

Grand Traverse
County, Michigan



Year Ended
December 31,
2014

Comprehensive
Annual Financial
Report

Prepared by: Finance Department

Finance Director
Dean Bott

GRAND TRAVERSE COUNTY, MICHIGAN

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INTRODUCTORY SECTION

GRAND TRAVERSE COUNTY, MICHIGAN

Principal Officials

For the Fiscal Year Ended December 31, 2014

Board of Commissioners

Christine Maxbauer - Chairperson
Dr. Dan Lathrop - Vice Chairperson
Carol Crawford
Dr. Bob Johnson
Ron Clous
Addison (Sonny) Wheelock, Jr.
Alisa Kroupa

Administration

David Benda - County Administrator/Controller
Dean Bott - Finance Director



DEAN W. BOTT
DEPUTY ADMINISTRATOR, DIRECTOR OF FINANCE

**GRAND TRAVERSE COUNTY
FINANCE DEPARTMENT**

GOVERNMENTAL CENTER • 400 BOARDMAN AVENUE
TRAVERSE CITY, MI 49684-2577 • (231) 922-4680

June 26, 2015

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, 2014, 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 Rehmann, 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 said letter.

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 90,782. In terms of population, this ranks Grand Traverse County as the 22nd largest of 83 counties in the State of Michigan. Grand Traverse County is empowered to levy a property tax on real, personal and industrial property located within its boundaries.

The Board of Commissioners exercises the legislative power of the County and determines all matters of policy. The Board of Commissioners is comprised of seven commissioners who are elected from their respective districts. Each commissioner serves a term of two years. The county administrator is the appointed head of the administrative branch of the county government. The judicial branch of government consists of two Circuit Court judges, two District Court judges, and one Probate Court judge. All judges are elected at large for a six-year term. The Circuit and District Court judges are elected on two-year, staggered terms. The Offices of Prosecuting Attorney, Sheriff, Clerk, Treasurer, Register of Deeds, Drain Commissioner and County Surveyor are elected at large and serve for a four-year term.

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

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

- 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 July of each year, the County Administrator and Finance Director 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 to the Ways and Means committee 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 2014, the estimated population of Grand Traverse County was 90,782 according to the U.S. Census. This is an increase of 4.4% from the 2010 U.S. Census population count of 86,986. Grand Traverse County was the third fastest growing county in Michigan in 2014.

In 2013, 16.5% of the population of Grand Traverse County was 65 years old and over which is higher than the 15.0% for Michigan overall. In comparison, only 13.1% of the County population in 2000 was 65 years old and over. This trend of an aging population is expected to continue for the region.

Labor Market

In 2014, the annual average workforce in Grand Traverse County was 47,880 employees, representing two-thirds of the total regional employment. Annual average unemployment for the County in 2014 was 7.6%. 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.

Property Values and Home Sales

There are 54,871 parcels of property in the County for the 2015 Assessment year, an increase of 0.89% from 2014. The County Equalized Value (CEV) for Grand Traverse County for 2015 is \$5,528,183,660, an increase of 3.83% from 2014, which was \$5,324,497,292. Taxable value increased overall 3.27% countywide from 2014 to 2015.

Total listings of home sales in Grand Traverse County in 2014 by real estate agents were 1,553, up from 1,522 in 2013. The average sales price in 2014 was \$219,625, up from \$203,737 in 2013. In comparison, the average price for sales in Michigan in 2014 was \$133,698, an increase from 2013 which was \$123,928.

Education

On a whole, Grand Traverse County residents tend to have a higher than average education compared to the rest of Michigan. The County is ranked sixth in the state with 93.3% of the population having a high school diploma or more and ranked tenth in the state with 29.6% of the population having a bachelor's degree or more.

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

Northwestern Michigan College pioneered post-secondary education in northern Michigan when it was established as Michigan's first community college in 1951. With an enrollment of 5,100, the college provides collegiate-level instruction in the liberal arts and in many occupational fields. The college's Great Lakes Maritime Academy, the only maritime academy on the Great Lakes, prepares students to become merchant marine officers. The college also is in partnership with 11 Michigan colleges and universities to provide bachelor's completion and advanced degrees.

Tourism Industry

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

Cherry Industry

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

Wine Industry

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.

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 the 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 six other affiliated hospitals, is the region's largest provider of health care and also the region's largest employer with over 5,000 employees. Munson serves 24 counties in northern Michigan and offers 41 specialties including one of the nation's top heart programs.

Quality of Life

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

- Smithsonian Magazine (April 2015) - "20 Best Small Towns to Visit in 2015"
- Horizon Travel Magazine (February 2015) - "Must See American Cities"
- TripAdvisor (December 2014) - One of 10 "Choice Destinations on the Rise" for 2015

MAJOR INITIATIVES

Boardman River Dams

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

Brownfield Redevelopment

Since its inception, the Grand Traverse County Brownfield Redevelopment Authority has been one of the most active authorities in Michigan, working to revitalize environmentally distressed areas. Over \$250 million of private investment has been added to the Grand Traverse County tax base as a result of environmental clean-up of nearly 20 brownfield sites. The new investment and new businesses have resulted in the creation of 1,700 jobs. Further, an additional \$241 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 six communities in Michigan, "Northern Nexus" utilizes key economic development tools to assist in the expansion and attraction of businesses that ship goods by two or more modes of transportation. With strong support from the Michigan Economic Development Corporation, Northern Nexus works in partnership with the City of Traverse City, Garfield Charter Township, East Bay Charter Township and Blair Township.

National Cherry Festival

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

Traverse City Film Festival

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

Traverse City Beach Bums Professional Baseball Team and Hockeytown North

Averaging 145,000 fans a year, Wuerfel Park is home to the Traverse City Beach Bums professional baseball team of the Frontier League and draws fans from across northern Michigan. Across town, Centre Ice, known as Hockeytown North, is home to the training camp of the Detroit Red Wings and its annual prospects tournament.

Coast Guard City

In 2010, Traverse City was designated as a “Coast Guard City.” Traverse City is one of only sixteen Coast Guard Cities in the United States. There are 136 Coast Guard personnel stationed at Air Station Traverse City located at Cherry Capital Airport. Traverse City is considered the #1 retirement location for Coast Guard personnel.

FINANCIAL INFORMATION

Relevant Financial Policies

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

The 100% Tax Payment Fund Policy, which authorizes appropriations from the Delinquent Tax Revolving 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.

OTHER INFORMATION

Risk Management

Grand Traverse County, through the Michigan Municipal Risk Management Authority (MMRMA) is self-insured for property, general, inland marine, crime, auto liability, and bonds. In addition, the County provides an insured short term and long term disability benefit for employees and self-insures worker's compensation claims up to \$400,000. Claims in excess of this amount are covered or indemnified by a specific excess worker's compensation re-insurance policy up to \$5,000,000.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded nine 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, 2005-2013. This Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

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

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

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

Sincerely,

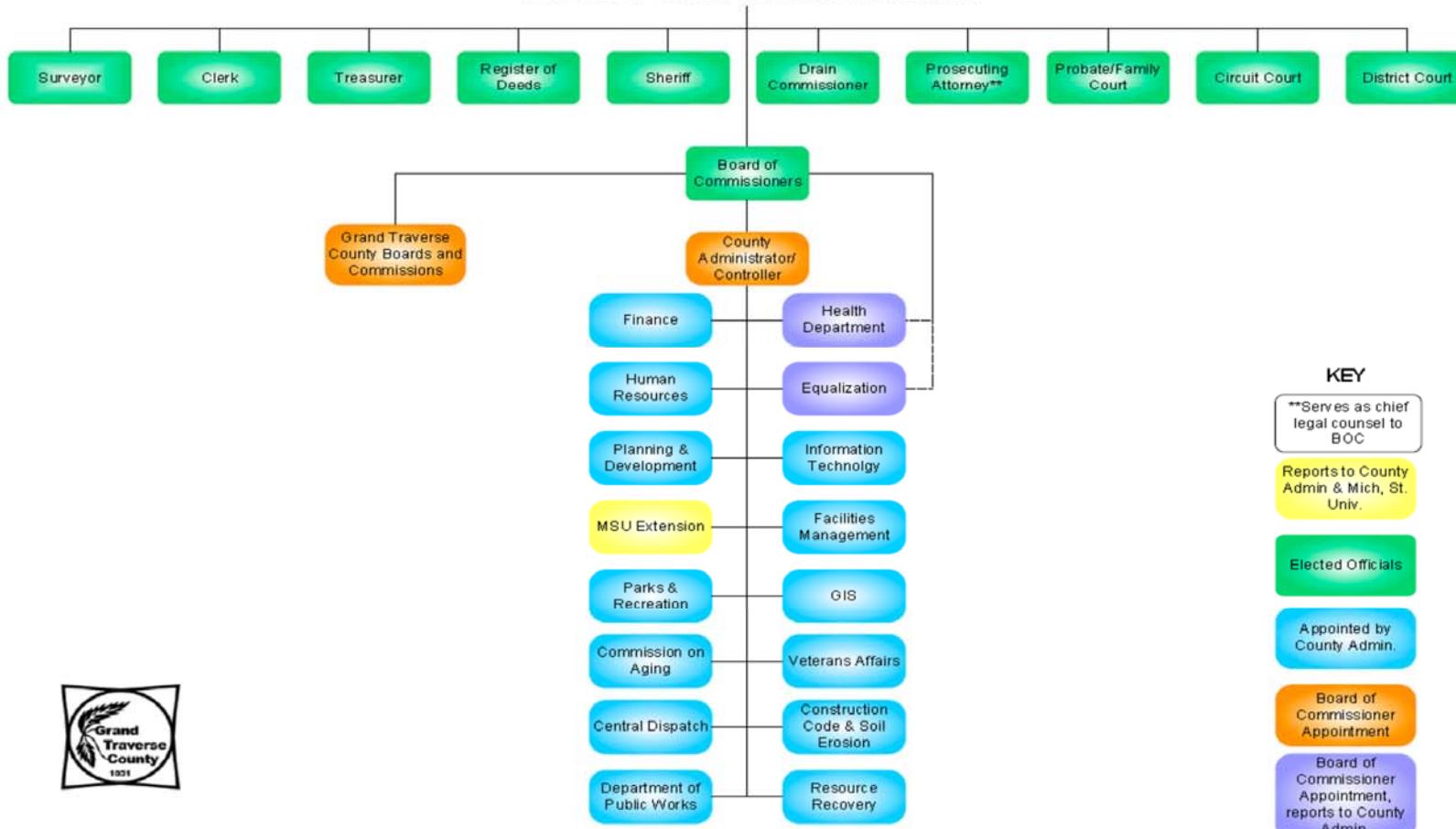


Dean Bott
Deputy Administrator and Director of Finance

Grand Traverse County

Organizational Chart

VOTERS OF GRAND TRAVERSE COUNTY





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, 2013

A handwritten signature in black ink, appearing to read 'Jeffrey R. Ecker'.

Executive Director/CEO

FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

June 26, 2015

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of *Grand Traverse County, Michigan* (the "County"), as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Grand Traverse County, Michigan, as of December 31, 2014, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and each major special revenue fund for the year then ended in conformity 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 management's discussion and analysis and the schedules of funding progress and employer contributions for the pension and other postemployment benefit plans listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the 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 basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2015, on our consideration of Grand Traverse County, Michigan's internal control over financial reporting and 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 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.

Rehmann Lohman LLC

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MANAGEMENT'S DISCUSSION AND ANALYSIS

GRAND TRAVERSE COUNTY, MICHIGAN

Management's Discussion and Analysis

As management of Grand Traverse County, Michigan, (the "County") we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2014. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

Financial Highlights

As discussed in further detail in this discussion and analysis, the following represents the most significant financial highlights for the year ended December 31, 2014.

- The assets and deferred outflows of the County's governmental activities exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$48,681,497 (*net position*). Of this amount, \$7,949,936 (*unrestricted net position*) may be used to meet the County's ongoing obligations to citizens and creditors.
- Total net position of the governmental activities decreased by \$3,488,747.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$14,103,622, a decrease of \$2,470,484 in comparison with the prior year. The unassigned fund balance is \$3,186,120 or 22.6% of total fund balances.
- At the end of the current fiscal year, total fund balance for the General Fund was \$8,938,060 or 23.4% of total general fund expenditures and transfers out.
- The County's total debt decreased by \$2,659,729 or 12.8% during the current fiscal year, due to principal payments made by the County's building authority, a blended component unit, and changes in compensated absences during 2014.

Overview of the Financial Statements

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

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

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

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected special assessments).

GRAND TRAVERSE COUNTY, MICHIGAN

Management's Discussion and Analysis

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include legislative, judicial, general government, public safety (including the jail), health and welfare, economic development, and recreation and culture. The business-type activities of the County include the medical care facility, delinquent tax collections, inspections and solid waste.

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

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

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

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

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

The County maintains 35 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, Commission on Aging, CDBG, Health Department and Building Authority Lafranier DPW funds, each of which are considered to be major funds. Data from the other 30 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The County adopts an annual appropriated budget for its general and special revenues funds.

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

GRAND TRAVERSE COUNTY, MICHIGAN

Management's Discussion and Analysis

Proprietary funds. The County maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type* activities in the government-wide financial statements. The County uses enterprise funds to account for its medical care facility, delinquent tax collections, inspections and solid waste operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. Grand Traverse County uses internal service funds to account for its computer equipment maintenance and replacement, insurances, fringe benefits, and office supplies. Because these services predominantly benefit governmental rather than business-type functions, they have been included within the governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Grand Traverse Pavilions and the Delinquent Tax Revolving funds, both of which are considered to be major funds. The internal service funds are combined into a separate single, aggregated presentation in the proprietary fund financial statements. Individual fund data for nonmajor enterprise funds and internal service funds are provided in the form of combining statements elsewhere in this report.

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

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

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

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found as listed in the table of contents.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the County's progress in funding its obligation to provide retirement and other post employment benefits to its employees. Required supplementary information (RSI) can be found as listed in the table of contents.

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

Government-Wide Financial Analysis

As previously stated, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows exceeded liabilities and deferred inflows by \$88,429,408 at the close of the most recent fiscal year.

GRAND TRAVERSE COUNTY, MICHIGAN

Management's Discussion and Analysis

	Net Position					
	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Assets						
Current and other assets	\$23,079,016	\$25,722,817	\$28,394,425	\$27,791,593	\$51,473,441	\$53,514,410
Capital assets, net	44,633,141	45,885,627	23,434,975	24,339,970	68,068,116	70,225,597
Total assets	67,712,157	71,608,444	51,829,400	52,131,563	119,541,557	123,740,007
Deferred outflows of resources						
	-	-	265,653	359,768	265,653	359,768
Liabilities						
Long-term liabilities	11,509,010	12,021,954	6,648,498	8,795,283	18,157,508	20,817,237
Other liabilities	4,837,646	4,918,694	2,748,312	3,302,417	7,585,958	8,221,111
Total liabilities	16,346,656	16,940,648	9,396,810	12,097,700	25,743,466	29,038,348
Deferred inflows of resources						
	2,684,004	2,497,552	2,950,332	2,746,003	5,634,336	5,243,555
Net position						
Net investment in capital assets	34,740,741	35,450,079	17,659,457	16,095,941	52,400,198	51,546,020
Restricted	5,990,820	5,926,030	-	-	5,990,820	5,926,030
Unrestricted	7,949,936	10,794,135	22,088,454	21,551,687	30,038,390	32,345,822
Total net position	\$48,681,497	\$52,170,244	\$39,747,911	\$37,647,628	\$88,429,408	\$89,817,872

One of the largest portions of the County's net position (59.2 percent) reflects its net investment in capital assets (e.g., land, buildings, machinery and equipment), less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net position (6.8 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (34.0 percent or \$30,038,390) may be used to meet the County's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the County is able to report positive balances in all categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

The County's net position decreased by \$1,388,464 during the current fiscal year. The overall decrease in governmental activities net position of \$3,488,747 was offset by an increase in business-type activities net position of \$2,100,283.

GRAND TRAVERSE COUNTY, MICHIGAN

Management's Discussion and Analysis

	Change in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues						
Program revenues:						
Charges for services	\$10,521,881	\$10,445,296	\$27,087,151	\$26,917,164	\$37,609,032	\$37,362,460
Operating grants and contributions	10,240,148	11,217,733	3,589,960	4,192,162	13,830,108	15,409,895
Capital grants and contributions	8,572	-	-	-	8,572	-
General revenues:						
Property taxes	25,840,580	25,549,720	2,824,687	2,766,677	28,665,267	28,316,397
Unrestricted investment earnings	163,012	143,213	-	-	163,012	143,213
Gain on disposals of capital assets	29,527	12,379	600	80	30,127	12,459
Total revenues	46,803,720	47,368,341	33,502,398	33,876,083	80,306,118	81,244,424
Expenses						
Legislative	351,081	344,185	-	-	351,081	344,185
Judicial	10,459,538	10,684,663	-	-	10,459,538	10,684,663
General government	9,065,978	8,838,913	-	-	9,065,978	8,838,913
Public safety	17,282,568	16,203,010	-	-	17,282,568	16,203,010
Health and welfare	11,479,359	12,142,284	-	-	11,479,359	12,142,284
Economic development	1,497,567	213,087	-	-	1,497,567	213,087
Recreation and cultural	892,317	985,055	-	-	892,317	985,055
Interest on long-term debt	303,021	313,921	-	-	303,021	313,921
Inspections	-	-	1,136,764	1,101,987	1,136,764	1,101,987
Medical care facility	-	-	28,722,957	28,304,999	28,722,957	28,304,999
Solid waste	-	-	318,345	306,674	318,345	306,674
Delinquent taxes	-	-	185,087	347,946	185,087	347,946
Total expenses	51,331,429	49,725,118	30,363,153	30,061,606	81,694,582	79,786,724
Change in net position before transfers						
Transfers	(4,527,709)	(2,356,777)	3,139,245	3,814,477	(1,388,464)	1,457,700
	<u>1,038,962</u>	<u>1,176,568</u>	<u>(1,038,962)</u>	<u>(1,176,568)</u>	-	-
Change in net position	(3,488,747)	(1,180,209)	2,100,283	2,637,909	(1,388,464)	1,457,700
Net position, beginning of year	52,170,244	53,350,453	37,647,628	35,009,719	89,817,872	88,360,172
Net position, end of year	\$48,681,497	\$52,170,244	\$39,747,911	\$37,647,628	\$88,429,408	\$89,817,872

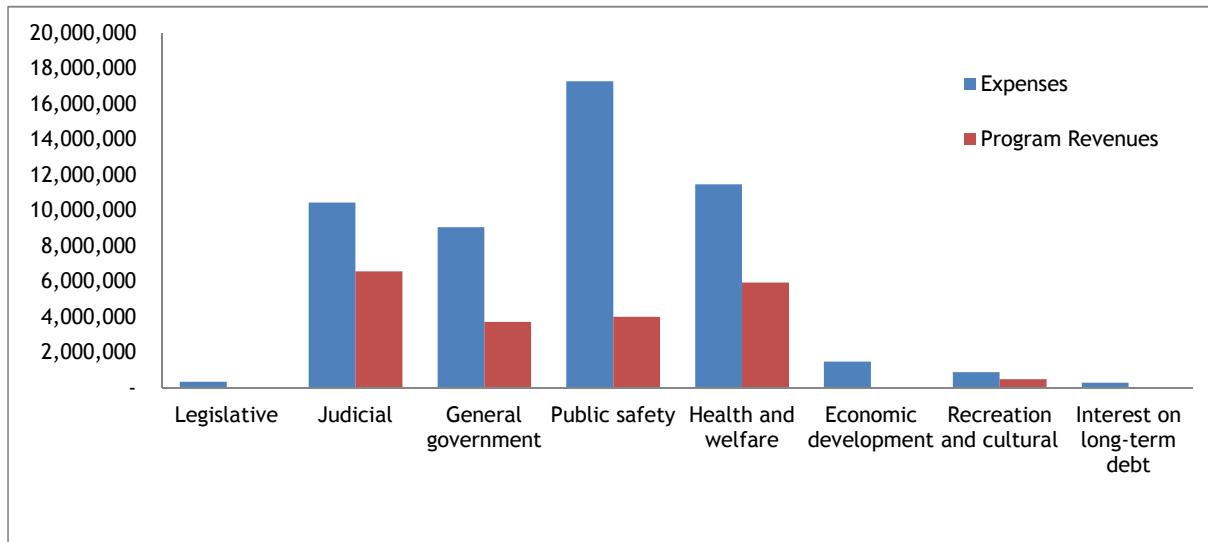
GRAND TRAVERSE COUNTY, MICHIGAN

Management's Discussion and Analysis

Governmental activities. Governmental activities decreased the County's net position by \$3,488,747. Key elements of this decrease are as follows:

- The increase in employee salary and benefit costs per labor contracts.
- The planned or allowed use of fund balances to maintain programs and services.
- A reduction in transfers from the Delinquent Tax Revolving fund.
- An appropriation from the Economic Development Corporation fund to a Regional Revolving Loan fund for economic development.

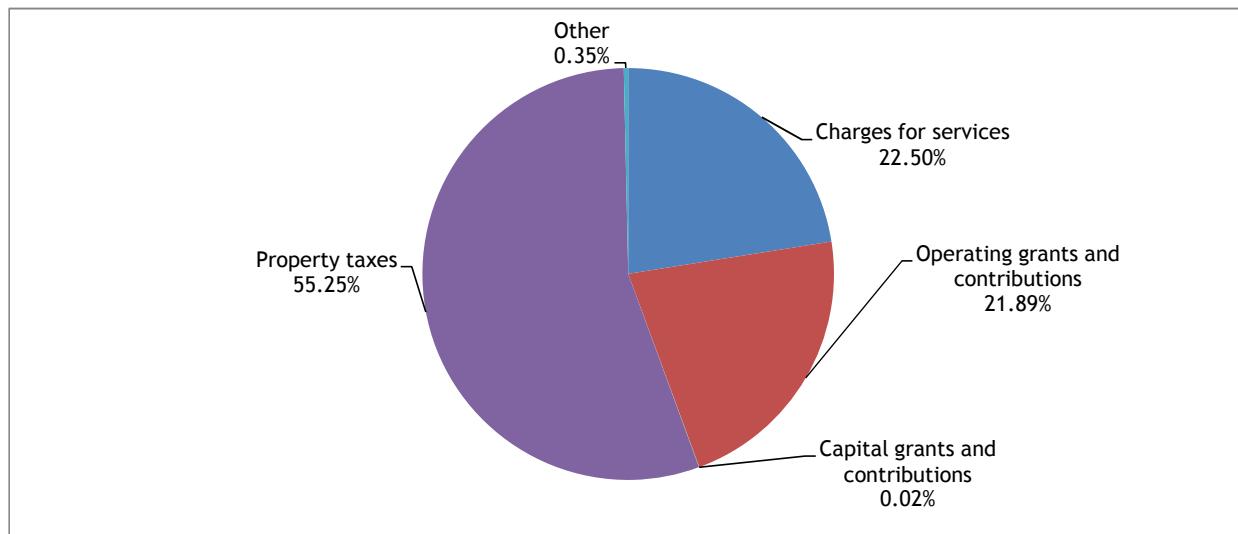
Expenses and Program Revenues - Governmental Activities



GRAND TRAVERSE COUNTY, MICHIGAN

Management's Discussion and Analysis

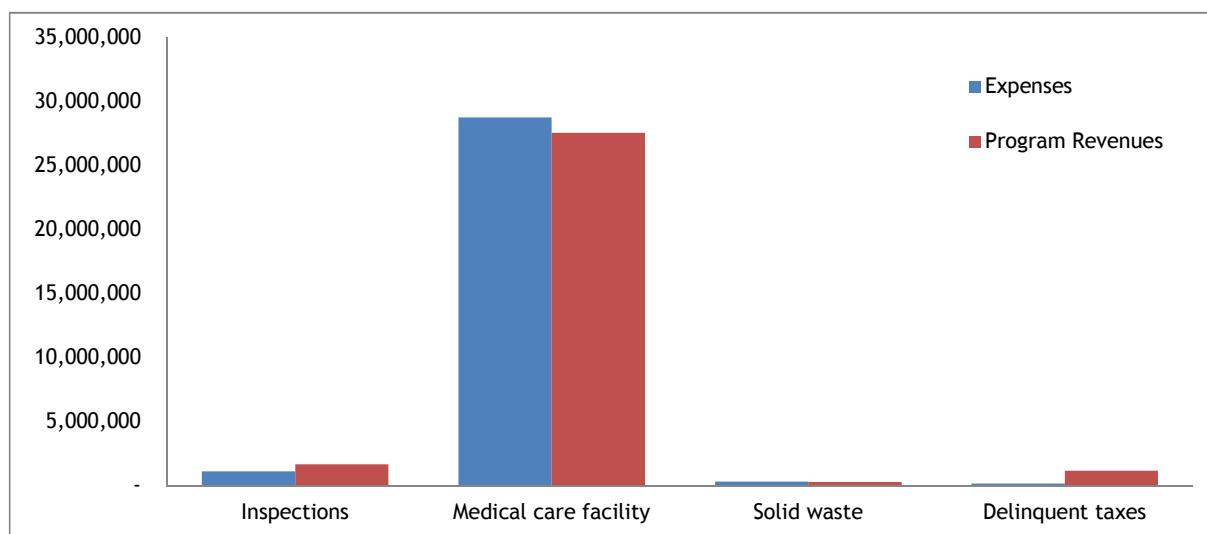
Revenues by Source - Governmental Activities



Business-type activities. Business-type activities increased the County's net position by \$2,100,283. Key elements of this increase are as follows:

- Total nonoperating revenues of \$2,494,088 for the Grand Traverse Pavilions Medical Care Facility which offset an operating loss of \$877,130.
- Operating income of \$767,930 for the Delinquent Tax Revolving fund offset by net transfers out of \$918,417.
- Operating income of \$700,331 for the other enterprise funds offset by net transfers out of \$120,545.

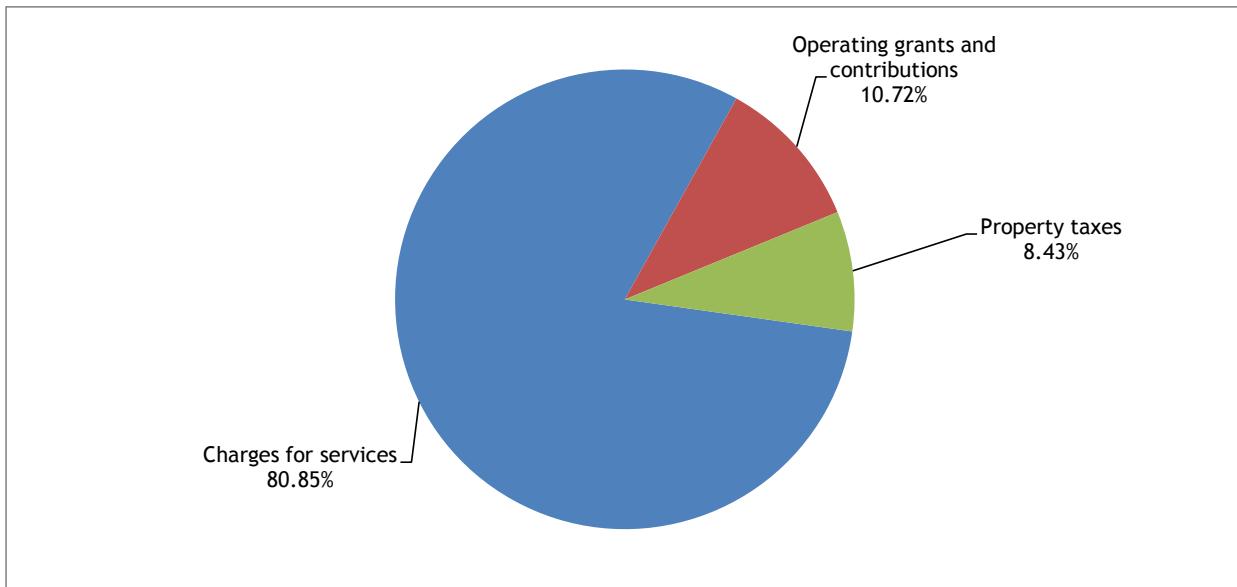
Expenses and Program Revenues - Business-type Activities



GRAND TRAVERSE COUNTY, MICHIGAN

Management's Discussion and Analysis

Revenues by Source - Business-type Activities



Financial Analysis of the County's Funds

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

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

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$14,103,622, a decrease of \$2,470,484 in comparison with the prior year. The unassigned fund balance is \$3,186,120 or 22.6% of total fund balances. The remainder of fund balance is not available for spending at the County's discretion because it is nonspendable \$2,843,112; restricted \$3,410,978; committed \$3,957,767; or assigned \$705,645.

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$5,421,120 while total fund balance was \$8,938,060. 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 14.2% of total General Fund expenditures and transfers out.

The fund balance of the County's General Fund decreased by \$263,052 during the current fiscal year. The main reasons for this decrease were that property tax revenue was less than projected and the increase in defined benefit retirement expenditures.

The Commission on Aging Fund had an increase in fund balance of \$159,104. This increase in fund balance was due to the increase in charges for services revenue and the fact that health and welfare expenditures were less than budgeted.

The CDBG fund had a decrease in fund balance of \$8,767. This decrease was attributable mainly to grant administration revenues being less than grant administration expenditures.

GRAND TRAVERSE COUNTY, MICHIGAN

Management's Discussion and Analysis

The Health Department fund had a decrease in fund balance of \$173,320. This decrease was due mainly to measles and pertussis outbreaks which required shifting of employee resources to manage these public health issues which also resulted in a lower revenue realization.

The Lafranier DPW debt fund had a decrease in the fund deficit of \$185,000. The decrease was due to the fact that the General Fund made the scheduled lease payment during the fiscal year.

General Fund Budgetary Highlights

Differences between the original and final amended budgets for expenditures and transfers out resulted in a net decrease of \$10,313 in appropriations. The major changes in appropriations were reductions in public safety personnel expenditures to reduce the budgeted use of fund balance which was partially offset by an increase in transfers out to cover retiree's post-employment benefits and workers compensation expenditures.

Capital Assets and Debt Administration

Capital assets. The County's investment in capital assets for its governmental and business-type activities as of December 31, 2014, amounted to \$68,068,116. This investment in capital assets includes land, buildings and improvements, machinery and equipment, and vehicles. The total change in the County's net investment in capital assets for the current fiscal year was a decrease of 2.7% for the governmental activities and 3.7% for the business-type activities.

	Capital Assets (Net of Depreciation)					
	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$15,639,877	\$15,639,877	\$ 1,820,550	\$ 1,870,064	\$17,460,427	\$17,509,941
Construction in progress	-	-	31,396	7,080	31,396	7,080
Land improvements	814,862	916,407	844,333	988,013	1,659,195	1,904,420
Infrastructure	105,152	181,078	-	-	105,152	181,078
Buildings and improvements	25,844,253	26,667,098	20,289,764	20,996,347	46,134,017	47,663,445
Furniture and equipment	1,555,101	1,929,251	411,970	425,043	1,967,071	2,354,294
Vehicles and equipment	673,896	551,916	36,962	53,423	710,858	605,339
Total	\$44,633,141	\$45,885,627	\$23,434,975	\$24,339,970	\$68,068,116	\$70,225,597

Additional information on the County's capital assets can be found in Note 7 to the financial statements.

GRAND TRAVERSE COUNTY, MICHIGAN

Management's Discussion and Analysis

Long-term debt. At the end of the current fiscal year, the County had total debt outstanding of \$18,157,508. Of this amount, \$15,945,000 comprises debt backed by the full faith and credit of the County. The remainder of the County's debt represents compensated absences and bond issuance discounts and premiums.

	Long-term Debt					
	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
General obligation bonds	\$ 9,935,000	\$10,480,000	\$ 6,010,000	\$ 8,175,000	\$15,945,000	\$18,655,000
Issuance discount	(42,600)	(44,452)	-	-	(42,600)	(44,452)
Issuance premium	-	-	31,171	69,029	31,171	69,029
Compensated absences	<u>1,616,610</u>	<u>1,586,406</u>	<u>607,327</u>	<u>551,254</u>	<u>2,223,937</u>	<u>2,137,660</u>
Total	<u>\$11,509,010</u>	<u>\$12,021,954</u>	<u>\$ 6,648,498</u>	<u>\$ 8,795,283</u>	<u>\$18,157,508</u>	<u>\$20,817,237</u>

The County's total debt decreased by \$2,659,729 or 12.8% during the current fiscal year. Total debt was decreased by scheduled repayments.

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

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

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total assessed valuation. The current debt limitation for the County is approximately \$532,449,729, which is significantly in excess of the County's outstanding general obligation debt.

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

Economic Factors and Next Year's Budgets and Rates

The following factors were considered in preparing the County's budget for the 2015 fiscal year:

- It is anticipated that the taxable value for property tax revenues will increase by approximately 1.75 percent. Other revenue sources are estimated to increase slightly.
- There are no open labor contracts going into 2015 and salary and benefit costs were increased based on contract settlements.
- Overall the outlook for Grand Traverse County remains positive. The continued and anticipated growth in taxable value should reduce the need to use available fund balances as a means of maintaining current services and programs.

Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director's office, 400 Boardman Avenue, Traverse City, Michigan 49684.

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BASIC FINANCIAL STATEMENTS

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GRAND TRAVERSE COUNTY, MICHIGAN

Statement of Net Position

December 31, 2014

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
Assets				
Cash and cash equivalents	\$ 7,843,910	\$ 14,742,946	\$ 22,586,856	\$ 6,931,187
Investments	1,277,358	3,894,096	5,171,454	-
Receivables, net	12,200,676	10,707,509	22,908,185	35,700,253
Internal balances	1,091,125	(1,091,125)	-	-
Inventories	-	123,749	123,749	1,547,665
Prepaid items and other assets	665,947	17,250	683,197	12,830,395
Restricted cash	-	-	-	1,427,710
Capital assets not being depreciated	15,639,877	1,851,946	17,491,823	28,573,688
Capital assets being depreciated, net	28,993,264	21,583,029	50,576,293	50,709,262
Total assets	67,712,157	51,829,400	119,541,557	137,720,160
Deferred outflows of resources				
Deferred loss on advance refunding	-	265,653	265,653	-
Liabilities				
Accounts payable and accrued liabilities	2,682,608	2,062,426	4,745,034	19,010,120
Unearned revenues	107,206	-	107,206	1,143,923
Long-term debt:				
Due within one year	579,647	1,290,752	1,870,399	3,931,355
Due in more than one year	10,929,363	5,357,746	16,287,109	30,784,795
Net other postemployment benefits obligation	2,047,832	685,886	2,733,718	2,516,828
Total liabilities	16,346,656	9,396,810	25,743,466	57,387,021
Deferred inflows of resources				
Property taxes levied for subsequent year	2,684,004	2,950,332	5,634,336	3,653,011
Net position				
Net investment in capital assets	34,740,741	17,659,457	52,400,198	74,532,023
Restricted for:				
Nonexpendable trusts	213,134	-	213,134	-
Revenue sharing reserve	563,913	-	563,913	-
State mandated programs	5,213,773	-	5,213,773	-
Drain commission	-	-	-	1,568,508
Unrestricted	7,949,936	22,088,454	30,038,390	579,597
Total net position	\$ 48,681,497	\$ 39,747,911	\$ 88,429,408	\$ 76,680,128

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

GRAND TRAVERSE COUNTY, MICHIGAN

Statement of Activities

For the Year Ended December 31, 2014

Functions / Programs	Expenses	Indirect Expense Allocation	Program Revenues				Net (Expense) Revenues			
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions					
Primary government										
Governmental activities:										
Legislative	\$ 378,371	\$ (27,290)	\$ 1,596	\$ -	\$ -	\$ -	\$ (349,485)			
Judicial	9,104,678	1,354,860	2,882,430	3,688,022	-	-	(3,889,086)			
General government	10,686,139	(1,620,161)	3,008,497	721,682	-	-	(5,335,799)			
Public safety	17,255,969	26,599	1,739,316	2,273,433	8,572	(13,261,247)				
Health and welfare	11,322,670	156,689	2,401,506	3,549,454	-	-	(5,528,399)			
Economic development	1,497,567	-	2,500	4,460	-	-	(1,490,607)			
Recreation and cultural	892,317	-	486,036	3,097	-	-	(403,184)			
Interest on long-term debt	303,021	-	-	-	-	-	(303,021)			
Total governmental activities	51,440,732	(109,303)	10,521,881	10,240,148	8,572	(30,560,828)				
Business-type activities:										
Inspections	1,086,852	49,912	1,676,375	-	-	-	539,611			
Medical Care Facility (Pavilions)	28,677,357	45,600	24,735,108	2,780,120	-	-	(1,207,729)			
Solid waste	304,554	13,791	261,482	42,079	-	-	(14,784)			
Delinquent tax collection and administration	185,087	-	414,186	767,761	-	-	996,860			
Total business-type activities	30,253,850	109,303	27,087,151	3,589,960	-	-	313,958			
Total primary government	\$ 81,694,582	\$ -	\$ 37,609,032	\$ 13,830,108	\$ 8,572	\$ (30,246,870)				
Component units										
Road Commission	\$ 11,057,338	\$ -	\$ 1,523,670	\$ 7,506,660	\$ 1,616,664	\$ -	\$ (410,344)			
Department of Public Works	6,450,090	-	1,319,498	5,328,768	-	-	198,176			
Brownfield Redevelopment Authority	3,171,407	-	50,000	813,344	-	-	(2,308,063)			
Land Bank Authority	81,981	-	30,639	44,000	-	-	(7,342)			
Total component units	\$ 20,760,816	\$ -	\$ 2,923,807	\$ 13,692,772	\$ 1,616,664	\$ -	\$ (2,527,573)			

continued...

GRAND TRAVERSE COUNTY, MICHIGAN

Statement of Activities

For the Year Ended December 31, 2014

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
Changes in net position				
Net (expense) revenues	<u>\$ (30,560,828)</u>	<u>\$ 313,958</u>	<u>\$ (30,246,870)</u>	<u>\$ (2,527,573)</u>
General revenues:				
Property taxes	25,840,580	2,824,687	28,665,267	5,181,432
Unrestricted investment earnings	163,012	-	163,012	6,774
Gain on sale of capital assets	29,527	600	30,127	42,421
Transfers - internal activities	<u>1,038,962</u>	<u>(1,038,962)</u>	<u>-</u>	<u>-</u>
Total general revenues and transfers	<u>27,072,081</u>	<u>1,786,325</u>	<u>28,858,406</u>	<u>5,230,627</u>
Change in net position	<u>(3,488,747)</u>	<u>2,100,283</u>	<u>(1,388,464)</u>	<u>2,703,054</u>
Net position, beginning of year	<u>52,170,244</u>	<u>37,647,628</u>	<u>89,817,872</u>	<u>73,977,074</u>
Net position, end of year	<u><u>\$ 48,681,497</u></u>	<u><u>\$ 39,747,911</u></u>	<u><u>\$ 88,429,408</u></u>	<u><u>\$ 76,680,128</u></u>

concluded

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

GRAND TRAVERSE COUNTY, MICHIGAN

Balance Sheet Governmental Funds December 31, 2014

	General	Commission on Aging	CDBG	Health Department
Assets				
Cash and cash equivalents	\$ 914,392	\$ 2,369,700	\$ 6,335	\$ 728,782
Investments	1,206,802	-	-	-
Receivables, net:				
Accounts	381,238	1,613	-	49,894
Loans	-	-	1,835,784	-
Taxes	-	2,381,210	-	-
Interest	22,283	-	-	-
Due from other governments	4,666,560	-	72,427	991,472
Due from other funds	842,054	-	-	-
Prepaid items	55,801	11,470	-	8,362
Advance to other funds	2,755,494	-	-	-
Total assets	<u>\$ 10,844,624</u>	<u>\$ 4,763,993</u>	<u>\$ 1,914,546</u>	<u>\$ 1,778,510</u>
Liabilities				
Accounts payable	\$ 582,249	\$ 33,726	\$ 22,027	\$ 54,487
Accrued liabilities	692,315	69,874	542	40,910
Due to other funds	-	11,675	145	41,945
Due to other governments	-	-	-	-
Advance from other funds	563,913	-	-	-
Unearned revenues	68,087	3,371	-	12,397
Total liabilities	<u>1,906,564</u>	<u>118,646</u>	<u>22,714</u>	<u>149,739</u>
Deferred inflows of resources				
Property taxes levied for subsequent year	-	2,684,004	-	-
Unavailable revenues - loans receivable	-	-	1,835,784	-
Total deferred inflows of resources	<u>-</u>	<u>2,684,004</u>	<u>1,835,784</u>	<u>-</u>
Fund balances				
Nonspendable	2,811,295	11,470	-	8,362
Restricted	-	1,949,873	56,048	213,134
Committed	-	-	-	1,407,275
Assigned	705,645	-	-	-
Unassigned (deficit)	5,421,120	-	-	-
Total fund balances	<u>8,938,060</u>	<u>1,961,343</u>	<u>56,048</u>	<u>1,628,771</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 10,844,624</u>	<u>\$ 4,763,993</u>	<u>\$ 1,914,546</u>	<u>\$ 1,778,510</u>

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

STATEMENT OF GOVERNMENTAL FUNDS

Building Authority LaFranier DPW	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 2,818,426	\$ 6,837,635
	70,556	1,277,358
-	370,503	803,248
-	732,588	2,568,372
-	-	2,381,210
-	-	22,283
-	662,931	6,393,390
-	499,275	1,341,329
-	11,985	87,618
-	563,913	3,319,407
<hr/>	<hr/>	<hr/>
\$ -	\$ 5,730,177	\$ 25,031,850
\$ -	\$ 312,680	\$ 1,005,169
-	168,744	972,385
-	218,779	272,544
-	149,141	149,141
1,320,000	1,285,494	3,169,407
-	23,351	107,206
<hr/>	<hr/>	<hr/>
1,320,000	2,158,189	5,675,852
-	-	2,684,004
	<hr/>	<hr/>
-	732,588	2,568,372
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-	732,588	5,252,376
-	11,985	2,843,112
-	1,191,923	3,410,978
-	2,550,492	3,957,767
-	-	705,645
(1,320,000)	(915,000)	3,186,120
(1,320,000)	2,839,400	14,103,622
<hr/>	<hr/>	<hr/>
\$ -	\$ 5,730,177	\$ 25,031,850

GRAND TRAVERSE COUNTY, MICHIGAN

Reconciliation

Fund Balances of Governmental Funds
to Net Position of Governmental Activities
December 31, 2014

Fund balances - total governmental funds	\$ 14,103,622
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Amounts reported for *governmental activities* in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources, and therefore not reported in the funds.

Capital assets not being depreciated	15,639,877
Capital assets being depreciated, net	28,993,264
Less amounts accounted for in governmental type internal service funds	(244,255)

Because the focus of governmental funds is on short-term financing, some assets will not be available to pay for current-period expenditures. Some of these assets (such as loan receivables) are offset by deferred inflows of resources in the governmental funds, and thus are not included in fund balance.

Unavailable long-term loans receivable	2,568,372
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Internal service funds are used by management to charge the costs of certain activities, such as insurance and other centralized costs, to individual funds. The assets and liabilities of internal service funds are included in governmental activities in the statement of net position.

Net position of governmental activities accounted for in internal service funds	1,179,355
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Certain liabilities, such as bonds payable, are not due and payable in the current period, and therefore are not reported in the funds.

Bonds payable	(9,935,000)
Unamortized bond discount	42,600
Compensated absences	(1,616,610)
Less amounts accounted for in governmental type internal service funds	34,694
Accrued interest on long-term liabilities	(36,590)
Net other postemployment benefits obligation	<u>(2,047,832)</u>

Net position of governmental activities	<u>\$ 48,681,497</u>
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The accompanying notes are an integral part of these financial statements.

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GRAND TRAVERSE COUNTY, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds For the Year Ended December 31, 2014

	General	Commission on Aging	CDBG	Health Department
Revenues				
Property and other taxes	\$ 23,272,828	\$ 2,567,752	\$ -	\$ -
Licenses and permits	162,448	-	-	403,310
Intergovernmental:				
Federal sources	124,528	-	225,826	1,806,598
State sources	1,645,301	-	-	1,383,774
Local sources	1,903,840	35,591	-	157,869
Charges for services	5,057,100	366,553	-	314,503
Fines and forfeitures	118,070	-	-	-
Reimbursements	2,505,882	-	-	-
Contributions	1,225	-	-	-
Rental revenues	580,008	-	-	-
Interest revenues	132,720	5,154	-	-
Other revenues	6,329	50,308	31,511	13,138
Total revenues	35,510,279	3,025,358	257,337	4,079,192
Expenditures				
Current:				
Legislative	377,888	-	-	-
Judicial	2,461,214	-	-	-
General government	8,412,600	-	-	-
Public safety	14,840,469	-	-	-
Health and welfare	1,421,339	2,861,054	266,104	5,552,419
Economic development	-	-	-	-
Recreation and cultural	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital outlay	53,807	5,354	-	-
Total expenditures	27,567,317	2,866,408	266,104	5,552,419
Revenues over (under) expenditures	7,942,962	158,950	(8,767)	(1,473,227)
Other financing sources (uses)				
Proceeds from sale of capital assets	29,083	154	-	-
Transfers in	2,394,998	-	-	1,299,907
Transfers out	(10,630,095)	-	-	-
Total other financing sources (uses)	(8,206,014)	154	-	1,299,907
Net change in fund balances	(263,052)	159,104	(8,767)	(173,320)
Fund balances (deficit), beginning of year	9,201,112	1,802,239	64,815	1,802,091
Fund balances (deficit), end of year	\$ 8,938,060	\$ 1,961,343	\$ 56,048	\$ 1,628,771

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

STATEMENT OF CASH FLOWS

Building Authority LaFranier DPW	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 25,840,580
		565,758
- 1,474,967	3,631,919	
- 1,044,243	4,073,318	
- 1,616,442	3,713,742	
- 884,622	6,622,778	
- - 118,070		
- - 2,505,882		
- - 1,225		
- 116,700	696,708	
- 24,012	161,886	
- 495,358	596,644	
<hr/>	<hr/>	<hr/>
- 5,656,344	48,528,510	
<hr/>	<hr/>	<hr/>
- - 377,888		
- 7,677,943	10,139,157	
- 1,922,142	10,334,742	
- 526,841	15,367,310	
- 1,864,059	11,964,975	
- 1,497,567	1,497,567	
- 667,140	667,140	
<hr/>	<hr/>	<hr/>
- 545,000	545,000	
- 302,794	302,794	
- 629,608	688,769	
<hr/>	<hr/>	<hr/>
- 15,633,094	51,885,342	
<hr/>	<hr/>	<hr/>
- (9,976,750)	(3,356,832)	
<hr/>	<hr/>	<hr/>
- - 29,237		
185,000 8,980,079	12,859,984	
<hr/>	<hr/>	<hr/>
- (1,372,778)	(12,002,873)	
<hr/>	<hr/>	<hr/>
185,000 7,607,301	886,348	
<hr/>	<hr/>	<hr/>
185,000 (2,369,449)	(2,470,484)	
<hr/>	<hr/>	<hr/>
(1,505,000) 5,208,849	16,574,106	
<hr/>	<hr/>	<hr/>
\$ (1,320,000) \$ 2,839,400	\$ 14,103,622	
<hr/>	<hr/>	<hr/>

GRAND TRAVERSE COUNTY, MICHIGAN

Reconciliation

Net Changes in Fund Balances of Governmental Funds
to Change in Net Position of Governmental Activities
For the Year Ended December 31, 2014

Net change in fund balances - total governmental funds \$ (2,470,484)

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 is allocated over their estimated useful lives and reported as depreciation expense.

Acquisition/construction of capital assets	785,001
Less acquisition/construction of capital assets accounted for in governmental internal service funds	(61,505)
Depreciation expense	(2,037,487)
Less depreciation expense accounted for in governmental internal service funds	115,627
Gain on disposal of capital assets	29,527
Less gain on disposal of capital assets accounted for in governmental internal service funds	(290)
Proceeds from sale of capital assets	(29,527)
Less proceeds from sale of capital assets accounted for in governmental internal service funds	290

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, but rather are deferred to the following fiscal year.

Change in deferred long-term loans receivable	(78,315)
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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 governmental funds.

Change in accrued interest payable	1,625
Change in net other postemployment benefits obligation	(404,016)

Bond proceeds provide current financial resources to governmental funds in the period issued, issuing bonds increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Bond discounts and premiums are reported as expenditures or other financing sources/uses in the governmental funds, but are reported with long-term liabilities in the statement of net position and are amortized.

Principal payments on bonds payable	545,000
Amortization of bond discounts	(1,852)
Change in accrual of compensated absences	(30,204)
Less change in accrual of compensated absences accounted for in governmental internal service funds	3,939

Internal service funds are used by management to charge the costs of certain activities, such as equipment usage and employee benefits, to individual funds. The net revenues (expense) of internal service funds is reported with governmental activities.

Change in net position of internal service funds	143,924
Change in net position of governmental activities	\$ (3,488,747)

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

GRAND TRAVERSE COUNTY, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - General Fund
For the Year Ended December 31, 2014

	Original Budget	Amended Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Property and other taxes:				
Current property taxes	\$ 21,730,268	\$ 21,730,268	\$ 21,583,865	\$ (146,403)
Unpaid personal property taxes	20,000	20,000	27,062	7,062
Swamp land tax	60,783	60,783	84,143	23,360
Trailer tax	9,969	9,969	9,543	(426)
Payment in lieu of taxes	35,430	35,430	37,564	2,134
Commercial forest reserve tax	700	700	4,706	4,006
Industrial and commercial facilities taxes	54,802	54,802	75,852	21,050
Interest on taxes	76,518	76,518	60,654	(15,864)
Liquor tax	1,046,550	1,117,550	1,389,439	271,889
Total taxes	23,035,020	23,106,020	23,272,828	166,808
Licenses and permits:				
Soil erosion	90,000	90,000	120,023	30,023
Pistol permits	19,000	19,000	26,532	7,532
Marriage licenses	7,000	7,000	7,105	105
Township liquor licenses	7,000	7,000	6,246	(754)
Drug screening	2,000	2,000	2,542	542
Total licenses and permits	125,000	125,000	162,448	37,448
Federal sources:				
Cooperative reimbursement - prosecutor	123,000	123,000	99,244	(23,756)
Anti-drug abuse act	20,941	20,941	16,712	(4,229)
Bullet proof vests	3,240	3,240	8,572	5,332
Total federal sources	147,181	147,181	124,528	(22,653)
State sources:				
Circuit judge standardization	60,356	60,356	60,356	-
District judge standardization	98,763	98,763	98,764	1
Probate judge standardization	54,425	54,425	54,782	357
Probate judge salary	94,195	94,195	94,195	-
Probate juvenile officer salary	60,275	60,275	74,974	14,699
Act 272 funding	2,500	2,500	8,602	6,102
Victim's rights act	55,832	55,832	71,649	15,817
Remonumentation	50,000	67,675	67,675	-
Secondary road patrol	70,000	70,000	80,032	10,032
911 public safety	265,000	265,000	259,194	(5,806)
Marine safety	77,000	77,000	58,400	(18,600)
Off-road vehicle	10,317	10,317	3,943	(6,374)
Snowmobile	7,000	7,000	6,595	(405)
State court fund distribution	354,106	354,106	337,781	(16,325)
Caseflow assistance	35,987	35,987	36,825	838
State revenue sharing	-	-	331,534	331,534
Total state sources	1,295,756	1,313,431	1,645,301	331,870

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GRAND TRAVERSE COUNTY, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - General Fund
For the Year Ended December 31, 2014

	Original Budget	Amended Budget	Actual	Actual Over (Under) Final Budget
Revenues (concluded)				
Local sources	\$ 1,887,091	\$ 1,914,506	\$ 1,903,840	\$ (10,666)
Charges for services:				
Circuit court costs and services	167,325	167,325	148,502	(18,823)
District court costs and services	1,520,500	1,520,500	1,476,996	(43,504)
Probate court services	31,100	31,100	34,323	3,223
Family court juvenile	681,700	681,700	631,741	(49,959)
Clerk services	192,250	214,250	250,583	36,333
Equalization	2,000	2,000	8,497	6,497
Equalization - East Bay	141,491	141,491	128,271	(13,220)
Prosecuting attorney	9,400	9,400	4,602	(4,798)
Register of deeds services	619,300	619,300	418,978	(200,322)
Register of deeds land transfer	450,000	450,000	571,435	121,435
Treasurer services	13,500	13,500	11,870	(1,630)
Building and grounds	51,000	51,000	49,673	(1,327)
Sheriff services	76,625	79,625	63,946	(15,679)
Central dispatch	780,000	780,000	795,101	15,101
Sheriff - corrections	308,600	308,600	313,914	5,314
Planning department	500	500	720	220
GIS	30,000	31,000	13,742	(17,258)
Brownfield administration	145,000	120,000	120,000	-
Livery licenses	800	800	494	(306)
Other services	3,700	3,300	13,712	10,412
Total charges for services	5,224,791	5,225,391	5,057,100	(168,291)
Fines and forfeitures:				
Forfeitures	-	-	395	395
Ordinance fines	115,650	113,550	117,675	4,125
Total fines and forfeitures	115,650	113,550	118,070	4,520
Reimbursements:				
Indirect cost recovery	2,069,504	2,049,197	2,049,196	(1)
Other reimbursements and refunds	57,150	133,746	165,696	31,950
Attorney fee reimbursement	306,000	306,000	290,990	(15,010)
Total reimbursements	2,432,654	2,488,943	2,505,882	16,939
Contributions	400	1,625	1,225	(400)
Rental revenues	574,502	574,502	580,008	5,506
Interest income	152,585	152,585	132,720	(19,865)
Other revenues - sales	6,000	6,000	6,329	329
Total revenues	34,996,630	35,168,734	35,510,279	341,545

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GRAND TRAVERSE COUNTY, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - General Fund
For the Year Ended December 31, 2014

	Original Budget	Amended Budget	Actual	Actual Over (Under) Final Budget
Expenditures				
Legislative:				
Board of Commissioners	\$ 392,183	\$ 394,183	\$ 377,888	\$ (16,295)
Judicial:				
Jury commission	46,833	46,833	42,772	(4,061)
Probate court	711,862	705,127	667,069	(38,058)
Probate court - juvenile	1,854,377	1,809,547	1,751,373	(58,174)
Total judicial	2,613,072	2,561,507	2,461,214	(100,293)
General government:				
County administrator	299,085	287,585	263,369	(24,216)
Brownfield administration	216,910	196,044	191,473	(4,571)
Elections	69,918	69,784	48,482	(21,302)
Finance	551,085	551,085	525,615	(25,470)
County clerk	903,270	924,270	873,443	(50,827)
Equalization	459,876	459,876	412,828	(47,048)
Equalization - East Bay	141,491	141,491	138,938	(2,553)
Human resources	453,168	460,168	425,325	(34,843)
Prosecuting attorney	1,458,257	1,471,757	1,464,178	(7,579)
Register of deeds	297,778	311,778	300,795	(10,983)
County surveyor	56,307	71,405	71,307	(98)
County treasurer	371,059	372,559	369,336	(3,223)
Cooperative extension	300,582	300,582	291,001	(9,581)
Building authority	2,155	2,155	1,538	(617)
Facilities management	1,138,202	1,138,202	1,104,361	(33,841)
Drain commission	18,275	21,275	19,217	(2,058)
Soil erosion and sedimentation	180,715	180,715	176,252	(4,463)
Soil conservation	47,500	47,500	47,500	-
Planning	211,074	207,074	185,624	(21,450)
G.I.S. assessment project	340,039	327,284	311,290	(15,994)
Contingencies	55,805	91,603	-	(91,603)
Special appropriations	702,200	703,650	703,650	-
Insurance and bonds	518,929	487,078	487,078	-
Total general government	8,793,680	8,824,920	8,412,600	(412,320)
Public safety:				
Secondary road patrol	106,892	106,892	102,014	(4,878)
Central records	883,019	873,519	864,425	(9,094)
Central dispatch	1,784,151	1,690,151	1,680,342	(9,809)
Special investigation	188,722	184,722	153,513	(31,209)
County investigation	941,054	941,154	917,901	(23,253)
County off-road vehicle	20,153	10,503	4,426	(6,077)
County patrol	5,522,874	5,415,374	5,359,189	(56,185)
Sheriff administration	584,284	598,784	584,615	(14,169)
Snowmobile enforcement	14,463	16,463	14,368	(2,095)
Marine law enforcement	93,101	102,751	91,968	(10,783)

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GRAND TRAVERSE COUNTY, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - General Fund
For the Year Ended December 31, 2014

	Original Budget	Amended Budget	Actual	Actual Over (Under) Final Budget
Expenditures (concluded)				
Public safety (concluded):				
Township fire	\$ 55,529	\$ 57,444	\$ 55,655	\$ (1,789)
Corrections	5,256,340	5,192,240	5,012,053	(180,187)
Total public safety	<u>15,450,582</u>	<u>15,189,997</u>	<u>14,840,469</u>	<u>(349,528)</u>
Health and welfare:				
Substance abuse	523,275	594,275	863,994	269,719
Ambulance	25,000	25,000	25,000	-
Family independence agency	-	54,000	54,000	-
Veterans counselor	496,252	490,064	478,345	(11,719)
Total health and welfare	<u>1,044,527</u>	<u>1,163,339</u>	<u>1,421,339</u>	<u>258,000</u>
Capital outlay				
Total expenditures	<u>28,294,044</u>	<u>28,251,880</u>	<u>27,567,317</u>	<u>(684,563)</u>
Revenues over expenditures	<u>6,702,586</u>	<u>6,916,854</u>	<u>7,942,962</u>	<u>1,026,108</u>
Other financing sources (uses)				
Proceeds from sale of capital assets	4,000	29,083	29,083	-
Transfers in	2,701,330	2,726,532	2,394,998	(331,534)
Transfers out:				
Register of deeds	(124,000)	(124,000)	-	(124,000)
Building authority debt	(1,233,019)	(1,233,019)	(1,232,794)	(225)
Health department	(1,299,907)	(1,299,907)	(1,299,907)	-
13th Circuit Court	(1,418,839)	(1,418,839)	(1,316,403)	(102,436)
86th District Court	(3,027,231)	(3,027,231)	(2,991,610)	(35,621)
Parks and recreation	(318,613)	(318,613)	(318,613)	-
Friend of the court	(345,241)	(345,241)	(345,241)	-
Corrections P.A. 511	(49,521)	(49,521)	(49,521)	-
Child care	(973,250)	(973,250)	(826,631)	(146,619)
County facilities	(1,771,792)	(1,771,792)	(1,771,792)	-
Capital improvements	(295,732)	(295,732)	(295,732)	-
Fringe benefits	(150,000)	(181,851)	(181,851)	-
Total other financing sources (uses)	<u>(8,301,815)</u>	<u>(8,283,381)</u>	<u>(8,206,014)</u>	<u>(77,367)</u>
Net change in fund balance	<u>(1,599,229)</u>	<u>(1,366,527)</u>	<u>(263,052)</u>	<u>1,103,475</u>
Fund balance, beginning of year	<u>9,201,112</u>	<u>9,201,112</u>	<u>9,201,112</u>	<u>-</u>
Fund balance, end of year	<u>\$ 7,601,883</u>	<u>\$ 7,834,585</u>	<u>\$ 8,938,060</u>	<u>\$ 1,103,475</u>

concluded

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

GRAND TRAVERSE COUNTY, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Commission on Aging Special Revenue Fund

For the Year Ended December 31, 2014

	Original Budget	Amended Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Property and other taxes	\$ 2,563,943	\$ 2,582,074	\$ 2,567,752	\$ (14,322)
Intergovernmental - local sources	12,700	45,413	35,591	(9,822)
Charges for services	267,000	313,750	366,553	52,803
Interest revenues	7,000	7,000	5,154	(1,846)
Other revenues	16,450	23,240	50,308	27,068
Total revenues	2,867,093	2,971,477	3,025,358	53,881
Expenditures				
Current:				
Health and welfare	3,128,034	3,138,992	2,861,054	(277,938)
Capital outlay	6,000	6,000	5,354	(646)
Total expenditures	3,134,034	3,144,992	2,866,408	(278,584)
Revenues over (under) expenditures	(266,941)	(173,515)	158,950	332,465
Other financing sources				
Proceeds from sale of capital assets	-	155	154	(1)
Net change in fund balance	(266,941)	(173,360)	159,104	332,464
Fund balance, beginning of year	1,802,239	1,802,239	1,802,239	-
Fund balance, end of year	\$ 1,535,298	\$ 1,628,879	\$ 1,961,343	\$ 332,464

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

GRAND TRAVERSE COUNTY, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - CDBG Special Revenue Fund
For the Year Ended December 31, 2014

	Original Budget	Amended Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Intergovernmental - federal sources	\$ 181,394	\$ 342,894	\$ 225,826	\$ (117,068)
Other	5,000	5,000	31,511	26,511
Total revenues	186,394	347,894	257,337	(90,557)
Expenditures				
Current:				
Health and welfare	246,394	407,894	266,104	(141,790)
Net change in fund balance	(60,000)	(60,000)	(8,767)	51,233
Fund balance, beginning of year	64,815	64,815	64,815	-
Fund balance, end of year	\$ 4,815	\$ 4,815	\$ 56,048	\$ 51,233

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

GRAND TRAVERSE COUNTY, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Health Department Special Revenue Fund

For the Year Ended December 31, 2014

	Original Budget	Amended Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Licenses and permits	\$ 390,250	\$ 390,250	\$ 403,310	\$ 13,060
Intergovernmental:				
Federal sources	1,783,905	1,795,354	1,806,598	11,244
State sources	1,367,008	1,367,008	1,383,774	16,766
Local sources	116,100	160,269	157,869	(2,400)
Charges for services	309,700	321,200	314,503	(6,697)
Other revenues	175	175	13,138	12,963
Total revenues	3,967,138	4,034,256	4,079,192	44,936
Expenditures				
Current:				
Health and welfare	5,703,413	5,808,391	5,552,419	(255,972)
Revenue under expenditures	(1,736,275)	(1,774,135)	(1,473,227)	300,908
Other financing sources				
Transfers in	1,299,907	1,299,906	1,299,907	1
Net change in fund balance	(436,368)	(474,229)	(173,320)	300,909
Fund balance, beginning of year	1,802,091	1,802,091	1,802,091	-
Fund balance, end of year	\$ 1,365,723	\$ 1,327,862	\$ 1,628,771	\$ 300,909

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

GRAND TRAVERSE COUNTY, MICHIGAN

Statement of Net Position

Proprietary Funds
December 31, 2014

	Business-type Activities - Enterprise Funds				Governmental Activities
	Grand Traverse Pavilions	Delinquent Tax Revolving	Nonmajor Enterprise Funds	Total	Internal Service Funds
Assets					
Current assets:					
Cash and cash equivalents	\$ 7,922,794	\$ 4,161,672	\$ 2,658,480	\$ 14,742,946	\$ 1,006,275
Investments	-	3,894,096	-	3,894,096	-
Receivables, net:					
Accounts	3,006,151	323,997	69,937	3,400,085	32,173
Taxes	2,617,460	4,046,080	131,030	6,794,570	-
Interest	-	512,854	-	512,854	-
Inventories	123,749	-	-	123,749	-
Due from other funds	-	-	1,390	1,390	174,609
Prepaid items and other assets	17,050	-	200	17,250	578,329
Total current assets	<u>13,687,204</u>	<u>12,938,699</u>	<u>2,861,037</u>	<u>29,486,940</u>	<u>1,791,386</u>
Noncurrent assets:					
Capital assets:					
Capital assets not being depreciated	1,851,946	-	-	1,851,946	-
Capital assets being depreciated, net	21,583,029	-	-	21,583,029	244,255
Total noncurrent assets	<u>23,434,975</u>	<u>-</u>	<u>-</u>	<u>23,434,975</u>	<u>244,255</u>
Total assets	<u>37,122,179</u>	<u>12,938,699</u>	<u>2,861,037</u>	<u>52,921,915</u>	<u>2,035,641</u>
Deferred outflows of resources					
Deferred loss on advance refunding	<u>265,653</u>	<u>-</u>	<u>-</u>	<u>265,653</u>	<u>-</u>
Liabilities					
Current liabilities:					
Accounts payable	214,433	9	23,253	237,695	367,779
Accrued liabilities	1,243,620	-	31,361	1,274,981	86,443
Claims payable	-	-	-	-	65,101
Accrued interest payable	45,737	-	-	45,737	-
Due to other funds	-	1,040,533	51,982	1,092,515	152,269
Advance from other funds	-	-	-	-	150,000
Due to other governments	236,725	-	267,288	504,013	-
Current portion of bonds payable	1,235,000	-	-	1,235,000	-
Current portion of compensated absences	55,752	-	-	55,752	-
Total current liabilities	<u>3,031,267</u>	<u>1,040,542</u>	<u>373,884</u>	<u>4,445,693</u>	<u>821,592</u>
Long-term liabilities:					
Bonds payable	4,806,171	-	-	4,806,171	-
Compensated absences	501,763	-	49,812	551,575	34,694
Net other postemployment benefits obligation	685,886	-	-	685,886	-
Total long-term liabilities	<u>5,993,820</u>	<u>-</u>	<u>49,812</u>	<u>6,043,632</u>	<u>34,694</u>
Total liabilities	<u>9,025,087</u>	<u>1,040,542</u>	<u>423,696</u>	<u>10,489,325</u>	<u>856,286</u>
Deferred inflows of resources					
Property taxes levied for subsequent year	<u>2,950,332</u>	<u>-</u>	<u>-</u>	<u>2,950,332</u>	<u>-</u>
Net position					
Net investment in capital assets	17,659,457	-	-	17,659,457	244,255
Unrestricted	7,752,956	11,898,157	2,437,341	22,088,454	935,100
Total net position	<u>\$ 25,412,413</u>	<u>\$ 11,898,157</u>	<u>\$ 2,437,341</u>	<u>\$ 39,747,911</u>	<u>\$ 1,179,355</u>

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

GRAND TRAVERSE COUNTY, MICHIGAN

Statement of Revenues, Expenses and Changes in Fund Net Position

Proprietary Funds

For the Year Ended December 31, 2014

	Business-type Activities - Enterprise Funds				Governmental Activities
	Grand Traverse Pavilions	Delinquent Tax Revolving	Nonmajor Enterprise Funds	Total	Internal Service Funds
Operating revenues					
Charges for services	\$ 24,735,108	\$ 233,893	\$ 2,118,150	\$ 27,087,151	\$ 13,713,660
Licenses and permits	-			-	-
Interest revenues	-	563,578	-	563,578	-
Other	2,769,448	27,545	165,291	2,962,284	907,351
Total operating revenues	27,504,556	825,016	2,283,441	30,613,013	14,621,011
Operating expenses					
Personnel services	19,153,977	-	1,001,267	20,155,244	909,531
Supplies	1,643,236	-	40,448	1,683,684	448,169
Contractual services	4,715,573	-	374,502	5,090,075	11,970,879
Depreciation	1,200,254	-	-	1,200,254	115,627
Other operating expenses	1,668,646	57,086	166,893	1,892,625	1,216,148
Total operating expenses	28,381,686	57,086	1,583,110	30,021,882	14,660,354
Operating income (loss)	(877,130)	767,930	700,331	591,131	(39,343)
Nonoperating revenues (expense)					
Property taxes	2,824,687	-	-	2,824,687	-
State sources	-	-	39,847	39,847	-
Gain (loss) on sale of capital assets	-	-	600	600	290
Interest revenues	10,672	13,284	295	24,251	1,126
Interest and fiscal charges	(341,271)	-	-	(341,271)	-
Total nonoperating revenues (expense)	2,494,088	13,284	40,742	2,548,114	1,416
Income (loss) before transfers	1,616,958	781,214	741,073	3,139,245	(37,927)
Transfers					
Transfers in	-	53,803	-	53,803	181,851
Transfers out	-	(972,220)	(120,545)	(1,092,765)	-
Change in net position	1,616,958	(137,203)	620,528	2,100,283	143,924
Net position, beginning of year	23,795,455	12,035,360	1,816,813	37,647,628	1,035,431
Net position, end of year	\$ 25,412,413	\$ 11,898,157	\$ 2,437,341	\$ 39,747,911	\$ 1,179,355

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

GRAND TRAVERSE COUNTY, MICHIGAN

Statement of Cash Flows

Proprietary Funds

For the Year Ended December 31, 2014

	Business-type Activities - Enterprise Funds				Governmental Activities
	Grand Traverse Pavilions	Delinquent Tax Revolving	Nonmajor Enterprise Funds	Total	Internal Service Funds
Cash flows from operating activities					
Receipts from services	\$ 27,625,420	\$ -	\$ 2,361,788	\$ 29,987,208	\$ -
Receipts from payment of delinquent taxes	-	7,174,528	-	7,174,528	-
Receipts from interfund services	-	-	-	-	14,564,090
Payments to suppliers for goods and services	(8,354,572)	(57,086)	(421,019)	(8,832,677)	(13,962,952)
Payments to employees for services	(18,809,965)	-	(949,654)	(19,759,619)	(875,990)
Payments for delinquent taxes	-	(5,504,079)	-	(5,504,079)	-
Net cash provided by (used in) operating activities	460,883	1,613,363	991,115	3,065,361	(274,852)
Cash flows from noncapital financing activities					
Transfers from (to) other funds, net	-	(918,417)	(120,545)	(1,038,962)	181,851
Cash received from property taxes	3,029,016	-	-	3,029,016	-
Cash received from state grants	-	-	39,847	39,847	-
Net cash provided by (used in) noncapital financing activities	3,029,016	(918,417)	(80,698)	2,029,901	181,851
Cash flows from capital and related financing activities					
Principal payments	(2,165,000)	-	-	(2,165,000)	-
Interest payment and fiscal charges	(303,665)	-	-	(303,665)	-
Purchases of capital assets	(344,773)	-	-	(344,773)	(61,505)
Proceeds from sale of capital assets	49,514	-	600	50,114	290
Net cash provided by (used in) capital and related financing activities	(2,763,924)	-	600	(2,763,324)	(61,215)
Cash flows from investing activities					
Purchase of investments	-	(2,000,654)	-	(2,000,654)	-
Interest received	10,672	13,284	295	24,251	1,126
Net cash provided by (used in) investing activities	10,672	(1,987,370)	295	(1,976,403)	1,126
Change in cash and cash equivalents	736,647	(1,292,424)	911,312	355,535	(153,090)
Cash and cash equivalents, beginning of year	7,186,147	5,454,096	1,747,168	14,387,411	1,159,365
Cash and cash equivalents, end of year	\$ 7,922,794	\$ 4,161,672	\$ 2,658,480	\$ 14,742,946	\$ 1,006,275

continued...

GRAND TRAVERSE COUNTY, MICHIGAN

Statement of Cash Flows

Proprietary Funds

For the Year Ended December 31, 2014

	Business-type Activities - Enterprise Funds				Governmental Activities	
	Grand Traverse Pavilions	Delinquent Tax Revolving	Nonmajor Enterprise Funds	Total	Internal Service Funds	
Cash flows from operating activities						
Operating income (loss)	\$ (877,130)	\$ 767,930	\$ 700,331	\$ 591,131	\$ (39,343)	
Adjustments to reconcile operating income (loss)						
to net cash provided by (used in) operating activities:						
Depreciation	1,200,254	-	-	1,200,254	115,627	
Changes in:						
Accounts receivable	321,838	158,651	(5,962)	474,527	117,688	
Taxes receivable	(200,974)	1,127,535	84,309	1,010,870	-	
Interest receivable	-	290,481	-	290,481	-	
Inventories	15,279	-	-	15,279	-	
Due from other funds	-	-	(1,390)	(1,390)	(174,609)	
Prepaid items and other assets	4,441	-	225	4,666	(1,971)	
Accounts payable	(193,253)	(63,436)	(18,898)	(275,587)	(214,861)	
Accrued liabilities	(45,798)	-	7,988	(37,810)	(101,442)	
Claims payable	-	-	-	-	25,518	
Due to other funds	-	(80,396)	39,323	(41,073)	(5,398)	
Due to other governments	(153,584)	(587,402)	170,902	(570,084)	-	
Compensated absences	41,786	-	14,287	56,073	3,939	
Net other postemployment benefits obligation	348,024	-	-	348,024	-	
Net cash provided by (used in) operating activities	<u>\$ 460,883</u>	<u>\$ 1,613,363</u>	<u>\$ 991,115</u>	<u>\$ 3,065,361</u>	<u>\$ (274,852)</u>	

concluded

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

GRAND TRAVERSE COUNTY, MICHIGAN

Statement of Fiduciary Assets and Liabilities

Agency Funds

December 31, 2014

Assets

Cash and cash equivalents	\$ 2,780,972
Due from other governments	939,046
	<hr/>

Total assets	\$ 3,720,018
	<hr/>

Liabilities

Due to other governments	\$ 2,491,991
Court items payable	135,187
Undistributed receipts	528,236
Other liabilities	564,604
	<hr/>

Total liabilities	\$ 3,720,018
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The accompanying notes are an integral part of these financial statements.

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GRAND TRAVERSE COUNTY, MICHIGAN

Combining Statement of Net Position

Discretely Presented Component Units

December 31, 2014

	Component Units			
	Road Commission	Department of Public Works	Drain Commission	Brownfield Redevelopment Authority
Assets				
Cash and cash equivalents	\$ 4,231,544	\$ 491,539	\$ 140,798	\$ 1,978,908
Investments	-	-	-	-
Receivables, net	5,677,552	28,156,728	-	1,860,737
Inventories	1,006,291	-	-	-
Prepaid items and other assets	68,886	8,126	-	12,753,383
Restricted cash	1,427,710	-	-	-
Capital assets not being depreciated	28,173,688	400,000	-	-
Capital assets being depreciated, net	43,746,070	6,963,192	-	-
 Total assets	 84,331,741	 36,019,585	 140,798	 16,593,028
 Deferred outflows of resources				
Deferred loss on advance refunding	-	-	-	-
 Liabilities				
Accounts payable and accrued liabilities	1,488,871	4,868,207	-	12,607,401
Unearned revenues	1,140,887	-	-	3,036
Long-term debt:				
Due within one year	631,158	3,167,148	-	133,049
Due in more than one year	1,350,784	25,413,172	-	4,020,839
Net other postemployment benefits obligation	2,516,828	-	-	-
 Total liabilities	 7,128,528	 33,448,527	 -	 16,764,325
 Deferred inflows of resources				
Property taxes levied for subsequent year	3,582,462	-	-	66,199
 Net position				
Net investment in capital assets	70,115,831	4,416,192	-	-
Restricted	1,427,710	-	140,798	-
Unrestricted	2,077,210	(1,845,134)	-	(237,496)
 Total net position	 \$ 73,620,751	 \$ 2,571,058	 \$ 140,798	 \$ (237,496)

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

Statement of Financial Position

Component Units		
Land Bank Authority	Hospital Finance Authority	Total
\$ 88,398	\$ -	\$ 6,931,187
- 5,236	- 35,700,253	- -
541,374	- 1,547,665	- -
- -	12,830,395	- -
- -	1,427,710	- -
- -	28,573,688	- -
<u>- -</u>	<u>50,709,262</u>	<u>- -</u>
<u>635,008</u>	<u>-</u>	<u>137,720,160</u>
- -	- -	- -
45,641	- 19,010,120	- -
- -	1,143,923	- -
- -	3,931,355	- -
- -	30,784,795	- -
<u>- -</u>	<u>2,516,828</u>	<u>- -</u>
<u>45,641</u>	<u>-</u>	<u>57,387,021</u>
4,350	- 3,653,011	- -
- -	74,532,023	- -
- -	1,568,508	- -
<u>585,017</u>	<u>- 579,597</u>	<u>- -</u>
<u>\$ 585,017</u>	<u>\$ -</u>	<u>\$ 76,680,128</u>

GRAND TRAVERSE COUNTY, MICHIGAN

Combining Statement of Activities Discretely Presented Component Units For the Year Ended December 31, 2014

	Component Units			
	Road Commission	Department of Public Works	Drain Commission	Brownfield Redevelopment Authority
Expenses				
Road Commission	\$ 11,057,338	\$ -	\$ -	\$ -
Department of Public Works	-	6,450,090	-	-
Brownfield Redevelopment Authority	-	-	-	3,171,407
Land Bank Authority	-	-	-	-
Total expenses	11,057,338	6,450,090	-	3,171,407
Program revenues				
Charges for services	1,523,670	1,319,498	-	50,000
Operating grants and contributions	7,506,660	5,328,768	-	813,344
Capital grants and contributions	1,616,664	-	-	-
Total program revenues	10,646,994	6,648,266	-	863,344
Net revenues (expenses)	(410,344)	198,176	-	(2,308,063)
General revenues				
Property taxes	3,495,558	-	-	1,681,001
Unrestricted investment earnings	4,321	31	52	2,327
Total general revenues	3,542,300	31	52	1,683,328
Change in net position	3,131,956	198,207	52	(624,735)
Net position, beginning of year	70,488,795	2,372,851	140,746	387,239
Net position (deficit), end of year	\$ 73,620,751	\$ 2,571,058	\$ 140,798	\$ (237,496)

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

Component Units		
Land Bank Authority	Hospital Finance Authority	Total
\$ -	\$ -	\$ 11,057,338
- -	- -	6,450,090
- -	- -	3,171,407
<u>81,981</u>	<u>-</u>	<u>81,981</u>
<u><u>81,981</u></u>	<u><u>-</u></u>	<u><u>20,760,816</u></u>
30,639	- -	2,923,807
44,000	- -	13,692,772
<u>- -</u>	<u>- -</u>	<u>1,616,664</u>
<u>74,639</u>	<u>- -</u>	<u>18,233,243</u>
<u><u>(7,342)</u></u>	<u><u>-</u></u>	<u><u>(2,527,573)</u></u>
4,873	- -	5,181,432
43	- -	6,774
<u>4,916</u>	<u>- -</u>	<u>5,230,627</u>
(2,426)	- -	2,703,054
<u>587,443</u>	<u>- -</u>	<u>73,977,074</u>
<u><u>\$ 585,017</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 76,680,128</u></u>

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NOTES TO FINANCIAL STATEMENTS

GRAND TRAVERSE COUNTY, MICHIGAN

Notes to Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

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

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

Blended Component Units

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

Discretely Presented Component Units

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

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

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

GRAND TRAVERSE COUNTY, MICHIGAN

■ Notes to Financial Statements

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

The financial activity of the Department of Public Works for the year ended December 31, 2014 is reported discretely as an enterprise fund type. There are no separately issued financial statements for this component unit.

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

The financial activity of the Drain Commission for the year ended December 31, 2014 is reported discretely as a governmental fund type. There are no separately issued financial statements for this component unit, although financial information for the specific drainage districts may be obtained from the County Drain Commissioner, 2650 LaFranier Road, Traverse City, Michigan 49686.

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

The financial activity of the Brownfield Redevelopment Authority for the year ended December 31, 2014 is reported discretely as a governmental fund type. There are no separately issued financial statements for this component unit.

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

The financial activity of the Land Bank Authority for the year ended December 31, 2014 is reported discretely as an enterprise fund type. There are no separately issued financial statements for this component unit.

GRAND TRAVERSE COUNTY, MICHIGAN

Notes to Financial Statements

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

The Hospital Finance Authority is reported discretely as an enterprise fund type, however there was not any financial activity or balances for the year ended June 30, 2014. There are no separately issued financial statements for this component unit.

As of June 30, 2014, the Hospital Finance Authority had outstanding conduit debt in the amount \$125,012,000.

Regional Joint Operations

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

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

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

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

Basis of Presentation

Government-wide and Fund Financial Statements

Government-wide Financial Statements. The statement of net position and the statement of activities report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

GRAND TRAVERSE COUNTY, MICHIGAN

■ Notes to Financial Statements

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Grand Traverse Pavilions, Delinquent Tax Revolving, Inspections and Solid Waste enterprise funds and the discretely presented component units Department of Public Works, Land Bank Authority, and Hospital Finance Authority enterprise funds and the County's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. A 60-day availability period is used for revenue recognition for all governmental fund revenues, except for expenditure-driven grants, which must be collected within one year, and property taxes. Property taxes for the County, levied and payable within the current fiscal year, are fully recognized inasmuch as any uncollected taxes are settled with the Delinquent Tax Revolving fund not later than March 1 of the following fiscal year. While this schedule exceeds the normal availability period for property taxes of 60 days, management believes that fully recognizing property taxes in the year they are intended to finance better reflects the matching concept of generally accepted accounting principles.

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

GRAND TRAVERSE COUNTY, MICHIGAN

■ Notes to Financial Statements

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

The County reports the following major governmental funds:

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

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

The *CDBG special revenue 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.

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

The *Building Authority LaFranier DPW debt service 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.

The County reports the following major proprietary funds:

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

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

Additionally, the County reports the following fund types:

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

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

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

GRAND TRAVERSE COUNTY, MICHIGAN

Notes to Financial Statements

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

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

Agency funds are custodial in nature and do not present results of operations or have a measurement focus. These funds are used to account for assets that the County holds for others in an agency capacity (such as taxes collected for other governments).

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

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

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Balance

Cash and Cash Equivalents

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

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

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

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

Restricted Cash

Restricted cash is reported in the Road Commission component unit and consists of funds advanced by the State of Michigan for road construction and proceeds from bonds issued for road maintenance.

GRAND TRAVERSE COUNTY, MICHIGAN

■ Notes to Financial Statements

Investments

Investments displayed on the financial statements are recorded at fair value. The investment in external pools operate in accordance with appropriate state laws and regulations. The reported value of the pools is the same as the fair value of the pool shares.

Receivables and Payables

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

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

All Grand Traverse Pavilions’ accounts receivable are shown net of an allowance for uncollectible accounts. Grand Traverse Pavilions’ accounts receivable in excess of 120 days primarily comprise the allowance for uncollectible accounts. At December 31, 2014 the allowance amounted to \$900,000.

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

Loans receivable consists of economic development fund loans to promote economic development within the County, CDBG funds advanced to area residents for home improvements which must be repaid by the homeowner upon sale or foreclosure, and Brownfield Redevelopment Authority component unit loans to assist with the economic development of environmentally distressed sites within the County. The County has an enforceable lien on such property. The amount of loans receivable not expected to be collected within one year is \$3,555,707.

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

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

The amount of lease receivables not expected to be collected within one year is \$23,767,960.

GRAND TRAVERSE COUNTY, MICHIGAN

■ Notes to Financial Statements

Inventories, Prepaid Items and Other Assets

All inventories (excluding those of the Road Commission, described below) are valued at cost using the first-in/first out method. Inventories of governmental funds are recorded as expenditures when purchased.

Inventory of the Road Commission, consisting of various operating parts, supplies and road material, is determined on the average unit cost method. Inventory items are charged to road construction and maintenance, equipment repairs, and operations, as used.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items are recorded as expenditures proportionately over the periods that related service is provided (consumption method).

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 (\$1,000 for the Road Commission component unit) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities, if any, is included as part of the capitalized value of the assets constructed.

Capital assets of the primary government and component units are depreciated using the straight-line method (except for road equipment which uses the sum-of-year digits method) over the following estimated useful lives:

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

GRAND TRAVERSE COUNTY, MICHIGAN

■ Notes to Financial Statements

Deferred Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County only has one item that qualifies for reporting in this category, which is the deferred loss on advance refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Unearned Revenue

Unearned revenue of governmental activities primarily consists of rentals and grants received in advance. Unearned revenue of business-type activities primarily consists of payments received in advance of services provided by the Pavilions.

Compensated Absences

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

Long-term Obligations

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

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

GRAND TRAVERSE COUNTY, MICHIGAN

■ Notes to Financial Statements

Deferred Inflows of Resources

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The governmental funds report unavailable revenues, which arises only under a modified accrual basis of accounting, from loans receivable. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In addition, deferred inflows of resources are reported in the government-wide and governmental fund financial statements for property taxes levied during the year that are intended to finance future periods.

Interfund Transactions

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

Fund Balance

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Restricted fund balance is reported when externally imposed constraints are placed on the use of resources by grantors, contributors, or laws or regulations of other governments. Committed fund balance is reported for amounts that can be used for specific purposes pursuant to constraints imposed by formal action of the County's highest level of decision-making authority, the Board of Commissioners. A formal resolution of the County Board of Commissioners is required to establish, modify, or rescind a fund balance commitment. The County reports assigned fund balance for amounts that are constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed. The Board of Commissioners, through its general appropriations resolution, may assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unassigned fund balance is the residual classification for the general fund.

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

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

GRAND TRAVERSE COUNTY, MICHIGAN

Notes to Financial Statements

Use of Estimates

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

2. BUDGETARY INFORMATION

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

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

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

3. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

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

	Amended Budget	Actual	Budget Variance
General Fund			
Health and welfare:			
Substance abuse	\$ 594,275	\$ 863,994	\$ 269,719

4. DEFICIT FUND EQUITY

The County reported deficit unassigned fund balance of \$1,320,000 in the Building Authority LaFranier DPW debt service fund. This was the result of the fund receiving a lump sum payment (advance from other funds) in a prior year in order to call the related bonds early, which is reduced ratably over the course of the related rental agreement.

The Woodmere nonmajor governmental debt service fund also reported a deficit unassigned fund balance of \$915,000. This was also the result of the fund receiving a lump sum payment (advance from other funds) in a prior year in order to call the related bonds early, which is reduced ratably over the course of the related rental agreement.

As the result of debt issued, the County reported a deficit net position in the Brownfield component unit in the amount of \$237,496. As this debt is repaid, this deficit is expected to be eliminated.

GRAND TRAVERSE COUNTY, MICHIGAN

Notes to Financial Statements

5. DEPOSITS AND INVESTMENTS

Deposits

At December 31, 2014, the County's cash, investments and restricted cash are reported as follows:

	Governmental Activities	Business-type Activities	Fiduciary Funds	Component Units	Total
Cash and cash equivalents	\$ 7,843,910	\$ 14,742,946	\$ 2,780,972	\$ 6,931,187	\$ 32,299,015
Investments	1,277,358	3,894,096	-	-	5,171,454
Restricted cash	-	-	-	1,427,710	1,427,710
Total	\$ 9,121,268	\$ 18,637,042	\$ 2,780,972	\$ 8,358,897	\$ 38,898,179

Deposits and investments:

Bank deposits (checking and savings)	\$ 26,758,509
Certificates of deposit:	
Due within one year	7,174,364
Due in one to five years	220,792
Investments (securities and money market pooled funds)	4,735,256
Cash on hand	9,258
Total	\$ 38,898,179

Deposit and Investment Risk

Interest Rate Risk. State law limits the allowable investments and the maturities of some of the allowable investments as identified below. The County's investment policy does not have specific limits in excess of state law on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The maturity dates for each investment are identified below for investments held at year-end.

Credit Risk. State law limits investments to specific government securities, certificates of deposits and bank accounts with qualified financial institutions, commercial paper with specific maximum maturities and ratings when purchased, bankers' acceptances of specific financial institutions, qualified mutual funds and qualified external investment pools as identified below. The County's investment policy does not have specific limits in excess of state law pertaining to investment credit risk. The ratings for each investment are identified below for investments held at year-end.

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned. State law does not require and the County's investment policy does not have specific limits in excess of state law pertaining to custodial credit risk. The County does a quarterly internal rating of the banks it has deposits in excess of the FDIC limit by utilizing outside sources to obtain the ratings. As of year-end, \$6,780,295 of the bank balance of the primary government (including its blended component unit) of \$28,888,984 was exposed to custodial credit risk because it was uninsured and uncollateralized.

GRAND TRAVERSE COUNTY, MICHIGAN

■ Notes to Financial Statements

Custodial Credit Risk - Investments. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. State law does not require and the County does not have a specific policy pertaining to investment custodial credit risk which is more restrictive than state law. As of year-end, none of the County's investments were exposed to custodial credit risk inasmuch as all investments are held in the name of the County.

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

Investments

At December 31, 2014, the County's investments consisted of the following:

Investment	Fair Market Value	Interest Rate	Maturity Date	Rating	Callable
Primary government					
Federal Home Loan					
Bank Bonds	\$ 464,284	1.00%	12/26/2017	S&P AA+	Noncallable
Federal Home Loan					
Bank Bonds	495,700	1.26%	3/26/2018	S&P AA+	Noncallable
Federal Home Loan					
Bank Bonds	999,970	1.45%	6/20/2018	S&P AA+	Noncallable
Federal Farm Credit					
Bank Bonds	246,848	1.25%	1/23/2019	S&P AA+	Noncallable
Federal Home Loan					
Bank Bonds	249,760	1.60%	2/28/2019	S&P AA+	Noncallable
State of Michigan					
GO Bonds	139,669	5.00%	11/15/2017	S&P AA+	Noncallable
Money market	2,131,996	Varies	N/A	S&P AAA/m	N/A
Money market	<u>7,029</u>	Varies	N/A	Not rated	N/A
Total	<u>\$ 4,735,256</u>				

GRAND TRAVERSE COUNTY, MICHIGAN

Notes to Financial Statements

6. RECEIVABLES AND PAYABLES

Accounts receivables, net

Receivables are comprised of the following at year-end:

	Governmental Activities	Business-type Activities	Component Units
Accounts receivables	\$ 835,421	\$ 4,300,085	\$ 913,962
Due from other governments	7,052,603	-	3,202,614
Allowance for uncollectible accounts	(659,213)	(900,000)	-
Loans receivable	2,568,372	-	1,075,482
Taxes receivable	2,381,210	6,794,570	3,590,938
Leases receivable	-	-	26,757,960
Interest receivable	22,283	512,854	159,297
Total	\$ 12,200,676	\$ 10,707,509	\$ 35,700,253

Accounts payable and accrued liabilities

Payables are comprised of the following at year-end:

	Governmental Activities	Business-Type Activities	Component Units
Accounts payable	\$ 1,372,948	\$ 237,695	\$ 9,485,914
Accrued liabilities	1,058,828	1,274,981	315,190
Claims payable	65,101	-	-
Accrued interest payable	36,590	45,737	198,845
Due to other governments	149,141	504,013	9,010,171
Total	\$ 2,682,608	\$ 2,062,426	\$ 19,010,120

GRAND TRAVERSE COUNTY, MICHIGAN

Notes to Financial Statements

7. CAPITAL ASSETS

Capital asset activity for the primary government for the year ended December 31, 2014 was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Governmental activities					
Capital assets not being depreciated:					
Land	\$ 15,639,877	\$ -	\$ -	\$ -	\$ 15,639,877
Capital assets being depreciated:					
Land improvements	2,276,259	6,400	-	-	2,282,659
Infrastructure	828,241	-	-	-	828,241
Buildings and improvements	43,729,134	285,067	-	-	44,014,201
Equipment and furniture	9,768,431	143,698	(148,832)	-	9,763,297
Vehicles and equipment	2,928,121	349,836	(238,938)	-	3,039,019
	<u>59,530,186</u>	<u>785,001</u>	<u>(387,770)</u>	<u>-</u>	<u>59,927,417</u>
Less accumulated depreciation for:					
Land improvements	(1,359,852)	(107,945)	-	-	(1,467,797)
Infrastructure	(647,163)	(75,926)	-	-	(723,089)
Buildings and improvements	(17,062,036)	(1,107,912)	-	-	(18,169,948)
Equipment and furniture	(7,839,180)	(517,848)	148,832	-	(8,208,196)
Vehicles and equipment	(2,376,205)	(227,856)	238,938	-	(2,365,123)
	<u>(29,284,436)</u>	<u>(2,037,487)</u>	<u>387,770</u>	<u>-</u>	<u>(30,934,153)</u>
Total capital assets being depreciated, net	<u>30,245,750</u>	<u>(1,252,486)</u>	<u>-</u>	<u>-</u>	<u>28,993,264</u>
Governmental activities capital assets, net	<u>\$ 45,885,627</u>	<u>\$ (1,252,486)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44,633,141</u>

GRAND TRAVERSE COUNTY, MICHIGAN

Notes to Financial Statements

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Business-type activities					
Capital assets not being depreciated:					
Land	\$ 1,870,064	\$ -	\$ (49,514)	\$ -	\$ 1,820,550
Construction in progress	7,080	31,396	-	(7,080)	31,396
	<u>1,877,144</u>	<u>31,396</u>	<u>(49,514)</u>	<u>(7,080)</u>	<u>1,851,946</u>
Capital assets being depreciated:					
Land improvements	2,866,941	-	-	-	2,866,941
Buildings and improvements	34,955,261	211,351	-	-	35,166,612
Equipment and furniture	2,769,550	102,026	-	7,080	2,878,656
Vehicles and equipment	321,413	-	(16,400)	-	305,013
	<u>40,913,165</u>	<u>313,377</u>	<u>(16,400)</u>	<u>7,080</u>	<u>41,217,222</u>
Less accumulated depreciation for:					
Land improvements	(1,878,928)	(143,680)	-	-	(2,022,608)
Buildings and improvements	(13,958,914)	(917,934)	-	-	(14,876,848)
Equipment and furniture	(2,344,507)	(122,179)	-	-	(2,466,686)
Vehicles and equipment	(267,990)	(16,461)	16,400	-	(268,051)
	<u>(18,450,339)</u>	<u>(1,200,254)</u>	<u>16,400</u>	<u>-</u>	<u>(19,634,193)</u>
Total capital assets being depreciated, net	<u>22,462,826</u>	<u>(886,877)</u>	<u>-</u>	<u>7,080</u>	<u>21,583,029</u>
Business-type activities capital assets, net	<u>\$ 24,339,970</u>	<u>\$ (855,481)</u>	<u>\$ (49,514)</u>	<u>\$ -</u>	<u>\$ 23,434,975</u>

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

Governmental activities	
Judicial	\$ 301,840
General government	392,500
Public safety	786,454
Health and welfare	215,971
Recreation and culture	225,095
Internal service funds	115,627
	<u>\$ 2,037,487</u>

Business-type activities	
Medical care facility	<u>\$ 1,200,254</u>

GRAND TRAVERSE COUNTY, MICHIGAN

Notes to Financial Statements

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Component unit - Road Commission					
Capital assets not being depreciated:					
Land and improvements	\$ 1,021,299	\$ 14,500	\$ -	\$ -	\$ 1,035,799
Land / right-of-way	26,721,615	273,133	-	-	26,994,748
Construction in progress	9,836	143,141	-	(9,836)	143,141
	<u>27,752,750</u>	<u>430,774</u>	<u>-</u>	<u>(9,836)</u>	<u>28,173,688</u>
Capital assets being depreciated:					
Buildings	4,042,318	9,835	-	-	4,052,153
Road equipment	9,052,916	789,710	(553,665)	-	9,288,961
Shop equipment	173,434	65,525	-	-	238,959
Office equipment	214,384	-	-	-	214,384
Engineer's equipment	119,629	8,690	-	-	128,319
Yard and storage	1,688,190	-	-	-	1,688,190
Infrastructure - bridges	1,060,643	-	-	-	1,060,643
Infrastructure - roads	<u>73,987,465</u>	<u>5,176,888</u>	<u>-</u>	<u>9,836</u>	<u>79,174,189</u>
	<u>90,338,979</u>	<u>6,050,648</u>	<u>(553,665)</u>	<u>9,836</u>	<u>95,845,798</u>
Less accumulated depreciation for:					
Buildings	(993,059)	(80,879)	-	-	(1,073,938)
Road equipment	(7,310,359)	(735,238)	549,464	-	(7,496,133)
Shop equipment	(139,931)	(12,596)	-	-	(152,527)
Office equipment	(184,695)	(7,746)	-	-	(192,441)
Engineer's equipment	(102,528)	(3,450)	-	-	(105,978)
Yard and storage	(1,032,338)	(51,485)	-	-	(1,083,823)
Infrastructure - bridges	(867,532)	(14,767)	-	-	(882,299)
Infrastructure - roads	<u>(37,786,283)</u>	<u>(3,326,306)</u>	<u>-</u>	<u>-</u>	<u>(41,112,589)</u>
	<u>(48,416,725)</u>	<u>(4,232,467)</u>	<u>549,464</u>	<u>-</u>	<u>(52,099,728)</u>
Total capital assets being depreciated, net	<u>41,922,254</u>	<u>1,818,181</u>	<u>(4,201)</u>	<u>9,836</u>	<u>43,746,070</u>
Road Commission capital assets, net	<u>\$ 69,675,004</u>	<u>\$ 2,248,955</u>	<u>\$ (4,201)</u>	<u>\$ -</u>	<u>\$ 71,919,758</u>

The Road Commission had construction commitments of approximately \$84,000 at December 31, 2014 related to design work for upcoming road infrastructure projects.

GRAND TRAVERSE COUNTY, MICHIGAN

Notes to Financial Statements

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Component unit - Department of Public Works					
Capital assets not being depreciated:					
Land	\$ 400,000	\$ -	\$ -	\$ -	\$ 400,000
Capital assets being depreciated:					
Building	7,623,862	-	-	-	7,623,862
Equipment and furniture	25,432	82,306	-	-	107,738
	<u>7,649,294</u>	<u>82,306</u>	<u>-</u>	<u>-</u>	<u>7,731,600</u>
Less accumulated depreciation for:					
Building	(544,561)	(217,824)	-	-	(762,385)
Equipment and furniture	(636)	(5,387)	-	-	(6,023)
	<u>(545,197)</u>	<u>(223,211)</u>	<u>-</u>	<u>-</u>	<u>(768,408)</u>
Total capital assets being depreciated, net	<u>7,104,097</u>	<u>(140,905)</u>	<u>-</u>	<u>-</u>	<u>6,963,192</u>
Department of Public Works capital assets, net	<u>\$ 7,504,097</u>	<u>\$ (140,905)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,363,192</u>

8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

For the year ended December 31, 2014, interfund balances were as follows:

	Due from Other Funds	Due to Other Funds
General fund	\$ 842,054	\$ -
Commission on Aging fund	-	11,675
CDBG fund	-	145
Health department fund	-	41,945
Nonmajor governmental funds	499,275	218,779
Delinquent Tax Revolving fund	-	1,040,533
Nonmajor enterprise funds	1,390	51,982
Internal service funds	<u>174,609</u>	<u>152,269</u>
	<u>\$ 1,517,328</u>	<u>\$ 1,517,328</u>

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

GRAND TRAVERSE COUNTY, MICHIGAN

Notes to Financial Statements

	Advance from Other Funds	Advance to Other Funds
General fund	\$ 563,913	\$ 2,755,494
Building Authority LaFranier DPW fund	1,320,000	-
Nonmajor governmental funds	1,285,494	563,913
Internal service funds	150,000	-
	<u>\$ 3,319,407</u>	<u>\$ 3,319,407</u>

The amounts payable to the General fund relate to working capital loans that were made to the nonmajor governmental and internal service funds. None of these balances are expected to be collected in the subsequent year. The advance from the Revenue Sharing Reserve special revenue fund is a working capital advance scheduled to be utilized by the General fund over the next two years. As the allowed amounts are used there is no requirement for the General fund to repay these funds.

Transfers in	Transfers out					Totals
	General fund	Nonmajor governmental funds	Delinquent Tax Revolving fund	Nonmajor enterprise funds		
General fund	\$ -	\$ 1,372,778	\$ 972,220	\$ 50,000	\$ 2,394,998	
Health Department	1,299,907	-	-	-	-	1,299,907
Building Authority						
LaFranier DPW fund	185,000	-	-	-	-	185,000
Nonmajor						
governmental funds	8,963,337	-	-	16,742	8,980,079	
Delinquent Tax						
Revolving fund	-	-	-	53,803	53,803	
Internal service funds	181,851	-	-	-	-	181,851
Total	<u>\$ 10,630,095</u>	<u>\$ 1,372,778</u>	<u>\$ 972,220</u>	<u>\$ 120,545</u>	<u>\$ 13,095,638</u>	

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

GRAND TRAVERSE COUNTY, MICHIGAN

Notes to Financial Statements

9. LONG-TERM DEBT

Long-term debt activity for the year ended December 31, 2014 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<i>Primary Government</i>					
Governmental activities					
General obligation bonds	\$ 10,480,000	\$ -	\$ (545,000)	\$ 9,935,000	\$ 570,000
Bond discounts	(44,452)	-	1,852	(42,600)	-
Compensated absences	1,586,406	115,824	(85,620)	1,616,610	9,647
	<u>\$ 12,021,954</u>	<u>\$ 115,824</u>	<u>\$ (628,768)</u>	<u>\$ 11,509,010</u>	<u>\$ 579,647</u>
Business-type activities					
General obligation bonds	\$ 8,175,000	\$ -	\$ (2,165,000)	\$ 6,010,000	\$ 1,235,000
Bond premiums	69,029	-	(37,858)	31,171	-
Compensated absences	551,254	107,646	(51,573)	607,327	55,752
	<u>\$ 8,795,283</u>	<u>\$ 107,646</u>	<u>\$ (2,254,431)</u>	<u>\$ 6,648,498</u>	<u>\$ 1,290,752</u>
<i>Component Units</i>					
Department of Public Works					
General obligation bonds	\$ 29,275,000	\$ -	\$ (2,945,000)	\$ 26,330,000	\$ 3,065,000
Notes payable	2,330,863	-	(133,863)	2,197,000	100,000
Compensated absences	52,066	9,286	(8,032)	53,320	2,148
	<u>\$ 31,657,929</u>	<u>\$ 9,286</u>	<u>\$ (3,086,895)</u>	<u>\$ 28,580,320</u>	<u>\$ 3,167,148</u>
Road Commission					
General obligation bonds	\$ 850,000	\$ -	\$ (275,000)	\$ 575,000	\$ 285,000
Equipment lease	997,823	554,479	(323,375)	1,228,927	328,358
Compensated absences	165,109	140,315	(127,409)	178,015	17,800
	<u>\$ 2,012,932</u>	<u>\$ 694,794</u>	<u>\$ (725,784)</u>	<u>\$ 1,981,942</u>	<u>\$ 631,158</u>
Brownfield Redevelopment Authority					
Loans payable	\$ 4,348,945	\$ -	\$ (195,057)	\$ 4,153,888	\$ 133,049

GRAND TRAVERSE COUNTY, MICHIGAN

Notes to Financial Statements

Description	Interest Rates	Maturing	Balance at 12/31/2014
Building authority bonds:			
District/probate courthouse	2.00-3.125	2025	\$ 5,355,000
Health services building	2.00-4.00	2036	<u>4,580,000</u>
Governmental activities total			<u>9,935,000</u>
Enterprise fund bonds:			
Series 2004A Grand Traverse Pavilions	3.00-3.50	2015	185,000
Series 2004B Grand Traverse Pavilions Cottages	3.25-4.00	2019	1,925,000
Series 2007 Grand Traverse Pavilions Cottages	4.00-4.375	2031	3,285,000
Series 2009 Grand Traverse Pavilions	3.00	2015	<u>615,000</u>
Business-type activities total			<u>6,010,000</u>
Department of Public Works:			
Traverse City wastewater treatment plant refunding	1.50-3.75	2015	335,000
Whitewater Township sanitary sewer system	4.30-5.50	2015	40,000
Blair Township 2007 water system improvement refunding	4.00-4.625	2023	3,460,000
Blair Township 2005 sewer system improvement refunding	3.00-4.30	2025	3,700,000
East Bay and Peninsula Townships sewer/water refunding	1.25-2.20	2023	2,385,000
Traverse City wastewater treatment plant			
upgrade refunding	3.00-4.00	2022	15,660,000
2004 septic treatment facility project	3.05-5.00	2024	750,000
Sewer and water improvement notes	2.00	2032	<u>2,197,000</u>
Department of Public Works total			<u>28,527,000</u>
Road Commission:			
2006 Michigan transportation fund	3.00-3.25	2016	575,000
2013 equipment lease	1.53	2018	<u>1,228,927</u>
Road Commission total			<u>1,803,927</u>
Brownfield Redevelopment Authority:			
MI Environmental Quality Remediation Loan	2.00	2021	378,191
MI Environmental Quality Remediation Loan	1.50	2027	878,447
MI Environmental Quality Remediation Loan	1.50	2028	1,397,424
MI Environmental Quality Remediation Loan	1.50	2028	600,000
MI Environmental Quality Remediation Loan	2.00	2024	<u>899,826</u>
Brownfield Redevelopment Authority total			<u>4,153,888</u>
Total bonds, notes and loans payable			<u>\$50,429,815</u>

GRAND TRAVERSE COUNTY, MICHIGAN

Notes to Financial Statements

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

Year Ended December 31,	Governmental Activities		Business-type Activities		Component Units	
	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ 570,000	\$ 291,218	\$ 1,235,000	\$ 236,699	\$ 3,350,000	\$ 868,784
2016	570,000	279,868	425,000	196,844	3,080,000	883,578
2017	590,000	268,268	420,000	181,794	2,835,000	765,134
2018	615,000	253,968	415,000	166,438	2,955,000	653,471
2019	640,000	236,382	410,000	149,838	3,080,000	540,290
2020-2024	3,445,000	897,054	1,325,000	534,917	11,230,000	987,746
2025-2029	1,605,000	480,578	1,280,000	249,729	375,000	16,125
2030-2034	1,295,000	277,126	500,000	21,875	-	-
2035-2036	605,000	36,600	-	-	-	-
	<u>\$ 9,935,000</u>	<u>\$ 3,021,062</u>	<u>\$ 6,010,000</u>	<u>\$ 1,738,134</u>	<u>\$ 26,905,000</u>	<u>\$ 4,715,128</u>

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

Year Ended December 31,	Component Units	
	Principal	Interest
2015	\$ 100,000	\$ 43,940
2016	100,000	41,940
2017	110,000	39,940
2018	110,000	37,740
2019	115,000	35,540
2020-2024	590,000	142,900
2025-2029	632,000	82,340
2030-2032	440,000	17,700
	<u>\$ 2,197,000</u>	<u>\$ 442,040</u>

GRAND TRAVERSE COUNTY, MICHIGAN

Notes to Financial Statements

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

Year Ended December 31,	Component Units	
	Principal	Interest
2015	\$ 133,049	\$ 26,923
2016	135,711	24,079
2017	224,359	21,178
2018	410,642	30,107
2019	387,545	53,007
2020-2024	1,859,170	165,868
2025-2028	1,003,412	35,999
	<u>\$ 4,153,888</u>	<u>\$ 357,161</u>

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

Year Ended December 31,	Component Units	
	Principal	Interest
2015	\$ 328,358	\$ 16,504
2016	333,417	11,447
2017	338,557	6,310
2018	228,595	1,314
	<u>\$ 1,228,927</u>	<u>\$ 35,575</u>

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

Compensated absences in governmental activities are generally liquidated by the General fund.

Defeased Debt

During 1999, the County advance refunded \$11,250,000 of Building Authority, Series 1995 Bonds. Resources to purchase U.S. government securities were placed in an escrow fund for the purpose of generating resources for all future debt service payments of the refunded debt. As a result, the liability for the bonds was removed from the statement of net position. As of December 31, 2014, \$1,700,000 remains in escrow for the payment of these bonds through 2015. Therefore, the bonds in the amount of \$1,700,000 are considered defeased at year-end.

GRAND TRAVERSE COUNTY, MICHIGAN

■ Notes to Financial Statements

During 2004, the County advance refunded \$2,275,000 of Building Authority, Series 1997 Bonds. Resources to purchase U.S. government securities were placed in an escrow fund for the purpose of generating resources for all future debt service payments of the refunded debt. As a result, the liability for the bonds was removed from the statement of net position. As of December 31, 2014, \$225,000 remains in escrow for the payment of these bonds through 2015. Therefore, the bonds in the amount of \$225,000 are considered defeased at year-end.

Also during 2004, the County advance refunded \$2,950,000 of Building Authority, Series 1999 Bonds. Resources to purchase U.S. government securities were placed in an escrow fund for the purpose of generating resources for all future debt service payments of the refunded debt. As a result, the liability for the bonds was removed from the statement of net position. As of December 31, 2014, \$1,875,000 remains in escrow for the payment of these bonds through 2019. Therefore, the bonds in the amount of \$1,875,000 are considered defeased at year-end.

During 2009, the County advance refunded \$10,025,000 of Building Authority, Series 1999 Refunding Bonds. Resources to purchase U.S. government securities were placed in an escrow fund for the purpose of generating resources for all future debt service payments of the refunded debt. As a result, the liability for the bonds was removed from the statement of net position. As of December 31, 2014, \$1,665,000 remains in escrow for the payment of these bonds through 2015. Therefore, the bonds in the amount of \$1,665,000 are considered defeased at year-end.

During 2011, the County advance refunded \$21,300,000 of County, Series 2002 Bonds. Resources to purchase U.S. government securities were placed in an escrow fund for the purpose of generating resources for all future debt service payments of the refunded debt. As a result, the liability for the bonds was removed from the statement of net position. As of December 31, 2014, \$16,475,000 remains in escrow for the payment of these bonds through 2022. Therefore, the bonds in the amount of \$16,475,000 are considered defeased at year-end.

During 2012, the County advance refunded \$6,160,000 of County, Series 2005 Bonds. Resources to purchase U.S. government securities were placed in an escrow fund for the purpose of generating resources for all future debt service payments of the refunded debt. As a result, the liability for the bonds was removed from the statement of net position. As of December 31, 2014, \$5,410,000 remains in escrow for the payment of these bonds through 2025. Therefore, the bonds in the amount of \$5,410,000 are considered defeased at year-end.

Discretely Presented Component Units

The Board of County Road Commissioners has entered into a bond agreement with the Michigan Department of Transportation that has a balance of \$575,000 at December 31, 2014. The proceeds were used to finance the construction of improvements to the County's roadway system. The \$575,000 bond is to be paid back over a remaining two-year period with a sliding scale interest rate, maturing in 2016.

The Board of County Road Commissioners has entered into an equipment loan agreement with Fifth Third Bank that has a balance of \$1,228,927 at December 31, 2014. The proceeds were used to purchase equipment. The loan is to be paid back in monthly installments with the final payment due August 2018.

GRAND TRAVERSE COUNTY, MICHIGAN

Notes to Financial Statements

The Board of County Road Commissioners has entered into an agreement with Whitewater Township to pay one-half of the principal and all of the interest on the Series 2006 bonds. The principal owed to the Road Commission from Whitewater Township for the 2006 Series bond of \$168,750 is reported on the statement of net position as accounts payable and accrued liabilities.

The Department of Public Works has entered into various bond agreements. The proceeds were used to finance water, sewer, wastewater treatment plant and septage treatment facility projects, throughout the county. The water and sewer project bonds are direct obligations of five townships: Acme, East Bay Charter, Elmwood Charter, Garfield Charter, and Peninsula. The wastewater treatment plant bonds are a direct obligation of the City of Traverse City and an indirect obligation of the County and the septic treatment facility bonds are a direct obligation of the County. The bonds payable will mature from 2015 through 2025.

The Brownfield Redevelopment Authority has entered into five loan agreements with the Michigan Department of Environmental Quality (MDEQ) that have a balance of \$4,153,888 at December 31, 2014. The loans are to be paid back over a 10-year period with annual payments ranging from \$138,398 to \$406,750 with interest ranging from 1.5% to 2.0%. The final loan matures in 2028. The proceeds were used for development site clean-up. The payments will be funded with tax increment financing revenues. The County holds letters of credit with project developers that will be used to meet loan payments should the tax increment financing revenue fall short.

As of June 30, 2014, the Hospital Finance Authority had outstanding conduit debt in the amount \$125,012,000.

10. RISK MANAGEMENT

General Liability Insurance

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

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

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

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

GRAND TRAVERSE COUNTY, MICHIGAN

Notes to Financial Statements

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

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

The reinsurance agreements discussed above include provisions for minimum annual premiums. As of December 31, 2014, the Authority had met the minimum requirements.

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

The changes in the general insurance claims liability are as follows for the years ended December 31:

	2014	2013
Claims liability at beginning of year	\$ 135,673	\$ 77,700
Claims and damages incurred	2,500	76,200
Claims payments	<u>(108,026)</u>	<u>(18,227)</u>
 Claims liability at the end of year	 <u>\$ 30,147</u>	 <u>\$ 135,673</u>

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

Risk Management Self-insurance for Workers' Compensation

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

The workers' compensation claims liability of \$65,101 reported in the Fringe Benefits fund at December 31, 2014, is based on the requirements that a liability for claims be reported if it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The claims liability is reported based on information provided by the administrator of the plan. No annuity contracts have been purchased for claims liability.

GRAND TRAVERSE COUNTY, MICHIGAN

Notes to Financial Statements

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

	2014	2013
Claims liability, beginning of year	\$ 39,583	\$ 117,977
Claims and damages incurred	43,679	10,137
Claims payments	<u>(18,161)</u>	<u>(88,531)</u>
Claims liability, end of year	<u><u>\$ 65,101</u></u>	<u><u>\$ 39,583</u></u>

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

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 miles of roads, population and prior claim history. In addition to premiums paid, the Road Commission is responsible for the first \$1,000 of legal expense incurred per occasion. All other risk is transferred to MCRCSIP.

11. JOINT AGREEMENTS

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

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

12. PROPERTY TAXES

The County's property taxes are levied each July 1 for the General fund and on December 1 for the Commission on Aging and Grand Traverse Pavilions (medical care facility) on the taxable valuation of property located in the County as of the preceding December 31, the lien date. Property taxes are collected by the local government units payable without penalty and interest through February 14 of the succeeding year; as of March 1 of the succeeding year, unpaid real property taxes are turned over to the Grand Traverse County Treasurer for collections.

GRAND TRAVERSE COUNTY, MICHIGAN

Notes to Financial Statements

Assessed values, as established annually by the local units of government and subject to acceptance by the County, are equalized by the State at an estimated 50 percent of current market value. Real and personal property in the County for the summer 2014 levy was assessed and equalized at \$4,473,291,394, representing 50 percent of estimated current market value. The government's general operating, medical care, and commission on aging tax rates for 2014 were 4.9838, .6595, and .6000 mills, respectively.

13. DEFINED BENEFIT PENSION PLAN

Pension Plan - Primary Government (excluding the Grand Traverse Pavilions)

Plan Description. The County's defined benefit pension plan provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. The County participates in the Municipal Employees' Retirement System of Michigan (MERS), an agent multiple-employer plan administered by the MERS Retirement Board. Act No. 427 of the Public Acts of 1984, as amended, establishes and amends the benefit provisions of the participants in MERS. The Municipal Employees Retirement System of Michigan issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to MERS, 1134 Municipal Way, Lansing, Michigan 48917 or by calling (800) 767-6377.

Funding Policy. The County is required to contribute at an actuarially determined rate; the current rate ranges from 24.31% to 46.52% of annual covered payroll depending on the valuation division for the County's open divisions. The County is required to contribute fixed amounts for the closed divisions. Closed divisions no longer allow new employees to become members of the defined benefit pension plan. Employees are currently not required to contribute to the Plan. The contribution requirements of the County are established and may be amended by the Retirement Board of MERS. The contribution requirements of plan members, if any, are established and may be amended by the County, depending on the MERS contribution program adopted by the County.

Annual Pension Cost. For the year ended December 31, 2014, the County's annual pension cost of \$4,258,800 for MERS was equal to the County's required and actual contributions. The required contribution was determined as part of the December 31, 2012 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 8.0%, (b) projected salary increases of 1.0% per year compounded annually, attributable to inflation, and (c) additional projected salary increases of 0.0% to 13.0% per year, depending on age, attributable to seniority/merit. Although no specific price inflation assumption is used for this valuation, the 4.5% long-term wage inflation assumption would be consistent with a price inflation of 3% to 4%. The actuarial value of MERS assets was determined based on a 10-year smoothed value of assets. The County's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2013, the date of the latest actuarial valuation, was 25 years for open divisions and 14 years for closed divisions.

GRAND TRAVERSE COUNTY, MICHIGAN

Notes to Financial Statements

Fiscal Year Ending	Three-Year Trend Information		
	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2012	\$ 3,879,285	100%	\$ -
12/31/2013	3,964,683	100%	-
12/31/2014	4,258,800	100%	-

The schedule of employer contributions, presented as required supplementary information (RSI) following the notes to the financial statements, presents trend information about the amounts contributed to the plan by employers in comparison to the ARC, an amount that is actuarially determined in accordance with the parameters of GASB Statement No. 50. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost for each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

Funded Status and Funding Progress. As of December 31, 2014, the most recent actuarial valuation date, the plan was 48.4% funded. The actuarial accrued liability for benefits was \$88,858,803, and the actuarial value of assets was \$43,044,874, resulting in an unfunded actuarial accrued liability (UAAL) of \$45,813,929. The covered payroll (annual payroll of active employees covered by the plan) was \$4,557,937 and the ratio of the UAAL to the covered payroll was 1,005.1 percent.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Pension Plan - Grand Traverse Pavilions

Plan Description. The Pavilions defined benefit pension plan provides retirement and disability benefits and death benefits to plan members and beneficiaries. Grand Traverse Pavilions participates in the Municipal Employees Retirement System of Michigan (MERS), an agent multiple-employer plan administered by the MERS Retirement Board. Act No. 427 of the Public Acts of 1984, as amended, establishes and amends the benefit provisions of the participants in MERS. The Municipal Employees Retirement System of Michigan issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to MERS, 1134 Municipal Way, Lansing, Michigan 48917 or by calling (800) 767-6377.

Funding Policy. The Pavilions is required to contribute at an actuarially determined rate; the current rate ranges from 4.03% to 7.84% of annual covered payroll. Employees are currently required to contribute to the Plan. Employee contributions range from 0.40% to 7.81%. The contribution requirements of the Pavilions are established and may be amended by the Retirement Board of MERS. The contribution requirements of plan members, if any, are established and may be amended by the Pavilions, depending on the MERS contribution program adopted by the Pavilions.

GRAND TRAVERSE COUNTY, MICHIGAN

■ Notes to Financial Statements

Annual Pension Cost. For the year ended December 31, 2014, the Pavilions annual pension cost of \$878,191 for MERS was equal to the Pavilions required and actual contributions. The required contribution was determined as part of the December 31, 2012 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 8.0%, (b) projected salary increases of 1.0% per year compounded annually, attributable to inflation, and (c) additional projected salary increases of 0.0% to 13.00% per year, depending on age, attributable to seniority/merit. Although no specific price inflation assumption is used for this valuation, the 4.5% long-term wage inflation assumption would be consistent with a price inflation of 3% to 4%. The actuarial value of MERS assets was determined on the basis of a valuation method that assumes the fund earns the expected rate of return, and includes an adjustment to reflect fair value. The Pavilion's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2013, the date of the latest actuarial valuation, was 25 years.

Three-Year Trend Information				
Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation	
12/31/2012	\$ 894,639	100%	\$ -	-
12/31/2013	787,668	100%	-	-
12/31/2014	878,191	100%	-	-

The schedule of employer contributions, presented as required supplementary information (RSI) following the notes to the financial statements, presents trend information about the amounts contributed to the plan by employers in comparison to the ARC, an amount that is actuarially determined in accordance with the parameters of GASB Statement No. 50. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost for each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

Funded Status and Funding Progress. As of December 31, 2014, the most recent actuarial valuation date, the plan was 81.0% funded. The actuarial accrued liability for benefits was \$31,059,842, and the actuarial value of assets was \$25,171,760 resulting in an unfunded actuarial accrued liability (UAAL) of \$5,888,082. The covered payroll (annual payroll of active employees covered by the plan) was \$13,864,604 and the ratio of the UAAL to the covered payroll was 42.5 percent.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

GRAND TRAVERSE COUNTY, MICHIGAN

Notes to Financial Statements

Pension Plan - Road Commission Component Unit

Plan Description. The Road Commission's defined benefit pension plan provides retirement and disability benefits and death benefits to plan members and beneficiaries. Eligible employees for this plan were hired prior to April 1, 1996. The Road Commission participates in the Municipal Employees Retirement System (MERS), an agent multiple-employer plan administered by the Retirement Board of MERS. Act No. 427 of the Public Acts of 1984, as amended, establishes and amends the benefit provisions of the participants in MERS. The Municipal Employees Retirement System of Michigan issues a publicly available financial report that includes financial statements and required supplementary information for MERS. That report may be obtained by writing to the Municipal Employees Retirement System of Michigan, 1134 Municipal Way, Lansing, Michigan 48917 or by calling (800) 767-6377.

Funding Policy. The Road Commission is required to contribute fixed amounts for the closed divisions. Closed divisions no longer allow new employees to become members of the defined benefit pension plan. Employees are currently not required to contribute to the Plan. The Road Commission does not have any open divisions. The contribution requirements of the Road Commission are established and may be amended by the Retirement Board of MERS. The contribution requirements of plan members, if any, are established and may be amended by the Road Commission, depending on the MERS contribution program adopted by the Road Commission.

Annual Pension Cost. For the year ended December 31, 2014, the Road Commission's annual pension cost of \$484,104 for MERS was equal to the Road Commission's required and actual contributions. The required contribution was determined as part of the December 31, 2012 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 8.0%, (b) projected salary increases of 1.0% per year compounded annually, attributable to inflation, and (c) additional projected salary increases of 0.0% to 13.0% per year, depending on age, attributable to seniority/merit. Although no specific price inflation assumption is used for this valuation, the 4.5% long-term wage inflation assumption would be consistent with a price inflation of 3% to 4%. The actuarial value of MERS assets was determined based on a 10-year smoothed value of assets. The County's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2014 the date of the latest actuarial valuation was 5 years.

Three-Year Trend Information				
Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation	
12/31/2012	\$ 306,480	100%	\$	-
12/31/2013	386,460	100%		-
12/31/2014	484,104	100%		-

The schedule of employer contributions, presented as required supplementary information (RSI) following the notes to the financial statements, presents trend information about the amounts contributed to the plan by employers in comparison to the ARC, an amount that is actuarially determined in accordance with the parameters of GASB Statement No. 50. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost for each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

GRAND TRAVERSE COUNTY, MICHIGAN

Notes to Financial Statements

Funded Status and Funding Progress. As of December 31, 2014, the most recent actuarial valuation date, the plan was 65.8 percent funded. The actuarial accrued liability for benefits was \$9,475,876, and the actuarial value of assets was \$6,236,384, resulting in an unfunded actuarial accrued liability (UAAL) of \$3,239,492. The covered payroll (annual payroll of active employees covered by the plan) was \$226,661 and the ratio of the UAAL to the covered payroll was 1,429 percent.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

14. DEFINED CONTRIBUTION PLAN

Primary Government

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

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 2014, 382 employees participated and the County contributed \$1,507,371 and the employees contributed \$503,494.

Road Commission

The Road Commission maintains a defined contribution plan administered by MERS for those employees that 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 Road 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 2014, the Road Commission contributed \$177,814 and employees contributed \$39,991.

GRAND TRAVERSE COUNTY, MICHIGAN

Notes to Financial Statements

15. OTHER POSTEMPLOYMENT BENEFITS

Primary Government (excluding the Grand Traverse Pavilions)

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

Plan Membership. As of December 31, 2012, the date of the most recent actuarial valuation, the plan had 112 retirees and beneficiaries currently receiving benefits and 251 active participants.

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

Annual OPEB Cost and Net OPEB Obligation. The County's annual OPEB cost is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the County's annual OPEB cost for the year, the amount actually contributed to the plan, and the County's net OPEB obligation to the Retiree Health Plan at December 31, 2014:

Annual required contribution	\$ 476,032
Interest on net OPEB obligation	65,753
Adjustment to annual required contribution	<u>(65,753)</u>
Annual OPEB cost	476,032
Contributions made	<u>(72,016)</u>
Increase in net OPEB obligation	404,016
Net OPEB obligation, beginning of year	<u>1,643,816</u>
Net OPEB obligation, end of year	<u>\$ 2,047,832</u>

GRAND TRAVERSE COUNTY, MICHIGAN

Notes to Financial Statements

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2014 and the previous two years was as follows:

Fiscal Year Ending	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2012	\$ 401,167	16.3%	\$ 1,306,211
12/31/2013	397,552	15.2%	1,643,816
12/31/2014	476,032	15.1%	2,047,832

The schedule of employer contributions, presented as required supplementary information (RSI) following the notes to the financial statements, presents trend information about the amounts contributed to the plan by employers in comparison to the ARC, an amount that is actuarially determined in accordance with the parameters of GASB Statement 45.

Funded Status and Funding Progress - As of December 31, 2012, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was \$7,322,566, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$7,322,566. The covered payroll (annual payroll of active employees covered by the plan) was \$11,680,068, and the ratio of the UAAL to the covered payroll was 62.7%. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

In the December 31, 2012 actuarial valuation, the individual entry-age actuarial cost method was used. The actuarial assumptions included a 4.0% investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets, and an annual healthcare cost trend inflation rate of 9% initially, reduced by decrements to an ultimate rate of 4.0% after 10 years. The UAAL is being amortized as a level percentage of projected payroll if the divisions are open to new hires, and as a level dollar if the divisions are closed to new hires. The remaining amortization period at December 31, 2012 was 26 years.

GRAND TRAVERSE COUNTY, MICHIGAN

Notes to Financial Statements

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

	Governmental Activities
Legislative	\$ 97
Judicial	8,121
General government	4,540
Public safety	248,578
Health and welfare	214,203
Recreation and culture	<u>493</u>
 Total governmental activities OPEB expense	 <u>\$ 476,032</u>

Grand Traverse Pavilions

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

Plan Membership. As of January 1, 2014, the date of the most recent actuarial valuation, the plan had 38 retirees and beneficiaries currently receiving benefits and 364 total plan participants.

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

Annual OPEB Cost and Net OPEB Obligation. The Pavilions' annual OPEB cost is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Pavilions' annual OPEB cost for the year, the amount actually contributed to the plan, and the Pavilions' net OPEB obligation to the Plan at December 31, 2014:

Annual required contribution	\$ 408,138
Interest on net OPEB obligation	13,514
Adjustment to annual required contribution	<u>(15,394)</u>
Annual OPEB cost	<u>406,258</u>
 Contributions made	 <u>(58,234)</u>
 Increase in net OPEB obligation	 348,024
Net OPEB obligation, beginning of year	<u>337,862</u>
 Net OPEB obligation, end of year	 <u>\$ 685,886</u>

GRAND TRAVERSE COUNTY, MICHIGAN

Notes to Financial Statements

The Pavilions' annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2014 and the previous year was as follows:

Fiscal Year Ending	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2013	\$ 396,359	14.8%	\$ 337,862
12/31/2014	406,258	14.3%	685,886

The schedule of employer contributions, presented as required supplementary information (RSI) following the notes to the financial statements, presents trend information about the amounts contributed to the plan by employers in comparison to the ARC, an amount that is actuarially determined in accordance with the parameters of GASB Statement 45.

Funded Status and Funding Progress - As of January 1, 2014, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was \$4,720,079, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$4,720,079. The covered payroll (annual payroll of active employees covered by the plan) was \$14,652,011, and the ratio of the UAAL to the covered payroll was 32.2%. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

In the January 1, 2014 actuarial valuation, the individual entry-age actuarial cost method was used. The actuarial assumptions included a 4.0% investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets, and an annual healthcare cost trend inflation rate of 4%. The UAAL is being amortized as a level percentage of projected payroll if the divisions are open to new hires, and as a level dollar if the divisions are closed to new hires. The remaining amortization period at January 1, 2014 was 30 years.

GRAND TRAVERSE COUNTY, MICHIGAN

Notes to Financial Statements

Road Commission

Plan Description. The Road Commission provides health care benefits to its retired employees, as established by Resolution of the Board of County Road Commissioners. The Road Commission pays medical premiums or reimburses a prescribed amount of medical expenses for employees based on age and years of service at the time of retirement.

Plan Membership. As of December 31, 2014, the date of the most recent actuarial valuation, the plan had 52 retirees and beneficiaries currently receiving benefits and 46 total plan participants.

Funding Policy. The Road Commission's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC). The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

Annual OPEB Cost and Net OPEB Obligation. For 2014, the components of the Road Commission's annual OPEB (other postemployment benefit) cost for the year, the amount actually contributed to the Plan, and changes in the Road Commission's net OPEB obligation to the Plan are as follows:

Annual required contribution	\$ 254,401
Interest on net OPEB obligation	99,647
Adjustment to annual required contribution	(157,104)
Annual OPEB cost	<u>196,944</u>
Contributions made	<u>(171,300)</u>
Increase in net OPEB obligation	25,644
Net OPEB obligation, beginning of year	<u>2,491,184</u>
Net OPEB obligation, end of year	<u><u>\$ 2,516,828</u></u>

The Road Commission's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2014, was as follows:

Years Ended December 31,	Annual OPEB Cost	Actual Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2012	\$ 542,351	\$ 158,063	23.6%	\$ 2,056,716
12/31/2013	593,776	159,308	26.8%	2,491,184
12/31/2014	196,944	171,300	87.0%	2,516,828

Funded Status and Funding Progress. The plan was 5.0 percent funded as of December 31, 2014, the date of the latest actuarial valuation. The actuarial accrued liability for benefits was \$2,877,173, and the actuarial value of assets was \$143,983, resulting in an unfunded actuarial accrued liability (UAAL) of \$2,733,190. The covered payroll and the ratio of the UAAL to the covered payroll are not available.

GRAND TRAVERSE COUNTY, MICHIGAN

Notes to Financial Statements

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

Actuarial valuation date	12/31/2014
Actuarial cost method	Projected unit credit
Amortization method	Level dollar, closed
Remaining amortization period	24 years
Actuarial assumptions:	
Investment rate of return	4.0%
Healthcare inflation rate	9.0% downgraded to 5% over 4 years

16. CONTINGENCIES AND COMMITMENTS

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

The County participates in a number of federal and state assisted grant programs, including mainly the Friend of Court and Prosecuting Attorney cooperative reimbursement programs, and Health Department grant programs, which are subject to financial and compliance audits. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the County expects such amounts, if any, to be insignificant.

Under the terms of various Federal and State grants, periodic audits are required and certain costs may be questioned as not being eligible under the terms of the grants. Questioned costs could lead to reimbursement to the grantor agencies. Management believes such disallowances, if any, would not be material to the financial position of the Road Commission.

GRAND TRAVERSE COUNTY, MICHIGAN

Notes to Financial Statements

17. RELATED PARTY TRANSACTIONS

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

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

The Foundation's Board of Directors is appointed by the Grand Traverse Pavilions' Board of Directors. During 2014, Pavilions paid operating expenses on behalf of the Foundation for which Pavilions is reimbursed. There is no balance due to Pavilions at December 31, 2014.

GRAND TRAVERSE COUNTY, MICHIGAN

Notes to Financial Statements

18. FUND BALANCES - GOVERNMENTAL FUNDS

Fund balances of governmental funds were comprised as follows at December 31, 2014:

	General Fund	Commission on Aging	CDBG	Health Department	LaFranier DPW	Nonmajor Governmental	Total
Nonspendable							
Prepaid items	\$ 55,801	\$ 11,470	\$ -	\$ 8,362	\$ -	\$ 11,985	\$ 87,618
Long-term advances	2,755,494	-	-	-	-	-	2,755,494
Total nonspendable	2,811,295	11,470	-	8,362	-	11,985	2,843,112
Restricted							
Commission on Aging	-	1,949,873	-	-	-	-	1,949,873
CDBG	-	-	56,048	-	-	-	56,048
Health Department	-	-	-	213,134	-	-	213,134
Veterans' Trust	-	-	-	-	-	5,898	5,898
ROD Automation	-	-	-	-	-	261,708	261,708
County Law Library	-	-	-	-	-	9,710	9,710
Criminal Justice Training	-	-	-	-	-	21,250	21,250
Housing Trust	-	-	-	-	-	107,913	107,913
EDC	-	-	-	-	-	220,368	220,368
Revenue Sharing Reserve	-	-	-	-	-	563,913	563,913
Health Services	-	-	-	-	-	1,163	1,163
Total restricted	-	1,949,873	56,048	213,134	-	1,191,923	3,410,978
Committed							
Health Department	-	-	-	1,407,275	-	-	1,407,275
13th Circuit Court	-	-	-	-	-	20,370	20,370
Local Crime Victims Rights	-	-	-	-	-	12,923	12,923
86th District Court	-	-	-	-	-	888	888
County Special Projects	-	-	-	-	-	27,323	27,323
Parks and Recreation	-	-	-	-	-	148,936	148,936
Maple Bay Development	-	-	-	-	-	9,687	9,687
Friend of the Court	-	-	-	-	-	1,306,312	1,306,312
Gypsy Moth Suppression	-	-	-	-	-	626	626
Corrections P.A. 511	-	-	-	-	-	346,832	346,832
Federal Equitable Sharing	-	-	-	-	-	6,297	6,297
Mitchell Creek Watershed	-	-	-	-	-	8,155	8,155
Next Michigan	-	-	-	-	-	9,626	9,626
Corrections Officers Training	-	-	-	-	-	34,139	34,139
Capital projects	-	-	-	-	-	618,378	618,378
Total committed	-	-	-	1,407,275	-	2,550,492	3,957,767
Assigned							
Subsequent year's expenditures	705,645	-	-	-	-	-	705,645
Unassigned (deficit)	5,421,120	-	-	-	(1,320,000)	(915,000)	3,186,120
Total fund balances, governmental funds	\$ 8,938,060	\$ 1,961,343	\$ 56,048	\$ 1,628,771	\$ (1,320,000)	\$ 2,839,400	\$ 14,103,622

GRAND TRAVERSE COUNTY, MICHIGAN

Notes to Financial Statements

19. NET INVESTMENT IN CAPITAL ASSETS

The composition of the net investment in capital assets as of December 31, 2014, was as follows:

	Governmental Activities	Business-type Activities	Component Units
Capital assets:			
Capital assets not being depreciated	\$ 15,639,877	\$ 1,851,946	\$ 28,573,688
Capital assets being depreciated, net	28,993,264	21,583,029	50,709,262
	<hr/>	<hr/>	<hr/>
	44,633,141	23,434,975	79,282,950
 Related debt:			
Bonds payable	(9,935,000)	(6,010,000)	(1,803,927)
Notes payable	-	-	(2,947,000)
Bond premiums and discounts, net	42,600	(31,171)	-
Deferred loss on refunding	-	265,653	-
	<hr/>	<hr/>	<hr/>
	(9,892,400)	(5,775,518)	(4,750,927)
 Net investment in capital assets	<hr/>	<hr/>	<hr/>
	\$ 34,740,741	\$ 17,659,457	\$ 74,532,023

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REQUIRED SUPPLEMENTARY INFORMATION

GRAND TRAVERSE COUNTY, MICHIGAN

Required Supplementary Information MERS Agent Multiple-Employer Defined Benefit Plan Primary Government

Schedule of Funding Progress						
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of covered Payroll ((b - a) / c)
12/31/2009	\$ 39,448,510	\$ 79,212,816	\$ 39,764,306	49.8%	\$ 6,148,220	646.8%
12/31/2010	40,647,280	80,396,593	39,749,313	50.6%	5,928,845	670.4%
12/31/2011	41,634,521	82,943,903	41,309,382	50.2%	5,676,816	727.7%
12/31/2012	41,910,582	85,327,602	43,417,020	49.1%	5,074,937	855.5%
12/31/2013	42,433,906	86,837,752	44,403,846	48.9%	4,849,249	915.7%
12/31/2014	43,044,874	88,858,803	45,813,929	48.4%	4,557,937	1005.1%

Schedule of Employer Contributions		
Year Ended December 31,	Annual Required Contribution	Percentage Contributed
2009	\$ 3,572,015	100.0%
2010	3,960,432	100.0%
2011	3,962,869	100.0%
2012	3,879,285	100.0%
2013	3,964,683	100.0%
2014	4,258,800	100.0%

GRAND TRAVERSE COUNTY, MICHIGAN

■ Required Supplementary Information

Retiree Health Care Plan - Other Postemployment Benefit Plan
Primary Government

Schedule of Funding Progress							
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of covered Payroll ((b - a) / c)	
12/31/2006	\$ -	\$ 3,835,158	\$ 3,835,158	0.0%	\$ 12,439,409	30.8%	
12/31/2008	-	4,857,649	4,857,649	0.0%	12,581,495	38.6%	
12/31/2010	-	6,100,749	6,100,749	0.0%	12,645,018	48.2%	
12/31/2012	-	7,322,566	7,322,566	0.0%	11,680,068	62.7%	

Schedule of Employer Contributions			
Year Ended December 31,	Annual Required Contribution	Percentage Contributed	
2009	\$ 272,319	27.0%	
2010	353,505	24.0%	
2011	363,809	22.0%	
2012	398,293	16.3%	
2013	395,542	15.2%	
2014	476,032	15.1%	

GRAND TRAVERSE COUNTY, MICHIGAN

Required Supplementary Information MERS Agent Multiple-Employer Defined Benefit Plan Grand Traverse Pavilions

Schedule of Funding Progress						
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of covered Payroll ((b - a) / c)
12/31/2009	\$ 15,370,615	\$ 19,069,186	\$ 3,698,571	80.6%	\$ 11,930,874	31.0%
12/31/2010	17,086,794	20,387,510	3,300,716	83.8%	12,125,296	27.2%
12/31/2011	18,737,809	22,438,319	3,700,510	83.5%	12,592,496	29.4%
12/13/2012	21,318,438	24,406,151	3,087,713	87.3%	12,657,551	24.4%
12/31/2013	23,336,894	28,342,237	5,005,343	82.3%	13,473,728	37.1%
12/31/2014	25,171,760	31,059,842	5,888,082	81.0%	13,864,604	42.5%

Schedule of Employer Contributions		
Year Ended December 31,	Annual Required Contribution	Percentage Contributed
2009	\$ 798,288	100.0%
2010	989,285	100.0%
2011	900,517	100.0%
2012	894,639	100.0%
2013	787,668	100.0%
2014	878,191	100.0%

GRAND TRAVERSE COUNTY, MICHIGAN

Required Supplementary Information

Retiree Health Care Plan - Other Postemployment Benefit Plan
Grand Traverse Pavilions

Schedule of Funding Progress						
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of covered Payroll ((b - a) / c)
1/1/2012	\$ -	\$ 4,843,273	\$ 4,843,273	0.0%	\$ 14,507,965	33.4%
1/1/2014	-	4,720,079	4,720,079	0.0%	14,652,011	32.2%

Schedule of Employer Contributions		
Year Ended December 31,	Annual Required Contribution	Percentage Contributed
2013	\$ 396,359	14.8%
2014	408,138	14.3%

GRAND TRAVERSE COUNTY, MICHIGAN

■ Required Supplementary Information

MERS Agent Multiple-Employer Defined Benefit Plan
Road Commission Component Unit

Schedule of Funding Progress							
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of covered Payroll ((b - a) / c)	
12/31/2009	\$ 7,184,722	\$ 9,494,975	\$ 2,310,253	75.7%	\$ 614,659	375.9%	
12/31/2010	6,953,860	9,612,932	2,659,072	72.3%	467,908	568.3%	
12/31/2011	6,742,101	9,708,395	2,966,294	69.4%	487,950	607.9%	
12/31/2012	6,452,602	9,735,506	3,282,904	66.3%	305,998	1072.9%	
12/31/2013	6,296,343	9,674,917	3,378,574	65.1%	311,950	1083.0%	
12/31/2014	6,236,384	9,475,876	3,239,492	65.8%	226,661	1429.2%	

Schedule of Employer Contributions

Year Ended December 31,	Annual Required Contribution	Percentage Contributed
2009	\$ 161,892	100.0%
2010	205,680	100.0%
2011	258,900	100.0%
2012	306,480	100.0%
2013	386,460	100.0%
2014	484,104	100.0%

GRAND TRAVERSE COUNTY, MICHIGAN

■ Required Supplementary Information

Retiree Health Care Plan - Other Postemployment Benefit Plan
Road Commission Component Unit

Schedule of Funding Progress						
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of covered Payroll ((b - a) / c)
12/31/2008	\$ -	\$ 6,695,670	\$ 6,695,670	0.0%	Not available	Not available
12/31/2011	30,000	5,571,962	5,541,962	0.5%	Not available	Not available
12/31/2014	143,983	2,877,176	2,733,193	5.0%	Not available	Not available

Schedule of Employer Contributions		
Year Ended December 31,	Annual Required Contribution	Percentage Contributed
2009	\$ 648,229	30.1%
2010	660,801	20.1%
2011	528,310	25.0%
2012	576,069	27.4%
2013	586,780	27.1%
2014	245,401	67.3%

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**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES**

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GRAND TRAVERSE COUNTY, MICHIGAN

■ Nonmajor Governmental Funds

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.

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

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

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

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

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

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

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

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

GRAND TRAVERSE COUNTY, MICHIGAN

■ Nonmajor Governmental Funds

Special Revenue Funds (Continued)

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.

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.

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

EPA Grant Fund - This fund is used to account for federal funds used to assess properties contaminated by petroleum substances.

Revenue Sharing Reserve Fund - This fund is used to account for tax revenues accumulated as a result of the gradual shift of the County property tax levy from December 1 to July 1. These tax revenues are a temporary substitute or replacement revenue for state revenue sharing payments.

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.

Juvenile Accountability Fund - This fund is used to account for revenues received from the General Fund and state grants to provide foster care to children under the jurisdiction of the Family Division of the 13th Circuit Court, who do not qualify for the state foster care program.

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

GRAND TRAVERSE COUNTY, MICHIGAN

■ Nonmajor Governmental Funds

Special Revenue Funds (Concluded)

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

Debt Service Funds

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

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

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

Capital Projects Funds

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

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

Health Services Fund - This fund was established to accumulate resources for construction of the new Health Services building.

GRAND TRAVERSE COUNTY, MICHIGAN

Combining Balance Sheet Nonmajor Governmental Funds December 31, 2014

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Cash and cash equivalents	\$ 2,150,259	\$ -	\$ 668,167	\$ 2,818,426
Investments	70,556	-	-	70,556
Receivables, net:				
Accounts	311,545	-	58,958	370,503
Loans	732,588	-	-	732,588
Due from other governments	662,931	-	-	662,931
Due from other funds	493,720	-	5,555	499,275
Prepaid items	11,985	-	-	11,985
Advances to other funds	563,913	-	-	563,913
Total assets	\$ 4,997,497	\$ -	\$ 732,680	\$ 5,730,177
Liabilities				
Accounts payable	\$ 199,541	\$ -	\$ 113,139	\$ 312,680
Accrued liabilities	168,744	-	-	168,744
Due to other funds	218,779	-	-	218,779
Due to other governments	149,141	-	-	149,141
Advance from other funds	370,494	915,000	-	1,285,494
Unearned revenues	23,351	-	-	23,351
Total liabilities	1,130,050	915,000	113,139	2,158,189
Deferred inflows of resources				
Unavailable revenues - loans receivable	732,588	-	-	732,588
Fund balances				
Nonspendable	11,985	-	-	11,985
Restricted	1,190,760	-	1,163	1,191,923
Committed	1,932,114	-	618,378	2,550,492
Unassigned (deficit)	-	(915,000)	-	(915,000)
Total fund balances	3,134,859	(915,000)	619,541	2,839,400
Total liabilities, deferred inflows of resources and fund balances	\$ 4,997,497	\$ -	\$ 732,680	\$ 5,730,177

GRAND TRAVERSE COUNTY, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds For the Year Ended December 31, 2014

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Intergovernmental:				
Federal sources	\$ 1,474,967	\$ -	\$ -	\$ 1,474,967
State sources	1,044,243	-	-	1,044,243
Local sources	1,505,688	-	110,754	1,616,442
Charges for services	884,622	-	-	884,622
Rental revenues	116,700	-	-	116,700
Interest revenues	24,011	-	1	24,012
Other revenues	388,545	-	106,813	495,358
Total revenues	5,438,776	-	217,568	5,656,344
Expenditures				
Current:				
Judicial	7,677,943	-	-	7,677,943
General government	106,644	-	1,815,498	1,922,142
Public safety	526,841	-	-	526,841
Health and welfare	1,864,059	-	-	1,864,059
Economic development	1,497,567	-	-	1,497,567
Recreation and cultural	667,140	-	-	667,140
Debt service:				
Principal	-	545,000	-	545,000
Interest and fiscal charges	-	302,794	-	302,794
Capital outlay	167,897	-	461,711	629,608
Total expenditures	12,508,091	847,794	2,277,209	15,633,094
Revenues under expenditures	(7,069,315)	(847,794)	(2,059,641)	(9,976,750)
Other financing sources (uses)				
Transfers in	5,864,761	1,047,794	2,067,524	8,980,079
Transfers out	(1,372,778)	-	-	(1,372,778)
Total other financing sources (uses)	4,491,983	1,047,794	2,067,524	7,607,301
Net change in fund balances	(2,577,332)	200,000	7,883	(2,369,449)
Fund balances (deficit), beginning of year	5,712,191	(1,115,000)	611,658	5,208,849
Fund balances (deficit), end of year	\$ 3,134,859	\$ (915,000)	\$ 619,541	\$ 2,839,400

GRAND TRAVERSE COUNTY, MICHIGAN

Combining Balance Sheet Nonmajor Special Revenue Funds December 31, 2014

	13th Circuit Court	Local Crime Victims Rights	86th District Court	County Special Projects
Assets				
Cash and cash equivalents	\$ -	\$ 12,923	\$ -	\$ 27,323
Investments	-	-	-	-
Receivables, net:				
Accounts	56,706	-	172,792	-
Loans	-	-	-	-
Due from other governments	-	-	7,974	-
Due from other funds	180,362	-	313,358	-
Prepaid items	10,750	-	-	-
Advances to other funds	-	-	-	-
Total assets	\$ 247,818	\$ 12,923	\$ 494,124	\$ 27,323
Liabilities				
Accounts payable	\$ 20,851	\$ -	\$ 28,165	\$ -
Accrued liabilities	11,169	-	80,139	-
Due to other funds	25,727	-	47,851	-
Due to other governments	40,726	-	84,812	-
Advance from other funds	118,225	-	252,269	-
Unearned revenues	-	-	-	-
Total liabilities	216,698	-	493,236	-
Deferred inflows of resources				
Unavailable revenues - loans receivable	-	-	-	-
Fund balances				
Nonspendable	10,750	-	-	-
Restricted	-	-	-	-
Committed	20,370	12,923	888	27,323
Total fund balances	31,120	12,923	888	27,323
Total liabilities, deferred inflows of resources and fund balances	\$ 247,818	\$ 12,923	\$ 494,124	\$ 27,323

Parks and Recreation	Maple Bay Development	Friend of the Court	Gypsy Moth Suppression Program	Veterans' Trust	Register of Deeds Automation	Corrections P.A. 511
\$ 114,977	\$ 9,687	\$ 1,039,849	\$ 626	\$ 10,315	\$ 266,136	\$ 302,965
66,012	-	-	-	-	-	12,450
-	-	-	-	-	-	-
-	-	349,621	-	-	-	62,195
-	-	-	-	-	-	-
836	-	-	-	-	-	-
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<u>\$ 181,825</u>	<u>\$ 9,687</u>	<u>\$ 1,389,470</u>	<u>\$ 626</u>	<u>\$ 10,315</u>	<u>\$ 266,136</u>	<u>\$ 377,610</u>
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ 13,133	\$ -	\$ 4,868	\$ -	\$ 1,824	\$ -	\$ 21,395
13,631	-	53,313	-	1,593	-	8,899
2,938	-	24,977	-	-	4,428	484
-	-	-	-	-	-	-
2,351	-	-	-	1,000	-	-
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<u>32,053</u>	<u>-</u>	<u>83,158</u>	<u>-</u>	<u>4,417</u>	<u>4,428</u>	<u>30,778</u>
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
836	-	-	-	-	-	-
-	-	-	-	5,898	261,708	-
<u>148,936</u>	<u>9,687</u>	<u>1,306,312</u>	<u>626</u>	<u>-</u>	<u>-</u>	<u>346,832</u>
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<u>149,772</u>	<u>9,687</u>	<u>1,306,312</u>	<u>626</u>	<u>5,898</u>	<u>261,708</u>	<u>346,832</u>
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<u>\$ 181,825</u>	<u>\$ 9,687</u>	<u>\$ 1,389,470</u>	<u>\$ 626</u>	<u>\$ 10,315</u>	<u>\$ 266,136</u>	<u>\$ 377,610</u>

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GRAND TRAVERSE COUNTY, MICHIGAN

Combining Balance Sheet Nonmajor Special Revenue Funds December 31, 2014

	County Law Library	Federal Equitable Sharing	Criminal Justice Training Act	Mitchell Creek Watershed
Assets				
Cash and cash equivalents	\$ 9,710	\$ 6,297	\$ 21,250	\$ 8,155
Investments	-	-	-	-
Receivables, net:				
Accounts	-	-	-	-
Loans	-	-	-	-
Due from other governments	-	-	-	-
Due from other funds	-	-	-	-
Prepaid items	-	-	-	-
Advances to other funds	-	-	-	-
Total assets	\$ 9,710	\$ 6,297	\$ 21,250	\$ 8,155
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Advance from other funds	-	-	-	-
Unearned revenues	-	-	-	-
Total liabilities	-	-	-	-
Deferred inflows of resources				
Unavailable revenues - loans receivable	-	-	-	-
Fund balances				
Nonspendable	-	-	-	-
Restricted	9,710	-	21,250	-
Committed	-	6,297	-	8,155
Total fund balances	9,710	6,297	21,250	8,155
Total liabilities, deferred inflows of resources and fund balances	\$ 9,710	\$ 6,297	\$ 21,250	\$ 8,155

Housing Trust Fund	Next Michigan	EDC	EPA Grant	Revenue Sharing Reserve	Child Care	Juvenile Accountability
\$ 107,913	\$ 30,772	\$ 149,188	\$ -	\$ -	\$ -	\$ -
-	-	70,556	-	-	-	-
-	-	624	-	-	-	-
100,000	-	632,588	-	-	-	-
-	-	-	13,620	-	150,084	2,033
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	563,913	-	-
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ 207,913	\$ 30,772	\$ 852,956	\$ 13,620	\$ 563,913	\$ 150,084	\$ 2,033
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ -	\$ 1,146	\$ -	\$ -	\$ -	\$ 68,710	\$ 1,815
-	-	-	-	-	-	-
-	-	-	13,620	-	57,771	218
-	-	-	-	-	23,603	-
-	-	-	-	-	-	-
-	20,000	-	-	-	-	-
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
-	21,146	-	13,620	-	150,084	2,033
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
100,000	-	632,588	-	-	-	-
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
107,913	-	220,368	-	563,913	-	-
-	9,626	-	-	-	-	-
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
107,913	9,626	220,368	-	563,913	-	-
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ 207,913	\$ 30,772	\$ 852,956	\$ 13,620	\$ 563,913	\$ 150,084	\$ 2,033
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GRAND TRAVERSE COUNTY, MICHIGAN

Combining Balance Sheet Nonmajor Special Revenue Funds December 31, 2014

	Safe Havens	Corrections Officers Training	Total
Assets			
Cash and cash equivalents	\$ -	\$ 32,173	\$ 2,150,259
Investments	-	-	70,556
Receivables, net:			
Accounts	-	2,961	311,545
Loans	-	-	732,588
Due from other governments	77,404	-	662,931
Due from other funds	-	-	493,720
Prepaid items	-	399	11,985
Advances to other funds	-	-	563,913
Total assets	\$ 77,404	\$ 35,533	\$ 4,997,497
Liabilities			
Accounts payable	\$ 36,639	\$ 995	\$ 199,541
Accrued liabilities	-	-	168,744
Due to other funds	40,765	-	218,779
Due to other governments	-	-	149,141
Advance from other funds	-	-	370,494
Unearned revenues	-	-	23,351
Total liabilities	77,404	995	1,130,050
Deferred inflows of resources			
Unavailable revenues - loans receivable	-	-	732,588
Fund balances			
Nonspendable	-	399	11,985
Restricted	-	-	1,190,760
Committed	-	34,139	1,932,114
Total fund balances	-	34,538	3,134,859
Total liabilities, deferred inflows of resources and fund balances	\$ 77,404	\$ 35,533	\$ 4,997,497

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GRAND TRAVERSE COUNTY, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds For the Year Ended December 31, 2014

	13th Circuit Court	Local Crime Victims Rights	86th District Court	County Special Projects
Revenues				
Intergovernmental:				
Federal sources	\$ 12,768	\$ -	\$ -	\$ -
State sources	-	-	24,736	-
Local sources	397,431	7,182	929,430	-
Charges for services	-	-	-	-
Rental revenues	-	-	-	-
Interest revenues	-	-	-	-
Other revenues	4,516	-	2,549	-
Total revenues	414,715	7,182	956,715	-
Expenditures				
Current:				
Judicial	1,699,998	9,069	3,948,322	-
General government	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Economic development	-	-	-	-
Recreation and cultural	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	1,699,998	9,069	3,948,322	-
Revenues over (under) expenditures	(1,285,283)	(1,887)	(2,991,607)	-
Other financing sources (uses)				
Transfers in	1,316,403	-	2,991,610	-
Transfers out	-	-	-	-
Total other financing sources (uses)	1,316,403	-	2,991,610	-
Net change in fund balances	31,120	(1,887)	3	-
Fund balances, beginning of year	-	14,810	885	27,323
Fund balances, end of year	\$ 31,120	\$ 12,923	\$ 888	\$ 27,323

Parks and Recreation	Maple Bay Development	Friend of the Court	Gypsy Moth Suppression Program	Veterans' Trust	Register of Deeds Automation	Corrections P.A. 511
\$ -	\$ -	\$ 1,251,868	\$ -	\$ -	\$ -	\$ -
		124,101		46,516		198,171
3,097	-	141,013		1,000		26,535
344,255	-	174,423		-	109,360	213,868
116,700	-	-		-	-	-
-	-	-		-	-	-
25,081	-	607		-	-	43,326
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
489,133	-	1,692,012		47,516	109,360	481,900
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
-	-	2,020,554		-	-	-
-	-	-		-	106,644	-
-	-	-		-	-	478,627
-	-	-		54,043	-	-
-	-	-		-	-	-
667,140	-	-		-	-	-
-	-	-		-	-	-
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
667,140	-	2,020,554		54,043	106,644	478,627
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
(178,007)	-	(328,542)		(6,527)	2,716	3,273
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
318,613	-	345,241		-	-	49,521
-	-	-		-	-	-
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
318,613	-	345,241		-	-	49,521
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
140,606	-	16,699		(6,527)	2,716	52,794
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
9,166	9,687	1,289,613	626	12,425	258,992	294,038
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ 149,772	\$ 9,687	\$ 1,306,312	\$ 626	\$ 5,898	\$ 261,708	\$ 346,832
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GRAND TRAVERSE COUNTY, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds For the Year Ended December 31, 2014

	County Law Library	Federal Equitable Sharing	Criminal Justice Training Act	Mitchell Creek Watershed
Revenues				
Intergovernmental:				
Federal sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	12,651	-
Local sources	-	-	-	-
Charges for services	-	-	-	-
Rental revenues	-	-	-	-
Interest revenues	-	287	-	-
Other revenues	6,684	194	-	-
Total revenues	6,684	481	12,651	-
Expenditures				
Current:				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	-	-	10,962	-
Health and welfare	-	-	-	-
Economic development	-	-	-	-
Recreation and cultural	-	-	-	-
Capital outlay	-	167,897	-	-
Total expenditures	-	167,897	10,962	-
Revenues over (under) expenditures	6,684	(167,416)	1,689	-
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	6,684	(167,416)	1,689	-
Fund balances, beginning of year	3,026	173,713	19,561	8,155
Fund balances, end of year	\$ 9,710	\$ 6,297	\$ 21,250	\$ 8,155

Housing Trust Fund	Next Michigan	EDC	EPA Grant	Revenue Sharing Reserve	Child Care	Juvenile Accountability
\$ 4,606	\$ -	\$ -	\$ 13,620	\$ -	\$ -	\$ 31,692
-	4,460	-	-	-	630,087	3,521
-	-	-	-	-	-	-
-	2,500	-	-	-	-	-
-	-	-	-	-	-	-
219	-	23,505	-	-	-	-
-	-	167,369	-	-	138,219	-
<hr/> 4,825	<hr/> 6,960	<hr/> 190,874	<hr/> 13,620	<hr/> -	<hr/> 768,306	<hr/> 35,213
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
4,607	-	-	13,620	-	1,596,163	35,213
-	14,888	1,482,679	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<hr/> 4,607	<hr/> 14,888	<hr/> 1,482,679	<hr/> 13,620	<hr/> -	<hr/> 1,596,163	<hr/> 35,213
<hr/> 218	<hr/> (7,928)	<hr/> (1,291,805)	<hr/> -	<hr/> -	<hr/> (827,857)	<hr/> -
16,742	-	-	-	-	826,631	-
-	-	-	-	(1,372,778)	-	-
<hr/> 16,742	<hr/> -	<hr/> -	<hr/> -	<hr/> (1,372,778)	<hr/> 826,631	<hr/> -
16,960	(7,928)	(1,291,805)	-	(1,372,778)	(1,226)	-
<hr/> 90,953	<hr/> 17,554	<hr/> 1,512,173	<hr/> -	<hr/> 1,936,691	<hr/> 1,226	<hr/> -
<hr/> \$ 107,913	<hr/> \$ 9,626	<hr/> \$ 220,368	<hr/> \$ -	<hr/> \$ 563,913	<hr/> \$ -	<hr/> \$ -

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GRAND TRAVERSE COUNTY, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds For the Year Ended December 31, 2014

	Safe Havens	Corrections Officers Training	Total
Revenues			
Intergovernmental:			
Federal sources	\$ 160,413	\$ -	\$ 1,474,967
State sources	-	-	1,044,243
Local sources	-	-	1,505,688
Charges for services	-	40,216	884,622
Rental revenues	-	-	116,700
Interest revenues	-	-	24,011
Other revenues	-	-	388,545
Total revenues	160,413	40,216	5,438,776
Expenditures			
Current:			
Judicial	-	-	7,677,943
General government	-	-	106,644
Public safety	-	37,252	526,841
Health and welfare	160,413	-	1,864,059
Economic development	-	-	1,497,567
Recreation and cultural	-	-	667,140
Capital outlay	-	-	167,897
Total expenditures	160,413	37,252	12,508,091
Revenues over (under) expenditures	-	2,964	(7,069,315)
Other financing sources (uses)			
Transfers in	-	-	5,864,761
Transfers out	-	-	(1,372,778)
Total other financing sources (uses)	-	-	4,491,983
Net change in fund balances	-	2,964	(2,577,332)
Fund balances, beginning of year	-	31,574	5,712,191
Fund balances, end of year	\$ -	\$ 34,538	\$ 3,134,859

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GRAND TRAVERSE COUNTY, MICHIGAN

Schedule of Revenues, Expenditures and Change in Fund Balances - Budget and Actual For the Year Ended December 31, 2014

	13th Circuit Court			
	Original Budget	Amended Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Intergovernmental:				
Federal sources	\$ -	\$ -	\$ 12,768	\$ 12,768
State sources	-	-	-	-
Local sources	435,283	444,283	397,431	(46,852)
Charges for services	-	-	-	-
Rental revenues	-	-	-	-
Interest revenues	-	-	-	-
Other revenues	-	-	4,516	4,516
Total revenues	435,283	444,283	414,715	(29,568)
Expenditures				
Current:				
Judicial	1,853,977	1,862,977	1,699,998	(162,979)
General government	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Economic development	-	-	-	-
Recreation and cultural	-	-	-	-
Other expense	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	1,853,977	1,862,977	1,699,998	(162,979)
Revenues over (under) expenditures	(1,418,694)	(1,418,694)	(1,285,283)	133,411
Other financing sources (uses)				
Transfers in	1,418,694	1,418,694	1,316,403	(102,291)
Transfers out	-	-	-	-
Total other financing sources (uses)	1,418,694	1,418,694	1,316,403	(102,291)
Net change in fund balances	-	-	31,120	31,120
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	\$ -	\$ -	\$ 31,120	\$ 31,120

GRAND TRAVERSE COUNTY, MICHIGAN

Schedule of Revenues, Expenditures and Change in Fund Balances - Budget and Actual For the Year Ended December 31, 2014

	Local Crime Victims Rights			
	Original Budget	Amended Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Intergovernmental:				
Federal sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Local sources	10,000	10,000	7,182	(2,818)
Charges for services	-	-	-	-
Rental revenues	-	-	-	-
Interest revenues	-	-	-	-
Other revenues	-	-	-	-
Total revenues	10,000	10,000	7,182	(2,818)
Expenditures				
Current:				
Judicial	18,000	18,000	9,069	(8,931)
General government	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Economic development	-	-	-	-
Recreation and cultural	-	-	-	-
Other expense	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	18,000	18,000	9,069	(8,931)
Revenues over (under) expenditures	(8,000)	(8,000)	(1,887)	6,113
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	(8,000)	(8,000)	(1,887)	6,113
Fund balances, beginning of year	14,810	14,810	14,810	-
Fund balances, end of year	\$ 6,810	\$ 6,810	\$ 12,923	\$ 6,113

GRAND TRAVERSE COUNTY, MICHIGAN

Schedule of Revenues, Expenditures and Change in Fund Balances - Budget and Actual For the Year Ended December 31, 2014

	86th District Court			
	Original Budget	Amended Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Intergovernmental:				
Federal sources	\$ -	\$ -	\$ -	\$ -
State sources	27,205	111,047	24,736	(86,311)
Local sources	1,104,732	1,104,732	929,430	(175,302)
Charges for services	-	-	-	-
Rental revenues	-	-	-	-
Interest revenues	-	-	-	-
Other revenues	-	-	2,549	2,549
Total revenues	1,131,937	1,215,779	956,715	(259,064)
Expenditures				
Current:				
Judicial	4,157,068	4,240,910	3,948,322	(292,588)
General government	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Economic development	-	-	-	-
Recreation and cultural	-	-	-	-
Other expense	-	-	-	-
Capital outlay	2,100	2,100	-	(2,100)
Total expenditures	4,159,168	4,243,010	3,948,322	(294,688)
Revenues over (under) expenditures	(3,027,231)	(3,027,231)	(2,991,607)	35,624
Other financing sources (uses)				
Transfers in	3,027,231	3,027,231	2,991,610	(35,621)
Transfers out	-	-	-	-
Total other financing sources (uses)	3,027,231	3,027,231	2,991,610	(35,621)
Net change in fund balances	-	-	3	3
Fund balances, beginning of year	885	885	885	-
Fund balances, end of year	\$ 885	\$ 885	\$ 888	\$ 3

GRAND TRAVERSE COUNTY, MICHIGAN

Schedule of Revenues, Expenditures and Change in Fund Balances - Budget and Actual For the Year Ended December 31, 2014

	County Special Projects			
	Original Budget	Amended Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Intergovernmental:				
Federal sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Local sources	-	-	-	-
Charges for services	-	-	-	-
Rental revenues	-	-	-	-
Interest revenues	-	-	-	-
Other revenues	-	-	-	-
Total revenues	-	-	-	-
Expenditures				
Current:				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Economic development	-	-	-	-
Recreation and cultural	-	-	-	-
Other expense	-	-	-	-
Capital outlay	18,323	18,323	-	(18,323)
Total expenditures	18,323	18,323	-	(18,323)
Revenues over (under) expenditures	(18,323)	(18,323)	-	18,323
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	(18,323)	(18,323)	-	18,323
Fund balances, beginning of year	27,323	27,323	27,323	-
Fund balances, end of year	\$ 9,000	\$ 9,000	\$ 27,323	\$ 18,323

GRAND TRAVERSE COUNTY, MICHIGAN

Schedule of Revenues, Expenditures and Change in Fund Balances - Budget and Actual For the Year Ended December 31, 2014

	Parks and Recreation			
	Original Budget	Amended Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Intergovernmental:				
Federal sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Local sources	-	-	3,097	3,097
Charges for services	371,267	371,267	344,255	(27,012)
Rental revenues	112,500	112,500	116,700	4,200
Interest revenues	-	-	-	-
Other revenues	-	8,642	25,081	16,439
Total revenues	483,767	492,409	489,133	(3,276)
Expenditures				
Current:				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Economic development	-	-	-	-
Recreation and cultural	820,187	820,187	667,140	(153,047)
Other expense	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	820,187	820,187	667,140	(153,047)
Revenues over (under) expenditures	(336,420)	(327,778)	(178,007)	149,771
Other financing sources (uses)				
Transfers in	318,613	318,613	318,613	-
Transfers out	-	-	-	-
Total other financing sources (uses)	318,613	318,613	318,613	-
Net change in fund balances	(17,807)	(9,165)	140,606	149,771
Fund balances, beginning of year	9,166	9,166	9,166	-
Fund balances, end of year	\$ (8,641)	\$ 1	\$ 149,772	\$ 149,771

GRAND TRAVERSE COUNTY, MICHIGAN

Schedule of Revenues, Expenditures and Change in Fund Balances - Budget and Actual For the Year Ended December 31, 2014

	Maple Bay Development			
	Original Budget	Amended Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Intergovernmental:				
Federal sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Local sources	-	-	-	-
Charges for services	-	-	-	-
Rental revenues	-	-	-	-
Interest revenues	-	-	-	-
Other revenues	-	-	-	-
Total revenues	-	-	-	-
Expenditures				
Current:				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Economic development	-	-	-	-
Recreation and cultural	-	-	-	-
Other expense	8,907	8,907	-	(8,907)
Capital outlay	-	-	-	-
Total expenditures	8,907	8,907	-	(8,907)
Revenues over (under) expenditures	(8,907)	(8,907)	-	8,907
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	(8,907)	(8,907)	-	8,907
Fund balances, beginning of year	9,687	9,687	9,687	-
Fund balances, end of year	\$ 780	\$ 780	\$ 9,687	\$ 8,907

GRAND TRAVERSE COUNTY, MICHIGAN

Schedule of Revenues, Expenditures and Change in Fund Balances - Budget and Actual For the Year Ended December 31, 2014

	Friend of the Court			
	Original Budget	Amended Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Intergovernmental:				
Federal sources	\$ 1,273,311	\$ 1,273,311	\$ 1,251,868	\$ (21,443)
State sources	101,500	101,500	124,101	22,601
Local sources	141,013	141,013	141,013	-
Charges for services	157,290	157,290	174,423	17,133
Rental revenues	-	-	-	-
Interest revenues	-	-	-	-
Other revenues	-	-	607	607
Total revenues	1,673,114	1,673,114	1,692,012	18,898
Expenditures				
Current:				
Judicial	2,068,355	2,068,355	2,020,554	(47,801)
General government	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Economic development	-	-	-	-
Recreation and cultural	-	-	-	-
Other expense	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	2,068,355	2,068,355	2,020,554	(47,801)
Revenues over (under) expenditures	(395,241)	(395,241)	(328,542)	66,699
Other financing sources (uses)				
Transfers in	348,856	350,856	345,241	(5,615)
Transfers out	(3,615)	(5,615)	-	5,615
Total other financing sources (uses)	345,241	345,241	345,241	-
Net change in fund balances	(50,000)	(50,000)	16,699	66,699
Fund balances, beginning of year	1,289,613	1,289,613	1,289,613	-
Fund balances, end of year	\$ 1,239,613	\$ 1,239,613	\$ 1,306,312	\$ 66,699

GRAND TRAVERSE COUNTY, MICHIGAN

Schedule of Revenues, Expenditures and Change in Fund Balances - Budget and Actual For the Year Ended December 31, 2014

	Gypsy Moth Suppression Program			
	Original Budget	Amended Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Intergovernmental:				
Federal sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Local sources	-	-	-	-
Charges for services	-	-	-	-
Rental revenues	-	-	-	-
Interest revenues	-	-	-	-
Other revenues	-	-	-	-
Total revenues	-	-	-	-
Expenditures				
Current:				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Economic development	-	-	-	-
Recreation and cultural	-	-	-	-
Other expense	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Revenues over (under) expenditures	-	-	-	-
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	-	-
Fund balances, beginning of year	626	626	626	-
Fund balances, end of year	\$ 626	\$ 626	\$ 626	\$ -

GRAND TRAVERSE COUNTY, MICHIGAN

Schedule of Revenues, Expenditures and Change in Fund Balances - Budget and Actual For the Year Ended December 31, 2014

	Veterans' Trust			
	Original Budget	Amended Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Intergovernmental:				
Federal sources	\$ -	\$ -	\$ -	\$ -
State sources	54,000	54,000	46,516	(7,484)
Local sources	-	-	1,000	1,000
Charges for services	-	-	-	-
Rental revenues	-	-	-	-
Interest revenues	-	-	-	-
Other revenues	-	-	-	-
Total revenues	54,000	54,000	47,516	(6,484)
Expenditures				
Current:				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	-	-	-	-
Health and welfare	54,000	66,425	54,043	(12,382)
Economic development	-	-	-	-
Recreation and cultural	-	-	-	-
Other expense	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	54,000	66,425	54,043	(12,382)
Revenues over (under) expenditures	-	(12,425)	(6,527)	5,898
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	(12,425)	(6,527)	5,898
Fund balances, beginning of year	12,425	12,425	12,425	-
Fund balances, end of year	\$ 12,425	\$ -	\$ 5,898	\$ 5,898

GRAND TRAVERSE COUNTY, MICHIGAN

Schedule of Revenues, Expenditures and Change in Fund Balances - Budget and Actual For the Year Ended December 31, 2014

	Register of Deeds Automation			
	Original Budget	Amended Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Intergovernmental:				
Federal sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Local sources	-	-	-	-
Charges for services	-	-	109,360	109,360
Rental revenues	-	-	-	-
Interest revenues	-	-	-	-
Other revenues	-	-	-	-
Total revenues	-	-	109,360	109,360
Expenditures				
Current:				
Judicial	-	-	-	-
General government	117,750	124,000	106,644	(17,356)
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Economic development	-	-	-	-
Recreation and cultural	-	-	-	-
Other expense	-	-	-	-
Capital outlay	6,250	-	-	-
Total expenditures	124,000	124,000	106,644	(17,356)
Revenues over (under) expenditures	(124,000)	(124,000)	2,716	126,716
Other financing sources (uses)				
Transfers in	124,000	124,000	-	(124,000)
Transfers out	-	-	-	-
Total other financing sources (uses)	124,000	124,000	-	(124,000)
Net change in fund balances	-	-	2,716	2,716
Fund balances, beginning of year	258,992	258,992	258,992	-
Fund balances, end of year	\$ 258,992	\$ 258,992	\$ 261,708	\$ 2,716

GRAND TRAVERSE COUNTY, MICHIGAN

Schedule of Revenues, Expenditures and Change in Fund Balances - Budget and Actual For the Year Ended December 31, 2014

	Corrections P.A. 511			
	Original Budget	Amended Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Intergovernmental:				
Federal sources	\$ -	\$ -	\$ -	\$ -
State sources	188,915	188,915	198,171	9,256
Local sources	20,227	20,227	26,535	6,308
Charges for services	142,497	168,845	213,868	45,023
Rental revenues	-	-	-	-
Interest revenues	-	-	-	-
Other revenues	30,000	30,000	43,326	13,326
Total revenues	381,639	407,987	481,900	73,913
Expenditures				
Current:				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	431,160	495,005	478,627	(16,378)
Health and welfare	-	-	-	-
Economic development	-	-	-	-
Recreation and cultural	-	-	-	-
Other expense	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	431,160	495,005	478,627	(16,378)
Revenues over (under) expenditures	(49,521)	(87,018)	3,273	90,291
Other financing sources (uses)				
Transfers in	49,521	49,521	49,521	-
Transfers out	-	-	-	-
Total other financing sources (uses)	49,521	49,521	49,521	-
Net change in fund balances	-	(37,497)	52,794	90,291
Fund balances, beginning of year	294,038	294,038	294,038	-
Fund balances, end of year	\$ 294,038	\$ 256,541	\$ 346,832	\$ 90,291

GRAND TRAVERSE COUNTY, MICHIGAN

Schedule of Revenues, Expenditures and Change in Fund Balances - Budget and Actual For the Year Ended December 31, 2014

	County Law Library			
	Original Budget	Amended Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Intergovernmental:				
Federal sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Local sources	-	-	-	-
Charges for services	-	-	-	-
Rental revenues	-	-	-	-
Interest revenues	-	-	-	-
Other revenues	6,500	6,500	6,684	184
Total revenues	6,500	6,500	6,684	184
Expenditures				
Current:				
Judicial	6,500	6,500	-	(6,500)
General government	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Economic development	-	-	-	-
Recreation and cultural	-	-	-	-
Other expense	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	6,500	6,500	-	(6,500)
Revenues over (under) expenditures	-	-	6,684	6,684
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	6,684	6,684
Fund balances, beginning of year	3,026	3,026	3,026	-
Fund balances, end of year	\$ 3,026	\$ 3,026	\$ 9,710	\$ 6,684

GRAND TRAVERSE COUNTY, MICHIGAN

Schedule of Revenues, Expenditures and Change in Fund Balances - Budget and Actual For the Year Ended December 31, 2014

	Federal Equitable Sharing			Actual Over (Under) Final Budget
	Original Budget	Amended Budget	Actual	
Revenues				
Intergovernmental:				
Federal sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Local sources	-	-	-	-
Charges for services	-	-	-	-
Rental revenues	-	-	-	-
Interest revenues	-	-	287	287
Other revenues	-	-	194	194
Total revenues	-	-	481	481
Expenditures				
Current:				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	13,450	-	-	-
Health and welfare	-	-	-	-
Economic development	-	-	-	-
Recreation and cultural	-	-	-	-
Other expense	-	-	-	-
Capital outlay	-	167,897	167,897	-
Total expenditures	13,450	167,897	167,897	-
Revenues over (under) expenditures	(13,450)	(167,897)	(167,416)	481
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	(13,450)	(167,897)	(167,416)	481
Fund balances, beginning of year	173,713	173,713	173,713	-
Fund balances, end of year	\$ 160,263	\$ 5,816	\$ 6,297	\$ 481

GRAND TRAVERSE COUNTY, MICHIGAN

Schedule of Revenues, Expenditures and Change in Fund Balances - Budget and Actual For the Year Ended December 31, 2014

	Criminal Justice Training Act			
	Original Budget	Amended Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Intergovernmental:				
Federal sources	\$ -	\$ -	\$ -	\$ -
State sources	12,000	12,000	12,651	651
Local sources	-	-	-	-
Charges for services	-	-	-	-
Rental revenues	-	-	-	-
Interest revenues	-	-	-	-
Other revenues	-	-	-	-
Total revenues	12,000	12,000	12,651	651
Expenditures				
Current:				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	20,000	20,000	10,962	(9,038)
Health and welfare	-	-	-	-
Economic development	-	-	-	-
Recreation and cultural	-	-	-	-
Other expense	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	20,000	20,000	10,962	(9,038)
Revenues over (under) expenditures	(8,000)	(8,000)	1,689	9,689
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	(8,000)	(8,000)	1,689	9,689
Fund balances, beginning of year	19,561	19,561	19,561	-
Fund balances, end of year	\$ 11,561	\$ 11,561	\$ 21,250	\$ 9,689

GRAND TRAVERSE COUNTY, MICHIGAN

Schedule of Revenues, Expenditures and Change in Fund Balances - Budget and Actual For the Year Ended December 31, 2014

	Mitchell Creek Watershed			
	Original Budget	Amended Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Intergovernmental:				
Federal sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Local sources	-	-	-	-
Charges for services	-	-	-	-
Rental revenues	-	-	-	-
Interest revenues	-	-	-	-
Other revenues	-	-	-	-
Total revenues	-	-	-	-
Expenditures				
Current:				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Economic development	-	-	-	-
Recreation and cultural	-	-	-	-
Other expense	8,155	8,155	-	(8,155)
Capital outlay	-	-	-	-
Total expenditures	8,155	8,155	-	(8,155)
Revenues over (under) expenditures	(8,155)	(8,155)	-	8,155
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	(8,155)	(8,155)	-	8,155
Fund balances, beginning of year	8,155	8,155	8,155	-
Fund balances, end of year	\$ -	\$ -	\$ 8,155	\$ 8,155

GRAND TRAVERSE COUNTY, MICHIGAN

Schedule of Revenues, Expenditures and Change in Fund Balances - Budget and Actual For the Year Ended December 31, 2014

	Housing Trust Fund			
	Original Budget	Amended Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Intergovernmental:				
Federal sources	\$ -	\$ 4,607	\$ 4,606	\$ (1)
State sources	-	-	-	-
Local sources	-	-	-	-
Charges for services	-	-	-	-
Rental revenues	-	-	-	-
Interest revenues	-	-	219	219
Other revenues	-	-	-	-
Total revenues	-	4,607	4,825	218
Expenditures				
Current:				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	-	-	-	-
Health and welfare	370,770	195,500	4,607	(190,893)
Economic development	-	-	-	-
Recreation and cultural	-	-	-	-
Other expense	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	370,770	195,500	4,607	(190,893)
Revenues over (under) expenditures	(370,770)	(190,893)	218	191,111
Other financing sources (uses)				
Transfers in	-	-	16,742	16,742
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	16,742	16,742
Net change in fund balances	(370,770)	(190,893)	16,960	207,853
Fund balances, beginning of year	90,953	90,953	90,953	-
Fund balances, end of year	\$ (279,817)	\$ (99,940)	\$ 107,913	\$ 207,853

GRAND TRAVERSE COUNTY, MICHIGAN

Schedule of Revenues, Expenditures and Change in Fund Balances - Budget and Actual For the Year Ended December 31, 2014

	Next Michigan			
	Original Budget	Amended Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Intergovernmental:				
Federal sources	\$ -	\$ -	\$ -	\$ -
State sources	-	6,206	4,460	(1,746)
Local sources	-	4,000	-	(4,000)
Charges for services	-	2,500	2,500	-
Rental revenues	-	-	-	-
Interest revenues	-	-	-	-
Other revenues	-	-	-	-
Total revenues	-	12,706	6,960	(5,746)
Expenditures				
Current:				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Economic development	18,000	24,500	14,888	(9,612)
Recreation and cultural	-	-	-	-
Other expense	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	18,000	24,500	14,888	(9,612)
Revenues over (under) expenditures	(18,000)	(11,794)	(7,928)	3,866
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	(18,000)	(11,794)	(7,928)	3,866
Fund balances, beginning of year	17,554	17,554	17,554	-
Fund balances, end of year	\$ (446)	\$ 5,760	\$ 9,626	\$ 3,866

GRAND TRAVERSE COUNTY, MICHIGAN

Schedule of Revenues, Expenditures and Change in Fund Balances - Budget and Actual For the Year Ended December 31, 2014

	EDC			Actual Over (Under) Final Budget
	Original Budget	Amended Budget	Actual	
Revenues				
Intergovernmental:				
Federal sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Local sources	-	-	-	-
Charges for services	-	-	-	-
Rental revenues	-	-	-	-
Interest revenues	20,000	20,000	23,505	3,505
Other revenues	30,000	30,000	167,369	137,369
Total revenues	50,000	50,000	190,874	140,874
Expenditures				
Current:				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Economic development	300,000	1,740,676	1,482,679	(257,997)
Recreation and cultural	-	-	-	-
Other expense	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	300,000	1,740,676	1,482,679	(257,997)
Revenues over (under) expenditures	(250,000)	(1,690,676)	(1,291,805)	398,871
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	(250,000)	(1,690,676)	(1,291,805)	398,871
Fund balances, beginning of year	1,512,173	1,512,173	1,512,173	-
Fund balances, end of year	\$ 1,262,173	\$ (178,503)	\$ 220,368	\$ 398,871

GRAND TRAVERSE COUNTY, MICHIGAN

Schedule of Revenues, Expenditures and Change in Fund Balances - Budget and Actual For the Year Ended December 31, 2014

	EPA Grant			
	Original Budget	Amended Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Intergovernmental:				
Federal sources	\$ 60,407	\$ 60,407	\$ 13,620	\$ (46,787)
State sources	-	-	-	-
Local sources	-	-	-	-
Charges for services	-	-	-	-
Rental revenues	-	-	-	-
Interest revenues	-	-	-	-
Other revenues	-	-	-	-
Total revenues	<u>60,407</u>	<u>60,407</u>	<u>13,620</u>	<u>(46,787)</u>
Expenditures				
Current:				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	-	-	-	-
Health and welfare	60,407	60,407	13,620	(46,787)
Economic development	-	-	-	-
Recreation and cultural	-	-	-	-
Other expense	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>60,407</u>	<u>60,407</u>	<u>13,620</u>	<u>(46,787)</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-	-
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

GRAND TRAVERSE COUNTY, MICHIGAN

Schedule of Revenues, Expenditures and Change in Fund Balances - Budget and Actual For the Year Ended December 31, 2014

	Revenue Sharing Reserve			
	Original Budget	Amended Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Intergovernmental:				
Federal sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Local sources	-	-	-	-
Charges for services	-	-	-	-
Rental revenues	-	-	-	-
Interest revenues	-	-	-	-
Other revenues	-	-	-	-
Total revenues	-	-	-	-
Expenditures				
Current:				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Economic development	-	-	-	-
Recreation and cultural	-	-	-	-
Other expense	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Revenues over (under) expenditures	-	-	-	-
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	(1,679,110)	(1,704,312)	(1,372,778)	(331,534)
Total other financing sources (uses)	(1,679,110)	(1,704,312)	(1,372,778)	(331,534)
Net change in fund balances	(1,679,110)	(1,704,312)	(1,372,778)	(331,534)
Fund balances, beginning of year	1,936,691	1,936,691	1,936,691	-
Fund balances, end of year	\$ 257,581	\$ 232,379	\$ 563,913	\$ 331,534

GRAND TRAVERSE COUNTY, MICHIGAN

Schedule of Revenues, Expenditures and Change in Fund Balances - Budget and Actual For the Year Ended December 31, 2014

	Child Care			
	Original Budget	Amended Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Intergovernmental:				
Federal sources	\$ -	\$ -	\$ -	\$ -
State sources	798,848	798,848	630,087	(168,761)
Local sources	-	-	-	-
Charges for services	-	-	-	-
Rental revenues	-	-	-	-
Interest revenues	-	-	-	-
Other revenues	120,000	120,000	138,219	18,219
Total revenues	918,848	918,848	768,306	(150,542)
Expenditures				
Current:				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	-	-	-	-
Health and welfare	1,892,098	1,892,098	1,596,163	(295,935)
Economic development	-	-	-	-
Recreation and cultural	-	-	-	-
Other expense	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	1,892,098	1,892,098	1,596,163	(295,935)
Revenues over (under) expenditures	(973,250)	(973,250)	(827,857)	145,393
Other financing sources (uses)				
Transfers in	973,250	973,250	826,631	(146,619)
Transfers out	-	-	-	-
Total other financing sources (uses)	973,250	973,250	826,631	(146,619)
Net change in fund balances	-	-	(1,226)	(1,226)
Fund balances, beginning of year	1,226	1,226	1,226	-
Fund balances, end of year	\$ 1,226	\$ 1,226	\$ -	\$ (1,226)

GRAND TRAVERSE COUNTY, MICHIGAN

Schedule of Revenues, Expenditures and Change in Fund Balances - Budget and Actual For the Year Ended December 31, 2014

	Juvenile Accountability			
	Original Budget	Amended Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Intergovernmental:				
Federal sources	\$ 2,470	\$ 32,597	\$ 31,692	\$ (905)
State sources	275	3,623	3,521	(102)
Local sources	-	-	-	-
Charges for services	-	-	-	-
Rental revenues	-	-	-	-
Interest revenues	-	-	-	-
Other revenues	-	-	-	-
Total revenues	2,745	36,220	35,213	(1,007)
Expenditures				
Current:				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	-	-	-	-
Health and welfare	2,745	36,220	35,213	(1,007)
Economic development	-	-	-	-
Recreation and cultural	-	-	-	-
Other expense	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	2,745	36,220	35,213	(1,007)
Revenues over (under) expenditures	-	-	-	-
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	-	-
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	\$ -	\$ -	\$ -	\$ -

GRAND TRAVERSE COUNTY, MICHIGAN

Schedule of Revenues, Expenditures and Change in Fund Balances - Budget and Actual For the Year Ended December 31, 2014

	Safe Havens			
	Original Budget	Amended Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Intergovernmental:				
Federal sources	\$ 100,000	\$ 175,000	\$ 160,413	\$ (14,587)
State sources	-	-	-	-
Local sources	-	-	-	-
Charges for services	-	-	-	-
Rental revenues	-	-	-	-
Interest revenues	-	-	-	-
Other revenues	-	-	-	-
Total revenues	100,000	175,000	160,413	(14,587)
Expenditures				
Current:				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	-	-	-	-
Health and welfare	100,000	175,000	160,413	(14,587)
Economic development	-	-	-	-
Recreation and cultural	-	-	-	-
Other expense	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	100,000	175,000	160,413	(14,587)
Revenues over (under) expenditures	-	-	-	-
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	-	-
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	\$ -	\$ -	\$ -	\$ -

GRAND TRAVERSE COUNTY, MICHIGAN

Schedule of Revenues, Expenditures and Change in Fund Balances - Budget and Actual For the Year Ended December 31, 2014

	Corrections Officers Training			
	Original Budget	Amended Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Intergovernmental:				
Federal sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Local sources	-	-	-	-
Charges for services	41,000	41,000	40,216	(784)
Rental revenues	-	-	-	-
Interest revenues	-	-	-	-
Other revenues	-	-	-	-
Total revenues	41,000	41,000	40,216	(784)
Expenditures				
Current:				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	56,000	56,000	37,252	(18,748)
Health and welfare	-	-	-	-
Economic development	-	-	-	-
Recreation and cultural	-	-	-	-
Other expense	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	56,000	56,000	37,252	(18,748)
Revenues over (under) expenditures	(15,000)	(15,000)	2,964	17,964
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	(15,000)	(15,000)	2,964	17,964
Fund balances, beginning of year	31,574	31,574	31,574	-
Fund balances, end of year	\$ 16,574	\$ 16,574	\$ 34,538	\$ 17,964

GRAND TRAVERSE COUNTY, MICHIGAN

Combining Balance Sheet

Nonmajor Debt Service Funds
December 31, 2014

	Woodmere	Courthouse	Health Services	Total
Assets				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Liabilities				
Advance from other funds	\$ 915,000	\$ -	\$ -	\$ 915,000
Fund balance				
Unassigned (deficit)	(915,000)	-	-	(915,000)
Total liabilities and fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

GRAND TRAVERSE COUNTY, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Debt Service Funds For the Year Ended December 31, 2014

	Woodmere	Courthouse	Health Services	Total
Expenditures				
Debt service:				
Principal	\$ -	\$ 405,000	\$ 140,000	\$ 545,000
Interest and fiscal charges	-	152,650	150,144	302,794
Total expenditures	-	557,650	290,144	847,794
Other financing sources				
Transfers in	200,000	557,650	290,144	1,047,794
Net change in fund balances	200,000	-	-	200,000
Fund balances (deficit), beginning of year	(1,115,000)	-	-	(1,115,000)
Fund balances (deficit), end of year	\$ (915,000)	\$ -	\$ -	\$ (915,000)

GRAND TRAVERSE COUNTY, MICHIGAN

Combining Balance Sheet Nonmajor Capital Projects Funds December 31, 2014

	County Facilities	Capital Improvement	Health Services	Total
Assets				
Cash and cash equivalents	\$ 471,142	\$ 195,862	\$ 1,163	\$ 668,167
Receivables, net:				
Accounts	58,958	-	-	58,958
Due from other funds	5,555	-	-	5,555
Total assets	\$ 535,655	\$ 195,862	\$ 1,163	\$ 732,680
Liabilities				
Accounts payable	\$ 104,742	\$ 8,397	\$ -	\$ 113,139
Fund balances				
Restricted	-	-	1,163	1,163
Committed	430,913	187,465	-	618,378
Total fund balances	430,913	187,465	1,163	619,541
Total liabilities and fund balances	\$ 535,655	\$ 195,862	\$ 1,163	\$ 732,680

GRAND TRAVERSE COUNTY, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds For the Year Ended December 31, 2014

	County Facilities	Capital Improvement	Health Services	Total
Revenues				
Intergovernmental:				
Local sources	\$ 41,780	\$ 68,974	\$ -	\$ 110,754
Interest revenues	-	-	1	1
Other	103,663	3,150	-	106,813
Total revenues	<u>145,443</u>	<u>72,124</u>	<u>1</u>	<u>217,568</u>
Expenditures				
Current:				
General government	1,781,477	34,021	-	1,815,498
Capital outlay	6,400	455,311	-	461,711
Total expenditures	<u>1,787,877</u>	<u>489,332</u>	<u>-</u>	<u>2,277,209</u>
Revenues over (under) expenditures	(1,642,434)	(417,208)	1	(2,059,641)
Other financing sources				
Transfers in	<u>1,771,792</u>	<u>295,732</u>	<u>-</u>	<u>2,067,524</u>
Net change in fund balances	129,358	(121,476)	1	7,883
Fund balances, beginning of year	<u>301,555</u>	<u>308,941</u>	<u>1,162</u>	<u>611,658</u>
Fund balances, end of year	<u>\$ 430,913</u>	<u>\$ 187,465</u>	<u>\$ 1,163</u>	<u>\$ 619,541</u>

GRAND TRAVERSE COUNTY, MICHIGAN

■ Nonmajor Enterprise Funds

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

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

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

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

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

GRAND TRAVERSE COUNTY, MICHIGAN

Combining Statement of Net Position

Nonmajor Enterprise Funds

December 31, 2014

	Foreclosure Tax Collection	Inspections	Solid Waste
Assets			
Current assets:			
Cash and cash equivalents	\$ 758,077	\$ 1,245,178	\$ 434,645
Receivables, net:			
Accounts	-	-	69,937
Taxes	-	-	-
Due from other funds	-	-	1,390
Prepaid items and other assets	125	75	-
Total assets	758,202	1,245,253	505,972
Liabilities			
Current liabilities:			
Accounts payable	5,732	14,614	2,907
Accrued liabilities	1,263	28,864	-
Due to other funds	50,006	1,653	323
Due to other governments	-	-	-
Total current liabilities	57,001	45,131	3,230
Long-term liabilities:			
Compensated absences	-	43,051	6,761
Total liabilities	57,001	88,182	9,991
Net position			
Unrestricted	<u>\$ 701,201</u>	<u>\$ 1,157,071</u>	<u>\$ 495,981</u>

2018-2019 BUDGET
GENERAL FUND

Homestead	Building Authority	Total
-----------	--------------------	-------

\$ 220,540	\$ 40	\$ 2,658,480
------------	-------	--------------

-	-	69,937
131,030	-	131,030
-	-	1,390
-	-	200

<u>351,570</u>	<u>40</u>	<u>2,861,037</u>
----------------	-----------	------------------

-	-	23,253
1,234	-	31,361
-	-	51,982
<u>267,288</u>	<u>-</u>	<u>267,288</u>
<u>268,522</u>	<u>-</u>	<u>373,884</u>

<u>-</u>	<u>-</u>	<u>49,812</u>
----------	----------	---------------

<u>268,522</u>	<u>-</u>	<u>423,696</u>
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<u>\$ 83,048</u>	<u>\$ 40</u>	<u>\$ 2,437,341</u>
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GRAND TRAVERSE COUNTY, MICHIGAN

Combining Statement of Revenues, Expenses and Changes in Fund Net Position Nonmajor Enterprise Funds For the Year Ended December 31, 2014

	Foreclosure Tax Collection	Inspections	Solid Waste
Operating revenues			
Charges for services	\$ 180,293	\$ 1,676,411	\$ 261,446
Licenses and permits	-	-	-
Other revenues	142,318	-	2,232
Total operating revenues	<u>322,611</u>	<u>1,676,411</u>	<u>263,678</u>
Operating expenses			
Personnel services	9,681	788,570	172,571
Supplies	4,174	31,810	4,464
Contractual services	61,692	192,777	120,033
Other operating expenses	22,009	123,607	21,277
Total operating expenses	<u>97,556</u>	<u>1,136,764</u>	<u>318,345</u>
Operating income (loss)	<u>225,055</u>	<u>539,647</u>	<u>(54,667)</u>
Nonoperating revenues			
State sources	-	-	39,847
Gain on sale of capital assets	-	600	-
Interest revenues	295	-	-
Total nonoperating revenues	<u>295</u>	<u>600</u>	<u>39,847</u>
Income (loss) before transfers	<u>225,350</u>	<u>540,247</u>	<u>(14,820)</u>
Transfers out	<u>(120,545)</u>	<u>-</u>	<u>-</u>
Change in net position	<u>104,805</u>	<u>540,247</u>	<u>(14,820)</u>
Net position, beginning of year	<u>596,396</u>	<u>616,824</u>	<u>510,801</u>
Net position, end of year	<u>\$ 701,201</u>	<u>\$ 1,157,071</u>	<u>\$ 495,981</u>

Homestead	Building Authority	Total
\$ -	\$ -	\$ 2,118,150
-	-	-
20,741	-	165,291
<hr/>	<hr/>	<hr/>
20,741	-	2,283,441
<hr/>	<hr/>	<hr/>
30,445	-	1,001,267
-	-	40,448
-	-	374,502
-	-	166,893
<hr/>	<hr/>	<hr/>
30,445	-	1,583,110
<hr/>	<hr/>	<hr/>
(9,704)	-	700,331
<hr/>	<hr/>	<hr/>
-	-	39,847
-	-	600
-	-	295
<hr/>	<hr/>	<hr/>
-	-	40,742
<hr/>	<hr/>	<hr/>
(9,704)	-	741,073
<hr/>	<hr/>	<hr/>
-	-	(120,545)
<hr/>	<hr/>	<hr/>
(9,704)	-	620,528
<hr/>	<hr/>	<hr/>
92,752	40	1,816,813
<hr/>	<hr/>	<hr/>
\$ 83,048	\$ 40	\$ 2,437,341
<hr/>	<hr/>	<hr/>

GRAND TRAVERSE COUNTY, MICHIGAN

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

For the Year Ended December 31, 2014

	Foreclosure Tax Collection	Inspections	Solid Waste
Cash flows from operating activities			
Receipts from services	\$ 322,611	\$ 1,676,411	\$ 257,716
Cash payments to suppliers for goods and services	(49,448)	(341,655)	(145,406)
Cash payments to employees for services	(8,418)	(775,423)	(165,813)
 Net cash provided by (used in) operating activities	 264,745	 559,333	 (53,503)
Cash flows from noncapital financing activities			
Transfers to other funds	(120,545)	-	-
Cash received from state sources	-	-	39,847
 Net cash provided by (used in) noncapital financing activities	 (120,545)	 -	 39,847
Cash flows from capital and related financing activities			
Proceeds from sale of capital assets	-	600	-
Cash flows from investing activities			
Interest received	295	-	-
 Net change in cash and cash equivalents	 144,495	 559,933	 (13,656)
 Cash and cash equivalents, beginning of year	 613,582	 685,245	 448,301
 Cash and cash equivalents, end of year	 \$ 758,077	 \$ 1,245,178	 \$ 434,645

Homestead	Building Authority	Total
\$ 105,050	\$ -	\$ 2,361,788
115,490	-	(421,019)
<u>-</u>	<u>-</u>	<u>(949,654)</u>
<u>220,540</u>	<u>-</u>	<u>991,115</u>
 - - <u>-</u>	 - - <u>-</u>	 (120,545) 39,847 <u>(80,698)</u>
 - - <u>-</u>	 - - <u>-</u>	 600 <u>295</u>
220,540	-	911,312
<u>-</u>	<u>40</u>	<u>1,747,168</u>
<u>\$ 220,540</u>	<u>\$ 40</u>	<u>\$ 2,658,480</u>

continued...

GRAND TRAVERSE COUNTY, MICHIGAN

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

For the Year Ended December 31, 2014

	Foreclosure Tax Collection	Inspections	Solid Waste
Cash flows from operating activities			
Operating income (loss)	\$ 225,055	\$ 539,647	\$ (54,667)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Changes in:			
Accounts receivable	-	-	(5,962)
Taxes receivable	-	-	-
Due from other funds	-	-	(1,390)
Prepaid items and other assets		225	-
Accounts payable	(11,579)	4,661	1,435
Accrued liabilities	1,263	5,621	(3)
Due to other funds	50,006	1,653	323
Due to other governments	-	-	-
Compensated absences	-	7,526	6,761
 Net cash provided by (used in) operating activities	 <u>\$ 264,745</u>	 <u>\$ 559,333</u>	 <u>\$ (53,503)</u>

Homestead	Building Authority	Total
\$ (9,704)	\$ -	\$ 700,331
-	-	(5,962)
84,309	-	84,309
-	-	(1,390)
-	-	225
(13,415)	-	(18,898)
1,107	-	7,988
(12,659)	-	39,323
170,902	-	170,902
-	-	<u>14,287</u>
<u>\$ 220,540</u>	<u>\$ -</u>	<u>\$ 991,115</u>

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GRAND TRAVERSE COUNTY, MICHIGAN

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.

GRAND TRAVERSE COUNTY, MICHIGAN

Combining Statement of Net Position

Internal Service Funds
December 31, 2014

	Information Technology	County Insurance	Fringe Benefits
Assets			
Current assets:			
Cash and cash equivalents	\$ -	\$ -	\$ 768,427
Accounts receivable, net	23,041	-	4,130
Due from other funds	157,486	-	-
Prepaid items and other assets	257,637	169,257	128,077
Total current assets	438,164	169,257	900,634
Noncurrent assets:			
Capital assets being depreciated, net	220,386	-	-
Total assets	658,550	169,257	900,634
Liabilities			
Current liabilities:			
Accounts payable	2,998	189	362,995
Accrued liabilities	30,750	30,147	22,596
Claims payable	-	-	65,101
Due to other funds	55,132	97,039	98
Advances from other funds	150,000	-	-
Total current liabilities	238,880	127,375	450,790
Long-term liabilities:			
Compensated absences	34,694	-	-
Total liabilities	273,574	127,375	450,790
Net position			
Net investment in capital assets	220,386	-	-
Unrestricted	164,590	41,882	449,844
Total net position	\$ 384,976	\$ 41,882	\$ 449,844

Central Services

Central Services Total

\$ 237,848	\$ 1,006,275
5,002	32,173
17,123	174,609
23,358	578,329
<hr/> 283,331	<hr/> 1,791,386

<hr/> 23,869	<hr/> 244,255
<hr/> 307,200	<hr/> 2,035,641

1,597	367,779
2,950	86,443
-	65,101
-	152,269
-	150,000
<hr/> 4,547	<hr/> 821,592

<hr/> -	<hr/> 34,694
<hr/> 4,547	<hr/> 856,286

23,869	244,255
278,784	935,100
<hr/> \$ 302,653	<hr/> \$ 1,179,355

GRAND TRAVERSE COUNTY, MICHIGAN

Combining Statement of Revenues, Expenses and Changes in Fund Net Position Internal Service Funds For the Year Ended December 31, 2014

	Information Technology	County Insurance	Fringe Benefits
Operating revenues			
Charges for services	\$ 2,002,660	\$ 539,990	\$ 10,934,523
Other revenues	<u>657</u>	<u>145,401</u>	<u>761,134</u>
Total operating revenues	<u>2,003,317</u>	<u>685,391</u>	<u>11,695,657</u>
Operating expenses			
Personnel services	827,700	-	19,917
Supplies	280,202	-	2,171
Contractual services	148,137	33,019	11,788,826
Depreciation	105,616	-	-
Other operating expenses	<u>555,661</u>	<u>626,755</u>	<u>2,858</u>
Total operating expenses	<u>1,917,316</u>	<u>659,774</u>	<u>11,813,772</u>
Operating income (loss)	<u>86,001</u>	<u>25,617</u>	<u>(118,115)</u>
Nonoperating revenues			
Gain on sale of capital assets	90	-	-
Interest revenues	<u>-</u>	<u>-</u>	<u>1,126</u>
Total nonoperating revenues	<u>90</u>	<u>-</u>	<u>1,126</u>
Income (loss) before transfers	86,091	25,617	(116,989)
Transfers in	<u>-</u>	<u>-</u>	<u>181,851</u>
Change in net position	86,091	25,617	64,862
Net position, beginning of year	<u>298,885</u>	<u>16,265</u>	<u>384,982</u>
Net position, end of year	<u>\$ 384,976</u>	<u>\$ 41,882</u>	<u>\$ 449,844</u>

Central Services Total

\$ 236,487	\$ 13,713,660
159	907,351
<hr/>	<hr/>
236,646	14,621,011

61,914	909,531
165,796	448,169
897	11,970,879
10,011	115,627
30,874	1,216,148
<hr/>	<hr/>
269,492	14,660,354
<hr/>	<hr/>
(32,846)	(39,343)

200	290
-	1,126
<hr/>	<hr/>
200	1,416
<hr/>	<hr/>
(32,646)	(37,927)
<hr/>	<hr/>
-	181,851

(32,646)	143,924
<hr/>	<hr/>
335,299	1,035,431
<hr/>	<hr/>
\$ 302,653	\$ 1,179,355

GRAND TRAVERSE COUNTY, MICHIGAN

Combining Statement of Cash Flows

Internal Service Funds

For the Year Ended December 31, 2014

	Information Technology	County Insurance	Fringe Benefits
Cash flows from operating activities			
Cash receipts from interfund services	\$ 1,943,431	\$ 685,391	\$ 11,701,745
Cash payments to suppliers for goods and services	(1,074,494)	(685,391)	(12,009,205)
Cash payments to employees for services	(819,229)	-	2,702
 Net cash provided by (used in) operating activities	 49,708	 -	 (304,758)
 Cash flows from noncapital financing activities	 	 	
Transfers from other funds	-	-	181,851
 Cash flows from capital and related financing activities	 	 	
Purchases of capital assets	(49,798)	-	-
Proceeds from sale of capital assets	90	-	-
 Net cash used in capital and related financing activities	 (49,708)	 -	 -
 Cash flows provided by investing activities	 	 	
Interest received	-	-	1,126
 Net cash provided by investing activities	 -	 -	 1,126
 Net change in cash and cash equivalents	 -	 -	 (121,781)
 Cash and cash equivalents, beginning of year	 -	 -	 890,208
 Cash and cash equivalents, end of year	 \$ -	 \$ -	 \$ 768,427

Central Services	Total
\$ 233,523	\$ 14,564,090
(193,862)	(13,962,952)
<u>(59,463)</u>	<u>(875,990)</u>
<u>(19,802)</u>	<u>(274,852)</u>
<u>-</u>	<u>181,851</u>
<u>(11,707)</u>	<u>(61,505)</u>
<u>200</u>	<u>290</u>
<u>(11,507)</u>	<u>(61,215)</u>
<u>-</u>	<u>1,126</u>
<u>-</u>	<u>1,126</u>
(31,309)	(153,090)
<u>269,157</u>	<u>1,159,365</u>
<u>\$ 237,848</u>	<u>\$ 1,006,275</u>

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GRAND TRAVERSE COUNTY, MICHIGAN

Combining Statement of Cash Flows

Internal Service Funds

For the Year Ended December 31, 2014

	Information Technology	County Insurance	Fringe Benefits
Cash flows from operating activities			
Operating income (loss)	\$ 86,001	\$ 25,617	\$ (118,115)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	105,616	-	-
Changes in:			
Accounts receivable, net	97,600	-	6,088
Due from other funds	(157,486)	-	-
Prepaid items and other assets	(347)	40,122	(45,424)
Accounts payable	(10,041)	(34,823)	(170,024)
Accrued liabilities	4,532	(105,526)	(2,899)
Claims payable	-	-	25,518
Due to other funds	(80,106)	74,610	98
Compensated absences	<u>3,939</u>	<u>-</u>	<u>-</u>
Net cash provided by (used in) operating activities	<u><u>\$ 49,708</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (304,758)</u></u>

Central Services	Total
\$ (32,846)	\$ (39,343)
10,011	115,627
14,000	117,688
(17,123)	(174,609)
3,678	(1,971)
27	(214,861)
2,451	(101,442)
-	25,518
-	(5,398)
-	<u>3,939</u>
<u>\$ (19,802)</u>	<u>\$ (274,852)</u>

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GRAND TRAVERSE COUNTY, MICHIGAN

■ Agency Funds

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

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

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

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

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

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

GRAND TRAVERSE COUNTY, MICHIGAN

Combining Statement of Fiduciary Assets and Liabilities

Agency Funds

December 31, 2014

	Trust and Agency Fund	Inmate Trust	District Court Trust	Friend of the Court Trust	Library Fines	Water and Sewer Receiving Funds	Total
Assets							
Cash and cash equivalents	\$ 1,764,699	\$ 18,045	\$ 33,464	\$ 5,454	\$ 136,464	\$ 822,846	\$ 2,780,972
Due from other governments	-	-	-	-	-	939,046	939,046
Total assets	\$ 1,764,699	\$ 18,045	\$ 33,464	\$ 5,454	\$ 136,464	\$ 1,761,892	\$ 3,720,018
Liabilities							
Due to other governments	\$ 730,099	\$ -	\$ -	\$ -	\$ -	\$ 1,761,892	\$ 2,491,991
Court items payable	101,723	-	33,464	-	-	-	135,187
Undistributed receipts	391,772	-	-	-	136,464	-	528,236
Other liabilities	541,105	18,045	-	5,454	-	-	564,604
Total liabilities	\$ 1,764,699	\$ 18,045	\$ 33,464	\$ 5,454	\$ 136,464	\$ 1,761,892	\$ 3,720,018

GRAND TRAVERSE COUNTY, MICHIGAN

Combining Statement of Changes in Fiduciary Assets and Liabilities

Agency Funds

For the Year Ended December 31, 2014

	Balance January 1, 2014	Additions	Deductions	Balance December 31, 2014
<i>Trust and Agency Fund</i>				
Assets				
Cash and cash equivalents	\$ 991,970	\$ 73,149,599	\$ (72,376,870)	\$ 1,764,699
Due from other governments	-	3,866	(3,866)	-
Total assets	<u>\$ 991,970</u>	<u>\$ 73,153,465</u>	<u>\$ (72,380,736)</u>	<u>\$ 1,764,699</u>
Liabilities				
Due to other governments	\$ 496,945	\$ 42,295,364	\$ (42,062,210)	\$ 730,099
Court items payable	76,817	711,929	(687,023)	101,723
Undistributed receipts	197,074	14,005,507	(13,810,809)	391,772
Other liabilities	221,134	16,888,328	(16,568,357)	541,105
Total liabilities	<u>\$ 991,970</u>	<u>\$ 73,901,128</u>	<u>\$ (73,128,399)</u>	<u>\$ 1,764,699</u>
<i>Inmate Trust Fund</i>				
Assets				
Cash and cash equivalents	\$ 26,222	\$ 793,205	\$ (801,382)	\$ 18,045
Liabilities				
Other liabilities	\$ 26,222	\$ 793,205	\$ (801,382)	\$ 18,045
<i>District Court Trust Fund</i>				
Assets				
Cash and cash equivalents	\$ 53,662	\$ 256,481	\$ (276,679)	\$ 33,464
Liabilities				
Court items payable	\$ 53,662	\$ 256,481	\$ (276,679)	\$ 33,464
<i>Friend of the Court Trust Fund</i>				
Assets				
Cash and cash equivalents	\$ 7,132	\$ 1,387,063	\$ (1,388,741)	\$ 5,454
Liabilities				
Other liabilities	\$ 7,132	\$ 1,387,063	\$ (1,388,741)	\$ 5,454
<i>Library Fines Fund</i>				
Assets				
Cash and cash equivalents	\$ 146,308	\$ 270,066	\$ (279,910)	\$ 136,464
Liabilities				
Undistributed receipts	\$ 146,308	\$ 270,066	\$ (279,910)	\$ 136,464

continued...

GRAND TRAVERSE COUNTY, MICHIGAN

Combining Statement of Changes in Fiduciary Assets and Liabilities

Agency Funds

For the Year Ended December 31, 2014

	Balance January 1, 2014	Additions	Deductions	Balance December 31, 2014
<i>Water and Sewer Receiving Funds</i>				
Assets				
Cash and cash equivalents	\$ 796,716	\$ 9,760,602	\$ (9,734,472)	\$ 822,846
Due from other governments	905,064	9,796,967	(9,762,985)	939,046
Total assets	\$ 1,701,780	\$ 19,557,569	\$ (19,497,457)	\$ 1,761,892
Liabilities				
Due to other governments	\$ 1,701,780	\$ 11,573,836	\$ (11,513,724)	\$ 1,761,892
<i>Total Agency Funds</i>				
Assets				
Cash and cash equivalents	\$ 2,022,010	\$ 85,617,016	\$ (84,858,054)	\$ 2,780,972
Due from other governments	905,064	9,800,833	(9,766,851)	939,046
Total assets	\$ 2,927,074	\$ 95,417,849	\$ (94,624,905)	\$ 3,720,018
Liabilities				
Due to other governments	\$ 2,198,725	\$ 53,869,200	\$ (53,575,934)	\$ 2,491,991
Court items payable	130,479	968,410	(963,702)	135,187
Undistributed receipts	343,382	14,275,573	(14,090,719)	528,236
Other liabilities	254,488	19,068,596	(18,758,480)	564,604
Total liabilities	\$ 2,927,074	\$ 88,181,779	\$ (87,388,835)	\$ 3,720,018

concluded

GRAND TRAVERSE COUNTY, MICHIGAN

■ Component Units

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

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

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

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

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

GRAND TRAVERSE COUNTY, MICHIGAN

Combining Statement of Net Position Department of Public Works Component Unit December 31, 2014

	DPW	Septage Facility	Garfield Septage Facility	Total
Assets				
Current assets:				
Cash and cash equivalents	\$ 16,745	\$ 474,794	\$ -	\$ 491,539
Receivables, net:				
Accounts	51,972	44,148	1,195	97,315
Leases	2,990,000	-	-	2,990,000
Interest	158,123	-	-	158,123
Due from other governments	1,143,330	-	-	1,143,330
Prepaid items and other assets	-	8,126	-	8,126
Total current assets	<u>4,360,170</u>	<u>527,068</u>	<u>1,195</u>	<u>4,888,433</u>
Noncurrent assets:				
Leases receivable	23,767,960	-	-	23,767,960
Land	-	400,000	-	400,000
Capital assets, net	-	6,963,192	-	6,963,192
Total noncurrent assets	<u>23,767,960</u>	<u>7,363,192</u>	<u>-</u>	<u>31,131,152</u>
Total assets	<u>28,128,130</u>	<u>7,890,260</u>	<u>1,195</u>	<u>36,019,585</u>
Liabilities				
Current liabilities:				
Accounts payable	355,792	67,709	183	423,684
Accrued liabilities	185,002	1,218	-	186,220
Accrued interest payable	158,123	20,390	-	178,513
Due to other governments	1,779,600	2,299,178	1,012	4,079,790
Current portion of bonds payable	2,990,000	75,000	-	3,065,000
Current portion of notes payable	-	100,000	-	100,000
Current portion of compensated absences	2,148	-	-	2,148
Total current liabilities	<u>5,470,665</u>	<u>2,563,495</u>	<u>1,195</u>	<u>8,035,355</u>
Long-term liabilities:				
Bonds payable	22,590,000	675,000	-	23,265,000
Notes payable	-	2,097,000	-	2,097,000
Compensated absences	51,172	-	-	51,172
Total long-term liabilities	<u>22,641,172</u>	<u>2,772,000</u>	<u>-</u>	<u>25,413,172</u>
Total liabilities	<u>28,111,837</u>	<u>5,335,495</u>	<u>1,195</u>	<u>33,448,527</u>
Net position				
Net investment in capital assets	-	4,416,192	-	4,416,192
Unrestricted	<u>16,293</u>	<u>(1,861,427)</u>	<u>-</u>	<u>(1,845,134)</u>
Net position	<u>\$ 16,293</u>	<u>\$ 2,554,765</u>	<u>\$ -</u>	<u>\$ 2,571,058</u>

GRAND TRAVERSE COUNTY, MICHIGAN

Combining Statement of Revenues, Expenses

and Changes in Fund Net Position

Department of Public Works Component Unit

For the Year Ended December 31, 2014

	DPW	Septage Facility	Garfield Septage Facility	Total
Operating revenues				
Charges for services	\$ 93,770	\$ 1,219,740	\$ 5,988	\$ 1,319,498
Local sources	5,328,768	-	-	5,328,768
Total operating revenues	5,422,538	1,219,740	5,988	6,648,266
Operating expenses				
Personnel services	1,025,145	57,353	-	1,082,498
Supplies	647,337	338	-	647,675
Contractual services	111,364	390,892	-	502,256
Depreciation	-	223,211	-	223,211
Other operating expenses	2,582,430	218,013	7,145	2,807,588
Total operating expenses	4,366,276	889,807	7,145	5,263,228
Operating income (loss)	1,056,262	329,933	(1,157)	1,385,038
Nonoperating revenues (expense)				
Interest revenues	6	25	-	31
Interest and fiscal charges	(1,056,264)	(130,598)	-	(1,186,862)
Total nonoperating revenues (expense)	(1,056,258)	(130,573)	-	(1,186,831)
Change in net position	4	199,360	(1,157)	198,207
Net position, beginning of year	16,289	2,355,405	1,157	2,372,851
Net position, end of year	\$ 16,293	\$ 2,554,765	\$ -	\$ 2,571,058

GRAND TRAVERSE COUNTY, MICHIGAN

Combining Statement of Cash Flows

Department of Public Works Component Unit
For the Year Ended December 31, 2014

	DPW	Septage Facility	Garfield Septage Facility	Total
Cash flows from operating activities				
Receipts from services	\$ 5,404,304	\$ 1,249,786	\$ 7,451	\$ 6,661,541
Payments to suppliers for goods and services	(3,441,021)	(714,611)	(7,451)	(4,163,083)
Payments to employees for services	(1,017,019)	(57,424)	-	(1,074,443)
Net cash provided by operating activities	946,264	477,751	-	1,424,015
Cash flows from capital and related financing activities				
Payment of lease receivable	2,980,000	-	-	2,980,000
Principal payments	(2,870,000)	(208,863)	-	(3,078,863)
Interest payments	(1,056,264)	(130,598)	-	(1,186,862)
Purchases of capital assets	-	(82,306)	-	(82,306)
Net cash used in capital and related financing activities	(946,264)	(421,767)	-	(1,368,031)
Cash flows provided by investing activities				
Interest received	6	25	-	31
Net change in cash and investments and cash equivalents	6	56,009	-	56,015
Cash and investments and cash equivalents, beginning of year	16,739	418,785	-	435,524
Cash and investments and cash equivalents, end of year	\$ 16,745	\$ 474,794	\$ -	\$ 491,539
Cash flows from operating activities				
Operating income (loss)	\$ 1,056,262	\$ 329,933	\$ (1,157)	\$ 1,385,038
Adjustments to reconcile operating income (loss) to net cash provided by operating activities				
Depreciation	-	223,211	-	223,211
Changes in:				
Accounts receivables	(30,819)	30,046	1,463	690
Due from other governments	12,585	-	-	12,585
Accounts payable	(75,823)	28,495	(441)	(47,769)
Accrued liabilities	6,872	(71)	-	6,801
Due to other governments	(24,067)	(133,863)	135	(157,795)
Compensated absences	1,254	-	-	1,254
Net cash provided by operating activities	\$ 946,264	\$ 477,751	\$ -	\$ 1,424,015

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GRAND TRAVERSE COUNTY, MICHIGAN

Combining Balance Sheet Drain Commission Component Unit December 31, 2014

	Capital Projects Funds			
	Heritage Estates Drain Special Assessment	Acme Town Center Project	Sam's Club Drain Special Assessment	Silver Lake Farms Drain Special Assessment
Assets				
Cash and cash equivalents	\$ 1,510	\$ 1,838	\$ 4,286	\$ 925
Fund balances				
Restricted	\$ 1,510	\$ 1,838	\$ 4,286	\$ 925

Capital Projects Funds						
Cherry Ridge Estates Drain Special Assessment	Holiday South Drain Special Assessment	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
\$ 4,557	\$ 697	\$ 373	\$ 1,413	\$ 43,164	\$ 2,377	\$ 5,081
<u>\$ 4,557</u>	<u>\$ 697</u>	<u>\$ 373</u>	<u>\$ 1,413</u>	<u>\$ 43,164</u>	<u>\$ 2,377</u>	<u>\$ 5,081</u>

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GRAND TRAVERSE COUNTY, MICHIGAN

Combining Balance Sheet Drain Commission Component Unit December 31, 2014

	Capital Projects Funds		
	Gilbert Park Drain Special Assessment	Timberlane Drive Drain Special Assessment	Total
Assets			
Cash and cash equivalents	\$ 9,054	\$ 65,523	\$ 140,798
Fund balances			
Restricted	\$ 9,054	\$ 65,523	\$ 140,798

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GRAND TRAVERSE COUNTY, MICHIGAN

■ **Combining Statement of Revenues, Expenditures**

and Changes in Fund Balances

Drain Commission Component Unit

For the Year Ended December 31, 2014

	Capital Projects Funds			
	Heritage Estates Drain Special Assessment	Acme Town Center Project	Sam's Club Drain Special Assessment	Silver Lake Farms Drain Special Assessment
Revenues				
Interest revenues	\$ 1	\$ 1	\$ 2	\$ 1
Expenditures				
Public works	-	-	-	-
Net change in fund balances	1	1	2	1
Fund balances, beginning of year	1,509	1,837	4,284	924
Fund balances, end of year	<u>\$ 1,510</u>	<u>\$ 1,838</u>	<u>\$ 4,286</u>	<u>\$ 925</u>

Capital Projects Funds

Cherry Ridge Estates Drain Special Assessment	Holiday South Drain Special Assessment	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
\$ 1	\$ -	\$ -	\$ -	\$ 16	\$ 1	\$ 2
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
1	-	-	-	16	1	2
4,556	697	373	1,413	43,148	2,376	5,079
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ 4,557	\$ 697	\$ 373	\$ 1,413	\$ 43,164	\$ 2,377	\$ 5,081

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GRAND TRAVERSE COUNTY, MICHIGAN

**Combining Statement of Revenues, Expenditures
and Changes in Fund Balances**
Drain Commission Component Unit
For the Year Ended December 31, 2014

	Capital Projects Funds		
	Gilbert Park Drain Special Assessment	Timberlane Drive Drain Special Assessment	Total
Revenues			
Interest revenues	\$ 3	\$ 24	\$ 52
Expenditures			
Public works	-	-	-
Net change in fund balances	3	24	52
Fund balances, beginning of year	9,051	65,499	140,746
Fund balances, end of year	<u>\$ 9,054</u>	<u>\$ 65,523</u>	<u>\$ 140,798</u>

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GRAND TRAVERSE COUNTY, MICHIGAN

Statement of Net Position and Governmental Funds Balance Sheet

Brownfield Redevelopment Authority Component Unit
December 31, 2014

	Capital Projects Funds				
	General Fund	River's Edge	CSXT Boardman Lake	Park Street	Bridgestone Firestone
Assets					
Cash and cash equivalents	\$ 172,310	\$ 694	\$ 622,265	\$ 323	\$ 227
Receivables, net:					
Accounts	-	-	-	-	-
Loans					
Taxes	-	-	-	-	-
Interest	-	-	-	-	-
Due from other fund	-	-	-	-	-
Prepaid items and other assets		1,912,097		1,315,000	354,963
Total assets	\$ 172,310	\$ 1,912,791	\$ 622,265	\$ 1,315,323	\$ 355,190
Liabilities					
Accounts payable	\$ 1,365	\$ 1,912,097	\$ -	\$ 1,315,000	\$ 354,963
Accrued interest payable	-	-	-	-	-
Due to other governments		120,000			
Due to other fund	-	-	-	-	-
Unearned revenues	-	-	-	-	-
Loans payable	-	-	-	-	-
Total liabilities	121,365	1,912,097	-	1,315,000	354,963
Deferred inflows of resources					
Property taxes levied for subsequent year	-	-	31,718	-	-
Unavailable revenues - loans receivable	-	-	-	-	-
Total deferred inflows of resources	-	-	31,718	-	-
Fund balances / net position (deficit)					
Restricted:					
Economic development	50,945	694	590,547	323	227
Unassigned (deficit) / unrestricted	-	-	-	-	-
Total fund balances / net position (deficit)	50,945	694	590,547	323	227
Total liabilities, deferred inflows of resources and fund balances / net position (deficit)	\$ 172,310	\$ 1,912,791	\$ 622,265	\$ 1,315,323	\$ 355,190

Capital Projects Funds

Kinney	River West Snowden	GT Land Bank Parcels	TC East Bay Plaza	Traverse Cast	Blarney Castle
\$ 1,160	\$ 123,033	\$ 6,068	\$ 17,529	\$ 44,619	\$ 203,877
-	-	-	-	-	-
-	-	3,240	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>313,803</u>	<u>-</u>	<u>13,990</u>	<u>-</u>	<u>-</u>	<u>926,683</u>
<u>\$ 314,963</u>	<u>\$ 123,033</u>	<u>\$ 23,298</u>	<u>\$ 17,529</u>	<u>\$ 44,619</u>	<u>\$ 1,130,560</u>
 \$ -	 \$ -	 \$ 13,990	 \$ -	 \$ -	 \$ 74,552
 52,910	 -	 -	 -	 -	 852,131
 260,893	 -	 -	 -	 -	 -
 -	 -	 -	 -	 -	 -
 -	 -	 -	 -	 -	 -
<u>313,803</u>	<u>-</u>	<u>13,990</u>	<u>-</u>	<u>-</u>	<u>926,683</u>
 - -	 - -	 1,184 - 1,184	 1,637 - 1,637	 12,337 - 12,337	 9,305 - 9,305
 1,160	 123,033	 8,124	 15,892	 32,282	 194,572
 - 1,160	 - 123,033	 - 8,124	 - 15,892	 - 32,282	 - 194,572
 <u>\$ 314,963</u>	 <u>\$ 123,033</u>	 <u>\$ 23,298</u>	 <u>\$ 17,529</u>	 <u>\$ 44,619</u>	 <u>\$ 1,130,560</u>

continued...

GRAND TRAVERSE COUNTY, MICHIGAN

Statement of Net Position and Governmental Funds Balance Sheet

Brownfield Redevelopment Authority Component Unit
December 31, 2014

	Capital Projects Funds				
	Grand Traverse Auto	Grand Traverse Commons	Traverse House Scamehorn	TBA Credit Union	Graetz Property
Assets					
Cash and cash equivalents	\$ 514,377	\$ 39,049	\$ 8,335	\$ 12,296	\$ -
Receivables, net:					
Accounts	774,153	-	-	-	-
Loans	-	-	-	-	-
Taxes	-	-	-	-	-
Interest	1,174	-	-	-	-
Due from other fund	-	-	-	-	-
Prepaid items and other assets	<u>1,353,659</u>	<u>3,834,934</u>	<u>250,763</u>	<u>2,347,974</u>	<u>58,435</u>
Total assets	<u>\$ 2,643,363</u>	<u>\$ 3,873,983</u>	<u>\$ 259,098</u>	<u>\$ 2,360,270</u>	<u>\$ 58,435</u>
Liabilities					
Accounts payable	\$ 358,864	\$ 2,847,354	\$ 210,763	\$ 950,550	\$ 58,435
Accrued interest payable	-	-	-	-	-
Due to other governments	1,045,028	987,580	-	1,397,424	-
Due to other fund	774,153	-	40,000	-	-
Unearned revenues	3,036	-	-	-	-
Loans payable	-	-	-	-	-
Total liabilities	<u>2,181,081</u>	<u>3,834,934</u>	<u>250,763</u>	<u>2,347,974</u>	<u>58,435</u>
Deferred inflows of resources					
Property taxes levied for subsequent year	-	647	8,325	1,046	-
Unavailable revenues - loans receivable	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>647</u>	<u>8,325</u>	<u>1,046</u>	<u>-</u>
Fund balances / net position (deficit)					
Restricted:					
Economic development	462,282	38,402	10	11,250	-
Unassigned (deficit) / unrestricted	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances / net position (deficit)	<u>462,282</u>	<u>38,402</u>	<u>10</u>	<u>11,250</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances / net position (deficit)	<u>\$ 2,643,363</u>	<u>\$ 3,873,983</u>	<u>\$ 259,098</u>	<u>\$ 2,360,270</u>	<u>\$ 58,435</u>

Capital Projects Funds		Debt Service Fund					
Old Town Center	Uptown	Local Revolving Loan Fund	Total	Adjustments	Statement of Net Position		
\$ -	\$ -	\$ 212,746	\$ 1,978,908	\$ -	\$ 1,978,908		
-	-	6,688	780,841	-	780,841		
-	-	1,075,482	1,075,482	-	1,075,482		
-	-	-	3,240	-	3,240		
-	-	-	1,174	-	1,174		
-	-	1,075,046	1,075,046	(1,075,046)	-		
<u>34,063</u>	<u>-</u>	<u>37,019</u>	<u>12,753,383</u>	<u>-</u>	<u>12,753,383</u>		
<u>\$ 34,063</u>	<u>\$ -</u>	<u>\$ 2,406,981</u>	<u>\$ 17,668,074</u>	<u>(1,075,046)</u>	<u>16,593,028</u>		
\$ -	\$ -	\$ 8,097,933	-	8,097,933			
-	-	-	20,332	20,332			
34,063	-	4,489,136	-	4,489,136			
-	-	1,075,046	(1,075,046)	-			
-	-	-	3,036	-	3,036		
-	-	-	4,153,888	4,153,888			
<u>34,063</u>	<u>-</u>	<u>-</u>	<u>13,665,151</u>	<u>3,099,174</u>	<u>16,764,325</u>		
-	-	-	66,199	-	66,199		
-	-	1,075,482	1,075,482	(1,075,482)	-		
<u>-</u>	<u>-</u>	<u>1,075,482</u>	<u>1,141,681</u>	<u>(1,075,482)</u>	<u>66,199</u>		
-	-	1,331,499	2,861,242	(2,861,242)	-		
-	-	-	-	(237,496)	(237,496)		
<u>-</u>	<u>-</u>	<u>1,331,499</u>	<u>2,861,242</u>	<u>(3,098,738)</u>	<u>(237,496)</u>		
<u>\$ 34,063</u>	<u>\$ -</u>	<u>\$ 2,406,981</u>	<u>\$ 17,668,074</u>	<u>\$ (1,075,046)</u>	<u>\$ 16,593,028</u>		

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GRAND TRAVERSE COUNTY, MICHIGAN

Statement of Activities and Governmental Funds Statement of

Revenues, Expenditures and Changes in Fund Balances

Brownfield Redevelopment Authority Component Unit

For the Year Ended December 31, 2014

	Capital Projects Funds				
	General Fund	River's Edge	CSXT Boardman Lake	Park Street	Bridgestone Firestone
Expenditures / expenses					
Public works	\$ 152,055	\$ 536,001	\$ 46,262	\$ 115,001	\$ 174,496
Interest and fiscal charges	-	-	-	-	14,505
Total expenditures/expenses	152,055	536,001	46,262	115,001	189,001
Program revenues					
Charges for services	48,000	-	-	-	-
General revenues					
Taxes	-	561,037	266,256	117,712	196,359
State grants	-	-	-	-	-
Local grants	-	-	-	-	-
Interest revenues	-	14	395	4	5
Total general revenues	-	561,051	266,651	117,716	196,364
Other financing sources (uses)					
Transfers in	150,000	-	-	-	-
Transfers out	-	(25,097)	(56,998)	(4,212)	(7,314)
Total other financing sources (uses)	150,000	(25,097)	(56,998)	(4,212)	(7,314)
Change in fund balances / net position	45,945	(47)	163,391	(1,497)	49
Fund balances / net position, beginning of year	5,000	741	427,156	1,820	178
Fund balances / net position (deficit), end of year	\$ 50,945	\$ 694	\$ 590,547	\$ 323	\$ 227

Capital Projects Funds						
Kinney	River West Snowden	GT Land Bank Parcels	TC East Bay Plaza	Traverse Cast	Blarney Castle	
\$ 54,420	\$ -	\$ -	\$ -	\$ 48,987	\$ 48,415	
<u>54,420</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>48,987</u>	<u>48,415</u>	
54,419	23,812	3,619	15,886	100,089	102,817	
-	-	-	-	-	-	
-	84	173	6	16	125	
<u>54,419</u>	<u>23,896</u>	<u>3,792</u>	<u>15,892</u>	<u>100,105</u>	<u>102,942</u>	
(1,864)	(809)	(477)	-	(18,891)	(13,935)	
<u>(1,864)</u>	<u>(809)</u>	<u>(477)</u>	<u>-</u>	<u>(18,891)</u>	<u>(13,935)</u>	
(1,865)	23,087	3,315	15,892	32,227	40,592	
<u>3,025</u>	<u>99,946</u>	<u>4,809</u>	<u>-</u>	<u>55</u>	<u>153,980</u>	
<u>\$ 1,160</u>	<u>\$ 123,033</u>	<u>\$ 8,124</u>	<u>\$ 15,892</u>	<u>\$ 32,282</u>	<u>\$ 194,572</u>	

continued...

GRAND TRAVERSE COUNTY, MICHIGAN

Statement of Activities and Governmental Funds Statement of

Revenues, Expenditures and Changes in Fund Balances

Brownfield Redevelopment Authority Component Unit

For the Year Ended December 31, 2014

	Capital Projects Funds				
	Grand Traverse Auto	Grand Traverse Commons	Traverse House Scamehorn	TBA Credit Union	Graetz Property
Expenditures / expenses					
Public works	\$ 802,459	\$ 501,109	\$ 79,541	\$ 320,850	\$ -
Interest and fiscal charges	-	-	-	-	-
Total expenditures / expenses	802,459	501,109	79,541	320,850	-
Program revenues					
Charges for services	-	-	-	-	-
General revenues					
Taxes	124,894	8,032	94,948	11,121	-
State grants	437,839	-	-	-	-
Local grants	-	60,105	-	-	-
Interest revenues	114	44	5	31	-
Total general revenues	562,847	68,181	94,953	11,152	-
Other financing sources (uses)					
Transfers in	-	-	-	-	-
Transfers out	(2,813)	(2,161)	(15,429)	-	-
Total other financing sources (uses)	(2,813)	(2,161)	(15,429)	-	-
Change in fund balances / net position	(242,425)	(435,089)	(17)	(309,698)	-
Fund balances / net position, beginning of year	704,707	473,491	27	320,948	-
Fund balances / net position (deficit), end of year	\$ 462,282	\$ 38,402	\$ 10	\$ 11,250	\$ -

STATEMENT OF ACTIVITIES

Capital Projects Funds		Debt Service Fund			Statement of Activities	
Old Town Center	Uptown	Local Revolving Loan Fund	Total	Adjustments		
\$ -	\$ 315,400	\$ 136,631	\$ 3,331,627	\$ (195,057)	\$ 3,136,570	
-	-	-	14,505	20,332	34,837	
-	<u>315,400</u>	<u>136,631</u>	<u>3,346,132</u>	<u>(174,725)</u>	<u>3,171,407</u>	
-	-	2,000	50,000	-	50,000	
-	-	-	1,681,001	-	1,681,001	
-	315,400	-	753,239	-	753,239	
-	-	-	60,105	-	60,105	
-	-	1,311	2,327	-	2,327	
-	<u>315,400</u>	<u>1,311</u>	<u>2,496,672</u>	<u>-</u>	<u>2,496,672</u>	
-	-	-	150,000	(150,000)	-	
-	-	-	(150,000)	150,000	-	
-	-	-	-	-	-	
-	-	(133,320)	(799,460)	174,725	(624,735)	
-	-	1,464,819	3,660,702	(3,273,463)	387,239	
\$ -	\$ -	\$ 1,331,499	\$ 2,861,242	\$ (3,098,738)	\$ (237,496)	

concluded

GRAND TRAVERSE COUNTY, MICHIGAN

Statement of Net Position

Land Bank Authority Component Unit
December 31, 2014

Assets

Cash and cash equivalents	\$ 88,398
Taxes receivable	5,236
Property inventory	<u>541,374</u>

Total assets	<u>635,008</u>
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Liabilities

Accounts payable	<u>45,641</u>
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Deferred inflows of resources	
Property taxes levied for subsequent year	<u>4,350</u>

Net position	
Restricted	<u>\$ 585,017</u>

GRAND TRAVERSE COUNTY, MICHIGAN

Statement of Revenues, Expenses and Changes in Fund Net Position

Land Bank Authority Component Unit
For the Year Ended December 31, 2014

Operating revenues	
Property sales	\$ 30,639
Operating expenses	
Land bank	<u>81,981</u>
Operating loss	<u>(51,342)</u>
Nonoperating revenues	
Taxes	4,873
State sources	44,000
Interest revenues	<u>43</u>
Total nonoperating revenues	<u>48,916</u>
Change in net position	(2,426)
Net position, beginning of year	<u>587,443</u>
Net position, end of year	<u>\$ 585,017</u>

GRAND TRAVERSE COUNTY, MICHIGAN

Statement of Cash Flows

Land Bank Authority Component Unit
For the Year Ended December 31, 2014

Cash flows from operating activities	
Receipts from services	\$ 30,639
Payments to suppliers for goods and services	<u>(94,058)</u>
Net cash used in operating activities	(63,419)
Cash flows from capital and related financing activities	
Cash received from property taxes	8,143
Cash received from state sources	<u>44,000</u>
Net cash provided by capital and related financing activities	<u>52,143</u>
Cash flows provided by investing activities	
Interest received	<u>43</u>
Net change in cash and cash equivalents	(11,233)
Cash and cash equivalents, beginning of year	<u>99,631</u>
Cash and cash equivalents, end of year	\$ 88,398
Cash flows from operating activities	
Operating loss	\$ (51,342)
Adjustments to reconcile operating loss	
to net cash used in operating activities:	
Changes in:	
Property inventory	(16,720)
Accounts payable	40,073
Due to other governments	<u>(35,430)</u>
Net cash used in operating activities	<u>\$ (63,419)</u>

STATISTICAL SECTION (UNAUDITED)

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GRAND TRAVERSE COUNTY, MICHIGAN

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 the County of Grand Traverse, Michigan.

		<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.	208
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.	218
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.	225
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.	230
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.	236

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

Net Position by Component

Last Ten Fiscal Years

(amounts expressed in thousands)

	Fiscal Year			
	2014	2013	2012	2011
Primary Government Activities				
Governmental activities				
Net investment in capital assets	\$ 34,741	\$ 35,450	\$ 36,440	\$ 35,668
Restricted	5,991	5,926	10,177	15,617
Unrestricted	7,950	10,794	6,733	4,138
Total governmental activities net position	\$ 48,682	\$ 52,170	\$ 53,350	\$ 55,423
Business-type activities				
Net investment in capital assets	\$ 17,659	\$ 16,096	\$ 14,928	\$ 13,708
Restricted	-	-	-	-
Unrestricted	22,088	21,552	20,520	20,216
Total business-type activities net position	\$ 39,747	\$ 37,648	\$ 35,448	\$ 33,924
Primary government				
Net investment in capital assets	\$ 52,400	\$ 51,546	\$ 51,368	\$ 49,376
Restricted	5,991	5,926	10,177	15,617
Unrestricted	30,038	32,346	27,253	24,354
Total primary government net position	\$ 88,429	\$ 89,818	\$ 88,798	\$ 89,347

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 seven Fiscal Years Ended December 31, 2005 through 2011.

Table 1 - Unaudited

Fiscal Year											
	2010		2009		2008		2007		2006		2005
\$	33,229	\$	32,048	\$	32,644	\$	31,048	\$	31,093	\$	29,890
	7,077		8,645		10,218		11,728		13,190		9,060
	17,572		19,918		19,254		19,832		17,059		15,357
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	
\$	<u>57,878</u>	\$	<u>60,611</u>	\$	<u>62,116</u>	\$	<u>62,608</u>	\$	<u>61,342</u>	\$	<u>54,307</u>
\$	11,728	\$	10,522	\$	9,121	\$	8,397	\$	7,609	\$	7,235
	-		-		-		-		-		-
	19,630		17,173		17,237		16,348		15,970		14,894
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	
\$	<u>31,358</u>	\$	<u>27,695</u>	\$	<u>26,358</u>	\$	<u>24,745</u>	\$	<u>23,579</u>	\$	<u>22,129</u>
\$	44,957	\$	42,570	\$	41,765	\$	39,445	\$	38,702	\$	37,125
	7,077		8,645		10,218		11,728		13,190		9,060
	37,202		37,091		36,491		36,180		33,029		30,251
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	
\$	<u>89,236</u>	\$	<u>88,306</u>	\$	<u>88,474</u>	\$	<u>87,353</u>	\$	<u>84,921</u>	\$	<u>76,436</u>

GRAND TRAVERSE COUNTY, MICHIGAN

Changes in Net Position Last Ten Fiscal Years (amounts expressed in thousands)

	Fiscal Year			
	2014	2013	2012	2011
Expenses				
Governmental activities:				
Legislative	\$ 351	\$ 344	\$ 383	\$ 434
Judicial	10,460	10,685	10,570	8,639
General government	9,066	8,839	8,838	11,202
Public safety	17,283	16,203	16,544	16,379
Health and welfare	11,479	12,141	11,047	10,481
Economic development	1,497	213	9	445
Recreation and culture	892	985	888	915
Interest on long-term debt	303	314	442	360
Total governmental activities expenses	51,331	49,724	48,721	48,855
Business-type activities:				
Inspections	1,137	1,102	1,041	949
Medical Care Facility (Pavilions)	28,723	28,305	28,047	25,439
Solid waste	318	307	339	320
Delinquent tax collection and administration	185	348	280	193
Total business-type activities expenses	30,363	30,062	29,707	26,901
Total primary government expenses	81,694	79,786	78,428	75,756
Program Revenues				
Governmental activities:				
Charges for services:				
Legislative	2	-	1	8
Judicial	2,882	2,944	2,832	2,920
General government	3,008	3,049	3,238	2,677
Public safety	1,739	1,628	1,509	1,516
Health and welfare	2,402	2,353	2,442	2,048
Economic development	3	-	-	-
Recreation and culture	486	471	419	395
Operating grants and contributions	10,240	11,218	9,828	10,033
Capital grants and contributions	9	-	165	387
Total governmental activities program revenues	20,771	21,663	20,434	19,984
Business-type activities:				
Charges for services:				
Inspections	1,676	1,428	990	925
Medical Care Facility (Pavilions)	24,736	24,753	24,037	25,191
Solid waste	261	284	357	442
Delinquent tax collection and administration	414	453	548	2,170
Operating grants and contributions	3,590	4,192	4,070	120
Total business-type activities program revenues	30,677	31,110	30,002	28,848
Total primary government program revenues	51,448	52,773	50,436	48,832

Table 2 - Unaudited

Fiscal Year						
2010	2009	2008	2007	2006	2005	
\$ 413	\$ 423	\$ 539	\$ 471	\$ 403	\$ 384	
8,862	8,826	8,511	7,852	7,993	7,486	
11,653	11,765	11,967	22,504	10,079	9,372	
16,058	15,480	16,471	14,835	14,584	13,605	
10,660	9,567	9,753	9,990	8,789	8,296	
84	322	251	-	-	-	
966	1,640	650	915	846	977	
481	516	537	575	254	317	
49,177	48,539	48,679	57,142	42,948	40,437	
989	1,137	1,327	1,503	1,604	1,489	
24,259	24,937	24,594	23,618	23,035	22,365	
661	705	575	703	627	682	
250	277	89	48	69	42	
26,159	27,056	26,585	25,872	25,335	24,578	
75,336	75,595	75,264	83,014	68,283	65,015	
9	1	4	4	1	2	
3,005	2,927	3,100	3,150	3,212	3,138	
2,410	2,426	2,351	4,703	2,861	2,809	
1,625	1,603	1,593	2,681	1,326	1,382	
2,443	1,989	1,704	2,605	1,635	1,548	
-	-	-	-	-	-	
460	306	402	237	422	423	
10,438	11,218	11,944	17,728	10,947	11,232	
443	33	900	42	-	11	
20,833	20,503	21,998	31,150	20,404	20,545	
871	846	1,017	1,376	1,715	2,084	
23,747	23,429	23,280	21,770	21,301	19,907	
568	576	737	777	832	731	
2,334	1,874	1,163	1,109	951	794	
112	136	93	19	225	215	
27,632	26,861	26,290	25,051	25,024	23,731	
48,465	47,364	48,288	56,201	45,428	44,276	

GRAND TRAVERSE COUNTY, MICHIGAN

Changes in Net Position

Last Ten Fiscal Years

(amounts expressed in thousands)

	Fiscal Year			
	2014	2013	2012	2011
Net (expense) revenues				
Governmental activities	\$ (30,560)	\$ (28,061)	\$ (28,287)	\$ (28,871)
Business-type activities	314	1,048	295	1,947
Total primary government net (expense) revenues	(30,246)	(27,013)	(27,992)	(26,924)
General revenues and other changes in net position				
Governmental activities:				
Property taxes	25,840	25,550	24,501	24,008
Unrestricted investment earnings	163	143	156	227
Other revenues (expense)	30	12	-	17
Transfers - internal activities	1,039	1,177	1,558	2,164
Total governmental activities	27,072	26,882	26,215	26,416
Business-type activities:				
Property taxes	2,824	2,767	2,882	2,754
Unrestricted investment earnings	-	-	-	29
Other revenues (expense)	1	-	-	-
Transfers - internal activities	(1,039)	(1,177)	(1,558)	(2,164)
Total business-type activities	1,786	1,590	1,324	619
Total primary government	28,858	28,472	27,539	27,035
Change in net position				
Governmental activities	(3,488)	(1,179)	(2,072)	(2,455)
Business-type activities	2,100	2,638	1,619	2,566
Total primary government change in net position	\$ (1,388)	\$ 1,459	\$ (453)	\$ 111

Table 2 - Unaudited

Fiscal Year						
2010	2009	2008	2007	2006	2005	
\$ (28,344)	\$ (28,036)	\$ (26,681)	\$ (25,992)	\$ (22,544)	\$ (19,892)	
1,473	(195)	(295)	(821)	(311)	(847)	
<u>(26,871)</u>	<u>(28,231)</u>	<u>(26,976)</u>	<u>(26,813)</u>	<u>(22,855)</u>	<u>(20,739)</u>	
24,146	24,619	23,922	23,857	26,901	24,197	
344	611	1,294	2,471	1,748	1,001	
13	-	(29)	-	(9)	3	
<u>1,158</u>	<u>1,301</u>	<u>1,001</u>	<u>930</u>	<u>940</u>	<u>1,154</u>	
<u>25,661</u>	<u>26,531</u>	<u>26,188</u>	<u>27,258</u>	<u>29,580</u>	<u>26,355</u>	
3,203	2,784	2,677	2,525	2,351	2,217	
78	60	237	391	351	224	
16	(11)	5	-	-	10	
<u>(1,158)</u>	<u>(1,301)</u>	<u>(1,011)</u>	<u>(930)</u>	<u>(940)</u>	<u>(1,154)</u>	
<u>2,139</u>	<u>1,532</u>	<u>1,908</u>	<u>1,986</u>	<u>1,762</u>	<u>1,297</u>	
<u>27,800</u>	<u>28,063</u>	<u>28,096</u>	<u>29,244</u>	<u>31,342</u>	<u>27,652</u>	
(2,683)	(1,505)	(493)	1,266	7,036	6,463	
3,612	1,337	1,613	1,165	1,451	450	
<u>\$ 929</u>	<u>\$ (168)</u>	<u>\$ 1,120</u>	<u>\$ 2,431</u>	<u>\$ 8,487</u>	<u>\$ 6,913</u>	

GRAND TRAVERSE COUNTY, MICHIGAN

■ Fund Balances - Governmental Funds

Last Ten Fiscal Years

(amounts expressed in thousands)

	Fiscal Year			
	2014	2013	2012	2011
General fund:				
Nonspendable	\$ 2,811	\$ 3,194	\$ 3,434	\$ 2,988
Restricted	-	-	-	10
Assigned	706	1,582	625	625
Unassigned	5,421	4,425	3,976	4,148
Reserved	-	-	-	-
Unreserved	-	-	-	-
Total general fund	<u>8,938</u>	<u>9,201</u>	<u>8,035</u>	<u>7,771</u>
All other governmental funds:				
Nonspendable	32	8	6	349
Restricted	3,411	5,925	9,949	10,130
Committed	3,958	4,061	216	104
Assigned	-	-	1,891	2,682
Unassigned	(2,235)	(2,621)	(2,995)	(1,845)
Reserved	-	-	-	-
Special revenues funds	-	-	-	-
Debt service funds	-	-	-	-
Capital projects funds	-	-	-	-
Total all other governmental funds	<u>5,166</u>	<u>7,373</u>	<u>9,067</u>	<u>11,420</u>
Total governmental funds	<u><u>\$ 14,104</u></u>	<u><u>\$ 16,574</u></u>	<u><u>\$ 17,102</u></u>	<u><u>\$ 19,191</u></u>

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

Table 3 - Unaudited

Fiscal Year						
2010	2009	2008	2007	2006	2005	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
870	961	660	795	661	922	
7,230	8,206	8,909	8,723	6,937	5,396	
<u>8,100</u>	<u>9,167</u>	<u>9,569</u>	<u>9,518</u>	<u>7,598</u>	<u>6,318</u>	
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
7,184	8,645	10,218	11,812	13,198	9,069	
7,173	6,873	5,658	6,840	4,272	3,827	
-	-	-	-	-	1	
1,064	1,996	2,217	1,018	2,778	7,590	
<u>15,421</u>	<u>17,514</u>	<u>18,093</u>	<u>19,670</u>	<u>20,248</u>	<u>20,487</u>	
<u>\$ 23,521</u>	<u>\$ 26,681</u>	<u>\$ 27,662</u>	<u>\$ 29,188</u>	<u>\$ 27,846</u>	<u>\$ 26,805</u>	

GRAND TRAVERSE COUNTY, MICHIGAN

Changes in Fund Balances - Governmental Funds

Last Ten Fiscal Years

(amounts expressed in thousands)

	Fiscal Year			
	2014	2013	2012	2011
Revenues				
Taxes	\$ 25,841	\$ 25,550	\$ 24,501	\$ 24,008
Licenses and permits	566	569	500	460
Intergovernmental:				
Federal sources	3,632	4,581	3,903	4,224
State sources	4,073	3,783	3,633	3,799
Local sources	3,714	3,645	3,576	3,470
Charges for services	6,623	6,548	6,311	6,068
Fines and forfeits	118	113	93	87
Reimbursements	2,506	2,780	3,062	3,040
Contributions	1	3	20	1
Rental revenues	697	689	619	649
Interest revenues	162	151	165	251
Other revenues	596	478	811	802
Total revenues	48,529	48,890	47,194	46,859
Expenditures				
Current:				
Legislative	378	373	421	411
Judicial	10,139	10,393	10,225	10,212
General government	10,335	10,123	10,258	11,012
Public safety	15,367	15,276	15,421	15,453
Health and welfare	11,965	11,807	10,514	11,708
Economic development	1,498	213	9	84
Recreation and culture	667	741	640	716
Other	-	-	-	-
Debt service:				
Principal	545	550	2,005	1,050
Interest and fiscal charges	303	314	356	484
Capital outlay	689	574	5,814	1,820
Total expenditures	51,886	50,364	55,663	52,950
Revenues over (under) expenditures	(3,357)	(1,474)	(8,469)	(6,091)
Other financing sources (uses)				
Issuance of long-term debt	-	-	11,170	-
Discount on issuance of long-term debt	-	-	(46)	-
Payment to refunding bond escrow agent	-	-	(6,192)	-
Proceeds from sale of capital assets	29	12	17	16
Transfers in	12,860	13,381	13,082	13,371
Transfers out	(12,003)	(12,446)	(11,650)	(12,553)
Total other financing sources (uses)	886	947	6,381	834
Net change in fund balances	\$ (2,471)	\$ (527)	\$ (2,088)	\$ (5,257)
Debt service as a percentage of noncapital expenditures	1.66%	1.74%	5.70%	5.02%

Table 4 - Unaudited

Fiscal Year						
	2010	2009	2008	2007	2006	2005
\$	24,146	\$ 24,619	\$ 23,923	\$ 23,857	\$ 26,901	\$ 24,197
	461	434	448	457	528	566
4,590	3,574	4,757	3,848	3,686	3,753	
3,672	4,240	3,810	4,129	3,431	3,761	
3,704	3,522	3,644	3,544	3,344	3,208	
6,222	5,915	5,789	5,971	6,672	6,714	
104	101	123	160	167	176	
3,172	3,023	2,360	2,067	1,955	1,968	
2	5	2	14	19	67	
638	620	659	613	610	627	
349	609	1,275	1,985	1,738	989	
1,946	2,596	1,801	1,648	1,715	1,501	
49,006	49,258	48,591	48,293	50,766	47,527	
422	534	468	404	385	386	
10,016	9,272	8,598	8,452	8,074	7,612	
11,311	10,846	10,690	10,447	9,954	9,160	
14,656	15,838	13,931	13,879	13,693	12,577	
10,990	10,803	10,657	9,744	9,644	8,569	
322	251	-	-	-	-	
686	752	937	621	764	750	
-	-	53	-	-	-	
740	710	680	650	345	570	
512	538	563	247	259	279	
1,590	1,445	1,138	6,036	4,274	675	
51,245	50,989	47,715	50,480	47,392	40,578	
(2,239)	(1,731)	876	(2,187)	3,374	6,949	
-	-	-	-	8,385	-	
-	-	-	-	(74)	-	
-	-	-	-	-	-	
12	31	-	-	4	23	
14,410	13,464	11,762	11,395	10,756	10,218	
(13,416)	(12,623)	(10,997)	(10,640)	(9,759)	(9,300)	
1,006	872	765	755	9,312	941	
\$ (1,233)	\$ (859)	\$ 1,641	\$ (1,432)	\$ 12,686	\$ 7,890	
4.21%	4.12%	4.26%	3.05%	2.57%	3.16%	

GRAND TRAVERSE COUNTY, MICHIGAN

Assessed and Estimated Actual Value of Taxable Property Last Ten Fiscal Years

Fiscal Year	Real Property		Personal Property	Total Assessed Value
	Residential	Commercial		
2005	\$ 3,558,397,608	\$ 1,178,484,484	\$ 249,658,082	\$ 4,986,540,174
2006	3,964,980,260	1,249,326,857	255,575,931	5,469,883,048
2007	4,238,375,228	1,343,000,157	258,664,798	5,840,040,183
2008	4,342,963,319	1,390,127,029	251,468,812	5,984,559,160
2009	4,283,832,904	1,369,999,093	266,500,315	5,920,332,312
2010	4,042,595,921	1,286,802,285	261,118,622	5,590,516,828
2011	3,806,716,018	1,184,052,681	253,983,234	5,244,751,933
2012	3,765,597,955	1,106,117,252	256,999,566	5,128,714,773
2013	3,820,469,838	1,113,170,336	279,915,132	5,213,555,306
2014	3,926,367,866	1,129,839,306	268,290,120	5,324,497,292

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.

Table 5 - Unaudited

Total Direct Tax Rate	Estimated Actual Value	Percentage of Taxable to Actual Value
6.2495	\$ 9,973,080,348	50.00%
6.1681	10,939,766,096	50.00%
6.1291	11,680,080,366	50.00%
6.1291	11,969,118,320	50.00%
6.1291	11,840,664,624	50.00%
6.2291	11,181,033,656	50.00%
6.2433	10,489,503,866	50.00%
6.2433	10,257,429,546	50.00%
6.2433	10,427,110,612	50.00%
7.2433	10,648,994,584	50.00%

GRAND TRAVERSE COUNTY, MICHIGAN

■ Direct and Overlapping Property Tax Rates

Last Ten Fiscal Years

Grand Traverse County					
Fiscal Year (1) (2)	Operating Millage	Commission On Aging	Medical Care Facility	Road Commission	Total Millage
2005	5.0815	0.4955	0.6725	0.0000	6.2495
2006	5.0154	0.4890	0.6637	0.0000	6.1681
2007	4.9838	0.4858	0.6595	0.0000	6.1291
2008	4.9838	0.4858	0.6595	0.0000	6.1291
2009	4.9838	0.4858	0.6595	0.0000	6.1291
2010	4.9838	0.5858	0.6595	0.0000	6.2291
2011	4.9838	0.6000	0.6595	0.0000	6.2433
2012	4.9838	0.6000	0.6595	0.0000	6.2433
2013	4.9838	0.6000	0.6595	0.0000	6.2433
2014	4.9838	0.6000	0.6595	1.0000	7.2433

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. 2005 refers to the 2006 tax collection. Starting with the 2005 County levy there was a shift, 1/3 each year for three years, from the traditional December levy for the subsequent year to a July levy for the current year.

Table 6 - Unaudited

Intermediate Schools	Overlapping Rates		Overlapping Rates			Grand Total Direct & Overlapping Rates
	District Library Operations	District Library Debt	Community College	Community College Debt	BATA	
2.9589	0.9740	0.1850	2.2127	0.7300	0.3380	13.6481
2.9421	0.9609	0.1420	2.1838	0.7300	0.3317	13.4586
2.9334	0.9548	0.1830	2.1700	0.7000	0.3283	13.3986
2.9312	0.9548	0.1450	2.1700	0.7000	0.3272	13.3573
2.9312	0.9548	0.1344	2.1700	0.7000	0.3454	13.3649
2.9312	0.9548	0.1597	2.1700	0.7000	0.3454	13.4902
2.9312	0.9548	0.1520	2.1700	0.7700	0.3454	13.5667
2.9312	0.9548	0.1520	2.1700	0.7700	0.3454	13.5667
2.9312	0.9548	0.1502	2.1700	0.7500	0.3454	13.5449
2.9312	0.9548	0.1454	2.1700	0.3700	0.3454	14.1601

GRAND TRAVERSE COUNTY, MICHIGAN

Principal Property Taxpayers

Current Year and Nine Years Ago

Taxpayer	2014		
	Taxable Value	Rank	Percentage of Total Taxable Value
Grand Traverse Mall LTD PTNR	\$ 31,210,355	1	0.70%
Consumers Energy	25,502,725	2	0.57%
Michigan Electric Transmission Co.	14,050,000	3	0.31%
DTE Gas Company	13,261,119	4	0.30%
Grand Traverse Resort & Spa LLC	12,113,750	5	0.27%
Sara Lee/Hillshire Brands	12,056,200	6	0.27%
Cherryland Rural Electric Co-op	10,824,628	7	0.24%
Brixmor Grand Traverse I LLC	10,088,834	8	0.23%
Great Wolf Lodge TC Development LLC	8,104,851	9	0.18%
VS Traverse City Real Estate Holdings	7,621,700	10	0.17%
Grand Traverse Band of Ottawa Indians			
Grand Traverse Crossings Shopping			
Michigan Consolidated Gas Company			
Carpenter Enterprises LTD			
State of Michigan (Taxable lands)			
Dobson Cellular Systems, Inc.	<u>\$ 144,834,162</u>		<u>3.24%</u>
2014/2005 County Total Taxable Value	\$4,474,083,286		

Source:

Grand Traverse County Equalization Department

Table 7 - Unaudited

2005		
Taxable Value	Rank	Percentage of Total Taxable Value
\$ 12,781,790	8	0.36%
17,955,801	3	0.50%
14,710,060	6	0.41%
19,664,140	2	0.55%
19,926,603	1	0.56%
15,488,380	4	0.44%
15,312,834	5	0.43%
13,392,800	7	0.38%
10,762,403	9	0.30%
9,673,651	10	0.27%
\$ 149,668,462		4.20%
\$3,563,213,564		

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
2005	\$ 17,740,803	\$ 16,721,195	94.25%	\$ 956,102	\$ 63,506	\$ 17,740,803	100.00%
2006	19,039,918	18,006,682	94.57%	980,328	52,908	19,039,918	100.00%
2007	20,245,356	19,257,383	95.12%	927,609	60,364	20,245,356	100.00%
2008	21,015,942	19,909,206	94.73%	1,056,543	50,193	21,015,942	100.00%
2009	21,697,005	20,562,406	94.77%	1,091,846	42,753	21,697,005	100.00%
2010	21,310,329	20,318,560	95.35%	934,969	56,800	21,310,329	100.00%
2011	20,746,929	19,875,126	95.80%	842,469	29,334	20,746,929	100.00%
2012	20,759,994	20,064,727	96.65%	673,697	21,570	20,759,994	100.00%
2013	21,301,311	20,564,903	96.54%	686,347	50,061	21,301,311	100.00%
2014	21,684,008	21,049,613	97.07%	575,635	58,760	21,684,008	100.00%

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					
2005	\$ 14,380,000	\$ 107,569	\$ 23,332,943	\$ 37,820,512	1.40%	\$ 450		
2006	13,730,000	82,747	21,938,823	35,751,570	1.24%	421		
2007	13,050,000	76,623	20,517,570	33,644,193	1.11%	394		
2008	12,340,000	101,293	18,872,963	31,314,256	1.01%	364		
2009	11,600,000	34,990	16,275,751	27,910,741	0.89%	323		
2010	10,550,000	3,206	14,342,791	24,895,997	0.81%	286		
2011	8,025,000	1,640	12,290,488	20,317,128	0.62%	230		
2012	10,983,696	-	10,606,887	21,590,583	0.61%	242		
2013	10,435,548	-	8,244,029	18,679,577	0.51%	208		
2014	9,892,400	-	6,041,171	15,933,571	(2)	176		

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	Percentage of Estimated Actual Taxable Value of Property	Per Capita (1)
2005	\$ 37,712,943	\$ 1,144	\$ 37,711,799	1.06%	\$ 449
2006	35,668,823	141	35,668,682	0.96%	420
2007	33,567,570	148	33,567,422	0.81%	393
2008	31,212,963	-	31,212,963	0.72%	363
2009	27,875,751	-	27,875,751	0.62%	323
2010	24,892,791	-	24,892,791	0.57%	286
2011	20,315,488	-	20,315,488	0.47%	230
2012	21,590,583	-	21,590,583	0.50%	242
2013	18,679,577	-	18,679,577	0.42%	208
2014	15,933,571	-	15,933,571	0.36%	176

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.

GRAND TRAVERSE COUNTY, MICHIGAN

Table 11 - Unaudited

Computation of Direct and Overlapping Governmental Activities Debt

As of December 31, 2014

	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt
Debt repaid with property taxes: County	\$ 182,598,057	83.23%	\$ 151,981,870
County direct debt			<u>9,892,400</u>
Total direct and overlapping debt			<u><u>\$ 161,874,270</u></u>

Source:

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

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

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

GRAND TRAVERSE COUNTY, MICHIGAN

■ Computation of Legal Debt Margin Information

Last Ten Fiscal Years

(amounts expressed in thousands)

	Fiscal Year			
	2014	2013	2012	2011
Debt limit	\$ 532,450	\$ 521,356	\$ 512,871	\$ 524,475
Total net debt applicable to limit	<u>47,678</u>	<u>54,127</u>	<u>57,156</u>	<u>70,590</u>
Legal debt margin	<u>\$ 484,772</u>	<u>\$ 467,229</u>	<u>\$ 455,715</u>	<u>\$ 453,885</u>
Total net debt applicable to the limit as a percentage of debt limit	8.95%	10.38%	11.14%	13.46%

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.

Table 12 - Unaudited

Fiscal Year						
2010	2009	2008	2007	2006	2005	
\$ 559,052	\$ 592,033	\$ 598,456	\$ 584,004	\$ 546,988	\$ 498,654	
<u>83,427</u>	<u>91,896</u>	<u>100,386</u>	<u>102,658</u>	<u>108,320</u>	<u>112,864</u>	
<u><u>\$ 475,625</u></u>	<u><u>\$ 500,137</u></u>	<u><u>\$ 498,070</u></u>	<u><u>\$ 481,346</u></u>	<u><u>\$ 438,668</u></u>	<u><u>\$ 385,790</u></u>	
14.92%	15.52%	16.77%	17.58%	19.80%	22.63%	

Legal Debt Margin Calculation for Fiscal Year 2014
(amounts expressed in thousands)

State equalized value of real property	\$ 5,056,207
State equalized value of personal property	<u>268,290</u>
Total state equalized value	<u><u>\$ 5,324,497</u></u>
Debt limit (10% of total state equalized value)	532,450
Debt applicable to limit: (1)	\$ 47,678
Less:	
Assets in Debt Service funds	
available for payment of principal	<u>-</u>
Total amount of debt applicable to debt limit	<u><u>47,678</u></u>
Legal debt margin	<u><u>\$ 484,772</u></u>

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)	
2005	83,971	\$ 2,694,009	\$ 32,089	10,581	5.60%	
2006	84,952	2,894,249	34,260	10,479	5.90%	
2007	85,479	3,033,402	35,520	10,310	6.50%	
2008	86,071	3,104,898	36,129	9,984	7.60%	
2009	86,333	3,119,045	36,128	9,859	11.80%	
2010	86,986	3,086,127	35,459	9,773	11.70%	
2011	88,349	3,259,588	36,894	9,773	9.60%	
2012	89,112	3,516,506	39,462	9,774	8.00%	
2013	89,987	3,654,267	40,609	9,729	6.80%	
2014	90,782	(5)	(5)	9,639	5.90%	

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

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GRAND TRAVERSE COUNTY, MICHIGAN

Principal Employers

Current Year and Nine Years Ago

Employer	2014		Percentage of Total County Employment
	Employees	Rank	
Munson Medical Center	3,740	1	8.30%
Traverse City Area Public Schools	1,275	2	2.83%
Grand Traverse Resort & Casino	750	3	1.67%
Northwestern Michigan College	700	4	1.56%
Traverse Bay Intermediate School District	600	5	1.33%
Sara Lee/Hillshire Brands	550	6	1.22%
Grand Traverse County Government	500	7	1.11%
Grand Traverse Pavilions	470	8	1.04%
Hagerty Insurance	450	9	1.00%
Interlochen Center for the Arts	330	10	0.73%
Lear Corp/United Tech			
Meijer, Inc.			
Tom's Food Markets			
Tower Automotive			
Totals	<u>9,365</u>		<u>20.79%</u>
Total Employment 2014 / 2005	45,049		

Sources:

Grand Traverse County Planning Department

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

Table 14 - Unaudited

2005		
Employees	Rank	Percentage of Total County Employment
4,000	1	8.71%
1,600	2	3.49%
650	3	1.42%
600	4	1.31%
600	5	1.31%
470	6	1.02%
400	8	0.87%
300	10	0.65%
450	7	0.98%
400	9	0.87%
9,470		20.63%
45,913		

GRAND TRAVERSE COUNTY

■ Full-time Equivalent Government Employees by Function Last Ten Fiscal Years

Function	Full-time Equivalent Employees as of December 31,			
	2014	2013	2012	2011
Legislative	1	1	1	1
Judicial	96	90	93	93
General Government	100	98	110	122
Public Safety	144	149	149	149
Public Works	17	20	22	21
Health & Welfare	123	123	128	127
Total	481	481	503	513

Source:

Grand Traverse County Human Resources

Table 15 - Unaudited

Full-time Equivalent Employees as of December 31,					
2010	2009	2008	2007	2006	2005
1	1	1	1	1	1
95	94	94	93	93	92
124	129	128	126	123	117
154	158	158	156	155	145
21	21	21	21	21	19
128	121	111	102	95	84
523	524	513	499	488	458

GRAND TRAVERSE COUNTY, MICHIGAN

Operating Indicators by Function

Last Ten Fiscal Years

Function	Fiscal Year			
	2014	2013	2012	2011
Public safety:				
Average daily inmate population - Jail only	158.00	158.80	138.60	146.00
Average daily population - Includes inmates boarded-out	163.42	160.80	138.60	146.00
911 Computer aided dispatch calls*	56,473	57,278	55,654	98,901
Commissary:				
Number of orders placed by inmates	18,716	15,250	7,553	(1)
Health and welfare:				
Commission on aging-client visits:				
Homemaker Aide Program	15,648	15,247	16,058	16,376
Home Health Care Program	6,873	6,986	8,011	8,308
Home Chore Program	8,803	8,112	8,365	10,476
Walk in & telephone assistance calls**	28,566	27,830	13,184	30,968
Public works:				
Number of sewer billings	7,791	7,770	7,968	8,024
Number of water billings	1,028	1,041	1,035	1,017
Number of combined billings	77,931	68,716	68,504	67,424
General Government:				
County Clerk-Passports processed	1,317	1,284	1,424	1,531
Finance-Checks processed	16,898	21,824	19,488	16,644
MSU-Extension:				
4-H Participants	1,325	1,187	1,384	-
FNP Participants	-	-	-	565
PAT Participants	-	-	-	-
Register of Deeds-records filed:				
Discharge of Mortgage	3,600	4,896	4,900	4,148
Mortgage	3,786	5,011	5,577	4,143
Warranty Deed	2,843	2,731	2,266	1,760
Judicial:				
Circuit court total caseload	2,247	2,260	2,584	2,694
District court total caseload	15,028	15,751	14,046	16,433
Probate court total caseload	586	549	596	531
Recreation and culture:				
Swimming pool admissions	23,411	23,438	19,706	18,014
Community and Economic Development:				
Construction permits issued	5,211	5,097	4,236	4,162
EDC loans	-	-	-	7
Medical care facility-skilled nursing:				
Resident Admits	454	461	492	425
Resident Days	84,250	85,498	85,727	81,513

Source: Various County departments

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

**Includes Senior Center Network

(1) Data is unavailable for this year

Table 16 - Unaudited

Fiscal Year					
2010	2009	2008	2007	2006	2005
150.00	149.00	154.00	164.00	159.00	146.29
150.00	149.00	154.00	164.00	167.00	169.23
53,701	54,086	54,433	50,449	47,247	59,364
6,910	7,241	7,814	7,902	7,998	7,390
17,065	16,157	14,828	13,073	9,078	7,361
7,489	7,573	7,022	4,911	5,342	5,336
8,914	10,481	9,962	5,840	4,964	5,105
37,173	26,129	22,742	16,582	13,264	12,993
7,916	8,988	15,587	15,445	24,729	21,348
1,468	6,256	8,171	7,962	26,674	16,120
66,096	50,844	37,384	36,319	-	-
1,669	1,978	1,675	2,826	2,369	1,794
20,457	18,022	19,552	19,090	18,566	17,302
-	-	-	1,605	1,487	3,549
430	1,771	1,672	778	2,149	1,959
-	1,884	1,213	1,222	947	1,390
4,243	5,286	4,417	5,236	5,837	6,813
4,672	5,728	4,671	6,046	7,451	8,922
1,678	1,680	1,820	2,492	2,955	3,437
2,983	3,205	3,254	3,179	2,368	3,043
19,348	20,414	21,754	24,659	25,543	24,170
563	514	556	618	588	936
19,564	15,630	16,215	15,246	16,284	16,522
3,965	3,709	3,777	4,541	7,070	8,393
6	13	11	13	16	15
350	263	314	281	253	272
78,857	79,479	79,465	79,231	79,362	79,470

GRAND TRAVERSE COUNTY, MICHIGAN

■ Capital Asset Statistics by Function

Last Ten Fiscal Years

Function	Fiscal Year			
	2014	2013	2012	2011
Public safety:				
Police:				
Stations	1	1	1	2
Buildings	5	5	5	6
Radio Towers	6	6	6	6
Vehicles	91	95	96	98
Boats	8	7	5	9
Snowmobiles	2	2	2	4
Animal control:				
Building	1	1	1	1
Vehicles	2	2	2	2
General government:				
Buildings	4	4	3	4
Vehicles	20	20	22	30
Health and welfare:				
Buildings	2	2	1	3
Vehicles	24	23	23	15
Public works:				
Buildings	1	1	1	1
Vehicles	16	16	16	17
Judicial:				
Buildings	3	3	3	3
Vehicles	4	4	-	3
Recreation and culture:				
Buildings	15	15	15	18
Vehicles	3	3	3	3
Parks	10	10	10	10
Boat	1	1	1	1
Construction trades:				
Vehicles	8	9	9	9
Medical care facility:				
Beds	240	240	240	240
Sources:				
Various County departments				

Table 17 - Unaudited

Fiscal Year					
2010	2009	2008	2007	2006	2005
2	2	2	2	2	2
5	5	5	5	5	5
6	6	6	6	6	6
92	91	90	95	97	95
9	9	9	9	12	11
4	2	2	4	4	4
1	1	1	1	1	1
2	2	2	1	2	2
4	4	4	4	4	4
28	28	28	26	24	21
3	3	3	3	3	2
15	15	14	14	19	19
1	1	1	1	1	1
17	18	17	18	17	17
3	3	3	3	3	2
3	3	3	3	3	4
18	18	18	16	16	16
3	4	5	3	6	6
10	10	10	10	10	10
1	1	1	1	1	1
10	10	11	12	15	13
221	221	221	221	221	221

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SINGLE AUDIT ACT COMPLIANCE

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Rehmann Robson

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

INDEPENDENT AUDITORS' REPORT ON THE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY OMB CIRCULAR A-133

June 26, 2015

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of *Grand Traverse County, Michigan* (the "County") as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated June 26, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

A handwritten signature in black ink that reads "Rehmann Robson LLC".

GRAND TRAVERSE COUNTY, MICHIGAN

Schedule of Expenditures of Federal Awards For the Year Ended December 31, 2014

Federal Agency / Cluster / Program Title	CFDA Number	Passed Through	Pass-through / Grantor Number	Federal Expenditures
U.S. Department of Agriculture				
Women, Infant and Children (WIC) Program	10.557	MDCH	20141406-00	\$ 394,871
WIC Breastfeeding	10.557	MDCH	20141406-00	<u>48,966</u>
Total U.S. Department of Agriculture				<u>443,837</u>
U.S. Department of Housing and Urban Development				
Community Development Block Grant/Entitlement Grant:				
Community Development Block Grant	14.218	MSHDA	MSC-2012-0781-HOA	224,367
Neighborhood Enterprise Zone	14.228	MSHDA	MSC-2009-0781-HO	1,459
Community Challenge Planning Grant	14.703	Direct	CCPMI0012-20	<u>4,606</u>
Total U.S. Department of Housing and Urban Development				<u>230,432</u>
U.S. Department of Justice				
Juvenile Accountability Block Grant:				
FY 2013	16.523	MDHS	JABGN13-2801	<u>31,692</u>
Safe Haven Supervised Visitation and Safe Exchange Program:				
FY 2012	16.527	Direct	2010-CW-AX-K023	12,443
FY 2013	16.527	Direct	2013-FL-AX-K013	<u>147,970</u>
				<u>160,413</u>
Bullet Proof Vest	16.607	Direct	-n/a-	<u>8,572</u>
JAG Program Cluster:				
Anti-Drug Abuse Act-TNT Officer	16.738	COOM	2013-MU-BX-0051	6,509
Anti-Drug Abuse Act-TNT Officer	16.738	COOM	2013-DJ-BX-0109	<u>10,203</u>
				<u>16,712</u>
Total U.S. Department of Justice				<u>217,389</u>
U.S. Environmental Protection Agency				
Brownfields Assessment and Cleanup				
Cooperative Agreements	66.818	Direct	BF00E00389-0	<u>13,620</u>
U.S. Department of Health and Human Services				
Public Health Emergency Preparedness:				
Bioterrorism - Supplemental	93.069	MDCH	20141406-00	128,953
Bioterrorism - Supplemental - Regional EPI	93.069	MDCH	20141406-00	<u>7,159</u>
				<u>136,112</u>
Family Planning Services	93.217	MDCH	20141406-00	<u>24,003</u>
Immunization:				
Immunization & Vaccine Program	93.268	MDCH	20141406-00	41,518
Vaccines (non-cash assistance)	93.268	MDCH	20141406-00	<u>74,270</u>
				<u>115,788</u>

continued...

GRAND TRAVERSE COUNTY, MICHIGAN

Schedule of Expenditures of Federal Awards For the Year Ended December 31, 2014

Federal Agency / Cluster / Program Title	CFDA Number	Passed Through	Pass-through / Grantor Number	Federal Expenditures
U.S. Department of Health and Human Services (concluded)				
Child Support Enforcement:				
Title IV-D - Incentive Payments	93.563	MDHS	CSFOC13-28001	\$ 186,426
Title IV-D - Friend of the Court	93.563	MDHS	CSFOC13-28001	1,078,210
Title IV-D - Prosecuting Attorney	93.563	MDHS	CSPA 13-28002	84,840
				<u>1,349,476</u>
Title IV-E - Reimbursement - Prosecutor	93.658	MDHS	PROFC-11-28001	<u>14,404</u>
Medicaid:				
Medical Assistance Program - Medicaid Outreach	93.778	MDCH	20141406-00	236,055
CSHCS - Medical Assistance Program	93.778	MDCH	20141406-00	20,000
CSHCS - Medical Assistance Program (MDCH Outreach)	93.778	MDCH	20141406-00	13,961
				<u>270,016</u>
Maternal and Child Health Services Block Grant	93.994	MDCH	20141406-00	38,283
Family Planning Services	93.994	MDCH	20141406-00	9,197
				<u>47,480</u>
Total U.S Department of Health and Human Services				<u>1,957,279</u>
U.S. Department of Homeland Security				
Emergency Management Performance	97.042	MSP	-n/a-	<u>25,323</u>
State Homeland Security Grant Program (non-cash assistance):				
FY 2011	97.067	COOM	2011-SS-00103	5,184
FY 2013	97.067	COCM	2013-SS-0049	1,586
				<u>6,770</u>
Total U.S. Department of Homeland Security				<u>32,093</u>
Total Expenditures of Federal Awards				<u>\$ 2,894,650</u>

concluded

See notes to schedule of expenditures of federal awards.

GRAND TRAVERSE COUNTY, MICHIGAN

■ Notes to Schedule of Expenditures of Federal Awards

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal grant activity of Grand Traverse County, Michigan (the “County”) under programs of the federal government for the year ended December 31, 2014. The information in this Schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because this Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position or cash flows of the County.

The County’s reporting entity is defined in Note 1 of the County’s Comprehensive Annual Financial Report. The County’s financial statements include the operations of the Grand Traverse County Road Commission discretely presented component unit, which received federal awards that are not included in the Schedule for the year ended December 31, 2014, as this entity was separately audited.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting, which is described in Note 1 to the County’s financial statements. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

3. PASS-THROUGH AGENCIES

The County receives certain federal grants as subawards from non-federal entities. Pass-through entities, where applicable, have been identified in the Schedule with an abbreviation, defined as follows:

Pass-through Agency Abbreviation	Pass-through Agency Name
COCM	County of Crawford, Michigan
COOM	County of Otsego, Michigan
MDCH	Michigan Department of Community Health
MDHS	Michigan Department of Human Services
MSP	Michigan State Police
MSHDA	Michigan State Housing Development Authority

GRAND TRAVERSE COUNTY, MICHIGAN

■ Notes to Schedule of Expenditures of Federal Awards

4. RECONCILIATION OF FEDERAL REVENUE TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Below is a reconciliation of federal revenues as reported in the County's Comprehensive Annual Financial Report and federal expenditures as reported in the County's Schedule of Expenditures of Federal Award.

Federal revenues as reported in the
Comprehensive Annual Financial Report:

Governmental funds	\$ 3,631,919
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Less: Amounts deemed to be vendor relationships
with the Michigan Department of Community Health

(737,269)

\$ 2,894,650

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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 26, 2015

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the *Grand Traverse County, Michigan* (the "County"), as of and for the year ended December 31, 2014, 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 26, 2015.

Internal Control Over Financial Reporting

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2014-001 to be a material weakness.

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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Grand Traverse County, Michigan's Response to Finding

The County's response to the 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 the financial statements and, accordingly, we express no opinion on it.

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

A handwritten signature in black ink that reads "Lehmann Loham LLC". The signature is fluid and cursive, with "Lehmann" and "Loham" connected by a horizontal stroke, and "LLC" in a smaller, separate area.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR
EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

June 26, 2015

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

Report on Compliance for Each Major Federal Program

We have audited the compliance of the *Grand Traverse County, Michigan* (the "County") with the types of compliance requirements described in the *OMB Circular A-133 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, 2014. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

The County's basic financial statements include the operations of the Grand Traverse County Road Commission, a discretely presented component unit. Our audit of the County, described below, did not include the operations of the Grand Traverse County Road Commission because that component unit arranged for a separate audit in accordance with A-133.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Independent Auditors' 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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, 2014.

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 OMB Circular A-133, 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Lehmann Lohman LLC

GRAND TRAVERSE COUNTY, MICHIGAN

Schedule of Findings and Questioned Costs For the Year Ended December 31, 2014

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? yes no

Significant deficiency(ies) identified? yes none reported

Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? yes no

Significant deficiency(ies) identified? yes 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 Circular A-133, Section 510(a)?

yes no

Identification of major programs:

CFDA Number

93.069

Name of Federal Program or Cluster

93.563

Public Health Emergency Preparedness
Child Support Enforcement

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 300,000

Auditee qualified as low-risk auditee?

yes no

GRAND TRAVERSE COUNTY, MICHIGAN

Schedule of Findings and Questioned Costs

For the Year Ended December 31, 2014

SECTION II - FINANCIAL STATEMENT FINDINGS

2014-001 - Material Audit Adjustments (Repeat Matter)

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

Criteria. Management is responsible for maintaining its accounting records in accordance with generally accepted accounting principles (GAAP).

Condition. During our audit, we identified and proposed certain material adjustments (which were approved and posted by management) to adjust the County's general ledger to the appropriate balances. In our opinion, these adjustments were material to the County's financial statements. These adjustments included reclassifying Brownfield grant revenues initially reported as proceeds from long-term debt and to defer Pavilions tax revenues intended to finance the subsequent year.

Cause. This condition was caused by two primary causes: 1) the Finance Department initially believed the Brownfield grant to be a new loan payable and 2) management of the Pavilions overlooked deferring all tax revenues intended to finance the subsequent year as required.

Effect. As a result of this condition, the County's accounting records were initially misstated by amounts material to certain individual opinion units.

Recommendation. The adjustments referenced above have been reviewed by management, posted to the County's records, and are reported correctly in the County's financial statements. We recommend the County review year-end closing procedures to prevent such oversights from occurring in the future.

View of Responsible Officials. Grand Traverse County management understands that it has the sole responsibility for maintaining accounting records in accordance with generally accepted accounting principles (GAAP). The County Finance department will implement additional controls relating to Brownfield grant revenues which will include direct verification with the appropriate State agency to determine the nature and source of the grant revenue to ensure the revenue is appropriately accounted for and classified. The County Finance department, as part of our year-end review procedures, will also review the Pavilions tax revenue and related deferred tax revenue to be certain the transactions are properly recorded.

GRAND TRAVERSE COUNTY, MICHIGAN

■ Schedule of Findings and Questioned Costs For the Year Ended December 31, 2014

■ SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

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GRAND TRAVERSE COUNTY, MICHIGAN

■ **Summary Schedule of Prior Audit Findings** For the Year Ended December 31, 2014

Finding 2013-FS-01 - Material Audit Adjustments

During the prior year audit, certain material audit adjustments were identified and proposed by the auditor to adjust the County's general ledger to the appropriate balances. Material adjustments were identified as a result of the audit process again in the current year. Refer to finding 2014-001.

Finding 2013-SA-01 - Documentation of Payroll Costs in Accordance with OMB Circular A-87

One employee's time was allocated to the Brownfield Assessment and Cleanup Cooperative Agreement in the prior year. This employee spent a portion of his time working in the program and the remainder of his time working on other cost objectives; however, no record was maintained to support the allocation of time. During the current year, no payroll costs were allocated to this program. As such, this matter was resolved in the current year.

