



MEMORANDUM

TO: The Citizens of Grand Traverse County

DATE: November 30, 2015

SUBJECT: Grand Traverse County Accountability and Transparency

The information presented here is intended to provide financial accountability and transparency to the citizens of Grand Traverse County. More detailed information can be obtained from the county Comprehensive Annual Financial Report.

Citizens Guide to Grand Traverse County Finances

The Citizens Guide to Grand Traverse County Finances is a summary of the financial status of county government. It is intended to explain the sources of county funds, how those funds are used, and a summary of the county financial position as of December 31, 2014.

As a broad overview, Grand Traverse County maintains favorable bond ratings from Standard & Poors (AA) and Moody's Investors Service (Aa3). These ratings indicate that the county has a stable tax base, effective financial management practices, a low debt burden and adequate financial reserves. In addition, The Government Finance Officers Association of the United States and Canada (GFOA) has awarded nine consecutive Certificates of Achievement for Excellence in Financial Reporting to Grand Traverse County for its' Comprehensive Annual Financial Report (CAFR). The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

The following information was obtained from the 2014 Comprehensive Annual Financial Report:

Total governmental funds reported a decrease of \$2,470,484 in fund balances
The General Fund reported a decrease of \$263,052 in fund balance
The Health Fund reported a decrease of \$173,320 in fund balance
Property tax revenues are increasing due to moderate growth in taxable values
The County's total debt decreased by \$2,659,729 or 12.8% during 2014

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Performance Dashboard

The attached Performance Dashboard for 2014 was developed to annually monitor financial, economic, and other factors. It can be used to determine if important factors are trending positively or negatively compared with the prior year. The information helps to assess whether the county situation regarding these measurement factors is improving or not improving. Measured factors include financial, economic, public safety, and quality of life data.

Factors that trended favorably from 2013 to 2014 included:

- Per capita debt burden decreased
- Violent crimes against persons decreased
- Property crimes and traffic injuries decreased
- The number of services delivered by cooperative venture increased

Factors that trended negatively from 2013 to 2014 included:

- Per capita General Fund expenditures increased
- Fund Balance as a percentage of General Fund expenditures decreased
- The ratio of pensioners to employees increased
- The average age of critical infrastructure increased

Projected Budget Report

General Fund budget information is presented for 2015 and 2016. The 2015 budget is the amended budget through November 30, 2015. The 2016 budget is a “Recommended” budget at this time as it will not be adopted by the Board of Commissioners until later this year. A summary of the changes from 2015 to 2016 are summarized below:

- Property tax revenues are increasing for both real and personal property
- State revenue sharing payments are expected to be received in 2016
- A wage increase of 1.5% is included for some labor contracts
- Health insurance costs are increasing with employees paying a larger share of cost
- Retirement expenditures are increasing due to accelerated funding requirements

Debt Service Requirements

The attached debt service report summarizes each outstanding bond issue for both the county and its component units. This information includes the original issue date, the source of funds used to repay the bonds, and the required payments to maturity. Detailed information regarding the county’s long term debt can be found in the Comprehensive Annual Financial Report.

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The link <http://www.grandtraverse.org/finance> provides access to additional county financial information including the Comprehensive Annual Financial Reports and the annual Budgets. Questions, comments, and other financial information requests can be submitted to the Grand Traverse County Finance Director dbott@grandtraverse.org or (231) 922-4680.

Concluded