, as well as what the employer's net OPEB liability would be using a discount rate that is 1 percentage point lower (2%) or 1% higher (4%) than the current rate.

	Current		
	1% Decrease	Discount rate	1 % increase
Total OPEB liability	\$1,146,908	\$1,074,958	\$1,010,089
Plan Fiduciary Net Position	2,628	2,628	2,628
<b>Net OPEB Liability</b>	<b>\$1,144,280</b>	<b>\$1,072,330</b>	<b>\$1,007,461</b>

#### ***Sensitivity of the Net OPEB Liability to changes in the healthcare cost trend rates.***

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

	Current		
	1% Decrease	healthcare cost trend rate	1 % increase
Total OPEB liability	\$1,074,958	\$1,074,958	\$1,074,958
Plan Fiduciary Net Position	2,628	2,628	2,628
<b>Net OPEB Liability</b>	<b>\$1,072,330</b>	<b>\$1,072,330</b>	<b>\$1,072,330</b>

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

For the year ended December 31, 2018 the employer recognized OPEB expense of \$61,560

#### **Financial statements**

**Financial statements for the individual OPEB plans are as follows:**

#### **Combining Statement of Plan Net Position**

	County OPEB Trust	Pavilions OPEB Trust	Total
<b>Assets</b>			
Investments			
MERS Total Market Portfolio			
	\$537,888	\$500,000	\$1,037,888
<b>Net Position</b>			
Restricted for OPEB benefits	\$537,888	\$500,000	\$1,037,888

# GRAND TRAVERSE COUNTY

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED DECEMBER 31, 2018**

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### Combining Statement of Changes in Plan Net Position

	<b>County OPEB Trust</b>	<b>Pavilions OPEB Trust</b>	<b>Total</b>
<b>Additions</b>			
Contributions			
Employer	\$300,000	\$500,000	\$ 800,000
Investment income			
Net change in fair value of securities	(18,244)	-	(18,244)
Change in net position	281,756	500,000	781,756
<b>Net position beginning of year</b>	<b>256,132</b>	<b>-</b>	<b>256,132</b>
<b>Net Position end of year</b>	<b>\$537,888</b>	<b>\$500,000</b>	<b>\$1,037,888</b>

### Defined Contribution OPEB Plan – Road Commission

The Road Commission administers a single-employer defined contribution Retirement Health Savings account (the Retiree Health Savings Plan). The Commission contributes \$80 monthly to a healthcare savings plan (HCSP) for all fulltime employees. In addition, the commission provided additional one-time contributions during 2017. The Commission plan contribution requirements were established and may be amended under the authority of the Board of County Road Commissioners. The Plan has no vesting period. During the year the commission contributed \$36,720 and employees contributed \$37,135 to the plan.

# GRAND TRAVERSE COUNTY

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2018

#### 9. LONG-TERM DEBT

The following is a summary of the debt transactions for the year ended December 31, 2018:

	<u>Balance</u> <u>January 1,</u> <u>2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>December 31,</u> <u>2018</u>	<u>Due</u> <u>Within One</u> <u>Year</u>
<b>Governmental Activities</b>					
\$6,170,000 2012 County Building Authority Hall of Justice Refunding Bonds; due in annual installments of \$420,000 to \$560,000 through May 2025; interest rate of 2.000% to 3.125%	\$ 4,070,000	\$	-	\$460,000	\$3,610,000
\$5,000,000 2012 County Building Authority Health Department Development Bonds; due in annual installments of \$150,000 to \$310,000 through December 2036; interest rate of 2.0% to 4.0%	4,135,000		-	155,000	3,980,000
\$317,341 2018 information technology installment purchase; due in annual installments of \$69,080 through October 2022; including interest at 4.24%	-	317,341		-	317,341
\$353,576 2018 information technology installment purchase; due in annual installments of \$76,620 through June 2022; including interest at 4%	-	353,575	76,620	276,955	65,047
\$3,500,000 2017 County Building Authority Pavilion Bonds; due in annual installments of \$115,000 to \$235,000 through November 2037; interest rate of 3.0% to 3.65%	3,500,000	-	115,000	3,385,000	135,000
<b>Total</b>	11,705,000	670,916	806,620	11,569,296	966,539
Bond discounts	(37,044)		(1,852)	(35,192)	-
Accrued compensated absences	1,460,655	175,386	117,974	1,518,067	-
<b>Total Governmental Activities</b>	<b>\$13,128,611</b>	<b>\$846,302</b>	<b>\$922,742</b>	<b>\$13,052,171</b>	<b>\$966,539</b>

# GRAND TRAVERSE COUNTY

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>Balance January 1, 2018</u>		<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2018</u>	<u>Due Within One Year</u>
<b>Business-type Activities</b>						
\$3,745,000 2017 County Building Authority Pavilions Refunding Bonds; due in annual installments of \$35,000 to \$270,000 through May 2031; interest rate of 2.000% to 3.125%	\$3,210,000	\$	-	\$225,000	\$2,985,000	\$225,000
Total	3,210,000		-	225,000	2,985,000	225,000
Accrued compensated absences	673,246		288,002	211,354	749,894	-
Deferred charge	84,595		-	6,507	78,088	-
<b>Total Business-type Activities</b>	<b>\$3,967,841</b>	<b>\$288,002</b>		<b>\$442,861</b>	<b>\$3,812,982</b>	<b>\$225,000</b>
<b>Component Unit – Road Commission</b>						
\$945,000 2015 Michigan Transportation Fund Series Bond; due in variable annual installments through September 2030; interest rate of .65% to 3.50%	\$ 865,000	\$	-	\$ 55,000	\$ 810,000	\$ 55,000
\$3,600,000 2018 Michigan Transportation Fund Series Bond; due in variable annual installments through June 2023; interest rate of 2.25% to 3.00%	-		3,600,000	-	3,600,000	675,000
\$1,659,000 2013 Fifth Third August Equipment Lease; due in variable monthly installments through August 2018; interest rate of 1.53%	228,597		-	228,597	-	-
Total	1,093,597		3,600,000	283,597	4,410,000	730,000
Bond premium	-		71,542	11,311	60,231	-
Accrued compensated absences	103,540		52,481	103,540	52,481	-
<b>Total Component Unit – Road Commission</b>	<b>\$1,197,137</b>	<b>\$3,724,023</b>		<b>\$398,448</b>	<b>\$4,522,712</b>	<b>\$730,000</b>

# GRAND TRAVERSE COUNTY

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Balance January 1, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2018</u>	<u>Due Within One Year</u>
<b>Component Unit – Brownfield Redevelopment Authority</b>					
\$886,591 2006 MI Environmental Quality Redemption Loan; due in annual installments of \$45,523 to \$49,275 through August 2021; interest rate of 2.0%	\$ 188,956	\$	-	\$ 45,845	\$ 143,111
\$1,000,000 2009 MI Environmental Quality Redemption Loan; due in annual installments of \$83,822 to \$98,210 through June 2027; interest rate of 2.0%	648,328		-	87,208	561,120
\$863,395 2012 MI Environmental Quality Redemption Loan; due in annual installments of \$72,779 to \$84,463 through August 2027; interest rate of 1.5%	583,395		-	54,509	528,886
\$1,397,424 2013 MI Environmental Quality Redemption Loan; due in annual installments of \$117,794 to \$134,685 through May 2027; interest rate of 1.5% (Paid in full in 2018)	1,397,424		-	1,397,424	-
\$600,000 2013 MI Environmental Quality Redemption Loan; due in annual installments of \$50,576 to \$57,828 through August 2028; interest rate of 1.5%	600,000		-	58,696	541,304
\$700,000 2016 MI Environmental Quality Redemption Loan; due in annual installments of \$3,083 to \$3,577 through September 2031 plus interest at 1.5%. (\$36,569 drawn through 2018)	-	36,569	-	36,569	-
\$420,000 2017 MI Land Bank Fast Track Authority Brownfield Cleanup Loan; due in annual installments of \$13,188 to \$14,851 through January 2025 plus interest at of 2% (\$98,040 drawn and project completed)	-	98,040	-	98,040	13,188

# GRAND TRAVERSE COUNTY

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>Balance</u> <u>January 1,</u> <u>2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>December 31,</u> <u>2018</u>	<u>Due</u> <u>Within One</u> <u>Year</u>
<b>Component Unit – Brownfield Redevelopment Authority</b>					
\$163,796 2014 MI Environmental Quality Redemption Loan; due in annual installments of \$13,807 to \$15,787 through September 2029; interest rate of 1.5%	\$ 117,500	\$ -	\$ -	\$ 117,500	\$ 11,495
<b>Total Component Unit – Brownfield Redevelopment Authority</b>	<b>\$3,535,603</b>	<b>\$134,609</b>	<b>\$1,643,682</b>	<b>\$2,026,530</b>	<b>\$266,300</b>
	<u>Balance</u> <u>January 1,</u> <u>2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>December 31,</u> <u>2018</u>	<u>Due</u> <u>Within One</u> <u>Year</u>
<b>Component Unit – Department of Public Works</b>					
\$4,010,000 2017 Blair Water System Improvement Refunding Bonds; due in annual installments of \$380,000 to \$210,000 through November 2032; interest rate of 2.5% to 3%	\$4,010,000	\$ -	\$380,000	\$3,630,000	\$ 385,000
\$2,725,000 2015 Blair Sewer System Improvement Refunding Bonds; due in annual installments of \$255,000 to \$290,000 through November 2025; interest rate of 1.0% to 2.1%	2,195,000	-	255,000	1,940,000	270,000
\$2,895,000 2012 East Bay and Peninsula Sewer/Water Refunding Bonds; due in annual installments of \$255,000 to \$290,000 through November 2023; interest rate of 1.25% to 2.20%	1,605,000	-	260,000	1,345,000	270,000
\$21,470,000 2011 Traverse City Wastewater Treatment Plan Upgrade Refunding Bonds; due in annual installments of \$1,830,000 to \$2,225,000 through May 2022; interest rate of 3.0% to 4.0%	10,360,000	-	1,910,000	8,450,000	2,000,000

# GRAND TRAVERSE COUNTY

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

	Balance <u>January 1, 2018</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>December 31, 2018</u>	Due Within One Year
<b>Component Unit – Department of Public Works</b>					
\$5,000,000 2016 East Bay Township Water System Improvements, Series 2016 Refunding Bonds; due in annual installments of \$200,000 to \$330,000 through November 35; interest rate of 2.0% to 3.0%	\$ 4,600,000	\$	-	\$ 205,000	\$ 4,395,000
\$1,300,000 2004 Septage Treatment Facility Refunding Bonds; due in annual installments of \$75,000 through November 2024; interest rate of 3.05% to 5.00%	525,000		-	75,000	450,000
\$900,000 2018 Blair Water System Bonds; due in annual installments of \$30,000 to \$60,000 through October 2038; interest rate of 3.5% to 3.75%	\$	-	\$ 900,000	\$	-
\$2,381,231 2013 Septage Treatment Facility Note Payable; due in annual installments of \$150,000 through November 2032; interest rate of 2.0%	1,887,000		-	110,000	1,777,000
<b>Total</b>	<b>25,182,000</b>	<b>900,000</b>	<b>3,195,000</b>	<b>22,887,000</b>	<b>3,355,000</b>
Bond discounts	(5,687)	-	(812)	(4,875)	-
Accrued compensated absences	58,968	638	-	59,606	-
<b>Total Component Unit – Department of Public Works</b>	<b>\$25,235,281</b>	<b>\$900,638</b>	<b>\$3,194,188</b>	<b>\$22,941,731</b>	<b>\$3,355,000</b>

# GRAND TRAVERSE COUNTY

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2018

The annual requirements to amortize all debt outstanding (excluding accrued employee benefits) as of December 31, 2018 are as follows:

Year Ending December 31	Governmental Activities		Business-type Activities		Component Units	
	Principal	Interest	Principal	Interest	Principal	Interest
2018	\$ 966,539	367,055	\$ 225,000	69,525	\$ 4,351,300	\$ 808,480
2019	913,762	338,942	230,000	64,975	4,459,276	671,162
2020	949,177	311,162	230,000	60,375	4,552,652	527,763
2021	969,818	282,024	230,000	55,775	4,592,419	381,464
2022	850,000	251,360	230,000	51,175	2,376,446	277,635
2023-2027	2,950,000	924,638	1,150,000	177,325	4,799,695	906,382
2028-2032	2,200,000	576,453	690,000	31,597	3,261,742	401,956
2033-2037	1,770,000	153,348	-	-	930,000	61,316
<b>Total</b>	<b>\$11,569,296</b>	<b>\$3,204,982</b>	<b>\$2,985,000</b>	<b>\$510,747</b>	<b>\$29,323,530</b>	<b>\$4,036,158</b>

The County has pledged its full faith and credit for the repayment of Building Authority Bonds. The County has pledged state revenue sharing payments for the repayment of Brownfield Redevelopment Authority loans. The County and participating municipalities have pledged their full faith and credit for the repayment of Department of Public Works bonds.

PACE (a discretely presented component unit) has entered into a lease agreement with the County Building Authority (a blended component unit) for the lease of facilities over multiple future years. PACE reflects the leased facilities as a right-to-use lease capital asset with a net book value of \$2,895,089 at year end. Pace also reflected the following lease liability:

	Balance January 1, 2018	<u>Additions</u>	<u>Deletions</u>	Balance December 31, 2018	Due Within One Year
\$3,500,000 lease due in annual installments of from \$115,000 to \$235,000 through November 2037; plus interest ranging from 3.0% to 3.65%	\$ -	\$3,005,630	\$115,000	\$2,890,630	\$135,000

# GRAND TRAVERSE COUNTY

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2018

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The principal balance of the following future minimum lease payments are reflected as a long-term liability of PACE and as a long-term receivable and deferred inflow of the Building Authority PACE Debt fund.

<b>Year Ending December 31</b>	<b>Principal</b>	<b>Interest</b>
2018	\$ 135,000	\$ 108,442
2019	140,000	104,392
2020	145,000	100,192
2021	145,000	95,842
2022	150,000	89,242
2023-2027	825,000	386,960
2028-2032	960,000	253,559
2033-2037	390,630	81,348
<b>Total</b>	<b>\$2,890,630</b>	<b>\$1,219,977</b>

### 10. SHORT-TERM DEBT

The following is a summary of the short-term debt transactions for the year ended December 31, 2018:

<b>Component Unit – Drain Commission</b>	<b>Balance</b>	<b>Balance</b>		
	<b>January 1, 2018</b>	<b>Additions</b>	<b>Deletions</b>	<b>December 31, 2018</b>
\$475,000 2018 Cass Road Drain Note; due December 21, 2018 plus interest at 1.32% amended to be due December 21, 2019 plus interest at %1.95%	\$475,000	\$ -	\$ -	\$475,000

### 11. DEFICIT FUND EQUITY

The Building Authority reported deficit unassigned fund balance of \$490,000 in the LaFranier Department of Public Works nonmajor governmental debt service fund. This was the result of the fund making 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 building rental agreement.

The Motor Pool internal service fund reported an unassigned deficit net position of \$2,099,366. Overall, the total net position for this fund amounted to \$465,914.

The Drain Commission component unit reported a deficit unassigned fund balance of \$33,621, \$1,524, \$27,856 and \$603,990 in the Drain Revolving, Silver Lake Lake Level Special Assessment, Old Mission Drain Special Assessment and Cass Road Drain Special Assessment capital projects funds respectively. The Drain Commission overall reported a deficit restricted net position of \$94,066.

# GRAND TRAVERSE COUNTY

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2018

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#### **12. TAX ABATEMENTS**

Certain local units of government entered into property tax abatement agreements with local businesses under the Plant Rehabilitation and Industrial Development Districts Act, (known as the Industrial Facilities Exemption), PA 198 of 1974, as amended, provides a tax incentive to manufacturers to enable renovation and expansion of aging facilities, assist in the building of new facilities, and to promote the establishment of high tech facilities. An Industrial Facilities Exemption (IFE) certificate entitles the facility to exemption from ad valorem real and/or personal property taxes for a term of 1-12 years as determined by the local unit of government. The agreements entered into by the local units of government include claw back provisions should the recipient of the tax abatement fail to fully meet its commitments, such as employment levels and timelines for relocation. The IFT is computed at half the local property tax millage rate. This amounts to a reduction in property taxes of approximately 50%. For the year ended December 31, 2018, the County's property tax revenues were reduced by approximately \$55,000 as a result of Industrial Facilities Tax exemptions.

Certain local units of government entered into property tax abatements through the Payments-in-Lieu-of-Tax (PILOT) program related to housing. For the year ended December 31, 2018, the County's property tax revenues were reduced by approximately \$160,000 as a result of this program.

#### **13. RISK MANAGEMENT**

##### ***Primary Government***

The 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 for which the government carries commercial insurance and participates in the Michigan Municipal Risk Management Authority (the Authority). The County is covered for general and auto liability, motor vehicle physical damage and property coverage through the Authority. 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. The County's risk 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 to be paid by the member. 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. The claims liabilities reported at year are based on the requirements of GASB Statement No.10, which requires 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 loss can be reasonably estimated.

# GRAND TRAVERSE COUNTY

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2018

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The change in claims liability for the years ended December 31, 2017 and 2018 are as follows:

<u>Year</u>	<u>Beginning of Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>End of Year Liability</u>
2017	\$ 16,000	\$174,983	\$ 5,900	\$185,083
2018	185,083	(13,894)	74,547	96,642

The County reports the activity and its share of the reinsurance fund in the County Insurance internal service fund. The County has had no settled claims resulting from these risks that exceeded their coverage in any of the past three fiscal years. There have been no reductions in insurance coverage from the prior fiscal year.

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 for all employees except for police officers and drivers who have a \$500,000 retention amount. All applicable funds are charged premiums based on payroll. Settled claims have not exceeded insurance coverage in the history of the self-insurance program. There have been no significant reductions in insurance coverage from the prior fiscal year. The claims liabilities reported at year are based on the requirements of GASB Statement No.10, which requires 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 loss can be reasonably estimated.

The changes in the claims liability for the years ended December 31, 2018 and 2017 are as follows:

<u>Year</u>	<u>Beginning of Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>End of Year Liability</u>
2017	\$87,815	\$ 43,581	\$ 43,581	\$ 87,815
2018	87,815	134,080	119,707	102,188

**GRAND TRAVERSE COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

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***Road Commission***

The Road Commission is exposed to various risks related to property loss, torts, error and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The Road Commission mitigates risk by carrying workers' compensation insurance through the County Road Association Self-Insurance Fund. The Road Commission is also a member of the Michigan County Road Commission Self-Insurance Pool (MCRC SIP). The insurance coverage provided by MCRC SIP includes, but is not limited to, general liability, auto, property insurance, stop loss protection, errors and omissions, trunk line liability and an umbrella policy. The amount the Road Commission pays annually is determined by the Administrator of MCRC SIP and is based on miles of roads, population and prior claim history. In addition to premiums paid, the Road Commission is responsible for the first \$1,000 of legal expense incurred per occasion. All other risk is transferred to MCRC SIP.

**14. OPERATING AGREEMENTS**

**Governmental Center**

In June 1978, the County entered into an agreement with the City of Traverse City for the joint ownership and operation of the Government Center. Under the terms of the agreement, the City of Traverse 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 of Traverse City reimburses the County for its' pro rata share of operation and maintenance costs.

**15. JOINT VENTURES/RELATED ORGANIZATIONS**

**Northwestern Regional Airport Commission**

The Northwestern Regional Airport Commission (NRAC) consists of representatives from Grand Traverse and Leelanau counties. The NRAC operates and maintains the Cherry Capital Airport in Traverse City, Michigan. By resolution adopted in 1990, Grand Traverse County was granted representation by five members and Leelanau County two members on the NRAC Board. At the same time, Antrim, Benzie and Kalkaska counties were granted the opportunity to join the NRAC with two representatives from Antrim County and one member each from Benzie and Kalkaska counties. As of December 31, 2016, Antrim, Benzie and Kalkaska counties had not joined the NRAC. Separate financial statements for NRAC are available at 144 W. S. Airport Rd. Traverse City, MI 49686.

Financial information as of December 31, 2017 (the most recent audited financial statements) is as follows:

Assets	\$66,991,984
Deferred outflows of resources	332,321
Liabilities	3,333,529
Deferred inflows of resources	153,501
Change in net position	4,701,466

**Northern Lakes Community Mental Health**

Northern Lakes Community Mental Health (NLCMH) was created by joint action of the Boards of Commissioners for the following counties in the State of Michigan: Crawford, Grand Traverse,

**GRAND TRAVERSE COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

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Leelanau, Missaukee, Roscommon and Wexford. NLCMH operates under the provisions of Act 258 – Public Act of 1974 (the Michigan Mental Health Code), as amended. NLCMH arranges for or provides support and services for persons with developmental disabilities, adults with severe mental illness, children with serious emotional disturbance, and individuals with addictive disorder and substance abuse. The support and services are made available to residents of Crawford, Grand Traverse, Leelanau, Missaukee, Roscommon and Wexford counties who meet eligibility and other criteria. As the community mental health services provider for the previously mentioned counties, NLCMH also serves to represent community members, assure local access, organize and integrate the provision of services, coordinate care, implement public policy, ensure interagency collaboration and preserve public interest. The County contribution to NLCMH for the year was \$682,200. Separate financial statements for NLCMH are available at 105 Hall St. Traverse City, MI 49684.

Financial information as of September 30, 2018 (the most recent audited financial statements) is as follows:

Assets	\$23,766,877
Deferred outflows of resources	1,512,825
Liabilities	11,950,836
Deferring inflows of resources	1,205,970
Change in net position	1,646,080

# GRAND TRAVERSE COUNTY

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED DECEMBER 31, 2018**

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### **16. FUND BALANCES/NET POSITION**

Fund balances of governmental funds consisted of the following balances at year end:

	<u>General Fund</u>	<u>Health Fund</u>	<u>Commission on Aging</u>	<u>Nonmajor Governmental</u>	<u>Total Governmental</u>
<b>Nonspendable</b>					
Prepaid items	\$ 9,644	\$ 34,094	\$ 210	\$ 15,627	\$ 59,575
Inventories	-	42,893	-	72,631	115,524
Advances to Other Funds	832,349	-	-	-	832,349
Advances to Component Units	2,169,960	-	-	-	2,169,960
Long-term receivable	-	-	-	1,624,374	1,624,374
<b>Total Nonspendable</b>	<b>\$3,011,953</b>	<b>\$ 76,987</b>	<b>\$ 210</b>	<b>\$1,712,632</b>	<b>\$4,801,782</b>
<b>Restricted</b>					
Commission on Aging	\$ -	\$ -	\$ 1,946,634	\$ -	\$ 1,946,634
Local Crime Victims' Rights	-	-	-	26,931	26,931
Veterans Millage	-	-	-	331,501	331,501
Register of Deeds Automation	-	-	-	275,795	275,795
MIDC	-	-	-	217,603	217,603
County Law Library	-	-	-	35,710	35,710
Federal Equitable Sharing	-	-	-	8,373	8,373
Concealed Pistol Licensing	-	-	-	84,216	84,216
Criminal Justice Training Act	-	-	-	19,720	19,720
Housing Trust	-	-	-	292,346	292,346
CDBG Housing Grant	-	-	-	185,013	185,013
EDC Revolving Loan	-	-	-	239,845	239,845
TNT Forfeiture	-	-	-	219,155	219,155
TNT Grant	-	-	-	7,863	7,863
Animal Control	-	-	-	45,151	45,151
Senior Center	-	-	-	652,077	652,077
Building Authority – Pavilion	-	-	-	494,370	494,370
<b>Total Restricted</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,946,634</b>	<b>\$3,135,669</b>	<b>\$5,082,303</b>
<b>Committed</b>					
Health Fund	\$ -	\$ 2,016,976	\$ -	\$ -	\$ 2,016,976
13 <sup>th</sup> District Court	-	-	-	744	744
86 <sup>th</sup> District Court	-	-	-	251	251
County Special Projects	-	-	-	18,323	18,323
Parks and Recreation	-	-	-	97,707	97,707
Maple Bay Development	-	-	-	11,633	11,633
Friend of the Court	-	-	-	1,379,177	1,379,177
Gypsy Moth Suppression	-	-	-	626	626
Corrections P.A. 511	-	-	-	334,938	334,938
Corrections Officers Training	-	-	-	59,500	59,500
Mitchell Creek Water Shed	-	-	-	8,155	8,155
Next Michigan	-	-	-	25,712	25,712
Capital Improvements	-	-	-	446,080	446,080
Capital Projects	-	-	-	1,125,922	1,125,922
<b>Total Committed</b>	<b>\$ -</b>	<b>\$ 2,016,976</b>	<b>\$ -</b>	<b>\$3,508,768</b>	<b>\$5,525,744</b>
<b>Unassigned</b>	<b>\$11,088,302</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$(490,000)</b>	<b>\$10,598,302</b>

**GRAND TRAVERSE COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

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Net position of governmental activities was restricted for the following purposes at year end:

Commission on Aging	\$1,946,844
Local Crime Victims' Rights	26,931
Central Dispatch/911	341
Veterans Millage	331,826
Register of Deeds Automation	275,795
MIDC	217,603
County Law Library	35,710
Federal Equitable Sharing	8,373
Concealed Pistol Licensing	84,216
Criminal Justice Training Act	19,720
Housing Trust	292,346
CDBG Housing Grant	1,809,387
EDC Revolving Loan	239,845
TNT Forfeiture	291,955
TNT Grant	7,863
Animal Control	54,465
Senior Center	653,343
Total	<u>\$6,296,563</u>

#### **17. CONDUIT DEBT**

At year end, the County had outstanding conduit debt for which the County had no responsibility for repayment as follows:

- Loan to Montessori Children's House with a balance of \$2,419,059
- Loan to YMCA with a balance of \$3,427,612

#### **18. CONTINGENCIES**

In the normal course of its operations, the County has become a party in various legal actions, including property tax appeals. Management of the County is of the opinion that the outcome of such actions will not have a material effect on the financial position of the County. Amounts reserved for losses related to legal actions have not been included as a liability in the financial statements.

Under the terms of various Federal and State grants and regulatory requirements, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under the terms of the grants and requirements. Such audits could lead to reimbursement to the grantor or regulatory agencies. However, management believes such disallowances, if any, will not be material to the financial position of the County.

#### **19. SUBSEQUENT EVENT**

Subsequent to December 31, 2018 the County

- Issued \$6,600,000 of refunding bonds to fund advanced repayment of \$6,450,000 of series 2011 wastewater bonds.
- Issued \$200,000 notes for the Cass Road Drainage District.

**GRAND TRAVERSE COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

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**20. PRIOR PERIOD ADJUSTMENT**

Beginning net position of business type activities and the Pavilions enterprise fund was decreased by \$4,926,072 to record the Pavilions net OPEB liability at December 31, 2017 as required by the guidance provided for implementing GASB Statement No. 75.

Beginning net position of business type activities and the Pavilions enterprise fund was decreased by \$2,318,914 to properly record the Pavilions deferred outflows and inflows related to pensions at December 31, 2017.

## **REQUIRED SUPPLEMENTARY INFORMATION**

# GRAND TRAVERSE COUNTY

## **GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL**

**FOR THE YEAR ENDED DECEMBER 31, 2018**

	<b>Budget Amounts</b>		<b>Actual Amount</b>	<b>Variance Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Property taxes	\$ 24,441,987	\$ 24,563,883	\$ 24,757,148	\$ 193,265
Intergovernmental revenues				
Federal	4,400	205,668	168,135	(37,533)
State	3,633,054	3,608,939	3,690,693	81,754
Local	1,602,484	1,621,922	1,582,679	(39,243)
Licenses and permits	7,000	50,587	51,632	1,045
Charges for services	4,555,189	4,483,689	4,363,818	(119,871)
Fines and forfeitures	110,100	110,100	100,147	(9,953)
Reimbursements	2,207,281	2,227,344	2,488,229	260,885
Rental	570,407	570,407	569,412	(995)
Interest	133,595	133,595	332,489	198,894
Miscellaneous	-	-	1,231	1,231
<b>Total revenues</b>	<b>37,265,497</b>	<b>37,576,134</b>	<b>38,105,613</b>	<b>529,479</b>
<b>Expenditures</b>				
Current				
Legislative	253,875	274,875	259,137	15,738
Judicial	2,478,557	2,517,029	2,363,200	153,829
General government	9,578,310	9,422,559	8,790,413	632,146
Public safety	14,055,297	13,900,333	13,577,665	322,668
Public works	48,590	136,309	129,379	6,930
Health and welfare	432,874	469,442	449,466	19,976
Capital outlay	12,400	153,564	145,640	7,924
<b>Total expenditures</b>	<b>26,859,903</b>	<b>26,874,111</b>	<b>25,714,900</b>	<b>1,159,211</b>
<b>Revenues over (under) expenditures</b>	<b>10,405,594</b>	<b>10,702,023</b>	<b>12,390,713</b>	<b>1,688,690</b>
Other financing sources (uses)				
Sales of capital assets	9,000	14,000	26,223	12,223
Transfers in	707,176	707,176	707,175	(1)
Transfers out	(11,084,962)	(11,386,391)	(10,950,444)	435,947
Total other financing sources (uses)	(10,368,786)	(10,665,215)	(10,217,046)	448,169
Net changes in fund balance	36,808	36,808	2,173,667	2,136,859
<b>Fund balance, beginning of year</b>	<b>11,926,588</b>	<b>11,926,588</b>	<b>11,926,588</b>	<b>-</b>
<b>Fund balance, end of year</b>	<b>\$ 11,963,396</b>	<b>\$ 11,963,396</b>	<b>\$ 14,100,255</b>	<b>\$ 2,136,859</b>

**GRAND TRAVERSE COUNTY**

**HEALTH DEPARTMENT FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL**

**FOR THE YEAR ENDED DECEMBER 31, 2018**

	<b>Budget Amounts</b>		<b>Actual Amount</b>	<b>Variance Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental revenues				
Federal	\$ 1,286,602	\$ 1,431,169	\$ 1,387,646	\$ (43,523)
State	1,842,579	1,991,579	2,290,971	299,392
Local	296,510	305,845	269,854	(35,991)
Licenses and permits	428,000	458,750	404,782	(53,968)
Charges for services	391,863	378,791	367,418	(11,373)
Reimbursements	708,722	739,622	718,136	(21,486)
Interest	1,300	1,300	3,328	2,028
Miscellaneous	100	100	2,432	2,332
<b>Total revenues</b>	<b>4,955,676</b>	<b>5,307,156</b>	<b>5,444,567</b>	<b>137,411</b>
<b>Expenditures</b>				
Current				
Health and welfare	6,594,831	6,902,845	6,565,653	337,192
Capital outlay	23,350	51,816	51,806	10
<b>Total expenditures</b>	<b>6,618,181</b>	<b>6,954,661</b>	<b>6,617,459</b>	<b>337,202</b>
<b>Revenues over (under) expenditures</b>	<b>(1,662,505)</b>	<b>(1,647,505)</b>	<b>(1,172,892)</b>	<b>474,613</b>
Other financing sources (uses)				
Transfers in	1,329,000	1,314,000	1,314,000	-
Net changes in fund balance	(333,505)	(333,505)	141,108	474,613
<b>Fund balance, beginning of year</b>	<b>1,952,855</b>	<b>1,952,855</b>	<b>1,952,855</b>	<b>-</b>
<b>Fund balance, end of year</b>	<b>\$ 1,619,350</b>	<b>\$ 1,619,350</b>	<b>\$ 2,093,963</b>	<b>\$ 474,613</b>

# GRAND TRAVERSE COUNTY

## **COMMISSION ON AGING FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL**

**FOR THE YEAR ENDED DECEMBER 31, 2018**

	<b>Budget Amounts</b>		<b>Actual Amount</b>	<b>Variance Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Property taxes	\$ 2,421,356	\$ 2,421,356	\$ 2,374,643	\$ (46,713)
Intergovernmental revenues				
Local	22,750	14,250	14,344	94
Charges for services	230,450	230,450	282,758	52,308
Reimbursements	-	-	49,476	49,476
Interest	8,000	8,000	43,502	35,502
Miscellaneous	12,700	12,700	48,970	36,270
<b>Total revenues</b>	<u>2,695,256</u>	<u>2,686,756</u>	<u>2,813,693</u>	<u>126,937</u>
<b>Expenditures</b>				
Current				
Health and welfare	2,746,190	3,019,642	2,401,119	618,523
Capital outlay	50,000	50,000	41,543	8,457
<b>Total expenditures</b>	<u>2,796,190</u>	<u>3,069,642</u>	<u>2,442,662</u>	<u>626,980</u>
Net changes in fund balance	(100,934)	(382,886)	371,031	753,917
<b>Fund balance, beginning of year</b>	<u>1,575,813</u>	<u>1,575,813</u>	<u>1,575,813</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 1,474,879</u>	<u>\$ 1,192,927</u>	<u>\$ 1,946,844</u>	<u>\$ 753,917</u>

### **Note to required supplementary information**

#### **Budgets and Budgetary Accounting**

The County adopts an annual budget for the general and each special revenue fund following the modified accrual basis of accounting. Unexpended appropriations lapse at year-end.

**GRAND TRAVERSE COUNTY**

**REQUIRED SUPPLEMENTARY INFORMATION**

**FOR THE YEAR ENDED DECEMBER 31, 2018**

**GRAND TRAVERSE COUNTY DEFINED BENEFIT PENSION PLAN  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**

	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Total pension liability</b>				
Service costs	\$ 548,234	\$ 505,704	\$ 442,309	\$ 375,255
Interest	6,923,107	7,004,145	7,311,954	7,389,442
Benefit changes	-	-	(798,573)	(440,519)
Difference between expected and actual experience	-	947,500	1,099,991	(1,143,899)
Assumption changes	-	4,941,688	-	(53,751)
Benefit payments	(6,270,104)	(6,651,752)	(7,191,264)	(7,201,095)
Other changes	(6,868)	54,865	142,625	305,735
<b>Net change in total pension liability</b>	1,194,369	6,802,150	1,007,042	(768,833)
<b>Total pension liability, beginning of year</b>	<u>86,777,380</u>	<u>87,971,749</u>	<u>94,773,899</u>	<u>95,780,941</u>
<b>Total pension liability, end of year (a)</b>	<u>\$ 87,971,749</u>	<u>\$ 94,773,899</u>	<u>\$ 95,780,941</u>	<u>\$ 95,012,108</u>
<b>Plan fiduciary net position</b>				
Contributions - employer	\$ 4,479,187	\$ 4,782,033	\$ 11,014,005	\$ 5,899,926
Contributions - member	6,978	5,907	44,784	64,962
Net investment income	(589,551)	4,232,341	5,485,938	(1,950,963)
Benefit payments	(6,270,104)	(6,651,752)	(7,191,294)	(7,201,095)
Administrative expense	(87,177)	(83,603)	(85,820)	(100,706)
Refunds of contributions	-	-	-	-
Transfer	-	-	-	-
Other	-	-	-	-
<b>Net change in plan fiduciary net position</b>	(2,460,667)	2,284,926	9,267,613	(3,287,876)
<b>Plan fiduciary net position, beginning of year</b>	<u>40,610,785</u>	<u>38,150,118</u>	<u>40,435,044</u>	<u>49,702,657</u>
<b>Plan fiduciary net position, end of year (b)</b>	<u>\$ 38,150,118</u>	<u>\$ 40,435,044</u>	<u>\$ 49,702,657</u>	<u>\$ 46,414,781</u>
<b>Net pension liability (a-b)</b>	<u>\$ 49,821,631</u>	<u>\$ 54,338,855</u>	<u>\$ 46,078,284</u>	<u>\$ 48,597,327</u>
Plan fiduciary net position as a percentage of total pension liability	43.37%	42.66%	51.89%	48.85%
Covered payroll	<u>\$ 4,557,937</u>	<u>\$ 4,213,993</u>	<u>\$ 3,516,849</u>	<u>\$ 3,193,341</u>
Net pension liability as a percentage of covered employee payroll	1093.07%	1289.49%	1310.22%	1521.83%

This schedule will be accumulated prospectively until 10 years data is provided.

**GRAND TRAVERSE COUNTY**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

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**GRAND TRAVERSE COUNTY DEFINED BENEFIT PENSION PLAN**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

---

<b>Year Ended December 31</b>	<b>Actuarially Determined Contribution</b>	<b>Actual Contribution</b>	<b>Contribution Excess (Deficiency)</b>	<b>Covered Payroll</b>	<b>Percent of Covered Payroll Contributed</b>
2015	\$ 4,479,187	\$ 4,479,187	\$ -	\$ 4,557,937	98.27%
2016	4,782,033	4,782,033	-	4,213,993	113.48%
2017	5,174,005	11,014,005	5,840,000	3,516,849	313.18%
2018	5,720,352	5,899,926	179,574	3,193,341	184.76%

The actuarially determined contribution was based on the amortization of prior service costs. Actual contributions were made to meet funding requirements of the Plan.

**Notes to schedule of contributions**

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
Other information	Actuarial assumptions were updated in accordance with an experience study for the period of 2015

This schedule will be accumulated prospectively until 10 years data is provided.

**GRAND TRAVERSE COUNTY**

**REQUIRED SUPPLEMENTARY INFORMATION**

**FOR THE YEAR ENDED DECEMBER 31, 2018**

**GRAND TRAVERSE PAVILIONS DEFINED BENEFIT PENSION PLAN  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**

	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Total pension liability</b>				
Service costs	\$ 1,277,800	\$ 1,365,747	\$ 1,348,278	\$ 1,317,595
Interest	2,486,886	2,606,420	2,951,871	3,100,887
Benefit changes	-	-	-	-
Difference between expected and actual experience	-	132,036	(669,008)	(840,111)
Assumption changes	-	1,712,954	-	-
Benefit payments	(1,334,411)	(1,381,081)	(1,628,394)	(1,740,398)
Other changes	(14,734)	14,453	(68,705)	(59,476)
<b>Net change in total pension liability</b>	2,415,541	4,450,529	1,934,042	1,778,497
<b>Total pension liability, beginning of year</b>	<u>30,172,373</u>	<u>32,587,914</u>	<u>37,038,443</u>	<u>38,972,485</u>
<b>Total pension liability, end of year (a)</b>	<u>\$ 32,587,914</u>	<u>\$ 37,038,443</u>	<u>\$ 38,972,485</u>	<u>\$ 40,750,982</u>
<b>Plan fiduciary net position</b>				
Contributions - employer	\$ 1,030,460	\$ 1,124,502	\$ 1,442,859	\$ 1,393,517
Contributions - member	727,311	838,781	691,765	742,149
Net investment income	(368,610)	2,751,075	3,629,624	(1,249,335)
Benefit payments	(1,334,411)	(1,381,081)	(1,628,394)	(1,740,398)
Administrative expense	(52,824)	(54,225)	(57,323)	(60,918)
Refunds of contributions	-	-	-	-
Transfer	-	-	-	-
Other	-	-	-	-
<b>Net change in plan fiduciary net position</b>	1,926	3,279,052	4,078,531	(914,985)
<b>Plan fiduciary net position, beginning of year</b>	<u>23,748,355</u>	<u>23,750,281</u>	<u>27,029,333</u>	<u>31,107,864</u>
<b>Plan fiduciary net position, end of year (b)</b>	<u>\$ 23,750,281</u>	<u>\$ 27,029,333</u>	<u>\$ 31,107,864</u>	<u>\$ 30,192,879</u>
<b>Net pension liability (a-b)</b>	<u>\$ 8,837,633</u>	<u>\$ 10,009,110</u>	<u>\$ 7,864,621</u>	<u>\$ 10,558,103</u>
Plan fiduciary net position as a percentage of total pension liability	72.88%	72.98%	79.82%	74.09%
Covered payroll	<u>\$ 13,864,604</u>	<u>\$ 15,117,289</u>	<u>\$ 14,936,116</u>	<u>\$ 14,775,579</u>
Net pension liability as a percentage of covered employee payroll	63.74%	66.21%	52.66%	71.46%

This schedule will be accumulated prospectively until 10 years data is provided.

# GRAND TRAVERSE COUNTY

## REQUIRED SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED DECEMBER 31, 2018

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### GRAND TRAVERSE PAVILIONS DEFINED BENEFIT PENSION PLAN SCHEDULE OF EMPLOYER CONTRIBUTIONS

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<u>Year Ended December 31</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Excess (Deficiency)</u>	<u>Covered Payroll</u>	<u>Percent of Covered Payroll Contributed</u>
2015	\$ 1,030,460	\$ 1,030,460	\$ -	\$ 13,864,604	7.43%
2016	1,124,502	1,124,502	-	15,117,289	7.44%
2017	1,442,859	1,442,859	-	14,936,116	9.66%
2018	1,393,517	1,393,517	-	14,775,579	9.43%

The actuarially determined contribution was based on the amortization of prior service costs. Actual contributions were made to meet funding requirements of the Plan.

#### Notes to schedule of contributions

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
Other information	Actuarial assumptions were updated in accordance with an experience study for the period of 2015

This schedule will be accumulated prospectively until 10 years data is provided.

# GRAND TRAVERSE COUNTY

## REQUIRED SUPPLEMENTARY INFORMATION

**FOR THE YEAR ENDED DECEMBER 31, 2018**

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### **GRAND TRAVERSE COUNTY ROAD COMMISSION DEFINED BENEFIT PENSION PLAN SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**

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	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Total pension liability</b>				
Service costs	\$ 18,465	\$ 8,471	\$ 8,085	\$ 8,166
Interest	728,316	693,212	717,457	684,961
Benefit changes	-	-	-	-
Difference between expected and actual experience	-	91,234	(207,073)	11,278
Assumption changes	-	430,437	-	-
Benefit payments	(951,391)	(960,311)	(914,379)	(914,065)
Other changes	<u>51,136</u>	<u>17,244</u>	<u>(10,481)</u>	<u>8,190</u>
<b>Net change in total pension liability</b>	<b>(153,474)</b>	<b>280,287</b>	<b>(406,391)</b>	<b>(201,470)</b>
<b>Total pension liability, beginning of year</b>	<b><u>9,294,541</u></b>	<b><u>9,141,067</u></b>	<b><u>9,421,354</u></b>	<b><u>9,014,963</u></b>
<b>Total pension liability, end of year (a)</b>	<b><u>\$ 9,141,067</u></b>	<b><u>\$ 9,421,354</u></b>	<b><u>\$ 9,014,963</u></b>	<b><u>\$ 8,813,493</u></b>
<b>Plan fiduciary net position</b>				
Contributions - employer	\$ 618,432	\$ 1,454,636	\$ 1,447,188	\$ 1,208,374
Contributions - member	-	-	-	-
Net investment income	(84,678)	655,362	862,966	(285,143)
Benefit payments	(951,391)	(960,311)	(914,379)	(914,065)
Administrative expense	(12,553)	(12,834)	(13,667)	(14,787)
Refunds of contributions	-	-	-	-
Transfer	-	-	-	-
Other	-	-	-	-
<b>Net change in plan fiduciary net position</b>	<b>(430,190)</b>	<b>1,136,853</b>	<b>1,382,108</b>	<b>(5,621)</b>
<b>Plan fiduciary net position, beginning of year</b>	<b><u>5,883,730</u></b>	<b><u>5,453,540</u></b>	<b><u>6,590,393</u></b>	<b><u>7,972,501</u></b>
<b>Plan fiduciary net position, end of year (b)</b>	<b><u>\$ 5,453,540</u></b>	<b><u>\$ 6,590,393</u></b>	<b><u>\$ 7,972,501</u></b>	<b><u>\$ 7,966,880</u></b>
<b>Net pension liability (a-b)</b>	<b><u>\$ 3,687,527</u></b>	<b><u>\$ 2,830,961</u></b>	<b><u>\$ 1,042,462</u></b>	<b><u>\$ 846,613</u></b>
Plan fiduciary net position as a percentage of total pension liability	60%	70%	88%	90%
Covered payroll	<u>\$ 226,661</u>	<u>\$ 93,103</u>	<u>\$ 88,257</u>	<u>\$ 89,172</u>
Net pension liability as a percentage of covered employee payroll	1627%	3041%	1181%	949%

This schedule will be accumulated prospectively until 10 years data is provided.

# GRAND TRAVERSE COUNTY

## REQUIRED SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED DECEMBER 31, 2018

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### GRAND TRAVERSE COUNTY ROAD COMMISSION DEFINED BENEFIT PENSION PLAN SCHEDULE OF EMPLOYER CONTRIBUTIONS

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<u>Year Ended December 31</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Excess (Deficiency)</u>	<u>Covered Payroll</u>	<u>Percent of Covered Payroll Contributed</u>
2015	\$ 618,432	\$ 618,432	\$ -	\$ 226,661	273%
2016	654,636	1,454,636	800,000	93,103	1562%
2017	715,668	1,447,188	731,520	88,257	1640%
2018	731,520	1,208,374	476,854	89,172	1355%

The actuarially determined contribution was based on the amortization of prior service costs. Actual contributions were made to meet funding requirements of the Plan.

#### Notes to schedule of contributions

Actuarial cost method	Entry-age normal
Amortization method	Level percentage of pay, open
Remaining amortization period	25 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
Other information	Actuarial assumptions were updated in accordance with an experience study for the period of 2015

This schedule will be accumulated prospectively until 10 years data is provided.

# GRAND TRAVERSE COUNTY

## REQUIRED SUPPLEMENTARY INFORMATION

**FOR THE YEAR ENDED DECEMBER 31, 2018**

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### **GRAND TRAVERSE COUNTY RETIREE OPEB PLAN SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS**

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	<u>2018</u>
<b>Total OPEB liability</b>	
Service costs	\$ 77,422
Interest	166,460
Benefit changes	-
Difference between expected and actual experience	(68,693)
Assumption changes	(330,052)
Benefit payments	(75,062)
Other changes	-
 <b>Net change in total OPEB liability</b>	 (229,925)
 <b>Total OPEB liability, beginning of year</b>	 <u>2,771,988</u>
 <b>Total OPEB liability, end of year (a)</b>	 <u>\$ 2,542,063</u>
 <b>Plan fiduciary net position</b>	
Contributions to OPEB trust	\$ 300,000
Contributions/benefit payments made from general operating funds	75,062
Net investment income	(17,508)
Benefit payments	(75,062)
Administrative expense	(737)
Refunds of contributions	-
Transfer	-
Other	-
 <b>Net change in plan fiduciary net position</b>	 281,755
 <b>Plan fiduciary net position, beginning of year</b>	 <u>256,132</u>
 <b>Plan fiduciary net position, end of year (b)</b>	 <u>\$ 537,887</u>
 <b>Net OPEB liability (a-b)</b>	 <u>\$ 2,004,176</u>
 Plan fiduciary net position as a percentage of total OPEB liability	 21.16%
 Covered payroll	 <u>\$ 10,617,896</u>
 Net OPEB liability as a percentage of covered employee payroll	 18.88%

This schedule will be accumulated prospectively until 10 years data is provided.

**GRAND TRAVERSE COUNTY**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

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**GRAND TRAVERSE COUNTY RETIREE OPEB PLAN**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

---

<b>Year Ended December 31</b>	<b>Actuarially Determined Contribution</b>	<b>Actual Contribution</b>	<b>Contribution Excess (Deficiency)</b>	<b>Covered Payroll</b>	<b>Percent of Covered Payroll Contributed</b>
2018      \$      323,748		\$      375,062	51,314	\$      10,617,896	3.53%

**Notes to schedule of contributions**

Actuarial cost method	Entry-age normal
Amortization method	Level percentage, closed
Remaining amortization period	14 years (average future service)
Asset valuation method	Market Value
Inflation	2.50%
Salary increases	2.00%
Investment rate of return	7.75%
Retirement age	Experience-based tables of rates
Mortality	SOA RPH-2014 at 2006 projected with MP-2017 Annuitant, Non-Annuitant (sex distinct) Mortality Table

**SCHEDULE OF INVESTMENT RETURNS**

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<b>Year Ended December 31</b>	<b>Annual Return</b>
2018	-0.43%

This schedule will be added to prospectively until 10 years data is provided

# GRAND TRAVERSE COUNTY

## REQUIRED SUPPLEMENTARY INFORMATION

**FOR THE YEAR ENDED DECEMBER 31, 2018**

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### **GRAND TRAVERSE COUNTY PAVILLIONS RETIREE OPEB PLAN SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS**

---

	<u>2018</u>
<b>Total OPEB liability</b>	
Service costs	\$ 231,153
Interest	213,488
Benefit changes	(4,383,381)
Difference between expected and actual experience	-
Assumption changes	(1,451,552)
Benefit payments	(82,575)
Other changes	-
 <b>Net change in total OPEB liability</b>	 (5,472,867)
 <b>Total OPEB liability, beginning of year</b>	 <u>6,967,651</u>
 <b>Total OPEB liability, end of year (a)</b>	 <u>\$ 1,494,784</u>
 <b>Plan fiduciary net position</b>	
Contributions to OPEB trust	\$ 582,575
Contributions/benefit payments made from general operating funds	-
Net investment income	-
Benefit payments	(82,575)
Administrative expense	-
Refunds of contributions	-
Transfer	-
Other	-
 <b>Net change in plan fiduciary net position</b>	 500,000
 <b>Plan fiduciary net position, beginning of year</b>	 -
 <b>Plan fiduciary net position, end of year (b)</b>	 <u>\$ 500,000</u>
 <b>Net OPEB liability (a-b)</b>	 <u>\$ 994,784</u>
 Plan fiduciary net position as a percentage of total OPEB liability	 33.45%
 Covered payroll	 <u>N/A</u>
 Net OPEB liability as a percentage of covered employee payroll	 N/A

This schedule will be accumulated prospectively until 10 years data is provided.

**GRAND TRAVERSE COUNTY**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

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**GRAND TRAVERSE COUNTY RETIREE OPEB PLAN**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

---

<b>Year Ended December 31</b>	<b>Actuarially Determined Contribution</b>	<b>Actual Contribution</b>	<b>Contribution Excess (Deficiency)</b>	<b>Covered Payroll</b>	<b>Percent of Covered Payroll Contributed</b>
2018      \$      693,994	\$      582,575		(111,419)	N/A	N/A

**Notes to schedule of contributions**

Actuarial cost method	Entry-age normal
Amortization method	Level percentage, closed
Remaining amortization period	10 years (average future service)
Asset valuation method	Market Value
Inflation	2.50%
Salary increases	2.00%
Investment rate of return	7.75%
Retirement age	Experience-based tables of rates
Mortality	SOA RPH-2014 at 2006 projected with MP-2017 Annuitant, Non-Annuitant (sex distinct) Mortality Table

Money weighted rate of return is immaterial as the plan was not funded until the end of 2018.

This schedule will be added to prospectively until 10 years data is provided

# GRAND TRAVERSE COUNTY

## REQUIRED SUPPLEMENTARY INFORMATION

**FOR THE YEAR ENDED DECEMBER 31, 2018**

---

### **GRAND TRAVERSE COUNTY ROAD COMMISSION RETIREE OPEB PLAN SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS**

---

	<u>2018</u>
<b>Total OPEB liability</b>	
Service costs	\$ -
Interest	34,664
Benefit changes	-
Difference between expected and actual experience	28,002
Assumption changes	-
Benefit payments	(143,172)
Other changes	-
 <b>Net change in total OPEB liability</b>	 (80,506)
 <b>Total OPEB liability, beginning of year</b>	 <u>1,155,464</u>
 <b>Total OPEB liability, end of year (a)</b>	 <u>\$ 1,074,958</u>
 <b>Plan fiduciary net position</b>	
Contributions to OPEB trust	\$ -
Contributions/benefit payments made from general operating funds	-
Net investment income	1,106
Benefit payments	(106,304)
Administrative expense	-
Refunds of contributions	-
Transfer	-
Other	-
 <b>Net change in plan fiduciary net position</b>	 (105,198)
 <b>Plan fiduciary net position, beginning of year</b>	 <u>107,826</u>
 <b>Plan fiduciary net position, end of year (b)</b>	 <u>\$ 2,628</u>
 <b>Net OPEB liability (a-b)</b>	 <u>\$ 1,072,330</u>
 Plan fiduciary net position as a percentage of total OPEB liability	 0.24%
 Covered payroll	 \$ -
 Net OPEB liability as a percentage of covered employee payroll	 N/A

This schedule will be accumulated prospectively until 10 years data is provided.

**GRAND TRAVERSE COUNTY**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

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**GRAND TRAVERSE COUNTY ROAD COMMISSION RETIREE OPEB PLAN**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

---

<b>Year Ended December 31</b>	<b>Actuarially Determined Contribution</b>	<b>Actual Contribution</b>	<b>Contribution Excess (Deficiency)</b>	<b>Covered Payroll</b>	<b>Percent of Covered Payroll Contributed</b>
2018      \$      36,005    \$      36,868			863    \$	-	N/A

**Notes to schedule of contributions**

Actuarial cost method	Entry-age normal
Amortization method	Level percentage of payroll, open
Remaining amortization period	30 years
Asset valuation method	Market Value
Healthcare cost trend rate	N/A - fixed stipend
Salary increases	N/A - no active participants
Investment rate of return	3.00%
Retirement age	N/A - no active participants
Mortality	2014 life tables for males or females, as appropriate, from the Centers for Disease Control

Money weighted rate of return is immaterial due to the funding status of the plan.

This schedule will be added to prospectively until 10 years data is provided

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## **COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES**

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

*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.

*MIDC Fund* - This fund accounts for revenue received from the State and county funds used for the provision of indigent criminal defense services.

*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, recertification, 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.

*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.

*Building Authority – Pavilion* - This fund was established to accumulate resources from the rent on County facilities that is used to service annual debt service requirements on the related facilities.

*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.

*Building Authority – Pavilion* - This fund was established to account for the construction of County facilities financed with bond proceeds.

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

## **Enterprise Funds**

*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.

*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.

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

*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.

## **Internal Service Funds**

*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.

## **Fiduciary Funds**

*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.

## **Component Units**

*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.

*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. Revenues received from local units of government are restricted to pay for site clean-up expenditures and future development depending on the development plan adopted for each project.

*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.

*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.

**GRAND TRAVERSE COUNTY**

**NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET**

**DECEMBER 31, 2018**

<b>Special Revenue</b>								
	<b>13th Circuit Court</b>	<b>Local Crime Victims Rights</b>	<b>86th District Court</b>	<b>County Special Projects</b>	<b>Central Dispatch/911</b>	<b>Parks and Recreation</b>		
<b>Assets</b>								
Cash and pooled investments	\$ -	\$ 28,338	\$ -	\$ 18,323	\$ -	\$ 84,009		
Accounts receivable	-	-	-	-	511,434	107,579		
Property tax receivable	-	-	-	-	-	-		
Advance to other funds	-	-	-	-	-	-		
Due from other funds	143,380	-	290,467	-	-	-		
Due from other governments	67,798	-	131,986	-	80,711	-		
Long-term receivable	-	-	-	-	-	-		
Inventory	-	-	-	-	-	-		
Prepaid items	-	-	-	-	341	134		
<b>Total assets</b>	<b>\$ 211,178</b>	<b>\$ 28,338</b>	<b>\$ 422,453</b>	<b>\$ 18,323</b>	<b>\$ 592,486</b>	<b>\$ 191,722</b>		
<b>Liabilities, deferred inflows of resources and fund balances</b>								
<b>Liabilities</b>								
Accounts payable	\$ 10,190	\$ 1,407	\$ 19,911	\$ -	\$ 2,288	\$ 29,413		
Accrued liabilities	5,884	-	35,156	-	37,182	4,458		
Unearned revenue	-	-	-	-	-	10,000		
Due to other funds	35,594	-	41,083	-	552,675	665		
Due to other governments	38,093	-	104,376	-	-	49,345		
Advance from other funds	120,673	-	221,676	-	-	-		
<b>Total liabilities</b>	<b>210,434</b>	<b>1,407</b>	<b>422,202</b>	<b>-</b>	<b>592,145</b>	<b>93,881</b>		
<b>Deferred inflows of resources</b>								
Taxes levied for subsequent year	-	-	-	-	-	-		
	-	-	-	-	-	-		
<b>Fund balances</b>								
Nonspendable								
Inventory	-	-	-	-	-	-		
Prepaid	-	-	-	-	341	134		
Long-term receivable	-	-	-	-	-	-		
Restricted								
Special revenue funds	-	26,931	-	-	-	-		
Capital projects funds	-	-	-	-	-	-		
Committed								
Special revenue funds	744	-	251	18,323	-	97,707		
Capital projects funds	-	-	-	-	-	-		
Assigned	-	-	-	-	-	-		
Unassigned	-	-	-	-	-	-		
<b>Total fund balances</b>	<b>744</b>	<b>26,931</b>	<b>251</b>	<b>18,323</b>	<b>341</b>	<b>97,841</b>		
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 211,178</b>	<b>\$ 28,338</b>	<b>\$ 422,453</b>	<b>\$ 18,323</b>	<b>\$ 592,486</b>	<b>\$ 191,722</b>		

(continued)

**GRAND TRAVERSE COUNTY**

**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**

**DECEMBER 31, 2018**

	<b>Special Revenue</b>					
	<b>Maple Bay Development</b>	<b>Friend of the Court</b>	<b>Gypsy Moth Suppression</b>	<b>Veterans Millage</b>	<b>Register of Deeds Automation</b>	<b>MIDC Fund</b>
<b>Assets</b>						
Cash and pooled investments	\$ 11,633	\$ 824,181	\$ 626	\$ 401,626	\$ 279,294	\$ 271,822
Accounts receivable	-	-	-	-	-	-
Property tax receivable	-	-	-	523,596	-	-
Advance to other funds	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Due from other governments	-	599,252	-	-	-	-
Long-term receivable	-	-	-	-	-	-
Inventory	-	-	-	-	-	-
Prepaid items	-	-	-	325	-	-
<b>Total assets</b>	<b>\$ 11,633</b>	<b>\$ 1,423,433</b>	<b>\$ 626</b>	<b>\$ 925,547</b>	<b>\$ 279,294</b>	<b>\$ 271,822</b>
<b>Liabilities, deferred inflows of resources and fund balances</b>						
<b>Liabilities</b>						
Accounts payable	\$ -	\$ 845	\$ -	\$ 565	\$ 1,302	\$ 54,219
Accrued liabilities	-	32,409	-	4,395	-	-
Unearned revenue	-	-	-	-	-	-
Due to other funds	-	9,493	-	43	2,197	-
Due to other governments	-	1,509	-	-	-	-
Advance from other funds	-	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>44,256</b>	<b>-</b>	<b>5,003</b>	<b>3,499</b>	<b>54,219</b>
<b>Deferred inflows of resources</b>						
Taxes levied for subsequent year	-	-	-	588,718	-	-
	-	-	-	588,718	-	-
<b>Fund balances</b>						
Nonspendable						
Inventory	-	-	-	-	-	-
Prepaid	-	-	-	325	-	-
Long-term receivable	-	-	-	-	-	-
Restricted						
Special revenue funds	-	-	-	331,501	275,795	217,603
Debt service funds	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-
Committed						
Special revenue funds	11,633	1,379,177	626	-	-	-
Debt service funds	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
<b>Total fund balances</b>	<b>11,633</b>	<b>1,379,177</b>	<b>626</b>	<b>331,826</b>	<b>275,795</b>	<b>217,603</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 11,633</b>	<b>\$ 1,423,433</b>	<b>\$ 626</b>	<b>\$ 925,547</b>	<b>\$ 279,294</b>	<b>\$ 271,822</b>

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**Special Revenue**

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<b>Corrections P.A. 511</b>	<b>County Law Library</b>	<b>Federal Equitable Sharing</b>	<b>Concealed Pistol Licensing</b>	<b>Corrections Officers Training</b>	<b>Criminal Justice Training Act</b>	<b>Mitchell Creek Water Shed</b>
\$ 277,775	\$ 35,710	\$ 8,373	\$ 84,705	\$ 59,473	\$ 19,720	\$ 8,155
-	-	-	-	2,740	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
96,584	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ 374,359	\$ 35,710	\$ 8,373	\$ 84,705	\$ 62,213	\$ 19,720	\$ 8,155
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ 31,048	\$ -	\$ -	\$ -	\$ 2,713	\$ -	\$ -
7,054	-	-	303	-	-	-
-	-	-	-	-	-	-
1,319	-	-	186	-	-	-
-	-	-	-	-	-	-
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
39,421	-	-	489	2,713	-	-
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	35,710	8,373	84,216	-	19,720	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
334,938	-	-	-	59,500	-	8,155
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
334,938	35,710	8,373	84,216	59,500	19,720	8,155
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ 374,359	\$ 35,710	\$ 8,373	\$ 84,705	\$ 62,213	\$ 19,720	\$ 8,155

(continued)

**GRAND TRAVERSE COUNTY**

**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**

**DECEMBER 31, 2018**

<b>Special Revenue</b>							
	<b>Housing Trust</b>	<b>CDGB Housing Grant</b>	<b>Next Michigan</b>	<b>EDC Revolving Loan</b>	<b>TNT Forfeiture</b>	<b>TNT Grant</b>	
<b>Assets</b>							
Cash and pooled investments	\$ 252,346	\$ 185,013	\$ 25,742	\$ 115,220	\$ 318,722	\$ -	-
Accounts receivable	40,000	-	-	124,625	-	-	-
Property tax receivable	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	26,491
Long-term receivable	-	1,624,374	-	-	-	-	-
Inventory	-	-	-	-	72,631	-	-
Prepaid items	-	-	-	-	169	-	-
<b>Total assets</b>	<b>\$ 292,346</b>	<b>\$ 1,809,387</b>	<b>\$ 25,742</b>	<b>\$ 239,845</b>	<b>\$ 391,522</b>	<b>\$ 26,491</b>	
<b>Liabilities, deferred inflows of resources and fund balances</b>							
<b>Liabilities</b>							
Accounts payable	\$ -	\$ -	\$ 30	\$ -	\$ 3,936	\$ 1,013	-
Accrued liabilities	-	-	-	-	-	1,745	-
Unearned revenue	-	-	-	-	95,631	-	-
Due to other funds	-	-	-	-	-	15,870	-
Due to other governments	-	-	-	-	-	-	-
Advance from other funds	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>30</b>	<b>-</b>	<b>99,567</b>	<b>18,628</b>	
<b>Deferred inflows of resources</b>							
Taxes levied for subsequent year	-	-	-	-	-	-	-
<b>Fund balances</b>							
Nonspendable							
Inventory	-	-	-	-	72,631	-	-
Prepaid	-	-	-	-	169	-	-
Long-term receivable	-	1,624,374	-	-	-	-	-
Restricted							
Special revenue funds	292,346	185,013	-	239,845	219,155	7,863	-
Capital projects funds	-	-	-	-	-	-	-
Committed							
Special revenue funds	-	-	25,712	-	-	-	-
Capital projects funds	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
<b>Total fund balances</b>	<b>292,346</b>	<b>1,809,387</b>	<b>25,712</b>	<b>239,845</b>	<b>291,955</b>	<b>7,863</b>	
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 292,346</b>	<b>\$ 1,809,387</b>	<b>\$ 25,742</b>	<b>\$ 239,845</b>	<b>\$ 391,522</b>	<b>\$ 26,491</b>	

Special Revenue				Debt Service			
<u>Child Care</u>	<u>Animal Control</u>	<u>Senior Center</u>	<u>Building Authority</u>	<u>LaFranier DPW</u>	<u>Woodmere</u>	<u>Courthouse</u>	<u>Health Services</u>
\$ 87,337	\$ 80,279	\$ 786,023	\$ -	\$ -	\$ -	\$ -	\$ -
-	8,843	940					
-	161,859	435,993					
-	-	-					
105,719	-	-					
-	-	-					
-	-	-					
1	9,314	1,266					
<u>\$ 193,057</u>	<u>\$ 260,295</u>	<u>\$ 1,224,222</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 28,335	\$ 18,147	\$ 3,683	\$ -	\$ -	\$ -	\$ -	\$ -
-	3,313	4,431					
-	-	-					
164,721	724	6,898	-	-	-	-	-
-	-	65,560					
-	-	-	490,000	-	-	-	-
<u>193,056</u>	<u>22,184</u>	<u>80,572</u>	<u>490,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	183,646	490,307	-	-	-	-	-
-	183,646	490,307					
-	-	-					
1	9,314	1,266	-	-	-	-	-
-	-	-					
-	45,151	652,077	-	-	-	-	-
-	-	-					
-	-	-					
-	-	-	(490,000)	-	-	-	-
<u>1</u>	<u>54,465</u>	<u>653,343</u>	<u>(490,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 193,057</u>	<u>\$ 260,295</u>	<u>\$ 1,224,222</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

**GRAND TRAVERSE COUNTY**

**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**

**DECEMBER 31, 2018**

	<b>Capital Projects</b>				
	<b>County Facilities</b>	<b>Building Authority - Pavilion</b>	<b>Capital Improvement</b>	<b>Total</b>	
<b>Assets</b>					
Cash and pooled investments	\$ 507,579	\$ 563,627	\$ 1,161,332	\$ 6,496,983	
Accounts receivable	29,592	-	-	825,753	
Property tax receivable	-	-	-	1,121,448	
Due from other funds	5,586	-	76,620	516,053	
Due from other governments	11,111	-	-	1,119,652	
Long-term receivable	-	-	-	1,624,374	
Inventory	-	-	-	72,631	
Prepaid items	4,077	-	-	15,627	
<b>Total assets</b>	<b>\$ 557,945</b>	<b>\$ 563,627</b>	<b>\$ 1,237,952</b>	<b>\$ 11,792,521</b>	
<b>Liabilities, deferred inflows of resources and fund balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 76,773	\$ 69,257	\$ 112,030	\$ 467,105	
Accrued liabilities	-	-	-	136,330	
Unearned revenue	-	-	-	105,631	
Due to other funds	1,527	-	-	832,995	
Due to other governments	29,488	-	-	288,371	
Advance from other funds	-	-	-	832,349	
<b>Total liabilities</b>	<b>107,788</b>	<b>69,257</b>	<b>112,030</b>	<b>2,662,781</b>	
<b>Deferred inflows of resources</b>					
Taxes levied for subsequent year	-	-	-	-	1,262,671
	-	-	-	-	1,262,671
<b>Fund balances</b>					
Nonspendable					
Inventory	-	-	-	-	72,631
Prepaid	4,077	-	-	-	15,627
Long-term receivable	-	-	-	-	1,624,374
Restricted					
Special revenue funds	-	-	-	-	2,641,299
Capital projects funds	-	494,370	-	494,370	
Committed					
Special revenue funds	-	-	-	-	1,936,766
Capital projects funds	446,080	-	1,125,922	1,572,002	
Unassigned	-	-	-	(490,000)	
<b>Total fund balances</b>	<b>450,157</b>	<b>494,370</b>	<b>1,125,922</b>	<b>7,867,069</b>	
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 557,945</b>	<b>\$ 563,627</b>	<b>\$ 1,237,952</b>	<b>\$ 11,792,521</b>	

(concluded)

**GRAND TRAVERSE COUNTY**

**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**

**FOR THE YEAR ENDED DECEMBER 31, 2018**

	<b>Special Revenue</b>					
	<b>13th Circuit Court</b>	<b>Local Crime Victims Rights</b>	<b>86th District Court</b>	<b>County Special Projects</b>	<b>Central Dispatch/911</b>	<b>Parks and Recreation</b>
<b>Revenues</b>						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues						
Federal	-	-	-	-	-	-
State	-	-	48,651	-	294,350	-
Local	388,826	14,704	808,774	-	2,064,406	725,103
Licenses and permits	-	-	-	-	-	-
Charges for services	-	-	200	-	4,802	233,097
Fines and forfeitures	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Miscellaneous	-	-	-	-	26,330	1,099
<b>Total revenues</b>	<b>388,826</b>	<b>14,704</b>	<b>857,625</b>	<b>-</b>	<b>2,389,888</b>	<b>959,299</b>
<b>Expenditures</b>						
Current						
Judicial	1,825,881	6,043	3,728,613	-	-	-
General government	-	-	-	-	-	-
Public safety	-	-	-	-	2,469,700	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	1,279,202
Debt service						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay	9,909	-	-	-	-	11,303
<b>Total expenditures</b>	<b>1,835,790</b>	<b>6,043</b>	<b>3,728,613</b>	<b>-</b>	<b>2,469,700</b>	<b>1,290,505</b>
Revenues over (under) expenditures	(1,446,964)	8,661	(2,870,988)	-	(79,812)	(331,206)
Other financing sources (uses)						
Transfers in	1,446,963	-	2,870,988	-	78,332	340,183
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	1,446,963	-	2,870,988	-	78,332	340,183
Net changes in fund balances	(1)	8,661	-	-	(1,480)	8,977
<b>Fund balances, beginning of year</b>	<b>745</b>	<b>18,270</b>	<b>251</b>	<b>18,323</b>	<b>1,821</b>	<b>88,864</b>
<b>Fund balances, end of year</b>	<b>\$ 744</b>	<b>\$ 26,931</b>	<b>\$ 251</b>	<b>\$ 18,323</b>	<b>\$ 341</b>	<b>\$ 97,841</b>

(continued)

**GRAND TRAVERSE COUNTY**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**

**FOR THE YEAR ENDED DECEMBER 31, 2018**

<b>Special Revenue</b>						
	<u>Maple Bay Development</u>	<u>Friend of the Court</u>	<u>Gypsy Moth Suppression</u>	<u>Veterans Millage</u>	<u>Register of Deeds Automation</u>	<u>MIDC Fund</u>
<b>Revenues</b>						
Property taxes	\$ -	\$ -	\$ -	569,612	\$ -	\$ -
Intergovernmental revenues						
Federal	-	1,364,178	-	-	-	-
State	-	120,051	-	-	-	314,339
Local	-	76,652	-	81,330	-	-
Licenses and permits	-	-	-	-	-	-
Charges for services	389	210,035	-	-	102,220	-
Fines and forfeitures	-	-	-	-	-	-
Interest	-	-	-	7,955	-	-
Miscellaneous	-	-	-	-	-	-
<b>Total revenues</b>	<b>389</b>	<b>1,770,916</b>	<b>-</b>	<b>658,897</b>	<b>102,220</b>	<b>314,339</b>
<b>Expenditures</b>						
Current						
Judicial	-	2,008,943	-	-	-	-
General government	-	-	-	-	108,947	-
Public safety	-	-	-	-	-	136,029
Health and welfare	-	-	-	491,719	-	-
Economic development	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-
Debt service						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>2,008,943</b>	<b>-</b>	<b>491,719</b>	<b>108,947</b>	<b>136,029</b>
Revenues over (under) expenditures	389	(238,027)	-	167,178	(6,727)	178,310
Other financing sources (uses)						
Transfers in	-	262,432	-	-	-	39,293
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	262,432	-	-	-	39,293
Net changes in fund balances	389	24,405	-	167,178	(6,727)	217,603
<b>Fund balances, beginning of year</b>	<b>11,244</b>	<b>1,354,772</b>	<b>626</b>	<b>164,648</b>	<b>282,522</b>	<b>-</b>
<b>Fund balances, end of year</b>	<b>\$ 11,633</b>	<b>\$ 1,379,177</b>	<b>\$ 626</b>	<b>\$ 331,826</b>	<b>\$ 275,795</b>	<b>\$ 217,603</b>

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**Special Revenue**

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<b>Corrections <u>P.A. 511</u></b>	<b>County Law <u>Library</u></b>	<b>Federal Equitable <u>Sharing</u></b>	<b>Concealed Pistol <u>Licensing</u></b>	<b>Corrections <u>Officers Training</u></b>	<b>Criminal Justice <u>Training Act</u></b>	<b>Mitchell Creek <u>Water Shed</u></b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
229,621	-	-	-	-	11,277	-
26,244	-	-	-	-	-	-
-	-	-	43,365	-	-	-
452,992	-	-	-	33,830	-	-
-	6,500	-	-	-	-	-
-	-	128	-	-	-	-
<u>17,707</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,681</u>	<u>-</u>	<u>-</u>
<u>726,564</u>	<u>6,500</u>	<u>128</u>	<u>43,365</u>	<u>35,511</u>	<u>11,277</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
872,519	-	-	25,695	43,373	14,649	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>872,519</u>	<u>-</u>	<u>-</u>	<u>25,695</u>	<u>43,373</u>	<u>14,649</u>	<u>-</u>
<u>(145,955)</u>	<u>6,500</u>	<u>128</u>	<u>17,670</u>	<u>(7,862)</u>	<u>(3,372)</u>	<u>-</u>
76,240	-	-	-	-	-	-
-	-	-	-	-	-	-
76,240	-	-	-	-	-	-
(69,715)	6,500	128	17,670	(7,862)	(3,372)	-
<u>404,653</u>	<u>29,210</u>	<u>8,245</u>	<u>66,546</u>	<u>67,362</u>	<u>23,092</u>	<u>8,155</u>
<u>\$ 334,938</u>	<u>\$ 35,710</u>	<u>\$ 8,373</u>	<u>\$ 84,216</u>	<u>\$ 59,500</u>	<u>\$ 19,720</u>	<u>\$ 8,155</u>

(continued)

**GRAND TRAVERSE COUNTY**

**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**

**FOR THE YEAR ENDED DECEMBER 31, 2018**

	<b>Special Revenue</b>					
	<b>Housing Trust</b>	<b>CDGB Housing Grant</b>	<b>Next Michigan</b>	<b>EDC Revolving Loan</b>	<b>TNT Forfeiture</b>	<b>TNT Grant</b>
<b>Revenues</b>						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues						
Federal	- -	- -	- -	- -	- -	95,119 -
State	- -	- -	- -	- -	- -	- -
Local	- -	66,935 -	- -	- -	1,950 -	- -
Licenses and permits	- -	- -	- -	- -	- -	- -
Charges for services	- -	58 -	- -	- -	- -	- -
Fines and forfeitures	- -	- -	- -	- -	89,013 -	- -
Interest	5,872 -	- -	- -	17,626 -	17 -	- -
Miscellaneous	- -	- -	- -	- -	- -	- -
<b>Total revenues</b>	<b>5,872</b>	<b>66,993</b>	<b>-</b>	<b>17,626</b>	<b>90,980</b>	<b>95,119</b>
<b>Expenditures</b>						
Current						
Judicial	- -	- -	- -	- -	- -	- -
General government	- -	- -	- -	- -	- -	- -
Public safety	- -	- -	- -	- -	49,211 -	95,120 -
Health and welfare	- -	- -	- -	- -	- -	- -
Economic development	- -	- -	71,030 -	186,092 -	- -	- -
Parks and recreation	- -	- -	- -	- -	- -	- -
Debt service						
Principal	- -	- -	- -	- -	- -	- -
Interest	- -	- -	- -	- -	- -	- -
Capital outlay	- -	- -	- -	- -	- -	- -
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>71,030</b>	<b>186,092</b>	<b>49,211</b>	<b>95,120</b>
Revenues over (under) expenditures	5,872	66,993	(71,030)	(168,466)	41,769	(1)
Other financing sources (uses)						
Transfers in	- -	- -	44,000 -	- -	- -	- -
Transfers out	- -	- -	- -	- -	- -	- -
Total other financing sources (uses)	- -	- -	44,000 -	- -	- -	- -
Net changes in fund balances	5,872	66,993	(27,030)	(168,466)	41,769	(1)
<b>Fund balances, beginning of year</b>	<b>286,474</b>	<b>1,742,394</b>	<b>52,742</b>	<b>408,311</b>	<b>250,186</b>	<b>7,864</b>
<b>Fund balances, end of year</b>	<b>\$ 292,346</b>	<b>\$ 1,809,387</b>	<b>\$ 25,712</b>	<b>\$ 239,845</b>	<b>\$ 291,955</b>	<b>\$ 7,863</b>

Special Revenue				Debt Service			
<u>Child Care</u>	<u>Animal Control</u>	<u>Senior Center</u>	<u>Building Authority LaFranier DPW</u>	<u>Woodmere</u>	<u>Courthouse</u>	<u>Health Services</u>	
\$ -	\$ -	\$ 474,294	\$ -	\$ -	\$ -	\$ -	\$ -
591,208	-	-	-	-	-	-	-
-	3,486	-	-	-	-	-	-
-	126,112	-	-	-	-	-	-
-	15,644	94,869	-	-	-	-	-
-	-	-	-	-	-	-	-
-	686	13,534	-	-	-	-	-
139,396	2,824	10,797	-	-	-	-	-
<u>730,604</u>	<u>148,752</u>	<u>593,494</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1,163,073	254,754	569,164	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	460,000	155,000	-
-	-	-	-	-	116,500	138,369	-
<u>1,163,073</u>	<u>254,754</u>	<u>569,164</u>	<u>-</u>	<u>-</u>	<u>576,500</u>	<u>293,369</u>	<u>-</u>
<u>(432,469)</u>	<u>(106,002)</u>	<u>24,330</u>	<u>-</u>	<u>-</u>	<u>(576,500)</u>	<u>(293,369)</u>	<u>-</u>
432,470	150,000	-	225,000	240,000	576,500	293,369	-
-	-	-	-	-	-	-	-
432,470	150,000	-	225,000	240,000	576,500	293,369	-
1	43,998	24,330	225,000	240,000	-	-	-
-	10,467	629,013	(715,000)	(240,000)	-	-	-
\$ 1	\$ 54,465	\$ 653,343	\$ (490,000)	\$ -	\$ -	\$ -	\$ -

(continued)

**GRAND TRAVERSE COUNTY**

**NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES**

**FOR THE YEAR ENDED DECEMBER 31, 2018**

	<b>Capital Projects</b>			
	<b>County Facilities</b>	<b>Building Authority - Pavilion</b>	<b>Capital Improvement</b>	<b>Total</b>
	\$	-	\$	-
<b>Revenues</b>				
Property taxes	\$ -	-	\$ -	\$ 1,043,906
Intergovernmental revenues				
Federal	-	-	-	1,459,297
State	-	-	-	1,609,497
Local	537,560	-	-	4,795,970
Licenses and permits	-	-	-	169,477
Charges for services	-	-	-	1,148,136
Fines and forfeitures	-	-	-	95,513
Interest	-	39,710	-	85,528
Miscellaneous	239,857	-	-	439,691
<b>Total revenues</b>	<u>777,417</u>	<u>39,710</u>	<u>-</u>	<u>10,847,015</u>
<b>Expenditures</b>				
Current				
Judicial	-	-	-	7,569,480
General government	2,555,771	5,318	401,073	3,071,109
Public safety	-	-	-	3,961,050
Health and welfare	-	-	-	2,223,956
Economic development	-	-	-	257,122
Parks and recreation	-	-	-	1,279,202
Debt service				
Principal	-	-	-	615,000
Interest	-	-	-	254,869
Capital outlay	-	2,824,256	303,316	3,148,784
<b>Total expenditures</b>	<u>2,555,771</u>	<u>2,829,574</u>	<u>704,389</u>	<u>22,380,572</u>
Revenues over (under) expenditures	<u>(1,778,354)</u>	<u>(2,789,864)</u>	<u>(704,389)</u>	<u>(11,533,557)</u>
Other financing sources (uses)				
Transfers in	1,819,519	-	766,155	9,661,444
Transfers out	-	-	(25,000)	(25,000)
Total other financing sources (uses)	<u>1,819,519</u>	<u>-</u>	<u>741,155</u>	<u>9,636,444</u>
Net changes in fund balances	41,165	(2,789,864)	36,766	(1,897,113)
<b>Fund balances, beginning of year</b>	<u>408,992</u>	<u>3,284,234</u>	<u>1,089,156</u>	<u>9,764,182</u>
<b>Fund balances, end of year</b>	<u>\$ 450,157</u>	<u>\$ 494,370</u>	<u>\$ 1,125,922</u>	<u>\$ 7,867,069</u>

(concluded)

# GRAND TRAVERSE COUNTY

## 13TH CIRCUIT COURT FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

**FOR THE YEAR ENDED DECEMBER 31, 2018**

	<b>Budget Amounts</b>		<b>Actual Amount</b>	<b>Variance Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Intergovernmental revenues				
Federal	\$ -	\$ -	\$ -	\$ -
State	- -	- -	- -	- -
Local	502,501	510,501	388,826	(121,675)
Licenses and permits	- -	- -	- -	- -
Charges for services	- -	- -	- -	- -
Fines and forfeitures	- -	- -	- -	- -
Interest	- -	- -	- -	- -
Miscellaneous	- -	1	- -	(1)
<b>Total revenues</b>	<b>502,501</b>	<b>510,502</b>	<b>388,826</b>	<b>(121,676)</b>
<b>Expenditures</b>				
Current				
Judicial	1,997,966	2,002,256	1,825,881	176,375
General government	- -	- -	- -	- -
Public safety	- -	- -	- -	- -
Health and welfare	- -	- -	- -	- -
Economic development	- -	- -	- -	- -
Parks and recreation	- -	- -	- -	- -
Capital outlay	12,038	15,748	9,909	5,839
<b>Total expenditures</b>	<b>2,010,004</b>	<b>2,018,004</b>	<b>1,835,790</b>	<b>182,214</b>
Revenues over (under) expenditures	(1,507,503)	(1,507,502)	(1,446,964)	60,538
Other financing sources (uses)				
Transfers in	1,507,503	1,507,502	1,446,963	(60,539)
Transfers out	- -	- -	- -	- -
<b>Total other financing sources (uses)</b>	<b>1,507,503</b>	<b>1,507,502</b>	<b>1,446,963</b>	<b>(60,539)</b>
Net changes in fund balance	- -	- -	(1)	(1)
<b>Fund balance, beginning of year</b>	<b>745</b>	<b>745</b>	<b>745</b>	<b>-</b>
<b>Fund balance, end of year</b>	<b>\$ 745</b>	<b>\$ 745</b>	<b>\$ 744</b>	<b>\$ (1)</b>

# GRAND TRAVERSE COUNTY

## **LOCAL CRIME VICTIMS RIGHTS FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL**

**FOR THE YEAR ENDED DECEMBER 31, 2018**

	<b>Budget Amounts</b>		<b>Actual Amount</b>	<b>Variance Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Intergovernmental revenues				
Federal	\$ -	\$ -	\$ -	\$ -
State	- -	- -	- -	- -
Local	13,000	13,000	14,704	1,704
Licenses and permits	- -	- -	- -	- -
Charges for services	- -	- -	- -	- -
Fines and forfeitures	- -	- -	- -	- -
Interest	- -	- -	- -	- -
Miscellaneous	- -	- -	- -	- -
<b>Total revenues</b>	<b>13,000</b>	<b>13,000</b>	<b>14,704</b>	<b>1,704</b>
<b>Expenditures</b>				
Current				
Judicial	13,000	13,000	6,043	6,957
General government	- -	- -	- -	- -
Public safety	- -	- -	- -	- -
Health and welfare	- -	- -	- -	- -
Economic development	- -	- -	- -	- -
Parks and recreation	- -	- -	- -	- -
Capital outlay	- -	- -	- -	- -
<b>Total expenditures</b>	<b>13,000</b>	<b>13,000</b>	<b>6,043</b>	<b>6,957</b>
Revenues over (under) expenditures	- -	- -	8,661	8,661
Other financing sources (uses)				
Transfers in	- -	- -	- -	- -
Transfers out	- -	- -	- -	- -
Total other financing sources (uses)	- -	- -	- -	- -
Net changes in fund balance	- -	- -	8,661	8,661
<b>Fund balance, beginning of year</b>	<b>18,270</b>	<b>18,270</b>	<b>18,270</b>	<b>-</b>
<b>Fund balance, end of year</b>	<b>\$ 18,270</b>	<b>\$ 18,270</b>	<b>\$ 26,931</b>	<b>\$ 8,661</b>

# GRAND TRAVERSE COUNTY

## *86th DISTRICT COURT FUND* **SCHEDULE OF REVENUES, EXPENDITURES** **AND CHANGES IN FUND BALANCE** **BUDGET AND ACTUAL**

**FOR THE YEAR ENDED DECEMBER 31, 2018**

	<b>Budget Amounts</b>		<b>Actual Amount</b>	<b>Variance Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Intergovernmental revenues				
Federal	\$ -	\$ -	\$ -	\$ -
State	43,329	46,329	48,651	2,322
Local	1,075,003	1,046,823	808,774	(238,049)
Licenses and permits	-	-	-	-
Charges for services	-	-	200	200
Fines and forfeitures	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<b>\$ 1,118,332</b>	<b>\$ 1,093,152</b>	<b>\$ 857,625</b>	<b>\$ (235,527)</b>
<b>Expenditures</b>				
Current				
Judicial	4,044,801	4,019,621	3,728,613	291,008
General government	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Economic development	-	-	-	-
Parks and recreation	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<b>4,044,801</b>	<b>4,019,621</b>	<b>3,728,613</b>	<b>291,008</b>
Revenues over (under) expenditures	\$ (2,926,469)	\$ (2,926,469)	\$ (2,870,988)	\$ 55,481
Other financing sources (uses)				
Transfers in	2,926,469	2,926,469	2,870,988	(55,481)
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>2,926,469</b>	<b>2,926,469</b>	<b>2,870,988</b>	<b>(55,481)</b>
Net changes in fund balance	-	-	-	-
<b>Fund balance, beginning of year</b>	<b>251</b>	<b>251</b>	<b>251</b>	<b>-</b>
<b>Fund balance, end of year</b>	<b>\$ 251</b>	<b>\$ 251</b>	<b>\$ 251</b>	<b>\$ -</b>

# GRAND TRAVERSE COUNTY

## **COUNTY SPECIAL PROJECTS FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL**

**FOR THE YEAR ENDED DECEMBER 31, 2018**

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	<b>Budget Amounts</b>		<b>Actual Amount</b>	<b>Variance Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Intergovernmental revenues				
Federal	\$	-	\$	-
State	-	-	-	-
Local	-	-	-	-
Lenses and permits	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Expenditures</b>				
Current				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Economic development	-	-	-	-
Parks and recreation	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<hr/>	<hr/>	<hr/>	<hr/>
Revenues over (under) expenditures	-	-	-	-
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	(18,000)	-	-	-
<b>Total other financing sources (uses)</b>	<hr/> <b>(18,000)</b>	<hr/> <b>-</b>	<hr/> <b>-</b>	<hr/> <b>-</b>
Net changes in fund balance	-	-	-	-
<b>Fund balance, beginning of year</b>	<b>18,323</b>	<b>18,323</b>	<b>18,323</b>	<b>-</b>
<b>Fund balance, end of year</b>	<b>\$ 18,323</b>	<b>\$ 18,323</b>	<b>\$ 18,323</b>	<b>\$ -</b>

# GRAND TRAVERSE COUNTY

## **CENTRAL DISPATCH / 911 FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL**

**FOR THE YEAR ENDED DECEMBER 31, 2018**

	<b>Budget Amounts</b>		<b>Actual Amount</b>	<b>Variance Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Intergovernmental revenues				
Federal	\$ -	\$ -	\$ -	\$ -
State	260,000	260,000	294,350	34,350
Local	2,035,000	2,042,000	2,064,406	22,406
Licenses and permits	- -	- -	- -	- -
Charges for services	4,800	4,800	4,802	2
Fines and forfeitures	- -	- -	- -	- -
Interest	- -	- -	- -	- -
Miscellaneous	<u>11,371</u>	<u>11,371</u>	<u>26,330</u>	<u>14,959</u>
<b>Total revenues</b>	<u>2,311,171</u>	<u>2,318,171</u>	<u>2,389,888</u>	<u>71,717</u>
<b>Expenditures</b>				
Current				
Judicial	- -	- -	- -	- -
General government	- -	- -	- -	- -
Public safety	2,608,937	2,615,937	2,469,700	146,237
Health and welfare	- -	- -	- -	- -
Economic development	- -	- -	- -	- -
Parks and recreation	- -	- -	- -	- -
Capital outlay	- -	- -	- -	- -
<b>Total expenditures</b>	<u>2,608,937</u>	<u>2,615,937</u>	<u>2,469,700</u>	<u>146,237</u>
Revenues over (under) expenditures	<u>(297,766)</u>	<u>(297,766)</u>	<u>(79,812)</u>	<u>217,954</u>
Other financing sources (uses)				
Transfers in	297,766	297,766	78,332	(219,434)
Transfers out	- -	- -	- -	- -
<b>Total other financing sources (uses)</b>	<u>297,766</u>	<u>297,766</u>	<u>78,332</u>	<u>(219,434)</u>
Net changes in fund balance	- -	- -	(1,480)	(1,480)
<b>Fund balance, beginning of year</b>	<u>1,821</u>	<u>1,821</u>	<u>1,821</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 1,821</u>	<u>\$ 1,821</u>	<u>\$ 341</u>	<u>\$ (1,480)</u>

# GRAND TRAVERSE COUNTY

## **PARKS AND RECREATION FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL**

**FOR THE YEAR ENDED DECEMBER 31, 2018**

	<b>Budget Amounts</b>		<b>Actual Amount</b>	<b>Variance Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Intergovernmental revenues				
Federal	\$ -	\$ -	\$ -	\$ -
State	- -	- -	- -	- -
Local	50,000	772,500	725,103	(47,397)
Licenses and permits	- -	- -	- -	- -
Charges for services	198,200	199,292	233,097	33,805
Fines and forfeitures	- -	- -	- -	- -
Interest	- -	- -	- -	- -
Miscellaneous	- -	- -	1,099	1,099
<b>Total revenues</b>	<b>248,200</b>	<b>971,792</b>	<b>959,299</b>	<b>(12,493)</b>
<b>Expenditures</b>				
Current				
Judicial	- -	- -	- -	- -
General government	- -	- -	- -	- -
Public safety	- -	- -	- -	- -
Health and welfare	- -	- -	- -	- -
Economic development	- -	- -	- -	- -
Parks and recreation	578,383	1,332,975	1,279,202	53,773
Capital outlay	3,000	10,000	11,303	(1,303)
<b>Total expenditures</b>	<b>581,383</b>	<b>1,342,975</b>	<b>1,290,505</b>	<b>52,470</b>
Revenues over (under) expenditures	(333,183)	(371,183)	(331,206)	39,977
Other financing sources (uses)				
Transfers in	315,183	340,183	340,183	- -
Transfers out	- -	- -	- -	- -
<b>Total other financing sources (uses)</b>	<b>315,183</b>	<b>340,183</b>	<b>340,183</b>	<b>- -</b>
Net changes in fund balance	(18,000)	(31,000)	8,977	39,977
<b>Fund balance, beginning of year</b>	<b>88,864</b>	<b>88,864</b>	<b>88,864</b>	<b>- -</b>
<b>Fund balance, end of year</b>	<b>\$ 70,864</b>	<b>\$ 57,864</b>	<b>\$ 97,841</b>	<b>\$ 39,977</b>

# GRAND TRAVERSE COUNTY

## **MAPLE BAY DEVELOPMENT FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL**

**FOR THE YEAR ENDED DECEMBER 31, 2018**

	<b>Budget Amounts</b>		<b>Actual Amount</b>	<b>Variance Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Intergovernmental revenues				
Federal	\$	-	\$	-
State	-	-	-	-
Local	-	-	-	-
Licenses and permits	-	-	-	-
Charges for services	500	500	389	(111)
Fines and forfeitures	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<b>500</b>	<b>500</b>	<b>389</b>	<b>(111)</b>
<b>Expenditures</b>				
Current				
Judicial	-	-	-	-
General government	500	500	-	500
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Economic development	-	-	-	-
Parks and recreation	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<b>500</b>	<b>500</b>	<b>-</b>	<b>500</b>
Revenues over (under) expenditures	-	-	389	389
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net changes in fund balance	-	-	389	389
<b>Fund balance, beginning of year</b>	<b>11,244</b>	<b>11,244</b>	<b>11,244</b>	<b>-</b>
<b>Fund balance, end of year</b>	<b>\$ 11,244</b>	<b>\$ 11,244</b>	<b>\$ 11,633</b>	<b>\$ 389</b>

# GRAND TRAVERSE COUNTY

## ***FRIEND OF THE COURT FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL***

***FOR THE YEAR ENDED DECEMBER 31, 2018***

	<b>Budget Amounts</b>		<b>Actual Amount</b>	<b>Variance Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Intergovernmental revenues				
Federal	\$ -	\$ 1,475,000	\$ 1,364,178	\$ (110,822)
State	128,000	128,000	120,051	(7,949)
Local	76,652	76,652	76,652	-
Licenses and permits	-	-	-	-
Charges for services	183,090	183,091	210,035	26,944
Fines and forfeitures	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<b>387,742</b>	<b>1,862,743</b>	<b>1,770,916</b>	<b>(91,827)</b>
<b>Expenditures</b>				
Current				
Judicial	2,187,698	2,220,175	2,008,943	211,232
General government	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Economic development	-	-	-	-
Parks and recreation	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<b>2,187,698</b>	<b>2,220,175</b>	<b>2,008,943</b>	<b>211,232</b>
Revenues over (under) expenditures	(1,799,956)	(357,432)	(238,027)	119,405
Other financing sources (uses)				
Transfers in	235,956	268,432	262,432	(6,000)
Transfers out	(6,000)	(6,000)	-	6,000
Total other financing sources (uses)	229,956	262,432	262,432	-
Net changes in fund balance	(1,564,000)	(95,000)	24,405	119,405
<b>Fund balance, beginning of year</b>	<b>1,354,772</b>	<b>1,354,772</b>	<b>1,354,772</b>	<b>-</b>
<b>Fund balance, end of year</b>	<b>\$ (209,228)</b>	<b>\$ 1,259,772</b>	<b>\$ 1,379,177</b>	<b>\$ 119,405</b>

# GRAND TRAVERSE COUNTY

## **GYPSY MOTH SUPPRESSION FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL**

**FOR THE YEAR ENDED DECEMBER 31, 2018**

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	<b>Budget Amounts</b>		<b>Actual Amount</b>	<b>Variance Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Intergovernmental revenues				
Federal	\$	-	\$	-
State	-	-	-	-
Local	-	-	-	-
Lenses and permits	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Expenditures</b>				
Current				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Economic development	-	-	-	-
Parks and recreation	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<hr/>	<hr/>	<hr/>	<hr/>
Revenues over (under) expenditures	-	-	-	-
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<hr/>	<hr/>	<hr/>	<hr/>
Net changes in fund balance	-	-	-	-
<b>Fund balance, beginning of year</b>	<hr/> <hr/> <hr/> <hr/> <hr/>			
<b>Fund balance, end of year</b>	<hr/> <hr/> <hr/> <hr/> <hr/>			

# GRAND TRAVERSE COUNTY

## VETERANS MILLAGE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

**FOR THE YEAR ENDED DECEMBER 31, 2018**

	<b>Budget Amounts</b>		<b>Actual Amount</b>	<b>Variance Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Property taxes	\$ 580,338	\$ 580,338	\$ 569,612	\$ (10,726)
Intergovernmental revenues				
Federal	-	-	-	-
State	-	-	-	-
Local	77,689	77,689	81,330	3,641
Licenses and permits	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest	-	-	7,955	7,955
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<b>658,027</b>	<b>658,027</b>	<b>658,897</b>	<b>870</b>
<b>Expenditures</b>				
Current				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	-	-	-	-
Health and welfare	658,027	658,027	491,719	166,308
Economic development	-	-	-	-
Parks and recreation	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<b>658,027</b>	<b>658,027</b>	<b>491,719</b>	<b>166,308</b>
Revenues over (under) expenditures	-	-	167,178	167,178
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net changes in fund balance	-	-	167,178	167,178
<b>Fund balance, beginning of year</b>	<b>164,648</b>	<b>164,648</b>	<b>164,648</b>	<b>-</b>
<b>Fund balance, end of year</b>	<b>\$ 164,648</b>	<b>\$ 164,648</b>	<b>\$ 331,826</b>	<b>\$ 167,178</b>

# GRAND TRAVERSE COUNTY

## **REGISTER OF DEEDS AUTOMATION FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL**

**FOR THE YEAR ENDED DECEMBER 31, 2018**

	<b>Budget Amounts</b>		<b>Actual Amount</b>	<b>Variance Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Intergovernmental revenues				
Federal	\$ -	\$ -	\$ -	-
State	- -	- -	- -	-
Local	- -	- -	- -	-
Licenses and permits	- -	- -	- -	-
Charges for services	110,000	110,000	102,220	(7,780)
Fines and forfeitures	- -	- -	- -	-
Interest	- -	- -	- -	-
Miscellaneous	- -	- -	- -	-
<b>Total revenues</b>	<b>110,000</b>	<b>110,000</b>	<b>102,220</b>	<b>(7,780)</b>
<b>Expenditures</b>				
Current				
Judicial	- -	- -	- -	-
General government	164,500	164,500	108,947	55,553
Public safety	- -	- -	- -	-
Health and welfare	- -	- -	- -	-
Economic development	- -	- -	- -	-
Parks and recreation	- -	- -	- -	-
Capital outlay	10,000	10,000	- -	10,000
<b>Total expenditures</b>	<b>174,500</b>	<b>174,500</b>	<b>108,947</b>	<b>65,553</b>
Revenues over (under) expenditures	(64,500)	(64,500)	(6,727)	57,773
Other financing sources (uses)				
Transfers in	- -	- -	- -	-
Transfers out	- -	- -	- -	-
Total other financing sources (uses)	- -	- -	- -	-
Net changes in fund balance	(64,500)	(64,500)	(6,727)	57,773
<b>Fund balance, beginning of year</b>	<b>282,522</b>	<b>282,522</b>	<b>282,522</b>	<b>-</b>
<b>Fund balance, end of year</b>	<b>\$ 218,022</b>	<b>\$ 218,022</b>	<b>\$ 275,795</b>	<b>\$ 57,773</b>

# GRAND TRAVERSE COUNTY

**MIDC FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**

**FOR THE YEAR ENDED DECEMBER 31, 2018**

	<b>Budget Amounts</b>		<b>Actual Amount</b>	<b>Variance Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental revenues				
Federal	\$	-	\$	-
State	-	157,170	314,339	157,169
Local	-	-	-	-
Lenses and permits	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<u>-</u>	<u>157,170</u>	<u>314,339</u>	<u>157,169</u>
<b>Expenditures</b>				
Current				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	-	196,463	136,029	60,434
Health and welfare	-	-	-	-
Economic development	-	-	-	-
Parks and recreation	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>196,463</u>	<u>136,029</u>	<u>60,434</u>
Revenues over (under) expenditures	<u>-</u>	<u>(39,293)</u>	<u>178,310</u>	<u>217,603</u>
Other financing sources (uses)				
Transfers in	-	39,293	39,293	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>39,293</u>	<u>39,293</u>	<u>-</u>
Net changes in fund balance	<u>-</u>	<u>-</u>	<u>217,603</u>	<u>217,603</u>
<b>Fund balance, beginning of year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$</u>	<u>-</u>	<u>\$</u>	<u>\$</u>
	<u>217,603</u>	<u>-</u>	<u>217,603</u>	<u>217,603</u>

# GRAND TRAVERSE COUNTY

## **CORRECTIONS P.A. 511 FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL**

**FOR THE YEAR ENDED DECEMBER 31, 2018**

	<b>Budget Amounts</b>		<b>Actual Amount</b>	<b>Variance Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Intergovernmental revenues				
Federal	\$ -	\$ -	\$ -	\$ -
State	264,256	264,256	229,621	(34,635)
Local	26,244	26,244	26,244	-
Licenses and permits	-	-	-	-
Charges for services	455,000	455,000	452,992	(2,008)
Fines and forfeitures	-	-	-	-
Interest	-	-	-	-
Miscellaneous	<u>32,650</u>	<u>32,650</u>	<u>17,707</u>	<u>(14,943)</u>
<b>Total revenues</b>	<u>778,150</u>	<u>778,150</u>	<u>726,564</u>	<u>(51,586)</u>
<b>Expenditures</b>				
Current				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	854,390	924,865	872,519	52,346
Health and welfare	-	-	-	-
Economic development	-	-	-	-
Parks and recreation	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<u>854,390</u>	<u>924,865</u>	<u>872,519</u>	<u>52,346</u>
Revenues over (under) expenditures	<u>(76,240)</u>	<u>(146,715)</u>	<u>(145,955)</u>	<u>760</u>
Other financing sources (uses)				
Transfers in	76,240	76,240	76,240	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>76,240</u>	<u>76,240</u>	<u>76,240</u>	<u>-</u>
Net changes in fund balance	-	(70,475)	(69,715)	760
<b>Fund balance, beginning of year</b>	<u>404,653</u>	<u>404,653</u>	<u>404,653</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 404,653</u>	<u>\$ 334,178</u>	<u>\$ 334,938</u>	<u>\$ 760</u>

# GRAND TRAVERSE COUNTY

## **COUNTY LAW LIBRARY FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL**

**FOR THE YEAR ENDED DECEMBER 31, 2018**

	<b>Budget Amounts</b>		<b>Actual Amount</b>	<b>Variance Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Intergovernmental revenues				
Federal	\$	-	\$	-
State	-	-	-	-
Local	-	-	-	-
Licenses and permits	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	6,500	6,500	6,500	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<b>6,500</b>	<b>6,500</b>	<b>6,500</b>	<b>-</b>
<b>Expenditures</b>				
Current				
Judicial	6,500	6,500	-	6,500
General government	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Economic development	-	-	-	-
Parks and recreation	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<b>6,500</b>	<b>6,500</b>	<b>-</b>	<b>6,500</b>
Revenues over (under) expenditures	-	-	6,500	6,500
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net changes in fund balance	-	-	6,500	6,500
<b>Fund balance, beginning of year</b>	<b>29,210</b>	<b>29,210</b>	<b>29,210</b>	<b>-</b>
<b>Fund balance, end of year</b>	<b>\$ 29,210</b>	<b>\$ 29,210</b>	<b>\$ 35,710</b>	<b>\$ 6,500</b>

# GRAND TRAVERSE COUNTY

## **FEDERAL EQUITABLE SHARING FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL**

**FOR THE YEAR ENDED DECEMBER 31, 2018**

	<b>Budget Amounts</b>		<b>Actual Amount</b>	<b>Variance Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Intergovernmental revenues				
Federal	\$	-	\$	-
State	-	-	-	-
Local	-	-	-	-
Lenses and permits	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest	50	50	128	78
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<b>50</b>	<b>50</b>	<b>128</b>	<b>78</b>
<b>Expenditures</b>				
Current				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	50	50	-	50
Health and welfare	-	-	-	-
Economic development	-	-	-	-
Parks and recreation	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<b>50</b>	<b>50</b>	<b>-</b>	<b>50</b>
Revenues over (under) expenditures	-	-	128	128
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net changes in fund balance	-	-	128	128
<b>Fund balance, beginning of year</b>	<b>8,245</b>	<b>8,245</b>	<b>8,245</b>	<b>-</b>
<b>Fund balance, end of year</b>	<b>\$ 8,245</b>	<b>\$ 8,245</b>	<b>\$ 8,373</b>	<b>\$ 128</b>

# GRAND TRAVERSE COUNTY

## **CONCEALED PISTOL LICENSING FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL**

**FOR THE YEAR ENDED DECEMBER 31, 2018**

	<b>Budget Amounts</b>		<b>Actual Amount</b>	<b>Variance Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Intergovernmental revenues				
Federal	\$ -	\$ -	\$ -	\$ -
State	- -	- -	- -	- -
Local	- -	- -	- -	- -
Licenses and permits	39,000	39,000	43,365	4,365
Charges for services	- -	- -	- -	- -
Fines and forfeitures	- -	- -	- -	- -
Interest	- -	- -	- -	- -
Miscellaneous	- -	- -	- -	- -
<b>Total revenues</b>	<b>39,000</b>	<b>39,000</b>	<b>43,365</b>	<b>4,365</b>
<b>Expenditures</b>				
Current				
Judicial	- -	- -	- -	- -
General government	- -	- -	- -	- -
Public safety	39,000	39,000	25,695	13,305
Health and welfare	- -	- -	- -	- -
Economic development	- -	- -	- -	- -
Parks and recreation	- -	- -	- -	- -
Capital outlay	- -	- -	- -	- -
<b>Total expenditures</b>	<b>39,000</b>	<b>39,000</b>	<b>25,695</b>	<b>13,305</b>
Revenues over (under) expenditures	- -	- -	17,670	17,670
Other financing sources (uses)				
Transfers in	- -	- -	- -	- -
Transfers out	- -	- -	- -	- -
Total other financing sources (uses)	- -	- -	- -	- -
Net changes in fund balance	- -	- -	17,670	17,670
<b>Fund balance, beginning of year</b>	<b>66,546</b>	<b>66,546</b>	<b>66,546</b>	<b>-</b>
<b>Fund balance, end of year</b>	<b>\$ 66,546</b>	<b>\$ 66,546</b>	<b>\$ 84,216</b>	<b>\$ 17,670</b>

# GRAND TRAVERSE COUNTY

## **CORRECTIONS OFFICERS TRAINING FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL**

**FOR THE YEAR ENDED DECEMBER 31, 2018**

	<b>Budget Amounts</b>		<b>Actual Amount</b>	<b>Variance Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Intergovernmental revenues				
Federal	\$ -	\$ -	\$ -	\$ -
State	- -	- -	- -	- -
Local	- -	- -	- -	- -
Licenses and permits	- -	- -	- -	- -
Charges for services	42,000	42,000	33,830	(8,170)
Fines and forfeitures	- -	- -	- -	- -
Interest	- -	- -	- -	- -
Miscellaneous	<u>20,000</u>	<u>20,000</u>	<u>1,681</u>	<u>(18,319)</u>
<b>Total revenues</b>	<u>62,000</u>	<u>62,000</u>	<u>35,511</u>	<u>(26,489)</u>
<b>Expenditures</b>				
Current				
Judicial	- -	- -	- -	- -
General government	- -	- -	- -	- -
Public safety	66,000	66,000	43,373	22,627
Health and welfare	- -	- -	- -	- -
Economic development	- -	- -	- -	- -
Parks and recreation	- -	- -	- -	- -
Capital outlay	- -	- -	- -	- -
<b>Total expenditures</b>	<u>66,000</u>	<u>66,000</u>	<u>43,373</u>	<u>22,627</u>
Revenues over (under) expenditures	<u>(4,000)</u>	<u>(4,000)</u>	<u>(7,862)</u>	<u>(3,862)</u>
<b>Other financing sources (uses)</b>				
Transfers in	- -	- -	- -	- -
Transfers out	- -	- -	- -	- -
<b>Total other financing sources (uses)</b>	<u>- -</u>	<u>- -</u>	<u>- -</u>	<u>- -</u>
Net changes in fund balance	<u>(4,000)</u>	<u>(4,000)</u>	<u>(7,862)</u>	<u>(3,862)</u>
<b>Fund balance, beginning of year</b>	<u>67,362</u>	<u>67,362</u>	<u>67,362</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 63,362</u>	<u>\$ 63,362</u>	<u>\$ 59,500</u>	<u>\$ (3,862)</u>

# GRAND TRAVERSE COUNTY

## **CRIMINAL JUSTICE TRAINING ACT FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL**

**FOR THE YEAR ENDED DECEMBER 31, 2018**

	<b>Budget Amounts</b>		<b>Actual Amount</b>	<b>Variance Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Intergovernmental revenues				
Federal	\$ -	\$ -	\$ -	\$ -
State	13,000	13,000	11,277	(1,723)
Local	- -	- -	- -	- -
Licenses and permits	- -	- -	- -	- -
Charges for services	- -	- -	- -	- -
Fines and forfeitures	- -	- -	- -	- -
Interest	- -	- -	- -	- -
Miscellaneous	- -	- -	- -	- -
<b>Total revenues</b>	<b>13,000</b>	<b>13,000</b>	<b>11,277</b>	<b>(1,723)</b>
<b>Expenditures</b>				
Current				
Judicial	- -	- -	- -	- -
General government	- -	- -	- -	- -
Public safety	13,000	17,000	14,649	2,351
Health and welfare	- -	- -	- -	- -
Economic development	- -	- -	- -	- -
Parks and recreation	- -	- -	- -	- -
Capital outlay	- -	- -	- -	- -
<b>Total expenditures</b>	<b>13,000</b>	<b>17,000</b>	<b>14,649</b>	<b>2,351</b>
Revenues over (under) expenditures	- -	(4,000)	(3,372)	628
Other financing sources (uses)				
Transfers in	- -	- -	- -	- -
Transfers out	- -	- -	- -	- -
Total other financing sources (uses)	- -	- -	- -	- -
Net changes in fund balance	- -	(4,000)	(3,372)	628
<b>Fund balance, beginning of year</b>	<b>23,092</b>	<b>23,092</b>	<b>23,092</b>	<b>-</b>
<b>Fund balance, end of year</b>	<b>\$ 23,092</b>	<b>\$ 19,092</b>	<b>\$ 19,720</b>	<b>\$ 628</b>

# GRAND TRAVERSE COUNTY

## **MITCHELL CREEK WATER SHED FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL**

**FOR THE YEAR ENDED DECEMBER 31, 2018**

	<b>Budget Amounts</b>		<b>Actual Amount</b>	<b>Variance Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Intergovernmental revenues				
Federal	\$	-	\$	-
State	-	-	-	-
Local	-	-	-	-
Lenses and permits	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Expenditures</b>				
Current				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Economic development	-	-	-	-
Parks and recreation	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<hr/>	<hr/>	<hr/>	<hr/>
Revenues over (under) expenditures	-	-	-	-
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<hr/>	<hr/>	<hr/>	<hr/>
Net changes in fund balance	-	-	-	-
<b>Fund balance, beginning of year</b>	<u>8,155</u>	<u>8,155</u>	<u>8,155</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 8,155</u>	<u>\$ 8,155</u>	<u>\$ 8,155</u>	<u>\$ -</u>

# GRAND TRAVERSE COUNTY

## **HOUSING TRUST FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL**

**FOR THE YEAR ENDED DECEMBER 31, 2018**

	<b>Budget Amounts</b>		<b>Actual Amount</b>	<b>Variance Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Intergovernmental revenues				
Federal	\$	-	\$	-
State	-	-	-	-
Local	-	-	-	-
Licenses and permits	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest	2,500	2,500	5,872	3,372
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<b>2,500</b>	<b>2,500</b>	<b>5,872</b>	<b>3,372</b>
<b>Expenditures</b>				
Current				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	-	-	-	-
Health and welfare	72,500	72,500	-	72,500
Economic development	-	-	-	-
Parks and recreation	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<b>72,500</b>	<b>72,500</b>	<b>-</b>	<b>72,500</b>
Revenues over (under) expenditures	(70,000)	(70,000)	5,872	75,872
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net changes in fund balance	(70,000)	(70,000)	5,872	75,872
<b>Fund balance, beginning of year</b>	<b>286,474</b>	<b>286,474</b>	<b>286,474</b>	<b>-</b>
<b>Fund balance, end of year</b>	<b>\$ 216,474</b>	<b>\$ 216,474</b>	<b>\$ 292,346</b>	<b>\$ 75,872</b>

# GRAND TRAVERSE COUNTY

## **CDBG HOUSING GRANT FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL**

**FOR THE YEAR ENDED DECEMBER 31, 2018**

	<b>Budget Amounts</b>		<b>Actual Amount</b>	<b>Variance Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Intergovernmental revenues				
Federal	\$ -	\$ -	\$ -	\$ -
State	- -	- -	- -	- -
Local	- -	- -	66,935	66,935
Licenses and permits	- -	- -	- -	- -
Charges for services	350	350	58	(292)
Fines and forfeitures	- -	- -	- -	- -
Interest	- -	- -	- -	- -
Miscellaneous	- -	- -	- -	- -
<b>Total revenues</b>	<b>350</b>	<b>350</b>	<b>66,993</b>	<b>66,643</b>
<b>Expenditures</b>				
Current				
Judicial	- -	- -	- -	- -
General government	- -	- -	- -	- -
Public safety	- -	- -	- -	- -
Health and welfare	- -	- -	- -	- -
Economic development	50,350	50,350	- -	50,350
Parks and recreation	- -	- -	- -	- -
Capital outlay	- -	- -	- -	- -
<b>Total expenditures</b>	<b>50,350</b>	<b>50,350</b>	<b>- -</b>	<b>50,350</b>
Revenues over (under) expenditures	(50,000)	(50,000)	66,993	116,993
Other financing sources (uses)				
Transfers in	- -	- -	- -	- -
Transfers out	- -	- -	- -	- -
Total other financing sources (uses)	- -	- -	- -	- -
Net changes in fund balance	(50,000)	(50,000)	66,993	116,993
<b>Fund balance, beginning of year</b>	<b>1,742,394</b>	<b>1,742,394</b>	<b>1,742,394</b>	<b>- -</b>
<b>Fund balance, end of year</b>	<b>\$ 1,692,394</b>	<b>\$ 1,692,394</b>	<b>\$ 1,809,387</b>	<b>\$ 116,993</b>

# GRAND TRAVERSE COUNTY

## **NEXT MICHIGAN FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL**

**FOR THE YEAR ENDED DECEMBER 31, 2018**

	<b>Budget Amounts</b>		<b>Actual Amount</b>	<b>Variance Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Intergovernmental revenues				
Federal	\$	-	\$	-
State	-	-	-	-
Local	-	-	-	-
Licenses and permits	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Expenditures</b>				
Current				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Economic development	51,400	95,400	71,030	24,370
Parks and recreation	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<hr/>	<hr/>	<hr/>	<hr/>
Revenues over (under) expenditures	(51,400)	(95,400)	(71,030)	24,370
Other financing sources (uses)				
Transfers in	-	44,000	44,000	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<hr/>	<hr/>	<hr/>	<hr/>
Net changes in fund balance	(51,400)	(51,400)	(27,030)	24,370
<b>Fund balance, beginning of year</b>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Fund balance, end of year</b>	<hr/>	<hr/>	<hr/>	<hr/>
	<hr/>	<hr/>	<hr/>	<hr/>

# GRAND TRAVERSE COUNTY

## **EDC REVOLVING LOAN FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL**

**FOR THE YEAR ENDED DECEMBER 31, 2018**

	<b>Budget Amounts</b>		<b>Actual Amount</b>	<b>Variance Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Intergovernmental revenues				
Federal	\$	-	\$	-
State	-	-	-	-
Local	-	-	-	-
Lenses and permits	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest	10,100	15,100	17,626	2,526
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<b>10,100</b>	<b>15,100</b>	<b>17,626</b>	<b>2,526</b>
<b>Expenditures</b>				
Current				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Economic development	22,500	209,500	186,092	23,408
Parks and recreation	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<b>22,500</b>	<b>209,500</b>	<b>186,092</b>	<b>23,408</b>
Revenues over (under) expenditures	(12,400)	(194,400)	(168,466)	25,934
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net changes in fund balance	(12,400)	(194,400)	(168,466)	25,934
<b>Fund balance, beginning of year</b>	<b>408,311</b>	<b>408,311</b>	<b>408,311</b>	<b>-</b>
<b>Fund balance, end of year</b>	<b>\$ 395,911</b>	<b>\$ 213,911</b>	<b>\$ 239,845</b>	<b>\$ 25,934</b>

# GRAND TRAVERSE COUNTY

## **TNT FORFEITURE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL**

**FOR THE YEAR ENDED DECEMBER 31, 2018**

	<b>Budget Amounts</b>		<b>Actual Amount</b>	<b>Variance Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Intergovernmental revenues				
Federal	\$ 2,000	\$ 2,000	\$ -	\$ (2,000)
State	- -	- -	- -	- -
Local	1,000	1,550	1,950	400
Licenses and permits	- -	- -	- -	- -
Charges for services	- -	- -	- -	- -
Fines and forfeitures	42,500	36,928	89,013	52,085
Interest	10	16	17	1
Miscellaneous	- -	- -	- -	- -
<b>Total revenues</b>	<b>45,510</b>	<b>40,494</b>	<b>90,980</b>	<b>50,486</b>
<b>Expenditures</b>				
Current				
Judicial	- -	- -	- -	- -
General government	- -	- -	- -	- -
Public safety	45,510	63,094	49,211	13,883
Health and welfare	- -	- -	- -	- -
Economic development	- -	- -	- -	- -
Parks and recreation	- -	- -	- -	- -
Capital outlay	- -	- -	- -	- -
<b>Total expenditures</b>	<b>45,510</b>	<b>63,094</b>	<b>49,211</b>	<b>13,883</b>
Revenues over (under) expenditures	- -	(22,600)	41,769	64,369
<b>Other financing sources (uses)</b>				
Transfers in	- -	- -	- -	- -
Transfers out	- -	- -	- -	- -
<b>Total other financing sources (uses)</b>	<b>- -</b>	<b>- -</b>	<b>- -</b>	<b>- -</b>
Net changes in fund balance	- -	(22,600)	41,769	64,369
<b>Fund balance, beginning of year</b>	<b>250,186</b>	<b>250,186</b>	<b>250,186</b>	<b>- -</b>
<b>Fund balance, end of year</b>	<b>\$ 250,186</b>	<b>\$ 227,586</b>	<b>\$ 291,955</b>	<b>\$ 64,369</b>

# GRAND TRAVERSE COUNTY

## **TNT GRANT FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL**

**FOR THE YEAR ENDED DECEMBER 31, 2018**

	<b>Budget Amounts</b>		<b>Actual Amount</b>	<b>Variance Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Intergovernmental revenues				
Federal	\$ 87,200	\$ 102,200	\$ 95,119	\$ (7,081)
State	-	-	-	-
Local	-	-	-	-
Licenses and permits	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<b>87,200</b>	<b>102,200</b>	<b>95,119</b>	<b>(7,081)</b>
<b>Expenditures</b>				
Current				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	87,200	102,200	95,120	7,080
Health and welfare	-	-	-	-
Economic development	-	-	-	-
Parks and recreation	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<b>87,200</b>	<b>102,200</b>	<b>95,120</b>	<b>7,080</b>
Revenues over (under) expenditures	-	-	(1)	(1)
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net changes in fund balance	-	-	(1)	(1)
<b>Fund balance, beginning of year</b>	<b>7,864</b>	<b>7,864</b>	<b>7,864</b>	<b>-</b>
<b>Fund balance, end of year</b>	<b>\$ 7,864</b>	<b>\$ 7,864</b>	<b>\$ 7,863</b>	<b>\$ (1)</b>

# GRAND TRAVERSE COUNTY

## **CHILD CARE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL**

**FOR THE YEAR ENDED DECEMBER 31, 2018**

	<b>Budget Amounts</b>		<b>Actual Amount</b>	<b>Variance Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Intergovernmental revenues				
Federal	\$ -	\$ -	\$ -	\$ -
State	875,255	875,255	591,208	(284,047)
Local	-	-	-	-
Licenses and permits	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest	-	-	-	-
Miscellaneous	275,000	275,000	139,396	(135,604)
<b>Total revenues</b>	<b>1,150,255</b>	<b>1,150,255</b>	<b>730,604</b>	<b>(419,651)</b>
<b>Expenditures</b>				
Current				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	-	-	-	-
Health and welfare	1,946,510	1,946,510	1,163,073	783,437
Economic development	-	-	-	-
Parks and recreation	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<b>1,946,510</b>	<b>1,946,510</b>	<b>1,163,073</b>	<b>783,437</b>
Revenues over (under) expenditures	(796,255)	(796,255)	(432,469)	363,786
<b>Other financing sources (uses)</b>				
Transfers in	796,255	796,255	432,470	(363,785)
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>796,255</b>	<b>796,255</b>	<b>432,470</b>	<b>(363,785)</b>
Net changes in fund balance	-	-	1	1
<b>Fund balance, beginning of year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balance, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1</b>	<b>\$ 1</b>

# GRAND TRAVERSE COUNTY

## **ANIMAL CONTROL FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL**

**FOR THE YEAR ENDED DECEMBER 31, 2018**

	<b>Budget Amounts</b>		<b>Actual Amount</b>	<b>Variance Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Intergovernmental revenues				
Federal	\$ -	\$ -	\$ -	\$ -
State	- -	- -	- -	- -
Local	- -	3,377	3,486	109
Licenses and permits	120,443	120,443	126,112	5,669
Charges for services	9,900	9,900	15,644	5,744
Fines and forfeitures	- -	- -	- -	- -
Interest	- -	- -	686	686
Miscellaneous	240	240	2,824	2,584
<b>Total revenues</b>	<b>130,583</b>	<b>133,960</b>	<b>148,752</b>	<b>14,792</b>
<b>Expenditures</b>				
Current				
Judicial	- -	- -	- -	- -
General government	- -	- -	- -	- -
Public safety	130,583	283,960	254,754	29,206
Health and welfare	- -	- -	- -	- -
Economic development	- -	- -	- -	- -
Parks and recreation	- -	- -	- -	- -
Capital outlay	- -	- -	- -	- -
<b>Total expenditures</b>	<b>130,583</b>	<b>283,960</b>	<b>254,754</b>	<b>29,206</b>
Revenues over (under) expenditures	- -	(150,000)	(106,002)	43,998
<b>Other financing sources (uses)</b>				
Transfers in	- -	150,000	150,000	- -
Transfers out	- -	- -	- -	- -
<b>Total other financing sources (uses)</b>	<b>- -</b>	<b>150,000</b>	<b>150,000</b>	<b>- -</b>
Net changes in fund balance	- -	- -	43,998	43,998
<b>Fund balance, beginning of year</b>	<b>10,467</b>	<b>10,467</b>	<b>10,467</b>	<b>- -</b>
<b>Fund balance, end of year</b>	<b>\$ 10,467</b>	<b>\$ 10,467</b>	<b>\$ 54,465</b>	<b>\$ 43,998</b>

# GRAND TRAVERSE COUNTY

## **SENIOR CENTER FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL**

**FOR THE YEAR ENDED DECEMBER 31, 2018**

	<b>Budget Amounts</b>		<b>Actual Amount</b>	<b>Variance Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Property taxes	\$ 483,290	\$ 483,290	\$ 474,294	\$ (8,996)
Intergovernmental revenues				
Federal	-	-	-	-
State	-	-	-	-
Local	-	-	-	-
Licenses and permits	-	-	-	-
Charges for services	53,500	88,500	94,869	6,369
Fines and forfeitures	-	-	-	-
Interest	2,000	2,000	13,534	11,534
Miscellaneous	<u>7,000</u>	<u>7,000</u>	<u>10,797</u>	<u>3,797</u>
<b>Total revenues</b>	<b>545,790</b>	<b>580,790</b>	<b>593,494</b>	<b>12,704</b>
<b>Expenditures</b>				
Current				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	-	-	-	-
Health and welfare	587,870	622,870	569,164	53,706
Economic development	-	-	-	-
Parks and recreation	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<b>587,870</b>	<b>622,870</b>	<b>569,164</b>	<b>53,706</b>
Revenues over (under) expenditures	<u>(42,080)</u>	<u>(42,080)</u>	<u>24,330</u>	<u>66,410</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balance	<u>(42,080)</u>	<u>(42,080)</u>	<u>24,330</u>	<u>66,410</u>
<b>Fund balance, beginning of year</b>	<b>629,013</b>	<b>629,013</b>	<b>629,013</b>	<b>-</b>
<b>Fund balance, end of year</b>	<b>\$ 586,933</b>	<b>\$ 586,933</b>	<b>\$ 653,343</b>	<b>\$ 66,410</b>

**GRAND TRAVERSE COUNTY**

**NONMAJOR PROPRIETARY FUNDS  
COMBINING STATEMENT OF NET POSITION**

**DECEMBER 31, 2018**

<b>Enterprise Funds</b>						
<b>Assets</b>	<u>Homestead</u>	<u>Inspections</u>	<u>Foreclosure Tax Collection</u>	<u>Solid Waste</u>	<u>Building Authority</u>	<b>Total</b>
Current assets						
Cash and pooled investments	\$ 169,020	\$ 3,564,661	\$ 662,549	\$ 420,453	\$ 11	\$ 4,816,694
Accounts receivable	-	210	-	30,026	-	30,236
Property tax receivable	18,837	-	-	-	-	18,837
Due from other funds	-	-	-	530	-	530
Due from other governments	-	-	-	26,065	-	26,065
Prepaid and other assets	-	-	812	-	-	812
Total current assets	<u>187,857</u>	<u>3,564,871</u>	<u>663,361</u>	<u>477,074</u>	<u>11</u>	<u>4,893,174</u>
Noncurrent assets						
Capital assets						
Capital assets, net	-	51,018	-	-	-	51,018
<b>Total assets</b>	<u>187,857</u>	<u>3,615,889</u>	<u>663,361</u>	<u>477,074</u>	<u>11</u>	<u>4,944,192</u>
<b>Deferred outflows of resources</b>						
Pension & OPEB related	-	144,316	-	-	-	144,316
<b>Liabilities</b>						
Current liabilities						
Accounts payable	25	4,906	3,963	33,062	-	41,956
Accrued liabilities	295	14,135	1,472	-	-	15,902
Due to other funds	8	1,769	-	135	-	1,912
Due to other governmental units	26,760	-	-	850	-	27,610
Total current liabilities	<u>27,088</u>	<u>20,810</u>	<u>5,435</u>	<u>34,047</u>	<u>-</u>	<u>87,380</u>
Long-term liabilities						
Compensated absences	-	50,176	-	-	-	50,176
Net pension liability	-	1,130,880	-	-	-	1,130,880
Total long-term liabilities	-	1,181,056	-	-	-	1,181,056
<b>Total liabilities</b>	<u>27,088</u>	<u>1,201,866</u>	<u>5,435</u>	<u>34,047</u>	<u>-</u>	<u>1,268,436</u>
<b>Net position</b>						
Net investment in capital assets	-	51,018	-	-	-	51,018
Unrestricted	160,769	2,507,321	657,926	443,027	11	3,769,054
<b>Total net position</b>	<u>\$ 160,769</u>	<u>\$ 2,558,339</u>	<u>\$ 657,926</u>	<u>\$ 443,027</u>	<u>\$ 11</u>	<u>\$ 3,820,072</u>

**GRAND TRAVERSE COUNTY**

**NONMAJOR PROPRIETARY FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN NET POSITION**

**FOR THE YEAR ENDED DECEMBER 31, 2018**

	Enterprise Funds						
	<u>Homestead</u>	<u>Inspections</u>	<u>Foreclosure Tax Collection</u>	<u>Solid Waste</u>	<u>Building Authority</u>	<u>Total</u>	
<b>Operating revenue</b>							
Charges for services	\$ -	\$ 1,831,074	\$ 90,494	\$ 360,904	\$ -	\$ 2,282,472	
Miscellaneous	5,022	7,756	80,016	6,020	1	98,815	
<b>Total operating revenue</b>	<b>5,022</b>	<b>1,838,830</b>	<b>170,510</b>	<b>366,924</b>	<b>1</b>	<b>2,381,287</b>	
<b>Operating expense</b>							
Personnel services	15,896	1,316,843	69,972	65,319	-	1,468,030	
Contracted services	321	132,377	69,518	238,589	30	440,835	
Supplies	22	25,310	6,817	4,072	-	36,221	
Other	436	106,740	2,743	3,870	-	113,789	
Depreciation	-	20,408	-	-	-	20,408	
<b>Total operating expense</b>	<b>16,675</b>	<b>1,601,678</b>	<b>149,050</b>	<b>311,850</b>	<b>30</b>	<b>2,079,283</b>	
Operating income (loss)	(11,653)	237,152	21,460	55,074	(29)	302,004	
Non-operating revenue (expense)							
Interest income	2,221	-	8,431	-	-	10,652	
Income (loss) before transfers	(9,432)	237,152	29,891	55,074	(29)	312,656	
Transfers out	-	-	(86,402)	-	-	(86,402)	
Change in net position	(9,432)	237,152	(56,511)	55,074	(29)	226,254	
<b>Net position, beginning of year</b>	<b>170,201</b>	<b>2,321,187</b>	<b>714,437</b>	<b>387,953</b>	<b>40</b>	<b>3,593,818</b>	
<b>Net position, end of year</b>	<b>\$ 160,769</b>	<b>\$ 2,558,339</b>	<b>\$ 657,926</b>	<b>\$ 443,027</b>	<b>\$ 11</b>	<b>\$ 3,820,072</b>	

**GRAND TRAVERSE COUNTY**

**NONMAJOR PROPRIETARY FUNDS**  
**COMBINING STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED DECEMBER 31, 2018**

	<b>Enterprise Funds</b>						
	<b>Homestead</b>	<b>Inspections</b>	<b>Foreclosure Tax Collection</b>	<b>Solid Waste</b>	<b>Building Authority</b>	<b>Total</b>	
	<b> </b>	<b> </b>	<b> </b>	<b> </b>	<b> </b>	<b> </b>	
<b>Cash flows from operating activities</b>							
Receipts from customers and users	\$ 48,792	\$ 1,839,231	\$ 170,510	\$ 320,529	\$ 1	\$ 2,379,063	
Payments to employees	(15,896)	(867,305)	(69,972)	(65,319)	-	(1,018,492)	
Payments to suppliers	(85,868)	(267,871)	(75,512)	(256,198)	(30)	(685,479)	
<b>Net cash provided by (used in) operating activities</b>	<b>(52,972)</b>	<b>704,055</b>	<b>25,026</b>	<b>(988)</b>	<b>(29)</b>	<b>675,092</b>	
<b>Cash flows from non-capital financing activities</b>							
Payment of loan from other funds	-	-	-	(530)	-	(530)	
Receipts of loan to other funds	8	1,768	-	135	-	1,911	
Transfer out	-	-	(86,402)	-	-	(86,402)	
<b>Net cash provided by (used in) non-capital financing activities</b>	<b>8</b>	<b>1,768</b>	<b>(86,402)</b>	<b>(395)</b>	<b>-</b>	<b>(85,021)</b>	
<b>Cash flows from investing activities</b>							
Interest income	2,221	-	8,431	-	-	10,652	
Net increase (decrease) in cash and pooled investments	(50,743)	705,823	(52,945)	(1,383)	(29)	600,723	
<b>Cash and pooled investments, beginning of year</b>	<b>219,763</b>	<b>2,858,838</b>	<b>715,494</b>	<b>421,836</b>	<b>40</b>	<b>4,215,971</b>	
<b>Cash and pooled investments, end of year</b>	<b>\$ 169,020</b>	<b>\$ 3,564,661</b>	<b>\$ 662,549</b>	<b>\$ 420,453</b>	<b>\$ 11</b>	<b>\$ 4,816,694</b>	
<b>Cash flows from operating activities</b>							
Operating income (loss)	\$ (11,653)	\$ 237,152	\$ 21,460	\$ 55,074	\$ (29)	\$ 302,004	
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities							
Depreciation	-	20,408	-	-	-	20,408	
Changes in operating assets and liabilities which provided (used) cash							
Accounts receivable	-	401	-	(20,330)	-	(19,929)	
Property tax receivable	43,770	-	-	-	-	43,770	
Net pension deferred outflows and inflows	-	(111,905)	-	-	-	(111,905)	
Prepaid assets and other items	-	-	(812)	460	-	(352)	
Due from other governments	-	-	-	(26,065)	-	(26,065)	
Accounts payable	(11)	(6,452)	3,963	(10,427)	-	(12,927)	
Accrued liabilities	67	3,008	415	-	-	3,490	
Due to other governments	(85,145)	-	-	300	-	(84,845)	
Compensated absences	-	2,023	-	-	-	2,023	
Net pension liability	-	559,420	-	-	-	559,420	
<b>Net cash provided by (used in) operating activities</b>	<b>\$ (52,972)</b>	<b>\$ 704,055</b>	<b>\$ 25,026</b>	<b>\$ (988)</b>	<b>\$ (29)</b>	<b>\$ 675,092</b>	

**GRAND TRAVERSE COUNTY**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF NET POSITION**

**DECEMBER 31, 2018**

<b>Internal Service Funds</b>						
<b>Assets</b>	<u>Information Technology</u>	<u>County Insurance</u>	<u>Fringe Benefits</u>	<u>Central Services</u>	<u>Motor Pool</u>	<b>Total</b>
Current assets						
Cash and pooled investments	\$ 531,029	\$ 263,785	\$ 869,721	\$ 72,133	-	\$ 1,736,668
Accounts receivable	512	-	304	-	-	816
Due from other funds	143,816	-	-	10,391	-	154,207
Due from component units	2,567	-	-	439	-	3,006
Due from other governments	19,640	-	-	2,394	-	22,034
Prepaid items	65,338	-	-	22,892	-	88,230
Total current assets	762,902	263,785	870,025	108,249	-	2,004,961
Noncurrent assets						
Capital assets						
Construction in progress	317,341	-	-	-	-	317,341
Capital assets	422,844	-	-	19,017	2,565,280	3,007,141
Net capital assets	740,185	-	-	19,017	2,565,280	3,324,482
<b>Total assets</b>	<b>1,503,087</b>	<b>263,785</b>	<b>870,025</b>	<b>127,266</b>	<b>2,565,280</b>	<b>5,329,443</b>
<b>Liabilities</b>						
Current liabilities						
Accounts payable	52,208	2,067	3,249	3,102	-	60,626
Accrued liabilities	16,912	96,642	120,417	-	-	233,971
Due to other funds	76,882	165,076	12,146	-	-	254,104
Due to other governmental units	6,300	-	-	-	-	6,300
Total current liabilities	152,302	263,785	135,812	3,102	-	555,001
Long-term liabilities						
Due within one year	191,539	-	-	-	-	191,539
Due in more than one year	402,757	-	-	-	-	402,757
Advance from other funds	-	-	-	-	2,099,366	2,099,366
Compensated absences	47,103	-	-	-	-	47,103
Total long-term liabilities	641,399	-	-	-	2,099,366	2,740,765
<b>Total liabilities</b>	<b>793,701</b>	<b>263,785</b>	<b>135,812</b>	<b>3,102</b>	<b>2,099,366</b>	<b>3,295,766</b>
<b>Net position</b>						
Net investment in capital assets	145,889	-	-	19,017	2,565,280	2,730,186
Unrestricted	563,497	-	734,213	105,147	(2,099,366)	(696,509)
<b>Total net position</b>	<b>\$ 709,386</b>	<b>\$ -</b>	<b>\$ 734,213</b>	<b>\$ 124,164</b>	<b>\$ 465,914</b>	<b>\$ 2,033,677</b>

**GRAND TRAVERSE COUNTY**

**INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION**

**FOR THE YEAR ENDED DECEMBER 31, 2018**

	Internal Service Funds						<b>Total</b>
	<b>Information Technology</b>	<b>County Insurance</b>	<b>Fringe Benefits</b>	<b>Central Services</b>	<b>Motor Pool</b>		
<b>Operating revenue</b>							
Charges for services	\$ 1,825,091	\$ 400,656	\$ 12,731,659	\$ 107,484	\$ 674,128	\$ 15,739,018	
Miscellaneous	79,356	101,905	623,532	-	-	804,793	
<b>Total operating revenue</b>	<b>1,904,447</b>	<b>502,561</b>	<b>13,355,191</b>	<b>107,484</b>	<b>674,128</b>	<b>16,543,811</b>	
<b>Operating expense</b>							
Personnel services	933,272	-	2,479	79,280	-	1,015,031	
Contracted services	135,399	64,174	13,283,623	1,058	-	13,484,254	
Supplies	124,450	-	-	128,290	-	252,740	
Other	563,835	438,387	33,670	30,782	-	1,066,674	
Depreciation	74,164	-	-	11,656	570,062	655,882	
<b>Total operating expense</b>	<b>1,831,120</b>	<b>502,561</b>	<b>13,319,772</b>	<b>251,066</b>	<b>570,062</b>	<b>16,474,581</b>	
Operating income (loss)	73,327	-	35,419	(143,582)	104,066	69,230	
Non-operating revenue (expense)							
Interest expense	-	-	-	-	-	(54,382)	(54,382)
Change in net position	73,327	-	35,419	(143,582)	49,684	14,848	
<b>Net position, beginning of year</b>	<b>636,059</b>	<b>-</b>	<b>698,794</b>	<b>267,746</b>	<b>416,230</b>	<b>2,018,829</b>	
<b>Net position, end of year</b>	<b>\$ 709,386</b>	<b>\$ -</b>	<b>\$ 734,213</b>	<b>\$ 124,164</b>	<b>\$ 465,914</b>	<b>\$ 2,033,677</b>	

**GRAND TRAVERSE COUNTY**

**INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED DECEMBER 31, 2018**

	Internal Service Funds						<b>Total</b>
	<b>Information Technology</b>	<b>County Insurance</b>	<b>Fringe Benefits</b>	<b>Central Services</b>	<b>Motor Pool</b>		
<b>Cash flows from operating activities</b>							
Receipts from customers and users	\$ 2,130,633	\$ 502,561	\$ 13,432,249	\$ 148,303	\$ 674,128	\$ 16,887,874	
Payments to employees	(929,829)	-	(2,479)	(79,280)	-	(1,011,588)	
Payments to suppliers	(599,958)	(593,967)	(13,254,016)	(165,068)	-	(14,613,009)	
<b>Net cash provided by (used in) operating activities</b>	<b>600,846</b>	<b>(91,406)</b>	<b>175,754</b>	<b>(96,045)</b>	<b>674,128</b>	<b>1,263,277</b>	
<b>Cash flows from non-capital financing activities</b>							
Payment of loan from other funds	(30,899)	-	-	-	(619,746)	(650,645)	
Receipts of loan to other funds	76,882	165,076	12,146	-	-	-	254,104
<b>Net cash provided by (used in) non-capital financing activities</b>	<b>45,983</b>	<b>165,076</b>	<b>12,146</b>	<b>-</b>	<b>(619,746)</b>	<b>(396,541)</b>	
<b>Cash flows from capital and related financing activities</b>							
Interest expense	-	-	-	-	(54,382)	(54,382)	
Issuance of long-term debt	594,296	-	-	-	-	594,296	
Acquisitions of capital assets	(710,096)	-	-	-	-	(710,096)	
<b>Net cash provided by (used in) capital and related financing activities</b>	<b>(115,800)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(54,382)</b>	<b>(170,182)</b>	
Net increase (decrease) in cash and pooled investments	531,029	73,670	187,900	(96,045)	-	696,554	
<b>Cash and pooled investments, beginning of year</b>	<b>-</b>	<b>190,115</b>	<b>681,821</b>	<b>168,178</b>	<b>-</b>	<b>1,040,114</b>	
<b>Cash and pooled investments, end of year</b>	<b>\$ 531,029</b>	<b>\$ 263,785</b>	<b>\$ 869,721</b>	<b>\$ 72,133</b>	<b>\$ -</b>	<b>\$ 1,736,668</b>	
<b>Cash flows from operating activities</b>							
Operating income (loss)	\$ 73,327	\$ -	\$ 35,419	\$ (143,582)	\$ 104,066	\$ 69,230	
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities							
Depreciation	74,164	-	-	11,656	570,062	655,882	
Changes in operating assets and liabilities which provided (used) cash							
Accounts receivable	392,209	-	77,058	54,043	-	523,310	
Due from other funds	(143,816)	-	-	(10,391)	-	(154,207)	
Due from component units	(2,567)	-	-	(439)	-	(3,006)	
Due from other governments	(19,640)	-	-	(2,394)	-	(22,034)	
Prepaid assets and other items	178,108	-	51,842	(3,244)	-	226,706	
Accounts payable	39,246	(2,965)	1,268	(407)	-	37,142	
Due to other governments	6,300	-	-	-	-	6,300	
Accrued liabilities	72	(88,441)	10,167	(1,287)	-	(79,489)	
Compensated absences	3,443	-	-	-	-	3,443	
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 600,846</b>	<b>\$ (91,406)</b>	<b>\$ 175,754</b>	<b>\$ (96,045)</b>	<b>\$ 674,128</b>	<b>\$ 1,263,277</b>	

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**GRAND TRAVERSE COUNTY**

**AGENCY FUNDS**  
**COMBINING BALANCE SHEET**

**DECEMBER 31, 2018**

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	<u>Trust and Agency</u>	<u>Library Penal Fines</u>	<u>Inmate Trust</u>	<u>District Court Trust</u>	<u>Friend of the Court Trust</u>	<u>Water and Sewer Receiving Funds</u>	<u>Total</u>
<b>Assets</b>							
Cash and pooled investments	\$ 1,981,735	\$ 130,135	\$ 118,226	\$ 27,972	\$ 5,680	\$ 676,355	\$ 2,940,103
Due from other governments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>957,294</u>	<u>957,294</u>
<b>Total assets</b>	<b>\$ 1,981,735</b>	<b>\$ 130,135</b>	<b>\$ 118,226</b>	<b>\$ 27,972</b>	<b>\$ 5,680</b>	<b>\$ 1,633,649</b>	<b>\$ 3,897,397</b>
<b>Liabilities</b>							
Due to other governmental units	\$ 824,377	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 824,377
Court items payable	118,706	-	-	27,972	5,680	-	152,358
Undistributed receipts	7,229	130,135	-	-	-	1,633,649	1,771,013
Other	1,031,423	<u>-</u>	<u>118,226</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,149,649</u>
<b>Total liabilities</b>	<b>\$ 1,981,735</b>	<b>\$ 130,135</b>	<b>\$ 118,226</b>	<b>\$ 27,972</b>	<b>\$ 5,680</b>	<b>\$ 1,633,649</b>	<b>\$ 3,897,397</b>

# GRAND TRAVERSE COUNTY

## AGENCY FUNDS COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

FOR THE YEAR ENDED DECEMBER 31, 2018

### Trust and Agency Fund

	Balance January 1, 2018	Additions	Deductions	Balance December 31, 2018
<b>Assets</b>				
Cash and pooled investments	\$ 2,450,658	\$ 84,772,426	\$ 85,241,349	\$ 1,981,735
Due from other governments	<u>-</u>	<u>2,552</u>	<u>2,552</u>	<u>-</u>
<b>Total assets</b>	<b>\$ 2,450,658</b>	<b>\$ 84,774,978</b>	<b>\$ 85,243,901</b>	<b>\$ 1,981,735</b>
<b>Liabilities</b>				
Due to other governmental units	\$ 1,236,039	\$ 69,003,066	\$ 69,414,728	\$ 824,377
Court items payable	55,219	538,766	475,279	118,706
Undistributed receipts	16,453	14,590,666	14,599,890	7,229
Other	<u>1,142,947</u>	<u>639,927</u>	<u>751,451</u>	<u>1,031,423</u>
<b>Total liabilities</b>	<b>\$ 2,450,658</b>	<b>\$ 84,772,425</b>	<b>\$ 85,241,348</b>	<b>\$ 1,981,735</b>

### Library Fines

<b>Assets</b>				
Cash and pooled investments	\$ 114,035	\$ 262,481	\$ 246,381	\$ 130,135
<b>Liabilities</b>				
Undistributed receipts	\$ 114,035	\$ 262,481	\$ 246,381	\$ 130,135

### Inmate Trust

<b>Assets</b>				
Cash and pooled investments	\$ 95,424	\$ 597,649	\$ 574,847	\$ 118,226
<b>Liabilities</b>				
Other	\$ 95,424	\$ 597,649	\$ 574,847	\$ 118,226

### District Court Trust

<b>Assets</b>				
Cash and pooled investments	\$ 22,681	\$ 257,218	\$ 251,927	\$ 27,972
<b>Liabilities</b>				
Court items payable	\$ 22,681	\$ 257,218	\$ 251,927	\$ 27,972

# GRAND TRAVERSE COUNTY

## AGENCY FUNDS COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

FOR THE YEAR ENDED DECEMBER 31, 2018

### Trust and Agency Fund

	Balance January 1, <u>2018</u>	Additions	Deductions	Balance December 31, <u>2018</u>
<b>Friend of the Court</b>				
<b>Assets</b>				
Cash and pooled investments	\$ 6,849	\$ 1,529,171	\$ 1,530,340	\$ 5,680
<b>Liabilities</b>				
Court items payable	<u>\$ 6,849</u>	<u>\$ 1,529,171</u>	<u>\$ 1,530,340</u>	<u>\$ 5,680</u>

### Water and Sewer Receiving Funds

<b>Assets</b>				
Cash and pooled investments	\$ 664,635	\$ 11,519,992	\$ 11,508,272	\$ 676,355
Due from other governments	<u>304,948</u>	<u>12,208,344</u>	<u>11,555,998</u>	<u>957,294</u>
<b>Total assets</b>	<u>\$ 969,583</u>	<u>\$ 23,728,336</u>	<u>\$ 23,064,270</u>	<u>\$ 1,633,649</u>
<b>Liabilities</b>				
Undistributed receipts	<u>\$ 969,583</u>	<u>\$ 12,826,218</u>	<u>\$ 12,162,152</u>	<u>\$ 1,633,649</u>

### Total Agency Funds

<b>Assets</b>				
Cash and pooled investments	\$ 3,354,282	\$ 98,938,937	\$ 99,353,116	\$ 2,940,103
Due from other governments	<u>304,948</u>	<u>12,210,896</u>	<u>11,558,550</u>	<u>957,294</u>
<b>Total assets</b>	<u>\$ 3,659,230</u>	<u>\$ 111,149,833</u>	<u>\$ 110,911,666</u>	<u>\$ 3,897,397</u>
<b>Liabilities</b>				
Due to other governmental units	\$ 1,236,039	\$ 69,003,066	\$ 69,414,728	\$ 824,377
Court items payable	<u>84,749</u>	<u>2,325,155</u>	<u>2,257,546</u>	<u>152,358</u>
Undistributed receipts	<u>1,100,071</u>	<u>27,679,365</u>	<u>27,008,423</u>	<u>1,771,013</u>
Other	<u>1,238,371</u>	<u>1,237,576</u>	<u>1,326,298</u>	<u>1,149,649</u>
<b>Total liabilities</b>	<u>\$ 3,659,230</u>	<u>\$ 100,245,162</u>	<u>\$ 100,006,995</u>	<u>\$ 3,897,397</u>

# GRAND TRAVERSE COUNTY

## LAND BANK AUTHORITY STATEMENT OF NET POSITION

DECEMBER 31, 2018

### Assets

Current assets	
Cash and pooled investments	\$ 722,537
Accounts receivable	184,000
Property tax receivable	9,679
Property inventory	<u>453,882</u>

### Total assets

1,370,098

### Liabilities

Current liabilities	
Accounts payable	1,004
Due to primary government	<u>7,500</u>
Total current liabilities	<u>8,504</u>

### Total current liabilities

8,504

### Deferred inflows of resources

Subsequent year property taxes	<u>25,036</u>
--------------------------------	---------------

### Net position

Restricted	1,336,558
Unrestricted	<u>-</u>
Total net position	<u>\$ 1,336,558</u>

# GRAND TRAVERSE COUNTY

## LAND BANK AUTHORITY STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

FOR THE YEAR ENDED DECEMBER 31, 2018

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<b>Operating revenue</b>	
Property sales	\$ 1,016,376
<b>Operating expense</b>	
Economic development	394,312
Operating income (loss)	622,064
Non-operating revenue (expense)	
Property taxes	17,538
Interest income	7,398
Total non-operating revenue (expense)	24,936
Change in net position	647,000
<b>Net position, beginning of year</b>	689,558
<b>Net position, end of year</b>	\$ 1,336,558

# GRAND TRAVERSE COUNTY

## LAND BANK AUTHORITY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2018

---

<b>Cash flows from operating activities</b>	
Receipts from customers and users	\$ 827,376
Payments to suppliers	<u>(381,378)</u>
<b>Net cash provided by (used in) operating activities</b>	<u>445,998</u>
<b>Cash flows from non-capital financing activities</b>	
Receipt of property taxes	21,112
Payment of loan from primary government	<u>3,897</u>
<b>Net cash provided by (used in) non-capital financing activities</b>	<u>25,009</u>
<b>Cash flows from investing activities</b>	
Interest income	<u>7,398</u>
Net increase (decrease) in cash and pooled investments	478,405
<b>Cash and pooled investments, beginning of year</b>	<u>244,132</u>
<b>Cash and pooled investments, end of year</b>	<u>\$ 722,537</u>
<b>Cash flows from operating activities</b>	
Operating income (loss)	\$ 622,064
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities	
Changes in operating assets and liabilities which provided (used) cash	
Accounts receivable	(184,000)
Property inventory	11,930
Accounts payable	1,004
Accrued liabilities	<u>(5,000)</u>
<b>Net cash provided by (used in) operating activities</b>	<u>\$ 445,998</u>

**GRAND TRAVERSE COUNTY**

**BROWNFIELD REDEVELOPMENT AUTHORITY**  
**COMBINING STATEMENT OF NET POSITION**

**DECEMBER 31, 2018**

	<u>General Operations</u>	<u>Local Revolving Fund</u>	<u>Park Street</u>	<u>CSXT Boardman Lake</u>
<b>Assets</b>				
Cash and pooled investments	\$ 60,872	\$ 907,298	\$ 2,457	\$ 845,893
Due from other governments	-	-	-	-
Advance to other funds	-	1,556,393	-	-
Accounts receivable long-term	-	-	-	-
Prepaid items	-	18,761	-	-
<b>Total assets</b>	<b>\$ 60,872</b>	<b>\$ 2,482,452</b>	<b>\$ 2,457</b>	<b>\$ 845,893</b>
<b>Liabilities and fund balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 15,134	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-
Due to other governments	-	-	-	-
Advance from other funds	-	-	-	-
Long-term debt				
Due within one year	-	-	-	-
Due in more than one year	-	-	-	-
<b>Total liabilities</b>	<b>15,134</b>	<b">-</b">	<b">-</b">	<b">-</b">
<b>Net position</b>				
Restricted	45,738	2,482,452	2,457	845,893
Unrestricted	-	-	-	-
<b>Total net position</b>	<b>\$ 45,738</b>	<b>\$ 2,482,452</b>	<b>\$ 2,457</b>	<b>\$ 845,893</b>

<u>Traverse House</u>	<u>Grand Traverse</u>	<u>Grand Traverse</u>	<u>Kinney</u>	<u>Blarney Castle</u>	<u>River West</u>	<u>TC East</u>
<u>Scamehorn</u>	<u>Auto</u>	<u>Commons</u>			<u>Snowden</u>	<u>Bay Plaza</u>
\$ 25,154	\$ 253,352	\$ 153,681	\$ 61,377	\$ 152,751	\$ 212,937	\$ 69,701
-	216,549	-	-	-	-	-
-	-	-	-	-	-	-
24,846	1,912,122	418,193	105,016	380,763	-	-
-	-	-	-	-	-	-
<u>\$ 50,000</u>	<u>\$ 2,382,023</u>	<u>\$ 571,874</u>	<u>\$ 166,393</u>	<u>\$ 533,514</u>	<u>\$ 212,937</u>	<u>\$ 69,701</u>
\$ -	\$ 216,549	\$ -	\$ -	\$ 4,628	\$ -	\$ -
-	6,450	10,754	-	-	-	-
-	-	-	-	-	-	-
50,000	1,340,000	-	166,393	-	-	-
-	110,526	88,952	-	55,327	-	-
-	708,498	472,168	-	473,559	-	-
<u>50,000</u>	<u>2,382,023</u>	<u>571,874</u>	<u>166,393</u>	<u>533,514</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	212,937	69,701
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 212,937</u>	<u>\$ 69,701</u>

(continued)

**GRAND TRAVERSE COUNTY**

**BROWNFIELD REDEVELOPMENT AUTHORITY  
COMBINING STATEMENT OF NET POSITION**

**DECEMBER 31, 2018**

	<u>TBA Credit Union</u>	<u>Graetz Property</u>	<u>Old Town Center</u>	<u>Uptown</u>
<b>Assets</b>				
Cash and pooled investments	\$ 5,315	\$ 682	\$ 6,250	\$ 13,799
Due from other governments	-	-	-	-
Advance to other funds	-	-	-	-
Accounts receivable long-term	-	-	-	116,454
Prepaid items	-	-	-	-
<b>Total assets</b>	<u>\$ 5,315</u>	<u>\$ 682</u>	<u>\$ 6,250</u>	<u>\$ 130,253</u>
<b>Liabilities and fund balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-
Due to other governments	4,767	566	4,926	12,753
Advance from other funds	-	-	-	-
Long-term debt				
Due within one year	-	-	-	11,495
Due in more than one year	-	-	-	106,005
<b>Total liabilities</b>	<u>4,767</u>	<u>566</u>	<u>4,926</u>	<u>130,253</u>
<b>Net position</b>				
Restricted	548	116	1,324	-
Unrestricted	-	-	-	-
<b>Total net position</b>	<u>\$ 548</u>	<u>\$ 116</u>	<u>\$ 1,324</u>	<u>\$ -</u>

<u>Food For Thought</u>	<u>Envision 8th Street</u>	<u>Park Place</u>	<u>Total</u>
\$ 2,365	\$ 1,948	\$ 5,230	\$ 2,781,062
-	-	-	216,549
-	-	-	1,556,393
-	-	-	2,957,394
-	-	-	18,761
<hr/>	<hr/>	<hr/>	<hr/>
<u>\$ 2,365</u>	<u>\$ 1,948</u>	<u>\$ 5,230</u>	<u>\$ 7,530,159</u>

\$ -	\$ -	\$ -	\$ 231,683
-	-	-	21,832
2,291	363	634	26,300
-	-	-	1,556,393
-	-	-	266,300
<hr/>	<hr/>	<hr/>	<hr/>
<u>2,291</u>	<u>363</u>	<u>634</u>	<u>3,862,738</u>

74	1,585	4,596	3,667,421
<hr/>	<hr/>	<hr/>	<hr/>
<u>\$ 74</u>	<u>\$ 1,585</u>	<u>\$ 4,596</u>	<u>\$ 3,667,421</u>

(concluded)

**GRAND TRAVERSE COUNTY**

**BROWNFIELD REDEVELOPMENT AUTHORITY  
COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION**

**DECEMBER 31, 2018**

	<u>General Operations</u>	<u>Local Revolving Fund</u>	<u>Park Street</u>	<u>CSXT Boardman Lake</u>
<b>Revenues</b>				
Capture	\$ -	\$ 73,494	\$ 157,742	\$ 721,469
Charges for services	-	500	-	-
Miscellaneous	<u>4,522</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total revenues</b>	<u>4,522</u>	<u>73,994</u>	<u>157,742</u>	<u>721,469</u>
<b>Expense</b>				
Contracted services	<u>183,314</u>	<u>514,728</u>	<u>155,000</u>	<u>522,609</u>
Revenues over (under) expense	<u>(178,792)</u>	<u>(440,734)</u>	<u>2,742</u>	<u>198,860</u>
Non-operating revenue (expense)				
Interest income	-	20,272	102	6,620
Grants				
Federal	-	-	-	-
State	-	-	-	-
Interest expense	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>20,272</u>	<u>102</u>	<u>6,620</u>
Income (loss) before transfers	<u>(178,792)</u>	<u>(420,462)</u>	<u>2,844</u>	<u>205,480</u>
Other financing sources and (uses)				
Transfers in	<u>175,001</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transfers out	<u>-</u>	<u>-</u>	<u>(2,293)</u>	<u>(64,430)</u>
Total transfers	<u>175,001</u>	<u>-</u>	<u>(2,293)</u>	<u>(64,430)</u>
Change in net position	<u>(3,791)</u>	<u>(420,462)</u>	<u>551</u>	<u>141,050</u>
<b>Net position, beginning of year</b>	<u>49,529</u>	<u>2,902,914</u>	<u>1,906</u>	<u>704,843</u>
<b>Net position, end of year</b>	<u>\$ 45,738</u>	<u>\$ 2,482,452</u>	<u>\$ 2,457</u>	<u>\$ 845,893</u>

<u>Traverse House Scamehorn</u>	<u>Grand Traverse Auto</u>	<u>Grand Traverse Commons</u>	<u>Kinney</u>	<u>Blarney Castle</u>	<u>River West Snowden</u>	<u>TC East Bay Plaza</u>
\$ 72,808	\$ 83,234	\$ 1,109,620	\$ 785	\$ 14,913	\$ 20,534	\$ 60,058
-	-	-	-	-	-	-
-	-	-	-	-	-	-
72,808	83,234	1,109,620	785	14,913	20,534	60,058
65,428	439,012	1,034,259	-	-	-	26,000
7,380	(355,778)	75,361	785	14,913	20,534	34,058
450	1,303	1,763	288	1,319	2,158	586
-	114,748	-	-	-	-	-
-	248,486	-	-	-	-	-
-	(3,779)	(12,747)	-	(5,446)	-	-
450	360,758	(10,984)	288	(4,127)	2,158	586
7,830	4,980	64,377	1,073	10,786	22,692	34,644
(7,979)	(4,980)	(64,377)	(1,073)	(10,786)	(353)	(3,075)
(7,979)	(4,980)	(64,377)	(1,073)	(10,786)	(353)	(3,075)
(149)	-	-	-	-	22,339	31,569
149	-	-	-	-	190,598	38,132
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 212,937	\$ 69,701

(continued)

**GRAND TRAVERSE COUNTY**

**BROWNFIELD REDEVELOPMENT AUTHORITY  
COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION**

**DECEMBER 31, 2018**

	<u>TBA Credit Union</u>	<u>Graetz Property</u>	<u>Old Town Center</u>	<u>Uptown</u>
<b>Revenues</b>				
Capture	\$ 68,859	\$ 9,500	\$ 64,571	\$ 51,227
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<u>68,859</u>	<u>9,500</u>	<u>64,571</u>	<u>51,227</u>
<b>Expense</b>				
Contracted services	62,767	8,566	56,926	49,753
Revenues over (under) expense	6,092	934	7,645	1,474
Non-operating revenue (expense)				
Interest income	229	14	113	104
Grants				
Federal	-	-	-	-
State	-	-	-	-
Interest expense	-	-	-	-
Total Non-operating revenue (expense)	<u>229</u>	<u>14</u>	<u>113</u>	<u>104</u>
Income (loss) before transfers	6,321	948	7,758	1,578
Other financing sources and (uses)				
Transfers in	-	-	-	-
Transfers out	(5,773)	(832)	(6,434)	(1,578)
Total transfers	<u>(5,773)</u>	<u>(832)</u>	<u>(6,434)</u>	<u>(1,578)</u>
Change in net position	548	116	1,324	-
<b>Net position, beginning of year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net position, end of year</b>	<u>\$ 548</u>	<u>\$ 116</u>	<u>\$ 1,324</u>	<u>\$ -</u>

<u>Food For Thought</u>	<u>Envision 8th Street</u>	<u>Park Place</u>	<u>Total</u>
\$ 25,515	\$ 2,338	\$ 5,685	\$ 2,542,352
-	-	-	500
-	-	-	4,522
<u>25,515</u>	<u>2,338</u>	<u>5,685</u>	<u>2,547,374</u>
<u>25,291</u>	<u>363</u>	<u>634</u>	<u>3,144,650</u>
<u>224</u>	<u>1,975</u>	<u>5,051</u>	<u>(597,276)</u>
 10	 9	 24	 35,364
-	-	-	114,748
-	-	-	248,486
-	-	-	(21,972)
<u>10</u>	<u>9</u>	<u>24</u>	<u>376,626</u>
 234	 1,984	 5,075	 (220,650)
 (160)	 (399)	 (479)	 175,001
<u>(160)</u>	<u>(399)</u>	<u>(479)</u>	<u>(175,001)</u>
 74	 1,585	 4,596	 (220,650)
 -	 -	 -	 3,888,071
<u>\$ 74</u>	<u>\$ 1,585</u>	<u>\$ 4,596</u>	<u>\$ 3,667,421</u>

(concluded)

**GRAND TRAVERSE COUNTY**

**BROWNFIELD REDEVELOPMENT AUTHORITY  
COMBINING STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED DECEMBER 31, 2018**

---

	<u>General Operations</u>	<u>Local Revolving Fund</u>	<u>Park Street</u>	<u>CSXT Boardman Lake</u>
<b>Cash flows from operating activities</b>				
Receipts from customers and users	\$ 4,522	\$ 73,994	\$ 157,742	\$ 721,469
Payments to employees	-	-	-	-
Payments to suppliers	(308,180)	(500,001)	(155,000)	(522,609)
<b>Net cash provided by (used in) operating activities</b>	<u>(303,658)</u>	<u>(426,007)</u>	<u>2,742</u>	<u>198,860</u>
<b>Cash flows from non-capital financing activities</b>				
Contributions received	-	-	-	-
Transfer in	175,001	-	-	-
Transfer out	-	-	(2,293)	(64,430)
<b>Net cash provided by (used in) non-capital financing activities</b>	<u>175,001</u>	<u>-</u>	<u>(2,293)</u>	<u>(64,430)</u>
<b>Cash flows from capital and related financing activities</b>				
Interest expense	-	-	-	-
Principal payments	-	-	-	-
Additional long-term debt	-	-	-	-
<b>Net cash provided by (used in) capital and related financing activities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Cash flows from investing activities</b>				
Interest income	-	20,272	102	6,620
<b>Net cash provided by (used in) investing activities</b>	<u>-</u>	<u>20,272</u>	<u>102</u>	<u>6,620</u>
Net increase (decrease) in cash and pooled investments	(128,657)	(405,735)	551	141,050
<b>Cash and pooled investments, beginning of year</b>	<u>189,529</u>	<u>1,313,033</u>	<u>1,906</u>	<u>704,843</u>
<b>Cash and pooled investments, end of year</b>	<u>\$ 60,872</u>	<u>\$ 907,298</u>	<u>\$ 2,457</u>	<u>\$ 845,893</u>
<b>Cash flows from operating activities</b>				
Operating income (loss)	\$ (178,792)	\$ (440,734)	\$ 2,742	\$ 198,860
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Changes in operating assets and liabilities which provided (used) cash				
Accounts receivable	-	-	-	-
Prepaid assets and other items	-	14,727	-	-
Due from other governments	-	-	-	-
Accounts payable	(124,866)	-	-	-
Accrued liabilities	-	-	-	-
Due to other governments	-	-	-	-
<b>Net cash provided by (used in) operating activities</b>	<u>\$ (303,658)</u>	<u>\$ (426,007)</u>	<u>\$ 2,742</u>	<u>\$ 198,860</u>

<u>Traverse House</u>	<u>Grand Traverse</u>	<u>Grand Traverse</u>	<u>Kinney</u>	<u>Blarney Castle</u>	<u>River West</u>	<u>TC East</u>
<u>Scamehorn</u>	<u>Auto</u>	<u>Commons</u>			<u>Snowden</u>	<u>Bay Plaza</u>
\$ 47,962	\$ 351,946	\$ 1,041,680	\$ 61,931	\$ 101,180	\$ 20,534	\$ 60,058
-	-	(1,673)	-	-	-	-
(65,428)	(303,147)	(1,034,259)	-	(477)	-	(26,000)
<u>(17,466)</u>	<u>48,799</u>	<u>5,748</u>	<u>61,931</u>	<u>100,703</u>	<u>20,534</u>	<u>34,058</u>
-	146,685	-	-	-	-	-
(7,979)	(4,980)	(64,377)	(1,073)	(10,786)	(353)	(3,075)
<u>(7,979)</u>	<u>141,705</u>	<u>(64,377)</u>	<u>(1,073)</u>	<u>(10,786)</u>	<u>(353)</u>	<u>(3,075)</u>
-	(3,779)	(12,747)	-	(5,446)	-	-
-	-	(87,208)	-	(54,509)	-	-
-	30,068	-	-	-	-	-
<u>-</u>	<u>26,289</u>	<u>(99,955)</u>	<u>-</u>	<u>(59,955)</u>	<u>-</u>	<u>-</u>
<u>450</u>	<u>1,303</u>	<u>1,763</u>	<u>288</u>	<u>1,319</u>	<u>2,158</u>	<u>586</u>
450	1,303	1,763	288	1,319	2,158	586
(24,995)	218,096	(156,821)	61,146	31,281	22,339	31,569
<u>50,149</u>	<u>35,256</u>	<u>310,502</u>	<u>231</u>	<u>121,470</u>	<u>190,598</u>	<u>38,132</u>
<u>\$ 25,154</u>	<u>\$ 253,352</u>	<u>\$ 153,681</u>	<u>\$ 61,377</u>	<u>\$ 152,751</u>	<u>\$ 212,937</u>	<u>\$ 69,701</u>
\$ 7,380	\$ (355,778)	\$ 75,361	\$ 785	\$ 14,913	\$ 20,534	\$ 34,058
(24,846)	183,153	(67,940)	61,146	86,267	-	-
-	85,559	-	-	-	-	-
-	130,990	-	-	-	-	-
-	4,875	(1,673)	-	(477)	-	-
<u>\$ (17,466)</u>	<u>\$ 48,799</u>	<u>\$ 5,748</u>	<u>\$ 61,931</u>	<u>\$ 100,703</u>	<u>\$ 20,534</u>	<u>\$ 34,058</u>

(continued)

**GRAND TRAVERSE COUNTY**

**BROWNFIELD REDEVELOPMENT AUTHORITY  
COMBINING STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>TBA Credit Union</u>	<u>Graetz Property</u>	<u>Old Town Center</u>	<u>Uptown</u>
<b>Cash flows from operating activities</b>				
Receipts from customers and users	\$ 1,307,366	\$ 9,787	\$ 66,668	\$ 51,981
Payments to employees	-	-	-	-
Payments to suppliers	(58,000)	(8,595)	(56,872)	(37,000)
<b>Net cash provided by (used in) operating activities</b>	<u>1,249,366</u>	<u>1,192</u>	<u>9,796</u>	<u>14,981</u>
<b>Cash flows from non-capital financing activities</b>				
Contributions received	-	-	-	-
Transfer in	-	-	-	-
Transfer out	(5,773)	(832)	(6,434)	(1,578)
<b>Net cash provided by (used in) non-capital financing activities</b>	<u>(5,773)</u>	<u>(832)</u>	<u>(6,434)</u>	<u>(1,578)</u>
<b>Cash flows from capital and related financing activities</b>				
Interest expense	-	-	-	-
Principal payments	(1,397,424)	-	-	-
Additional long-term debt	-	-	-	-
<b>Net cash provided by (used in) capital and related financing activities</b>	<u>(1,397,424)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Cash flows from investing activities</b>				
Interest income	229	14	113	104
<b>Net cash provided by (used in) investing activities</b>	<u>229</u>	<u>14</u>	<u>113</u>	<u>104</u>
Net increase (decrease) in cash and pooled investments	(153,602)	374	3,475	13,507
<b>Cash and pooled investments, beginning of year</b>	<u>158,917</u>	<u>308</u>	<u>2,775</u>	<u>292</u>
<b>Cash and pooled investments, end of year</b>	<u>\$ 5,315</u>	<u>\$ 682</u>	<u>\$ 6,250</u>	<u>\$ 13,799</u>
<b>Cash flows from operating activities</b>				
Operating income (loss)	\$ 6,092	\$ 934	\$ 7,645	\$ 1,474
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Changes in operating assets and liabilities which provided (used) cash				
Accounts receivable	1,238,507	287	2,097	754
Prepaid assets and other items	-	-	-	-
Due from other governments	-	-	-	-
Accounts payable	-	-	-	-
Accrued liabilities	-	-	-	-
Due to other governments	4,767	(29)	54	12,753
<b>Net cash provided by (used in) operating activities</b>	<u>\$ 1,249,366</u>	<u>\$ 1,192</u>	<u>\$ 9,796</u>	<u>\$ 14,981</u>

<u>Food For Thought</u>	<u>Envision 8th Street</u>	<u>Park Place</u>	<u>Total</u>
\$ 25,515	\$ 2,338	\$ 5,685	\$ 4,112,358
-	-	-	(1,673)
<u>(23,000)</u>	<u>-</u>	<u>-</u>	<u>(3,098,568)</u>
<u>2,515</u>	<u>2,338</u>	<u>5,685</u>	<u>1,012,117</u>
 - - -	 - - -	 - - -	 146,685
 (160)	 (399)	 (479)	 175,001
<u> (160)</u>	<u> (399)</u>	<u> (479)</u>	<u> 146,685</u>
 - - -	 - - -	 - - -	 (21,972)
 - - -	 - - -	 - - -	 (1,539,141)
<u> - - -</u>	<u> - - -</u>	<u> - - -</u>	<u> 30,068</u>
 - - -	 - - -	 - - -	 (1,531,045)
 10	 9	 24	 35,364
 10	 9	 24	 35,364
 2,365	 1,948	 5,230	 (336,879)
<u> - - -</u>	<u> - - -</u>	<u> - - -</u>	<u> 3,117,941</u>
 \$ 2,365	 \$ 1,948	 \$ 5,230	 \$ 2,781,062
 \$ 224	 \$ 1,975	 \$ 5,051	 (597,276)

 - - -	 - - -	 - - -	 1,479,425
 - - -	 - - -	 - - -	 14,727
 - - -	 - - -	 - - -	 85,559
 - - -	 - - -	 - - -	 6,124
 - - -	 - - -	 - - -	 2,725
<u> 2,291</u>	<u> 363</u>	<u> 634</u>	<u> 20,833</u>
 \$ 2,515	 \$ 2,338	 \$ 5,685	 \$ 1,012,117

(concluded)

**GRAND TRAVERSE COUNTY**  
**DRAIN COMMISSION**  
**COMBINING BALANCE SHEET / STATEMENT OF NET POSITION**

**DECEMBER 31, 2018**

	<b>Special Revenue</b>	<b>Capital Projects</b>						
		<b>Heritage Estates</b>	<b>Sam's Club</b>	<b>Silver Lake</b>	<b>Cherry Ridge</b>	<b>Holiday South</b>	<b>Drain Special</b>	<b>Assessment</b>
		<b>Drain Revolving</b>	<b>Drain Special Assessment</b>	<b>Acme Town Center Project</b>	<b>Drain Special Assessment</b>	<b>Farms Drain Special</b>	<b>Estates Drain Special</b>	<b>Drain Special Assessment</b>
<b>Assets</b>								
Cash and pooled investments	\$ -	\$ 1,570	\$ 1,911	\$ 4,457	\$ 873	\$ 4,739	\$ -	\$ 725
Due from other funds	\$ 29,415	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital assets								
Construction in process								
<b>Total assets</b>	<b>\$ 29,415</b>	<b>\$ 1,570</b>	<b>\$ 1,911</b>	<b>\$ 4,457</b>	<b>\$ 873</b>	<b>\$ 4,739</b>	<b>\$ -</b>	<b>\$ 725</b>
<b>Liabilities and fund balances</b>								
<b>Liabilities</b>								
Accounts payable	\$ 1,080	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to primary government	\$ 61,956	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Notes payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total liabilities</b>	<b>\$ 63,036</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Fund balances</b>								
Restricted	\$ -	\$ 1,570	\$ 1,911	\$ 4,457	\$ 873	\$ 4,739	\$ -	\$ 725
Unassigned	\$ (33,621)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total fund balances</b>	<b>\$ (33,621)</b>	<b>\$ 1,570</b>	<b>\$ 1,911</b>	<b>\$ 4,457</b>	<b>\$ 873</b>	<b>\$ 4,739</b>	<b>\$ -</b>	<b>\$ 725</b>
<b>Total liabilities and fund balances</b>	<b>\$ 29,415</b>	<b>\$ 1,570</b>	<b>\$ 1,911</b>	<b>\$ 4,457</b>	<b>\$ 873</b>	<b>\$ 4,739</b>	<b>\$ -</b>	<b>\$ 725</b>

Capital Projects											Statement of Net Position	
Westchester Hills Drain Special Assessment	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	Adjustments				
\$ 388	\$ 1	\$ 5,746	\$ 34	\$ 14,578	\$ 9,416	\$ 68,100	\$ 112,538	\$ -	\$ 112,538			
-	-	-	-	-	-	-	29,415	-	29,415			
								575,153		575,153		
\$ 388	\$ 1	\$ 5,746	\$ 34	\$ 14,578	\$ 9,416	\$ 68,100	\$ 141,953	\$ 575,153		717,106		
<hr/>												
\$ -	\$ -	\$ -	\$ -	\$ 143,568	\$ -	\$ -	\$ 144,648	\$ -	\$ 144,648			
-	1,525	-	27,890	-	-	-	29,415	-	29,415			
-	-	-	-	-	-	-	61,956	-	61,956			
-	-	-	475,000	-	-	-	475,000	-	475,000			
	1,525	-	27,890	618,568	-	-	711,019	-	711,019			
<hr/>												
388	-	5,746	-	9,416	68,100	97,925	(97,925)	-	-			
-	(1,524)	-	(27,856)	(603,990)	-	(666,991)	666,991	-	-			
388	(1,524)	5,746	(27,856)	(603,990)	9,416	68,100	(569,066)	569,066	-			
\$ 388	\$ 1	\$ 5,746	\$ 34	\$ 14,578	\$ 9,416	\$ 68,100	\$ 141,953					
<b>Net position</b>												
Net investment in capital assets									100,153			
Restricted									-			
Unrestricted									(94,066)			
<b>Total net position</b>												
<b>Reconciliation of Fund Balance on the Combining Balance Sheet to Net Position on the Statement of Net Position</b>												
<b>Fund balances</b>									\$ (569,066)			
Add - capital assets									575,153			
<b>Net position</b>									\$ 6,087			

GRAND TRAVERSE COUNTY

**DRAIN COMMISSION**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES / STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED DECEMBER 31, 2018**

	Special Revenue		Capital Projects					
	Drain Revolving	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	
<b>Revenues</b>								
Interest	\$ -	\$ 32	\$ 39	\$ 91	\$ 20	\$ 96	\$ 15	
<b>Total revenues</b>	<b>-</b>	<b>32</b>	<b>39</b>	<b>91</b>	<b>20</b>	<b>96</b>	<b>15</b>	
<b>Expenditures</b>								
Current								
Public works	5,481	-	-	-	89	-	-	-
Debt service	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>5,481</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>89</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net changes in fund balances	(5,481)	32	39	91	(69)	96	15	
Change in net position								
<b>Fund balances/net position beginning of year, as restated</b>	<b>(28,140)</b>	<b>1,538</b>	<b>1,872</b>	<b>4,366</b>	<b>942</b>	<b>4,643</b>	<b>710</b>	
<b>Fund balances/net position, end of year</b>	<b>\$ (33,621)</b>	<b>\$ 1,570</b>	<b>\$ 1,911</b>	<b>\$ 4,457</b>	<b>\$ 873</b>	<b>\$ 4,739</b>	<b>\$ 725</b>	

Capital Projects												Statement of Activities	
Westchester Hills Drain Special Assessment	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	Adjustments					
\$ 8	\$ 3	\$ 123	\$ 38	\$ 2,609	\$ 192	\$ 1,383	\$ 4,649	\$ -	\$ 4,649				
8	3	123	38	2,609	192	1,383	4,649	-	4,649				
-	1,907	264	30,314	302,153	-	-	340,208	(287,998)	52,210				
-	-	-	-	9,388	-	-	9,388	-	9,388				
-	1,907	264	30,314	311,541	-	-	349,596	(287,998)	61,598				
8	(1,904)	(141)	(30,276)	(308,932)	192	1,383	(344,947)	287,998	(56,949)				
380	380	5,887	2,420	(295,058)	9,224	66,717	(224,119)	401,323	63,036				
\$ 388	\$ (1,524)	\$ 5,746	\$ (27,856)	\$ (603,990)	\$ 9,416	\$ 68,100	\$ (569,066)	\$ 689,321	\$ 6,087				

**Reconciliation of the Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
to the Change in Net Position on the Statement of Activities**

Net change in fund balances Add - capital asset additions	\$ (344,947) 287,998
Change in net position	\$ (56,949)

**GRAND TRAVERSE COUNTY**

**DEPARTMENT OF PUBLIC WORKS**  
**STATEMENT OF NET POSITION**

**DECEMBER 31, 2018**

<b>Assets</b>	<b>Septage Facility</b>	<b>Garfield Septage Facility</b>	<b>DPW</b>	<b>Total</b>
Current assets				
Cash and pooled investments	\$ 505,519	\$ -	\$ 8,590	\$ 514,109
Accounts receivable	60,612	25	875	61,512
Interest receivable	-	-	103,508	103,508
Due from other funds	-	1,427	-	1,427
Due from other governments	-	-	1,677,441	1,677,441
Total current assets	566,131	1,452	1,790,414	2,357,997
Long-term assets				
Long-term receivable	-	-	21,052,960	21,052,960
Capital assets				
Land	400,000	-	-	400,000
Capital assets	6,126,399	-	-	6,126,399
Net capital assets	6,526,399	-	-	6,526,399
<b>Total assets</b>	<b>7,092,530</b>	<b>1,452</b>	<b>22,843,374</b>	<b>29,937,356</b>
<b>Liabilities</b>				
Current liabilities				
Accounts payable	83,456	587	72,580	156,623
Accrued liabilities	15,993	-	272,259	288,252
Due to other funds	326	-	1,101	1,427
Due to primary government	-	388	692,562	692,950
Due to other governmental units	2,067	-	682,751	684,818
Total current liabilities	101,842	975	1,721,253	1,824,070
Long-term liabilities				
Due within one year	190,000	-	3,165,000	3,355,000
Due in more than one year	2,032,125	-	17,495,000	19,527,125
Advance from primary government	1,777,000	-	392,960	2,169,960
Compensated absences	-	-	59,606	59,606
Total long-term liabilities	3,999,125	-	21,112,566	25,111,691
<b>Total liabilities</b>	<b>4,100,967</b>	<b>975</b>	<b>22,833,819</b>	<b>26,935,761</b>
<b>Net position</b>				
Net investment in capital assets	2,527,274	-	-	2,527,274
Restricted	-	477	9,555	10,032
Unrestricted	464,289	-	-	464,289
<b>Total net position</b>	<b>\$ 2,991,563</b>	<b>\$ 477</b>	<b>\$ 9,555</b>	<b>\$ 3,001,595</b>

**GRAND TRAVERSE COUNTY**

**DEPARTMENT OF PUBLIC WORKS  
STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION**

**FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>Septage Facility</u>	<u>Garfield Septage Facility</u>	<u>DPW</u>	<u>Total</u>
<b>Operating revenue</b>				
Local sources	\$ -	\$ -	\$ 6,324,453	\$ 6,324,453
Charges for services	<u>1,154,353</u>	<u>5,771</u>	<u>64,984</u>	<u>1,225,108</u>
<b>Total operating revenue</b>	<u>1,154,353</u>	<u>5,771</u>	<u>6,389,437</u>	<u>7,549,561</u>
<b>Operating expense</b>				
Personnel services	69,146	-	1,227,433	1,296,579
Contracted services	645,639	-	111,110	756,749
Supplies	68	-	934,819	934,887
Other	325,737	5,532	3,439,718	3,770,987
Depreciation	<u>238,483</u>	<u>-</u>	<u>-</u>	<u>238,483</u>
<b>Total operating expense</b>	<u>1,279,073</u>	<u>5,532</u>	<u>5,713,080</u>	<u>6,997,685</u>
Operating income (loss)	<u>(124,720)</u>	<u>239</u>	<u>676,357</u>	<u>551,876</u>
Non-operating revenue (expense)				
Interest income	89	-	-	89
Interest expense	<u>(102,137)</u>	<u>-</u>	<u>(676,732)</u>	<u>(778,869)</u>
Total non-operating revenue (expense)	<u>(102,048)</u>	<u>-</u>	<u>(676,732)</u>	<u>(778,780)</u>
Change in net position	<u>(226,768)</u>	<u>239</u>	<u>(375)</u>	<u>(226,904)</u>
<b>Net position, beginning of year</b>	<u>3,218,331</u>	<u>238</u>	<u>9,930</u>	<u>3,228,499</u>
<b>Net position, end of year</b>	<u>\$ 2,991,563</u>	<u>\$ 477</u>	<u>\$ 9,555</u>	<u>\$ 3,001,595</u>

**GRAND TRAVERSE COUNTY**

**DEPARTMENT OF PUBLIC WORKS**  
**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>Septage Facility</u>	<u>Garfield Septage Facility</u>	<u>DPW</u>	<u>Total</u>
<b>Cash flows from operating activities</b>				
Receipts from customers and users	\$ 1,114,292	\$ 5,698	\$ 9,854,648	\$ 10,974,638
Payments to employees	(69,146)	-	(1,226,795)	(1,295,941)
Payments to suppliers	(925,978)	(5,697)	(4,748,626)	(5,680,301)
<b>Net cash provided by (used in) operating activities</b>	<u>119,168</u>	<u>1</u>	<u>3,879,227</u>	<u>3,998,396</u>
<b>Cash flows from non-capital financing activities</b>				
Payment of loan from primary government	(110,000)	(1)	(60,000)	(170,001)
Receipts of loan from primary government	-	-	270,270	270,270
<b>Net cash provided by (used in) non-capital financing activities</b>	<u>(110,000)</u>	<u>(1)</u>	<u>210,270</u>	<u>100,269</u>
<b>Cash flows from capital and related financing activities</b>				
Interest expense	(101,324)	-	(676,732)	(778,056)
Principal paid on long-term debt	(185,001)	-	(3,405,000)	(3,590,001)
<b>Net cash provided by (used in) capital and related financing activities</b>	<u>(286,325)</u>	<u>-</u>	<u>(4,081,732)</u>	<u>(4,368,057)</u>
<b>Cash flows from investing activities</b>				
Interest income	89	-	-	89
Net increase (decrease) in cash and pooled investments	(277,068)	-	7,765	(269,303)
<b>Cash and pooled investments, beginning of year</b>	<u>782,587</u>	<u>-</u>	<u>825</u>	<u>783,412</u>
<b>Cash and pooled investments, end of year</b>	<u>\$ 505,519</u>	<u>\$ -</u>	<u>\$ 8,590</u>	<u>\$ 514,109</u>
<b>Cash flows from operating activities</b>				
Operating income (loss)	\$ (124,720)	\$ 239	\$ 676,357	\$ 551,876
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Depreciation	238,483	-	-	238,483
Changes in operating assets and liabilities which provided (used) cash				
Accounts receivable	8,961	1,354	1,240,645	1,250,960
Due from other funds	-	(1,427)	-	(1,427)
Due from other governments	-	-	(1,612,335)	(1,612,335)
Long-term lease receivable	-	-	3,465,000	3,465,000
Accounts payable	46,524	(165)	(256,563)	(210,204)
Accrued liabilities	(1,384)	-	(7,517)	(8,901)
Due to other funds	326	-	1,101	1,427
Due to other governments	(49,022)	-	371,901	322,879
Compensated absences	-	-	638	638
<b>Net cash provided by (used in) operating activities</b>	<u>\$ 119,168</u>	<u>\$ 1</u>	<u>\$ 3,879,227</u>	<u>\$ 3,998,396</u>

## **STATISTICAL SECTION**

# GRAND TRAVERSE COUNTY, MICHIGAN

## STATISTICAL SECTION

This part of Grand Traverse County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the County's overall financial health.

### Contents

#### **Financial Trends (Tables 1-4)**

These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.

#### **Revenue Capacity (Tables 5-8)**

These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.

#### **Debt Capacity (Tables 9-12)**

These schedules present information to help the reader assess the affordability of the County's current level of outstanding debt and the government's ability to issue additional debt in the future.

#### **Demographic and Economic Information (Tables 13-14)**

These schedules present information to help the reader understand the environment within which the County's financial activities take place.

#### **Operating Information (Tables 15-17)**

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year.

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GRAND TRAVERSE COUNTY, MICHIGAN

Table 1 - Unaudited

**Net Position by Component**

Last Ten Fiscal Years

(amounts expressed in thousands)

Primary Government Activities	Fiscal Year					Fiscal Year				
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
	\$ 34,482	\$ 29,410	\$ 36,800	\$ 36,973	\$ 34,741	\$ 35,450	\$ 36,440	\$ 35,668	\$ 33,229	\$ 32,048
Governmental activities	6,297	8,639	8,117	6,333	5,991	5,926	10,177	15,617	7,077	8,645
Net investment in capital assets	(30,396)	(33,297)	(44,384)	(39,143)	7,950	10,794	6,733	4,138	17,572	19,918
Restricted										
Unrestricted										
<b>Total governmental activities net position</b>	<b>\$ 10,383</b>	<b>\$ 4,752</b>	<b>\$ 533</b>	<b>\$ 4,163</b>	<b>\$ 48,682</b>	<b>\$ 52,170</b>	<b>\$ 53,350</b>	<b>\$ 55,423</b>	<b>\$ 57,878</b>	<b>\$ 60,611</b>
Business-type activities										
Net investment in capital assets	\$ 17,078	\$ 21,008	\$ 18,563	\$ 17,955	\$ 17,659	\$ 16,096	\$ 14,928	\$ 13,708	\$ 11,728	\$ 10,522
Unrestricted	12,568	12,508	14,039	15,499	22,088	21,552	20,520	20,216	19,630	17,173
<b>Total business-type activities net position</b>	<b>\$ 29,646</b>	<b>\$ 33,516</b>	<b>\$ 32,602</b>	<b>\$ 33,454</b>	<b>\$ 39,747</b>	<b>\$ 37,648</b>	<b>\$ 35,448</b>	<b>\$ 33,924</b>	<b>\$ 31,358</b>	<b>\$ 27,695</b>
Primary government										
Net investment in capital assets	\$ 51,560	\$ 50,418	\$ 55,363	\$ 54,928	\$ 52,400	\$ 51,546	\$ 51,368	\$ 49,376	\$ 44,957	\$ 42,570
Restricted	6,297	8,639	8,117	6,333	5,991	5,926	10,177	15,617	7,077	8,645
Unrestricted	(17,828)	(20,789)	(30,345)	(23,644)	30,038	32,346	27,253	24,354	37,202	37,091
<b>Total primary government net position</b>	<b>\$ 40,029</b>	<b>\$ 38,268</b>	<b>\$ 33,135</b>	<b>\$ 37,617</b>	<b>\$ 88,429</b>	<b>\$ 89,818</b>	<b>\$ 88,798</b>	<b>\$ 89,347</b>	<b>\$ 89,236</b>	<b>\$ 88,306</b>

Note: GASB Statement No.'s 63 and 65 were implemented for Fiscal Year Ended December 31, 2012. Information on this schedule is reported prospectively for the year of implementation. Grand Traverse County, Michigan has chosen not to make the necessary calculations to retroactively report the information for the Fiscal Years Ended December 31, 2009 through 2011.

Note: GASB Statement No. 68 was implemented for the fiscal year ended December 31, 2015. This resulted in presentation of the County's net pension liability on the statement of net position. Prior years were not restated.

GRAND TRAVERSE COUNTY, MICHIGAN

Table 2 - Unaudited

**Changes in Net Position**

Last Ten Fiscal Years  
(amounts expressed in thousands)

	Fiscal Year					Fiscal Year				
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Expenses</b>										
Governmental activities:										
Legislative	\$ 237	\$ 210	\$ 355	\$ 402	\$ 351	\$ 344	\$ 383	\$ 434	\$ 413	\$ 423
Judicial	9,893	9,735	11,702	10,769	10,460	10,685	10,570	8,639	8,862	8,826
General government	9,539	7,122	11,272	8,699	8,823	8,626	8,560	10,934	11,392	11,502
Public safety	17,164	16,244	20,353	17,690	17,283	16,203	16,544	16,379	16,058	15,480
Public works	129	228	256	251	243	213	278	268	261	263
Health and welfare	11,724	11,551	12,630	11,896	11,479	12,141	11,047	10,481	10,660	9,567
Economic development	257	704	159	118	1,497	213	9	445	84	322
Recreation and culture	1,411	659	698	953	892	985	888	915	966	1,640
Interest on long-term debt	374	270	280	291	303	314	442	360	481	516
Total governmental activities expenses	50,728	46,723	57,705	51,069	51,331	49,724	48,721	48,855	49,177	48,539
Business-type activities:										
Inspections	1,602	785	1,333	1,187	1,137	1,102	1,041	949	989	1,137
Medical Care Facility (Pavilions)	28,393	28,824	30,922	30,338	28,723	28,305	28,047	25,439	24,259	24,937
Solid waste	312	35	307	382	318	307	339	320	661	705
Delinquent tax collection and administration	174	168	162	539	185	348	280	193	250	277
Total business-type activities expenses	30,481	29,812	32,724	32,446	30,363	30,062	29,707	26,901	26,159	27,056
<b>Total primary government expenses</b>	<b>81,209</b>	<b>76,535</b>	<b>90,429</b>	<b>83,515</b>	<b>81,694</b>	<b>79,786</b>	<b>78,428</b>	<b>75,756</b>	<b>75,336</b>	<b>75,595</b>
<b>Program revenues</b>										
Governmental activities:										
Charges for services:										
Legislative	-	-	25	-	2	-	1	8	9	1
Judicial	2,559	2,545	2,722	2,946	2,882	2,944	2,832	2,920	3,005	2,927
General government	3,664	3,113	4,748	3,090	2,888	2,947	3,148	2,597	2,335	2,365
Public safety	1,203	1,379	3,500	981	1,739	1,628	1,509	1,516	1,625	1,603
Public works	44	210	178	166	120	102	90	80	75	61
Health and welfare	1,606	1,217	2,049	3,414	2,402	2,353	2,442	2,048	2,443	1,989
Economic development	-	3	68	-	3	-	-	-	-	-
Recreation and culture	234	187	289	344	486	471	419	395	460	306
Operating grants and contributions	15,336	13,358	10,715	11,780	9,908	11,218	9,828	10,033	10,438	11,218
Capital grants and contributions	-	-	-	3	9	-	165	387	443	33
Total governmental activities program revenues	24,646	22,012	24,294	22,724	20,439	21,663	20,434	19,984	20,833	20,503
Business-type activities:										
Charges for services:										
Inspections	1,839	1,892	1,730	1,685	1,676	1,428	990	925	871	846
Medical Care Facility (Pavilions)	31,092	30,086	27,297	26,213	24,736	24,753	24,037	25,191	23,747	23,429
Solid waste	361	245	196	296	261	284	357	442	568	576
Delinquent tax collection and administration	1,021	1,111	1,043	372	414	453	548	2,170	2,334	1,874
Operating grants and contributions	101	177	2,514	3,437	3,590	4,192	4,070	120	112	136
Total business-type activities program revenues	34,414	33,511	32,780	32,003	30,677	31,110	30,002	28,848	27,632	26,861
<b>Total primary government program revenues</b>	<b>59,060</b>	<b>55,523</b>	<b>57,074</b>	<b>54,727</b>	<b>51,116</b>	<b>52,773</b>	<b>50,436</b>	<b>48,832</b>	<b>48,465</b>	<b>47,364</b>

Continued...

## GRAND TRAVERSE COUNTY, MICHIGAN

Table 2 - Unaudited

**Changes in Net Position**

Last Ten Fiscal Years

(amounts expressed in thousands)

	Fiscal Year					Fiscal Year				
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Net (expense) revenues</b>										
Governmental activities	\$ (26,082)	\$ (24,711)	\$ (33,411)	\$ (28,345)	\$ (30,892)	\$ (28,061)	\$ (28,287)	\$ (28,871)	\$ (28,344)	\$ (28,036)
Business-type activities	3,933	3,699	56	(443)	314	1,048	295	1,947	1,473	(195)
<b>Total primary government net (expense) revenues</b>	<b>(22,149)</b>	<b>(21,012)</b>	<b>(33,355)</b>	<b>(28,788)</b>	<b>(30,578)</b>	<b>(27,013)</b>	<b>(27,992)</b>	<b>(26,924)</b>	<b>(26,871)</b>	<b>(28,231)</b>
<b>General revenues and other changes in net position</b>										
Governmental activities:										
Property taxes	28,176	27,776	26,027	25,870	25,840	25,550	24,501	24,008	24,146	24,619
State revenue sharing	2,462	2,428	2,686	1,692	332	-	-	-	-	-
Unrestricted investment earnings	332	187	155	149	163	143	156	227	344	611
Other revenues (expense)	36	246	-	31	30	12	-	17	13	-
Transfers - internal activities	707	2,848	912	1,114	1,039	1,177	1,558	2,164	1,158	1,301
<b>Total governmental activities</b>	<b>31,713</b>	<b>33,485</b>	<b>29,780</b>	<b>28,856</b>	<b>27,404</b>	<b>26,882</b>	<b>26,215</b>	<b>26,416</b>	<b>25,661</b>	<b>26,531</b>
Business-type activities:										
Property taxes	-	-	2	2,754	2,824	2,767	2,882	2,754	3,203	2,784
Unrestricted investment earnings	149	61	2	-	-	-	-	29	78	60
Other revenues (expense)	-	2	-	-	1	-	-	-	16	(11)
Transfers - internal activities	(707)	(2,848)	(912)	(1,114)	(1,039)	(1,177)	(1,558)	(2,164)	(1,158)	(1,301)
<b>Total business-type activities</b>	<b>(558)</b>	<b>(2,785)</b>	<b>(908)</b>	<b>1,640</b>	<b>1,786</b>	<b>1,590</b>	<b>1,324</b>	<b>619</b>	<b>2,139</b>	<b>1,532</b>
<b>Total primary government</b>	<b>31,155</b>	<b>30,700</b>	<b>28,872</b>	<b>30,496</b>	<b>29,190</b>	<b>28,472</b>	<b>27,539</b>	<b>27,035</b>	<b>27,800</b>	<b>28,063</b>
<b>Change in net position</b>										
Governmental activities	5,631	8,774	(3,631)	511	(3,488)	(1,179)	(2,072)	(2,455)	(2,683)	(1,505)
Business-type activities	3,375	914	(852)	1,197	2,100	2,638	1,619	2,566	3,612	1,337
<b>Total primary government change in net position</b>	<b>\$ 9,006</b>	<b>\$ 9,688</b>	<b>\$ (4,483)</b>	<b>\$ 1,708</b>	<b>\$ (1,388)</b>	<b>\$ 1,459</b>	<b>\$ (453)</b>	<b>\$ 111</b>	<b>\$ 929</b>	<b>\$ (168)</b>

Concluded.

## GRAND TRAVERSE COUNTY, MICHIGAN

Table 3 - Unaudited

**■ Fund Balances - Governmental Funds**

Last Ten Fiscal Years

(amounts expressed in thousands)

	Fiscal Year					Fiscal Year				
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General fund:										
Nonspendable	\$ 3,012	\$ 3,712	\$ 4,876	\$ 2,351	\$ 2,811	\$ 3,194	\$ 3,434	\$ 2,988	\$ -	\$ -
Restricted	-	-	-	-	-	-	-	10	-	-
Assigned	-	-	-	500	706	1,582	625	625	-	-
Unassigned	11,088	8,215	7,470	6,665	5,421	4,425	3,976	4,148	-	-
Reserved	-	-	-	-	-	-	-	-	870	961
Unreserved	-	-	-	-	-	-	-	-	7,230	8,206
Total general fund	<b>14,100</b>	<b>11,927</b>	<b>12,346</b>	<b>9,516</b>	<b>8,938</b>	<b>9,201</b>	<b>8,035</b>	<b>7,771</b>	<b>8,100</b>	<b>9,167</b>
All other governmental funds:										
Nonspendable	1,790	224	64	53	32	8	6	349	-	-
Restricted	5,082	10,530	7,924	6,330	3,411	5,925	9,949	10,130	-	-
Committed	5,526	3,493	2,970	4,562	3,958	4,061	216	104	-	-
Assigned	-	-	-	-	-	-	1,891	2,682	-	-
Unassigned	(490)	(955)	(1,395)	(1,820)	(2,235)	(2,621)	(2,995)	(1,845)	-	-
Reserved	-	-	-	-	-	-	-	-	7,184	8,645
Special revenues funds	-	-	-	-	-	-	-	-	7,173	6,873
Capital projects funds	-	-	-	-	-	-	-	-	1,064	1,996
Total all other governmental funds	<b>11,908</b>	<b>13,292</b>	<b>9,563</b>	<b>9,125</b>	<b>5,166</b>	<b>7,373</b>	<b>9,067</b>	<b>11,420</b>	<b>15,421</b>	<b>17,514</b>
Total governmental funds	<b>\$ 26,008</b>	<b>\$ 25,219</b>	<b>\$ 21,909</b>	<b>\$ 18,641</b>	<b>\$ 14,104</b>	<b>\$ 16,574</b>	<b>\$ 17,102</b>	<b>\$ 19,191</b>	<b>\$ 23,521</b>	<b>\$ 26,681</b>

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, MICHIGAN

Table 4 - Unaudited

## Changes in Fund Balances - Governmental Funds

Last Ten Fiscal Years

(amounts expressed in thousands)

	Fiscal Year					Fiscal Year				
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Revenues</b>										
Taxes	\$ 28,176	\$ 27,776	\$ 26,026	\$ 25,870	\$ 25,841	\$ 25,550	\$ 24,501	\$ 24,008	\$ 24,146	\$ 24,619
Licenses and permits	626	798	704	632	566	569	500	460	461	434
Intergovernmental:										
Federal sources	3,015	3,077	2,998	4,732	3,632	4,581	3,903	4,224	4,590	3,574
State sources	7,591	6,958	6,782	5,329	4,073	3,783	3,633	3,799	3,672	4,240
Local sources	6,663	5,296	6,049	5,185	3,714	3,645	3,576	3,470	3,704	3,522
Charges for services	6,372	5,974	5,708	6,164	6,623	6,548	6,311	6,068	6,222	5,915
Fines and forfeits	196	226	235	94	118	113	93	87	104	101
Reimbursements	3,256	2,991	3,373	2,478	2,506	2,780	3,062	3,040	3,172	3,023
Contributions	-	-	-	-	1	3	20	1	2	5
Rental revenues	569	551	745	691	697	689	619	649	638	620
Interest revenues	465	225	155	148	162	151	165	251	349	609
Other revenues	492	461	387	666	596	478	811	802	1,946	2,596
<b>Total revenues</b>	<b>57,421</b>	<b>54,333</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>Expenditures</b>										
Current:										
Legislative	259	234	367	426	378	373	421	411	422	534
Judicial	9,933	9,988	10,009	10,381	10,139	10,393	10,225	10,212	10,016	9,272
General government	11,862	10,653	9,648	9,885	10,092	9,910	9,980	10,744	11,050	10,583
Public safety	17,539	16,651	16,897	16,117	15,367	15,276	15,421	15,453	14,656	15,838
Public works	129	228	256	251	243	213	278	268	261	263
Health and welfare	11,640	11,959	11,587	11,932	11,965	11,807	10,514	11,708	10,990	10,803
Economic development	257	704	227	118	1,498	213	9	84	322	251
Recreation and culture	1,279	471	515	760	667	741	640	716	686	752
Other	-	4,892	-	-	-	-	-	-	-	-
Debt service:										
Principal	730	590	570	570	545	550	2,005	1,050	740	710
Interest and fiscal charges	350	269	280	291	303	314	356	484	512	538
Capital outlay	3,388	987	450	336	689	574	5,814	1,820	1,590	1,445
<b>Total expenditures</b>	<b>57,366</b>	<b>57,626</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>Revenues over (under) expenditures</b>	<b>55</b>	<b>(3,293)</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>Other financing sources (uses)</b>										
Issuance of long-term debt	-	3,500	-	-	-	-	11,170	-	-	-
Discount on issuance of long-term debt	-	-	-	-	-	-	(46)	-	-	-
Payment to refunding bond escrow agent	-	-	-	-	-	-	(6,192)	-	-	-
Proceeds from sale of capital assets	26	255	-	31	29	12	17	16	12	31
Transfers in	11,683	13,769	10,736	12,857	1,286	13,381	13,082	13,371	14,410	13,464
Transfers out	(10,975)	(10,921)	(9,824)	(11,841)	(12,003)	(12,446)	(11,650)	(12,553)	(13,416)	(12,623)
<b>Total other financing sources (uses)</b>	<b>734</b>	<b>6,603</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>Net change in fund balances</b>	<b>\$ 789</b>	<b>\$ 3,310</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>
Debt service as a percentage of noncapital expenditures	2.00%	1.52%	1.69%	1.70%	1.66%	1.74%	4.74%	3.00%	2.52%	2.52%

## GRAND TRAVERSE COUNTY, MICHIGAN

Table 5 - Unaudited

Assessed and Estimated Actual Value of Taxable Property								
Last Ten Fiscal Years								
Fiscal Year	Real Property		Personal Property	Total Assessed Value	Total Direct Tax Rate	Estimated Actual Value	Percentage of Taxable to Actual Value	
	Residential	Commercial						
2009	\$ 4,283,832,904	\$ 1,369,999,093	\$ 266,500,315	\$ 5,920,332,312	6.1291	\$ 11,840,664,624	50.00%	
2010	4,042,595,921	1,286,802,285	261,118,622	5,590,516,828	6.2291	11,181,033,656	50.00%	
2011	3,806,716,018	1,184,052,681	253,983,234	5,244,751,933	6.2433	10,489,503,866	50.00%	
2012	3,765,597,955	1,106,117,252	256,999,566	5,128,714,773	6.2433	10,257,429,546	50.00%	
2013	3,820,469,838	1,113,170,336	279,915,132	5,213,555,306	6.2433	10,427,110,612	50.00%	
2014	3,926,367,866	1,129,839,306	268,290,120	5,324,497,292	7.2433	10,648,994,584	50.00%	
2015	4,104,608,188	1,142,210,172	281,365,300	5,528,183,660	6.5838	11,056,367,320	50.00%	
2016	4,340,796,138	1,164,031,275	256,545,100	5,761,372,513	7.7037	11,522,745,026	50.00%	
2017	4,610,492,699	1,219,827,536	246,857,341	6,077,177,576	6.6486	12,154,355,152	50.00%	
2018	4,790,410,598	1,277,820,874	256,447,356	6,324,678,828	6.7608	12,649,357,656	50.00%	

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, MICHIGAN

Table 6 - Unaudited

**Direct and Overlapping Property Tax Rates**

Last Ten Fiscal Years

Fiscal Year (1) (2)	Grand Traverse County									Overlapping Rates			Overlapping Rates			Grand Total
	Operating Millage	Commission On Aging	Medical Care Facility	Road Commission	Veteran Affairs	Animal Control	Senior Center	Conservation Dist.	Total Millage	Intermediate Schools	District Library Operations	District Library Debt	Community College	Community College Debt	BATA	
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	0.1200	-	0.9999	-	7.7037	2.9299	0.9544	0.1326	2.1692	0.6500	0.3447	14.8845
2017	4.9429	0.4958	-	0.9918	0.1190	-	0.0991	-	6.6486	2.9234	0.9467	-	2.1520	0.5900	0.3420	13.6027
2018	4.9246	0.4939	-	0.9881	0.1185	0.0370	0.0987	0.1000	6.7608	2.9197	0.9431	-	2.1439	0.5700	0.4978	13.8353

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. 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, MICHIGAN

Table 7 - Unaudited

### Principal Property Taxpayers

Current Year and Nine Years Ago

Taxpayer	2018			2009		
	Taxable Value	Rank	Percentage of Total Taxable Value	Taxable Value	Rank	Percentage of Total Taxable Value
Consumers Energy	\$ 30,938,719	1	0.61%	\$ 20,877,680	1	0.47%
DTE Gas Company	23,273,332	2	0.46%	-	-	-
Grand Traverse Mall LTD PTNR	22,773,418	3	0.45%	14,560,260	7	0.33%
Cherryland Rural Electric Co-op	14,731,151	4	0.29%	11,730,236	8	0.26%
Grand Traverse Resort & Spa LLC	14,671,176	5	0.29%	-	-	-
CEGM Traverse City LLC	14,251,600	6	0.28%	-	-	-
Elmer's Crane & Dozer, INC	13,048,791	7	0.26%	-	-	-
Michigan Electric Transmission Co.	12,890,392	8	0.25%	-	-	-
Wolverine Power Supply Co-op	11,475,657	9	0.22%	-	-	-
Liv Arbors LLC	11,247,168	10	0.22%	-	-	-
Great Wolf Lodge TC Development LLC	-		-	20,067,900	2	0.45%
Grand Traverse Band of Ottawa Indians	-		-	19,346,488	3	0.43%
Centro Bradley GT II LLC	-		-	18,524,850	4	0.41%
Michigan Consolidated Gas Company	-		-	17,428,452	5	0.39%
Sara Lee Corp	-		-	16,494,880	6	0.37%
State of Michigan (Taxable lands)	-		-	10,904,364	9	0.24%
Arbors of Traverse LLC	-		-	10,488,020	10	0.23%
	<u>\$ 169,301,404</u>		<u>3.33%</u>	<u>\$ 160,423,130</u>		<u>3.58%</u>
County Total Taxable Value 2018 / 2009	\$ 5,106,798,342			\$ 4,478,431,081		

Source:

Grand Traverse County Equalization Department

**GRAND TRAVERSE COUNTY, MICHIGAN**
**Table 8 - Unaudited**
**Property Taxes Levied and Collected**

Last Ten Fiscal Years

Tax Year Levy	Total Tax Levy for Fiscal Year	Collected to March 1 Following Year of the Levy		Delinquents Purchased by Treasurer	Collections in Subsequent Years (1)	Total Collections to 4/30	
		Amount	Percentage of Levy			Amount	Percentage of Levy
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%
2017	23,479,976	22,960,957	97.79%	491,863	27,156	23,479,976	100.00%
2018	24,477,306	23,911,720	97.69%	531,049	34,537	24,477,306	100.00%

Source:

Grand Traverse County Treasurer

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

## GRAND TRAVERSE COUNTY, MICHIGAN

Table 9 - Unaudited

Ratios of Outstanding Debt by Type						
Last Ten Fiscal Years						
Fiscal Year	Governmental Activities		Business-Type Activities		Total Primary Government	Percentage of Personal Income (1)
	General Obligation Bonds	Notes Payable	General Obligation Bonds			
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	0.29%	130
2017	11,667,956	-	3,210,000	14,877,956	0.34%	162
2018	10,939,808	594,296	2,985,000	14,519,104	(2)	157

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, MICHIGAN**
**Table 10 - Unaudited**
**Ratios of General Bonded Debt Outstanding**

Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total Primary Government	Taxable Value of Property	Percentage of Estimated Actual Taxable Value of Property	Per Capita (1)
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
2017	14,877,956	-	14,877,956	6,077,177,576	0.24%	162
2018	13,924,808	-	13,924,808	6,324,678,828	0.22%	150

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, MICHIGAN

Table 11 - Unaudited

<b>Computation of Direct and Overlapping Governmental Activities Debt</b>			
As of December 31, 2018			
	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt
Debt repaid with property taxes: County	\$ 172,344,747	87.05%	\$ 150,023,113
County direct debt			<u>11,534,104</u>
Total direct and overlapping debt			<u><u>\$ 161,557,217</u></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, MICHIGAN

Table 12 - Unaudited

**Computation of Legal Debt Margin Information**

Last Ten Fiscal Years

(amounts expressed in thousands)

	Fiscal Year					Fiscal Year				
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Debt limit	\$ 632,468	\$ 607,718	\$ 576,137	\$ 552,818	\$ 532,450	\$ 521,356	\$ 512,871	\$ 524,475	\$ 559,052	\$ 592,033
Total net debt applicable to limit	43,878	43,314	42,409	43,289	47,678	54,127	57,156	70,590	83,427	91,896
Legal debt margin	\$ 588,590	\$ 564,404	\$ 533,728	\$ 509,529	\$ 484,772	\$ 467,229	\$ 455,715	\$ 453,885	\$ 475,625	\$ 500,137
Total net debt applicable to the limit as a percentage of debt limit	6.94%	7.13%	7.36%	7.83%	8.95%	10.38%	11.14%	13.46%	14.92%	15.52%

**Legal Debt Margin Calculation for Fiscal Year 2018**  
(amounts expressed in thousands)

State equalized value of real property	\$ 6,068,231
State equalized value of personal property	256,447
Total state equalized value	\$ 6,324,679
Debt limit (10% of total state equalized value)	632,468
Debt applicable to limit: (1)	\$ 43,878
Less:	
Assets in Debt Service funds available for payment of principal	-
Total amount of debt applicable to debt limit	43,878
Legal debt margin	\$ 588,590

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

(1) Includes primary government and component units.

## GRAND TRAVERSE COUNTY, MICHIGAN

Table 13 - Unaudited

Demographic and Economic Statistics						
Last Ten Fiscal Years						
Fiscal Year	Population (1)	Personal Income (2) (amounts expressed in thousands)	Per Capita Personal Income (2)	School Enrollment (3)	Unemployment Rate (4)	
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	4,128,494	44,834	9,474	4.10%	
2017	91,807	4,330,055	47,165	9,658	4.30%	
2018	92,573	(5)	(5)	9,666	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, MICHIGAN**
**Table 14 - Unaudited**
**Principal Employers**

Current Year and Nine Years Ago

Employer	2018			2009		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Munson Medical Center	3,100	1	6.18%	3,783	1	8.12%
Traverse City Area Public Schools	1,825	2	3.64%	1,825	2	3.92%
Northwestern Michigan College	742	3	1.48%	584	5	1.25%
Traverse Bay Intermediate School District	550	4	1.10%	338	10	0.74%
Hagerty Insurance	500	5	1.00%	450	6	0.97%
Grand Traverse Resort & Casinos	500	6	1.00%	900	3	1.93%
Grand Traverse County	495	7	0.99%			
Interlochen Center for the Arts	475	8	0.95%	400	9	0.86%
Grand Traverse Pavilions Foundation, Inc.	415	9	0.83%	407	8	0.87%
Britten Banners, Inc	410	10	0.82%			
Meijer's				440	7	0.94%
Sara Lee/Hillshire Brands				612	4	1.31%
Totals	<u>9,012</u>		<u>17.99%</u>	<u>9,739</u>		<u>20.91%</u>
Total Employment 2018 / 2009	50,171			46,576		

Sources:

Networks Northwest

## GRAND TRAVERSE COUNTY

Table 15 - Unaudited

**Full-time Equivalent Government Employees by Function**

Last Ten Fiscal Years

Function	Full-time Equivalent Employees as of December 31,					Full-time Equivalent Employees as of December 31,				
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Legislative	1	1	1	1	1	1	1	1	1	1
Judicial	104	103	94	90	96	90	93	93	95	94
General Government	85	90	90	95	100	98	110	122	124	129
Public Safety	136	135	149	152	144	149	149	149	154	158
Public Works	16	16	16	18	17	20	22	21	21	21
Health & Welfare	135	122	109	127	123	123	128	127	128	121
<b>Total</b>	<b>477</b>	<b>467</b>	<b>459</b>	<b>483</b>	<b>481</b>	<b>481</b>	<b>503</b>	<b>513</b>	<b>523</b>	<b>524</b>

Source:

Grand Traverse County Human Resources

## Operating Indicators by Function

Last Ten Fiscal Years

Function	Fiscal Year					Fiscal Year				
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Public safety:</b>										
Average daily inmate population -										
Jail only	118.70	152.69	148.48	162.08	158.00	158.80	138.60	146.00	150.00	149.00
Average daily population - Includes										
Inmates boarded-out	121.58	157.07	153.00	172.58	163.42	160.80	138.60	146.00	150.00	149.00
911 Computer aided dispatch calls*	75,380	72,773	70,423	70,195	56,473	57,278	55,654	98,901	53,701	54,086
<b>Commissary:</b>										
Number of orders placed by inmates	3,188	3,756	4,057	17,587	18,716	15,250	7,553	(1)	6,910	7,241
<b>Health and welfare:</b>										
Commission on aging-client visits:										
Homemaker Aide Program	13,319	12,296	11,554	12,956	15,648	15,247	16,058	16,376	17,065	16,157
Home Health Care Program	4,565	4,134	5,506	6,286	6,873	6,986	8,011	8,308	7,489	7,573
Home Chore Program	8,814	8,936	9,736	10,030	8,803	8,112	8,365	10,476	8,914	10,481
Walk in & telephone assistance calls**	NA	6,494	6,392	3,778	28,566	27,830	13,184	30,968	37,173	26,129
<b>Public works:</b>										
Number of sewer billings	35,232	35,112	30,720	20,344	7,791	7,770	7,968	8,024	7,916	8,988
Number of water billings	9,888	10,188	9,732	9,316	1,028	1,041	1,035	1,017	1,468	6,256
Number of combined billings	53,556	52,692	44,172	48,552	69,112	68,716	68,504	67,424	66,096	50,844
<b>General Government:</b>										
County Clerk-Passports processed	1,671	2,191	1,999	1,646	1,317	1,284	1,424	1,531	1,669	1,978
Finance-Checks processed	15,828	15,582	16,608	16,013	16,898	21,824	19,488	16,644	20,457	18,022
<b>MSU-Extension:</b>										
4-H Participants	2,107	3,178	2,231	3,066	1,325	1,187	1,384	-	-	-
FNP Participants***	4,424	3,117	684	797	882	683	679	565	430	1,771
PAT Participants	-	-	-	-	-	-	-	-	-	1,884
<b>Register of Deeds-records filed:</b>										
Discharge of Mortgage	4,199	4,559	4,834	4,666	3,600	4,896	4,900	4,148	4,243	5,286
Mortgage	4,234	4,365	4,704	4,378	3,786	5,011	5,577	4,143	4,672	5,728
Warranty Deed	3,310	3,396	3,329	3,208	2,843	2,731	2,266	1,760	1,678	1,680
<b>Judicial:</b>										
Circuit court total caseload	1,912	1,884	2,132	2,282	2,247	2,260	2,584	2,694	2,983	3,205
District court total caseload	11,751	10,531	11,649	14,185	15,028	15,751	14,046	16,433	19,348	20,414
Probate court total caseload	536	547	565	560	586	549	596	531	563	514
<b>Recreation and culture:</b>										
Swimming pool admissions****	32,914	40,726	29,896	12,727	23,411	23,438	19,706	18,014	19,564	15,630
<b>Community and Economic Development:</b>										
Construction permits issued	6,291	6,269	5,915	5,842	5,211	5,097	4,236	4,162	3,965	3,709
EDC loans	-	-	-	-	-	-	-	7	6	13
<b>Medical care facility-skilled nursing:</b>										
Resident Admits	448	613	614	491	454	461	492	425	350	263
Resident Days	82,182	82,335	83,597	83,659	84,250	85,498	85,727	81,513	78,857	79,479

Source: Various County departments

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

\*\*Eliminated walk in &amp; telephone assistance as of 12/31/2017

\*\*\*FNP converted to SNAP-ED in 2011

\*\*\*\*Starting in 2016 includes Exercise Room admissions

(1) Data is unavailable for this year

## GRAND TRAVERSE COUNTY, MICHIGAN

Table 17 - Unaudited

**Capital Asset Statistics by Function**

Last Ten Fiscal Years

Function	Fiscal Year					Fiscal Year				
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Public safety:</b>										
Police:										
Stations	1	1	1	1	1	1	1	2	2	2
Buildings	5	5	5	5	5	5	5	6	5	5
Radio Towers	5	5	5	5	6	6	6	6	6	6
Vehicles*	77	77	78	93	91	95	96	98	92	91
Boats	8	8	8	8	8	7	5	9	9	9
Snowmobiles	4	3	3	3	2	2	2	4	4	2
Animal control:										
Building	1	1	1	1	1	1	1	1	1	1
Vehicles	2	2	2	2	2	2	2	2	2	2
<b>General government:</b>										
Buildings	4	4	4	4	4	4	3	4	4	4
Vehicles	20	19	19	21	20	20	22	30	28	28
<b>Health and welfare:</b>										
Buildings	2	2	2	2	2	2	1	3	3	3
Vehicles*	20	24	21	21	24	23	23	15	15	15
<b>Public works:</b>										
Buildings	1	1	1	1	1	1	1	1	1	1
Vehicles	19	19	16	16	16	16	16	17	17	18
<b>Judicial:</b>										
Buildings	3	3	3	3	3	3	3	3	3	3
Vehicles	4	3	3	3	4	4	-	3	3	3
<b>Recreation and culture:</b>										
Buildings	15	15	15	15	15	15	15	18	18	18
Vehicles	3	3	3	3	3	3	3	3	3	4
Parks	10	10	10	10	10	10	10	10	10	10
Boat	1	1	1	1	1	1	1	1	1	1
<b>Construction trades:</b>										
Vehicles	8	8	12	8	8	9	9	9	10	10
<b>Medical care facility:</b>										
Beds	240	240	240	240	240	240	240	240	221	221

## Sources:

Various County departments

\* Does not include non-capitalized leased vehicles

## **SINGLE AUDIT SECTION**



## Vredeveld Haefner LLC

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### **INDEPENDENT AUDITORS' 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**

June 28, 2019

Board of Commissioners  
Grand Traverse County, 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, 2018, 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, 2019.

#### **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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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 County's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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.

#### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County's financial statements are free of 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain other matters that we reported to management of the County, in a separate letter dated June 28, 2019.

**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 County'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 County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Uroda and Haefner LLC*



## Vredeveld Haefner LLC

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### **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

June 28, 2019

Board of Commissioners  
Grand Traverse County, Michigan

#### **Report on Compliance for Each Major Federal Program**

We have audited Grand Traverse County, Michigan's, (the County) 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's major federal programs for the year ended December 31, 2018. 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.

#### ***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants 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* (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 Each 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 each of its major federal programs for the year ended December 31, 2018.

#### ***Other Matters***

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2018-001. 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.

*Oradaveld Haefner LLC*

**GRAND TRAVERSE COUNTY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

Federal Agency/Cluster/Program Title	CFDA Number	Pass Through	Cluster	Pass-through number	Expenditures
<b><u>U.S. Department of Agriculture:</u></b>					
Women, Infant and Children Program	10.557 MDHHS			20180070-06	\$ 289,507
Women, Infant and Children Program	10.557 MDHHS			20190016-01	96,503
WIC Breastfeeding	10.557 MDHHS			20180070-06	39,169
WIC Breastfeeding	10.557 MDHHS			20190016-01	13,056
					<u>438,235</u>
Urban and Community Forestry Program	10.675	Forest Service		15-DG-11420004-250	114,748
Total U.S. Department of Agriculture					<u>552,983</u>
<b><u>U.S. Environmental Protection Agency</u></b>					
Safe Drinking Water Revolving Loan Fund Program	66.468 EPA			FS975487-16	219
<b><u>U.S. Department of Justice:</u></b>					
Bullet Proof Vest	16.607	Direct			4,167
Edward Byrne Memorial Justice Assistance Grant (JAG) 2018	16.738	MDSP		2017-MU-BX-0703	68,631
Edward Byrne Memorial Justice Assistance Grant (JAG) 2019	16.738	MDSP		2018-MU-BX-0964	26,491
Total U.S. Department of Justice					<u>99,289</u>
<b><u>U.S. Department of Transportation:</u></b>					
Office of Highway Safety Planning Traffic Enforcement	20.600	MDSP		PT-19-32	11,756
<b><u>U.S. Department of Health and Human Services:</u></b>					
Public Health Emergency Preparedness					
Bioterrorism - Supplemental	93.069 MDCH			20180070-06	90,745
Bioterrorism - Supplemental	93.069 MDHHS			20190016-01	29,949
Bioterrorism - Supplemental - Regional EPI	93.069 MDHHS			20180070-06	5,000
Bioterrorism - Supplemental - Regional EPI	93.069 MDHHS			20190016-01	2,500
					<u>128,194</u>
Family Planning_Services	93.217 MDHHS			20180070-06	81,129
Family Planning_Services	93.217 MDHHS			20190016-01	4,376
					<u>85,505</u>
Immunization Cooperative Agreements					
Immunization & Vaccine Program	93.268 MDHHS			20180070-06	5,747
Immunization & Vaccine Program	93.268 MDHHS			20190016-01	4,271
Immunization Fixed Fee	93.268 MDHHS			20180070-06	5,150
Vaccines (non-cash assistance)	93.268 MDHHS			20180070-06	118,552
					<u>133,720</u>
Immunization Action Plan (IAP) PPHF Capacity Bldg Assistance	93.539 MDHHS			20180070-06	26,397
Immunization Action Plan (IAP) PPHF Capacity Bldg Assistance	93.539 MDHHS			20190016-01	6,405
					<u>32,802</u>
Child Support Enforcement					
Title IV-D Incentive Payments	93.563	MDHHS		CSFOC-17-28001	181,896
Title IV-D Reimbursement - Friend of the Court	93.563	MDHHS		CSFOC-17-28001	1,182,282
Title IV-D Reimbursement - Prosecutor	93.563	MDHHS		CSPA-17-28002	111,618
					<u>1,475,796</u>
Medicaid					
Medical Assistance Program - Medicaid Outreach	93.778	MDHHS	Medicaid	20180070-06	234,012
Medical Assistance Program - Medicaid Outreach	93.778	MDHHS	Medicaid	20180070-06	37,015
Medical Assistance Program - Medicaid Outreach	93.778	MDHHS	Medicaid	20190016-01	88,545
Medical Assistance Program - Care Coordination	93.778	MDHHS	Medicaid	20180070-06	10,980
Medical Assistance Program - Care Coordination	93.778	MDHHS	Medicaid	20190016-01	3,095
Medical Assistance Program - Case Management	93.778	MDHHS	Medicaid	20180070-06	6,854
Medical Assistance Program - Case Management	93.778	MDHHS	Medicaid	20190016-01	4,536
CSHCS - Medical Assistance Program	93.778	MDHHS	Medicaid	20180070-06	15,000
CSHCS - Medical Assistance Program	93.778	MDHHS	Medicaid	20190016-01	5,000
Medicaid Elevated Blood Lead Case Management	93.778	MDHHS	Medicaid	20190016-01	202
					<u>405,239</u>
SAPT Block Grant (Harm Reduction)	93.959	MDHHS		20190016-01	1,488

**GRAND TRAVERSE COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**FOR THE YEAR ENDED DECEMBER 31, 2018**

Federal Agency/Cluster/Program Title	CFDA Number	Pass Through	Cluster	Pass-through number	Expenditures
Maternal and Child Health Services Block Grant (Enabling Services Women)	93.994	MDHHS		20180070-06	\$ 30,184
Maternal and Child Health Services Block Grant (Enabling Services Women)	93.994	MDHHS		20190016-01	8,247
Maternal and Child Health Services Block Grant (Family Planning)	93.994	MDHHS		20180070-06	5,502
Maternal and Child Health Services Block Grant (Family Planning)	93.994	MDHHS		20190016-01	1,834
Maternal and Child Health Services Block Grant (Care Coordination)	93.994	MDHHS		20180070-06	11,980
Maternal and Child Health Services Block Grant (Care Coordination)	93.994	MDHHS		20190016-01	4,470
Maternal and Child Health Services Block Grant (Case Management)	93.994	MDHHS		20180070-06	2,822
Maternal and Child Health Services Block Grant (Case Management)	93.994	MDHHS		20190016-01	1,411
					<u>66,450</u>
					<u>2,329,194</u>
Total U.S. Department of Health and Human Services					
<b><u>U.S. Department of Homeland Security:</u></b>					
Emergency Management Performance Grant	97.042	MDSP		EMC-2018-EP-00002	37,213
2015 State Homeland Security Grant Program (noncash assistance)	97.067	COCM		EMW-2015-SS-00033	71,084
2016 State Homeland Security Grant Program (noncash assistance)	97.067	COCM		EMW-2016-SS-00010	27,598
2017 State Homeland Security Grant Program (noncash assistance)	97.067	COCM		EMW-2017-SS-00013	493
Total U.S. Department of Homeland Security					<u>136,388</u>
<b>Total Expenditures of Federal Awards</b>					<b><u>\$ 3,129,829</u></b>

See notes to schedule of expenditures of federal awards.

# GRAND TRAVERSE COUNTY

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2018

### 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the County of Grand Traverse, Michigan and is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in the financial statements.

### 2. Abbreviations

The abbreviations used on the schedule of expenditures of federal awards are as follows:

Pass Through Agency Name	Pass Through Agency Abbreviation
Direct Funding from Federal Agency	Direct
Michigan Department of Health and Human Services	MDHHS
Michigan Department of State Police	MDSP
Michigan State Housing Development Authority	MSHDA
Shoreline Regional Development Commission	SRDC

### 3. Reconciliation of revenues from federal sources per governmental funds financial statements and expenditures per the Schedule of Expenditures of Federal Awards.

Revenues from federal sources per December 31, 2018 governmental funds financial statements	\$ 3,015,078
Grand Traverse Brownfield Redevelopment Authority Component Unit	\$ 114,751
Federal revenues not included on the Schedule of Expenditures of Federal Awards as the County is a vendor not a subrecipient of the pass through entity	-
Expenditures per Schedule of Expenditures of Federal Awards	<u>\$ 3,129,829</u>

### 4. The County did not elect to use the 10% de minimis cost rate as covered in Uniform Guidance section 2 CFR 200.414 indirect costs.

### 5. Subrecipients

Of the federal expenditures presented in the accompanying schedule of expenditures of federal awards, the County provided no federal awards to subrecipients

**GRAND TRAVERSE COUNTY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

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**SECTION I - SUMMARY OF AUDITORS' RESULTS**

**Financial Statements**

Type of auditors' report issued	Unmodified		
Internal control over financial reporting:			
Material weakness(es) identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> X	no
Significant deficiency(ies) identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> X	none reported
Noncompliance material to financial statements noted?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> X	no

**Federal Awards**

Internal control over major programs:			
Material weakness(es) identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> X	no
Significant deficiency(ies) identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> X	none reported
Type of auditors' report issued on compliance for major programs	Unmodified		
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no	

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
93.563	Child Support Enforcement
Dollar threshold used to distinguish between Type A and B programs:	\$750,000
Auditee qualified as low-risk auditee?	<input type="checkbox"/> yes <input checked="" type="checkbox"/> X <input type="checkbox"/> no

**SECTION II - FINANCIAL STATEMENT FINDINGS**

**None**

**SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

**2018-001 - CFDA #93.563**

**Condition and Criteria:** The Uniform Guidance 2 CFR Part 200, Appendix V, paragraph G(2) provides the standards for internal service funds working capital reserves. It states charges by an internal service activity to provide for the establishment and maintenance of a reasonable level of working capital, in addition to the full recovery of costs are allowable. A working capital reserve as a part of retained earning of up to 60 calendar days cash expenses is considered reasonable. The County's Central stores funds exceeds the allowable amounts at December 31, 2018.

**Cause:** While the appropriate County employees were aware of the applicable compliance requirements and the necessity to lower working capital reserves, there was incomplete follow-through to ensure compliance with uniform guidance.

**Effect:** Noncompliance with the requirements of the Uniform guidance 2 CFR 200.

**Recommendation:** The County should develop and implement reimbursement rates to get working capital reserves down to limits consistent with Uniform Guidance 2 CFR 200

**Management Response:** The County is in process of reviewing the reimbursement rates of its internal service funds to ensure they are appropriate and keep working capital reserves at allowable levels.

**SECTION IV - SUMMARY OF PRIOR AUDIT FINDINGS**

**2017-001 - CFDA #93.563**

This finding was repeated as 2018-001 above

**2017-002 - CFDA #93.563**

This finding was corrected