



GRAND TRAVERSE COUNTY, MICHIGAN

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2019

GRAND TRAVERSE COUNTY, MICHIGAN

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2019

Principal Officials

Board of Commissioners

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

Administration

Nate Alger, County Administrator

Dean Bott, Finance Director

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INTRODUCTORY SECTION



GRAND TRAVERSE COUNTY ADMINISTRATION

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ADMINISTRATION
BOARD OF COMMISSIONERS
FAX

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June 18, 2020

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, 2019, 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 93,088. 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.. Activities of the General fund and Special Revenue 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 (department). Remaining governmental and proprietary funds are budgeted as a management control. The County's procedures in establishing its annual budget are as follows:

Beginning in May 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 2019, the estimated population of Grand Traverse County was 93,088 according to the U.S. Census. This is an increase of 7.0% from the 2010 U.S. Census population count of 86,986. Grand Traverse County is the 22nd most populated county in Michigan.

The 2019 median age in Grand Traverse County is 42.6 years, compared to 39.8 years for Michigan overall. In 2019, 19.9% of the population of the County was 65 years old and over which is higher than the 17.2% 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 2019, the annual average workforce in Grand Traverse County was 46,110 employees, representing two-thirds of the

total regional employment. Annual average unemployment for the County in 2019 was 3.8%, up from 3.5% in 2018. 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 \$63,894, the 13th highest county in Michigan.

Property Values and Home Sales

There are 55,859 parcels of property in the County for the 2020 Assessment year, an increase of .74% from 2019. The County Equalized Value (CEV) for Grand Traverse County for 2020 is \$7,354,713,405, an increase of 7.55% from 2019, which was \$6,838,320,468. Taxable value increased overall 5.27% countywide from 2019 to 2020.

Total listings of home sales in Grand Traverse County in 2019 by real estate agents were 2,437, down from 2,439 in 2018. The average sales price in 2019 was \$298,621, up from \$288,147 in 2018. In comparison, the average price for sales in Michigan in 2019 was \$170,100, an increase from \$167,865 in 2018.

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 ninth in the state with 35% 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 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 6 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.

Cherry Industry

The U.S. cherry industry produces more than 700 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 7 percent of the crop each year. Michigan produces about 25 million pounds of sweet cherries annually.

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 7,500 employees. Munson serves 30 counties in northern Michigan and offers 63 specialties including one of the nation's top heart programs.

MAJOR INITIATIVES

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.

US Census data from 2015-2016 (most currently available) lists the Traverse City micropolitan region as one of the most popular areas to start a business. A micropolitan area is a region with a core city population between 10,000-50,000 plus those in the surrounding communities.

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 and offers over 150 events and activities. 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 was instrumental in renovating the historic State Theatre, which it continues to own and operate as a highly successful year-round movie house.

Traverse City Pit Spitters Baseball Team and Hockeytown North

The Traverse City Pit Spitters, a minor league baseball team, is part of the Northwoods League, and plays their home games at Turtle Creek Stadium. The team played their inaugural season in 2019, drawing 70,000 fans and won the league championship. 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 10th “Coast Guard City.” Traverse City is one of only 28 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 25% level of unassigned fund balance based on the General fund's most current adopted operating budget. In 2019, the Board of Commissioners amended the County's policy on Fund Balance to reflect this change and how to manage any excess or shortfall of the 25% level.

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 fourteen 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, 2005-2018. This Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting. I would like to acknowledge Dean Bott, Grand Traverse County's Finance Director, and his entire staff for this outstanding accomplishment.

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,



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, 2018

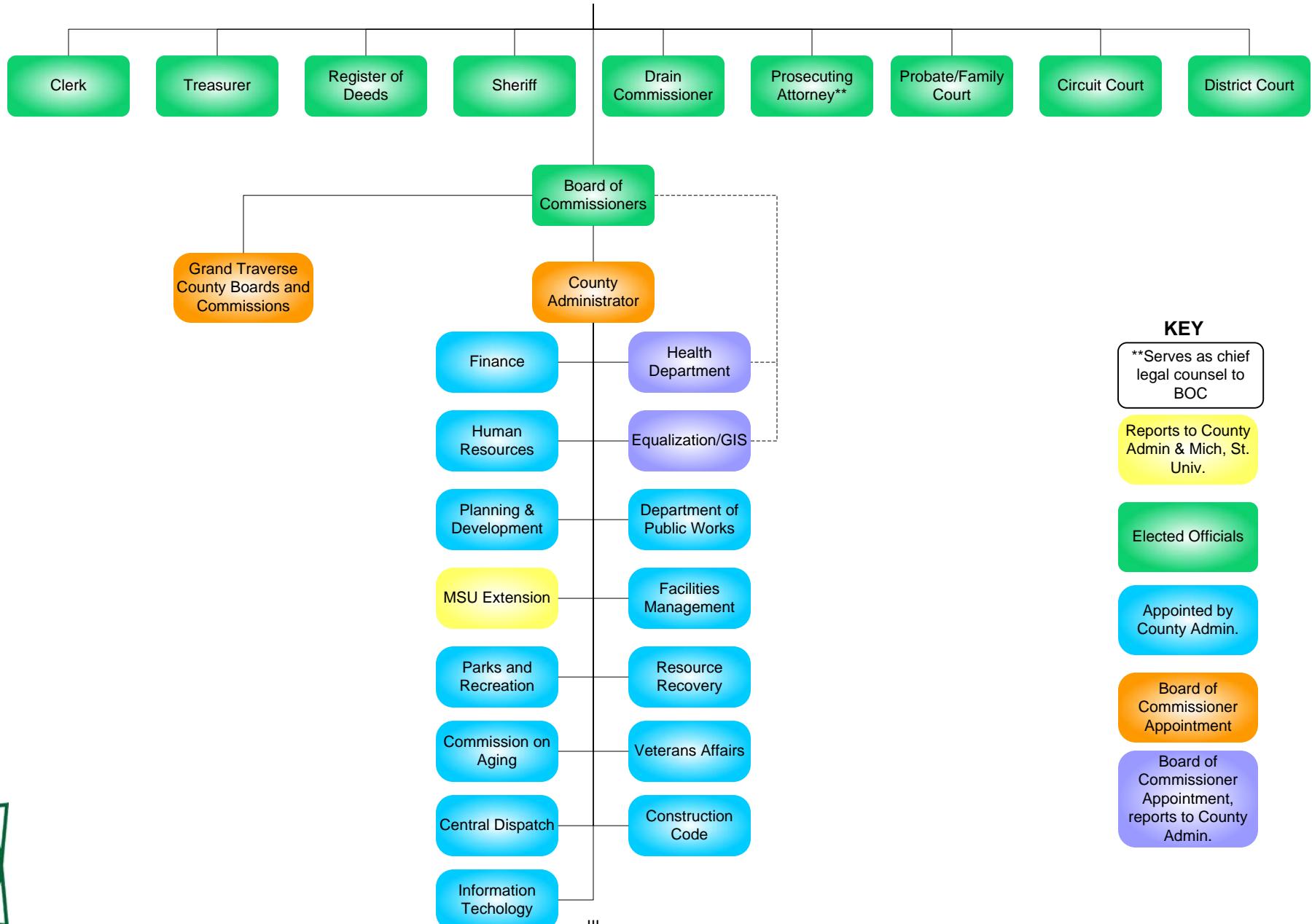
Christopher P. Morill

Executive Director/CEO

Grand Traverse County

Organizational Chart

VOTERS OF GRAND TRAVERSE COUNTY



FINANCIAL SECTION



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INDEPENDENT AUDITORS' REPORT

June 18, 2020

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, 2019, 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, 2019, 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 77 through 91 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 18, 2020 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 the effectiveness of 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, 2019.

Financial Highlights

The financial statements, which follow this Management's Discussion and Analysis, provide these significant key financial highlights for the 2019 fiscal year as follows:

- Tax revenues are increasing due to construction activity and higher property values
- The pension payments exceeded actuarial required amounts
- A Pension Policy was established to fund the pension at a rate greater than actuarial rates and assumptions

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, Delinquent tax revolving funds, Homestead, Inspections, Foreclosure tax collection, Solid Waste, and Building Authority.

The government-wide financial statements include not only the County itself (known as the primary government), but also the legally separate Road Commission, Land Bank Authority, Brownfield Redevelopment Authority, Drain Commission, Department of Public Works, 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 by \$46,055,615 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 | |
|---------------------------------------|-------------------------|---------------------|--------------------------|---------------------|---------------------|---------------------|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Assets | | | | | | |
| Current and other assets | \$31,394,418 | \$34,022,922 | \$27,231,355 | \$27,312,370 | \$58,625,773 | \$61,335,292 |
| Long-term assets | 52,625,684 | 46,510,045 | 19,564,851 | 19,984,253 | 72,190,535 | 66,494,298 |
| Total assets | 84,020,102 | 80,532,967 | 46,796,206 | 47,296,623 | 130,816,308 | 127,829,590 |
| Deferred outflows of resources | | | | | | |
| | 1,747,458 | 6,100,331 | 1,023,137 | 3,347,010 | 2,770,595 | 9,447,341 |
| Liabilities | | | | | | |
| Current liabilities | 3,356,117 | 2,093,620 | 3,141,127 | 2,170,099 | 6,497,244 | 4,263,719 |
| Long-term liabilities | 54,314,717 | 62,522,854 | 12,644,401 | 16,418,661 | 66,959,118 | 78,941,515 |
| Total liabilities | 57,670,834 | 64,616,474 | 15,785,528 | 18,588,760 | 73,456,362 | 83,205,234 |
| Deferred inflows of resources | | | | | | |
| | 11,937,672 | 11,634,198 | 2,137,254 | 2,409,345 | 14,074,926 | 14,043,543 |
| Net position | | | | | | |
| Net investment in capital assets | 35,053,992 | 34,481,571 | 16,876,431 | 17,077,341 | 51,930,423 | 51,558,912 |
| Restricted | 6,447,911 | 6,296,563 | - | - | 6,447,911 | 6,296,563 |
| Unrestricted | (25,342,849) | (30,395,508) | 13,020,130 | 12,568,187 | (12,322,719) | (17,827,321) |
| Total net position | \$ 16,159,054 | \$10,382,626 | \$29,896,561 | \$29,645,528 | \$46,055,615 | \$40,028,154 |

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 \$6,447,911 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 \$12,322,719.

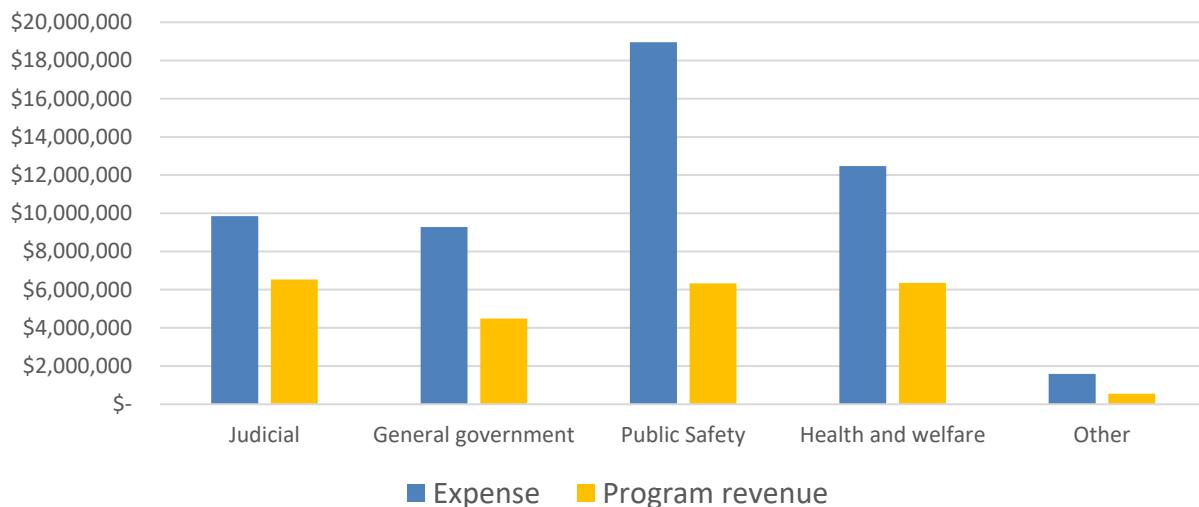
At the end of the current fiscal year, the County is able to report positive balances in two categories of net position, for the governmental activities and all three categories of net position for the business-type activities.

Statement of Activities The County's total revenue for the fiscal year ended December 31, 2019, was \$92,205,065 while total cost of all programs and services was \$86,177,602. This results in an increase in net position of \$6,027,463. The following table presents a summary of the changes in net position for the years ended December 31.

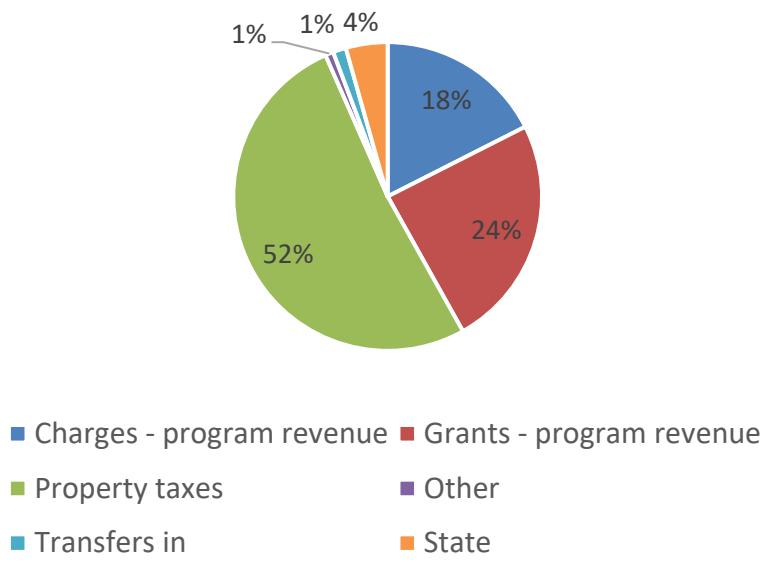
Changes in Net Position

| | <u>Governmental Activities</u> | | <u>Business-type Activities</u> | | <u>Total</u> | |
|---|--------------------------------|---------------------|---------------------------------|---------------------|---------------------|---------------------|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Revenues | | | | | | |
| Program revenues | | | | | | |
| Charges for services | \$10,178,407 | \$ 9,310,795 | \$34,821,337 | \$34,312,517 | \$44,999,744 | \$43,623,312 |
| Operating grants and contributions | 14,084,758 | 15,335,818 | 90,595 | 101,536 | 14,175,353 | 15,437,354 |
| Capital grants and contributions | - | - | - | - | - | - |
| General revenues | | | | | | |
| Property taxes | 29,833,366 | 28,175,697 | - | - | 29,833,366 | 28,175,697 |
| State revenue sharing | 2,532,774 | 2,461,516 | - | - | 2,532,774 | 2,461,516 |
| Interest | 470,802 | 332,489 | 169,618 | 149,067 | 640,420 | 481,556 |
| Gain on capital asset disposals | 23,263 | 35,883 | 145 | - | 23,408 | 35,883 |
| Total revenues | 57,123,370 | 55,652,198 | 35,081,695 | 34,563,120 | 92,205,065 | 90,215,318 |
| Expenses | | | | | | |
| Legislative | 388,056 | 236,699 | - | - | 388,056 | 236,699 |
| Judicial | 9,846,080 | 9,892,645 | - | - | 9,846,080 | 9,892,645 |
| General government | 9,280,692 | 9,539,314 | - | - | 9,280,692 | 9,539,314 |
| Public safety | 18,959,385 | 17,164,419 | - | - | 18,959,385 | 17,164,419 |
| Public works | 50,334 | 129,379 | - | - | 50,334 | 129,379 |
| Health and welfare | 12,469,681 | 11,723,888 | - | - | 12,469,681 | 11,723,888 |
| Economic Development | 44,187 | 257,122 | - | - | 44,187 | 257,122 |
| Parks and Recreation | 763,501 | 1,410,810 | - | - | 763,501 | 1,410,810 |
| Interest on long-term debt | 338,376 | 374,148 | - | - | 338,376 | 374,148 |
| Grand Traverse Pavilions | - | - | 32,528,419 | 28,392,851 | 32,528,419 | 28,392,851 |
| Delinquent tax revolving | - | - | 8,655 | 9,068 | 8,655 | 9,068 |
| Homestead | - | - | 17,168 | 16,675 | 17,168 | 16,675 |
| Inspections | - | - | 1,037,145 | 1,601,678 | 1,037,145 | 1,601,678 |
| Foreclosure tax collections | - | - | 151,620 | 149,050 | 151,620 | 149,050 |
| Solid Waste | - | - | 294,305 | 311,850 | 294,305 | 311,850 |
| Building Authority | - | - | - | 30 | - | 30 |
| Total expenses | 52,140,292 | 50,728,424 | 34,037,312 | 30,481,202 | 86,177,604 | 81,209,626 |
| Increase (decrease) before transfers | 4,983,078 | 4,923,774 | 1,044,383 | 4,081,918 | 6,027,461 | 9,005,692 |
| Transfers in (out) | 793,350 | 707,175 | (793,350) | (707,175) | - | - |
| Increase (decrease) in net position | 5,776,428 | 5,630,949 | 251,033 | 3,374,743 | 6,027,461 | 9,005,692 |
| Net position – beginning | 10,382,626 | 4,751,677 | 29,645,528 | 26,270,785 | 40,028,154 | 31,022,462 |
| Net position – ending | \$16,159,054 | \$10,382,626 | \$29,896,561 | \$29,645,528 | \$46,055,615 | \$40,028,154 |

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 \$5,776,428 during this fiscal year. The increase is very consistent with the 2018 increase.

Business-type Activities Business-type activities increased the County's net position by \$251,033 during the year. This increase is less than the 2018 increase as a result of the current year loss in the Pavilions fund which is significantly impacted by benefit plan accounting requirements.

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.

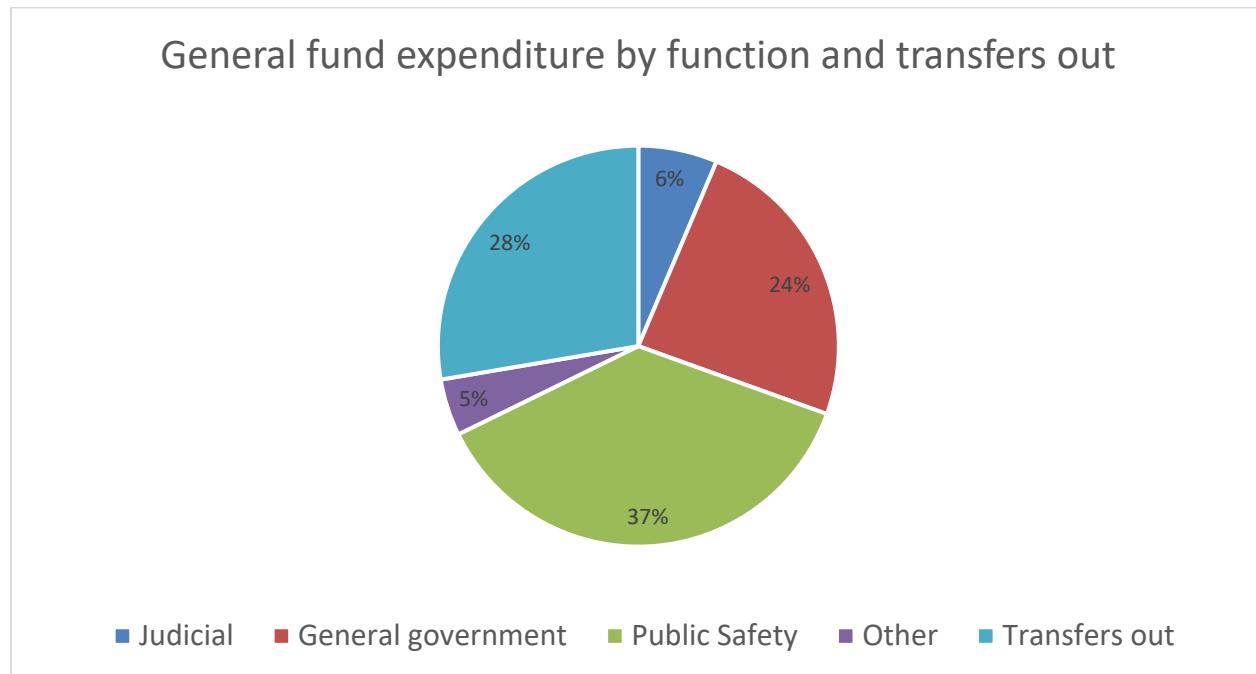
Governmental funds The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balance may serve as a useful measure 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 \$13,614,276. 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 36% of total general fund expenditures and transfers.

Health Department - At the end of the current fiscal year, fund balance was \$1,684,289, a decrease of \$409,674 from the prior year. A decrease in fund balance of \$540,040 was budgeted.

Commission on Aging - At the end of the current fiscal year, fund balance was \$2,162,511, an increase of \$215,667 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 leases receivable of \$3,267,399 were offset with an equal amount of deferred inflows. These balances represent future minimum payments expected to 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 a decrease in net position of \$905,830 largely due to benefit plan costs. The delinquent tax revolving fund had an increase of \$288,051 while transferring approximately \$730,000 to other funds.

Budgetary Highlights

General Fund

- Tax revenue in the general fund exceeded conservative budget estimates
- Charges for services revenues were higher than budget estimates due to improved court collections
- General government expenditures were less than budget due to staffing changes and to less than planned commodities and contractual expenditures
- 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 less than budgeted and other revenues were realized at amounts lower than budgeted
- Total expenditures were lower than budget due to unexpended grant funds that carry over to 2020

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, 2019, amounted to \$65,292,870 (net of accumulated depreciation). Of this amount, \$45,728,019 was for its governmental activities and \$19,564,851 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 approximately \$13.4 million for governmental and business-type activities. During the year the County made required principal payments and the Building Authority issued refunding bonds to call outstanding bonds for interest savings and an economic gain.

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 2020 fiscal year:

- Property values and taxable values continue to increase due to construction activity and economic growth (See 2020 Equalization Report which indicates a 5.27% increase in taxable value)
- The transition of employee health insurance to a health savings plan resulted in no increase in costs for 2020
- Several labor contracts need to be negotiated in 2020 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, 2019

| | Primary Government | | | Component Units |
|---|----------------------------|-----------------------------|----------------------|-----------------------|
| | Governmental Activities | Business-Type Activities | Total | |
| Assets | | | | |
| Cash and pooled investments | \$ 25,181,386 | \$ 19,353,270 | \$ 44,534,656 | \$ 13,028,541 |
| Accounts receivable, net | 882,320 | 3,269,808 | 4,152,128 | 599,999 |
| Property tax receivable | 3,283,430 | 3,440,258 | 6,723,688 | 15,760 |
| Interest receivable | 45,969 | 361,356 | 407,325 | 84,753 |
| Internal balances | (419,143) | 419,143 | - | - |
| Due from component unit | 211,582 | - | 211,582 | - |
| Due from other governments | 1,952,410 | 13,741 | 1,966,151 | 4,411,823 |
| Inventory | 111,910 | 164,044 | 275,954 | 1,734,179 |
| Prepaid items | 144,554 | 5,469 | 150,023 | 157,363 |
| Restricted cash | - | 204,266 | 204,266 | 1,849,129 |
| Advance to component units | 1,994,960 | - | 1,994,960 | - |
| Long-term receivables | 4,902,705 | - | 4,902,705 | 20,076,742 |
| Capital assets | | | | |
| Land | 15,639,877 | 1,820,550 | 17,460,427 | 28,887,586 |
| Construction in progress | 61,284 | 99,942 | 161,226 | 575,153 |
| Depreciable capital assets, net | 30,026,858 | 17,644,359 | 47,671,217 | 72,104,169 |
| Right-to-use lease; net | - | - | - | 3,213,330 |
| Total assets | <u>84,020,102</u> | <u>46,796,206</u> | <u>130,816,308</u> | <u>146,738,527</u> |
| Deferred outflows of resources | | | | |
| Deferred charge on refunding | - | 71,580 | 71,580 | - |
| Pension/OPEB related | <u>1,747,458</u> | <u>951,557</u> | <u>2,699,015</u> | <u>45,450</u> |
| Total deferred outflows of resources | <u>1,747,458</u> | <u>1,023,137</u> | <u>2,770,595</u> | <u>45,450</u> |
| Liabilities | | | | |
| Accounts payable | 853,925 | 666,450 | 1,520,375 | 898,530 |
| Accrued liabilities | 837,123 | 792,671 | 1,629,794 | 1,107,056 |
| Unearned revenue | 341,917 | - | 341,917 | - |
| Due to primary government | - | - | - | 211,582 |
| Due to other governments | 221,934 | 1,351,261 | 1,573,195 | 983,541 |
| Note payable | - | - | - | 675,000 |
| Current portion of long-term debt | 1,101,218 | 330,745 | 1,431,963 | 4,524,492 |
| Noncurrent liabilities | | | | |
| Long-term debt | 9,750,265 | 2,530,000 | 12,280,265 | 24,263,708 |
| Advance from primary government | - | - | - | 1,994,960 |
| Net pension liability | 41,592,619 | 8,682,932 | 50,275,551 | 531,894 |
| Net OPEB liability | 1,537,647 | 616,349 | 2,153,996 | 960,264 |
| Compensated absences | <u>1,434,186</u> | <u>815,120</u> | <u>2,249,306</u> | <u>51,728</u> |
| Total liabilities | <u>57,670,834</u> | <u>15,785,528</u> | <u>73,456,362</u> | <u>36,202,755</u> |
| Deferred inflows of resources | | | | |
| Taxes levied for subsequent year | 3,682,355 | - | 3,682,355 | 76,609 |
| Lease | 3,267,399 | - | 3,267,399 | - |
| Pension/OPEB related | <u>4,987,918</u> | <u>2,137,254</u> | <u>7,125,172</u> | <u>-</u> |
| Total deferred inflows of resources | <u>11,937,672</u> | <u>2,137,254</u> | <u>14,074,926</u> | <u>76,609</u> |
| Net position | | | | |
| Net investment in capital assets | 35,053,992 | 16,876,431 | 51,930,423 | 94,239,169 |
| Restricted | | | | |
| Commission on Aging | 2,162,511 | - | 2,162,511 | - |
| CDBG Housing Grants | 1,778,937 | - | 1,778,937 | - |
| Other | 2,506,463 | - | 2,506,463 | 13,364,242 |
| Unrestricted | <u>(25,342,849)</u> | <u>13,020,130</u> | <u>(12,322,719)</u> | <u>2,901,202</u> |
| Total net position | <u>\$ 16,159,054</u> | <u>\$ 29,896,561</u> | <u>\$ 46,055,615</u> | <u>\$ 110,504,613</u> |

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

GRAND TRAVERSE COUNTY

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2019

| <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> |
| Primary government | | | | | |
| Governmental activities | | | | | |
| Legislative | \$ 388,056 | \$ 655 | \$ - | \$ - | \$ (387,401) |
| Judicial | 9,846,080 | 2,591,859 | 3,942,618 | - | (3,311,603) |
| General government | 9,280,692 | 4,376,979 | 113,770 | - | (4,789,943) |
| Public safety | 18,959,385 | 1,232,059 | 5,100,469 | - | (12,626,857) |
| Public works | 50,334 | - | - | - | (50,334) |
| Health and welfare | 12,469,681 | 1,681,845 | 4,674,709 | - | (6,113,127) |
| Economic development | 44,187 | 22 | 4,582 | - | (39,583) |
| Parks and recreation | 763,501 | 294,988 | 248,610 | - | (219,903) |
| Interest on long-term debt | 338,376 | - | - | - | (338,376) |
| Total governmental activities | <u>52,140,292</u> | <u>10,178,407</u> | <u>14,084,758</u> | <u>-</u> | <u>(27,877,127)</u> |
| Business-type activities | | | | | |
| Grand Traverse Pavilions | 32,528,419 | 31,403,718 | 61,848 | - | (1,062,853) |
| Delinquent tax revolving | 8,655 | 1,019,560 | - | - | 1,010,905 |
| Homestead | 17,168 | - | 15,176 | - | (1,992) |
| Inspections | 1,037,145 | 1,936,739 | - | - | 899,594 |
| Foreclosure tax collection | 151,620 | 151,181 | - | - | (439) |
| Solid waste | 294,305 | 310,139 | 13,567 | - | 29,401 |
| Building Authority | - | - | 4 | - | 4 |
| Total business-type activities | <u>34,037,312</u> | <u>34,821,337</u> | <u>90,595</u> | <u>-</u> | <u>874,620</u> |
| Total primary government | <u>\$ 86,177,604</u> | <u>\$ 44,999,744</u> | <u>\$ 14,175,353</u> | <u>\$ -</u> | <u>\$ (27,002,507)</u> |
| Component units | <u>\$ 27,746,180</u> | <u>\$ 5,561,105</u> | <u>\$ 19,879,946</u> | <u>\$ 969,848</u> | <u>\$ (1,335,281)</u> |

(Continued)

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

GRAND TRAVERSE COUNTY

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2019

| | Primary Government | | | Component Units |
|--|------------------------------------|-------------------------------------|------------------------|----------------------------|
| | Governmental Activities | Business-type Activities | Total | |
| Changes in net position | | | | |
| Net (expense) revenue | <u>\$ (27,877,127)</u> | <u>\$ 874,620</u> | <u>\$ (27,002,507)</u> | <u>\$ (1,335,281)</u> |
| General revenues | | | | |
| Property taxes | 29,833,366 | - | 29,833,366 | 4,016,803 |
| State shared revenues | 2,532,774 | - | 2,532,774 | - |
| Unrestricted interest | 470,802 | 169,618 | 640,420 | 314,368 |
| Gain on sale of capital asset | 23,263 | 145 | 23,408 | 250,845 |
| Transfers - internal activities | 793,350 | (793,350) | - | - |
| Total general revenues and transfers | <u>33,653,555</u> | <u>(623,587)</u> | <u>33,029,968</u> | <u>4,582,016</u> |
| Change in net position | 5,776,428 | 251,033 | 6,027,461 | 3,246,735 |
| Net position, beginning of year | <u>10,382,626</u> | <u>29,645,528</u> | <u>40,028,154</u> | <u>107,257,878</u> |
| Net position, end of year | <u>\$ 16,159,054</u> | <u>\$ 29,896,561</u> | <u>\$ 46,055,615</u> | <u>\$ 110,504,613</u> |

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

GRAND TRAVERSE COUNTY

GOVERNMENTAL FUNDS BALANCE SHEET

DECEMBER 31, 2019

| | <u>General</u> | <u>Health Department</u> | <u>Commission on Aging</u> | <u>Building Authority</u> | <u>PACE Debt</u> | <u>Nonmajor Governmental Funds</u> | <u>Total</u> |
|---|----------------------|--------------------------|----------------------------|---------------------------|----------------------|------------------------------------|--------------|
| Assets | | | | | | | |
| Cash and pooled investments | \$ 13,264,992 | \$ 1,261,330 | \$ 2,512,541 | \$ - | \$ 6,673,342 | \$ 23,712,205 | |
| Accounts receivable, net | 56,852 | 96,484 | - | - | 725,537 | 878,873 | |
| Property tax receivable | - | - | 2,283,774 | - | 999,656 | 3,283,430 | |
| Interest receivable | 45,969 | - | - | - | - | 45,969 | |
| Due from other funds | 1,672,824 | - | - | - | 398,405 | 2,071,229 | |
| Due from component unit | 211,582 | - | - | - | - | 211,582 | |
| Due from other governments | 532,450 | 422,640 | - | - | 971,697 | 1,926,787 | |
| Advance to other funds | 592,349 | - | - | - | - | 592,349 | |
| Advance to component units | 1,994,960 | - | - | - | - | 1,994,960 | |
| Long-term receivable | - | - | 3,267,399 | - | 1,635,306 | 4,902,705 | |
| Inventory | - | 27,144 | - | - | 84,766 | 111,910 | |
| Prepaid items | 22,646 | 22,407 | 70 | - | 26,185 | 71,308 | |
| Total assets | \$ 18,394,624 | \$ 1,830,005 | \$ 4,796,385 | \$ 3,267,399 | \$ 11,514,894 | \$ 39,803,307 | |
| Liabilities, deferred inflows of resources and fund balances | | | | | | | |
| Liabilities | | | | | | | |
| Accounts payable | \$ 280,204 | \$ 47,259 | \$ 31,762 | \$ - | \$ 433,463 | \$ 792,688 | |
| Accrued liabilities | 368,456 | 21,542 | 34,639 | - | 161,980 | 586,617 | |
| Unearned revenue | 19,362 | 58,966 | - | - | 263,589 | 341,917 | |
| Due to other funds | 459,236 | 13,051 | 2,232 | - | 685,537 | 1,160,056 | |
| Due to other governments | 39,409 | 4,898 | 2,902 | - | 174,725 | 221,934 | |
| Advance from other funds | - | - | - | - | 592,349 | 592,349 | |
| Total liabilities | 1,166,667 | 145,716 | 71,535 | - | 2,311,643 | 3,695,561 | |
| Deferred inflows of resources | | | | | | | |
| Taxes levied for subsequent year | - | - | 2,562,339 | - | 1,120,016 | 3,682,355 | |
| Lease | - | - | - | 3,267,399 | - | 3,267,399 | |
| | - | - | 2,562,339 | 3,267,399 | 1,120,016 | 6,949,754 | |
| Fund balances | | | | | | | |
| Nonspendable | | | | | | | |
| Inventory | - | 27,144 | - | - | 84,766 | 111,910 | |
| Prepaid | 22,646 | 22,407 | 70 | - | 26,185 | 71,308 | |
| Advances to other funds | 592,349 | - | - | - | - | 592,349 | |
| Advances to component units | 1,994,960 | - | - | - | - | 1,994,960 | |
| Restricted | | | | | | | |
| Special revenue funds | - | - | 2,162,441 | - | 4,285,470 | 6,447,911 | |
| Committed | | | | | | | |
| Special revenue funds | - | 1,634,738 | - | - | 1,841,340 | 3,476,078 | |
| Capital projects funds | - | - | - | - | 2,095,474 | 2,095,474 | |
| Assigned | | | | | | | |
| Stabilization | 334,575 | - | - | - | - | 334,575 | |
| Subsequent year expenditures | 669,151 | - | - | - | - | 669,151 | |
| Unassigned | 13,614,276 | - | - | - | (250,000) | 13,364,276 | |
| Total fund balances | 17,227,957 | 1,684,289 | 2,162,511 | - | 8,083,235 | 29,157,992 | |
| Total liabilities, deferred inflows of resources and fund balances | | | | | | | |
| | \$ 18,394,624 | \$ 1,830,005 | \$ 4,796,385 | \$ 3,267,399 | \$ 11,514,894 | \$ 39,803,307 | |

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, 2019

| | |
|--|----------------------|
| Fund balances - total governmental funds | \$ 29,157,992 |
| 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 | 61,284 |
| Add - capital assets (net of accumulated depreciation) | 27,413,064 |
| 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 | 2,150,066 |
| Certain liabilities are not due and payable in the current period and therefore are not reported in the funds. | |
| Deduct - long-term debt | (10,448,726) |
| Deduct - net OPEB liability | (1,537,647) |
| Deduct - compensated absences payable | (1,397,654) |
| Deduct - net pension liability | (41,592,619) |
| Deduct - deferred inflows and outflows related to benefit plan liabilities | (3,240,460) |
| Deduct - accrued interest on bonds payable | <u>(46,123)</u> |
| Net position of governmental activities | <u>\$ 16,159,054</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, 2019

| | <u>General</u> | <u>Health Department</u> | <u>Commission on Aging</u> | <u>Building Authority</u> | <u>PACE Debt</u> | <u>Nonmajor Governmental Funds</u> | <u>Total</u> |
|---|----------------------|--------------------------|----------------------------|---------------------------|---------------------|------------------------------------|-------------------|
| Revenues | | | | | | | |
| Property taxes | \$ 26,057,360 | \$ - | \$ 2,494,443 | \$ - | \$ 1,281,563 | \$ 29,833,366 | |
| Intergovernmental revenues | | | | | | | |
| Federal | 108,530 | 1,409,737 | - | - | - | 1,673,214 | 3,191,481 |
| State | 3,663,837 | 1,985,645 | - | - | - | 1,710,130 | 7,359,612 |
| Local | 1,758,642 | 265,440 | 10,591 | - | - | 3,543,359 | 5,578,032 |
| Licenses and permits | 7,390 | 395,459 | - | - | - | 170,642 | 573,491 |
| Charges for services | 4,562,528 | 435,179 | 318,368 | 243,442 | - | 1,209,770 | 6,769,287 |
| Fines and forfeitures | 97,596 | - | - | - | - | 45,366 | 142,962 |
| Reimbursements | 2,614,711 | 693,151 | 37,808 | - | - | - | 3,345,670 |
| Rental | 1,321,003 | - | - | - | - | - | 1,321,003 |
| Interest | 470,802 | 3,300 | 57,456 | - | - | 46,217 | 577,775 |
| Miscellaneous | 3,507 | - | 22,183 | - | - | 382,239 | 407,929 |
| Total revenues | 40,665,906 | 5,187,911 | 2,940,849 | 243,442 | 10,062,500 | 59,100,608 | |
| Expenditures | | | | | | | |
| Current | | | | | | | |
| Legislative | 409,491 | - | - | - | - | - | 409,491 |
| Judicial | 2,446,069 | - | - | - | - | 7,520,827 | 9,966,896 |
| General government | 9,249,645 | - | - | - | - | 2,095,224 | 11,344,869 |
| Public safety | 14,280,068 | - | - | - | - | 4,745,502 | 19,025,570 |
| Public works | 50,334 | - | - | - | - | - | 50,334 |
| Health and welfare | 443,645 | 6,986,376 | 2,646,110 | - | - | 2,194,623 | 12,270,754 |
| Economic development | - | - | - | - | - | 44,187 | 44,187 |
| Parks and recreation | - | - | - | - | - | 729,820 | 729,820 |
| Unallocated benefits and insurance | 712,628 | - | - | - | - | - | 712,628 |
| Debt service | | | | | | | |
| Principal | - | - | - | 135,000 | - | 640,000 | 775,000 |
| Interest | - | - | - | 108,442 | - | 236,681 | 345,123 |
| Capital outlay | 140,297 | - | 85,529 | - | - | 976,714 | 1,202,540 |
| Total expenditures | 27,732,177 | 6,986,376 | 2,731,639 | 243,442 | 19,183,578 | 56,877,212 | |
| Revenues over (under) expenditures | 12,933,729 | (1,798,465) | 209,210 | - | (9,121,078) | - | 2,223,396 |
| Other financing sources (uses) | | | | | | | |
| Sale of fixed assets | 11,448 | 10,600 | 6,457 | - | - | - | 28,505 |
| Issuance of bonds | - | - | - | - | - | 3,780,000 | 3,780,000 |
| Bond premium | - | - | - | - | - | 144,610 | 144,610 |
| Payment to escrow agent | - | - | - | - | - | (3,820,000) | (3,820,000) |
| Transfers in | 793,976 | 1,378,191 | - | - | - | 9,239,260 | 11,411,427 |
| Transfers out | (10,611,451) | - | - | - | - | (6,626) | (10,618,077) |
| Total other financing sources (uses) | (9,806,027) | 1,388,791 | 6,457 | - | - | 9,337,244 | 926,465 |
| Net changes in fund balances | 3,127,702 | (409,674) | 215,667 | - | - | 216,166 | 3,149,861 |
| Fund balances, beginning of year | 14,100,255 | 2,093,963 | 1,946,844 | - | - | 7,867,069 | 26,008,131 |
| Fund balances, end of year | \$ 17,227,957 | \$ 1,684,289 | \$ 2,162,511 | \$ - | \$ 8,083,235 | \$ 29,157,992 | |

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, 2019

| | |
|--|--------------|
| Net changes in fund balances - total governmental funds | \$ 3,149,861 |
|--|--------------|

Amounts reported for *governmental activities* in the statement of activities are different because

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense.

| | |
|--|-------------|
| Add - capital outlay | 1,550,235 |
| Deduct - depreciation expense | (1,616,333) |
| Deduct - net book value of disposed assets | (5,242) |

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 long-term debt | 4,595,000 |
| Deduct - bonds issued | (3,780,000) |
| Deduct - bond premium | (144,610) |
| Deduct - amortization of premium/discounts | (1,850) |

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 | 116,389 |
|--|---------|

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 | (104,146) |
| Add - decrease in net pension obligation | 5,873,888 |
| Deduct - increase in deferred inflows and outflows related to benefit plans | (4,331,892) |
| Add - decrease in other post-employment benefit liability | 466,529 |
| Add - decrease in accrued interest | 8,599 |

| | |
|--|----------------------------|
| Change in net position of governmental activities | <u>\$ 5,776,428</u> |
|--|----------------------------|

GRAND TRAVERSE COUNTY

PROPRIETARY FUNDS STATEMENT OF NET POSITION

DECEMBER 31, 2019

| | Enterprise Funds | | | | |
|---|--------------------------------|--|---------------------------------|-----------------------------|---|
| | Grand Traverse Pavilions | Delinquent Tax Revolving Fund | Nonmajor Enterprise Funds | Enterprise Fund Total | Governmental Activities Internal Service Funds |
| | | | | | |
| Assets | | | | | |
| Current assets | | | | | |
| Cash and pooled investments | \$ 8,710,613 | \$ 5,748,358 | \$ 4,894,299 | \$ 19,353,270 | \$ 1,469,181 |
| Accounts receivable, net | 3,127,876 | 90,709 | 51,223 | 3,269,808 | 3,447 |
| Property tax receivable | - | 3,274,163 | 166,095 | 3,440,258 | - |
| Interest receivable | - | 361,356 | - | 361,356 | - |
| Due from other funds | - | - | 136 | 136 | 137,212 |
| Due from other governments | - | - | 13,741 | 13,741 | 25,623 |
| Prepaid and other assets | 4,469 | - | 1,000 | 5,469 | 73,246 |
| Inventory | 164,044 | - | - | 164,044 | - |
| Total current assets | <u>12,007,002</u> | <u>9,474,586</u> | <u>5,126,494</u> | <u>26,608,082</u> | <u>1,708,709</u> |
| Noncurrent assets | | | | | |
| Restricted cash | 204,266 | - | - | 204,266 | - |
| Advance to other funds | - | 1,467,225 | - | 1,467,225 | - |
| Capital assets | | | | | |
| Land | 1,820,550 | - | - | 1,820,550 | - |
| Construction in progress | - | - | 99,942 | 99,942 | - |
| Capital assets | 17,613,749 | - | 30,610 | 17,644,359 | 2,613,794 |
| Total noncurrent assets | <u>19,638,565</u> | <u>1,467,225</u> | <u>130,552</u> | <u>21,236,342</u> | <u>2,613,794</u> |
| Total assets | <u>31,645,567</u> | <u>10,941,811</u> | <u>5,257,046</u> | <u>47,844,424</u> | <u>4,322,503</u> |
| Deferred outflows of resources | | | | | |
| Deferred charge on refunding | 71,580 | - | - | 71,580 | - |
| Pension & OPEB related | 951,557 | - | - | 951,557 | - |
| Total deferred outflows of resources | <u>1,023,137</u> | <u>-</u> | <u>-</u> | <u>1,023,137</u> | <u>-</u> |
| Liabilities | | | | | |
| Current liabilities | | | | | |
| Accounts payable | 607,685 | - | 58,765 | 666,450 | 61,237 |
| Accrued liabilities | 774,148 | - | 18,523 | 792,671 | 204,383 |
| Due to other funds | - | 1,046,105 | 2,113 | 1,048,218 | 303 |
| Due to other governmental units | 917,333 | - | 433,928 | 1,351,261 | - |
| Current portion of long-term debt | 330,745 | - | - | 330,745 | 128,761 |
| Total current liabilities | <u>2,629,911</u> | <u>1,046,105</u> | <u>513,329</u> | <u>4,189,345</u> | <u>394,684</u> |
| Noncurrent liabilities | | | | | |
| Long-term debt | 2,530,000 | - | - | 2,530,000 | 273,996 |
| Advance from other funds | - | - | - | - | 1,467,225 |
| Compensated absences | 760,287 | - | 54,833 | 815,120 | 36,532 |
| Net OPEB liability | 616,349 | - | - | 616,349 | - |
| Net pension liability | 8,682,932 | - | - | 8,682,932 | - |
| Total long-term liabilities | <u>12,589,568</u> | <u>-</u> | <u>54,833</u> | <u>12,644,401</u> | <u>1,777,753</u> |
| Total liabilities | <u>15,219,479</u> | <u>1,046,105</u> | <u>568,162</u> | <u>16,833,746</u> | <u>2,172,437</u> |
| Deferred inflows of resources | | | | | |
| Pension & OPEB related | 2,137,254 | - | - | 2,137,254 | - |
| Net position | | | | | |
| Net investment in capital assets | 16,745,879 | - | 130,552 | 16,876,431 | 743,812 |
| Unrestricted | (1,433,908) | 9,895,706 | 4,558,332 | 13,020,130 | 1,406,254 |
| Total net position | <u>\$ 15,311,971</u> | <u>\$ 9,895,706</u> | <u>\$ 4,688,884</u> | <u>\$ 29,896,561</u> | <u>\$ 2,150,066</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, 2019

| | Enterprise Funds | | | | |
|--|---|--|--|--------------------------------------|---|
| | Grand Traverse Pavilions | Delinquent Tax Revolving Fund | Nonmajor Enterprise Funds | Enterprise Fund Total | Governmental Activities Internal Service Funds |
| Operating revenue | | | | | |
| Charges for services | \$ 28,561,574 | \$ 1,001,090 | \$ 2,337,037 | \$ 31,899,701 | \$ 15,073,977 |
| Miscellaneous | <u>2,903,992</u> | <u>18,470</u> | <u>89,769</u> | <u>3,012,231</u> | <u>1,352,093</u> |
| Total operating revenue | <u>31,465,566</u> | <u>1,019,560</u> | <u>2,426,806</u> | <u>34,911,932</u> | <u>16,426,070</u> |
| Operating expense | | | | | |
| Personnel services | 21,834,411 | - | 865,048 | 22,699,459 | 986,552 |
| Contracted services | 4,400,391 | - | 461,505 | 4,861,896 | 12,504,023 |
| Supplies | 1,664,442 | - | 32,006 | 1,696,448 | 527,794 |
| Other | 3,414,731 | 8,655 | 121,271 | 3,544,657 | 1,507,735 |
| Depreciation | <u>1,139,162</u> | <u>-</u> | <u>20,408</u> | <u>1,159,570</u> | <u>718,349</u> |
| Total operating expense | <u>32,453,137</u> | <u>8,655</u> | <u>1,500,238</u> | <u>33,962,030</u> | <u>16,244,453</u> |
| Operating income (loss) | <u>(987,571)</u> | <u>1,010,905</u> | <u>926,568</u> | <u>949,902</u> | <u>181,617</u> |
| Non-operating revenue (expense) | | | | | |
| Gain on sale of capital assets | - | - | 145 | 145 | - |
| Interest income | 157,023 | - | 12,595 | 169,618 | - |
| Interest expense | <u>(75,282)</u> | <u>-</u> | <u>-</u> | <u>(75,282)</u> | <u>(65,228)</u> |
| Total non-operating revenue (expense) | <u>81,741</u> | <u>-</u> | <u>12,740</u> | <u>94,481</u> | <u>(65,228)</u> |
| Income (loss) before transfers | <u>(905,830)</u> | <u>1,010,905</u> | <u>939,308</u> | <u>1,044,383</u> | <u>116,389</u> |
| Transfers in | - | 10,859 | - | 10,859 | - |
| Transfers out | <u>-</u> | <u>(733,713)</u> | <u>(70,496)</u> | <u>(804,209)</u> | <u>-</u> |
| Total transfers | <u>-</u> | <u>(722,854)</u> | <u>(70,496)</u> | <u>(793,350)</u> | <u>-</u> |
| Change in net position | <u>(905,830)</u> | <u>288,051</u> | <u>868,812</u> | <u>251,033</u> | <u>116,389</u> |
| Net position, beginning of year | <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> |
| Net position, end of year | <u>\$ 15,311,971</u> | <u>\$ 9,895,706</u> | <u>\$ 4,688,884</u> | <u>\$ 29,896,561</u> | <u>\$ 2,150,066</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, 2019

| | Enterprise Funds | | | | |
|---|--------------------------------|--|---------------------------------|-----------------------------|---|
| | Grand Traverse Pavilions | Delinquent Tax Revolving Fund | Nonmajor Enterprise Funds | Enterprise Fund Total | Governmental Activities Internal Service Funds |
| Cash flows from operating activities | | | | | |
| Receipts from interfund services | \$ - | \$ - | \$ - | \$ - | \$ 16,439,851 |
| Receipts from customers and users | 32,269,003 | 5,904,267 | 2,270,885 | 40,444,155 | - |
| Payments to employees | (22,025,745) | - | (1,846,955) | (23,872,700) | (997,123) |
| Purchase of delinquent tax roll | - | (5,262,019) | - | (5,262,019) | - |
| Payments to suppliers | (9,447,370) | (8,710) | (189,222) | (9,645,302) | (14,528,153) |
| Net cash provided by (used in) operating activities | 795,888 | 633,538 | 234,708 | 1,664,134 | 914,575 |
| Cash flows from non-capital financing activities | | | | | |
| Payment of loan from other funds | - | 59,085 | 394 | 59,479 | (917,633) |
| Receipt of loan to other funds | - | 632,141 | 201 | 632,342 | - |
| Transfers in | - | 10,859 | - | 10,859 | - |
| Transfers out | - | (733,713) | (70,496) | (804,209) | - |
| Net cash provided by (used in) non-capital financing activities | - | (31,628) | (69,901) | (101,529) | (917,633) |
| Cash flows from capital and related financing activities | | | | | |
| Gain on sale of capital assets | - | - | 145 | 145 | - |
| Interest expense | (68,774) | - | - | (68,774) | (65,229) |
| Principal payment | (225,000) | - | - | (225,000) | (191,537) |
| Acquisitions of capital assets | (640,226) | - | (99,942) | (740,168) | (7,663) |
| Net cash provided by (used in) capital and related financing activities | (934,000) | - | (99,797) | (1,033,797) | (264,429) |
| Cash flows from investing activities | | | | | |
| Interest income | 157,023 | (99,759) | 12,595 | 69,859 | - |
| Net cash provided by (used in) investing activities | 157,023 | (99,759) | 12,595 | 69,859 | - |
| Net increase (decrease) in cash and pooled investments | 18,911 | 502,151 | 77,605 | 598,667 | (267,487) |
| Cash and pooled investments, beginning of year | 8,895,968 | 5,246,207 | 4,816,694 | 18,958,869 | 1,736,668 |
| Cash and pooled investments, end of year | \$ 8,914,879 | \$ 5,748,358 | \$ 4,894,299 | \$ 19,557,536 | \$ 1,469,181 |
| Cash flows from operating activities | | | | | |
| Operating income (loss) | \$ (987,571) | \$ 1,010,905 | \$ 926,568 | \$ 949,902 | \$ 181,617 |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities | | | | | |
| Depreciation | 1,139,162 | - | 20,408 | 1,159,570 | 718,349 |
| Changes in operating assets and liabilities which provided (used) cash | | | | | |
| Accounts receivable | 605,074 | (14,625) | (20,987) | 569,462 | (2,631) |
| Due from other funds | - | - | - | - | 16,995 |
| Due from component units | - | - | - | - | 3,006 |
| Property tax receivable | - | (362,687) | (147,258) | (509,945) | - |
| Net pension & OPEB deferred outflows and inflows | 1,900,958 | - | 144,316 | 2,045,274 | - |
| Prepaid assets and other items | 16,106 | - | (188) | 15,918 | 14,984 |
| Inventory | (139) | - | - | (139) | - |
| Due from other governments | - | - | 12,324 | 12,324 | (3,589) |
| Accounts payable | (71,298) | (55) | 16,809 | (54,544) | (75,968) |
| Accrued liabilities | 87,386 | - | 2,621 | 90,007 | 78,683 |
| Due to other governments | 198,502 | - | 406,318 | 604,820 | (6,300) |
| Compensated absences | 161,314 | - | 4,657 | 165,971 | (10,571) |
| Net OPEB liability | (378,435) | - | - | (378,435) | - |
| Net pension liability | (1,875,171) | - | (1,130,880) | (3,006,051) | - |
| Net cash provided by (used in) operating activities | \$ 795,888 | \$ 633,538 | \$ 234,708 | \$ 1,664,134 | \$ 914,575 |

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

GRAND TRAVERSE COUNTY

FIDUCIARY FUNDS STATEMENT OF NET POSITION

DECEMBER 31, 2019

| | <u>OPEB</u> <u>Trust Fund</u> | <u>Agency</u> <u>Funds</u> |
|----------------------------------|----------------------------------|-------------------------------|
| Assets | | |
| Cash and pooled investments | \$ - | \$ 3,173,296 |
| Investments | | |
| MERS Total Market Portfolio fund | 1,995,619 | - |
| Due from other governments | <u>-</u> | <u>419,914</u> |
| Total assets | <u>1,995,619</u> | <u>\$ 3,593,210</u> |
| Liabilities | | |
| Due to other governmental units | \$ - | \$ 897,163 |
| Court items payable | - - | 186,674 |
| Undistributed receipts | - - | 1,390,772 |
| Other | <u>- -</u> | <u>1,118,601</u> |
| Total liabilities | <u>- -</u> | <u>\$ 3,593,210</u> |
| Net Position | | |
| Restricted for OPEB | <u>\$ 1,995,619</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, 2019

| | OPEB <u>Trust Fund</u> |
|--|-----------------------------------|
| Additions | |
| Contributions: | |
| Employer | \$ 800,000 |
| Investment income: | |
| Net appreciation in fair value of securities | <u>159,943</u> |
| Total additions | <u>959,943</u> |
| Deductions | |
| Administrative expenses | <u>2,212</u> |
| Total deductions | <u>2,212</u> |
| Changes in net position | 957,731 |
| Net position, beginning of year | <u>1,037,888</u> |
| Net position, end of year | <u>\$ 1,995,619</u> |

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

GRAND TRAVERSE COUNTY
COMPONENT UNITS
COMBINING STATEMENT OF NET POSITION

DECEMBER 31, 2019

| | Road Commission | Land Bank Authority | Brownfield Redevelopment Authority | Drain Commission | Department of Public Works | PACE | Pavilions Foundation | Total Component Units |
|---|----------------------|---------------------------|--|---------------------|-------------------------------|-------------------|-------------------------|-----------------------------|
| Assets | | | | | | | | |
| Cash and pooled investments | \$ 6,672,881 | \$ 163,676 | \$ 3,391,851 | \$ 196,102 | \$ 609,695 | \$ 28,362 | \$ 1,965,974 | \$ 13,028,541 |
| Accounts receivable, net | 33,476 | - | - | 86,369 | 135,983 | 191,671 | 152,500 | 599,999 |
| Property tax receivable | - | 15,760 | - | - | - | - | - | 15,760 |
| Interest receivable | - | - | - | - | 84,753 | - | - | 84,753 |
| Due from other governments | 3,180,248 | - | 3,836 | - | 1,227,739 | - | - | 4,411,823 |
| Inventory | 1,280,297 | 453,882 | - | - | - | - | - | 1,734,179 |
| Prepaid items | 116,967 | - | 17,942 | - | - | 22,454 | - | 157,363 |
| Restricted cash | 4,967 | - | - | - | - | 1,844,162 | - | 1,849,129 |
| Long-term receivables | - | - | 2,224,782 | - | 17,851,960 | - | - | 20,076,742 |
| Capital assets | | | | | | | | |
| Land | 28,430,886 | - | - | 56,700 | 400,000 | - | - | 28,887,586 |
| Construction in progress | - | - | - | 575,153 | - | - | - | 575,153 |
| Depreciable capital assets, net | 65,961,603 | - | - | - | 5,887,916 | 254,650 | - | 72,104,169 |
| Right-to-use lease; net | - | - | - | - | - | 3,213,330 | - | 3,213,330 |
| Total assets | 105,681,325 | 633,318 | 5,638,411 | 914,324 | 26,198,046 | 5,554,629 | 2,118,474 | 146,738,527 |
| Deferred outflows of resources | | | | | | | | |
| Pension/OPEB related | 45,450 | - | - | - | - | - | - | 45,450 |
| Total deferred outflows of resources | 45,450 | - | - | - | - | - | - | 45,450 |
| Liabilities | | | | | | | | |
| Accounts payable | 255,412 | 946 | 18,988 | 83,820 | 162,647 | 223,297 | 153,420 | 898,530 |
| Accrued liabilities | 876,705 | - | 13,251 | - | 217,100 | - | - | 1,107,056 |
| Due to primary government | - | - | - | 67,321 | 144,261 | - | - | 211,582 |
| Due to other governments | - | - | 62,313 | - | 921,228 | - | - | 983,541 |
| Note payable | - | - | - | 675,000 | - | - | - | 675,000 |
| Current portion of long-term debt | 825,973 | - | 71,390 | - | 3,487,129 | 140,000 | - | 4,524,492 |
| Noncurrent liabilities | | | | | | | | |
| Long-term debt | 2,964,278 | - | 965,492 | - | 16,073,938 | 4,260,000 | - | 24,263,708 |
| Advance from primary government | - | - | - | - | 1,994,960 | - | - | 1,994,960 |
| Net pension liability | 531,894 | - | - | - | - | - | - | 531,894 |
| Net OPEB liability | 960,264 | - | - | - | - | - | - | 960,264 |
| Compensated absences | - | - | - | - | 51,728 | - | - | 51,728 |
| Total liabilities | 6,414,526 | 946 | 1,131,434 | 826,141 | 23,052,991 | 4,623,297 | 153,420 | 36,202,755 |
| Deferred inflows of resources | | | | | | | | |
| Taxes levied for subsequent year | - | 76,609 | - | - | - | - | - | 76,609 |
| Net position | | | | | | | | |
| Net investment in capital assets | 91,428,211 | - | - | - | 2,592,978 | 217,980 | - | 94,239,169 |
| Restricted | 6,953,283 | 555,763 | 4,506,977 | - | 507 | - | 1,347,712 | 13,364,242 |
| Unrestricted | 930,755 | - | - | 88,183 | 551,570 | 713,352 | 617,342 | 2,901,202 |
| Total net position | \$ 99,312,249 | \$ 555,763 | \$ 4,506,977 | \$ 88,183 | \$ 3,145,055 | \$ 931,332 | \$ 1,965,054 | \$ 110,504,613 |

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

GRAND TRAVERSE COUNTY

COMPONENT UNITS
COMBINING STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2019

| Functions/Programs | Program Revenues | | | | |
|------------------------------------|-------------------------|---------------------------------|---|---|----------------------------------|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Net (Expense) Revenue |
| Component units | | | | | |
| Road Commission | \$ 15,172,537 | \$ 1,527,810 | \$ 12,500,318 | \$ 969,848 | \$ (174,561) |
| Land Bank Authority | 839,726 | 25,000 | - | - | (814,726) |
| Brownfield Redevelopment Authority | 2,103,982 | 2,662,481 | 226,680 | - | 785,179 |
| Drain Commission | 18,917 | - | 96,121 | - | 77,204 |
| Department of Public Works | 6,943,408 | 1,345,814 | 5,741,054 | - | 143,460 |
| PACE | 1,951,080 | - | 630,135 | - | (1,320,945) |
| Pavilions Foundation | 716,530 | - | 685,638 | - | (30,892) |
| Total component units | <u>\$ 27,746,180</u> | <u>\$ 5,561,105</u> | <u>\$ 19,879,946</u> | <u>\$ 969,848</u> | <u>\$ (1,335,281)</u> |

(Continued)

GRAND TRAVERSE COUNTY

COMPONENT UNITS
COMBINING STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2019

| | <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> |
|---|-----------------------------|--------------------------------|---|-----------------------------|---|--------------------------|---------------------------------|--------------------------------------|
| Changes in net position | | | | | | | | |
| Net (expense) revenue | <u>\$ (174,561)</u> | <u>\$ (814,726)</u> | <u>\$ 785,179</u> | <u>\$ 77,204</u> | <u>\$ 143,460</u> | <u>\$ (1,320,945)</u> | <u>\$ (30,892)</u> | <u>\$ (1,335,281)</u> |
| General revenues | | | | | | | | |
| Property taxes | 3,992,329 | 24,474 | - | - | - | - | - | 4,016,803 |
| Unrestricted interest | 214,331 | 9,457 | 54,377 | 4,892 | - | 1,774 | 29,537 | 314,368 |
| Gain on sale of capital asset | <u>250,845</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>250,845</u> |
| Total general revenues and transfers | <u>4,457,505</u> | <u>33,931</u> | <u>54,377</u> | <u>4,892</u> | <u>-</u> | <u>1,774</u> | <u>29,537</u> | <u>4,582,016</u> |
| Change in net position | 4,282,944 | (780,795) | 839,556 | 82,096 | 143,460 | (1,319,171) | (1,355) | 3,246,735 |
| Net position, beginning of year, | <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> |
| Net position, end of year | <u><u>\$ 99,312,249</u></u> | <u><u>\$ 555,763</u></u> | <u><u>\$ 4,506,977</u></u> | <u><u>\$ 88,183</u></u> | <u><u>\$ 3,145,055</u></u> | <u><u>\$ 931,332</u></u> | <u><u>\$ 1,965,054</u></u> | <u><u>\$ 110,504,613</u></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, 2019

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 multiple County 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 Land Bank Authority (the Land Bank Authority), the Grand Traverse County Brownfield Redevelopment Authority (the Brownfield Redevelopment Authority), the Grand Traverse County Drain Commission (the Drain Commission), the Grand Traverse County Department of Public Works (the Department of Public Works), 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 are available from the Grand Traverse County Road Commission 1881 LaFranier Road, Traverse City, MI 49696.

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.

GRAND TRAVERSE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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.

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.

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.

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. Complete financial statements are available from PACE North 2325 Garfield Rd. N. Traverse City, MI 49686.

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. Complete financial statements are available from Pavilions Foundation 1000 Pavilions Circle Traverse City, MI 49684.

Related Organizations

Hospital Finance Authority

The Hospital Finance Authority is a related organization with outstanding conduit debt of \$207,055,143. 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, 2019

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

GRAND TRAVERSE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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.

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

GRAND TRAVERSE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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 other post-employment 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 (department), 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 activity (department) must be approved by the County Commission. Appropriations lapse at year end.

GRAND TRAVERSE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

Cash and Pooled Investments

For the purpose of the statement of cash flows the County considers all assets held in the cash and investment pool 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 \$932,894 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, 2019

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 the 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 & 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, 2019

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 and leases receivable. 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.

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 as expenditures/expenses.

GRAND TRAVERSE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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 unrestricted fund balance of the General fund will be equal to at least 25 percent of the subsequent year's adopted General fund budgeted expenditures and transfers out. If the General unrestricted 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 resources 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, 2019

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 (department). The legal level of budgetary control defined through the County's budgetary process is the activity level (department).

During the year, the County did not incur 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, 2019

3. CASH AND INVESTMENTS

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

| | <u>Governmental Activities</u> | <u>Business- type activities</u> | <u>Component Units</u> | <u>Fiduciary Funds</u> | <u>Total</u> |
|-----------------------------|------------------------------------|--------------------------------------|----------------------------|----------------------------|---------------------|
| Cash and pooled investments | \$25,181,386 | \$19,353,270 | \$13,028,541 | \$3,173,296 | \$60,736,493 |
| Restricted cash | - | 204,266 | 1,849,129 | - | 2,053,395 |
| Investments | - | - | - | 1,995,619 | 1,995,619 |
| Total | \$25,181,386 | \$19,557,536 | \$14,877,670 | \$5,168,915 | \$64,785,507 |

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

| | |
|--|---------------------|
| County | |
| Deposits | \$16,827,030 |
| Investments | 44,108,419 |
| Petty cash | 11,560 |
| Segregated component units (PACE & Pavilions Foundation) | |
| Deposits | 2,125,286 |
| Investments | 1,712,898 |
| Petty cash | 314 |
| Total | \$64,785,507 |

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 \$17,583,635; of this amount, \$14,476,688 was insured or collateralized and \$3,106,947 was exposed to custodial credit risk because the balance was uninsured and uncollateralized. As of year-end, the segregated component units' bank balance was \$2,125,286; of this amount, \$529,880 was insured, and \$1,595,406 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, 2019

Investments

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

| <u>County</u> | <u>Maturity</u> | <u>Fair Value</u> | <u>Rate</u> | <u>Rating</u> |
|----------------------------------|-----------------|---------------------|-------------|---------------------|
| Mutual funds and pools | | | | |
| FIM Government Portfolio Class I | n/a | \$ 500,000 | n/a | AAAm S&P |
| Fidelity Government Money Market | n/a | 35,523 | n/a | 4 Star Morning Star |
| MI Class | n/a | 37,903,305 | n/a | AAAm S&P |
| MILAF Fund | n/a | 517,541 | n/a | AAAm S&P |
| MERS Total Market fund | n/a | 1,076,711 | n/a | None |
| MERS Total Market fund | n/a | 918,908 | n/a | None |
| MMRMA Pool | n/a | 126,431 | n/a | None |
| Government Securities | | | | |
| FHLB bond | 5/18/20 | 630,000 | 1.40% | AA+ S&P |
| FHCB bond | 10/15/21 | 250,000 | 1.82% | AA+ S&P |
| FHCB bond | 11/16/21 | 500,000 | 1.73% | AA+ S&P |
| FHLB bond | 6/7/21 | 150,000 | 1.60% | AA+ S&P |
| FHLB bond | 7/18/25 | 500,000 | 2.25% | AA+ S&P |
| FHLM bond | 2/26/22 | 500,000 | 2.05% | AA+ S&P |
| FHLB bond | 5/6/22 | 500,000 | 2.55% | AA+ S&P |
| Total | | \$44,108,419 | | |

Segregated component units

Equity mutual funds

| | | | | |
|------------------------------------|-----|--------------------|-----|---------------------|
| Invesco Oppenheimer Class Y | n/a | \$ 69,114 | n/a | n/a |
| DFA US Core Equity Portfolio | n/a | 187,165 | n/a | n/a |
| IShare S&P 500 Growth | n/a | 159,753 | n/a | n/a |
| MFS Global Real Estate | n/a | 39,577 | n/a | n/a |
| Nuveen Equity Markets Neutral | n/a | 28,917 | n/a | n/a |
| Vanguard Equity Income Fund | n/a | 303,412 | n/a | n/a |
| Vanguard Developed Market Index | n/a | 79,604 | n/a | n/a |
| Vanguard Small Cap Index | n/a | 83,056 | n/a | n/a |
| Wisdomtree US Midcap | n/a | 85,019 | n/a | n/a |
| Fixed income funds | | | | |
| Goldman Sachs Inflation Protection | n/a | 10,066 | n/a | 3 Star Morning Star |
| Lord Abbott Short Duration | n/a | 199,087 | n/a | 3 Star Morning Star |
| Metropolitan West UNC BD | n/a | 30,000 | n/a | 3 Star Morning Star |
| PIMCO Income Fund | n/a | 349,467 | n/a | 5 Star Morning Star |
| PIMCO Ling Duration | n/a | 88,661 | n/a | 5 Star Morning Star |
| Total | | \$1,712,898 | | |

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, 2019

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 investments, the County has a custodial credit risk of \$3,030,000 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 determine 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, 2019

4. INTERFUND TRANSFERS

Transfers in and out for the year ended December 31, 2019 are as follows:

| <u>Transfers in</u> | Transfers Out | | | | | |
|-----------------------------|---------------------|------------------|---------------------|----------------|-----------------------------|---------------------------|
| | General fund | | Delinquent Tax fund | | Nonmajor Governmental Funds | Nonmajor enterprise Funds |
| | <u>fund</u> | <u>Tax fund</u> | <u>Funds</u> | <u>Funds</u> | <u>Total</u> | |
| General fund | \$ - | \$ 733,713 | | \$ 626 | \$ 59,637 | \$ 793,976 |
| Health fund | 1,378,191 | - | | - | - | 1,378,191 |
| Delinquent Tax fund | - | - | | - | 10,859 | 10,859 |
| Nonmajor governmental funds | 9,233,260 | - | | 6,000 | - | 9,239,260 |
| Total | \$10,611,451 | \$733,713 | | \$6,626 | \$70,496 | \$11,422,286 |

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> | Due to Component Unit | | | <u>Total</u> |
|--|-----------------------|--------------------|--------------------|-----------------------|
| | Drain Component Unit | | DPW Component Unit | |
| | <u>Component</u> | <u>Unit</u> | <u>Component</u> | <u>Unit</u> |
| General fund | \$ 67,321 | | \$ 144,261 | \$ 211,582 |
| Advance from Primary Government | | | | |
| <u>Advance to Component Unit</u> | DPW Component Unit | | | |
| General fund | | | \$ 1,994,960 | |
| Due to Other Funds | | | | |
| <u>Due from Other Funds</u> | <u>General Fund</u> | <u>Health Fund</u> | <u>COA</u> | <u>Delinquent Tax</u> |
| General fund | \$ - | \$ - | \$ 2,232 | \$ 624,487 |
| Nonmajor | 459,236 | 13,051 | - | 63,806 |
| Total | \$459,236 | \$13,051 | \$2,232 | \$1,046,105 |
| | | | | \$ 1,672,824 |
| | | | | 536,093 |
| | | | | \$2,208,917 |

GRAND TRAVERSE COUNTY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

| <u>Advance Receivable</u> | Advance Payable | | |
|---------------------------|------------------------------|-------------------------------|--------------------|
| | <u>Internal Service Fund</u> | <u>Non-major Governmental</u> | <u>Total</u> |
| | | | |
| General fund | \$ - | \$592,349 | \$ 592,349 |
| Delinquent tax fund | 1,467,225 | - | 1,467,225 |
| Total | \$1,467,225 | \$592,349 | \$2,059,574 |

6. CAPITAL ASSETS

Capital asset activity for the year was as follows:

| | <u>Balance January 1, 2019</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance December 31, 2019</u> |
|--|--------------------------------|--------------------|--------------------|----------------------------------|
| Governmental Activities | | | | |
| Capital assets, not being depreciated | | | | |
| Land | \$15,639,877 | \$ - | \$ - | \$15,639,877 |
| Construction in progress | 3,331,391 | 15,934 | 3,286,041 | 61,284 |
| Total capital assets, not being depreciated | 18,971,268 | 15,934 | 3,286,041 | 15,701,161 |
| Capital assets, being depreciated | | | | |
| Land improvements | 2,288,306 | - | - | 2,288,306 |
| Buildings and improvements | 44,029,944 | 3,797,586 | 32,760 | 47,794,770 |
| Furniture and equipment | 14,938,196 | 543,478 | 51,501 | 15,430,173 |
| Vehicles | 2,987,469 | 486,941 | 332,578 | 3,141,832 |
| Infrastructure | 828,241 | - | - | 828,241 |
| Total capital assets, being depreciated | 65,072,156 | 4,828,005 | 416,839 | 69,483,322 |
| Less accumulated depreciation for | | | | |
| Land improvements | 1,657,174 | 80,460 | - | 1,737,634 |
| Buildings and improvements | 22,045,436 | 987,472 | 27,518 | 23,005,390 |
| Furniture and equipment | 10,833,681 | 941,708 | 51,501 | 11,723,888 |
| Vehicles | 2,174,358 | 323,467 | 332,578 | 2,165,247 |
| Infrastructure | 822,730 | 1,575 | - | 824,305 |
| Total accumulated depreciation | 37,533,379 | 2,334,682 | 411,597 | 39,456,464 |
| Net capital assets, being depreciated | 27,538,777 | 2,493,323 | 5,242 | 30,026,858 |
| Governmental Activities capital assets, net | \$46,510,045 | \$2,509,257 | \$3,291,283 | \$45,728,019 |

GRAND TRAVERSE COUNTY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

| | Balance January 1, 2019 | Additions | Deletions | Balance December 31, 2019 |
|---|-------------------------------|--------------------|-------------|---------------------------------|
| Business-type Activities | | | | |
| Capital assets, not being depreciated | | | | |
| Land | \$ 1,820,550 | \$ - | \$ - | \$ 1,820,550 |
| Construction in progress | - | 99,942 | - | 99,942 |
| Total capital assets, not being depreciated | 1,820,550 | 99,942 | - | 1,920,492 |
| Capital assets being depreciated | | | | |
| Land improvements | 2,998,624 | 18,315 | - | 3,016,939 |
| Buildings and improvements | 35,758,731 | 122,897 | - | 35,881,628 |
| Furniture and equipment | 2,299,171 | 499,014 | - | 2,798,185 |
| Vehicles | 440,585 | - | - | 440,585 |
| Total capital assets, being depreciated | 41,497,111 | 640,226 | - | 42,137,337 |
| Less accumulated depreciation for | | | | |
| Land improvements | 2,532,985 | 90,422 | - | 2,623,407 |
| Buildings and improvements | 18,523,625 | 924,032 | - | 19,447,657 |
| Furniture and equipment | 1,923,317 | 105,744 | - | 2,029,061 |
| Vehicles | 353,481 | 39,372 | - | 392,853 |
| Total accumulated depreciation | 23,333,408 | 1,159,570 | - | 24,492,978 |
| Net capital assets, being depreciated | 18,163,703 | (519,344) | - | 17,644,359 |
| Business-type Activities capital assets, net | \$19,984,253 | \$(419,402) | \$ - | \$19,564,851 |

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

| | | | |
|--|--|--------------------|--|
| Governmental Activities | | | |
| Judicial | | \$ 275,625 | |
| General government | | 265,179 | |
| Public safety | | 542,032 | |
| Health and welfare | | 377,442 | |
| Parks and recreation | | 156,055 | |
| Depreciation included in internal service funds | | 1,616,333 | |
| | | 718,349 | |
| Total depreciation expense - governmental activities | | \$2,334,682 | |
| Business-type Activities | | | |
| Pavilions | | \$1,139,162 | |
| Inspections | | 20,408 | |
| Total depreciation expense - business-type activities | | \$1,159,570 | |

GRAND TRAVERSE COUNTY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

| | Balance January 1, 2019 | Additions | Deletions | Balance December 31, 2019 |
|--|-------------------------------|--------------------|-------------------|---------------------------------|
| Component Unit – Road Commission | | | | |
| Capital assets, not being depreciated | | | | |
| Land | \$ 1,035,799 | \$ - | \$ - | \$ 1,035,799 |
| Land and right-of-way | 27,395,087 | - | - | 27,395,087 |
| Construction in progress | 264,190 | - | 264,190 | - |
| Total capital assets, not being depreciated | 28,695,076 | - | (264,190) | 28,430,886 |
| Capital assets, being depreciated | | | | |
| Building and improvements | 4,232,319 | 726,332 | - | 4,958,651 |
| Road equipment | 12,210,130 | 2,287,550 | 1,088,901 | 13,408,779 |
| Shop equipment | 279,484 | 7,208 | 1,019 | 285,673 |
| Office equipment | 281,485 | - | 4,263 | 277,222 |
| Engineering equipment | 203,760 | 29,932 | 47,556 | 186,136 |
| Yard and storage equipment | 1,687,650 | - | - | 1,687,650 |
| Infrastructure | | | | |
| Bridges | 4,386,873 | 615,005 | - | 5,001,878 |
| Roads | 90,512,400 | 8,940,190 | 721,203 | 98,731,387 |
| Total capital assets, being depreciated | 113,794,101 | 12,606,217 | 1,862,942 | 124,537,376 |
| Less accumulated depreciation for | | | | |
| Building and improvements | 1,404,351 | 87,638 | - | 1,491,989 |
| Road equipment | 9,069,837 | 1,409,427 | 1,078,229 | 9,401,035 |
| Shop equipment | 209,995 | 18,466 | 1,019 | 227,442 |
| Office equipment | 267,383 | 8,413 | 4,263 | 271,533 |
| Engineering equipment | 145,218 | 26,801 | 47,556 | 124,463 |
| Yard and storage equipment | 1,287,986 | 51,129 | - | 1,339,115 |
| Infrastructure | | | | |
| Bridges | 1,103,818 | 92,747 | - | 1,196,565 |
| Roads | 39,545,689 | 5,699,145 | 721,203 | 44,523,631 |
| Total accumulated depreciation | 53,034,277 | 7,393,766 | 1,852,270 | 58,575,773 |
| Net capital assets, being depreciated | | | | |
| Component Unit – Road Commission | | | | |
| capital assets, net | \$89,454,900 | \$5,212,451 | \$ 274,862 | \$94,392,489 |

GRAND TRAVERSE COUNTY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

| | <u>Balance</u> <u>January 1,</u> <u>2019</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance</u> <u>December 31,</u> <u>2019</u> |
|--|--|---------------------------|-------------------------|--|
| Component Unit – Drain Commission | | | | |
| Capital assets, not being depreciated | | | | |
| Construction in progress | \$ 575,153 | \$ - | \$ - | \$ 575,153 |
| Land | - - | 56,700 | - - | 56,700 |
| | <u>\$ 575,153</u> | <u>\$ 56,700</u> | <u>\$ -</u> | <u>\$ 631,853</u> |
| Component Unit – Department of Public Works | | | | |
| Capital assets, not being depreciated | | | | |
| Land | \$ 400,000 | \$ - | \$ - | \$ 400,000 |
| Capital assets, being depreciated | | | | |
| Buildings | 7,623,862 | - - | - - | 7,623,862 |
| Furniture and equipment | 219,299 | - - | - - | 219,299 |
| Total capital assets, being depreciated | <u>7,843,161</u> | <u>- -</u> | <u>- -</u> | <u>7,843,161</u> |
| Less accumulated depreciation for | | | | |
| Buildings | 1,633,684 | 217,825 | - - | 1,851,509 |
| Furniture and equipment | 83,078 | 20,658 | - - | 103,736 |
| Total accumulated depreciation | <u>1,716,762</u> | <u>238,483</u> | <u>- -</u> | <u>1,955,245</u> |
| Net capital assets, being depreciated | 6,126,399 | (238,483) | - - | 5,887,916 |
| Component Unit – Department of Public Works capital assets, net | <u>\$ 6,526,399</u> | <u>\$(238,483)</u> | <u>\$ -</u> | <u>\$ 6,287,916</u> |
| Component Unit – PACE | | | | |
| Capital assets, not being depreciated | | | | |
| Construction in progress | \$ 99,000 | \$ - | \$ 99,000 | \$ - |
| Capital assets, being depreciated | | | | |
| Right to use lease | 2,895,089 | 318,241 | - - | 3,213,330 |
| Equipment | - - | 358,306 | - - | 358,306 |
| | <u>2,895,089</u> | <u>676,547</u> | <u>- -</u> | <u>3,571,636</u> |
| Less accumulated depreciation for | | | | |
| Right to use lease | - - | 80,333 | - - | 80,333 |
| Equipment | - - | 23,323 | - - | 23,323 |
| | <u>- -</u> | <u>103,656</u> | <u>- -</u> | <u>103,656</u> |
| Net capital assets, being depreciated | 2,895,089 | 572,891 | - - | 3,467,980 |
| Component Unit – PACE capital assets, net | <u>\$ 2,994,089</u> | <u>\$ 572,891</u> | <u>\$ 99,000</u> | <u>\$ 3,467,980</u> |

GRAND TRAVERSE COUNTY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

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 2019, the County contributed \$1,644,992 and employees contributed \$609,073.

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 2019, the Commission contributed \$167,451 and employees contributed \$53,824 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).

GRAND TRAVERSE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
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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-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.

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, 2018 that was rolled forward to December 31, 2019, 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.

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, 2019

Aggregate Primary Government Defined Benefit Pension Plan Balances

| | County | Pavilions | Total |
|-----------------------|--------------|-------------|--------------|
| Net pension liability | \$41,592,619 | \$8,682,932 | \$50,275,551 |
| Deferred outflows | 1,606,455 | 824,865 | 2,431,320 |
| Deferred inflows | - | 894,578 | 894,578 |
| Pension expense | 5,034,435 | 1,652,932 | 6,687,367 |

Net Pension Liability

The employer's Net Pension Liability was measured as of December 31, 2018 (Grand Traverse County Road Commission) and December 31, 2019 (Grand Traverse County and Pavilions), and the total pension liability used to calculate the Net Pension Liability at December 31, 2019 was determined as part of the annual actuarial valuation as of December 31, 2018 (Grand Traverse County Road Commission) which included roll forward procedures to December 31, 2019 (Grand Traverse County and Pavilions).

Defined Benefit Pension Plan – Grand Traverse County

Plan Membership

At December 31, 2018, participants included the following:

| | |
|--------------------------------|------------|
| Active plan members | 54 |
| Terminated vested plan members | 43 |
| Retirees and beneficiaries | 298 |
| Total participants | <u>395</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 \$5,400,492.

GRAND TRAVERSE COUNTY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

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 | \$104,075,634 | \$94,872,104 | \$86,997,974 |
| Fiduciary net position | 53,279,485 | 53,279,485 | 53,279,485 |
| Net pension liability | <u>\$ 50,796,149</u> | <u>\$41,592,619</u> | <u>\$33,718,489</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 <u>(a)</u> | Plan Fiduciary Net Position <u>(b)</u> | Net Pension Liability <u>(a)-(b)</u> |
| Balance at December 31, 2018 | <u>\$95,012,108</u> | <u>\$46,414,811</u> | <u>\$48,597,297</u> |
| Changes for the Year: | | | |
| Service costs | 328,490 | - | 328,490 |
| Interest | 7,095,868 | - | 7,095,868 |
| Benefit changes | (110,872) | - | (110,872) |
| Differences between expected and actual experience | (338,516) | - | (338,516) |
| Changes in assumptions | - | - | - |
| Other changes | 118,553 | - | 118,553 |
| Contributions: employer | - | 7,443,960 | (7,443,960) |
| Contributions: member | - | 63,630 | (63,630) |
| Net investment income | - | 6,706,094 | (6,706,094) |
| Administrative expense | - | (115,483) | 115,483 |
| Benefit payments, including refunds | (7,233,527) | (7,233,527) | - |
| Net changes | (140,004) | 6,864,674 | (7,004,678) |
| Balance at December 31, 2019 | <u>\$94,872,104</u> | <u>\$53,279,485</u> | <u>\$41,592,619</u> |

GRAND TRAVERSE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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

For the year ended December 31, 2019, the County recognized pension expense of \$5,034,435. At December 31, 2019, the County reported pension-related deferred outflows of resources and deferred inflows of resources from the following sources:

| | <u>Deferred Outflows of Resources</u> |
|---|---|
| Difference between expected and actual experience | \$ - |
| Net difference between projected and actual earnings on pension plan investments | (1,606,455) |
| Total | <u>\$(1,606,455)</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> |
|------------------------------------|-----------------------------|
| 2020 | \$ (719,892) |
| 2021 | (952,949) |
| 2022 | (554,174) |
| 2023 | 620,560 |
| Total | <u>\$(1,606,455)</u> |

Defined Benefit Pension Plan – Grand Traverse Pavilions

Plan Membership

At December 31, 2018, participants included the following:

| | |
|--------------------------------|---------------------|
| Active plan members | 358 |
| Terminated vested plan members | 724 |
| Retirees and beneficiaries | 197 |
| Total participants | <u>1,279</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 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.

GRAND TRAVERSE COUNTY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

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, 2019:

| 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% |

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, 2018 | \$40,750,982 | \$30,192,879 | \$10,558,103 |
| Changes for the Year: | | | |
| Service costs | 1,439,018 | - | 1,439,018 |
| Interest | 3,241,853 | - | 3,241,853 |
| Benefit changes | - | - | - |
| Differences between expected and actual experience | 90,174 | - | 90,174 |
| Other changes | (475,100) | - | (475,100) |
| Contributions: employer | - | 1,413,864 | (1,413,864) |
| Contributions: member | - | 694,458 | (694,458) |
| Net investment income | - | 4,134,081 | (4,134,081) |
| Administrative expense | - | (71,287) | 71,287 |
| Benefit payments, including refunds | (1,894,659) | (1,894,659) | - |
| Net changes | 2,401,286 | 4,276,457 | (1,875,171) |
| Balance at December 31, 2019 | \$43,152,268 | \$34,469,336 | \$ 8,682,932 |

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 | \$48,588,227 | \$43,152,268 | \$38,634,279 |
| Fiduciary net position | 34,469,336 | 34,469,336 | 34,469,336 |
| Net pension liability | \$14,118,891 | \$ 8,682,932 | \$ 4,164,943 |

GRAND TRAVERSE COUNTY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

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

For the year ended December 31, 2019, the Pavilions recognized pension expense of \$1,652,932. At December 31, 2019, 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> |
|--|--------------------------------------|---------------------------------------|
| Difference between expected and actual experience | \$119,157 | \$(894,578) |
| Net difference between projected and actual earnings on pension plan investments | 134,722 | - |
| Net difference between assumptions | 570,986 | - |
| Total | \$824,865 | \$(894,578) |

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> |
|--------------------------------|-------------------|
| 2020 | \$ 22,833 |
| 2021 | 188,819 |
| 2022 | 171,184 |
| 2023 | (467,578) |
| 2024 | 15,029 |
| Total | \$(69,713) |

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.

GRAND TRAVERSE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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, 2018):

| | |
|--|-------|
| Inactive employees or beneficiaries currently receiving benefits | 54 |
| Inactive employees entitled but not yet receiving benefits | 2 |
| Active plan members | <hr/> |
| Total | 58 |
| | <hr/> |

Contributions

The Commission is required to contribute at an actuarially determined amount, which for the current year was \$4,572. Actual contributions for the year were \$4,572. 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.

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:

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|-------------------------|--------------------------|---|
| Global Equity | 57.5% | 5.02% |
| Fixed Income | 20.0% | 2.18% |
| Real Assets | 12.5% | 4.23% |
| Diversifying Strategies | 10.0% | 6.56% |

GRAND TRAVERSE COUNTY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

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, 2019 | \$8,813,493 | \$7,966,880 | \$846,613 |
| Changes for the Year: | | | |
| Service cost | 8,391 | - | 8,391 |
| Interest | 668,922 | - | 668,922 |
| Change in benefits | - | - | - |
| Differences between expected and actual experience | 31,587 | - | 31,587 |
| Change in assumptions | - | - | - |
| Contributions : employer | - | 4,572 | (4,572) |
| Contributions: employee | - | - | - |
| Net investment income | - | 1,036,877 | (1,036,877) |
| Benefit payments, including refunds | (907,119) | (907,119) | - |
| Administrative expense | - | (17,830) | 17,830 |
| Other changes | - | - | - |
| Net changes | (198,219) | 116,500 | (314,719) |
| Balance at December 31, 2019 | \$8,615,274 | \$8,083,380 | \$531,894 |

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.

| | One percent decrease (7%) | Current Discount rate (8%) | One percent increase (9%) |
|-------------------------|------------------------------|-------------------------------|------------------------------|
| Total Pension Liability | \$9,275,272 | \$8,615,274 | \$8,036,793 |
| Fiduciary Net Position | 8,083,380 | 8,083,380 | 8,083,380 |
| Net Pension Liability | \$1,191,892 | \$ 531,894 | \$ (46,587) |

For the year ended December 31, 2019 the employer recognized pension expense of \$233,959. 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 | 45,450 | - |
| Contributions subsequent to the measurement date | - | - |
| Total | \$45,450 | \$ - |

GRAND TRAVERSE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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

| | |
|--------------|------------------------|
| 2020 | \$(3,400) |
| 2021 | 36,564 |
| 2022 | 99,556 |
| 2023 | (87,270) |
| 2024 | - |
| Thereafter | - |
| Total | <u>\$45,450</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.

The Plan provides 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> |
|---------------------|--------------------------|---|
| County Bonds | 55.5% | 6.15% |
| Global Fixed Income | 18.5% | 1.26% |
| Private Assets | 26.0% | 6.15% |
| | <u>100%</u> | |

Plan Membership

At December 31, 2019, participants included the following:

| | |
|---------------------------|-------------------|
| Active plan members | 169 |
| Retired plan members | 42 |
| Total participants | <u>211</u> |

GRAND TRAVERSE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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 was to contribute \$300,000 in 2019. 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, 2019, the money-weighted rate of return was 13.97%.

Net OPEB Liability of the County

The components of the net OPEB liability of the County at December 31, 2019, were as follows:

| | |
|---|---------------------------|
| Total OPEB liability | \$2,456,555 |
| Plan fiduciary net position | <u>918,908</u> |
| County's net OPEB liability | <u><u>\$1,537,647</u></u> |
| Plan fiduciary net position as a percentage of total OPEB liability | <u><u>37.4%</u></u> |

Actuarial Assumptions

The total OPEB liability was determined at December 31, 2019 using the entry age normal actuarial cost method by an actuarial valuation using the following actuarial assumptions based on 2019 County experience:

- Inflation – 2.1%
- Salary increases – 3.50% (for purpose of allocating liability)
- Investment rate of return – 7.35% (including 2.1% inflation)
- 20-year Aa Municipal bond rate – 3.26%
- Remaining amortization period of 14 year
- Healthcare cost trend – 8.25% in 2019 graded to 4.5% long term
- Asset value - market
- Mortality rates – 2010 Public General and Public Safety Employees, Healthy and Disabled Retirees, Headcount weighted
- Improvement Scale – MP-2018

Discount Rate

The discount rate used to measure the total OPEB liability was 7.35 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, 2018, the discount rate used to value OPEB liabilities was 7.75%

GRAND TRAVERSE COUNTY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

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 7.35% 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 (6.35 percent) or 1 percentage point higher (8.35 percent) than the current rate:

| | One percent decrease <u>(6.35%)</u> | Current discount rate <u>(7.35%)</u> | One percent increase <u>(8.35%)</u> |
|------------------------|---|--|---|
| Total OPEB liability | \$2,746,529 | \$2,456,555 | \$2,212,957 |
| Fiduciary net position | 918,908 | 918,908 | 918,908 |
| Net pension liability | <u>\$1,827,621</u> | <u>\$1,537,647</u> | <u>\$1,294,049</u> |

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 8.25% in 2019 graded to 4.5% long-term, 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 graded rate:

| | One Percent Decrease <u>(-1%)</u> | Current Healthcare Cost Trend <u>Rate</u> | One Percent Increase <u>(+1%)</u> |
|------------------------|---|--|---|
| Total OPEB liability | \$2,203,079 | \$2,456,555 | \$2,765,258 |
| Fiduciary net position | 918,908 | 918,908 | 918,908 |
| Net pension liability | <u>\$1,284,171</u> | <u>\$1,537,647</u> | <u>\$1,846,350</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:

| | Increase (Decrease) | | |
|--|--------------------------------|---------------------------------------|----------------------------------|
| | Total OPEB Liability (a) | Plan Fiduciary Net Position (b) | Net OPEB Liability (a)-(b) |
| Balance at December 31, 2018 | \$2,542,063 | \$537,887 | \$2,004,176 |
| Changes for the Year: | | | |
| Service Costs | 56,651 | - | 56,651 |
| Interest | 195,664 | - | 195,664 |
| Benefit Changes | (413,426) | - | (413,426) |
| Differences between expected and actual experience | - | - | - |
| Change in actuarial assumptions | 149,621 | - | 149,621 |
| Contributions | - | 374,018 | (374,018) |
| Net investment Income | - | 82,150 | (82,150) |
| Benefit payments, including refunds | (74,018) | (74,018) | - |
| Administrative Expenses | - | (1,129) | 1,129 |
| Net changes | (85,508) | 381,021 | (466,529) |
| Balance at December 31, 2019 | \$2,456,555 | \$918,908 | \$1,537,647 |

GRAND TRAVERSE COUNTY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

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

For the year ended December 31, 2019, the County recognized OPEB expense of \$(211,545). At December 31, 2019, 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 | \$ - | \$ 501,589 | \$ (501,589) |
| Changes of Assumptions | 136,734 | 4,486,329 | (4,349,595) |
| Investment Earnings (Gains)/Losses | 4,269 | - | 4,269 |
| Total | \$141,003 | \$4,987,918 | \$(4,846,915) |

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> |
|--------------------------------|----------------------|
| 2020 | \$ (417,535) |
| 2021 | (417,534) |
| 2022 | (418,283) |
| 2023 | (428,459) |
| 2024 | (421,520) |
| Thereafter | (2,743,584) |
| Total | \$(4,846,915) |

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 fixed stipends for health insurance to retirees meeting minimum years of service and retirement age requirements. 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
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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

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

Plan Membership

At December 31, 2019, participants included the following:

| | |
|----------------------|-------------------------------|
| Active plan members | 34 |
| Retired plan members | <hr/> <hr/> <hr/> <hr/> <hr/> |
| Total participants | <hr/> <hr/> <hr/> <hr/> <hr/> |

Benefits

Retirees meeting minimum years of service and retirement age requirements receive fixed monthly stipends for health insurance.

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, 2019, the money-weighted rate of return was 9.73%

Net OPEB Liability of the Pavilions

The components of the net OPEB liability of the Pavilions at December 31, 2019, were as follows:

| | |
|---|-------------------------------|
| Total OPEB liability | \$1,693,060 |
| Plan fiduciary net position | <hr/> <hr/> <hr/> <hr/> <hr/> |
| Net OPEB liability | <hr/> <hr/> <hr/> <hr/> <hr/> |
| Plan fiduciary net position as a percentage of total OPEB liability | <hr/> <hr/> <hr/> <hr/> <hr/> |

GRAND TRAVERSE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

Actuarial Assumptions

The total OPEB liability was determined at December 31, 2019 using the entry age normal actuarial cost method by an actuarial valuation using the following actuarial assumptions based on 2019 County experience:

Inflation – 2.1%
 Salary increases – 2.0%
 Investment rate of return – 7.35% (including 2.1% inflation)
 20-year Aa Municipal bond rate – 3.15%
 Remaining amortization period of 16 years
 Healthcare cost trend – not applicable
 Asset value - market
 Mortality rates – 2010 Headcount weighted Public General Employees and Health Retirees with MP-2018 mortality improvement scale

Discount rate. The discount rate used to measure the total OPEB liability is 7.35%. 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, 2018, the discount rate used to value OPEB liabilities was 7.75%

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, 2019 | \$1,494,784 | \$500,000 | \$994,784 |
| Changes for the Year: | | | |
| Service cost | 17,028 | - | 17,028 |
| Interest | 114,539 | - | 114,539 |
| Change in benefits | - | - | - |
| Differences between expected and actual experience | (4,874) | - | (4,874) |
| Change in assumptions | 139,387 | - | 139,387 |
| Contributions: employer | - | 567,804 | (567,804) |
| Contributions: employee | - | - | - |
| Net investment Income | - | 77,793 | (77,793) |
| Benefit payments, including refunds | (67,804) | (67,804) | - |
| Administrative expense | - | (1,082) | 1,082 |
| Other changes | - | - | - |
| Net changes | 198,276 | 576,711 | (378,435) |
| Balance at December 31, 2019 | \$1,693,060 | \$1,076,711 | \$616,349 |

GRAND TRAVERSE COUNTY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

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 7.35%, as well as what the employer's net OPEB liability would be using a discount rate that is 1% lower (6.35%) or 1% higher (8.35%) than the current rate.

| | One percent decrease <u>(6.35%)</u> | Current discount rate <u>(7.35%)</u> | One percent increase <u>(8.35%)</u> |
|-----------------------------|---|--|---|
| Total OPEB liability | \$1,894,000 | \$1,693,060 | \$1,523,598 |
| Plan Fiduciary Net Position | 1,076,711 | 1,076,711 | 1,076,711 |
| Net OPEB Liability | \$ 817,289 | \$ 616,349 | \$ 446,887 |

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

For the year ended December 31, 2019 the employer recognized OPEB expense of \$(23,912). At December 31, 2019, the County reported pension-related deferred outflows of resources and deferred inflows of resources from the following sources:

| | Deferred Outflows of <u>Resources</u> | Deferred Inflows of <u>Resources</u> |
|--|--|---|
| Difference between expected and actual experience | \$ - | \$ (4,430) |
| Changes of Assumptions | 126,692 | (1,206,978) |
| Investment Earnings (Gains)/Losses | - | (31,268) |
| Total | \$126,692 | \$(1,242,676) |

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> |
|------------------------------------|-----------------------|
| 2020 | \$ (117,853) |
| 2021 | (117,853) |
| 2022 | (117,853) |
| 2023 | (117,853) |
| 2024 | (110,036) |
| Thereafter | (534,536) |
| Total | \$ (1,115,984) |

GRAND TRAVERSE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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, 2019):

| | | |
|---------------------------------|--|--------|
| Early retirees | | |
| \$500 monthly stipend – retiree | | 4 |
| Current retirees | | |
| \$112/\$224 monthly stipend | | 68 |
| Total | | 72 |

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.

Net OPEB Liability

The employer's net OPEB liability was measured as of December 31, 2019, 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, 2019 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

GRAND TRAVERSE COUNTY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

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

Level dollar method is utilized to amortization of the unfunded actuarial accrued liability.

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 of 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, 2019 | \$1,074,958 | \$2,628 | \$1,072,330 |
| Changes for the Year: | | | |
| Service cost | 32,249 | - | 32,249 |
| Interest | - | - | - |
| Change in benefits | - | - | - |
| Differences between expected and actual experience | (27,230) | - | (27,230) |
| Change in assumptions | - | - | - |
| Contributions: employer | - | - | - |
| Contributions: employee | - | - | - |
| Net investment Income | - | - | - |
| Benefit payments, including refunds | (119,713) | (2,628) | (117,085) |
| Administrative expense | - | - | - |
| Other changes | - | - | - |
| Net changes | (114,694) | (2,628) | (112,066) |
| Balance at December 31, 2019 | \$960,264 | \$ - | \$960,264 |

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.

| | One percent decrease (2%) | Current discount rate (3%) | One percent increase (4%) |
|--------------------|------------------------------|-------------------------------|------------------------------|
| Net OPEB liability | \$1,022,760 | \$960,264 | \$903,767 |

OPEB Expense

For the year ended December 31, 2019 the employer recognized OPEB expense of \$7,646

GRAND TRAVERSE COUNTY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

Financial statements for the individual OPEB plans are as follows:

Combining Statement of Plan Net Position

| | County OPEB <u>Trust</u> | Pavilions OPEB <u>Trust</u> | <u>Total</u> |
|------------------------------|-----------------------------|--------------------------------|--------------|
| Assets | | | |
| Investments | | | |
| MERS Total Market Portfolio | \$918,908 | \$1,076,711 | \$1,995,619 |
| Net Position | | | |
| Restricted for OPEB benefits | \$918,908 | \$1,076,711 | \$1,995,619 |

Combining Statement of Changes in Plan Net Position

| | County OPEB <u>Trust</u> | Pavilions OPEB <u>Trust</u> | <u>Total</u> |
|--|-----------------------------|--------------------------------|--------------|
| Additions | | | |
| Contributions | | | |
| Employer | \$300,000 | \$500,000 | \$ 800,000 |
| Investment income | | | |
| Net change in fair value of securities | 82,150 | 77,793 | 159,943 |
| Total additions | 382,150 | 577,793 | 959,943 |
| Deductions | | | |
| Administrative expense | 1,130 | 1,082 | 2,212 |
| Change in net position | 381,020 | 576,711 | 957,731 |
| Net position beginning of year | 537,888 | 500,000 | 1,037,888 |
| Net Position end of year | \$918,908 | \$1076,711 | \$1,995,619 |

Defined Contribution OPEB Plan – Road Commission

Defined Contribution OPEB Plan

The 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 and employees are required to contribute 1% of coverage wages. 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 \$167,451 and employees contributed \$53,824 to the plan.

GRAND TRAVERSE COUNTY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

9. LONG-TERM DEBT

The following is a summary of the debt transactions for the year ended December 31, 2019:

| Governmental Activities | Balance January 1, 2019 | Additions | Deletions | Balance December 31, 2019 | Due Within One Year |
|---|--|--------------------|--------------------|--|------------------------------------|
| Public: Placement | | | | | |
| \$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% | \$ 3,610,000 | \$ | - | \$480,000 | \$3,130,000 |
| \$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% | 3,980,000 | | - | 3,980,000 | |
| \$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% | 3,385,000 | | - | 135,000 | 3,250,000 |
| \$3,780,000 2019 Building Authority Refunding bonds; due in annual installments of \$175,000 to \$290,000 through December 2036; interest rate of 2.00% to 3.00% | | - | 3,780,000 | | 3,780,000 |
| Private Placement: | | | | | |
| \$317,341 2018 information technology installment purchase; due in annual installments of \$69,080 through October 2022; including interest at 4.24% | 317,341 | | - | 126,492 | 190,849 |
| \$353,576 2018 information technology installment purchase; due in annual installments of \$76,620 through June 2022; including interest at 4% | | 276,955 | | 65,047 | 211,908 |
| | | | | | 67,766 |
| Total | 11,569,296 | 3,780,000 | 4,786,539 | 10,562,757 | 923,762 |
| Bond premium/discounts | (35,192) | 144,610 | (1,852) | 111,270 | |
| Accrued compensated absences | 1,518,067 | 207,259 | 113,684 | 1,611,642 | 177,456 |
| Total Governmental Activities | \$13,052,171 | \$4,131,869 | \$4,898,371 | \$12,285,669 | \$1,101,218 |

GRAND TRAVERSE COUNTY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

| | <u>Balance</u> <u>January 1,</u> <u>2019</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance</u> <u>December 31,</u> <u>2019</u> | <u>Due</u> <u>Within One</u> <u>Year</u> |
|---|--|------------------|------------------|--|--|
| Business-type Activities | | | | | |
| Public: Placement | | | | | |
| \$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% | \$2,985,000 | \$ - | \$225,000 | \$2,760,000 | \$230,000 |
| Accrued compensated absences | 749,894 | 353,445 | 187,474 | 915,865 | 100,745 |
| Total Business-type Activities | \$3,734,894 | \$353,445 | \$412,474 | \$3,675,865 | \$330,745 |
| Component Unit – Road Commission | | | | | |
| Public: Placement | | | | | |
| \$945,000 2015 Michigan Transportation Fund Series Bond; due in variable annual installments through September 2030; interest rate of .65% to 3.50% | \$ 810,000 | \$ - | \$ 55,000 | \$ 755,000 | \$ 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 | - 675,000 | 2,925,000 | 700,000 | |
| Total | 4,410,000 | - | 730,000 | 3,680,000 | 755,000 |
| Bond premium | 60,231 | - 20,953 | 39,278 | | |
| Accrued compensated absences | 52,481 | 70,973 | 52,481 | 70,973 | 70,973 |
| Total Component Unit – Road Commission | \$4,522,712 | \$70,973 | \$803,434 | \$3,790,251 | \$825,973 |

GRAND TRAVERSE COUNTY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

| | <u>Balance</u> <u>January 1,</u> <u>2019</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance</u> <u>December 31,</u> <u>2019</u> | <u>Due</u> <u>Within One</u> <u>Year</u> |
|--|--|------------------|------------------|--|--|
| Component Unit – Brownfield Redevelopment Authority | | | | | |
| Private Placement: | | | | | |
| \$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% | \$ 143,111 | \$ | - | \$ 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% | 561,120 | - | 188,127 | 372,993 | - |
| \$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% | 528,886 | - | 182,699 | 346,187 | 41,052 |
| \$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% | 541,304 | - | 367,909 | 173,395 | 20,433 |
| \$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 | 1,733 | - | 38,302 | - |
| \$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 | - | 98,040 | - | - |

GRAND TRAVERSE COUNTY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

| | Balance <u>January 1, 2019</u> | <u>Additions</u> | <u>Deletions</u> | Balance <u>December 31, 2019</u> | Due Within One Year |
|--|---------------------------------------|------------------|------------------|---|---------------------------|
| Component Unit – Brownfield Redevelopment Authority | | | | | |
| \$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 | \$ - | \$ 11,495 | \$ 106,005 | \$ 9,905 |
| Total Component Unit – Brownfield Redevelopment Authority | \$2,026,530 | \$1,733 | \$991,381 | \$1,036,882 | \$71,390 |
| | Balance <u>January 1, 2019</u> | <u>Additions</u> | <u>Deletions</u> | Balance <u>December 31, 2019</u> | Due Within One Year |
| Component Unit – Department of Public Works Public: Placement | | | | | |
| \$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% | \$3,630,000 | \$ - | \$385,000 | \$3,245,000 | \$ 370,000 |
| \$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% | 1,940,000 | - | 270,000 | 1,670,000 | 290,000 |
| \$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% | 1,345,000 | - | 270,000 | 1,075,000 | 260,000 |
| \$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% | 8,450,000 | - | 8,450,000 | - | - |

GRAND TRAVERSE COUNTY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

| | <u>Balance</u> <u>January 1,</u> <u>2019</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance</u> <u>December 31,</u> <u>2019</u> | <u>Due</u> <u>Within One</u> <u>Year</u> |
|--|--|--------------------|--------------------|--|--|
| Component Unit – Department of Public Works | | | | | |
| \$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% | \$ 4,395,000 | \$ | - | \$ 210,000 | \$ 4,185,000 |
| \$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% | 450,000 | - | 75,000 | 375,000 | 75,000 |
| \$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 | - | 30,000 | 870,000 | 35,000 |
| \$2,381,231 2013 Septage Treatment Facility Note Payable; due in annual installments of \$150,000 through November 2032; interest rate of 2.0% | 1,777,000 | - | 115,000 | 1,662,000 | 115,000 |
| Private placement: | | | | | |
| \$6,474,000 2019 Wastewater Treatment Refunding Bond; due in annual installments of \$2,118,000 to \$2,197,000 through May 2022; interest rate of 2.36% | - | 6,474,000 | - | 6,474,000 | 2,118,000 |
| Total | 22,887,000 | 6,474,000 | 9,805,000 | 19,556,000 | 3,478,000 |
| Bond discounts | (4,875) | - | (813) | (4,062) | - |
| Accrued compensated absences | 59,606 | 1,251 | - | 60,857 | 9,129 |
| Total Component Unit – Department of Public Works | \$22,941,731 | \$6,475,251 | \$9,804,187 | \$19,612,795 | \$3,487,129 |

GRAND TRAVERSE COUNTY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

The annual requirements to amortize all debt outstanding (excluding accrued employee benefits) as of December 31, 2019 are as follows:

| Year Ending December 31 | Governmental Activities | | | |
|----------------------------|-------------------------|-----------------|---------------------|--------------------|
| | Private placement | | Public Placement | |
| | <u>Principal</u> | <u>Interest</u> | <u>Principal</u> | <u>Interest</u> |
| 2020 | \$128,762 | \$16,168 | \$ 795,000 | \$ 288,095 |
| 2021 | 134,177 | 11,002 | 825,000 | 263,092 |
| 2022 | 139,818 | 5,614 | 840,000 | 239,992 |
| 2023 | - | - | 860,000 | 216,492 |
| 2024 | - | - | 905,000 | 191,992 |
| 2025-2029 | - | - | 2,460,000 | 706,460 |
| 2030-2034 | - | - | 2,235,000 | 422,482 |
| 2035-2039 | - | - | 1,240,000 | 75,333 |
| Total | \$402,757 | \$32,784 | \$10,160,000 | \$2,403,938 |

| Year Ending December 31 | Business-type Activities | | | Component Units | | |
|----------------------------|--------------------------|------------------|--------------------|--------------------|---------------------|--------------------|
| | Public Placement | | Private Placement | DPW and Brownfield | | Public Placement |
| | <u>Principal</u> | <u>Interest</u> | <u>Principal</u> | <u>Interest</u> | <u>Principal</u> | <u>Interest</u> |
| 2020 | \$ 230,000 | \$ 64,975 | \$2,189,390 | \$148,109 | \$ 1,360,000 | \$ 326,973 |
| 2021 | 230,000 | 60,375 | 2,323,104 | 94,527 | 1,340,000 | 295,335 |
| 2022 | 230,000 | 55,775 | 2,363,444 | 40,512 | 1,330,000 | 264,159 |
| 2023 | 230,000 | 51,175 | 169,402 | 11,350 | 1,310,000 | 232,927 |
| 2024 | 230,000 | 46,345 | 172,412 | 8,052 | 910,000 | 175,942 |
| 2025-2029 | 1,150,000 | 148,345 | 285,801 | 11,171 | 3,422,000 | 737,530 |
| 2030-2034 | 460,000 | 14,232 | 7,329 | 165 | 2,795,000 | 317,174 |
| 2035-2039 | - | - | - | - | 615,000 | 41,966 |
| Total | \$2,760,000 | \$441,222 | \$7,510,882 | \$313,886 | \$13,082,000 | \$2,392,006 |

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.

During fiscal 2019, the County issued \$3,780,000 of Building Authority refunding bonds to provide resources to call \$3,820,000 of Building Authority bonds on December 1, 2019. The refunded bond liability has been removed from the statement of net position. This refunding was undertaken to reduce total debt service payments by \$441,210 which resulted in an economic gain of \$370,374.

During fiscal 2019, the County issued \$6,474,000 of wastewater treatment plant refunding bonds to call \$6,450,000 of wastewater treatment plant bond on May 1, 2019. The refunded bond liability has been removed from the statement of net position. This advanced refunding was undertaken to reduce total debt service payments by \$176,133, which resulted in an economic gain of \$168,094.

GRAND TRAVERSE COUNTY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

| Component Unit - PACE Private Placement | Balance <u>January 1, 2019</u> | Additions | Deletions | Balance <u>December 31, 2019</u> | Due Within One Year |
|---|---------------------------------------|--------------------|------------------|---|---------------------------|
| Nonrevolving line of credit (\$2,960,000 maximum) interest at the Treasury rate plus 2.25% due date unspecified | \$ - \$1,150,000 | \$ - | \$1,150,000 | \$ - | |
| \$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% | 2,890,630 | 494,370 | 135,000 | 3,250,000 | 140,000 |
| Total Component Unit - PACE | <u>\$2,890,630</u> | <u>\$1,644,370</u> | <u>\$135,000</u> | <u>\$4,400,000</u> | <u>\$140,000</u> |

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.

| Year Ending <u>December 31</u> | PACE Private Placement | | Road Commission Public Placement | |
|-----------------------------------|----------------------------------|--------------------|--|------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Principal</u> | <u>Interest</u> |
| 2020 | \$ 140,000 | \$ 104,392 | \$ 755,000 | \$ 98,568 |
| 2021 | 145,000 | 100,192 | 785,000 | 78,104 |
| 2022 | 145,000 | 95,842 | 805,000 | 52,872 |
| 2023 | 150,000 | 91,492 | 830,000 | 28,803 |
| 2024 | 155,000 | 86,992 | 70,000 | 15,734 |
| 2025-2029 | 850,000 | 362,210 | 380,000 | 48,548 |
| 2030-2034 | 990,000 | 222,982 | 75,000 | 2,624 |
| 2035-2037 | 675,000 | 49,683 | - | - |
| Total | \$3,250,000 | \$1,113,785 | \$3,680,000 | \$323,523 |

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 \$3,132,997 at year end.

The Pavilions Foundation (discretely presented component unit) has entered into a liquidity support agreement with PACE. PACE has entered into a loan agreement with a bank for borrowing of up to \$2,960,000. The liquidity support agreement requires that the Foundation fund a liquidity reserve account required by the PACE loan agreement on behalf of PACE upon receipt from the lending bank of notice that the amount of unrestricted cash in the PACE liquidity reserve is less than the required amount (the required reserve account balance begins at \$850,000 and declines to \$40,000 in the 5th year of the agreement). The Pavilions Foundation has also agreed to deposit into the liquidity reserve a total of \$295,000 (annual payments required June 30, 2018, 2019 and 2020 of \$115,000, \$90,000 and \$90,000 respectively).

GRAND TRAVERSE COUNTY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

10. SHORT-TERM DEBT

The following is a summary of the short-term debt transactions for the year ended December 31, 2019:

| | <u>Balance</u> <u>January 1,</u> <u>2019</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance</u> <u>December 31,</u> <u>2019</u> |
|---|--|------------------|------------------|--|
| Component Unit – Drain Commission | | | | |
| \$675,000 2020 Cass Road Drain Note; due December 12, 2020 plus interest at 1.74% | \$ - | \$675,000 | \$ - | \$675,000 |
| \$475,000 2019 Cass Road Drain Note; due December 21, 2019 plus interest at 1.95% | 475,000 | - | 475,000 | - |
| Total Component Unit – Drain Commission | \$475,000 | \$675,000 | \$475,000 | \$675,000 |

11. DEFICIT FUND EQUITY

The Building Authority reported deficit unassigned fund balance of \$250,000 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 Drain Commission component unit reported a deficit unassigned fund balance of \$19,342 and \$662,857 in the Old Mission Drain Special Assessment and Cass Road Drain Special Assessment capital projects funds respectively.

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, 2019, the County's property tax revenues were reduced by approximately \$41,000 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, 2019, the County's property tax revenues were reduced by approximately \$186,000 as a result of this program.

GRAND TRAVERSE COUNTY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

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.

The change in claims liability for the years ended December 31 is 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> |
|-------------|------------------------------------|---|-----------------------|------------------------------|
| 2019 | \$ 96,642 | \$189,941 | \$227,432 | \$59,151 |
| 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 end 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, 2019

The changes in the claims liability for the years ended December 31, 2019 and 2018 were 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> |
|-------------|------------------------------------|---|-----------------------|------------------------------|
| 2019 | \$102,188 | \$ 94,335 | \$ 89,597 | \$106,926 |
| 2018 | 87,815 | 134,080 | 119,707 | 102,188 |

Risk Management - Road Commission

The Road Commission is exposed to various risks related to property loss, torts, errors 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 (MCRCSIP). The insurance coverage provided by MCRCSIP 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 MCRCSIP and is based on property values and 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 occurrence. All other risk is transferred to MCRCSIP.

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.

GRAND TRAVERSE COUNTY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

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, 2018, 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, 2018 (the most recent audited financial statements) is as follows:

| | |
|--------------------------------|--------------|
| Assets | \$67,744,361 |
| Deferred outflows of resources | 729,084 |
| Liabilities | 3,539,730 |
| Deferred inflows of resources | - |
| Change in net position | 1,096,443 |

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, 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, 2019 (the most recent audited financial statements) is as follows:

| | |
|--------------------------------|--------------|
| Assets | \$24,144,424 |
| Deferred outflows of resources | 2,186,583 |
| Liabilities | 13,842,303 |
| Deferring inflows of resources | - |
| Change in net position | 365,807 |

GRAND TRAVERSE COUNTY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

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> |
|---------------------------------|---------------------|--------------------|----------------------------|------------------------------|---------------------------|
| Nonspendable | | | | | |
| Prepaid items | \$ 22,646 | \$22,407 | \$70 | \$ 26,185 | \$ 71,308 |
| Inventories | - | 27,144 | - | 84,766 | 111,910 |
| Advances to other funds | 592,349 | - | - | - | 592,349 |
| Advances to component units | 1,994,960 | - | - | - | 1,994,960 |
| Total Nonspendable | \$2,609,955 | \$49,551 | \$70 | \$110,951 | \$2,770,527 |
| Restricted | | | | | |
| Commission on Aging | \$ - | \$ - | \$2,162,441 | \$ - | \$2,162,441 |
| Local Crime Victims' Rights | - | - | - | 23,514 | 23,514 |
| Veterans Millage | - | - | - | 536,500 | 536,500 |
| Register of Deeds Automation | - | - | - | 246,555 | 246,555 |
| County Law Library | - | - | - | 42,210 | 42,210 |
| Federal Equitable Sharing | - | - | - | 8,526 | 8,526 |
| Concealed Pistol Licensing | - | - | - | 108,837 | 108,837 |
| Criminal Justice Training Act | - | - | - | 19,339 | 19,339 |
| Housing Trust | - | - | - | 299,139 | 299,139 |
| CDBG Housing Grant | - | - | - | 1,778,937 | 1,778,937 |
| EDC Revolving Loan | - | - | - | 244,427 | 244,427 |
| TNT Forfeiture | - | - | - | 207,729 | 207,729 |
| TNT Grant | - | - | - | 7,865 | 7,865 |
| Animal Control | - | - | - | 74,934 | 74,934 |
| Senior Center | - | - | - | 686,960 | 686,960 |
| Total Restricted | \$ - | \$ - | \$2,162,441 | \$4,285,472 | \$6,447,911 |
| Committed | | | | | |
| Health Fund | \$ - | \$1,634,738 | \$ - | \$ - | \$1,634,738 |
| 13 th District Court | - | - | - | 1 | 1 |
| 86 th District Court | - | - | - | 250 | 250 |
| County Special Projects | - | - | - | 18,323 | 18,323 |
| Parks and Recreation | - | - | - | 96,003 | 96,003 |
| Maple Bay Development | - | - | - | 11,633 | 11,633 |
| Friend of the Court | - | - | - | 1,304,055 | 1,304,055 |
| Corrections P.A. 511 | - | - | - | 331,310 | 331,310 |
| Corrections Officers Training | - | - | - | 52,853 | 52,853 |
| Mitchell Creek Water Shed | - | - | - | 8,155 | 8,155 |
| Next Michigan | - | - | - | 11,997 | 11,997 |
| Child Care | - | - | - | 6,760 | 6,760 |
| Capital Improvements | - | - | - | 1,633,502 | 1,633,502 |
| Capital Projects | - | - | - | 461,972 | 461,972 |
| Total Committed | \$ - | \$1,634,738 | \$ - | \$3,936,814 | \$5,571,552 |
| Assigned | | | | | |
| Subsequent years budget | \$ 669,151 | \$ - | \$ - | \$ - | \$ 669,151 |
| Stabilization | 334,575 | - | - | - | 334,575 |
| Total Assigned | \$1,003,726 | \$ - | \$ - | \$ - | \$1,003,726 |
| Unassigned | \$13,614,276 | \$ - | \$ - | \$(250,000) | \$13,364,276 |

GRAND TRAVERSE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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

| | |
|-------------------------------|--------------------|
| Commission on Aging | \$2,162,441 |
| Local Crime Victims' Rights | 23,514 |
| Veterans Millage | 536,500 |
| Register of Deeds Automation | 246,555 |
| County Law Library | 42,210 |
| Federal Equitable Sharing | 8,526 |
| Concealed Pistol Licensing | 108,837 |
| Criminal Justice Training Act | 19,339 |
| Housing Trust | 299,139 |
| CDBG Housing Grant | 1,778,937 |
| EDC Revolving Loan | 244,427 |
| TNT Forfeiture | 207,729 |
| TNT Grant | 7,863 |
| Animal Control | 74,934 |
| Senior Center | 686,960 |
| Total | <u>\$6,447,913</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 \$2,326,312
- Loan to YMCA with a balance of \$3,269,984

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, 2019, the County was required to stop all nonessential operations due to the COVID-19 outbreak. Also, subsequent to year end, stock and security values declined. The effect on operations is unknown at the report date.

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, 2019

| | Budget Amounts | | Actual Amount | Variance Positive (Negative) |
|---|-----------------------|----------------------|----------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Property taxes | \$ 25,273,000 | \$ 25,273,000 | \$ 26,057,360 | \$ 784,360 |
| Intergovernmental revenues | | | | |
| Federal | 101,043 | 125,268 | 108,530 | (16,738) |
| State | 3,658,570 | 3,665,631 | 3,663,837 | (1,794) |
| Local | 1,700,151 | 1,726,818 | 1,758,642 | 31,824 |
| Licenses and permits | 7,000 | 7,000 | 7,390 | 390 |
| Charges for services | 4,267,068 | 4,279,568 | 4,562,528 | 282,960 |
| Fines and forfeitures | 86,500 | 86,500 | 97,596 | 11,096 |
| Reimbursements | 2,223,964 | 2,415,363 | 2,614,711 | 199,348 |
| Rental | 593,594 | 593,594 | 1,321,003 | 727,409 |
| Interest | 224,295 | 224,295 | 470,802 | 246,507 |
| Miscellaneous | - | 3,273 | 3,507 | 234 |
| Total revenues | 38,135,185 | 38,400,310 | 40,665,906 | 2,265,596 |
| Expenditures | | | | |
| Current | | | | |
| Legislative | 425,109 | 458,109 | 409,491 | 48,618 |
| Judicial | 2,584,362 | 2,611,035 | 2,446,069 | 164,966 |
| General government | 9,467,059 | 10,125,260 | 9,249,645 | 875,615 |
| Public safety | 14,942,259 | 14,915,222 | 14,280,068 | 635,154 |
| Public works | 81,809 | 81,809 | 50,334 | 31,475 |
| Health and welfare | 464,970 | 464,970 | 443,645 | 21,325 |
| Unallocated benefits and insurance | - | 712,628 | 712,628 | - |
| Capital outlay | 137,695 | 143,813 | 140,297 | 3,516 |
| Total expenditures | 28,103,263 | 29,512,846 | 27,732,177 | 1,780,669 |
| Revenues over (under) expenditures | 10,031,922 | 8,887,464 | 12,933,729 | 4,046,265 |
| Other financing sources (uses) | | | | |
| Sale of capital assets | 10,000 | 10,000 | 11,448 | 1,448 |
| Transfers in | 793,350 | 1,506,604 | 793,976 | (712,628) |
| Transfers out | (10,835,272) | (11,073,219) | (10,611,451) | 461,768 |
| Total other financing sources (uses) | (10,031,922) | (9,556,615) | (9,806,027) | (249,412) |
| Net changes in fund balance | - | (669,151) | 3,127,702 | 3,796,853 |
| Fund balance, beginning of year | 14,100,255 | 14,100,255 | 14,100,255 | - |
| Fund balance, end of year | \$ 14,100,255 | \$ 13,431,104 | \$ 17,227,957 | \$ 3,796,853 |

GRAND TRAVERSE COUNTY

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

FOR THE YEAR ENDED DECEMBER 31, 2019

| | Budget Amounts | | Actual Amount | Variance Positive (Negative) |
|---|-----------------------|---------------------|----------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Intergovernmental revenues | | | | |
| Federal | \$ 1,345,565 | \$ 1,381,565 | \$ 1,409,737 | \$ 28,172 |
| State | 1,955,662 | 2,278,748 | 1,985,645 | (293,103) |
| Local | 267,260 | 304,760 | 265,440 | (39,320) |
| Licenses and permits | 421,950 | 421,950 | 395,459 | (26,491) |
| Charges for services | 411,950 | 423,950 | 435,179 | 11,229 |
| Reimbursements | 667,633 | 729,383 | 693,151 | (36,232) |
| Interest | 2,500 | 2,500 | 3,300 | 800 |
| Miscellaneous | 100 | 100 | - | (100) |
| Total revenues | 5,072,620 | 5,542,956 | 5,187,911 | (355,045) |
| Expenditures | | | | |
| Current | | | | |
| Health and welfare | 6,956,660 | 7,426,996 | 6,986,376 | 440,620 |
| Revenues over (under) expenditures | (1,884,040) | (1,884,040) | (1,798,465) | 85,575 |
| Other financing sources (uses) | | | | |
| Sale of capital assets | - | - | 10,600 | 10,600 |
| Transfers in | 1,344,000 | 1,344,000 | 1,378,191 | 34,191 |
| Total other financing sources (uses) | 1,344,000 | 1,344,000 | 1,388,791 | 44,791 |
| Net changes in fund balance | (540,040) | (540,040) | (409,674) | 130,366 |
| Fund balance, beginning of year | 2,093,963 | 2,093,963 | 2,093,963 | - |
| Fund balance, end of year | \$ 1,553,923 | \$ 1,553,923 | \$ 1,684,289 | \$ 130,366 |

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, 2019

| | Budget Amounts | | Actual Amount | Variance Positive (Negative) |
|---|-----------------------|---------------------|--------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Property taxes | \$ 2,416,023 | \$ 2,416,023 | \$ 2,494,443 | \$ 78,420 |
| Intergovernmental revenues | | | | |
| Local | 6,800 | 6,800 | 10,591 | 3,791 |
| Charges for services | 295,963 | 297,463 | 318,368 | 20,905 |
| Reimbursements | - | - | 37,808 | 37,808 |
| Interest | 6,000 | 6,000 | 57,456 | 51,456 |
| Miscellaneous | 12,500 | 12,500 | 22,183 | 9,683 |
| Total revenues | <u>2,737,286</u> | <u>2,738,786</u> | <u>2,940,849</u> | <u>202,063</u> |
| Expenditures | | | | |
| Current | | | | |
| Health and welfare | 3,227,722 | 3,244,468 | 2,646,110 | 598,358 |
| Capital outlay | 60,000 | 105,630 | 85,529 | 20,101 |
| Total expenditures | <u>3,287,722</u> | <u>3,350,098</u> | <u>2,731,639</u> | <u>618,459</u> |
| Revenues over (under) expenditures | <u>(550,436)</u> | <u>(611,312)</u> | <u>209,210</u> | <u>820,522</u> |
| Other financing sources (uses) | | | | |
| Sale of capital assets | - | - | 6,457 | 6,457 |
| Net changes in fund balance | (550,436) | (611,312) | 215,667 | 826,979 |
| Fund balance, beginning of year | <u>1,946,844</u> | <u>1,946,844</u> | <u>1,946,844</u> | <u>-</u> |
| Fund balance, end of year | <u>\$ 1,396,408</u> | <u>\$ 1,335,532</u> | <u>\$ 2,162,511</u> | <u>\$ 826,979</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, 2019

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

| | 2015 | 2016 | 2017 | 2018 | 2019 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| Total pension liability | | | | | |
| Service costs | \$ 548,234 | \$ 505,704 | \$ 442,309 | \$ 375,255 | \$ 328,490 |
| Interest | 6,923,107 | 7,004,145 | 7,311,954 | 7,389,442 | 7,095,868 |
| Benefit changes | - | - | (798,573) | (440,519) | (110,872) |
| Difference between expected and actual experience | - | 947,500 | 1,099,991 | (1,143,899) | (338,516) |
| Assumption changes | - | 4,941,688 | - | (53,751) | - |
| Benefit payments | (6,270,104) | (6,651,752) | (7,191,264) | (7,201,095) | (7,233,527) |
| Other changes | (6,868) | 54,865 | 142,625 | 305,735 | 118,553 |
| Net change in total pension liability | 1,194,369 | 6,802,150 | 1,007,042 | (768,833) | (140,004) |
| Total pension liability, beginning of year | 86,777,380 | 87,971,749 | 94,773,899 | 95,780,941 | 95,012,108 |
| Total pension liability, end of year (a) | \$ 87,971,749 | \$ 94,773,899 | \$ 95,780,941 | \$ 95,012,108 | \$ 94,872,104 |
| Plan fiduciary net position | | | | | |
| Contributions - employer | \$ 4,479,187 | \$ 4,782,033 | \$ 11,014,005 | \$ 5,899,926 | \$ 7,443,960 |
| Contributions - member | 6,978 | 5,907 | 44,784 | 64,962 | 63,630 |
| Net investment income | (589,551) | 4,232,341 | 5,485,938 | (1,950,963) | 6,706,094 |
| Benefit payments | (6,270,104) | (6,651,752) | (7,191,294) | (7,201,095) | (7,233,527) |
| Administrative expense | (87,177) | (83,603) | (85,820) | (100,706) | (115,483) |
| Refunds of contributions | - | - | - | - | - |
| Transfer | - | - | - | - | - |
| Other | - | - | - | - | - |
| Net change in plan fiduciary net position | (2,460,667) | 2,284,926 | 9,267,613 | (3,287,876) | 6,864,674 |
| Plan fiduciary net position, beginning of year | 40,610,785 | 38,150,118 | 40,435,044 | 49,702,657 | 46,414,811 |
| Plan fiduciary net position, end of year (b) | \$ 38,150,118 | \$ 40,435,044 | \$ 49,702,657 | \$ 46,414,811 | \$ 53,279,485 |
| Net pension liability (a-b) | \$ 49,821,631 | \$ 54,338,855 | \$ 46,078,284 | \$ 48,597,297 | \$ 41,592,619 |
| Plan fiduciary net position as a percentage of total pension liability | 43.37% | 42.66% | 51.89% | 48.85% | 56.16% |
| Covered payroll | \$ 4,557,937 | \$ 4,213,993 | \$ 3,516,849 | \$ 3,193,341 | \$ 2,919,119 |
| Net pension liability as a percentage of covered employee payroll | 1093.07% | 1289.49% | 1310.22% | 1521.83% | 1424.83% |

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

GRAND TRAVERSE COUNTY

REQUIRED SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED DECEMBER 31, 2019

GRAND TRAVERSE COUNTY DEFINED BENEFIT PENSION PLAN SCHEDULE OF EMPLOYER CONTRIBUTIONS

| Year Ended <u>December 31</u> | Actuarially Determined <u>Contribution</u> | Actual <u>Contribution</u> | Contribution Excess <u>(Deficiency)</u> | Covered <u>Payroll</u> | Percent of Covered Payroll <u>Contributed</u> |
|----------------------------------|--|-------------------------------|---|---------------------------|---|
| 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% |
| 2019 | 5,400,492 | 7,443,960 | 2,043,468 | 2,919,119 | 255.01% |

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, 2019

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

| | 2015 | 2016 | 2017 | 2018 | 2019 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| Total pension liability | | | | | |
| Service costs | \$ 1,277,800 | \$ 1,365,747 | \$ 1,348,278 | \$ 1,317,595 | \$ 1,439,018 |
| Interest | 2,486,886 | 2,606,420 | 2,951,871 | 3,100,887 | 3,241,853 |
| Benefit changes | - | - | - | - | - |
| Difference between expected and actual experience | - | 132,036 | (669,008) | (840,111) | 90,174 |
| Assumption changes | - | 1,712,954 | - | - | - |
| Benefit payments | (1,334,411) | (1,381,081) | (1,628,394) | (1,740,398) | (1,894,659) |
| Other changes | (14,734) | 14,453 | (68,705) | (59,476) | (475,100) |
| Net change in total pension liability | 2,415,541 | 4,450,529 | 1,934,042 | 1,778,497 | 2,401,286 |
| Total pension liability, beginning of year | 30,172,373 | 32,587,914 | 37,038,443 | 38,972,485 | 40,750,982 |
| Total pension liability, end of year (a) | \$ 32,587,914 | \$ 37,038,443 | \$ 38,972,485 | \$ 40,750,982 | \$ 43,152,268 |
| Plan fiduciary net position | | | | | |
| Contributions - employer | \$ 1,030,460 | \$ 1,124,502 | \$ 1,442,859 | \$ 1,393,517 | \$ 1,413,864 |
| Contributions - member | 727,311 | 838,781 | 691,765 | 742,149 | 694,458 |
| Net investment income | (368,610) | 2,751,075 | 3,629,624 | (1,249,335) | 4,134,081 |
| Benefit payments | (1,334,411) | (1,381,081) | (1,628,394) | (1,740,398) | (1,894,659) |
| Administrative expense | (52,824) | (54,225) | (57,323) | (60,918) | (71,287) |
| Refunds of contributions | - | - | - | - | - |
| Transfer | - | - | - | - | - |
| Other | - | - | - | - | - |
| Net change in plan fiduciary net position | 1,926 | 3,279,052 | 4,078,531 | (914,985) | 4,276,457 |
| Plan fiduciary net position, beginning of year | 23,748,355 | 23,750,281 | 27,029,333 | 31,107,864 | 30,192,879 |
| Plan fiduciary net position, end of year (b) | \$ 23,750,281 | \$ 27,029,333 | \$ 31,107,864 | \$ 30,192,879 | \$ 34,469,336 |
| Net pension liability (a-b) | \$ 8,837,633 | \$ 10,009,110 | \$ 7,864,621 | \$ 10,558,103 | \$ 8,682,932 |
| Plan fiduciary net position as a percentage of total pension liability | 72.88% | 72.98% | 79.82% | 74.09% | 79.88% |
| Covered payroll | \$ 13,864,604 | \$ 15,117,289 | \$ 14,936,116 | \$ 14,775,579 | \$ 15,729,985 |
| Net pension liability as a percentage of covered employee payroll | 63.74% | 66.21% | 52.66% | 71.46% | 55.20% |

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

GRAND TRAVERSE COUNTY

REQUIRED SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED DECEMBER 31, 2019

GRAND TRAVERSE PAVILIONS DEFINED BENEFIT PENSION PLAN SCHEDULE OF EMPLOYER CONTRIBUTIONS

| <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% |
| 2019 | 1,413,864 | 1,413,864 | - | 15,729,985 | 8.99% |

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, 2019

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

| | 2015 | 2016 | 2017 | 2018 | 2019 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| Total pension liability | | | | | |
| Service costs | \$ 18,465 | \$ 8,471 | \$ 8,085 | \$ 8,166 | \$ 8,391 |
| Interest | 728,316 | 693,212 | 717,457 | 684,961 | 668,922 |
| Benefit changes | - | - | - | - | - |
| Difference between expected and actual experience | - | 91,234 | (207,073) | 11,278 | 31,587 |
| Assumption changes | - | 430,437 | - | - | - |
| Benefit payments | (951,391) | (960,311) | (914,379) | (914,065) | (907,119) |
| Other changes | 51,136 | 17,244 | (10,481) | 8,190 | - |
| Net change in total pension liability | (153,474) | 280,287 | (406,391) | (201,470) | (198,219) |
| Total pension liability, beginning of year | 9,294,541 | 9,141,067 | 9,421,354 | 9,014,963 | 8,813,493 |
| Total pension liability, end of year (a) | \$ 9,141,067 | \$ 9,421,354 | \$ 9,014,963 | \$ 8,813,493 | \$ 8,615,274 |
| Plan fiduciary net position | | | | | |
| Contributions - employer | \$ 618,432 | \$ 1,454,636 | \$ 1,447,188 | \$ 1,208,374 | \$ 4,572 |
| Contributions - member | - | - | - | - | - |
| Net investment income | (84,678) | 655,362 | 862,966 | (285,143) | 1,036,877 |
| Benefit payments | (951,391) | (960,311) | (914,379) | (914,065) | (907,119) |
| Administrative expense | (12,553) | (12,834) | (13,667) | (14,787) | (17,830) |
| Refunds of contributions | - | - | - | - | - |
| Transfer | - | - | - | - | - |
| Other | - | - | - | - | - |
| Net change in plan fiduciary net position | (430,190) | 1,136,853 | 1,382,108 | (5,621) | 116,500 |
| Plan fiduciary net position, beginning of year | 5,883,730 | 5,453,540 | 6,590,393 | 7,972,501 | 7,966,880 |
| Plan fiduciary net position, end of year (b) | \$ 5,453,540 | \$ 6,590,393 | \$ 7,972,501 | \$ 7,966,880 | \$ 8,083,380 |
| Net pension liability (a-b) | \$ 3,687,527 | \$ 2,830,961 | \$ 1,042,462 | \$ 846,613 | \$ 531,894 |
| Plan fiduciary net position as a percentage of total pension liability | 60% | 70% | 88% | 90% | 94% |
| Covered payroll | \$ 226,661 | \$ 93,103 | \$ 88,257 | \$ 89,172 | \$ 95,867 |
| Net pension liability as a percentage of covered employee payroll | 1627% | 3041% | 1181% | 949% | 555% |

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

GRAND TRAVERSE COUNTY

REQUIRED SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED DECEMBER 31, 2019

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

| <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% |
| 2019 | 4,572 | 4,572 | - | 95,867 | 5% |

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, 2019

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

| | 2018 | 2019 |
|---|--------------------------|-------------------------|
| Total OPEB liability | | |
| Service costs | \$ 77,422 | \$ 56,651 |
| Interest | 166,460 | 195,664 |
| Benefit changes | - | - |
| Difference between expected and actual experience | (68,693) | (413,426) |
| Assumption changes | (330,052) | 149,621 |
| Benefit payments | (75,062) | (74,018) |
| Other changes | - | - |
| Net change in total OPEB liability | (229,925) | (85,508) |
| Total OPEB liability, beginning of year | <u>2,771,988</u> | <u>2,542,063</u> |
| Total OPEB liability, end of year (a) | <u>\$ 2,542,063</u> | <u>\$ 2,456,555</u> |
| Plan fiduciary net position | | |
| Contributions to OPEB trust | \$ 300,000 | \$ 300,000 |
| Contributions/benefit payments made from general operating funds | 75,062 | 74,018 |
| Net investment income | (17,508) | 82,150 |
| Benefit payments | (75,062) | (74,018) |
| Administrative expense | (737) | (1,129) |
| Refunds of contributions | - | - |
| Transfer | - | - |
| Other | - | - |
| Net change in plan fiduciary net position | 281,755 | 381,021 |
| Plan fiduciary net position, beginning of year | <u>256,132</u> | <u>537,887</u> |
| Plan fiduciary net position, end of year (b) | <u>\$ 537,887</u> | <u>\$ 918,908</u> |
| Net OPEB liability (a-b) | <u>\$ 2,004,176</u> | <u>\$ 1,537,647</u> |
| Plan fiduciary net position as a percentage of total OPEB liability | 21.16% | 37.41% |
| Covered payroll | <u>\$ 10,617,896</u> | <u>\$ 8,400,890</u> |
| Net OPEB liability as a percentage of covered employee payroll | 18.88% | 18.30% |

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

GRAND TRAVERSE COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2019

GRAND TRAVERSE COUNTY RETIREE OPEB PLAN
SCHEDULE OF EMPLOYER CONTRIBUTIONS

| Year Ended December 31 | Actuarially Determined Contribution | Actual Contribution | Contribution Excess (Deficiency) | Covered Payroll | Percent of Covered Payroll Contributed |
|-----------------------------------|--|--------------------------------|---|----------------------------|---|
| 2018 | \$ 323,748 | \$ 375,062 | \$ 51,314 | \$ 10,617,896 | 3.53% |
| 2019 | 287,096 | 374,018 | 86,922 | 8,400,890 | 4.45% |

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 | 2.10% |
| Salary increases | 3.50% |
| Investment rate of return | 7.35% |
| Retirement age | Experience-based tables of rates |
| Mortality | 2010 Public General and Public Safety Employees, Healthy and Disabled Retirees, Headcount weighted |

SCHEDULE OF INVESTMENT RETURNS

| Year Ended December 31 | Annual Return |
|-----------------------------------|--------------------------|
| 2018 | -0.43% |
| 2019 | 13.97% |

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

GRAND TRAVERSE PAVILIONS

REQUIRED SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED DECEMBER 31, 2019

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

| | <u>2018</u> | <u>2019</u> |
|---|-------------------------|-------------------------|
| Total OPEB liability | | |
| Service costs | \$ 231,153 | \$ 17,028 |
| Interest | 213,488 | 114,539 |
| Benefit changes | (4,383,381) | - |
| Difference between expected and actual experience | - | (4,874) |
| Assumption changes | (1,451,552) | 139,387 |
| Benefit payments | (82,575) | (67,804) |
| Other changes | - | - |
| Net change in total OPEB liability | (5,472,867) | 198,276 |
| Total OPEB liability, beginning of year | <u>6,967,651</u> | <u>1,494,784</u> |
| Total OPEB liability, end of year (a) | <u>\$ 1,494,784</u> | <u>\$ 1,693,060</u> |
| Plan fiduciary net position | | |
| Contributions to OPEB trust | \$ 582,575 | \$ 500,000 |
| Contributions/benefit payments made from general operating funds | - | 67,804 |
| Net investment income | - | 77,793 |
| Benefit payments | (82,575) | (67,804) |
| Administrative expense | - | (1,082) |
| Refunds of contributions | - | - |
| Transfer | - | - |
| Other | - | - |
| Net change in plan fiduciary net position | 500,000 | 576,711 |
| Plan fiduciary net position, beginning of year | - | 500,000 |
| Plan fiduciary net position, end of year (b) | <u>\$ 500,000</u> | <u>\$ 1,076,711</u> |
| Net OPEB liability (a-b) | <u>\$ 994,784</u> | <u>\$ 616,349</u> |
| Plan fiduciary net position as a percentage of total OPEB liability | 33.45% | 63.60% |
| Covered payroll | N/A | \$ 7,762,001 |
| Net OPEB liability as a percentage of covered employee payroll | N/A | 7.94% |

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

GRAND TRAVERSE PAVILIONS
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2019

GRAND TRAVERSE COUNTY PAVILIONS RETIREE OPEB PLAN
SCHEDULE OF EMPLOYER CONTRIBUTIONS

| Year Ended December 31 | Actuarially Determined Contribution | Actual Contribution | Contribution Excess (Deficiency) | Covered Payroll | Percent of Covered Payroll Contributed |
|-----------------------------------|--|--------------------------------|---|----------------------------|---|
| 2018 | \$ 693,994 | \$ 582,575 | \$ (111,419) | N/A | N/A |
| 2019 | 128,945 | 567,804 | 438,859 | 7,762,001 | 1.66% |

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 | 2.1%, 2.5% for 2018 |
| Salary increases | 2.00% |
| Investment rate of return | 7.35%, 7.75% for 2018 |
| Retirement age | Experience-based tables of rates |
| Mortality | 2010 Headcount weighted Public General Employees and Health Retirees with MP-2018 mortality improvement scale |

SCHEDULE OF INVESTMENT RETURNS

| Year Ended December 31 | Annual Return |
|-----------------------------------|--------------------------|
| 2018 | 0.00% |
| 2019 | 10.37% |

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, 2019

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

| | <u>2018</u> | <u>2019</u> |
|---|-------------------------|-------------------------|
| Total OPEB liability | | |
| Service costs | \$ - | \$ - |
| Interest | 34,664 | 34,664 |
| Benefit changes | - | - |
| Difference between expected and actual experience | 28,002 | 28,002 |
| Assumption changes | - | - |
| Benefit payments | (143,172) | (143,172) |
| Other changes | - | - |
| Net change in total OPEB liability | (80,506) | (80,506) |
| Total OPEB liability, beginning of year | <u>1,155,464</u> | <u>1,074,958</u> |
| Total OPEB liability, end of year (a) | <u>\$ 1,074,958</u> | <u>\$ 994,452</u> |
| Plan fiduciary net position | | |
| Contributions to OPEB trust | \$ - | \$ - |
| Contributions/benefit payments made from general operating funds | - | - |
| Net investment income | 1,106 | 1,106 |
| Benefit payments | (106,304) | (106,304) |
| Administrative expense | - | - |
| Refunds of contributions | - | - |
| Transfer | - | - |
| Other | - | - |
| Net change in plan fiduciary net position | (105,198) | (105,198) |
| Plan fiduciary net position, beginning of year | <u>107,826</u> | <u>2,628</u> |
| Plan fiduciary net position, end of year (b) | <u>\$ 2,628</u> | <u>\$ (102,570)</u> |
| Net OPEB liability (a-b) | <u>\$ 1,072,330</u> | <u>\$ 1,097,022</u> |
| Plan fiduciary net position as a percentage of total OPEB liability | 0.24% | -10.31% |
| Covered payroll | \$ - | \$ - |
| Net OPEB liability as a percentage of covered employee payroll | N/A | 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, 2019

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

| Year Ended December 31 | Actuarially Determined Contribution | Actual Contribution | Contribution Excess (Deficiency) | Covered Payroll | Percent of Covered Payroll Contributed |
|-----------------------------------|--|--------------------------------|---|----------------------------|---|
| 2018 | \$ 36,005 | \$ 36,868 | 863 | \$ - | N/A |
| 2019 | | | | | |

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

GRAND TRAVERSE COUNTY

FUND DESCRIPTIONS

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.

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.

GRAND TRAVERSE COUNTY

FUND DESCRIPTIONS

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.

GRAND TRAVERSE COUNTY

FUND DESCRIPTIONS

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.

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

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

Capital Projects Funds

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

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.

GRAND TRAVERSE COUNTY

FUND DESCRIPTIONS

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.

Building Authority Fund - This fund was established to finance and construction County facilities - buildings.

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 equipment and 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.

Library Penal 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.

GRAND TRAVERSE COUNTY

FUND DESCRIPTIONS

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.

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.

GRAND TRAVERSE COUNTY

FUND DESCRIPTIONS

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, 2019

| | Special Revenue | | | | | |
|---|-------------------------------|---------------------------------------|--------------------------------|------------------------------------|---------------------------------|---------------------------------|
| | 13th Circuit Court | Local Crime Victims Rights | 86th District Court | County Special Projects | Central Dispatch/911 | Parks and Recreation |
| Assets | | | | | | |
| Cash and pooled investments | \$ 14,269 | \$ 23,514 | \$ 19,574 | \$ 18,323 | \$ - | \$ 230,010 |
| Accounts receivable | - | - | 82 | - | 521,262 | 66,558 |
| Property tax receivable | - | - | - | - | - | - |
| Due from other funds | 141,103 | - | 251,713 | - | - | - |
| Due from other governments | 40,945 | - | 97,363 | - | 85,455 | - |
| Long-term receivable | - | - | - | - | - | - |
| Inventory | - | - | - | - | - | - |
| Prepaid items | 7,547 | - | - | - | - | 3,413 |
| Total assets | \$ 203,864 | \$ 23,514 | \$ 368,732 | \$ 18,323 | \$ 606,717 | \$ 299,981 |
| Liabilities, deferred inflows of resources and fund balances | | | | | | |
| Liabilities | | | | | | |
| Accounts payable | \$ 10,087 | \$ - | \$ 13,123 | \$ - | \$ 3,921 | \$ 61,183 |
| Accrued liabilities | 6,392 | - | 41,303 | - | 42,317 | 7,842 |
| Unearned revenue | - | - | - | - | - | 130,633 |
| Due to other funds | 10,554 | - | 16,820 | - | 560,479 | 907 |
| Due to other governments | 48,610 | - | 75,560 | - | - | - |
| Advance from other funds | 120,673 | - | 221,676 | - | - | - |
| Total liabilities | 196,316 | - | 368,482 | - | 606,717 | 200,565 |
| Deferred inflows of resources | | | | | | |
| Taxes levied for subsequent year | - | - | - | - | - | - |
| Fund balances | | | | | | |
| Nonspendable | | | | | | |
| Inventory | - | - | - | - | - | - |
| Prepaid | 7,547 | - | - | - | - | 3,413 |
| Restricted | | | | | | |
| Special revenue funds | - | 23,514 | - | - | - | - |
| Committed | | | | | | |
| Special revenue funds | 1 | - | 250 | 18,323 | - | 96,003 |
| Capital projects funds | - | - | - | - | - | - |
| Assigned | - | - | - | - | - | - |
| Unassigned | - | - | - | - | - | - |
| Total fund balances | 7,548 | 23,514 | 250 | 18,323 | - | 99,416 |
| Total liabilities, deferred inflows of resources and fund balances | \$ 203,864 | \$ 23,514 | \$ 368,732 | \$ 18,323 | \$ 606,717 | \$ 299,981 |

(continued)

GRAND TRAVERSE COUNTY

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET

DECEMBER 31, 2019

| | Special Revenue | | | | |
|---|----------------------------------|--------------------------------|-----------------------------------|-----------------------------|---|
| | Maple Bay Development | Friend of the Court | Gypsy Moth Suppression | Veterans Millage | Register of Deeds Automation |
| Assets | | | | | |
| Cash and pooled investments | \$ 11,633 | \$ 911,960 | \$ - | \$ 589,465 | \$ 251,576 |
| Accounts receivable | - | - | - | - | - |
| Property tax receivable | - | - | - | 372,874 | - |
| Due from other funds | - | - | - | - | - |
| Due from other governments | - | 467,927 | - | - | - |
| Long-term receivable | - | - | - | - | - |
| Inventory | - | - | - | - | - |
| Prepaid items | - | 608 | - | - | - |
| Total assets | <u>\$ 11,633</u> | <u>\$ 1,380,495</u> | <u>\$ -</u> | <u>\$ 962,339</u> | <u>\$ 251,576</u> |
| Liabilities, deferred inflows of resources and fund balances | | | | | |
| Liabilities | | | | | |
| Accounts payable | \$ - | \$ 649 | \$ - | \$ 636 | \$ 2,611 |
| Accrued liabilities | - | 35,289 | - | 5,436 | - |
| Unearned revenue | - | - | - | 2,190 | - |
| Due to other funds | - | 11,291 | - | 782 | 2,410 |
| Due to other governments | - | 28,603 | - | - | - |
| Advance from other funds | - | - | - | - | - |
| Total liabilities | <u>\$ -</u> | <u>75,832</u> | <u>\$ -</u> | <u>9,044</u> | <u>5,021</u> |
| Deferred inflows of resources | | | | | |
| Taxes levied for subsequent year | - | - | - | 416,795 | - |
| Fund balances | | | | | |
| Nonspendable | | | | | |
| Inventory | - | - | - | - | - |
| Prepaid | - | 608 | - | - | - |
| Restricted | | | | | |
| Special revenue funds | - | - | - | 536,500 | 246,555 |
| Committed | | | | | |
| Special revenue funds | 11,633 | 1,304,055 | - | - | - |
| Capital projects funds | - | - | - | - | - |
| Assigned | - | - | - | - | - |
| Unassigned | - | - | - | - | - |
| Total fund balances | <u>11,633</u> | <u>1,304,663</u> | <u>\$ -</u> | <u>536,500</u> | <u>246,555</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 11,633</u> | <u>\$ 1,380,495</u> | <u>\$ -</u> | <u>\$ 962,339</u> | <u>\$ 251,576</u> |

Special Revenue

| MIDC Fund | Corrections P.A. 511 | County Law Library | Federal Equitable Sharing | Concealed Pistol Licensing | Corrections Officers Training | Criminal Justice Training Act | Mitchell Creek Water Shed |
|----------------------|---------------------------------|-------------------------------|--------------------------------------|---------------------------------------|--|--|--------------------------------------|
| \$ - | \$ 292,793 | \$ 42,210 | \$ 8,526 | \$ 109,452 | \$ 54,910 | \$ 19,339 | \$ 8,155 |
| - | - | - | - | - | 2,427 | - | - |
| - | - | - | - | - | - | - | - |
| 59,217 | 79,296 | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | 1,704 | 275 | - |
| \$ 59,217 | \$ 372,089 | \$ 42,210 | \$ 8,526 | \$ 109,452 | \$ 59,041 | \$ 19,614 | \$ 8,155 |
| | | | | | | | |
| \$ 53,455 | \$ 30,950 | \$ - | \$ - | \$ - | \$ 4,484 | \$ - | \$ - |
| 2,460 | 8,419 | - | - | 381 | - | - | - |
| - | - | - | - | - | - | - | - |
| 3,302 | 1,410 | - | - | 234 | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| 59,217 | 40,779 | - | - | 615 | 4,484 | - | - |
| | | | | | | | |
| - | - | - | - | - | 1,704 | 275 | - |
| - | - | 42,210 | 8,526 | 108,837 | - | 19,339 | - |
| - | 331,310 | - | - | - | 52,853 | - | 8,155 |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - 331,310 | 42,210 | 8,526 | 108,837 | 54,557 | 19,614 | 8,155 | |
| \$ 59,217 | \$ 372,089 | \$ 42,210 | \$ 8,526 | \$ 109,452 | \$ 59,041 | \$ 19,614 | \$ 8,155 |

(continued)

GRAND TRAVERSE COUNTY

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET

DECEMBER 31, 2019

| Special Revenue | | | | | | | |
|---|--------------------------|-------------------------------|--------------------------|-----------------------------------|---------------------------|----------------------|---|
| | Housing Trust | CDGB Housing Grant | Next Michigan | EDC Revolving Loan | TNT Forfeiture | TNT Grant | |
| Assets | | | | | | | |
| Cash and pooled investments | \$ 299,139 | \$ 181,974 | \$ 11,997 | \$ 148,273 | \$ 342,628 | \$ - | - |
| Accounts receivable | - | - | - | 96,154 | - | - | - |
| Property tax receivable | - | - | - | - | - | - | - |
| Due from other funds | - | - | - | - | - | - | - |
| Due from other governments | - | - | - | - | - | 35,201 | - |
| Long-term receivable | - | 1,635,306 | - | - | - | - | - |
| Inventory | - | - | - | - | 84,766 | - | - |
| Prepaid items | - | - | - | - | - | - | - |
| Total assets | \$ 299,139 | \$ 1,817,280 | \$ 11,997 | \$ 244,427 | \$ 427,394 | \$ 35,201 | |
| Liabilities, deferred inflows of resources and fund balances | | | | | | | |
| Liabilities | | | | | | | |
| Accounts payable | \$ - | \$ 32,498 | \$ - | \$ - | \$ 4,063 | \$ 2,655 | - |
| Accrued liabilities | - | - | - | - | - | 2,726 | - |
| Unearned revenue | - | - | - | - | 130,766 | - | - |
| Due to other funds | - | - | - | - | - | 21,957 | - |
| Due to other governments | - | 5,845 | - | - | 70 | - | - |
| Advance from other funds | - | - | - | - | - | - | - |
| Total liabilities | - | 38,343 | - | - | 134,899 | 27,338 | |
| Deferred inflows of resources | | | | | | | |
| Taxes levied for subsequent year | - | - | - | - | - | - | - |
| Fund balances | | | | | | | |
| Nonspendable | | | | | | | |
| Inventory | - | - | - | - | 84,766 | - | - |
| Prepaid | - | - | - | - | - | - | - |
| Restricted | | | | | | | |
| Special revenue funds | 299,139 | 1,778,937 | - | 244,427 | 207,729 | 7,863 | - |
| Committed | | | | | | | |
| Special revenue funds | - | - | 11,997 | - | - | - | - |
| Capital projects funds | - | - | - | - | - | - | - |
| Unassigned | - | - | - | - | - | - | - |
| Total fund balances | 299,139 | 1,778,937 | 11,997 | 244,427 | 292,495 | 7,863 | |
| Total liabilities, deferred inflows of resources and fund balances | \$ 299,139 | \$ 1,817,280 | \$ 11,997 | \$ 244,427 | \$ 427,394 | \$ 35,201 | |

| 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>Courthouse</u> | <u>Health Services</u> |
| \$ - \$ 108,013 | \$ 7,305 | \$ 756,492 | \$ - | \$ - | \$ - | \$ - |
| - 170,759 | - 456 | - 456,023 | - | - | - | - |
| - - | - - | - - | - - | - - | - - | - - |
| 88,813 - | - - | - - | - - | - - | - - | - - |
| - - | - - | - - | - - | - - | - - | - - |
| <u>7,824</u> - | - 615 | - - | - - | - - | - - | - - |
| <u>\$ 96,637</u> <u>\$ 286,077</u> | <u>\$ 1,213,586</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| | | | | | | |
| \$ 24,871 \$ 9,202 | \$ 1,858 | \$ - | \$ - | \$ - | \$ - | \$ - |
| - 4,072 | - 5,343 | - - | - - | - - | - - | - - |
| - - | - - | - - | - - | - - | - - | - - |
| 47,582 640 | 7,169 | - | - | - | - | - |
| 9,600 5,649 | - | - | - | - | - | - |
| - - | - 250,000 | - - | - - | - - | - - | - - |
| <u>82,053</u> <u>19,563</u> | <u>14,370</u> | <u>250,000</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| | | | | | | |
| - 191,580 | 511,641 | - | - | - | - | - |
| | | | | | | |
| 7,824 - | 615 | - | - | - | - | - |
| - 74,934 | 686,960 | - | - | - | - | - |
| 6,760 - | - - | - - | - - | - - | - - | - - |
| - - | - (250,000) | - - | - - | - - | - - | - - |
| <u>14,584</u> <u>74,934</u> | <u>687,575</u> | <u>(250,000)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| | | | | | | |
| <u>\$ 96,637</u> <u>\$ 286,077</u> | <u>\$ 1,213,586</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

(continued)

GRAND TRAVERSE COUNTY

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET

DECEMBER 31, 2019

| | Capital Projects | | | | |
|---|------------------------------|--|--------------------------------|----------------------|-----------|
| | County Facilities | Building Authority - Pavilion | Capital Improvement | Total | |
| Assets | | | | | |
| Cash and pooled investments | \$ 553,615 | \$ - | \$ 1,665,502 | \$ 6,673,342 | |
| Accounts receivable | 31,293 | - | - | 725,537 | |
| Property tax receivable | - | - | - | 999,656 | |
| Due from other funds | 5,589 | - | - | 398,405 | |
| Due from other governments | 17,480 | - | - | 971,697 | |
| Long-term receivable | - | - | - | 1,635,306 | |
| Inventory | - | - | - | 84,766 | |
| Prepaid items | 4,199 | - | - | 26,185 | |
| Total assets | \$ 612,176 | \$ - | \$ 1,665,502 | \$ 11,514,894 | |
| Liabilities, deferred inflows of resources and fund balances | | | | | |
| Liabilities | | | | | |
| Accounts payable | \$ 145,217 | \$ - | \$ 32,000 | \$ 433,463 | |
| Accrued liabilities | - | - | - | 161,980 | |
| Unearned revenue | - | - | - | 263,589 | |
| Due to other funds | - | - | - | 685,537 | |
| Due to other governments | 788 | - | - | 174,725 | |
| Advance from other funds | - | - | - | 592,349 | |
| Total liabilities | 146,005 | - | 32,000 | 2,311,643 | |
| Deferred inflows of resources | | | | | |
| Taxes levied for subsequent year | - | - | - | - | 1,120,016 |
| Fund balances | | | | | |
| Nonspendable | | | | | |
| Inventory | - | - | - | - | 84,766 |
| Prepaid | 4,199 | - | - | - | 26,185 |
| Restricted | | | | | |
| Special revenue funds | - | - | - | - | 4,285,470 |
| Committed | | | | | |
| Special revenue funds | - | - | - | - | 1,841,340 |
| Capital projects funds | 461,972 | - | 1,633,502 | 2,095,474 | |
| Unassigned | - | - | - | - | (250,000) |
| Total fund balances | 466,171 | - | 1,633,502 | 8,083,235 | |
| Total liabilities, deferred inflows of resources and fund balances | \$ 612,176 | \$ - | \$ 1,665,502 | \$ 11,514,894 | |

(concluded)

GRAND TRAVERSE COUNTY

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

FOR THE YEAR ENDED DECEMBER 31, 2019

| Special Revenue | | | | | | |
|---|-------------------------------|---------------------------------------|--------------------------------|------------------------------------|---------------------------------|---------------------------------|
| | 13th Circuit Court | Local Crime Victims Rights | 86th District Court | County Special Projects | Central Dispatch/911 | Parks and Recreation |
| Revenues | | | | | | |
| Property taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental revenues | | | | | | |
| Federal | - - | - - | - - | - - | - - | - - |
| State | - - | - - | 51,188 | - - | 271,120 | 147,000 |
| Local | 382,743 | 10,723 | 786,195 | - - | 2,078,718 | 77,095 |
| Licenses and permits | - - | - - | - - | - - | - - | - - |
| Charges for services | - - | - - | 100 | - - | 4,401 | 285,256 |
| Fines and forfeitures | - - | - - | - - | - - | - - | - - |
| Interest | - - | - - | - - | - - | - - | - - |
| Miscellaneous | 29 | - - | 25 | - - | 33,086 | 34,247 |
| Total revenues | 382,772 | 10,723 | 837,508 | - - | 2,387,325 | 543,598 |
| Expenditures | | | | | | |
| Current | | | | | | |
| Judicial | 1,784,584 | 14,140 | 3,441,109 | - - | - - | - - |
| General government | - - | - - | - - | - - | - - | - - |
| Public safety | - - | - - | - - | - - | 2,541,428 | - - |
| Health and welfare | - - | - - | - - | - - | - - | - - |
| Economic development | - - | - - | - - | - - | - - | - - |
| Parks and recreation | - - | - - | - - | - - | - - | 729,820 |
| Debt service | | | | | | |
| Principal | - - | - - | - - | - - | - - | - - |
| Interest | - - | - - | - - | - - | - - | - - |
| Capital outlay | - - | - - | - - | - - | - - | 134,186 |
| Total expenditures | 1,784,584 | 14,140 | 3,441,109 | - - | 2,541,428 | 864,006 |
| Revenues over (under) expenditures | (1,401,812) | (3,417) | (2,603,601) | - - | (154,103) | (320,408) |
| Other financing sources (uses) | | | | | | |
| Sale of capital assets | - - | - - | - - | - - | - - | - - |
| Issuance of bonds | - - | - - | - - | - - | - - | - - |
| Bond premium | - - | - - | - - | - - | - - | - - |
| Payment to escrow agent | - - | - - | - - | - - | - - | - - |
| Transfers in | 1,408,616 | - - | 2,603,600 | - - | 153,762 | 321,983 |
| Transfers out | - - | - - | - - | - - | - - | - - |
| Total other financing sources (uses) | 1,408,616 | - - | 2,603,600 | - - | 153,762 | 321,983 |
| Net changes in fund balances | 6,804 | (3,417) | (1) | - | (341) | 1,575 |
| Fund balances, beginning of year | 744 | 26,931 | 251 | 18,323 | 341 | 97,841 |
| Fund balances, end of year | \$ 7,548 | \$ 23,514 | \$ 250 | \$ 18,323 | \$ - | \$ 99,416 |

(continued)

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

FOR THE YEAR ENDED DECEMBER 31, 2019

| Special Revenue | | | | | |
|---|----------------------------------|--------------------------------|-----------------------------------|-----------------------------|---|
| | <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> |
| Revenues | | | | | |
| Property taxes | \$ - | \$ - | \$ - | 598,277 | \$ - |
| Intergovernmental revenues | | | | | |
| Federal | - | 1,526,793 | - | - | - |
| State | - | 120,047 | - | - | - |
| Local | - | 79,479 | - | 63,049 | - |
| Licenses and permits | - | - | - | - | - |
| Charges for services | - | 198,022 | - | - | 106,945 |
| Fines and forfeitures | - | - | - | - | - |
| Interest | - | - | - | 12,795 | - |
| Miscellaneous | - | - | - | - | - |
| Total revenues | <u>-</u> | <u>1,924,341</u> | <u>-</u> | <u>674,121</u> | <u>106,945</u> |
| Expenditures | | | | | |
| Current | | | | | |
| Judicial | - | 2,280,994 | - | - | - |
| General government | - | - | - | - | 136,185 |
| Public safety | - | - | - | - | - |
| Health and welfare | - | - | - | 469,447 | - |
| Economic development | - | - | - | - | - |
| Parks and recreation | - | - | - | - | - |
| Debt service | | | | | |
| Principal | - | - | - | - | - |
| Interest | - | - | - | - | - |
| Capital outlay | - | - | - | - | - |
| Total expenditures | <u>-</u> | <u>2,280,994</u> | <u>-</u> | <u>469,447</u> | <u>136,185</u> |
| Revenues over (under) expenditures | <u>-</u> | <u>(356,653)</u> | <u>-</u> | <u>204,674</u> | <u>(29,240)</u> |
| Other financing sources (uses) | | | | | |
| Sale of capital assets | - | - | - | - | - |
| Issuance of bonds | - | - | - | - | - |
| Bond premium | - | - | - | - | - |
| Payment to escrow agent | - | - | - | - | - |
| Transfers in | - | 288,139 | - | - | - |
| Transfers out | - | (6,000) | (626) | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>282,139</u> | <u>(626)</u> | <u>-</u> | <u>-</u> |
| Net changes in fund balances | <u>-</u> | <u>(74,514)</u> | <u>(626)</u> | <u>204,674</u> | <u>(29,240)</u> |
| Fund balances, beginning of year | <u>11,633</u> | <u>1,379,177</u> | <u>626</u> | <u>331,826</u> | <u>275,795</u> |
| Fund balances, end of year | <u>\$ 11,633</u> | <u>\$ 1,304,663</u> | <u>\$ -</u> | <u>\$ 536,500</u> | <u>\$ 246,555</u> |

Special Revenue

| MIDC Fund | Corrections P.A. 511 | County Law Library | Federal Equitable Sharing | Concealed Pistol Licensing | Corrections Officers Training | Criminal Justice Training Act | Mitchell Creek Water Shed |
|----------------------|---------------------------------|-------------------------------|--------------------------------------|---------------------------------------|--|--|--------------------------------------|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 373,556 | 252,235 | - | - | - | - | 10,959 | - |
| - | 26,244 | - | - | - | - | - | - |
| - | - | - | - | 46,116 | - | - | - |
| - | 473,603 | - | - | - | 31,244 | - | - |
| - | - | 6,500 | - | - | - | - | - |
| - | - | - | 153 | - | - | - | - |
| - | 37,269 | - | - | 92 | - | - | - |
| <u>373,556</u> | <u>789,351</u> | <u>6,500</u> | <u>153</u> | <u>46,208</u> | <u>31,244</u> | <u>10,959</u> | <u>-</u> |
| - | - | - | - | - | - | - | - |
| 763,439 | 869,979 | - | - | 21,587 | 36,187 | 11,065 | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| <u>763,439</u> | <u>869,979</u> | <u>-</u> | <u>-</u> | <u>21,587</u> | <u>36,187</u> | <u>11,065</u> | <u>-</u> |
| <u>(389,883)</u> | <u>(80,628)</u> | <u>6,500</u> | <u>153</u> | <u>24,621</u> | <u>(4,943)</u> | <u>(106)</u> | <u>-</u> |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| 172,280 | 77,000 | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| <u>172,280</u> | <u>77,000</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <u>(217,603)</u> | <u>(3,628)</u> | <u>6,500</u> | <u>153</u> | <u>24,621</u> | <u>(4,943)</u> | <u>(106)</u> | <u>-</u> |
| <u>217,603</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> |
| \$ - | \$ 331,310 | \$ 42,210 | \$ 8,526 | \$ 108,837 | \$ 54,557 | \$ 19,614 | \$ 8,155 |

(continued)

GRAND TRAVERSE COUNTY

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

FOR THE YEAR ENDED DECEMBER 31, 2019

| Special Revenue | | | | | | |
|---|--------------------------|-------------------------------|--------------------------|-----------------------------------|---------------------------|----------------------|
| | <u>Housing Trust</u> | <u>CDGB Housing Grant</u> | <u>Next Michigan</u> | <u>EDC Revolving Loan</u> | <u>TNT Forfeiture</u> | <u>TNT Grant</u> |
| Revenues | | | | | | |
| Property taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental revenues | | | | | | |
| Federal | - | - | - | - | - | 146,421 |
| State | - | - | - | - | - | - |
| Local | - | - | - | - | 1,750 | - |
| Licenses and permits | - | - | - | - | - | - |
| Charges for services | - | 22 | - | - | - | - |
| Fines and forfeitures | - | - | - | - | 38,866 | - |
| Interest | 6,793 | - | - | 4,582 | 4 | - |
| Miscellaneous | - | - | - | - | - | - |
| Total revenues | 6,793 | 22 | - | 4,582 | 40,620 | 146,421 |
| Expenditures | | | | | | |
| Current | | | | | | |
| Judicial | - | - | - | - | - | - |
| General government | - | - | - | - | - | - |
| Public safety | - | - | - | - | 40,080 | 146,421 |
| Health and welfare | - | - | - | - | - | - |
| Economic development | - | 30,472 | 13,715 | - | - | - |
| Parks and recreation | - | - | - | - | - | - |
| Debt service | | | | | | |
| Principal | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - |
| Capital outlay | - | - | - | - | - | - |
| Total expenditures | - | 30,472 | 13,715 | - | 40,080 | 146,421 |
| Revenues over (under) expenditures | 6,793 | (30,450) | (13,715) | 4,582 | 540 | - |
| Other financing sources (uses) | | | | | | |
| Sale of capital assets | - | - | - | - | - | - |
| Issuance of bonds | - | - | - | - | - | - |
| Bond premium | - | - | - | - | - | - |
| Payment to escrow agent | - | - | - | - | - | - |
| Transfers in | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | - | - |
| Net changes in fund balances | 6,793 | (30,450) | (13,715) | 4,582 | 540 | - |
| Fund balances, beginning of year | 292,346 | 1,809,387 | 25,712 | 239,845 | 291,955 | 7,863 |
| Fund balances, end of year | \$ 299,139 | \$ 1,778,937 | \$ 11,997 | \$ 244,427 | \$ 292,495 | \$ 7,863 |

| 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>Courthouse</u> | <u>Health Services</u> |
| \$ - | \$ 185,100 | \$ 498,186 | \$ - | \$ - | \$ - | \$ - |
| 484,025 | - | - | - | - | - | - |
| - | 200 | - | - | - | - | - |
| - | 124,526 | - | - | - | - | - |
| - | 17,732 | 92,445 | - | - | - | - |
| - | - | - | - | - | - | - |
| - | 2,653 | 16,387 | - | - | - | - |
| 136,338 | 5,574 | 21,610 | - | - | - | - |
| <u>620,363</u> | <u>335,785</u> | <u>628,628</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| 1,130,780 | 315,316 | 594,396 | - | - | - | 104,610 |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | 480,000 | 160,000 |
| - | - | - | - | - | 101,800 | 134,881 |
| <u>1,130,780</u> | <u>315,316</u> | <u>594,396</u> | <u>-</u> | <u>-</u> | <u>581,800</u> | <u>399,491</u> |
| <u>(510,417)</u> | <u>20,469</u> | <u>34,232</u> | <u>-</u> | <u>-</u> | <u>(581,800)</u> | <u>(399,491)</u> |
| 525,000 | - | - | 240,000 | 581,800 | - | 3,780,000 |
| - | - | - | - | - | - | 144,610 |
| - | - | - | - | - | - | (3,820,000) |
| <u>525,000</u> | <u>-</u> | <u>-</u> | <u>240,000</u> | <u>581,800</u> | <u>-</u> | <u>294,881</u> |
| <u>525,000</u> | <u>-</u> | <u>-</u> | <u>240,000</u> | <u>581,800</u> | <u>-</u> | <u>399,491</u> |
| 14,583 | 20,469 | 34,232 | 240,000 | - | - | - |
| <u>1</u> | <u>54,465</u> | <u>653,343</u> | <u>(490,000)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <u>\$ 14,584</u> | <u>\$ 74,934</u> | <u>\$ 687,575</u> | <u>\$ (250,000)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

(continued)

GRAND TRAVERSE COUNTY

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

FOR THE YEAR ENDED DECEMBER 31, 2019

| | Capital Projects | | | |
|---|--------------------------|--------------------------------------|----------------------------|---------------------|
| | County Facilities | Building Authority - Pavilion | Capital Improvement | Total |
| Revenues | | | | |
| Property taxes | \$ - | \$ - | \$ - | \$ 1,281,563 |
| Intergovernmental revenues | | | | |
| Federal | - - | - - | - - | 1,673,214 |
| State | - - | - - | - - | 1,710,130 |
| Local | 37,163 | - - | - - | 3,543,359 |
| Licenses and permits | - - | - - | - - | 170,642 |
| Charges for services | - - | - - | - - | 1,209,770 |
| Fines and forfeitures | - - | - - | - - | 45,366 |
| Interest | - - | 2,850 | - - | 46,217 |
| Miscellaneous | 113,969 | - - | - - | 382,239 |
| Total revenues | <u>151,132</u> | <u>2,850</u> | <u>- -</u> | <u>10,062,500</u> |
| Expenditures | | | | |
| Current | | | | |
| Judicial | - - | - - | - - | 7,520,827 |
| General government | 1,797,741 | 540 | 56,148 | 2,095,224 |
| Public safety | - - | - - | - - | 4,745,502 |
| Health and welfare | - - | - - | - - | 2,194,623 |
| Economic development | - - | - - | - - | 44,187 |
| Parks and recreation | - - | - - | - - | 729,820 |
| Debt service | | | | |
| Principal | - - | - - | - - | 640,000 |
| Interest | - - | - - | - - | 236,681 |
| Capital outlay | - - | 496,680 | 345,848 | 976,714 |
| Total expenditures | <u>1,797,741</u> | <u>497,220</u> | <u>401,996</u> | <u>19,183,578</u> |
| Revenues over (under) expenditures | <u>(1,646,609)</u> | <u>(494,370)</u> | <u>(401,996)</u> | <u>(9,121,078)</u> |
| Other financing sources (uses) | | | | |
| Sale of capital assets | - - | - - | - - | - - |
| Issuance of bonds | - - | - - | - - | 3,780,000 |
| Bond premium | - - | - - | - - | 144,610 |
| Payment to escrow agent | - - | - - | - - | (3,820,000) |
| Transfers in | 1,662,623 | - - | 909,576 | 9,239,260 |
| Transfers out | - - | - - | - - | (6,626) |
| Total other financing sources (uses) | <u>1,662,623</u> | <u>- -</u> | <u>909,576</u> | <u>9,337,244</u> |
| Net changes in fund balances | <u>16,014</u> | <u>(494,370)</u> | <u>507,580</u> | <u>216,166</u> |
| Fund balances, beginning of year | <u>450,157</u> | <u>494,370</u> | <u>1,125,922</u> | <u>7,867,069</u> |
| Fund balances, end of year | <u>\$ 466,171</u> | <u>\$ - -</u> | <u>\$ 1,633,502</u> | <u>\$ 8,083,235</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, 2019

| | Budget Amounts | | Actual Amount | Variance Positive (Negative) |
|--|-----------------------|------------------|--------------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental revenues | | | | |
| Federal | \$ - | \$ - | \$ - | - |
| State | - - | - - | - - | - |
| Local | 393,162 | 393,162 | 382,743 | (10,419) |
| Licenses and permits | - - | - - | - - | - |
| Charges for services | - - | - - | - - | - |
| Fines and forfeitures | - - | - - | - - | - |
| Interest | - - | - - | - - | - |
| Miscellaneous | - - | - - | 29 | 29 |
| Total revenues | 393,162 | 393,162 | 382,772 | (10,390) |
| Expenditures | | | | |
| Current | | | | |
| Judicial | 1,818,652 | 1,847,989 | 1,784,584 | 63,405 |
| General government | - - | - - | - - | - |
| Public safety | - - | - - | - - | - |
| Health and welfare | - - | - - | - - | - |
| Economic development | - - | - - | - - | - |
| Parks and recreation | - - | - - | - - | - |
| Capital outlay | 22,580 | 21,743 | - - | 21,743 |
| Total expenditures | 1,841,232 | 1,869,732 | 1,784,584 | 85,148 |
| Revenues over (under) expenditures | (1,448,070) | (1,476,570) | (1,401,812) | 74,758 |
| Other financing sources (uses) | | | | |
| Sale of capital assets | - - | - - | - - | - |
| Transfers in | 1,448,070 | 1,476,570 | 1,408,616 | (67,954) |
| Transfers out | - - | - - | - - | - |
| Total other financing sources (uses) | 1,448,070 | 1,476,570 | 1,408,616 | (67,954) |
| Net changes in fund balance | - - | - - | 6,804 | 6,804 |
| Fund balance, beginning of year | 744 | 744 | 744 | - |
| Fund balance, end of year | \$ 744 | \$ 744 | \$ 7,548 | \$ 6,804 |

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, 2019

| | Budget Amounts | | Actual Amount | Variance Positive (Negative) |
|--|-----------------------|------------------|----------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental revenues | | | | |
| Federal | \$ - | \$ - | \$ - | - |
| State | - - | - - | - - | - |
| Local | 12,000 | 13,540 | 10,723 | (2,817) |
| Licenses and permits | - - | - - | - - | - |
| Charges for services | - - | - - | - - | - |
| Fines and forfeitures | - - | - - | - - | - |
| Interest | - - | - - | - - | - |
| Miscellaneous | - - | - - | - - | - |
| Total revenues | 12,000 | 13,540 | 10,723 | (2,817) |
| Expenditures | | | | |
| Current | | | | |
| Judicial | 12,000 | 16,540 | 14,140 | 2,400 |
| General government | - - | - - | - - | - |
| Public safety | - - | - - | - - | - |
| Health and welfare | - - | - - | - - | - |
| Economic development | - - | - - | - - | - |
| Parks and recreation | - - | - - | - - | - |
| Capital outlay | - - | - - | - - | - |
| Total expenditures | 12,000 | 16,540 | 14,140 | 2,400 |
| Revenues over (under) expenditures | - - | (3,000) | (3,417) | (417) |
| Other financing sources (uses) | | | | |
| Sale of capital assets | - - | - - | - - | - |
| Transfers in | - - | - - | - - | - |
| Transfers out | - - | - - | - - | - |
| Total other financing sources (uses) | - - | - - | - - | - |
| Net changes in fund balance | - - | (3,000) | (3,417) | (417) |
| Fund balance, beginning of year | 26,931 | 26,931 | 26,931 | - |
| Fund balance, end of year | \$ 26,931 | \$ 23,931 | \$ 23,514 | \$ (417) |

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, 2019

| | Budget Amounts | | Actual Amount | Variance Positive (Negative) |
|--|-----------------------|-----------------------|-----------------------|-------------------------------------|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental revenues | | | | |
| Federal | \$ - | \$ - | \$ - | \$ - |
| State | - - | 53,699 | 51,188 | (2,511) |
| Local | 906,715 | 906,715 | 786,195 | (120,520) |
| Licenses and permits | - - | - - | - - | - - |
| Charges for services | - - | - - | 100 | 100 |
| Fines and forfeitures | - - | - - | - - | - - |
| Interest | - - | - - | - - | - - |
| Miscellaneous | - - | - - | 25 | 25 |
| Total revenues | \$ 906,715 | \$ 960,414 | \$ 837,508 | \$ (122,906) |
| Expenditures | | | | |
| Current | | | | |
| Judicial | 3,566,826 | 3,620,525 | 3,441,109 | 179,416 |
| General government | - - | - - | - - | - - |
| Public safety | - - | - - | - - | - - |
| Health and welfare | - - | - - | - - | - - |
| Economic development | - - | - - | - - | - - |
| Parks and recreation | - - | - - | - - | - - |
| Capital outlay | - - | - - | - - | - - |
| Total expenditures | 3,566,826 | 3,620,525 | 3,441,109 | 179,416 |
| Revenues over (under) expenditures | \$ (2,660,111) | \$ (2,660,111) | \$ (2,603,601) | \$ 56,510 |
| Other financing sources (uses) | | | | |
| Sale of capital assets | - - | - - | - - | - - |
| Transfers in | 2,660,111 | 2,660,111 | 2,603,600 | (56,511) |
| Transfers out | - - | - - | - - | - - |
| Total other financing sources (uses) | 2,660,111 | 2,660,111 | 2,603,600 | (56,511) |
| Net changes in fund balance | - - | - - | (1) | (1) |
| Fund balance, beginning of year | 251 | 251 | 251 | - |
| Fund balance, end of year | \$ 251 | \$ 251 | \$ 250 | \$ (1) |

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, 2019

| | Budget Amounts | | Actual Amount | Variance Positive (Negative) |
|--|-----------------------|-----------------|--------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Intergovernmental revenues | | | | |
| Federal | \$ | - | \$ | - |
| State | - | - | - | - |
| Local | - | - | - | - |
| Lenses and permits | - | - | - | - |
| Charges for services | - | - | - | - |
| Fines and forfeitures | - | - | - | - |
| Interest | - | - | - | - |
| Miscellaneous | - | - | - | - |
| Total revenues | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Expenditures | | | | |
| Current | | | | |
| Judicial | - | - | - | - |
| General government | - | - | - | - |
| Public safety | - | - | - | - |
| Health and welfare | - | - | - | - |
| Economic development | - | - | - | - |
| Parks and recreation | - | - | - | - |
| Capital outlay | <u>18,322</u> | <u>18,322</u> | <u> </u> | <u>18,322</u> |
| Total expenditures | <u>18,322</u> | <u>18,322</u> | <u> </u> | <u>18,322</u> |
| Revenues over (under) expenditures | <u>(18,322)</u> | <u>(18,322)</u> | <u> </u> | <u>18,322</u> |
| Other financing sources (uses) | | | | |
| Sale of capital assets | - | - | - | - |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| Total other financing sources (uses) | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Net changes in fund balance | <u>(18,322)</u> | <u>(18,322)</u> | <u> </u> | <u>18,322</u> |
| Fund balance, beginning of year | <u>18,323</u> | <u>18,323</u> | <u>18,323</u> | <u> </u> |
| Fund balance, end of year | <u>\$ 1</u> | <u>\$ 1</u> | <u>\$ 18,323</u> | <u>\$ 18,322</u> |

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, 2019

| | Budget Amounts | | Actual Amount | Variance Positive (Negative) |
|--|-----------------------|------------------|----------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental revenues | | | | |
| Federal | \$ - | \$ - | \$ - | \$ - |
| State | 262,088 | 308,088 | 271,120 | (36,968) |
| Local | 2,068,000 | 2,068,000 | 2,078,718 | 10,718 |
| Licenses and permits | - | - | - | - |
| Charges for services | 4,800 | 4,800 | 4,401 | (399) |
| Fines and forfeitures | - | - | - | - |
| Interest | - | - | - | - |
| Miscellaneous | <u>11,500</u> | <u>32,977</u> | <u>33,086</u> | <u>109</u> |
| Total revenues | <u>2,346,388</u> | <u>2,413,865</u> | <u>2,387,325</u> | <u>(26,540)</u> |
| Expenditures | | | | |
| Current | | | | |
| Judicial | - | - | - | - |
| General government | - | - | - | - |
| Public safety | 2,621,388 | 2,688,865 | 2,541,428 | 147,437 |
| Health and welfare | - | - | - | - |
| Economic development | - | - | - | - |
| Parks and recreation | - | - | - | - |
| Capital outlay | - | - | - | - |
| Total expenditures | <u>2,621,388</u> | <u>2,688,865</u> | <u>2,541,428</u> | <u>147,437</u> |
| Revenues over (under) expenditures | <u>(275,000)</u> | <u>(275,000)</u> | <u>(154,103)</u> | <u>120,897</u> |
| Other financing sources (uses) | | | | |
| Sale of capital assets | - | - | - | - |
| Transfers in | 275,000 | 275,000 | 153,762 | (121,238) |
| Transfers out | - | - | - | - |
| Total other financing sources (uses) | <u>275,000</u> | <u>275,000</u> | <u>153,762</u> | <u>(121,238)</u> |
| Net changes in fund balance | - | - | (341) | (341) |
| Fund balance, beginning of year | <u>341</u> | <u>341</u> | <u>341</u> | <u>-</u> |
| Fund balance, end of year | <u>\$ 341</u> | <u>\$ 341</u> | <u>\$ -</u> | <u>\$ (341)</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, 2019

| | Budget Amounts | | Actual Amount | Variance Positive (Negative) |
|--|-----------------------|------------------|----------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental revenues | | | | |
| Federal | \$ - | \$ - | \$ - | \$ - |
| State | 300,000 | 447,000 | 147,000 | (300,000) |
| Local | 301,000 | 432,913 | 77,095 | (355,818) |
| Licenses and permits | - - | - - | - - | - - |
| Charges for services | 198,800 | 307,100 | 285,256 | (21,844) |
| Fines and forfeitures | - - | - - | - - | - - |
| Interest | - - | - - | - - | - - |
| Miscellaneous | <u>- -</u> | <u>22,000</u> | <u>34,247</u> | <u>12,247</u> |
| Total revenues | 799,800 | 1,209,013 | 543,598 | (665,415) |
| Expenditures | | | | |
| Current | | | | |
| Judicial | - - | - - | - - | - - |
| General government | - - | - - | - - | - - |
| Public safety | - - | - - | - - | - - |
| Health and welfare | - - | - - | - - | - - |
| Economic development | - - | - - | - - | - - |
| Parks and recreation | 1,162,059 | 1,388,553 | 729,820 | 658,733 |
| Capital outlay | <u>1,000</u> | <u>165,945</u> | <u>134,186</u> | <u>31,759</u> |
| Total expenditures | 1,163,059 | 1,554,498 | 864,006 | 690,492 |
| Revenues over (under) expenditures | <u>(363,259)</u> | <u>(345,485)</u> | <u>(320,408)</u> | <u>25,077</u> |
| Other financing sources (uses) | | | | |
| Sale of capital assets | - - | - - | - - | - - |
| Transfers in | 340,183 | 321,983 | 321,983 | - - |
| Transfers out | - - | - - | - - | - - |
| Total other financing sources (uses) | <u>340,183</u> | <u>321,983</u> | <u>321,983</u> | <u>- -</u> |
| Net changes in fund balance | <u>(23,076)</u> | <u>(23,502)</u> | <u>1,575</u> | <u>25,077</u> |
| Fund balance, beginning of year | 97,841 | 97,841 | 97,841 | - - |
| Fund balance, end of year | \$ 74,765 | \$ 74,339 | \$ 99,416 | \$ 25,077 |

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, 2019

| | Budget Amounts | | Actual Amount | Variance Positive (Negative) |
|--|-----------------------|--------------|--------------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental revenues | | | | |
| Federal | \$ | - | \$ | - |
| State | - | - | - | - |
| Local | - | - | - | - |
| Lenses and permits | - | - | - | - |
| Charges for services | - | - | - | - |
| Fines and forfeitures | - | - | - | - |
| Interest | - | - | - | - |
| Miscellaneous | - | - | - | - |
| Total revenues | <hr/> | <hr/> | <hr/> | <hr/> |
| Expenditures | | | | |
| Current | | | | |
| Judicial | - | - | - | - |
| General government | 11,243 | 11,243 | - | 11,243 |
| Public safety | - | - | - | - |
| Health and welfare | - | - | - | - |
| Economic development | - | - | - | - |
| Parks and recreation | - | - | - | - |
| Capital outlay | - | - | - | - |
| Total expenditures | <hr/> | <hr/> | <hr/> | <hr/> |
| Revenues over (under) expenditures | (11,243) | (11,243) | - | 11,243 |
| Other financing sources (uses) | | | | |
| Sale of capital assets | - | - | - | - |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| Total other financing sources (uses) | <hr/> | <hr/> | <hr/> | <hr/> |
| Net changes in fund balance | (11,243) | (11,243) | - | 11,243 |
| Fund balance, beginning of year | <hr/> | <hr/> | <hr/> | <hr/> |
| Fund balance, end of year | <hr/> | <hr/> | <hr/> | <hr/> |
| | \$ 390 | \$ 390 | \$ 11,633 | \$ 11,243 |

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, 2019

| | Budget Amounts | | Actual Amount | Variance Positive (Negative) |
|--|-----------------------|---------------------|----------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental revenues | | | | |
| Federal | \$ 1,563,000 | \$ 1,563,000 | \$ 1,526,793 | \$ (36,207) |
| State | 126,500 | 126,500 | 120,047 | (6,453) |
| Local | 79,479 | 79,479 | 79,479 | - |
| Licenses and permits | - | - | - | - |
| Charges for services | 185,000 | 185,000 | 198,022 | 13,022 |
| Fines and forfeitures | - | - | - | - |
| Interest | - | - | - | - |
| Miscellaneous | - | - | - | - |
| Total revenues | 1,953,979 | 1,953,979 | 1,924,341 | (29,638) |
| Expenditures | | | | |
| Current | | | | |
| Judicial | 2,295,064 | 2,332,792 | 2,280,994 | 51,798 |
| General government | - | - | - | - |
| Public safety | - | - | - | - |
| Health and welfare | - | - | - | - |
| Economic development | - | - | - | - |
| Parks and recreation | - | - | - | - |
| Capital outlay | - | - | - | - |
| Total expenditures | 2,295,064 | 2,332,792 | 2,280,994 | 51,798 |
| Revenues over (under) expenditures | (341,085) | (378,813) | (356,653) | 22,160 |
| Other financing sources (uses) | | | | |
| Sale of capital assets | - | - | - | - |
| Transfers in | 272,085 | 309,813 | 288,139 | (21,674) |
| Transfers out | (6,000) | (6,000) | (6,000) | - |
| Total other financing sources (uses) | 266,085 | 303,813 | 282,139 | (21,674) |
| Net changes in fund balance | (69,000) | (75,000) | (74,514) | 486 |
| Fund balance, beginning of year | 1,379,177 | 1,379,177 | 1,379,177 | - |
| Fund balance, end of year | \$ 1,310,177 | \$ 1,304,177 | \$ 1,304,663 | \$ 486 |

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, 2019

| | Budget Amounts | | Actual Amount | Variance Positive (Negative) |
|--|-----------------------|--------------|--------------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental revenues | | | | |
| Federal | \$ | - | \$ | - |
| State | - | - | - | - |
| Local | - | - | - | - |
| Lenses and permits | - | - | - | - |
| Charges for services | - | - | - | - |
| Fines and forfeitures | - | - | - | - |
| Interest | - | - | - | - |
| Miscellaneous | - | - | - | - |
| Total revenues | <hr/> | <hr/> | <hr/> | <hr/> |
| Expenditures | | | | |
| Current | | | | |
| Judicial | - | - | - | - |
| General government | - | - | - | - |
| Public safety | - | - | - | - |
| Health and welfare | - | - | - | - |
| Economic development | - | - | - | - |
| Parks and recreation | - | - | - | - |
| Capital outlay | - | - | - | - |
| Total expenditures | <hr/> | <hr/> | <hr/> | <hr/> |
| Revenues over (under) expenditures | - | - | - | - |
| Other financing sources (uses) | | | | |
| Sale of capital assets | - | - | - | - |
| Transfers in | - | - | - | - |
| Transfers out | - | (626) | (626) | - |
| Total other financing sources (uses) | - | (626) | (626) | - |
| Net changes in fund balance | - | (626) | (626) | - |
| Fund balance, beginning of year | 626 | 626 | 626 | - |
| Fund balance, end of year | <hr/> \$ 626 | <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, 2019

| | Budget Amounts | | Actual Amount | Variance Positive (Negative) |
|--|-----------------------|-------------------|----------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Property taxes | \$ 575,000 | \$ 575,000 | \$ 598,277 | \$ 23,277 |
| Intergovernmental revenues | | | | |
| Federal | - | - | - | - |
| State | - | - | - | - |
| Local | 84,000 | 94,000 | 63,049 | (30,951) |
| Licenses and permits | - | - | - | - |
| Charges for services | - | - | - | - |
| Fines and forfeitures | - | - | - | - |
| Interest | - | - | 12,795 | 12,795 |
| Miscellaneous | - | - | - | - |
| Total revenues | 659,000 | 669,000 | 674,121 | 5,121 |
| Expenditures | | | | |
| Current | | | | |
| Judicial | - | - | - | - |
| General government | - | - | - | - |
| Public safety | - | - | - | - |
| Health and welfare | 659,000 | 669,000 | 469,447 | 199,553 |
| Economic development | - | - | - | - |
| Parks and recreation | - | - | - | - |
| Capital outlay | - | - | - | - |
| Total expenditures | 659,000 | 669,000 | 469,447 | 199,553 |
| Revenues over (under) expenditures | - | - | 204,674 | 204,674 |
| Other financing sources (uses) | | | | |
| Sale of capital assets | - | - | - | - |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - |
| Net changes in fund balance | - | - | 204,674 | 204,674 |
| Fund balance, beginning of year | 331,826 | 331,826 | 331,826 | - |
| Fund balance, end of year | \$ 331,826 | \$ 331,826 | \$ 536,500 | \$ 204,674 |

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, 2019

| | Budget Amounts | | Actual Amount | Variance Positive (Negative) |
|--|-----------------------|-------------------|----------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental revenues | | | | |
| Federal | \$ | - | \$ | - |
| State | - | - | - | - |
| Local | - | - | - | - |
| Lenses and permits | - | - | - | - |
| Charges for services | 100,000 | 100,000 | 106,945 | 6,945 |
| Fines and forfeitures | - | - | - | - |
| Interest | - | - | - | - |
| Miscellaneous | - | - | - | - |
| Total revenues | 100,000 | 100,000 | 106,945 | 6,945 |
| Expenditures | | | | |
| Current | | | | |
| Judicial | - | - | - | - |
| General government | 185,500 | 185,500 | 136,185 | 49,315 |
| Public safety | - | - | - | - |
| Health and welfare | - | - | - | - |
| Economic development | - | - | - | - |
| Parks and recreation | - | - | - | - |
| Capital outlay | - | - | - | - |
| Total expenditures | 185,500 | 185,500 | 136,185 | 49,315 |
| Revenues over (under) expenditures | (85,500) | (85,500) | (29,240) | 56,260 |
| Other financing sources (uses) | | | | |
| Sale of capital assets | - | - | - | - |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - |
| Net changes in fund balance | (85,500) | (85,500) | (29,240) | 56,260 |
| Fund balance, beginning of year | 275,795 | 275,795 | 275,795 | - |
| Fund balance, end of year | \$ 190,295 | \$ 190,295 | \$ 246,555 | \$ 56,260 |

GRAND TRAVERSE COUNTY

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

FOR THE YEAR ENDED DECEMBER 31, 2019

| | Budget Amounts | | Actual Amount | Variance Positive (Negative) |
|--|-----------------------|-------------------|----------------------|-------------------------------------|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental revenues | | | | |
| Federal | \$ - | \$ - | \$ - | \$ - |
| State | 628,678 | 628,678 | 373,556 | (255,122) |
| Local | - | - | - | - |
| Lenses and permits | - | - | - | - |
| Charges for services | - | - | - | - |
| Fines and forfeitures | - | - | - | - |
| Interest | - | - | - | - |
| Miscellaneous | - | - | - | - |
| Total revenues | 628,678 | 628,678 | 373,556 | (255,122) |
| Expenditures | | | | |
| Current | | | | |
| Judicial | - | - | - | - |
| General government | - | - | - | - |
| Public safety | 782,258 | 857,258 | 763,439 | 93,819 |
| Health and welfare | - | - | - | - |
| Economic development | - | - | - | - |
| Parks and recreation | - | - | - | - |
| Capital outlay | - | - | - | - |
| Total expenditures | 782,258 | 857,258 | 763,439 | 93,819 |
| Revenues over (under) expenditures | (153,580) | (228,580) | (389,883) | (161,303) |
| Other financing sources (uses) | | | | |
| Sale of capital assets | - | - | - | - |
| Transfers in | 153,580 | 153,580 | 172,280 | 18,700 |
| Transfers out | - | - | - | - |
| Total other financing sources (uses) | 153,580 | 153,580 | 172,280 | 18,700 |
| Net changes in fund balance | - | (75,000) | (217,603) | (142,603) |
| Fund balance, beginning of year | 217,603 | 217,603 | 217,603 | - |
| Fund balance, end of year | \$ 217,603 | \$ 142,603 | \$ - | \$ (142,603) |

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, 2019

| | Budget Amounts | | Actual Amount | Variance Positive (Negative) |
|--|-----------------------|-------------------|----------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental revenues | | | | |
| Federal | \$ - | \$ - | \$ - | \$ - |
| State | 286,256 | 286,256 | 252,235 | (34,021) |
| Local | 26,244 | 26,244 | 26,244 | - |
| Licenses and permits | - | - | - | - |
| Charges for services | 470,000 | 470,000 | 473,603 | 3,603 |
| Fines and forfeitures | - | - | - | - |
| Interest | - | - | - | - |
| Miscellaneous | <u>18,500</u> | <u>18,500</u> | <u>37,269</u> | <u>18,769</u> |
| Total revenues | <u>801,000</u> | <u>801,000</u> | <u>789,351</u> | <u>(11,649)</u> |
| Expenditures | | | | |
| Current | | | | |
| Judicial | - | - | - | - |
| General government | - | - | - | - |
| Public safety | 912,467 | 912,467 | 869,979 | 42,488 |
| Health and welfare | - | - | - | - |
| Economic development | - | - | - | - |
| Parks and recreation | - | - | - | - |
| Capital outlay | - | - | - | - |
| Total expenditures | <u>912,467</u> | <u>912,467</u> | <u>869,979</u> | <u>42,488</u> |
| Revenues over (under) expenditures | <u>(111,467)</u> | <u>(111,467)</u> | <u>(80,628)</u> | <u>30,839</u> |
| Other financing sources (uses) | | | | |
| Sale of capital assets | - | - | - | - |
| Transfers in | 77,000 | 77,000 | 77,000 | - |
| Transfers out | - | - | - | - |
| Total other financing sources (uses) | <u>77,000</u> | <u>77,000</u> | <u>77,000</u> | <u>-</u> |
| Net changes in fund balance | <u>(34,467)</u> | <u>(34,467)</u> | <u>(3,628)</u> | <u>30,839</u> |
| Fund balance, beginning of year | <u>334,938</u> | <u>334,938</u> | <u>334,938</u> | <u>-</u> |
| Fund balance, end of year | <u>\$ 300,471</u> | <u>\$ 300,471</u> | <u>\$ 331,310</u> | <u>\$ 30,839</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, 2019

| | Budget Amounts | | Actual Amount | Variance Positive (Negative) |
|--|-----------------------|---------------|--------------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental revenues | | | | |
| Federal | \$ - | \$ - | \$ - | \$ - |
| State | - - | - - | - - | - - |
| Local | - - | - - | - - | - - |
| Licenses and permits | - - | - - | - - | - - |
| Charges for services | - - | - - | - - | - - |
| Fines and forfeitures | 6,500 | 6,500 | 6,500 | - - |
| Interest | - - | - - | - - | - - |
| Miscellaneous | - - | - - | - - | - - |
| Total revenues | 6,500 | 6,500 | 6,500 | - - |
| Expenditures | | | | |
| Current | | | | |
| Judicial | 42,210 | 42,210 | - - | 42,210 |
| General government | - - | - - | - - | - - |
| Public safety | - - | - - | - - | - - |
| Health and welfare | - - | - - | - - | - - |
| Economic development | - - | - - | - - | - - |
| Parks and recreation | - - | - - | - - | - - |
| Capital outlay | - - | - - | - - | - - |
| Total expenditures | 42,210 | 42,210 | - - | 42,210 |
| Revenues over (under) expenditures | (35,710) | (35,710) | 6,500 | 42,210 |
| Other financing sources (uses) | | | | |
| Sale of capital assets | - - | - - | - - | - - |
| Transfers in | - - | - - | - - | - - |
| Transfers out | - - | - - | - - | - - |
| Total other financing sources (uses) | - - | - - | - - | - - |
| Net changes in fund balance | (35,710) | (35,710) | 6,500 | 42,210 |
| Fund balance, beginning of year | 35,710 | 35,710 | 35,710 | - - |
| Fund balance, end of year | \$ - | \$ - | \$ 42,210 | \$ 42,210 |

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, 2019

| | Budget Amounts | | Actual Amount | Variance Positive (Negative) |
|--|-----------------------|-----------------|--------------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental revenues | | | | |
| Federal | \$ | - | \$ | - |
| State | - | - | - | - |
| Local | - | - | - | - |
| Lenses and permits | - | - | - | - |
| Charges for services | - | - | - | - |
| Fines and forfeitures | - | - | - | - |
| Interest | - | - | 153 | 153 |
| Miscellaneous | - | - | - | - |
| Total revenues | <u> </u> | <u> </u> | <u>153</u> | <u>153</u> |
| Expenditures | | | | |
| Current | | | | |
| Judicial | - | - | - | - |
| General government | - | - | - | - |
| Public safety | - | - | - | - |
| Health and welfare | - | - | - | - |
| Economic development | - | - | - | - |
| Parks and recreation | - | - | - | - |
| Capital outlay | - | - | - | - |
| Total expenditures | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Revenues over (under) expenditures | <u> </u> | <u> </u> | <u>153</u> | <u>153</u> |
| Other financing sources (uses) | | | | |
| Sale of capital assets | - | - | - | - |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| Total other financing sources (uses) | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Net changes in fund balance | <u> </u> | <u> </u> | <u>153</u> | <u>153</u> |
| Fund balance, beginning of year | <u>8,373</u> | <u>8,373</u> | <u>8,373</u> | <u>-</u> |
| Fund balance, end of year | <u>\$ 8,373</u> | <u>\$ 8,373</u> | <u>\$ 8,526</u> | <u>\$ 153</u> |

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, 2019

| | Budget Amounts | | Actual Amount | Variance Positive (Negative) |
|--|-----------------------|------------------|----------------------|-------------------------------------|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental revenues | | | | |
| Federal | \$ - | \$ - | \$ - | \$ - |
| State | - - | - - | - - | - - |
| Local | - - | - - | - - | - - |
| Licenses and permits | 36,000 | 36,000 | 46,116 | 10,116 |
| Charges for services | - - | - - | - - | - - |
| Fines and forfeitures | - - | - - | - - | - - |
| Interest | - - | - - | - - | - - |
| Miscellaneous | - - | - - | 92 | 92 |
| Total revenues | 36,000 | 36,000 | 46,208 | 10,208 |
| Expenditures | | | | |
| Current | | | | |
| Judicial | - - | - - | - - | - - |
| General government | - - | - - | - - | - - |
| Public safety | 36,000 | 36,000 | 21,587 | 14,413 |
| Health and welfare | - - | - - | - - | - - |
| Economic development | - - | - - | - - | - - |
| Parks and recreation | - - | - - | - - | - - |
| Capital outlay | - - | - - | - - | - - |
| Total expenditures | 36,000 | 36,000 | 21,587 | 14,413 |
| Revenues over (under) expenditures | - - | - - | 24,621 | 24,621 |
| Other financing sources (uses) | | | | |
| Sale of capital assets | - - | - - | - - | - - |
| Transfers in | - - | - - | - - | - - |
| Transfers out | - - | - - | - - | - - |
| Total other financing sources (uses) | - - | - - | - - | - - |
| Net changes in fund balance | - - | - - | 24,621 | 24,621 |
| Fund balance, beginning of year | 84,216 | 84,216 | 84,216 | - |
| Fund balance, end of year | \$ 84,216 | \$ 84,216 | \$ 108,837 | \$ 24,621 |

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, 2019

| | Budget Amounts | | Actual Amount | Variance Positive (Negative) |
|--|-----------------------|------------------|--------------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental revenues | | | | |
| Federal | \$ | - | \$ | - |
| State | - | - | - | - |
| Local | - | - | - | - |
| Licenses and permits | - | - | - | - |
| Charges for services | 30,000 | 30,000 | 31,244 | 1,244 |
| Fines and forfeitures | - | - | - | - |
| Interest | - | - | - | - |
| Miscellaneous | - | - | - | - |
| Total revenues | 30,000 | 30,000 | 31,244 | 1,244 |
| Expenditures | | | | |
| Current | | | | |
| Judicial | - | - | - | - |
| General government | - | - | - | - |
| Public safety | 66,000 | 66,000 | 36,187 | 29,813 |
| Health and welfare | - | - | - | - |
| Economic development | - | - | - | - |
| Parks and recreation | - | - | - | - |
| Capital outlay | - | - | - | - |
| Total expenditures | 66,000 | 66,000 | 36,187 | 29,813 |
| Revenues over (under) expenditures | (36,000) | (36,000) | (4,943) | 31,057 |
| Other financing sources (uses) | | | | |
| Sale of capital assets | - | - | - | - |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - |
| Net changes in fund balance | (36,000) | (36,000) | (4,943) | 31,057 |
| Fund balance, beginning of year | 59,500 | 59,500 | 59,500 | - |
| Fund balance, end of year | \$ 23,500 | \$ 23,500 | \$ 54,557 | \$ 31,057 |

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, 2019

| | Budget Amounts | | Actual Amount | Variance Positive (Negative) |
|--|-----------------------|------------------|--------------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental revenues | | | | |
| Federal | \$ - | \$ - | \$ - | - |
| State | 10,000 | 10,959 | 10,959 | - |
| Local | - | - | - | - |
| Lenses and permits | - | - | - | - |
| Charges for services | - | - | - | - |
| Fines and forfeitures | - | - | - | - |
| Interest | - | - | - | - |
| Miscellaneous | - | - | - | - |
| Total revenues | 10,000 | 10,959 | 10,959 | - |
| Expenditures | | | | |
| Current | | | | |
| Judicial | - | - | - | - |
| General government | - | - | - | - |
| Public safety | 10,000 | 11,065 | 11,065 | - |
| Health and welfare | - | - | - | - |
| Economic development | - | - | - | - |
| Parks and recreation | - | - | - | - |
| Capital outlay | - | - | - | - |
| Total expenditures | 10,000 | 11,065 | 11,065 | - |
| Revenues over (under) expenditures | - | (106) | (106) | - |
| Other financing sources (uses) | | | | |
| Sale of capital assets | - | - | - | - |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - |
| Net changes in fund balance | - | (106) | (106) | - |
| Fund balance, beginning of year | 19,720 | 19,720 | 19,720 | - |
| Fund balance, end of year | \$ 19,720 | \$ 19,614 | \$ 19,614 | \$ - |

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, 2019

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

GRAND TRAVERSE COUNTY

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

FOR THE YEAR ENDED DECEMBER 31, 2019

| | Budget Amounts | | Actual Amount | Variance Positive (Negative) |
|--|-----------------------|------------------|--------------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental revenues | | | | |
| Federal | \$ | - | \$ | - |
| State | - | - | - | - |
| Local | - | - | - | - |
| Lenses and permits | - | - | - | - |
| Charges for services | - | - | - | - |
| Fines and forfeitures | - | - | - | - |
| Interest | - | - | 6,793 | 6,793 |
| Miscellaneous | - | - | - | - |
| Total revenues | <u> </u> | <u> </u> | <u>6,793</u> | <u>6,793</u> |
| Expenditures | | | | |
| Current | | | | |
| Judicial | - | - | - | - |
| General government | - | - | - | - |
| Public safety | - | - | - | - |
| Health and welfare | 250,000 | 250,000 | - | 250,000 |
| Economic development | - | - | - | - |
| Parks and recreation | - | - | - | - |
| Capital outlay | - | - | - | - |
| Total expenditures | <u>250,000</u> | <u>250,000</u> | <u>-</u> | <u>250,000</u> |
| Revenues over (under) expenditures | <u>(250,000)</u> | <u>(250,000)</u> | <u>6,793</u> | <u>256,793</u> |
| Other financing sources (uses) | | | | |
| Sale of capital assets | - | - | - | - |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net changes in fund balance | <u>(250,000)</u> | <u>(250,000)</u> | <u>6,793</u> | <u>256,793</u> |
| Fund balance, beginning of year | <u>292,346</u> | <u>292,346</u> | <u>292,346</u> | <u>-</u> |
| Fund balance, end of year | <u>\$ 42,346</u> | <u>\$ 42,346</u> | <u>\$ 299,139</u> | <u>\$ 256,793</u> |

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, 2019

| | Budget Amounts | | Actual Amount | Variance Positive (Negative) |
|--|-----------------------|---------------------|--------------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental revenues | | | | |
| Federal | \$ | - | \$ | - |
| State | - | - | - | - |
| Local | - | - | - | - |
| Lenses and permits | - | - | - | - |
| Charges for services | - | - | 22 | 22 |
| Fines and forfeitures | - | - | - | - |
| Interest | - | - | - | - |
| Miscellaneous | - | - | - | - |
| Total revenues | <u>-</u> | <u>-</u> | <u>22</u> | <u>22</u> |
| Expenditures | | | | |
| Current | | | | |
| Judicial | - | - | - | - |
| General government | - | - | - | - |
| Public safety | - | - | - | - |
| Health and welfare | - | - | - | - |
| Economic development | 200,000 | 200,000 | 30,472 | 169,528 |
| Parks and recreation | - | - | - | - |
| Capital outlay | - | - | - | - |
| Total expenditures | <u>200,000</u> | <u>200,000</u> | <u>30,472</u> | <u>169,528</u> |
| Revenues over (under) expenditures | <u>(200,000)</u> | <u>(200,000)</u> | <u>(30,450)</u> | <u>169,550</u> |
| Other financing sources (uses) | | | | |
| Sale of capital assets | - | - | - | - |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net changes in fund balance | <u>(200,000)</u> | <u>(200,000)</u> | <u>(30,450)</u> | <u>169,550</u> |
| Fund balance, beginning of year | <u>1,809,387</u> | <u>1,809,387</u> | <u>1,809,387</u> | <u>-</u> |
| Fund balance, end of year | <u>\$ 1,609,387</u> | <u>\$ 1,609,387</u> | <u>\$ 1,778,937</u> | <u>\$ 169,550</u> |

GRAND TRAVERSE COUNTY

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

FOR THE YEAR ENDED DECEMBER 31, 2019

| | Budget Amounts | | Actual Amount | Variance Positive (Negative) |
|--|-----------------------|--------------|--------------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental revenues | | | | |
| Federal | \$ | - | \$ | - |
| State | - | - | - | - |
| Local | - | - | - | - |
| Lenses and permits | - | - | - | - |
| Charges for services | - | - | - | - |
| Fines and forfeitures | - | - | - | - |
| Interest | - | - | - | - |
| Miscellaneous | - | - | - | - |
| Total revenues | <hr/> | <hr/> | <hr/> | <hr/> |
| Expenditures | | | | |
| Current | | | | |
| Judicial | - | - | - | - |
| General government | - | - | - | - |
| Public safety | - | - | - | - |
| Health and welfare | - | - | - | - |
| Economic development | 25,000 | 25,000 | 13,715 | 11,285 |
| Parks and recreation | - | - | - | - |
| Capital outlay | - | - | - | - |
| Total expenditures | <hr/> | <hr/> | <hr/> | <hr/> |
| Revenues over (under) expenditures | (25,000) | (25,000) | (13,715) | 11,285 |
| Other financing sources (uses) | | | | |
| Sale of capital assets | - | - | - | - |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| Total other financing sources (uses) | <hr/> | <hr/> | <hr/> | <hr/> |
| Net changes in fund balance | (25,000) | (25,000) | (13,715) | 11,285 |
| Fund balance, beginning of year | <hr/> | <hr/> | <hr/> | <hr/> |
| Fund balance, end of year | <hr/> | <hr/> | <hr/> | <hr/> |
| | \$ 712 | \$ 712 | \$ 11,997 | \$ 11,285 |

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, 2019

| | Budget Amounts | | Actual Amount | Variance Positive (Negative) |
|--|-----------------------|-------------------|--------------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental revenues | | | | |
| Federal | \$ | - | \$ | - |
| State | - | - | - | - |
| Local | - | - | - | - |
| Lenses and permits | - | - | - | - |
| Charges for services | - | - | - | - |
| Fines and forfeitures | - | - | - | - |
| Interest | - | - | 4,582 | 4,582 |
| Miscellaneous | - | - | - | - |
| Total revenues | <u> </u> | <u> </u> | <u>4,582</u> | <u>4,582</u> |
| Expenditures | | | | |
| Current | | | | |
| Judicial | - | - | - | - |
| General government | - | - | - | - |
| Public safety | - | - | - | - |
| Health and welfare | - | - | - | - |
| Economic development | 50,000 | 50,000 | - | 50,000 |
| Parks and recreation | - | - | - | - |
| Capital outlay | - | - | - | - |
| Total expenditures | <u>50,000</u> | <u>50,000</u> | <u>-</u> | <u>50,000</u> |
| Revenues over (under) expenditures | <u>(50,000)</u> | <u>(50,000)</u> | <u>4,582</u> | <u>54,582</u> |
| Other financing sources (uses) | | | | |
| Sale of capital assets | - | - | - | - |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net changes in fund balance | <u>(50,000)</u> | <u>(50,000)</u> | <u>4,582</u> | <u>54,582</u> |
| Fund balance, beginning of year | <u>239,845</u> | <u>239,845</u> | <u>239,845</u> | <u>-</u> |
| Fund balance, end of year | <u>\$ 189,845</u> | <u>\$ 189,845</u> | <u>\$ 244,427</u> | <u>\$ 54,582</u> |

GRAND TRAVERSE COUNTY

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

FOR THE YEAR ENDED DECEMBER 31, 2019

| | Budget Amounts | | Actual Amount | Variance Positive (Negative) |
|--|-----------------------|-------------------|----------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental revenues | | | | |
| Federal | \$ 2,000 | \$ 2,000 | \$ - | \$ (2,000) |
| State | - - | - - | - - | - - |
| Local | 1,500 | 1,500 | 1,750 | 250 |
| Licenses and permits | - - | - - | - - | - - |
| Charges for services | - - | - - | - - | - - |
| Fines and forfeitures | 37,500 | 37,500 | 38,866 | 1,366 |
| Interest | 10 | 10 | 4 | (6) |
| Miscellaneous | - - | - - | - - | - - |
| Total revenues | 41,010 | 41,010 | 40,620 | (390) |
| Expenditures | | | | |
| Current | | | | |
| Judicial | - - | - - | - - | - - |
| General government | - - | - - | - - | - - |
| Public safety | 68,250 | 68,250 | 40,080 | 28,170 |
| Health and welfare | - - | - - | - - | - - |
| Economic development | - - | - - | - - | - - |
| Parks and recreation | - - | - - | - - | - - |
| Capital outlay | - - | - - | - - | - - |
| Total expenditures | 68,250 | 68,250 | 40,080 | 28,170 |
| Revenues over (under) expenditures | (27,240) | (27,240) | 540 | 27,780 |
| Other financing sources (uses) | | | | |
| Sale of capital assets | - - | - - | - - | - - |
| Transfers in | - - | - - | - - | - - |
| Transfers out | - - | - - | - - | - - |
| Total other financing sources (uses) | - - | - - | - - | - - |
| Net changes in fund balance | (27,240) | (27,240) | 540 | 27,780 |
| Fund balance, beginning of year | 291,955 | 291,955 | 291,955 | - |
| Fund balance, end of year | \$ 264,715 | \$ 264,715 | \$ 292,495 | \$ 27,780 |

GRAND TRAVERSE COUNTY

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

FOR THE YEAR ENDED DECEMBER 31, 2019

| | Budget Amounts | | Actual Amount | Variance Positive (Negative) |
|--|-----------------------|-----------------|----------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental revenues | | | | |
| Federal | \$ 97,000 | \$ 157,984 | \$ 146,421 | \$ (11,563) |
| State | - | - | - | - |
| Local | - | - | - | - |
| Licenses and permits | - | - | - | - |
| Charges for services | - | - | - | - |
| Fines and forfeitures | - | - | - | - |
| Interest | - | - | - | - |
| Miscellaneous | - | - | - | - |
| Total revenues | 97,000 | 157,984 | 146,421 | (11,563) |
| Expenditures | | | | |
| Current | | | | |
| Judicial | - | - | - | - |
| General government | - | - | - | - |
| Public safety | 97,000 | 157,984 | 146,421 | 11,563 |
| Health and welfare | - | - | - | - |
| Economic development | - | - | - | - |
| Parks and recreation | - | - | - | - |
| Capital outlay | - | - | - | - |
| Total expenditures | 97,000 | 157,984 | 146,421 | 11,563 |
| Revenues over (under) expenditures | - | - | - | - |
| Other financing sources (uses) | | | | |
| Sale of capital assets | - | - | - | - |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - |
| Net changes in fund balance | - | - | - | - |
| Fund balance, beginning of year | 7,863 | 7,863 | 7,863 | - |
| Fund balance, end of year | \$ 7,863 | \$ 7,863 | \$ 7,863 | \$ - |

GRAND TRAVERSE COUNTY

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

FOR THE YEAR ENDED DECEMBER 31, 2019

| | Budget Amounts | | Actual Amount | Variance Positive (Negative) |
|--|-----------------------|------------------|----------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental revenues | | | | |
| Federal | \$ - | \$ - | \$ - | \$ - |
| State | 817,000 | 817,000 | 484,025 | (332,975) |
| Local | - | - | - | - |
| Lenses and permits | - | - | - | - |
| Charges for services | - | - | - | - |
| Fines and forfeitures | - | - | - | - |
| Interest | - | - | - | - |
| Miscellaneous | 262,000 | 262,000 | 136,338 | (125,662) |
| Total revenues | 1,079,000 | 1,079,000 | 620,363 | (458,637) |
| Expenditures | | | | |
| Current | | | | |
| Judicial | - | - | - | - |
| General government | - | - | - | - |
| Public safety | - | - | - | - |
| Health and welfare | 1,779,000 | 1,779,000 | 1,130,780 | 648,220 |
| Economic development | - | - | - | - |
| Parks and recreation | - | - | - | - |
| Capital outlay | - | - | - | - |
| Total expenditures | 1,779,000 | 1,779,000 | 1,130,780 | 648,220 |
| Revenues over (under) expenditures | (700,000) | (700,000) | (510,417) | 189,583 |
| Other financing sources (uses) | | | | |
| Sale of capital assets | - | - | - | - |
| Transfers in | 700,000 | 700,000 | 525,000 | (175,000) |
| Transfers out | - | - | - | - |
| Total other financing sources (uses) | 700,000 | 700,000 | 525,000 | (175,000) |
| Net changes in fund balance | - | - | 14,583 | 14,583 |
| Fund balance, beginning of year | 1 | 1 | 1 | - |
| Fund balance, end of year | \$ 1 | \$ 1 | \$ 14,584 | \$ 14,583 |

GRAND TRAVERSE COUNTY

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

FOR THE YEAR ENDED DECEMBER 31, 2019

| | Budget Amounts | | Actual Amount | Variance Positive (Negative) |
|--|-----------------------|------------------|----------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Property taxes | \$ 175,000 | \$ 175,000 | \$ 185,100 | \$ 10,100 |
| Intergovernmental revenues | | | | |
| Federal | - | - | - | - |
| State | - | - | - | - |
| Local | 250 | 250 | 200 | (50) |
| Licenses and permits | 120,250 | 120,250 | 124,526 | 4,276 |
| Charges for services | 13,600 | 13,600 | 17,732 | 4,132 |
| Fines and forfeitures | - | - | - | - |
| Interest | - | - | 2,653 | 2,653 |
| Miscellaneous | 400 | 400 | 5,574 | 5,174 |
| Total revenues | 309,500 | 309,500 | 335,785 | 26,285 |
| Expenditures | | | | |
| Current | | | | |
| Judicial | - | - | - | - |
| General government | - | - | - | - |
| Public safety | 321,500 | 321,500 | 315,316 | 6,184 |
| Health and welfare | - | - | - | - |
| Economic development | - | - | - | - |
| Parks and recreation | - | - | - | - |
| Capital outlay | - | - | - | - |
| Total expenditures | 321,500 | 321,500 | 315,316 | 6,184 |
| Revenues over (under) expenditures | (12,000) | (12,000) | 20,469 | 32,469 |
| Other financing sources (uses) | | | | |
| Sale of capital assets | 2,000 | 2,000 | - | (2,000) |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| Total other financing sources (uses) | 2,000 | 2,000 | - | (2,000) |
| Net changes in fund balance | (12,000) | (10,000) | 20,469 | 30,469 |
| Fund balance, beginning of year | 54,465 | 54,465 | 54,465 | - |
| Fund balance, end of year | \$ 42,465 | \$ 44,465 | \$ 74,934 | \$ 30,469 |

GRAND TRAVERSE COUNTY

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

FOR THE YEAR ENDED DECEMBER 31, 2019

| | Budget Amounts | | Actual Amount | Variance Positive (Negative) |
|--|-----------------------|-------------------|----------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Property taxes | \$ 492,955 | \$ 492,955 | \$ 498,186 | \$ 5,231 |
| Intergovernmental revenues | | | | |
| Federal | - | - | - | - |
| State | - | - | - | - |
| Local | - | - | - | - |
| Licenses and permits | - | - | - | - |
| Charges for services | 77,000 | 98,000 | 92,445 | (5,555) |
| Fines and forfeitures | - | - | - | - |
| Interest | 5,000 | 5,000 | 16,387 | 11,387 |
| Miscellaneous | 8,000 | 8,000 | 21,610 | 13,610 |
| Total revenues | 582,955 | 603,955 | 628,628 | 24,673 |
| Expenditures | | | | |
| Current | | | | |
| Judicial | - | - | - | - |
| General government | - | - | - | - |
| Public safety | - | - | - | - |
| Health and welfare | 612,455 | 633,455 | 594,396 | 39,059 |
| Economic development | - | - | - | - |
| Parks and recreation | - | - | - | - |
| Capital outlay | - | - | - | - |
| Total expenditures | 612,455 | 633,455 | 594,396 | 39,059 |
| Revenues over (under) expenditures | (29,500) | (29,500) | 34,232 | 63,732 |
| Other financing sources (uses) | | | | |
| Sale of capital assets | - | - | - | - |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - |
| Net changes in fund balance | (29,500) | (29,500) | 34,232 | 63,732 |
| Fund balance, beginning of year | 653,343 | 653,343 | 653,343 | - |
| Fund balance, end of year | \$ 623,843 | \$ 623,843 | \$ 687,575 | \$ 63,732 |

GRAND TRAVERSE COUNTY
NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF NET POSITION

DECEMBER 31, 2019

| Enterprise Funds | | | | | | |
|----------------------------------|-------------------|---------------------|---------------------------------------|--------------------|-------------------------------|---------------------|
| Assets | <u>Homestead</u> | <u>Inspections</u> | <u>Foreclosure Tax Collection</u> | <u>Solid Waste</u> | <u>Building Authority</u> | Total |
| Current assets | | | | | | |
| Cash and pooled investments | \$ 430,528 | \$ 3,443,718 | \$ 601,446 | \$ 418,592 | \$ 15 | \$ 4,894,299 |
| Accounts receivable | - | - | - | 51,223 | - | 51,223 |
| Property tax receivable | 166,095 | - | - | - | - | 166,095 |
| Due from other funds | - | - | - | 136 | - | 136 |
| Due from other governments | - | - | - | 13,741 | - | 13,741 |
| Prepaid and other assets | - | - | 1,000 | - | - | 1,000 |
| Total current assets | <u>596,623</u> | <u>3,443,718</u> | <u>602,446</u> | <u>483,692</u> | <u>15</u> | <u>5,126,494</u> |
| Noncurrent assets | | | | | | |
| Capital assets | | | | | | |
| Construction in progress | - | 99,942 | - | - | - | 99,942 |
| Capital assets, net | - | 30,610 | - | - | - | 30,610 |
| Net capital assets | - | <u>130,552</u> | - | - | - | <u>130,552</u> |
| Total assets | <u>596,623</u> | <u>3,574,270</u> | <u>602,446</u> | <u>483,692</u> | <u>15</u> | <u>5,257,046</u> |
| Liabilities | | | | | | |
| Current liabilities | | | | | | |
| Accounts payable | - | 43,197 | 4,712 | 10,856 | - | 58,765 |
| Accrued liabilities | 373 | 16,296 | 1,854 | - | - | 18,523 |
| Due to other funds | 89 | 1,866 | - | 158 | - | 2,113 |
| Due to other governmental units | 433,678 | - | - | 250 | - | 433,928 |
| Total current liabilities | <u>434,140</u> | <u>61,359</u> | <u>6,566</u> | <u>11,264</u> | <u>-</u> | <u>513,329</u> |
| Noncurrent liabilities | | | | | | |
| Compensated absences | - | <u>54,833</u> | - | - | - | <u>54,833</u> |
| Total liabilities | <u>434,140</u> | <u>116,192</u> | <u>6,566</u> | <u>11,264</u> | <u>-</u> | <u>568,162</u> |
| Net position | | | | | | |
| Net investment in capital assets | - | 130,552 | - | - | - | 130,552 |
| Unrestricted | 162,483 | 3,327,526 | 595,880 | 472,428 | 15 | 4,558,332 |
| Total net position | <u>\$ 162,483</u> | <u>\$ 3,458,078</u> | <u>\$ 595,880</u> | <u>\$ 472,428</u> | <u>\$ 15</u> | <u>\$ 4,688,884</u> |

GRAND TRAVERSE COUNTY

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

FOR THE YEAR ENDED DECEMBER 31, 2019

| | Enterprise Funds | | | | | | |
|--|-------------------|---------------------|---------------------------------------|--------------------|-------------------------------|---------------------|--|
| | <u>Homestead</u> | <u>Inspections</u> | <u>Foreclosure Tax Collection</u> | <u>Solid Waste</u> | <u>Building Authority</u> | <u>Total</u> | |
| Operating revenue | | | | | | | |
| Charges for services | \$ - | \$ 1,934,232 | \$ 85,942 | \$ 316,863 | \$ - | \$ 2,337,037 | |
| Miscellaneous | 15,176 | 2,507 | 65,239 | 6,843 | 4 | 89,769 | |
| Total operating revenue | 15,176 | 1,936,739 | 151,181 | 323,706 | 4 | 2,426,806 | |
| Operating expense | | | | | | | |
| Personnel services | 16,489 | 681,134 | 75,209 | 92,216 | - | 865,048 | |
| Contracted services | 329 | 197,200 | 69,000 | 194,976 | - | 461,505 | |
| Supplies | 350 | 23,333 | 4,712 | 3,611 | - | 32,006 | |
| Other | - | 115,070 | 2,699 | 3,502 | - | 121,271 | |
| Depreciation | - | 20,408 | - | - | - | 20,408 | |
| Total operating expense | 17,168 | 1,037,145 | 151,620 | 294,305 | - | 1,500,238 | |
| Operating income (loss) | (1,992) | 899,594 | (439) | 29,401 | 4 | 926,568 | |
| Non-operating revenue (expense) | | | | | | | |
| Gain on sale of capital assets | - | 145 | - | - | - | 145 | |
| Interest income | 3,706 | - | 8,889 | - | - | 12,595 | |
| Total non-operating revenue (expense) | 3,706 | 145 | 8,889 | - | - | 12,740 | |
| Income (loss) before transfers | 1,714 | 899,739 | 8,450 | 29,401 | 4 | 939,308 | |
| Transfers in | - | - | - | - | - | - | |
| Transfers out | - | - | (70,496) | - | - | (70,496) | |
| Total transfers | - | - | (70,496) | - | - | (70,496) | |
| Change in net position | 1,714 | 899,739 | (62,046) | 29,401 | 4 | 868,812 | |
| Net position, beginning of year | 160,769 | 2,558,339 | 657,926 | 443,027 | 11 | 3,820,072 | |
| Net position, end of year | \$ 162,483 | \$ 3,458,078 | \$ 595,880 | \$ 472,428 | \$ 15 | \$ 4,688,884 | |

GRAND TRAVERSE COUNTY

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

FOR THE YEAR ENDED DECEMBER 31, 2019

| | Enterprise Funds | | | | | | | |
|---|-------------------|---------------------|---------------------------------------|--------------------|-------------------------------|---------------------|--|--|
| | Homestead | Inspections | Foreclosure Tax Collection | Solid Waste | Building Authority | Total | | |
| | | | | | | | | |
| Cash flows from operating activities | | | | | | | | |
| Receipts from customers and users | \$ (132,082) | \$ 1,936,949 | \$ 151,181 | \$ 314,833 | \$ 4 | \$ 2,270,885 | | |
| Payments to employees | (16,489) | (1,663,041) | (75,209) | (92,216) | - | (1,846,955) | | |
| Payments to suppliers | 406,292 | (295,151) | (75,468) | (224,895) | - | (189,222) | | |
| Net cash provided by (used in) operating activities | 257,721 | (21,243) | 504 | (2,278) | 4 | 234,708 | | |
| Cash flows from non-capital financing activities | | | | | | | | |
| Payment of loan from other funds | - | - | - | 394 | - | 394 | | |
| Receipts of loan to other funds | 81 | 97 | - | 23 | - | 201 | | |
| Transfer out | - | - | (70,496) | - | - | (70,496) | | |
| Net cash provided by (used in) non-capital financing activities | 81 | 97 | (70,496) | 417 | - | (69,901) | | |
| Cash flows from capital and related financing activities | | | | | | | | |
| Sale of capital assets | - | 145 | - | - | - | 145 | | |
| Acquisitions of capital assets | - | (99,942) | - | - | - | (99,942) | | |
| Cash flows from investing activities | | | | | | | | |
| Interest income | 3,706 | - | 8,889 | - | - | 12,595 | | |
| Net increase (decrease) in cash and pooled investments | 261,508 | (120,943) | (61,103) | (1,861) | 4 | 77,605 | | |
| Cash and pooled investments, beginning of year | 169,020 | 3,564,661 | 662,549 | 420,453 | 11 | 4,816,694 | | |
| Cash and pooled investments, end of year | \$ 430,528 | \$ 3,443,718 | \$ 601,446 | \$ 418,592 | \$ 15 | \$ 4,894,299 | | |
| Cash flows from operating activities | | | | | | | | |
| Operating income (loss) | \$ (1,992) | \$ 899,594 | \$ (439) | \$ 29,401 | \$ 4 | \$ 926,568 | | |
| 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 | - | 210 | - | (21,197) | - | (20,987) | | |
| Property tax receivable | (147,258) | - | - | - | - | (147,258) | | |
| Net pension deferred outflows and inflows | - | 144,316 | - | - | - | 144,316 | | |
| Prepaid assets and other items | - | - | (188) | - | - | (188) | | |
| Due from other governments | - | - | - | 12,324 | - | 12,324 | | |
| Accounts payable | (25) | 38,291 | 749 | (22,206) | - | 16,809 | | |
| Accrued liabilities | 78 | 2,161 | 382 | - | - | 2,621 | | |
| Due to other governments | 406,918 | - | - | (600) | - | 406,318 | | |
| Compensated absences | - | 4,657 | - | - | - | 4,657 | | |
| Net pension liability | - | (1,130,880) | - | - | - | (1,130,880) | | |
| Net cash provided by (used in) operating activities | \$ 257,721 | \$ (21,243) | \$ 504 | \$ (2,278) | \$ 4 | \$ 234,708 | | |

GRAND TRAVERSE COUNTY
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION

DECEMBER 31, 2019

| Internal Service Funds | | | | | | |
|-----------------------------------|-------------------------------|-------------------------|------------------------|-------------------------|-------------------|---------------------|
| Assets | <u>Information Technology</u> | <u>County Insurance</u> | <u>Fringe Benefits</u> | <u>Central Services</u> | <u>Motor Pool</u> | Total |
| Current assets | | | | | | |
| Cash and pooled investments | \$ 386,886 | \$ 134,901 | \$ 924,899 | \$ 22,495 | \$ - | \$ 1,469,181 |
| Accounts receivable | 2,590 | - | - | 857 | - | 3,447 |
| Due from other funds | 118,100 | - | - | 19,112 | - | 137,212 |
| Due from other governments | 25,064 | - | - | 559 | - | 25,623 |
| Prepaid items | 58,068 | - | - | 15,178 | - | 73,246 |
| Total current assets | 590,708 | 134,901 | 924,899 | 58,201 | - | 1,708,709 |
| Noncurrent assets | | | | | | |
| Capital assets | | | | | | |
| Capital assets | 602,369 | - | - | 16,208 | 1,995,217 | 2,613,794 |
| Total assets | 1,193,077 | 134,901 | 924,899 | 74,409 | 1,995,217 | 4,322,503 |
| Liabilities | | | | | | |
| Current liabilities | | | | | | |
| Accounts payable | 41,536 | 1,992 | 8,133 | 9,576 | - | 61,237 |
| Accrued liabilities | 21,013 | 59,151 | 124,219 | - | - | 204,383 |
| Due to other funds | 303 | - | - | - | - | 303 |
| Current portion of long-term debt | 128,761 | - | - | - | - | 128,761 |
| Total current liabilities | 191,613 | 61,143 | 132,352 | 9,576 | - | 394,684 |
| Noncurrent liabilities | | | | | | |
| Long-term debt | 273,996 | - | - | - | - | 273,996 |
| Advance from other funds | - | - | - | - | 1,467,225 | 1,467,225 |
| Compensated absences | 36,532 | - | - | - | - | 36,532 |
| Total long-term liabilities | 310,528 | - | - | - | 1,467,225 | 1,777,753 |
| Total liabilities | 502,141 | 61,143 | 132,352 | 9,576 | 1,467,225 | 2,172,437 |
| Net position | | | | | | |
| Net investment in capital assets | 199,612 | - | - | 16,208 | 527,992 | 743,812 |
| Unrestricted | 491,324 | 73,758 | 792,547 | 48,625 | - | 1,406,254 |
| Total net position | \$ 690,936 | \$ 73,758 | \$ 792,547 | \$ 64,833 | \$ 527,992 | \$ 2,150,066 |

GRAND TRAVERSE COUNTY

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

FOR THE YEAR ENDED DECEMBER 31, 2019

| | Internal Service Funds | | | | | | Total |
|--|-----------------------------------|-----------------------------|----------------------------|-----------------------------|-----------------------|---------------------|--------------|
| | Information Technology | County Insurance | Fringe Benefits | Central Services | Motor Pool | | |
| Operating revenue | | | | | | | |
| Charges for services | \$ 1,983,092 | \$ 321,812 | \$ 12,000,221 | \$ 94,725 | \$ 674,127 | \$ 15,073,977 | |
| Miscellaneous | 240,626 | 646,486 | 464,938 | 43 | - | 1,352,093 | |
| Total operating revenue | 2,223,718 | 968,298 | 12,465,159 | 94,768 | 674,127 | 16,426,070 | |
| Operating expense | | | | | | | |
| Personnel services | 980,432 | - | 6,120 | - | - | 986,552 | |
| Contracted services | 122,471 | 2,881 | 12,377,935 | 736 | - | 12,504,023 | |
| Supplies | 408,792 | - | 697 | 118,305 | - | 527,794 | |
| Other | 569,417 | 891,659 | 22,073 | 24,586 | - | 1,507,735 | |
| Depreciation | 137,815 | - | - | 10,472 | 570,062 | 718,349 | |
| Total operating expense | 2,218,927 | 894,540 | 12,406,825 | 154,099 | 570,062 | 16,244,453 | |
| Operating income (loss) | 4,791 | 73,758 | 58,334 | (59,331) | 104,065 | 181,617 | |
| Non-operating revenue (expense) | | | | | | | |
| Interest expense | (23,241) | - | - | - | (41,987) | (65,228) | |
| Change in net position | (18,450) | 73,758 | 58,334 | (59,331) | 62,078 | 116,389 | |
| Net position, beginning of year | 709,386 | - | 734,213 | 124,164 | 465,914 | 2,033,677 | |
| Net position, end of year | \$ 690,936 | \$ 73,758 | \$ 792,547 | \$ 64,833 | \$ 527,992 | \$ 2,150,066 | |

GRAND TRAVERSE COUNTY
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019

| | Internal Service Funds | | | | | |
|---|-----------------------------------|-----------------------------|----------------------------|-----------------------------|-----------------------|---------------------|
| | Information Technology | County Insurance | Fringe Benefits | Central Services | Motor Pool | Total |
| Cash flows from operating activities | | | | | | |
| Receipts for interfund services | \$ 2,244,499 | \$ 968,298 | \$ 12,465,463 | \$ 87,464 | \$ 674,127 | \$ 16,439,851 |
| Payments to employees | (991,003) | - | (6,120) | - | - | (997,123) |
| Payments to suppliers | (1,182,860) | (932,106) | (12,283,748) | (129,439) | - | (14,528,153) |
| Net cash provided by (used in) operating activities | 70,636 | 36,192 | 175,595 | (41,975) | 674,127 | 914,575 |
| Cash flows from non-capital financing activities | | | | | | |
| Payment of loan from other funds | - | (165,076) | (120,417) | - | (632,140) | (917,633) |
| Cash flows from capital and related financing activities | | | | | | |
| Interest expense | (23,242) | - | - | - | (41,987) | (65,229) |
| Principal payments | (191,537) | - | - | - | - | (191,537) |
| Acquisitions of capital assets | - | - | - | (7,663) | - | (7,663) |
| Net cash provided by (used in) capital and related financing activities | (214,779) | - | - | (7,663) | (41,987) | (264,429) |
| Net increase (decrease) in cash and pooled investments | (144,143) | (128,884) | 55,178 | (49,638) | - | (267,487) |
| Cash and pooled investments, beginning of year | 531,029 | 263,785 | 869,721 | 72,133 | - | 1,736,668 |
| Cash and pooled investments, end of year | \$ 386,886 | \$ 134,901 | \$ 924,899 | \$ 22,495 | \$ - | \$ 1,469,181 |
| Cash flows from operating activities | | | | | | |
| Operating income (loss) | \$ 4,791 | \$ 73,758 | \$ 58,334 | \$ (59,331) | \$ 104,065 | \$ 181,617 |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities | | | | | | |
| Depreciation | 137,815 | - | - | 10,472 | 570,062 | 718,349 |
| Changes in operating assets and liabilities which provided (used) cash | | | | | | |
| Accounts receivable | (2,078) | - | 304 | (857) | - | (2,631) |
| Due from other funds | 25,716 | - | - | (8,721) | - | 16,995 |
| Due from component units | 2,567 | - | - | 439 | - | 3,006 |
| Due from other governments | (5,424) | - | - | 1,835 | - | (3,589) |
| Prepaid assets and other items | 7,270 | - | - | 7,714 | - | 14,984 |
| Accounts payable | (87,251) | (75) | 4,884 | 6,474 | - | (75,968) |
| Due to other governments | (6,300) | - | - | - | - | (6,300) |
| Accrued liabilities | 4,101 | (37,491) | 112,073 | - | - | 78,683 |
| Compensated absences | (10,571) | - | - | - | - | (10,571) |
| Net cash provided by (used in) operating activities | \$ 70,636 | \$ 36,192 | \$ 175,595 | \$ (41,975) | \$ 674,127 | \$ 914,575 |

GRAND TRAVERSE COUNTY

AGENCY FUNDS
COMBINING BALANCE SHEET

DECEMBER 31, 2019

| | <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> |
|---------------------------------|----------------------------|------------------------------------|-------------------------|---------------------------------|--------------------------------------|--|----------------------------|
| Assets | | | | | | | |
| Cash and pooled investments | \$ 2,208,467 | \$ 106,835 | \$ 39,647 | \$ 49,636 | \$ 4,540 | \$ 764,171 | \$ 3,173,296 |
| Due from other governments | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>419,914</u> | <u>419,914</u> |
| Total assets | <u>\$ 2,208,467</u> | <u>\$ 106,835</u> | <u>\$ 39,647</u> | <u>\$ 49,636</u> | <u>\$ 4,540</u> | <u>\$ 1,184,085</u> | <u>\$ 3,593,210</u> |
| Liabilities | | | | | | | |
| Due to other governmental units | \$ 897,163 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 897,163 |
| Court items payable | 132,498 | - | - | 49,636 | 4,540 | - | 186,674 |
| Undistributed receipts | 99,852 | 106,835 | - | - | - | 1,184,085 | 1,390,772 |
| Other | 1,078,954 | <u>-</u> | <u>39,647</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,118,601</u> |
| Total liabilities | <u>\$ 2,208,467</u> | <u>\$ 106,835</u> | <u>\$ 39,647</u> | <u>\$ 49,636</u> | <u>\$ 4,540</u> | <u>\$ 1,184,085</u> | <u>\$ 3,593,210</u> |

GRAND TRAVERSE COUNTY

AGENCY FUNDS COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

FOR THE YEAR ENDED DECEMBER 31, 2019

| | <u>Balance January 1, 2019</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance December 31, 2019</u> |
|-------------------------------------|--|----------------------|----------------------|--|
| <u>Trust and Agency Fund</u> | | | | |
| Assets | | | | |
| Cash and pooled investments | \$ 1,981,735 | \$ 79,366,167 | \$ 79,139,435 | \$ 2,208,467 |
| Due from other governments | - _____ 3,425 | 3,425 | 3,425 | - |
| Total assets | <u>\$ 1,981,735</u> | <u>\$ 79,369,592</u> | <u>\$ 79,142,860</u> | <u>\$ 2,208,467</u> |
| Liabilities | | | | |
| Due to other governmental units | \$ 824,377 | \$ 67,454,971 | \$ 67,382,185 | \$ 897,163 |
| Court items payable | 118,706 | 571,861 | 558,069 | 132,498 |
| Undistributed receipts | 7,229 | 14,756,655 | 14,664,032 | 99,852 |
| Other | 1,031,423 | 2,207,534 | 2,160,003 | 1,078,954 |
| Total liabilities | <u>\$ 1,981,735</u> | <u>\$ 84,991,021</u> | <u>\$ 84,764,289</u> | <u>\$ 2,208,467</u> |
| <u>Library Fines</u> | | | | |
| Assets | | | | |
| Cash and pooled investments | \$ 130,135 | \$ 214,453 | \$ 237,753 | \$ 106,835 |
| Liabilities | | | | |
| Undistributed receipts | \$ 130,135 | \$ 214,553 | \$ 237,853 | \$ 106,835 |
| <u>Inmate Trust</u> | | | | |
| Assets | | | | |
| Cash and pooled investments | \$ 118,226 | \$ 555,502 | \$ 634,081 | \$ 39,647 |
| Liabilities | | | | |
| Other | \$ 118,226 | \$ 555,502 | \$ 634,081 | \$ 39,647 |
| <u>District Court Trust</u> | | | | |
| Assets | | | | |
| Cash and pooled investments | \$ 27,972 | \$ 316,683 | \$ 295,019 | \$ 49,636 |
| Liabilities | | | | |
| Court items payable | \$ 27,972 | \$ 316,683 | \$ 295,019 | \$ 49,636 |

GRAND TRAVERSE COUNTY

AGENCY FUNDS COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

FOR THE YEAR ENDED DECEMBER 31, 2019

| | <u>Balance January 1, 2019</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance December 31, 2019</u> |
|---|--|-----------------------|-----------------------|--|
| <u>Friend of the Court</u> | | | | |
| Assets | | | | |
| Cash and pooled investments | \$ 5,680 | \$ 1,349,217 | \$ 1,350,357 | \$ 4,540 |
| Liabilities | | | | |
| Court items payable | \$ 5,680 | \$ 1,349,217 | \$ 1,350,357 | \$ 4,540 |
| <u>Water and Sewer Receiving Funds</u> | | | | |
| Assets | | | | |
| Cash and pooled investments | \$ 676,355 | \$ 10,347,498 | \$ 10,259,682 | \$ 764,171 |
| Due from other governments | 957,294 | 9,808,116 | 10,345,496 | 419,914 |
| Total assets | <u>\$ 1,633,649</u> | <u>\$ 20,155,614</u> | <u>\$ 20,605,178</u> | <u>\$ 1,184,085</u> |
| Liabilities | | | | |
| Undistributed receipts | \$ 1,633,649 | \$ 10,561,937 | \$ 11,011,501 | \$ 1,184,085 |
| <u>Total Agency Funds</u> | | | | |
| Assets | | | | |
| Cash and pooled investments | \$ 2,940,103 | \$ 92,149,520 | \$ 91,916,327 | \$ 3,173,296 |
| Due from other governments | 957,294 | 9,811,541 | 10,348,921 | 419,914 |
| Total assets | <u>\$ 3,897,397</u> | <u>\$ 101,961,061</u> | <u>\$ 102,265,248</u> | <u>\$ 3,593,210</u> |
| Liabilities | | | | |
| Due to other governmental units | \$ 824,377 | \$ 67,454,971 | \$ 67,382,185 | \$ 897,163 |
| Court items payable | 152,358 | 2,237,761 | 2,203,445 | 186,674 |
| Undistributed receipts | 1,771,013 | 25,533,145 | 25,913,386 | 1,390,772 |
| Other | 1,149,649 | 2,763,036 | 2,794,084 | 1,118,601 |
| Total liabilities | <u>\$ 3,897,397</u> | <u>\$ 97,988,913</u> | <u>\$ 98,293,100</u> | <u>\$ 3,593,210</u> |

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GRAND TRAVERSE COUNTY

LAND BANK AUTHORITY STATEMENT OF NET POSITION

DECEMBER 31, 2019

Assets

| | |
|-----------------------------|----------------|
| Current assets | |
| Cash and pooled investments | \$ 163,676 |
| Property tax receivable | 15,760 |
| Property inventory | <u>453,882</u> |
| Total assets | <u>633,318</u> |

Liabilities

| | |
|---------------------|-----|
| Current liabilities | |
| Accounts payable | 946 |

Deferred inflows of resources

| | |
|--------------------------------|---------------|
| Subsequent year property taxes | <u>76,609</u> |
|--------------------------------|---------------|

Net position

| | |
|--------------|----------|
| Restricted | 555,763 |
| Unrestricted | <u>-</u> |

Total net position

| | |
|----|----------------|
| \$ | <u>555,763</u> |
|----|----------------|

GRAND TRAVERSE COUNTY

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

FOR THE YEAR ENDED DECEMBER 31, 2019

| | |
|--|------------|
| Operating revenue | |
| Property sales | \$ 25,000 |
| Operating expense | |
| Economic development | 839,726 |
| Operating income (loss) | (814,726) |
| Non-operating revenue (expense) | |
| Property taxes | 24,474 |
| Interest income | 9,457 |
| Total non-operating revenue (expense) | 33,931 |
| Change in net position | (780,795) |
| Net position, beginning of year | 1,336,558 |
| Net position, end of year | \$ 555,763 |

GRAND TRAVERSE COUNTY

LAND BANK AUTHORITY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2019

| | |
|--|---------------------|
| Cash flows from operating activities | |
| Receipts from customers and users | \$ 209,000 |
| Payments to suppliers | <u>(847,284)</u> |
| Net cash provided by (used in) operating activities | <u>(638,284)</u> |
| Cash flows from non-capital financing activities | |
| Receipt of property taxes | 69,966 |
| Cash flows from investing activities | |
| Interest income | <u>9,457</u> |
| Net increase (decrease) in cash and pooled investments | (558,861) |
| Cash and pooled investments, beginning of year | <u>722,537</u> |
| Cash and pooled investments, end of year | <u>\$ 163,676</u> |
| Cash flows from operating activities | |
| Operating income (loss) | \$ (814,726) |
| 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 |
| Accounts payable | <u>(7,558)</u> |
| Net cash provided by (used in) operating activities | <u>\$ (638,284)</u> |

GRAND TRAVERSE COUNTY
BROWNFIELD REDEVELOPMENT AUTHORITY
COMBINING STATEMENT OF NET POSITION

DECEMBER 31, 2019

| | <u>General Operations</u> | <u>Local Revolving Fund</u> | <u>River's Edge</u> | <u>Park Street</u> | CSXT | Boardman | Lake |
|--------------------------------------|---------------------------|-----------------------------|---------------------|--------------------|-------------|---------------------|-------------|
| Assets | | | | | | | |
| Cash and pooled investments | \$ 92,161 | \$ 1,019,108 | \$ - | \$ - | \$ - | \$ 1,562,108 | \$ - |
| Due from other governments | - | - | - | - | - | - | - |
| Advance to other funds | - | 1,399,042 | - | - | - | - | - |
| Accounts receivable long-term | - | - | - | - | - | - | - |
| Prepaid items | - | 17,942 | - | - | - | - | - |
| Total assets | \$ 92,161 | \$ 2,436,092 | \$ - | \$ - | \$ - | \$ 1,562,108 | \$ - |
| Liabilities and fund balances | | | | | | | |
| Liabilities | | | | | | | |
| Current | | | | | | | |
| Accounts payable | \$ 15,152 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Accrued liabilities | - | - | - | - | - | - | - |
| Due to other governments | - | - | - | - | - | - | - |
| Current portion of long-term debt | - | - | - | - | - | - | - |
| Noncurrent | | | | | | | |
| Advance from other funds | - | - | - | - | - | - | - |
| Long-term debt | - | - | - | - | - | - | - |
| Total liabilities | 15,152 | - | - | - | - | - | - |
| Net position | | | | | | | |
| Net investment in capital assets | - | - | - | - | - | - | - |
| Restricted | 77,009 | 2,436,092 | - | - | - | 1,562,108 | - |
| Unrestricted | - | - | - | - | - | - | - |
| Total net position | \$ 77,009 | \$ 2,436,092 | \$ - | \$ - | \$ - | \$ 1,562,108 | \$ - |

| <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> |
| \$ - | \$ - | \$ 160,767 | \$ - | \$ 63,626 | \$ 237,493 | \$ 86,479 |
| - | 3,836 | - | - | - | - | - |
| - | - | - | - | - | - | - |
| 8,752 | 1,561,145 | 221,075 | 41,817 | 285,590 | - | - |
| - | - | - | - | - | - | - |
| <u>\$ 8,752</u> | <u>\$ 1,564,981</u> | <u>\$ 381,842</u> | <u>\$ 41,817</u> | <u>\$ 349,216</u> | <u>\$ 237,493</u> | <u>\$ 86,479</u> |
| | | | | | | |
| \$ - | \$ 3,836 | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | 975 | 8,849 | - | 3,029 | - | - |
| - | - | - | - | - | - | - |
| - | 20,433 | - | - | 41,052 | - | - |
| 8,752 | 1,348,473 | - | 41,817 | - | - | - |
| - | 191,264 | 372,993 | - | 305,135 | - | - |
| <u>8,752</u> | <u>1,564,981</u> | <u>381,842</u> | <u>41,817</u> | <u>349,216</u> | <u>-</u> | <u>-</u> |
| | | | | | | |
| - | - | - | - | - | 237,493 | 86,479 |
| - | - | - | - | - | - | - |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 237,493</u> | <u>\$ 86,479</u> |

(continued)

GRAND TRAVERSE COUNTY

BROWNFIELD REDEVELOPMENT AUTHORITY
COMBINING STATEMENT OF NET POSITION

DECEMBER 31, 2019

| | TBA Credit Union | Graetz Property | Old Town Center | Uptown |
|--------------------------------------|-----------------------------|----------------------------|----------------------------|-------------------|
| Assets | | | | |
| Cash and pooled investments | \$ 9,610 | \$ 1,150 | \$ 10,095 | \$ 27,860 |
| Due from other governments | - | - | - | - |
| Advance to other funds | - | - | - | - |
| Accounts receivable long-term | - | - | - | 106,403 |
| Prepaid items | - | - | - | - |
| Total assets | \$ 9,610 | \$ 1,150 | \$ 10,095 | \$ 134,263 |
| Liabilities and fund balances | | | | |
| Liabilities | | | | |
| Current | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ - |
| Accrued liabilities | - | - | - | 398 |
| Due to other governments | 9,610 | 1,150 | 10,095 | 27,860 |
| Current portion of long-term debt | - | - | - | 9,905 |
| Noncurrent | | | | |
| Advance from other funds | - | - | - | - |
| Long-term debt | - | - | - | 96,100 |
| Total liabilities | 9,610 | 1,150 | 10,095 | 134,263 |
| Net position | | | | |
| Net investment in capital assets | - | - | - | - |
| Restricted | - | - | - | - |
| Unrestricted | - | - | - | - |
| Total net position | \$ - | \$ - | \$ - | \$ - |

| <u>Food For Thought</u> | <u>Envision 8th Street</u> | <u>Park Place</u> | <u>Rennie School</u> | <u>Total</u> |
|-------------------------|----------------------------|-------------------|----------------------|---------------------|
| \$ 6,405 | \$ 10,856 | \$ 99,284 | \$ 4,849 | \$ 3,391,851 |
| - | - | - | - | 3,836 |
| - | - | - | - | 1,399,042 |
| - | - | - | - | 2,224,782 |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>17,942</u> |
| <u>\$ 6,405</u> | <u>\$ 10,856</u> | <u>\$ 99,284</u> | <u>\$ 4,849</u> | <u>\$ 7,037,453</u> |
| | | | | |
| \$ - | \$ - | \$ - | \$ - | \$ 18,988 |
| - | - | - | - | 13,251 |
| 6,405 | 992 | 6,201 | - | 62,313 |
| - | - | - | - | 71,390 |
| - | - | - | - | 1,399,042 |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>965,492</u> |
| <u>6,405</u> | <u>992</u> | <u>6,201</u> | <u>-</u> | <u>2,530,476</u> |
| | | | | |
| - | - | - | - | - |
| - | 9,864 | 93,083 | 4,849 | 4,506,977 |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <u>\$ -</u> | <u>\$ 9,864</u> | <u>\$ 93,083</u> | <u>\$ 4,849</u> | <u>\$ 4,506,977</u> |

(concluded)

GRAND TRAVERSE COUNTY

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

DECEMBER 31, 2019

| | <u>General Operations</u> | <u>Local Revolving Fund</u> | <u>River's Edge</u> | <u>Park Street</u> | CSXT | Boardman | Lake |
|--|---------------------------|-----------------------------|---------------------|--------------------|---------------------|-----------------|-------------|
| Revenues | | | | | | | |
| Capture | \$ - | \$ 26,741 | \$ - | \$ 187,632 | \$ 802,204 | | |
| Miscellaneous | - - | - - | 10,000 | - - | - - | | |
| Total revenues | - - | 26,741 | 10,000 | 187,632 | 802,204 | | |
| Expense | | | | | | | |
| Contracted services | 143,729 | 101,495 | - - | 187,752 | 46,115 | | |
| Revenues over (under) expense | (143,729) | (74,754) | 10,000 | (120) | 756,089 | | |
| Non-operating revenue (expense) | | | | | | | |
| Interest income | - - | 18,394 | - - | 31 | 19,790 | | |
| Grants | | | | | | | |
| State | - - | - - | - - | - - | - - | | |
| Interest expense | - - | - - | - - | - - | - - | | |
| Total other financing sources (uses) | - - | 18,394 | - - | 31 | 19,790 | | |
| Income (loss) before transfers | (143,729) | (56,360) | 10,000 | (89) | 775,879 | | |
| Other financing sources and (uses) | | | | | | | |
| Transfers in | 175,000 | 10,000 | - - | - - | - - | | |
| Transfers out | - - | - - | (10,000) | (2,368) | (59,664) | | |
| Total transfers | 175,000 | 10,000 | (10,000) | (2,368) | (59,664) | | |
| Change in net position | 31,271 | (46,360) | - - | (2,457) | 716,215 | | |
| Net position, beginning of year | 45,738 | 2,482,452 | <b">- -</b"> | 2,457 | 845,893 | | |
| Net position, end of year | \$ 77,009 | \$ 2,436,092 | \$ - | \$ - | \$ 1,562,108 | | |

| Traverse House <u>Scamehorn</u> | Grand Traverse <u>Auto</u> | Grand Traverse <u>Commons</u> | Kinney | Blarney Castle | River West <u>Snowden</u> | TC East <u>Bay Plaza</u> |
|--|---------------------------------------|--|---------------|-----------------------|--------------------------------------|-------------------------------------|
| \$ 30,648 | \$ 131,889 | \$ 959,601 | \$ 63,423 | \$ 5,848 | \$ 20,900 | \$ 76,152 |
| — | — | — | — | — | — | — |
| 30,648 | 131,889 | 959,601 | 63,423 | 5,848 | 20,900 | 76,152 |
| 25,476 | 334,906 | 866,335 | 63,199 | — | — | 55,922 |
| 5,172 | (203,017) | 93,266 | 224 | 5,848 | 20,900 | 20,230 |
| 385 | 3,022 | 3,177 | 746 | 2,199 | 3,959 | 1,464 |
| — | 226,680 | — | — | — | — | — |
| — | (21,580) | (29,057) | — | — | — | — |
| 385 | 208,122 | (25,880) | 746 | 2,199 | 3,959 | 1,464 |
| 5,557 | 5,105 | 67,386 | 970 | 8,047 | 24,859 | 21,694 |
| — | — | — | — | — | — | — |
| (5,557) | (5,105) | (67,386) | (970) | (8,047) | (303) | (4,916) |
| (5,557) | (5,105) | (67,386) | (970) | (8,047) | (303) | (4,916) |
| — | — | — | — | — | 24,556 | 16,778 |
| — | — | — | — | — | 212,937 | 69,701 |
| \$ — | \$ — | \$ — | \$ — | \$ — | \$ 237,493 | \$ 86,479 |

(continued)

GRAND TRAVERSE COUNTY
BROWNFIELD REDEVELOPMENT AUTHORITY
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION

DECEMBER 31, 2019

| | <u>TBA Credit Union</u> | <u>Graetz Property</u> | <u>Old Town Center</u> | <u>Uptown</u> |
|--|-------------------------|------------------------|------------------------|----------------|
| Revenues | | | | |
| Capture | \$ 75,989 | \$ 9,472 | \$ 64,293 | \$ 46,367 |
| Miscellaneous | - | - | - | - |
| Total revenues | <u>75,989</u> | <u>9,472</u> | <u>64,293</u> | <u>46,367</u> |
| Expense | | | | |
| Contracted services | 70,646 | 8,849 | 60,390 | 44,844 |
| Revenues over (under) expense | 5,343 | 623 | 3,903 | 1,523 |
| Non-operating revenue (expense) | | | | |
| Interest income | 129 | 15 | 134 | 168 |
| Grants | - | - | - | - |
| State | - | - | - | - |
| Interest expense | - | - | - | - |
| Total Non-operating revenue (expense) | <u>129</u> | <u>15</u> | <u>134</u> | <u>168</u> |
| Income (loss) before transfers | 5,472 | 638 | 4,037 | 1,691 |
| Other financing sources and (uses) | | | | |
| Transfers in | - | - | - | - |
| Transfers out | (6,020) | (754) | (5,361) | (1,691) |
| Total transfers | <u>(6,020)</u> | <u>(754)</u> | <u>(5,361)</u> | <u>(1,691)</u> |
| Change in net position | (548) | (116) | (1,324) | - |
| Net position, beginning of year | <u>548</u> | <u>116</u> | <u>1,324</u> | <u>-</u> |
| Net position, end of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

| <u>Food For Thought</u> | <u>Envision 8th Street</u> | <u>Park Place</u> | <u>Rennie School</u> | <u>Total</u> |
|-------------------------|----------------------------|-------------------|----------------------|---------------------|
| \$ 45,104 | \$ 8,644 | \$ 87,966 | \$ 9,608 | \$ 2,652,481 |
| _____ - | _____ - | _____ - | _____ - | 10,000 |
| <u>45,104</u> | <u>8,644</u> | <u>87,966</u> | <u>9,608</u> | <u>2,662,481</u> |
| <u>43,687</u> | <u>_____ -</u> | <u>_____ -</u> | <u>_____ -</u> | <u>2,053,345</u> |
| <u>1,417</u> | <u>8,644</u> | <u>87,966</u> | <u>9,608</u> | <u>609,136</u> |
| 58 | 90 | 605 | 11 | 54,377 |
| _____ - | _____ - | _____ - | _____ - | 226,680 |
| <u>58</u> | <u>90</u> | <u>605</u> | <u>11</u> | <u>(50,637)</u> |
| <u>58</u> | <u>90</u> | <u>605</u> | <u>11</u> | <u>230,420</u> |
| 1,475 | 8,734 | 88,571 | 9,619 | 839,556 |
| _____ - | _____ - | _____ - | _____ - | 185,000 |
| <u>(1,549)</u> | <u>(455)</u> | <u>(84)</u> | <u>(4,770)</u> | <u>(185,000)</u> |
| <u>(1,549)</u> | <u>(455)</u> | <u>(84)</u> | <u>(4,770)</u> | <u>-</u> |
| (74) | 8,279 | 88,487 | 4,849 | 839,556 |
| <u>74</u> | <u>1,585</u> | <u>4,596</u> | <u>-</u> | <u>3,667,421</u> |
| <u>\$ -</u> | <u>\$ 9,864</u> | <u>\$ 93,083</u> | <u>\$ 4,849</u> | <u>\$ 4,506,977</u> |

(concluded)

GRAND TRAVERSE COUNTY

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

FOR THE YEAR ENDED DECEMBER 31, 2019

| | <u>General Operations</u> | <u>Local Revolving Fund</u> | <u>River's Edge</u> | <u>Park Street</u> | <u>CSXT</u> | <u>Boardman Lake</u> |
|---|-------------------------------|---------------------------------|---------------------|--------------------|---------------------|--------------------------|
| Cash flows from operating activities | | | | | | |
| Receipts from customers and users | \$ - | \$ 26,741 | \$ 10,000 | \$ 187,632 | \$ 802,204 | - |
| Payments to employees | - | - | - | - | - | - |
| Payments to suppliers | (143,711) | (100,676) | - | (187,752) | (46,115) | - |
| Net cash provided by (used in) operating activities | (143,711) | (73,935) | 10,000 | (120) | <b">756,089</b"> | <b">-</b"> |
| Cash flows from non-capital financing activities | | | | | | |
| Payment of loan from other funds | - | - | - | - | - | - |
| Payment of loan to other funds | - | 157,351 | - | - | - | - |
| Contributions received | - | - | - | - | - | - |
| Transfer in | 175,000 | 10,000 | - | - | - | - |
| Transfer out | - | - | (10,000) | (2,368) | (59,664) | - |
| Net cash provided by (used in) non-capital financing activities | 175,000 | 167,351 | (10,000) | (2,368) | (59,664) | <b">-</b"> |
| Cash flows from capital and related financing activities | | | | | | |
| Interest expense | - | - | - | - | - | - |
| Principal payments | - | - | - | - | - | - |
| Additional long-term debt | - | - | - | - | - | - |
| Net cash provided by (used in) capital and related financing activities | - | - | - | - | - | - |
| Cash flows from investing activities | | | | | | |
| Interest income | - | 18,394 | - | 31 | 19,790 | - |
| Net cash provided by (used in) investing activities | - | 18,394 | - | 31 | 19,790 | <b">-</b"> |
| Net increase (decrease) in cash and pooled investments | 31,289 | 111,810 | - | (2,457) | 716,215 | - |
| Cash and pooled investments, beginning of year | 60,872 | 907,298 | - | 2,457 | <b">845,893</b"> | <b">-</b"> |
| Cash and pooled investments, end of year | \$ 92,161 | \$ 1,019,108 | \$ - | \$ - | \$ 1,562,108 | <b">-</b"> |
| Cash flows from operating activities | | | | | | |
| Operating income (loss) | \$ (143,729) | \$ (74,754) | \$ 10,000 | \$ (120) | \$ 756,089 | - |
| 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 | - | 819 | - | - | - | - |
| Due from other governments | - | - | - | - | - | - |
| Accounts payable | 18 | - | - | - | - | - |
| Accrued liabilities | - | - | - | - | - | - |
| Due to other governments | - | - | - | - | - | - |
| Net cash provided by (used in) operating activities | \$ (143,711) | \$ (73,935) | \$ 10,000 | \$ (120) | \$ 756,089 | <b">-</b"> |

| Traverse House <u>Scamehorn</u> | Grand Traverse <u>Auto</u> | Grand Traverse <u>Commons</u> | Kinney | Blarney Castle | River West <u>Snowden</u> | TC East <u>Bay Plaza</u> |
|------------------------------------|-------------------------------|----------------------------------|------------------|------------------|------------------------------|-----------------------------|
| \$ 46,742 | \$ 695,579 | \$ 1,156,719 | \$ 126,622 | \$ 101,021 | \$ 20,900 | \$ 76,152 |
| (25,476) | (553,094) | (866,335) | (63,199) | (1,599) | - | (55,922) |
| <u>21,266</u> | <u>142,485</u> | <u>288,479</u> | <u>63,423</u> | <u>99,422</u> | <u>20,900</u> | <u>20,230</u> |
| (41,248) | 8,473 | - | (124,576) | - | - | - |
| - | - | - | - | - | - | - |
| - | 226,680 | - | - | - | - | - |
| - | - | - | - | - | - | - |
| <u>(5,557)</u> | <u>(5,105)</u> | <u>(67,386)</u> | <u>(970)</u> | <u>(8,047)</u> | <u>(303)</u> | <u>(4,916)</u> |
| <u>(46,805)</u> | <u>230,048</u> | <u>(67,386)</u> | <u>(125,546)</u> | <u>(8,047)</u> | <u>(303)</u> | <u>(4,916)</u> |
| - | (21,580) | (29,057) | - | - | - | - |
| - | (609,060) | (188,127) | - | (182,699) | - | - |
| - | 1,733 | - | - | - | - | - |
| - | (628,907) | (217,184) | - | (182,699) | - | - |
| <u>385</u> | <u>3,022</u> | <u>3,177</u> | <u>746</u> | <u>2,199</u> | <u>3,959</u> | <u>1,464</u> |
| 385 | 3,022 | 3,177 | 746 | 2,199 | 3,959 | 1,464 |
| (25,154) | (253,352) | 7,086 | (61,377) | (89,125) | 24,556 | 16,778 |
| <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> |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ 160,767</u> | <u>\$ -</u> | <u>\$ 63,626</u> | <u>\$ 237,493</u> | <u>\$ 86,479</u> |
| \$ 5,172 | \$ (203,017) | \$ 93,266 | \$ 224 | \$ 5,848 | \$ 20,900 | \$ 20,230 |
| 16,094 | 350,977 | 197,118 | 63,199 | 95,173 | - | - |
| - | - | - | - | - | - | - |
| - | 212,713 | - | - | - | - | - |
| - | (212,713) | - | - | - | - | - |
| - | (5,475) | (1,905) | - | (1,599) | - | - |
| - | - | - | - | - | - | - |
| <u>\$ 21,266</u> | <u>\$ 142,485</u> | <u>\$ 288,479</u> | <u>\$ 63,423</u> | <u>\$ 99,422</u> | <u>\$ 20,900</u> | <u>\$ 20,230</u> |

(continued)

GRAND TRAVERSE COUNTY

BROWNFIELD REDEVELOPMENT AUTHORITY
COMBINING STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2019

| | <u>TBA Credit Union</u> | <u>Graetz Property</u> | <u>Old Town Center</u> | <u>Uptown</u> |
|--|-----------------------------|----------------------------|----------------------------|------------------|
| Cash flows from operating activities | | | | |
| Receipts from customers and users | \$ 75,989 | \$ 9,472 | \$ 64,293 | \$ 56,418 |
| Payments to employees | - | - | - | - |
| Payments to suppliers | (65,803) | (8,265) | (55,221) | (29,339) |
| Net cash provided by (used in) operating activities | 10,186 | 1,207 | 9,072 | 27,079 |
| Cash flows from non-capital financing activities | | | | |
| Payment of loan from other funds | - | - | - | - |
| Payment of loan to other funds | - | - | - | - |
| Contributions received | - | - | - | - |
| Transfer in | - | - | - | - |
| Transfer out | (6,020) | (754) | (5,361) | (1,691) |
| Net cash provided by (used in) non-capital financing activities | (6,020) | (754) | (5,361) | (1,691) |
| Cash flows from capital and related financing activities | | | | |
| Interest expense | - | - | - | - |
| Principal payments | - | - | - | (11,495) |
| Additional long-term debt | - | - | - | - |
| Net cash provided by (used in) capital and related financing activities | - | - | - | (11,495) |
| Cash flows from investing activities | | | | |
| Interest income | 129 | 15 | 134 | 168 |
| Net cash provided by (used in) investing activities | 129 | 15 | 134 | 168 |
| Net increase (decrease) in cash and pooled investments | 4,295 | 468 | 3,845 | 14,061 |
| Cash and pooled investments, beginning of year | 5,315 | 682 | 6,250 | 13,799 |
| Cash and pooled investments, end of year | \$ 9,610 | \$ 1,150 | \$ 10,095 | \$ 27,860 |
| Cash flows from operating activities | | | | |
| Operating income (loss) | \$ 5,343 | \$ 623 | \$ 3,903 | \$ 1,523 |
| 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 | - | - | - | 10,051 |
| Prepaid assets and other items | - | - | - | - |
| Due from other governments | - | - | - | - |
| Accounts payable | - | - | - | - |
| Accrued liabilities | - | - | - | 398 |
| Due to other governments | 4,843 | 584 | 5,169 | 15,107 |
| Net cash provided by (used in) operating activities | \$ 10,186 | \$ 1,207 | \$ 9,072 | \$ 27,079 |

| <u>Food For Thought</u> | <u>Envision 8th Street</u> | <u>Park Place</u> | <u>Rennie School</u> | <u>Total</u> |
|-------------------------|----------------------------|-------------------|----------------------|---------------------|
| \$ 45,104 | \$ 8,644 | \$ 87,966 | \$ 9,608 | \$ 3,607,806 |
| - | - | - | - | (1,905) |
| <u>(39,573)</u> | <u>629</u> | <u>5,567</u> | <u>-</u> | <u>(2,235,884)</u> |
| <u>5.531</u> | <u>9,273</u> | <u>93,533</u> | <u>9,608</u> | <u>1,370,017</u> |
| - - - - - | - - - - - | - - - - - | - - - - - | (157,351) |
| - - - - - | - - - - - | - - - - - | - - - - - | 157,351 |
| - - - - - | - - - - - | - - - - - | - - - - - | 226,680 |
| - - - - - | - - - - - | - - - - - | - - - - - | 185,000 |
| <u>(1,549)</u> | <u>(455)</u> | <u>(84)</u> | <u>(4,770)</u> | <u>(185,000)</u> |
| <u>(1,549)</u> | <u>(455)</u> | <u>(84)</u> | <u>(4,770)</u> | <u>226,680</u> |
| - - - - - | - - - - - | - - - - - | - - - - - | (50,637) |
| - - - - - | - - - - - | - - - - - | - - - - - | (991,381) |
| - - - - - | - - - - - | - - - - - | - - - - - | 1,733 |
| - - - - - | - - - - - | - - - - - | - - - - - | (1,040,285) |
| 58 | 90 | 605 | 11 | 54,377 |
| 58 | 90 | 605 | 11 | 54,377 |
| 4,040 | 8,908 | 94,054 | 4,849 | 610,789 |
| <u>2,365</u> | <u>1,948</u> | <u>5,230</u> | <u>-</u> | <u>2,781,062</u> |
| <u>\$ 6,405</u> | <u>\$ 10,856</u> | <u>\$ 99,284</u> | <u>\$ 4,849</u> | <u>\$ 3,391,851</u> |
| \$ 1,417 | \$ 8,644 | \$ 87,966 | \$ 9,608 | 609,136 |

| | | | | |
|-----------------|-----------------|------------------|-----------------|---------------------|
| - | - | - | - | 732,612 |
| - | - | - | - | 819 |
| - | - | - | - | 212,713 |
| - | - | - | - | (212,695) |
| - | - | - | - | (8,581) |
| <u>4,114</u> | <u>629</u> | <u>5,567</u> | <u>-</u> | <u>36,013</u> |
| <u>\$ 5,531</u> | <u>\$ 9,273</u> | <u>\$ 93,533</u> | <u>\$ 9,608</u> | <u>\$ 1,370,017</u> |

(concluded)

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

DECEMBER 31, 2019

| | 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 |
| | | | Acme | Town Center | Sam's Club | Drain Special | | | |
| Assets | | | | | | | | | |
| Cash and pooled investments | \$ - | \$ 1,605 | \$ 1,954 | \$ 4,557 | \$ 893 | \$ 4,846 | \$ 741 | | |
| Accounts receivable | \$ 61,040 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | |
| Due from other funds | \$ 29,415 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | |
| Capital assets | | | | | | | | | |
| Land | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | |
| Construction in process | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | |
| Total assets | \$ 90,455 | \$ 1,605 | \$ 1,954 | \$ 4,557 | \$ 893 | \$ 4,846 | \$ 741 | | |
| Liabilities and fund balances | | | | | | | | | |
| Liabilities | | | | | | | | | |
| Current | | | | | | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | |
| Due to other funds | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | |
| Due to primary government | \$ 59,956 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | |
| Notes payable | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | |
| Total liabilities | \$ 59,956 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | |
| Fund balances | | | | | | | | | |
| Restricted | | | | | | | | | |
| Unassigned | \$ - | \$ 1,605 | \$ 1,954 | \$ 4,557 | \$ 893 | \$ 4,846 | \$ 741 | | |
| Total fund balances | \$ 30,499 | \$ 1,605 | \$ 1,954 | \$ 4,557 | \$ 893 | \$ 4,846 | \$ 741 | | |
| Total liabilities and fund balances | \$ 90,455 | \$ 1,605 | \$ 1,954 | \$ 4,557 | \$ 893 | \$ 4,846 | \$ 741 | | |

| 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 | Net Position | | | | | | |
| \$ 397 | \$ - | \$ 5,881 | \$ - | \$ 95,963 | \$ 9,628 | \$ 69,637 | \$ 196,102 | \$ - | \$ 196,102 | | | | | | |
| | | 11,591 | | 13,738 | | | 86,369 | | | | | | | | |
| | | | | | | | 29,415 | | | | | | | | |
| | | | | | | | | | 56,700 | 56,700 | | | | | |
| | | | | | | | | | 575,153 | 575,153 | | | | | |
| <u>\$ 397</u> | <u>\$ 11,591</u> | <u>\$ 5,881</u> | <u>\$ 13,738</u> | <u>\$ 95,963</u> | <u>\$ 9,628</u> | <u>\$ 69,637</u> | <u>\$ 311,886</u> | <u>\$ 631,853</u> | <u>943,739</u> | | | | | | |
| | | | | | | | | | | | | | | | |
| \$ - | \$ - | \$ - | \$ - | \$ 83,820 | \$ - | \$ - | \$ 83,820 | \$ - | \$ 83,820 | | | | | | |
| | | 1,525 | | 27,890 | | | | | 29,415 | | | | | | |
| | | 2,175 | | 5,190 | | | | | 67,321 | | | | | | |
| | | | | 675,000 | | | | | 675,000 | | | | | | |
| | | 3,700 | | 33,080 | 758,820 | | | | 855,556 | | | | | | |
| <u>397</u> | <u>7,891</u> | <u>5,881</u> | <u>-</u> | <u>(19,342)</u> | <u>(662,857)</u> | <u>9,628</u> | <u>69,637</u> | <u>108,030</u> | <u>(108,030)</u> | | | | | | |
| | | | | | | | | | | <u>(651,700)</u> | <u>651,700</u> | | | | |
| <u>397</u> | <u>7,891</u> | <u>5,881</u> | <u>(19,342)</u> | <u>(662,857)</u> | <u>9,628</u> | <u>69,637</u> | <u>(543,670)</u> | <u>543,670</u> | <u>-</u> | | | | | | |
| <u>\$ 397</u> | <u>\$ 11,591</u> | <u>\$ 5,881</u> | <u>\$ 13,738</u> | <u>\$ 95,963</u> | <u>\$ 9,628</u> | <u>\$ 69,637</u> | <u>\$ 311,886</u> | | | | | | | | |
| Net position | | | | | | | | | | | | | | | |
| Net investment in capital assets | | | | | | | | | | | | | | | |
| Restricted | | | | | | | | | | | | | | | |
| Unrestricted | | | | | | | | | | | | | | | |
| Total net position | | | | | | | | | | | | | | | |
| Reconciliation of Fund Balance on the Combining Balance Sheet to Net Position on the Statement of Net Position | | | | | | | | | | | | | | | |
| Fund balances | | | | | | | | | | | | | | | |
| Add - capital assets | | | | | | | | | | | | | | | |
| Net position | | | | | | | | | | | | | | | |

GRAND TRAVERSE COUNTY
DRAIN COMMISSION
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES / STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2019

| | <u>Special Revenue</u> | | <u>Capital Projects</u> | | | | | |
|--|----------------------------|---|-----------------------------|---|---------------------------------------|--|--|-----------|
| | 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 | |
| | | | | | | | | |
| Revenues | | | | | | | | |
| Interest | \$ - | \$ 35 | \$ 43 | \$ 100 | \$ 20 | \$ 107 | \$ - | \$ 16 |
| Special assessment | <u>67,420</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total revenues | 67,420 | 35 | 43 | 100 | 20 | 107 | - | 16 |
| Expenditures | | | | | | | | |
| Current | | | | | | | | |
| Public works | 3,300 | - | - | - | - | - | - | - |
| Debt service | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - |
| Total expenditures | 3,300 | - | - | - | - | - | - | - |
| Net changes in fund balances | 64,120 | 35 | 43 | 100 | 20 | 107 | 16 | |
| Change in net position | | | | | | | | |
| Fund balances/net position | | | | | | | | |
| beginning of year | (33,621) | 1,570 | 1,911 | 4,457 | 873 | 4,739 | 725 | |
| Fund balances/net position, end of year | \$ 30,499 | \$ 1,605 | \$ 1,954 | \$ 4,557 | \$ 893 | \$ 4,846 | \$ 741 | |

| 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 | | | | | |
| \$ 9 | \$ (10) | \$ 135 | \$ (1) | \$ 2,689 | \$ 212 | \$ 1,537 | \$ 4,892 | \$ - | \$ - | \$ 4,892 | | | |
| -\$ | -\$ | -\$ | -\$ | -\$ | -\$ | -\$ | 96,121 | -\$ | -\$ | 96,121 | | | |
| 9 | 13,359 | 135 | 15,331 | 2,689 | 212 | 1,537 | 101,013 | -\$ | -\$ | 101,013 | | | |
| | | | | | | | | | | | | | |
| - | 3,944 | - | 6,817 | 48,948 | - | - | 63,009 | (56,700) | - | 6,309 | | | |
| -\$ | -\$ | -\$ | -\$ | 12,608 | -\$ | -\$ | 12,608 | -\$ | -\$ | 12,608 | | | |
| - | 3,944 | - | 6,817 | 61,556 | - | - | 75,617 | (56,700) | - | 18,917 | | | |
| 9 | 9,415 | 135 | 8,514 | (58,867) | 212 | 1,537 | 25,396 | 56,700 | 82,096 | | | | |
| | | | | | | | | | | 82,096 | | | |
| 388 | (1,524) | 5,746 | (27,856) | (603,990) | 9,416 | 68,100 | (569,066) | 575,153 | 6,087 | | | | |
| \$ 397 | \$ 7,891 | \$ 5,881 | \$ (19,342) | \$ (662,857) | \$ 9,628 | \$ 69,637 | \$ (543,670) | \$ 631,853 | \$ 88,183 | | | | |

**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 | \$ 25,396 |
| Add - capital asset additions | \$ 56,700 |
| Change in net position | \$ 82,096 |

GRAND TRAVERSE COUNTY

DEPARTMENT OF PUBLIC WORKS
STATEMENT OF NET POSITION

DECEMBER 31, 2019

| | <u>Septage</u> <u>Facility</u> | <u>Garfield Septage</u> <u>Facility</u> | <u>DPW</u> | <u>Total</u> |
|-----------------------------------|-----------------------------------|--|-------------------|---------------------|
| Assets | | | | |
| Current assets | | | | |
| Cash and pooled investments | \$ 608,945 | \$ - | \$ 750 | \$ 609,695 |
| Accounts receivable | 62,113 | - | 73,870 | 135,983 |
| Interest receivable | - | - | 84,753 | 84,753 |
| Due from other governments | - | 1,509 | 1,226,230 | 1,227,739 |
| Total current assets | <u>671,058</u> | <u>1,509</u> | <u>1,385,603</u> | <u>2,058,170</u> |
| Long-term assets | | | | |
| Long-term receivable | - | - | 17,851,960 | 17,851,960 |
| Capital assets | | | | |
| Land | 400,000 | - | - | 400,000 |
| Capital assets | 5,887,916 | - | - | 5,887,916 |
| Net capital assets | <u>6,287,916</u> | <u>-</u> | <u>-</u> | <u>6,287,916</u> |
| Total assets | <u>6,958,974</u> | <u>1,509</u> | <u>19,237,563</u> | <u>26,198,046</u> |
| Liabilities | | | | |
| Current liabilities | | | | |
| Accounts payable | 102,345 | 428 | 59,874 | 162,647 |
| Accrued liabilities | 14,994 | 18 | 202,088 | 217,100 |
| Due to primary government | - | 592 | 143,669 | 144,261 |
| Due to other governmental units | 2,149 | 265 | 918,814 | 921,228 |
| Current portion of long-term debt | 190,000 | - | 3,297,129 | 3,487,129 |
| Total current liabilities | <u>309,488</u> | <u>1,303</u> | <u>4,621,574</u> | <u>4,932,365</u> |
| Noncurrent liabilities | | | | |
| Long-term debt | 1,842,938 | - | 14,231,000 | 16,073,938 |
| Advance from primary government | 1,662,000 | - | 332,960 | 1,994,960 |
| Compensated absences | - | - | 51,728 | 51,728 |
| Total long-term liabilities | <u>3,504,938</u> | <u>-</u> | <u>14,615,688</u> | <u>18,120,626</u> |
| Total liabilities | <u>3,814,426</u> | <u>1,303</u> | <u>19,237,262</u> | <u>23,052,991</u> |
| Net position | | | | |
| Net investment in capital assets | 2,592,978 | - | - | 2,592,978 |
| Restricted | - | 206 | 301 | 507 |
| Unrestricted | 551,570 | - | - | 551,570 |
| Total net position | <u>\$ 3,144,548</u> | <u>\$ 206</u> | <u>\$ 301</u> | <u>\$ 3,145,055</u> |

GRAND TRAVERSE COUNTY

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

FOR THE YEAR ENDED DECEMBER 31, 2019

| | <u>Septage Facility</u> | <u>Garfield Septage Facility</u> | <u>DPW</u> | <u>Total</u> |
|--|-----------------------------|--------------------------------------|------------------|---------------------|
| Operating revenue | | | | |
| State | \$ - | \$ - | \$ 113,753 | \$ 113,753 |
| Local sources | - - | 1,869 | 5,625,432 | 5,627,301 |
| Charges for services | 1,218,671 | 5,298 | 121,845 | 1,345,814 |
| Total operating revenue | 1,218,671 | 7,167 | 5,861,030 | 7,086,868 |
| Operating expense | | | | |
| Personnel services | 64,538 | 1,228 | 1,191,730 | 1,257,496 |
| Contracted services | 380,481 | 79 | 200,285 | 580,845 |
| Supplies | 4,143 | 54 | 339,758 | 343,955 |
| Other | 284,289 | 6,077 | 3,591,374 | 3,881,740 |
| Depreciation | 238,483 | - - | - - | 238,483 |
| Total operating expense | 971,934 | 7,438 | 5,323,147 | 6,302,519 |
| Operating income (loss) | 246,737 | (271) | 537,883 | 784,349 |
| Non-operating revenue (expense) | | | | |
| Interest expense | (93,752) | - - | (547,137) | (640,889) |
| Total non-operating revenue (expense) | (93,752) | - - | (547,137) | (640,889) |
| Change in net position | 152,985 | (271) | (9,254) | 143,460 |
| Net position, beginning of year | 2,991,563 | 477 | 9,555 | 3,001,595 |
| Net position, end of year | \$ 3,144,548 | \$ 206 | \$ 301 | \$ 3,145,055 |

GRAND TRAVERSE COUNTY

DEPARTMENT OF PUBLIC WORKS
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2019

| | <u>Septage Facility</u> | <u>Garfield Septage Facility</u> | <u>DPW</u> | <u>Total</u> |
|---|-------------------------|----------------------------------|---------------------|---------------------|
| Cash flows from operating activities | | | | |
| Receipts from customers and users | \$ 1,216,926 | \$ 5,683 | \$ 9,145,070 | \$ 10,367,679 |
| Payments to employees | (64,538) | (1,228) | (1,190,479) | (1,256,245) |
| Payments to suppliers | (651,023) | (4,455) | (4,214,294) | (4,869,772) |
| Net cash provided by (used in) operating activities | <u>501,365</u> | <u>-</u> | <u>3,740,297</u> | <u>4,241,662</u> |
| Cash flows from non-capital financing activities | | | | |
| Payment of loan from primary government | (115,000) | - | (60,000) | (175,000) |
| Cash flows from capital and related financing activities | | | | |
| Interest expense | (92,939) | - | (547,137) | (640,076) |
| Principal paid on long-term debt | (190,000) | - | (3,141,000) | (3,331,000) |
| Net cash provided by (used in) capital and related financing activities | <u>(282,939)</u> | <u>-</u> | <u>(3,688,137)</u> | <u>(3,971,076)</u> |
| Net increase (decrease) in cash and pooled investments | 103,426 | - | (7,840) | 95,586 |
| Cash and pooled investments, beginning of year | <u>505,519</u> | <u>-</u> | <u>8,590</u> | <u>514,109</u> |
| Cash and pooled investments, end of year | <u>\$ 608,945</u> | <u>\$ -</u> | <u>\$ 750</u> | <u>\$ 609,695</u> |
| Cash flows from operating activities | | | | |
| Operating income (loss) | \$ 246,737 | \$ (271) | \$ 537,883 | \$ 784,349 |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities | | | | |
| Depreciation | 238,483 | - | - | 238,483 |
| Deferred outflows related to pensions | - | - | - | - |
| Changes in operating assets and liabilities which provided (used) cash | | | | |
| Accounts receivable | (1,501) | 25 | (54,240) | (55,716) |
| Due from other governments | - | (1,509) | 451,211 | 449,702 |
| Long-term lease receivable | - | - | 3,201,000 | 3,201,000 |
| Accounts payable | 18,889 | (159) | (12,706) | 6,024 |
| Accrued liabilities | (999) | 18 | (70,171) | (71,152) |
| Due to other governments | (244) | 1,896 | (313,931) | (312,279) |
| Compensated absences | - | - | 1,251 | 1,251 |
| Net cash provided by (used in) operating activities | <u>\$ 501,365</u> | <u>\$ -</u> | <u>\$ 3,740,297</u> | <u>\$ 4,241,662</u> |

STATISTICAL SECTION

Statistical Section Table of Contents

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

| | <u>Page</u> | |
|--|--|-----|
| Financial Trends Tables 1-4 | These schedules contain trend information to help the reader understand and evaluate how the County's financial condition, performance, and well-being have changed over time. | 171 |
| Revenue Capacity Tables 5-8 | These schedules contain information to help the reader assess the County's ability to generate its most significant local revenue source, the property tax. | 176 |
| Debt Capacity Tables 9-12 | These schedules present information to help the reader assess the affordability of the county's current levels of outstanding debt and its ability to issue additional debt in the future. | 180 |
| Demographic and Economic Information Tables 13-14 | These schedules present various demographic and economic indicators to help the reader understand the environment within which the County operates and how they affect the County's financial activities. | 184 |
| Operating Information Tables 15-17 | These schedules contain information about the County's operations and resources to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs. | 186 |

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

GRAND TRAVERSE COUNTY, MICHIGAN

Table 1 - Unaudited

Net Position by Component

Last Ten Fiscal Years

(amounts expressed in thousands)

| | Fiscal Year | | | | | Fiscal Year | | | | |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 |
| Primary Government Activities | | | | | | | | | | |
| Governmental activities | | | | | | | | | | |
| Net investment in capital assets | \$ 35,054 | \$ 34,482 | \$ 29,410 | \$ 36,800 | \$ 36,973 | \$ 34,741 | \$ 35,450 | \$ 36,440 | \$ 35,668 | \$ 33,229 |
| Restricted | 6,448 | 6,297 | 8,639 | 8,117 | 6,333 | 5,991 | 5,926 | 10,177 | 15,617 | 7,077 |
| Unrestricted | (25,343) | (30,396) | (33,297) | (44,384) | (39,143) | 7,950 | 10,794 | 6,733 | 4,138 | 17,572 |
| Total governmental activities net position | \$ 16,159 | \$ 10,383 | \$ 4,752 | \$ 533 | \$ 4,163 | \$ 48,682 | \$ 52,170 | \$ 53,350 | \$ 55,423 | \$ 57,878 |
| Business-type activities | | | | | | | | | | |
| Net investment in capital assets | \$ 16,876 | \$ 17,078 | \$ 21,008 | \$ 18,563 | \$ 17,955 | \$ 17,659 | \$ 16,096 | \$ 14,928 | \$ 13,708 | \$ 11,728 |
| Unrestricted | 13,020 | 12,568 | 12,508 | 14,039 | 15,499 | 22,088 | 21,552 | 20,520 | 20,216 | 19,630 |
| Total business-type activities net position | \$ 29,896 | \$ 29,646 | \$ 33,516 | \$ 32,602 | \$ 33,454 | \$ 39,747 | \$ 37,648 | \$ 35,448 | \$ 33,924 | \$ 31,358 |
| Primary government | | | | | | | | | | |
| Net investment in capital assets | \$ 51,930 | \$ 51,560 | \$ 50,418 | \$ 55,363 | \$ 54,928 | \$ 52,400 | \$ 51,546 | \$ 51,368 | \$ 49,376 | \$ 44,957 |
| Restricted | 6,448 | 6,297 | 8,639 | 8,117 | 6,333 | 5,991 | 5,926 | 10,177 | 15,617 | 7,077 |
| Unrestricted | (12,323) | (17,828) | (20,789) | (30,345) | (23,644) | 30,038 | 32,346 | 27,253 | 24,354 | 37,202 |
| Total primary government net position | \$ 46,055 | \$ 40,029 | \$ 38,266 | \$ 33,135 | \$ 37,617 | \$ 88,429 | \$ 89,818 | \$ 88,796 | \$ 89,347 | \$ 89,236 |

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 Ending December 31, 2010 and 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 | | | | |
|---|-------------|--------|--------|--------|--------|-------------|--------|--------|--------|--------|
| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 |
| Expenses | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Legislative | \$ 388 | \$ 237 | \$ 210 | \$ 355 | \$ 402 | \$ 351 | \$ 344 | \$ 383 | \$ 434 | \$ 413 |
| Judicial | 9,846 | 9,893 | 9,735 | 11,702 | 10,769 | 10,460 | 10,685 | 10,570 | 8,639 | 8,862 |
| General government | 9,281 | 9,539 | 7,122 | 11,272 | 8,699 | 8,823 | 8,626 | 8,560 | 10,934 | 11,392 |
| Public safety | 18,959 | 17,164 | 16,244 | 20,353 | 17,690 | 17,283 | 16,203 | 16,544 | 16,379 | 16,058 |
| Public works | 50 | 129 | 228 | 256 | 251 | 243 | 213 | 278 | 268 | 261 |
| Health and welfare | 12,470 | 11,724 | 11,551 | 12,630 | 11,896 | 11,479 | 12,141 | 11,047 | 10,481 | 10,660 |
| Economic development | 44 | 257 | 704 | 159 | 118 | 1,497 | 213 | 9 | 445 | 84 |
| Recreation and culture | 764 | 1,411 | 659 | 698 | 953 | 892 | 985 | 888 | 915 | 966 |
| Interest on long-term debt | 338 | 374 | 270 | 280 | 291 | 303 | 314 | 442 | 360 | 481 |
| Total governmental activities expenses | 52,140 | 50,728 | 46,723 | 57,705 | 51,069 | 51,331 | 49,724 | 48,721 | 48,855 | 49,177 |
| Business-type activities: | | | | | | | | | | |
| Inspections | 1,037 | 1,602 | 785 | 1,333 | 1,187 | 1,137 | 1,102 | 1,041 | 949 | 989 |
| Medical Care Facility (Pavilions) | 32,528 | 28,393 | 28,824 | 30,922 | 30,338 | 28,723 | 28,305 | 28,047 | 25,439 | 24,259 |
| Solid waste | 294 | 312 | 35 | 307 | 382 | 318 | 307 | 339 | 320 | 661 |
| Delinquent tax collection and administration | 178 | 174 | 168 | 162 | 539 | 185 | 348 | 280 | 193 | 250 |
| Total business-type activities expenses | 34,037 | 30,481 | 29,812 | 32,724 | 32,446 | 30,363 | 30,062 | 29,707 | 26,901 | 26,159 |
| Total primary government expenses | 86,177 | 81,209 | 76,535 | 90,429 | 83,515 | 81,694 | 79,786 | 78,428 | 75,756 | 75,336 |
| Program revenues | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Legislative | - | - | - | 25 | - | 2 | - | 1 | 8 | 9 |
| Judicial | 2,592 | 2,559 | 2,545 | 2,722 | 2,946 | 2,882 | 2,944 | 2,832 | 2,920 | 3,005 |
| General government | 4,377 | 3,664 | 3,113 | 4,748 | 3,090 | 2,888 | 2,947 | 3,148 | 2,597 | 2,335 |
| Public safety | 1,232 | 1,203 | 1,379 | 3,500 | 981 | 1,739 | 1,628 | 1,509 | 1,516 | 1,625 |
| Public works | - | 44 | 210 | 178 | 166 | 120 | 102 | 90 | 80 | 75 |
| Health and welfare | 1,682 | 1,606 | 1,217 | 2,049 | 3,414 | 2,402 | 2,353 | 2,442 | 2,048 | 2,443 |
| Economic development | - | - | 3 | 68 | - | 3 | - | - | - | - |
| Recreation and culture | 295 | 234 | 187 | 289 | 344 | 486 | 471 | 419 | 395 | 460 |
| Operating grants and contributions | 14,085 | 15,336 | 13,358 | 10,715 | 11,780 | 9,908 | 11,218 | 9,828 | 10,033 | 10,438 |
| Capital grants and contributions | - | - | - | - | 3 | 9 | - | 165 | 387 | 443 |
| Total governmental activities program revenues | 24,263 | 24,646 | 22,012 | 24,294 | 22,724 | 20,439 | 21,663 | 20,434 | 19,984 | 20,833 |
| Business-type activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Inspections | 1,937 | 1,839 | 1,892 | 1,730 | 1,685 | 1,676 | 1,428 | 990 | 925 | 871 |
| Medical Care Facility (Pavilions) | 31,404 | 31,092 | 30,086 | 27,297 | 26,213 | 24,736 | 24,753 | 24,037 | 25,191 | 23,747 |
| Solid waste | 310 | 361 | 245 | 196 | 296 | 261 | 284 | 357 | 442 | 568 |
| Delinquent tax collection and administration | 1,171 | 1,021 | 1,111 | 1,043 | 372 | 414 | 453 | 548 | 2,170 | 2,334 |
| Operating grants and contributions | 90 | 101 | 177 | 2,514 | 3,437 | 3,590 | 4,192 | 4,070 | 120 | 112 |
| Total business-type activities program revenues | 34,912 | 34,414 | 33,511 | 32,780 | 32,003 | 30,677 | 31,110 | 30,002 | 28,848 | 27,632 |

Changes in Net Position

Last Ten Fiscal Years

(amounts expressed in thousands)

| | Fiscal Year | | | | | Fiscal Year | | | | |
|---|-----------------|-----------------|-----------------|-------------------|-----------------|-------------------|-----------------|-----------------|-----------------|-----------------|
| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 |
| Total primary government program revenues | 59,175 | 59,060 | 55,523 | 57,074 | 54,727 | 51,116 | 52,773 | 50,436 | 48,832 | 48,465 |
| Net (expense) revenues | | | | | | | | | | |
| Governmental activities | \$ (27,877) | \$ (26,082) | \$ (24,711) | \$ (33,411) | \$ (28,345) | \$ (30,892) | \$ (28,061) | \$ (28,287) | \$ (28,871) | \$ (28,344) |
| Business-type activities | 875 | 3,933 | 3,699 | 56 | (443) | 314 | 1,048 | 295 | 1,947 | 1,473 |
| Total primary government net (expense) revenues | (27,002) | (22,149) | (21,012) | (33,355) | (28,788) | (30,578) | (27,013) | (27,992) | (26,924) | (26,871) |
| General revenues and other changes in net position | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Property taxes | 29,833 | 28,176 | 27,776 | 26,027 | 25,870 | 25,840 | 25,550 | 24,501 | 24,008 | 24,146 |
| State revenue sharing | 2,533 | 2,462 | 2,428 | 2,686 | 1,692 | 332 | - | - | - | - |
| Unrestricted investment earnings | 471 | 332 | 187 | 155 | 149 | 163 | 143 | 156 | 227 | 344 |
| Other revenues (expense) | 23 | 36 | 246 | - | 31 | 30 | 12 | - | 17 | 13 |
| Transfers - internal activities | 793 | 707 | 2,848 | 912 | 1,114 | 1,039 | 1,177 | 1,558 | 2,164 | 1,158 |
| Total governmental activities | 33,653 | 31,713 | 33,485 | 29,780 | 28,856 | 27,404 | 26,882 | 26,215 | 26,416 | 25,661 |
| Business-type activities: | | | | | | | | | | |
| Property taxes | - | - | - | 2 | 2,754 | 2,824 | 2,767 | 2,882 | 2,754 | 3,203 |
| Unrestricted investment earnings | 170 | 149 | 61 | 2 | - | - | - | - | 29 | 78 |
| Other revenues (expense) | - | - | 2 | - | - | 1 | - | - | - | 16 |
| Transfers - internal activities | (793) | (707) | (2,848) | (912) | (1,114) | (1,039) | (1,177) | (1,558) | (2,164) | (1,158) |
| Total business-type activities | (623) | (558) | (2,785) | (908) | 1,640 | 1,786 | 1,590 | 1,324 | 619 | 2,139 |
| Total primary government | 33,030 | 31,155 | 30,700 | 28,872 | 30,496 | 29,190 | 28,472 | 27,539 | 27,035 | 27,800 |
| Change in net position | | | | | | | | | | |
| Governmental activities | 5,776 | 5,631 | 8,774 | (3,631) | 511 | (3,488) | (1,179) | (2,072) | (2,455) | (2,683) |
| Business-type activities | 251 | 3,375 | 914 | (852) | 1,197 | 2,100 | 2,638 | 1,619 | 2,566 | 3,612 |
| Total primary government change in net position | \$ 6,027 | \$ 9,006 | \$ 9,688 | \$ (4,483) | \$ 1,708 | \$ (1,388) | \$ 1,459 | \$ (453) | \$ 111 | \$ 929 |

GRAND TRAVERSE COUNTY, MICHIGAN

Table 3 - Unaudited

■ Fund Balances - Governmental Funds

Last Ten Fiscal Years

(amounts expressed in thousands)

| | Fiscal Year | | | | | Fiscal Year | | | | |
|------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 |
| General fund: | | | | | | | | | | |
| Nonspendable | \$ 2,610 | \$ 3,012 | \$ 3,712 | \$ 4,876 | \$ 2,351 | \$ 2,811 | \$ 3,194 | \$ 3,434 | \$ 2,988 | \$ - |
| Restricted | - | - | - | - | - | - | - | - | 10 | - |
| Assigned | 1,004 | - | - | - | 500 | 706 | 1,582 | 625 | 625 | - |
| Unassigned | 13,614 | 11,088 | 8,215 | 7,470 | 6,665 | 5,421 | 4,425 | 3,976 | 4,148 | - |
| Reserved | - | - | - | - | - | - | - | - | - | 870 |
| Unreserved | - | - | - | - | - | - | - | - | - | 7,230 |
| Total general fund | 17,228 | 14,100 | 11,927 | 12,346 | 9,516 | 8,938 | 9,201 | 8,035 | 7,771 | 8,100 |
| All other governmental funds: | | | | | | | | | | |
| Nonspendable | 160 | 1,790 | 224 | 64 | 53 | 32 | 8 | 6 | 349 | - |
| Restricted | 6,448 | 5,082 | 10,530 | 7,924 | 6,330 | 3,411 | 5,925 | 9,949 | 10,130 | - |
| Committed | 5,572 | 5,526 | 3,493 | 2,970 | 4,562 | 3,958 | 4,061 | 216 | 104 | - |
| Assigned | - | - | - | - | - | - | - | 1,891 | 2,682 | - |
| Unassigned | (250) | (490) | (955) | (1,395) | (1,820) | (2,235) | (2,621) | (2,995) | (1,845) | - |
| Reserved | - | - | - | - | - | - | - | - | - | 7,184 |
| Special revenues funds | - | - | - | - | - | - | - | - | - | 7,173 |
| Capital projects funds | - | - | - | - | - | - | - | - | - | 1,064 |
| Total all other governmental funds | 11,930 | 11,908 | 13,292 | 9,563 | 9,125 | 5,166 | 7,373 | 9,067 | 11,420 | 15,421 |
| Total governmental funds | \$ 29,158 | \$ 26,008 | \$ 25,219 | \$ 21,909 | \$ 18,641 | \$ 14,104 | \$ 16,574 | \$ 17,102 | \$ 19,191 | \$ 23,521 |

Note: The County implemented GASB Statement No. 54 for the Fiscal Year Ended December 31, 2011. Prior years were not restated retroactively.

Changes in Fund Balances - Governmental Funds

Last Ten Fiscal Years

(amounts expressed in thousands)

| | Fiscal Year | | | | | Fiscal Year | | | | |
|---|-----------------|---------------|-----------------|-----------------|-----------------|--------------------|-----------------|-------------------|-------------------|-------------------|
| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 |
| | | | | | | | | | | |
| Revenues | | | | | | | | | | |
| Taxes | \$ 29,833 | \$ 28,176 | \$ 27,776 | \$ 26,026 | \$ 25,870 | \$ 25,841 | \$ 25,550 | \$ 24,501 | \$ 24,008 | \$ 24,146 |
| Licenses and permits | 574 | 626 | 798 | 704 | 632 | 566 | 569 | 500 | 460 | 461 |
| Intergovernmental: | | | | | | | | | | |
| Federal sources | 3,191 | 3,015 | 3,077 | 2,998 | 4,732 | 3,632 | 4,581 | 3,903 | 4,224 | 4,590 |
| State sources | 7,360 | 7,591 | 6,958 | 6,782 | 5,329 | 4,073 | 3,783 | 3,633 | 3,799 | 3,672 |
| Local sources | 5,578 | 6,663 | 5,296 | 6,049 | 5,185 | 3,714 | 3,645 | 3,576 | 3,470 | 3,704 |
| Charges for services | 6,769 | 6,372 | 5,974 | 5,708 | 6,164 | 6,623 | 6,548 | 6,311 | 6,068 | 6,222 |
| Fines and forfeits | 143 | 196 | 226 | 235 | 94 | 118 | 113 | 93 | 87 | 104 |
| Reimbursements | 3,346 | 3,256 | 2,991 | 3,373 | 2,478 | 2,506 | 2,780 | 3,062 | 3,040 | 3,172 |
| Contributions | - | - | - | - | - | 1 | 3 | 20 | 1 | 2 |
| Rental revenues | 1,321 | 569 | 551 | 745 | 691 | 697 | 689 | 619 | 649 | 638 |
| Interest revenues | 578 | 465 | 225 | 155 | 148 | 162 | 151 | 165 | 251 | 349 |
| Other revenues | 408 | 492 | 461 | 387 | 666 | 596 | 478 | 811 | 802 | 1,946 |
| Total revenues | 59,101 | 57,421 | 54,333 | 53,162 | 51,989 | 48,529 | 48,890 | 47,194 | 46,859 | 49,006 |
| Expenditures | | | | | | | | | | |
| Current: | | | | | | | | | | |
| Legislative | 409 | 259 | 234 | 367 | 426 | 378 | 373 | 421 | 411 | 422 |
| Judicial | 9,967 | 9,933 | 9,988 | 10,009 | 10,381 | 10,139 | 10,393 | 10,225 | 10,212 | 10,016 |
| General government | 11,345 | 11,862 | 10,653 | 9,648 | 9,885 | 10,092 | 9,910 | 9,980 | 10,744 | 11,050 |
| Public safety | 19,026 | 17,539 | 16,651 | 16,897 | 16,117 | 15,367 | 15,276 | 15,421 | 15,453 | 14,656 |
| Public works | 50 | 129 | 228 | 256 | 251 | 243 | 213 | 278 | 268 | 261 |
| Health and welfare | 12,271 | 11,640 | 11,959 | 11,587 | 11,932 | 11,965 | 11,807 | 10,514 | 11,708 | 10,990 |
| Economic development | 44 | 257 | 704 | 227 | 118 | 1,498 | 213 | 9 | 84 | 322 |
| Recreation and culture | 730 | 1,279 | 471 | 515 | 760 | 667 | 741 | 640 | 716 | 686 |
| Other | 713 | - | 4,892 | - | - | - | - | - | - | - |
| Debt service: | | | | | | | | | | |
| Principal | 775 | 730 | 590 | 570 | 570 | 545 | 550 | 2,005 | 1,050 | 740 |
| Interest and fiscal charges | 345 | 350 | 269 | 280 | 291 | 303 | 314 | 356 | 484 | 512 |
| Capital outlay | 1,203 | 3,388 | 987 | 450 | 336 | 689 | 574 | 5,814 | 1,820 | 1,590 |
| Total expenditures | 56,878 | 57,366 | 57,626 | 50,806 | 51,067 | 51,886 | 50,364 | 55,663 | 52,950 | 51,245 |
| Revenues over (under) expenditures | 2,223 | 55 | (3,293) | 2,356 | 922 | (3,357) | (1,474) | (8,469) | (6,091) | (2,239) |
| Other financing sources (uses) | | | | | | | | | | |
| Issuance of long-term debt | 3,780 | - | 3,500 | - | - | - | - | 11,170 | - | - |
| Bond Premium | 145 | - | - | - | - | - | - | - | - | - |
| Discount on issuance of long-term debt | - | - | - | - | - | - | - | (46) | - | - |
| Payment to refunding bond escrow agent | (3,820) | - | - | - | - | - | - | (6,192) | - | - |
| Proceeds from sale of capital assets | 29 | 26 | 255 | - | 31 | 29 | 12 | 17 | 16 | 12 |
| Transfers in | 11,411 | 11,683 | 13,769 | 10,736 | 12,857 | 1,286 | 13,381 | 13,082 | 13,371 | 14,410 |
| Transfers out | (10,618) | (10,975) | (10,921) | (9,824) | (11,841) | (12,003) | (12,446) | (11,650) | (12,553) | (13,416) |
| Total other financing sources (uses) | 927 | 734 | 6,603 | 912 | 1,047 | (10,688) | 947 | 6,381 | 834 | 1,006 |
| Net change in fund balances | \$ 3,150 | \$ 789 | \$ 3,310 | \$ 3,268 | \$ 1,969 | \$ (14,045) | \$ (527) | \$ (2,088) | \$ (5,257) | \$ (1,233) |
| Debt service as a percentage of noncapital expenditures | 2.02% | 2.01% | 1.52% | 1.69% | 1.70% | 1.66% | 1.74% | 4.74% | 3.00% | 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 | | | | | |
| 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% |
| 2019 | 5,196,659,937 | 1,380,031,100 | 261,629,431 | 6,838,320,468 | 6.7294 | 13,676,640,936 | 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 | |
| 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 | 0.0000 | 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 | 0.0000 | 2.1439 | 0.5700 | 0.4978 | 13.8353 |
| 2019 | 4.9019 | 0.4916 | - | 0.9835 | 0.1179 | 0.0368 | 0.0982 | 0.0995 | 6.7294 | 2.9161 | 0.9382 | 0.0000 | 2.1339 | 0.5500 | 0.4952 | 13.7628 |

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 | 2019 | | | 2010 | | |
|--|-----------------------|------|-----------------------------------|-----------------------|------|-----------------------------------|
| | Taxable Value | Rank | Percentage of Total Taxable Value | Taxable Value | Rank | Percentage of Total Taxable Value |
| Consumers Energy | \$ 32,836,396 | 1 | 0.61% | \$ 21,899,753 | 1 | 0.50% |
| DTE Gas Company | 25,558,112 | 2 | 0.48% | - | - | - |
| Grand Traverse Mall LTD PTNR | 16,083,146 | 3 | 0.30% | 14,215,000 | 7 | 0.32% |
| Cherryland Rural Electric Co-op | 15,912,777 | 4 | 0.30% | 11,922,608 | 9 | 0.27% |
| Grand Traverse Resort & Spa LLC | 15,202,824 | 5 | 0.28% | 13,604,256 | 8 | 0.31% |
| CEGM Traverse City LLC | 14,439,611 | 6 | 0.27% | - | - | - |
| Michigan Electric Transmission Co. | 12,469,900 | 7 | 0.23% | - | - | - |
| Liv Arbors LLC | 11,511,230 | 8 | 0.21% | - | - | - |
| GTC Owener, LLC | 10,281,200 | 9 | 0.19% | - | - | - |
| Midwest MFD, LLC | 9,925,826 | 10 | 0.18% | - | - | - |
| Great Wolf Lodge TC Development LLC | - | | - | 17,810,900 | 2 | 0.41% |
| Centro Bradley GT II LLC | - | | - | 17,783,730 | 3 | 0.40% |
| Michigan Consolidated Gas Company | - | | - | 15,200,812 | 5 | 0.35% |
| Sara Lee Corp | - | | - | 14,280,730 | 6 | 0.33% |
| State of Michigan (Taxable lands) | - | | - | 16,814,363 | 4 | 0.38% |
| Metavation Traverse City, LLC | - | | - | 9,193,929 | 10 | 0.21% |
| | <u>\$ 164,221,022</u> | | <u>3.05%</u> | <u>\$ 152,726,081</u> | | <u>3.48%</u> |
| County Total Taxable Value 2019 / 2010 | \$ 5,368,654,721 | | \$ 4,392,056,777 | | | |

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 |
| 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% |
| 2019 | 25,551,939 | 24,967,112 | 97.71% | 544,578 | 40,249 | 25,551,939 | 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) | Per Capita (1) |
|-------------|--------------------------|---------------|--------------------------|---------------|--------------------------|-----------------------------------|----------------|
| | General Obligation Bonds | Notes Payable | General Obligation Bonds | | | | |
| 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 | 0.31% | 157 | |
| 2019 | 10,271,270 | 402,757 | 2,760,000 | 13,434,027 | (2) | 144 | |

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) |
|-------------|--------------------------|--|--------------------------|---------------------------|--|----------------|
| 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 |
| 2019 | 13,031,270 | - | 13,031,270 | 6,838,320,468 | 0.19% | 140 |

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 Table 13 for population data.

GRAND TRAVERSE COUNTY, MICHIGAN

Table 11 - Unaudited

Computation of Direct and Overlapping Governmental Activities Debt

As of December 31, 2019

| | Debt Outstanding | Estimated Percentage Applicable (1) | Estimated Share of Overlapping Debt |
|---|------------------|-------------------------------------|-------------------------------------|
| Debt repaid with property taxes: County | \$ 178,147,070 | 87.02% | \$ 155,017,199 |
| County direct debt | | | <u>10,674,027</u> |
| Total direct and overlapping debt | | | <u><u>\$ 165,691,226</u></u> |

Source:

Debt outstanding and estimated share of overlapping debt provided by Municipal Advisory Council of Michigan.

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.

Computation of Legal Debt Margin Information

Last Ten Fiscal Years

(amounts expressed in thousands)

| | Fiscal Year | | | | | Fiscal Year | | | | |
|---|-------------|------------|------------|------------|------------|-------------|------------|------------|------------|------------|
| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 |
| Debt limit | \$ 683,832 | \$ 632,468 | \$ 607,718 | \$ 576,137 | \$ 552,818 | \$ 532,450 | \$ 521,356 | \$ 512,871 | \$ 524,475 | \$ 559,052 |
| Total net debt applicable to limit | 38,271 | 43,878 | 43,314 | 42,409 | 43,289 | 47,678 | 54,127 | 57,156 | 70,590 | 83,427 |
| Legal debt margin | \$ 645,561 | \$ 588,590 | \$ 564,404 | \$ 533,728 | \$ 509,529 | \$ 484,772 | \$ 467,229 | \$ 455,715 | \$ 453,885 | \$ 475,625 |
| Total net debt applicable to the limit as a percentage of debt limit | 5.60% | 6.94% | 7.13% | 7.36% | 7.83% | 8.95% | 10.38% | 11.14% | 13.46% | 14.92% |

Legal Debt Margin Calculation for Fiscal Year 2019
(amounts expressed in thousands)

| | |
|--|--------------|
| State equalized value of real property | \$ 6,576,691 |
| State equalized value of personal property | 261,629 |
| Total state equalized value | \$ 6,838,320 |
| Debt limit (10% of total state equalized value) | 683,832 |
| Debt applicable to limit: (1) | \$ 38,271 |
| Less: | |
| Assets in Debt Service funds available for payment of principal | - |
| Total amount of debt applicable to debt limit | 38,271 |
| Legal debt margin | \$ 645,561 |

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) | | |
| 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 | 4,687,847 | 50,639 | 9,666 | 4.10% | | |
| 2019 | 93,088 | (5) | (5) | 9,467 | 4.30% | | |

Sources:

- (1) U.S. Census Bureau
- (2) Bureau of Economic Analysis, 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. 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 | 2019 | | | 2010 | | |
|---|--------------|------|---------------------------------------|---------------|------|---------------------------------------|
| | Employees | Rank | Percentage of Total County Employment | Employees | Rank | Percentage of Total County Employment |
| Munson Medical Center | 3,100 | 1 | 6.17% | 3,740 | 1 | 8.96% |
| Traverse City Area Public Schools | 1,825 | 2 | 3.63% | 1,984 | 2 | 4.75% |
| Northwestern Michigan College | 742 | 3 | 1.48% | 700 | 4 | 1.68% |
| Traverse Bay Intermediate School District | 550 | 4 | 1.09% | 618 | 5 | 1.48% |
| Hagerty Insurance | 500 | 5 | 0.99% | 450 | 9 | 1.08% |
| Grand Traverse Resort & Casinos | 500 | 6 | 0.99% | 943 | 3 | 2.26% |
| Grand Traverse County | 477 | 7 | 0.95% | 530 | 6 | 1.27% |
| Interlochen Center for the Arts | 475 | 8 | 0.94% | 350 | 10 | 0.84% |
| Grand Traverse Pavilions | 415 | 9 | 0.83% | 470 | 8 | 1.13% |
| Britten Banners, Inc | 410 | 10 | 0.82% | | | |
| Sara Lee/Hillshire Brands | | | | 500 | 7 | 1.20% |
| Totals | 8,994 | | 17.89% | 10,285 | | 24.65% |
| Total Employment 2019 / 2010 | 50,278 | | | 41,727 | | |

Sources:

Grand Traverse County Official Statement for 2019 Building Authority Refunding Bonds

 U.S. Dept of Labor www.data.bls.gov - employment rate not seasonally adjusted

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, | | | | |
|--------------------|---|------------|------------|------------|------------|---|------------|------------|------------|------------|
| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 |
| Legislative | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Judicial | 105 | 104 | 103 | 94 | 90 | 96 | 90 | 93 | 93 | 95 |
| General Government | 85 | 85 | 90 | 90 | 95 | 100 | 98 | 110 | 122 | 124 |
| Public Safety | 137 | 136 | 135 | 149 | 152 | 144 | 149 | 149 | 149 | 154 |
| Public Works | 16 | 16 | 16 | 16 | 18 | 17 | 20 | 22 | 21 | 21 |
| Health & Welfare | 134 | 135 | 122 | 109 | 127 | 123 | 123 | 128 | 127 | 128 |
| Total | 478 | 477 | 467 | 459 | 483 | 481 | 481 | 503 | 513 | 523 |

Source:

Grand Traverse County Human Resources

| Operating Indicators by Function | | | | | | | | | | |
|--|-------------|--------|--------|--------|--------|-------------|--------|--------|--------|--------|
| Last Ten Fiscal Years | | | | | | | | | | |
| Function | Fiscal Year | | | | | Fiscal Year | | | | |
| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 |
| Public safety: | | | | | | | | | | |
| Average daily inmate population - | | | | | | | | | | |
| Jail only | 141.95 | 118.70 | 152.69 | 148.48 | 162.08 | 158.00 | 158.80 | 138.60 | 146.00 | 150.00 |
| Average daily population - Includes | | | | | | | | | | |
| Inmates boarded-out | 134.07 | 121.58 | 157.07 | 153.00 | 172.58 | 163.42 | 160.80 | 138.60 | 146.00 | 150.00 |
| 911 Computer aided dispatch calls* | 82,384 | 75,380 | 72,773 | 70,423 | 70,195 | 56,473 | 57,278 | 55,654 | 98,901 | 53,701 |
| Commissary: | | | | | | | | | | |
| Number of orders placed by inmates | 3,006 | 3,188 | 3,756 | 4,057 | 17,587 | 18,716 | 15,250 | 7,553 | (1) | 6,910 |
| Health and welfare: | | | | | | | | | | |
| Commission on aging-client visits: | | | | | | | | | | |
| Homemaker Aide Program | 12,523 | 13,319 | 12,296 | 11,554 | 12,956 | 15,648 | 15,247 | 16,058 | 16,376 | 17,065 |
| Home Health Care Program | 5,494 | 4,565 | 4,134 | 5,506 | 6,286 | 6,873 | 6,986 | 8,011 | 8,308 | 7,489 |
| Home Chore Program | 9,470 | 8,814 | 8,936 | 9,736 | 10,030 | 8,803 | 8,112 | 8,365 | 10,476 | 8,914 |
| Walk in & telephone assistance calls** | NA | NA | 6,494 | 6,392 | 3,778 | 28,566 | 27,830 | 13,184 | 30,968 | 37,173 |
| Respite Program **** | 1,186 | 1,763 | - | - | - | - | - | - | - | - |
| Public works: | | | | | | | | | | |
| Number of sewer billings | 35,196 | 35,232 | 35,112 | 30,720 | 20,344 | 7,791 | 7,770 | 7,968 | 8,024 | 7,916 |
| Number of water billings | 9,792 | 9,888 | 10,188 | 9,732 | 9,316 | 1,028 | 1,041 | 1,035 | 1,017 | 1,468 |
| Number of combined billings | 54,084 | 53,556 | 52,692 | 44,172 | 48,552 | 69,112 | 68,716 | 68,504 | 67,424 | 66,096 |
| General Government: | | | | | | | | | | |
| County Clerk-Passports processed | 1,723 | 1,671 | 2,191 | 1,999 | 1,646 | 1,317 | 1,284 | 1,424 | 1,531 | 1,669 |
| Finance-Checks processed | 15,615 | 15,828 | 15,582 | 16,608 | 16,013 | 16,898 | 21,824 | 19,488 | 16,644 | 20,457 |
| MSU-Extension: | | | | | | | | | | |
| 4-H Participants | 1,733 | 2,107 | 3,178 | 2,231 | 3,066 | 1,325 | 1,187 | 1,384 | - | - |
| FNP Participants*** | 601 | 4,424 | 3,117 | 684 | 797 | 882 | 683 | 679 | 565 | 430 |
| PAT Participants | - | - | - | - | - | - | - | - | - | - |
| Register of Deeds-records filed: | | | | | | | | | | |
| Discharge of Mortgage | 4,531 | 4,199 | 4,559 | 4,834 | 4,666 | 3,600 | 4,896 | 4,900 | 4,148 | 4,243 |
| Mortgage | 4,731 | 4,234 | 4,365 | 4,704 | 4,378 | 3,786 | 5,011 | 5,577 | 4,143 | 4,672 |
| Warranty Deed | 3,312 | 3,310 | 3,396 | 3,329 | 3,208 | 2,843 | 2,731 | 2,266 | 1,760 | 1,678 |
| Judicial: | | | | | | | | | | |
| Circuit court total caseload | 1,833 | 1,912 | 1,884 | 2,132 | 2,282 | 2,247 | 2,260 | 2,584 | 2,694 | 2,983 |
| District court total caseload | 12,921 | 11,751 | 10,531 | 11,649 | 14,185 | 15,028 | 15,751 | 14,046 | 16,433 | 19,348 |
| Probate court total caseload | 571 | 536 | 547 | 565 | 560 | 586 | 549 | 596 | 531 | 563 |
| Recreation and culture: | | | | | | | | | | |
| Swimming pool admissions**** | 51,468 | 32,914 | 40,726 | 29,896 | 12,727 | 23,411 | 23,438 | 19,706 | 18,014 | 19,564 |
| Community and Economic Development: | | | | | | | | | | |
| Construction permits issued | 6,128 | 6,291 | 6,269 | 5,915 | 5,842 | 5,211 | 5,097 | 4,236 | 4,162 | 3,965 |
| EDC loans | - | - | - | - | - | - | - | - | 7 | 6 |
| Medical care facility-skilled nursing: | | | | | | | | | | |
| Resident Admits | 525 | 448 | 613 | 614 | 491 | 454 | 461 | 492 | 425 | 350 |
| Resident Days | 80,680 | 82,182 | 82,335 | 83,597 | 83,659 | 84,250 | 85,498 | 85,727 | 81,513 | 78,857 |

Source: Various County departments

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

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

***FNP converted to SNAP-ED in 2011

****Starting in 2016 includes Exercise Room admissions

*****Respite Program numbers added 2018

(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 | | | | |
|-------------------------|-------------|------|------|------|------|-------------|------|------|------|------|
| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 |
| Public safety: | | | | | | | | | | |
| Police: | | | | | | | | | | |
| Stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 2 | 2 |
| Buildings | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 6 | 5 |
| Radio Towers | 5 | 5 | 5 | 5 | 5 | 6 | 6 | 6 | 6 | 6 |
| Vehicles* | 78 | 77 | 77 | 78 | 93 | 91 | 95 | 96 | 98 | 92 |
| Boats | 8 | 8 | 8 | 8 | 8 | 8 | 7 | 5 | 9 | 9 |
| Snowmobiles | 4 | 4 | 3 | 3 | 3 | 2 | 2 | 2 | 4 | 4 |
| Animal control: | | | | | | | | | | |
| Building | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Vehicles | 4 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| General government: | | | | | | | | | | |
| Buildings | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 3 | 4 | 4 |
| Vehicles | 19 | 20 | 19 | 19 | 21 | 20 | 20 | 22 | 30 | 28 |
| Health and welfare: | | | | | | | | | | |
| Buildings | 3 | 2 | 2 | 2 | 2 | 2 | 2 | 1 | 3 | 3 |
| Vehicles* | 25 | 20 | 24 | 21 | 21 | 24 | 23 | 23 | 15 | 15 |
| Public works: | | | | | | | | | | |
| Buildings | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Vehicles | 19 | 19 | 19 | 16 | 16 | 16 | 16 | 16 | 17 | 17 |
| Judicial: | | | | | | | | | | |
| Buildings | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Vehicles | 2 | 4 | 3 | 3 | 3 | 4 | 4 | - | 3 | 3 |
| Recreation and culture: | | | | | | | | | | |
| Buildings | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 18 | 18 |
| Vehicles | 2 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Parks | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 |
| Boat | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Construction trades: | | | | | | | | | | |
| Vehicles | 7 | 8 | 8 | 12 | 8 | 8 | 9 | 9 | 9 | 10 |
| Medical care facility: | | | | | | | | | | |
| Beds | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 221 |

Sources:

Various County departments

* Does not include non-capitalized leased vehicles

SINGLE AUDIT SECTION



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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 18, 2020

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, 2019, 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 18, 2020.

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 18, 2020.

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.

Ortodoxd 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 18, 2020

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, 2019. 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, 2019.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as items 2019-001. 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.

David A. Haefner LLC

GRAND TRAVERSE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2019

| Federal Agency/Cluster/Program Title | CFDA Number | Pass Through | Cluster | Pass-through number | Expenditures |
|--|--------------------|---------------------|----------------|----------------------------|---------------------|
| <u>U.S. Department of Agriculture:</u> | | | | | |
| Women, Infant and Children Program | 10.557 | MDHHS | | 20190016-05 | \$ 289,507 |
| Women, Infant and Children Program | 10.557 | MDHHS | | 20200066-01 | 99,709 |
| WIC Breastfeeding | 10.557 | MDHHS | | 20190016-05 | 39,169 |
| WIC Breastfeeding | 10.557 | MDHHS | | 20200066-01 | 13,056 |
| | | | | | <u>441,441</u> |
| Total U.S. Department of Agriculture | | | | | <u>441,441</u> |
| <u>U.S. Department of Justice:</u> | | | | | |
| Bullet Proof Vest | 16.607 | Direct | | N/A | 3,212 |
| Justice Assistance Grant Program Cluster: | | | | | |
| Byrne JAG State FY 2019 | 16.738 | MDSP | | 2017-MU-BX-0191 | 111,218 |
| Byrne JAG State FY 2020 | 16.738 | MDSP | | 2019-MU-BX-0061 | 35,203 |
| | | | | | <u>146,421</u> |
| High Intensity Drug Trafficking Areas Program (HIDTA) | 95.001 | Direct | | N/A | 2,237 |
| Total U.S. Department of Justice | | | | | <u>151,870</u> |
| <u>U.S. Department of Transportation:</u> | | | | | |
| Office of Highway Safety Planning Traffic Enforcement | 20.600 | MDSP | | PT-19-32 | 14,817 |
| Office of Highway Safety Planning Traffic Enforcement | 20.600 | MDSP | | PT-20-37 | 7,674 |
| | | | | | <u>22,491</u> |
| Total U.S. Department of Transportation | | | | | <u>22,491</u> |
| <u>U.S. Environmental Protection Agency</u> | | | | | |
| Safe Drinking Water Revolving Loan Fund Program | 66.468 | Direct | | FS975487-17 | 3,134 |
| Total U.S. Environmental Protection Agency | | | | | <u>3,134</u> |
| <u>U.S. Department of Health and Human Services:</u> | | | | | |
| Public Health Emergency Preparedness | | | | | |
| Bioterrorism - Supplemental | 93.069 | MDHHS | | 20190016-05 | 94,599 |
| Bioterrorism - Supplemental | 93.069 | MDHHS | | 20200066-01 | 29,949 |
| Bioterrorism - Supplemental - Regional EPI | 93.069 | MDHHS | | 20190016-05 | 5,000 |
| Bioterrorism - Supplemental - Regional EPI | 93.069 | MDHHS | | 20200066-01 | 1,812 |
| | | | | | <u>131,360</u> |
| Projects Grants & Cooperative Agreements for Tuberculosis Control Programs | 93.116 | MDHHS | | 20200066-01 | 25 |
| Family Planning Services | 93.217 | MDHHS | | 20190016-05 | 30,441 |
| Family Planning Services | 93.217 | MDHHS | | 20200066-01 | 10,577 |
| | | | | | <u>41,018</u> |
| Immunization: | | | | | |
| ARRA - Immunizations and Vaccine for Children | 93.268 | MDHHS | | 20190016-05 | 32,030 |
| Immunization & Vaccine Program | 93.268 | MDHHS | | 20200066-01 | 10,721 |
| Immunization Fixed Fee | 93.268 | MDHHS | | 20190016-05 | 5,000 |
| Vaccines (non-cash assistance) | 93.268 | MDHHS | | N/A | 141,907 |
| | | | | | <u>189,658</u> |
| Epidemiology and Laboratory Capacity | 93.323 | MDHHS | | 20190016-05 | 20,000 |
| Child Support Enforcement: | | | | | |
| Title IV-D Incentive Payments | 93.563 | MDHHS | | CSFOC-17-28001 | 181,890 |
| Title IV-D Reimbursement - Friend of the Court | 93.563 | MDHHS | | CSFOC-17-28001 | 1,344,903 |
| Title IV-D Reimbursement - Prosecutor | 93.563 | MDHHS | | CSPA-17-28002 | 80,590 |
| | | | | | <u>1,607,383</u> |

(continued)

GRAND TRAVERSE COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED DECEMBER 31, 2019

| Federal Agency/Cluster/Program Title | CFDA Number | Pass Through | Cluster | Pass-through number | Expenditures |
|--|-------------|--------------|----------|---------------------|----------------------------|
| Medicaid | | | | | |
| Medical Assistance Program - Medicaid Outreach | 93.778 | MDHHS | Medicaid | 20190016-05 | \$ 215,594 |
| Medical Assistance Program - Medicaid Outreach | 93.778 | MDHHS | Medicaid | 20190016-05 | 29,543 |
| Medical Assistance Program - Medicaid Outreach | 93.778 | MDHHS | Medicaid | 20200066-01 | 81,513 |
| Medical Assistance Program - Care Coordination | 93.778 | MDHHS | Medicaid | 20190016-05 | 12,350 |
| Medical Assistance Program - Care Coordination | 93.778 | MDHHS | Medicaid | 20200066-01 | 3,705 |
| Medical Assistance Program - Case Management | 93.778 | MDHHS | Medicaid | 20190016-05 | 10,885 |
| Medical Assistance Program - Case Management | 93.778 | MDHHS | Medicaid | 20200066-01 | 2,217 |
| CSHCS - Medical Assistance Program | 93.778 | MDHHS | Medicaid | 20190016-05 | 15,495 |
| CSHCS - Medical Assistance Program | 93.778 | MDHHS | Medicaid | 20200066-01 | 5,165 |
| | | | | | <u>376,467</u> |
| HIV Prevention Activities Health Department Based | 93.940 | MDHHS | | 20190016-05 | <u>20,000</u> |
| SAPT Block Grant (Harm Reduction) | 93.959 | MDHHS | | 20190016-05 | 48,512 |
| SAPT Block Grant (Harm Reduction) | 93.959 | MDHHS | | 20200066-01 | 11,136 |
| | | | | | <u>59,648</u> |
| Maternal and Child Health Services Block Grant (Family Planning) | 93.991 | MDHHS | | 20190016-05 | <u>15,000</u> |
| Maternal and Child Health Services Block Grant (Enabling Services Women) | 93.994 | MDHHS | | 20190016-05 | 30,036 |
| Maternal and Child Health Services Block Grant (Enabling Services Women) | 93.994 | MDHHS | | 20200066-01 | 9,571 |
| Maternal and Child Health Services Block Grant (Family Planning) | 93.994 | MDHHS | | 20190016-05 | 6,316 |
| Maternal and Child Health Services Block Grant (Care Coordination) | 93.994 | MDHHS | | 20190016-05 | 15,600 |
| Maternal and Child Health Services Block Grant (Care Coordination) | 93.994 | MDHHS | | 20200066-01 | 5,840 |
| Maternal and Child Health Services Block Grant (Case Management) | 93.994 | MDHHS | | 20190016-05 | 5,443 |
| Maternal and Child Health Services Block Grant (Case Management) | 93.994 | MDHHS | | 20200066-01 | 807 |
| | | | | | <u>73,613</u> |
| Total U.S. Department of Health and Human Services | | | | | <u>2,534,172</u> |
| <u>U.S. Department of Homeland Security:</u> | | | | | |
| Emergency Management Performance | 97.042 | MDSP | | EMC-2019-EP-00004 | <u>37,748</u> |
| 2017 State Homeland Security Grant Program (noncash assistance) | 97.067 | COCM | | EMW-2017-SS-00013 | <u>625</u> |
| Total U.S. Department of Homeland Security | | | | | <u>38,373</u> |
| Total Expenditures of Federal Awards | | | | | <u>\$ 3,191,481</u> |

(concluded)

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, 2019

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 |
| County of Crawford, Michigan | COCM |

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, 2019 governmental funds financial statements | \$ 3,191,481 |
| 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>\$ 3,191,481</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, 2019

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: | <u>\$750,000</u> |
| 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

2019-001 - 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. A working capital reserve as a part of retained earning of up to 60 calendar days cash expenses is considered reasonable. The County Information Technology and Central Services funds exceeds the allowable amounts at December 31, 2019.

Cause: While the appropriate County employees were aware of the applicable compliance requirements and the necessity to lower working capital reserves, there was an insufficient reduction in working capital to ensure compliance with the uniform guidance.

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

Recommendation: The County should develop and implement reimbursement rates to maintain working capital reserves below limits consistent with the Uniform Guidance 2 CFR 200.

Management Response: The County is in the process of reviewing the reimbursement rates of its internal service funds to ensure they are appropriate and maintain working capital reserves below limits consistent with the Uniform Guidance 2 CFR 200.

SECTION IV - SUMMARY OF PRIOR AUDIT FINDINGS

2018-001 - CFDA #93.563

This finding was repeated as 2019-001 above