



Michigan Department of
TREASURY

Engagement. Service. Improvement.

Chart Chat Webinar

Thursday, April 29, 2021

2:00 p.m.

Welcome Greeting

Veronica Miller
Departmental Analyst,
Community Engagement and Finance,
Department of Treasury



Agenda

I. Welcome & Introductions

Veronica Miller, Departmental Analyst, Analytics & Outreach Section, Community Engagement and Finance Division, Michigan Department of Treasury

II. Common Audit Findings & Solutions

Mike Forward, Field Manager of the Audit Section, Community Engagement and Finance Division, Michigan Department of Treasury

III. Recording Revenues: American Rescue Plan Act

Cary Vaughn, Manager of the Audit Section, Community Engagement and Finance Division, Michigan Department of Treasury

IV. Security Report Updates

Bill Sanders, Senior Auditor, Municipal Finance Section, Community Engagement and Finance Division, Michigan Department of Treasury

V. Fiscal Indicators: Net Position

Nick Brousseau, Departmental Analyst, Analytics & Outreach Section, Community Engagement and Finance Division, Michigan Department of Treasury

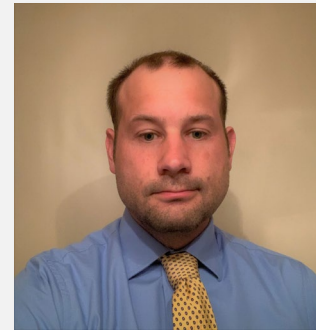
VI. Questions & Answers

VII. Closing Remarks

Veronica Miller, Departmental Analyst, Analytics & Outreach Section, Community Engagement and Finance Division, Michigan Department of Treasury

Common Audit Findings and Solutions

Mike Forward, CPA
Field Audit Manager,
Community Engagement and Finance,
Department of Treasury



GASB Definition of Capital Assets

The term capital assets include land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, works of art and historical treasures, infrastructure, and all other tangible or intangible assets that are used in operations and that ***have initial useful lives extending beyond a single reporting period.***

Reporting periods for governments in Michigan are generally one year.

Noncompliant Capitalization Policies

Example: Capital assets are defined as vehicles with a purchase price greater than \$1,500 and an estimated useful life in excess of five years, office equipment with a purchase price greater than \$250 and an estimated useful life in excess of four years, DPW equipment with a purchase price greater than \$500 and an estimated useful life in excess of five years, and Buildings/Improvements with a purchase price greater than \$1,500 and an estimated useful life in excess of ten years.

Noncompliant Capitalization Policies

Issue: A capitalization policy does not conform to GAAP.

Solution: Do not create a capitalization policy that contradicts generally accepted accounting principles. Local units have the ability to change the monetary thresholds for capitalization.

Noncompliant Capitalization Policies

Issue: A capitalization policy does not exist.

Solution:

- If there isn't a capitalization policy create one.
- Chapter 10 of the Accounting Procedures Manual issued by the Michigan Department of Treasury provides more information about capital assets.

Capitalizing Items Below the Threshold

Example: A county buys 40 computers at \$700 per computer totaling of \$28,000. The county's capitalization policy provides \$5,000 as a threshold. The finance department/bookkeeper capitalizes the invoice for \$28,000 because it is above the capitalization threshold. The government does not track each individual computer in the financial records.

Capitalizing Items Below the Threshold

Issue: Assets with values below the capitalization threshold are capitalized and are not being individually tracked in the financial records.

Solution:

- Have a clearly defined capitalization policy.
- Use the individual amount to determine if a capital asset should be recorded.
- Keep track of the individual assets when capitalizing groups of assets with values below the capitalization threshold (perform inventory of the assets on a yearly basis, book impairments and remove asset when necessary)

Assets Not Capitalized

Example: A police department buys a police car and capitalizes the purchase of the car from the dealership. The additional items needed to make this a police car (light bar, radios, decals, etc.) are not capitalized.

Assets Not Capitalized

Issue: Assets are not capitalized or fully capitalized.

Solution:

- Have a clearly defined capitalization policy.
- Keep a file with all costs associated with the construction of an asset and have purchasing departments communicate that with the finance department/bookkeeper.

Depreciating Capital Assets

Issue: We often find smaller governments not calculating and recording depreciation.

Solution:

- Smaller governments could use an excel spread sheet that shows the asset, asset classification (vehicles, office equipment, buildings, etc.), government wide financial classification (public works, public safety, general government, etc.) useful life, current year depreciation, accumulated deprecation, and net book value.
- Excel formulas can be used to automatically update all assets on these schedules by changing the fiscal year end.

Capital Asset Schedule Example

Capital Asset Schedule								
Fiscal Year End								
12/31/2026								
Depreciation Type - Straight-line								
Asset Description	Asset Category	Gov-Wide Designation	Useful Life	Entered Service Date	Purchase Price	Current Year Depreciation Expense	Accumulated Depreciation	Net Book Value
Car	Vehicles	PS	7	10/12/2021	\$ 35,000.00	\$ 5,000.00	\$ 26,109.59	\$ 8,890.41
Truck	Vehicles	PW	7	1/15/2021	45,000.00	6,428.57	38,324.85	6,675.15
Car	Vehicles	GG	7	9/29/2021	25,000.00	3,571.43	18,776.91	6,223.09
Vehicles Subtotal					105,000.00	15,000.00	83,211.35	21,788.65
Township Hall	Buildings	GG	40	5/23/1991	600,000.00	15,000.00	534,493.15	65,506.85
DPW Barn	Buildings	PW	40	7/31/2003	150,000.00	3,750.00	87,883.56	62,116.44
Buildings Subtotal					750,000.00	18,750.00	622,376.71	127,623.29
Total Assets					\$855,000.00	\$ 33,750.00	\$705,588.06	\$149,411.94

Assets No Longer Used in Operations

Issue: Assets no longer used in operations are not removed from the books. Its common to see governments with fully depreciated assets that are no longer used or have been physically disposed of still on the financial records.

Solution:

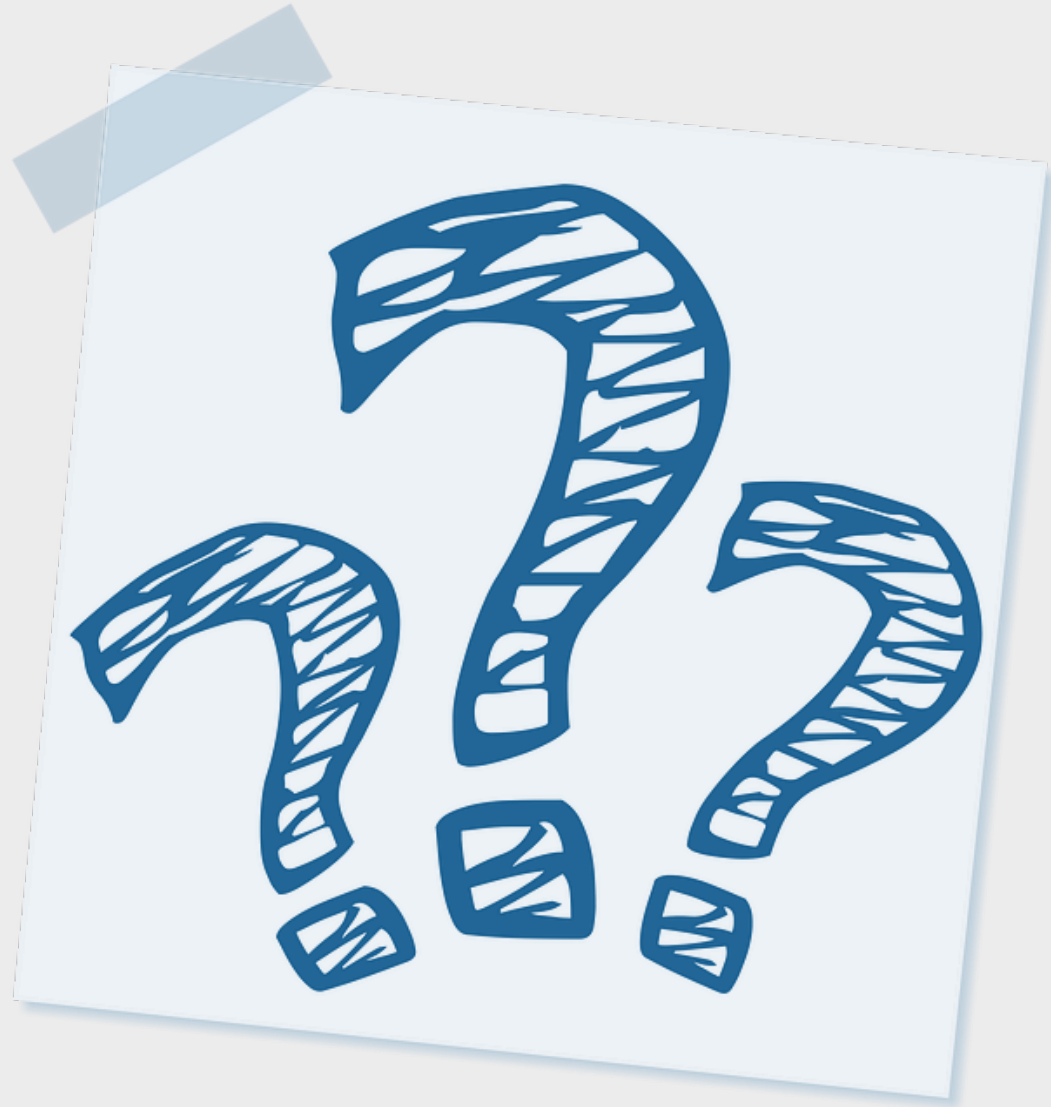
- Have a written procedure for the removal of an asset from the financial records.
- Perform a physical inventory of capital assets yearly or biennially.
- Perform a physical inventory of fully depreciated assets.

American Rescue Plan Act Journal Entries

Cary Vaughn, CPA
Audit Manager,
Community Engagement and Finance,
Department of Treasury



Poll:
**Has your local
government ever
filed a single audit?**



Summary

In accordance with the ARPA, there will be direct federal payments to metropolitan cities and counties. Other units of government will receive grants passed through the state of Michigan although this will still be considered federal funding.

Revenue Account

Local units should use account 528-Other Federal Grants for recording the revenues associated with these grants. It is acceptable to point off this account if desired.

Accrual

When this revenue would be recorded is dependent on several items pertaining to each local unit including fiscal year end and when the grant has been officially executed.

Items to Consider

1. Funds Availability
2. Funds Received
3. Costs or Reduction in Revenues Incurred

Journal Entry

- Funds Available
- Funds Received
- Expenditures or Reduction in Revenues Incurred

XXX-000-001 Cash

\$XXX

XXX-000-528 Other Federal Grants

\$XXX

Journal Entry

- Funds Available
- Funds Not Received
- Expenditures or Reduction in Revenues Incurred

XXX-000-001 (079) Due from State (Federal Gov't) \$XXX

XXX-000-528 Other Federal Grants

\$XXX

Journal Entry

- Funds Available
- Funds Received
- Expenditures or Reduction in Revenues Not Incurred

XXX-000-001 Cash

\$XXX

XXX-000-339 Unearned Revenue

\$XXX

Journal Entry

- Funds Not Available
- Funds Not Received
- Expenditures or Reduction in Revenues Incurred

XXX-000-078 (079) Due from State (Federal Gov't) \$XXX

XXX-000-360 Deferred Inflows – Unavailable Revenue \$XXX

Government-wide Statements

If the funds are not received within the period of availability, one would credit 528 Other Federal Grants.

Documentation

All corresponding expenditures used for reimbursement purposes must be tracked with detailed supporting documentation. This information must be maintained so if required it can be made available for review by the granting agencies, your audit firm, and the Michigan Department of Treasury.

Requirements to Receive Federal Grants

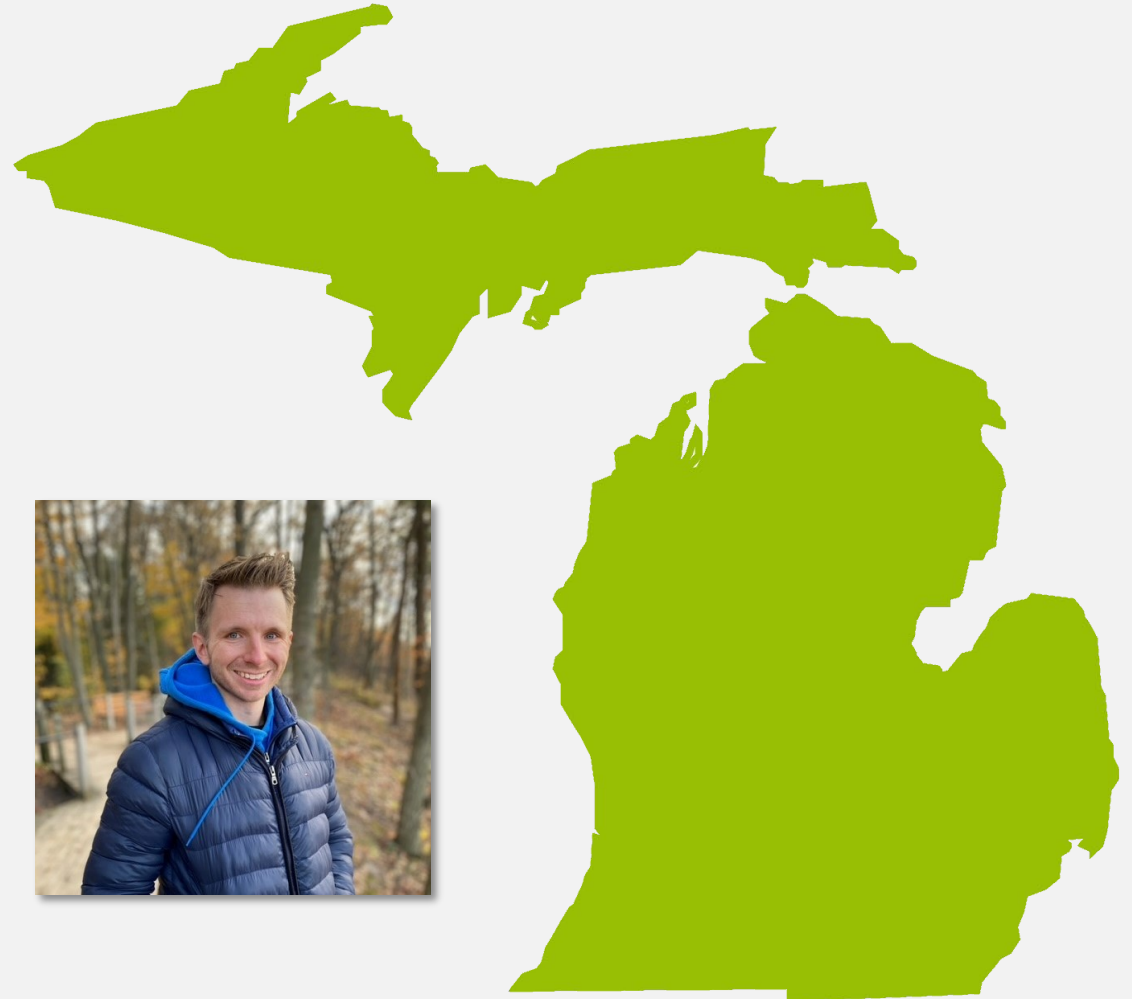


Recap

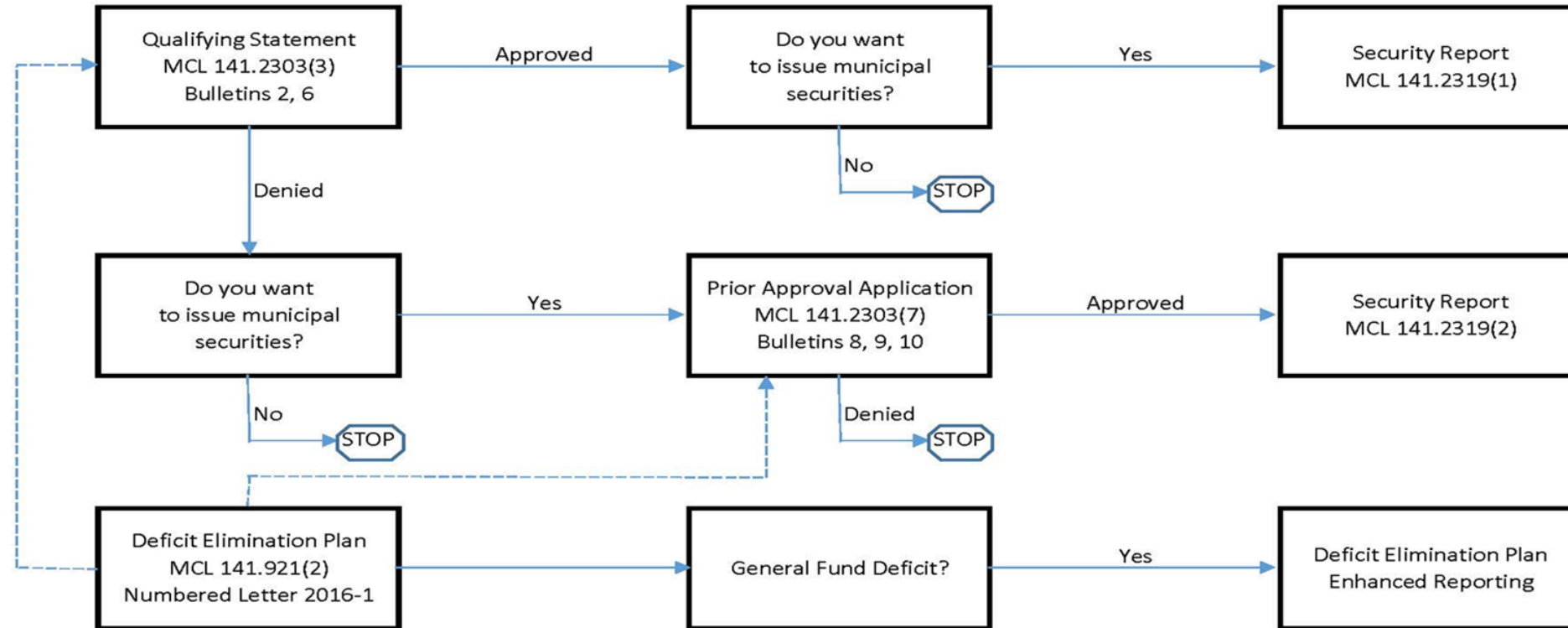


Updated Security Report and the Borrowing Process

Bill Sanders
Senior Auditor,
Community Engagement and Finance,
Department of Treasury



Borrowing Process Flow Chart



Security Reports

Updated Form and Submission Process

- Form 3892 reporting the issuance of a municipal security to the Department
- Due 15 business days after the date of issuance
- In addition to the Security Report Form, other multiple documents are required to be filed with the report to the Department
 - Refer to Revised Municipal Finance Act, Public Act 34 of 2001 MCL 141.2319
 - Refer to Agency Finance Reporting Act, Public Act 470 of 2002 MCL 129.177
- Major renovation – Requiring more detail information to be indicated on the form
- As of March 1, 2021 – Required to be submitted online – Electronic Filing Website
- No longer accepting security reports that are missing supporting documentation or does not provide an explanation as to why the documentation was not included.
- Posted online

Security Reports

New Numbered Letter 2021-I

- Purpose
- Revisions / Changes
- Where and How to Upload
- Naming Convention of Document to be uploaded
 - <Six digit municode>3892SecRpt i.e.
3800003892SecRpt

FILING UNDER					
<input type="checkbox"/> Revised Municipal Finance Act, PA 34 of 2001, MCL 141.2319 (1) — Filing Fee Required (See Filing Fee Voucher)					
<input type="checkbox"/> Revised Municipal Finance Act, PA 34 of 2001, MCL 141.2319 (2) — Filing Fee Previously Paid with Long-Term or Short-Term Borrowing Application					
<input type="checkbox"/> Agency Finance Reporting Act, PA 470 of 2002, MCL 129.177 (7) — No Filing Fee Required					
ISSUE INFORMATION					
<input type="checkbox"/> Check if filing for multiple drain districts. Must attach list of individual Drain Names, Municipal Codes and Par Amounts.					
Municipality (Legal) Name				Municipality Code	
AUTHORIZING STATUTE			AUTHORIZING STATUTE		
Public Act	Year	Section	Public Act	Year	Section
Title of Security					
Amount of Issue		Issuance Date		Final Maturity Date	
Date Sold	First Call Date	First Call Price	True Interest Cost %		
Was an Exemption Required? <input type="checkbox"/> None <input type="checkbox"/> Rating <input type="checkbox"/> Net Present Value Loss <input type="checkbox"/> Discount > 10%					
Purpose of Security:					

PARTICIPANT INFORMATION — Municipalities responsible for repayment of security.						
*NOTE: QS = Qualifying Statement; QSR = Qualifying Statement Reconsideration						
Municipality Name	MuniCode	Participation Amount	Participation Percentage	*Most Recent QS or QSR Fiscal Year	Approved or Denied	Date of Determination
			%			
			%			
			%			
			%			
			%			

SECURITY DETAILS	
<input type="checkbox"/> Short-Term (maturity date is less than or equal to 372 days from the date of issuance)	
<input type="checkbox"/> Long-Term (maturity date is greater than 372 days from the date of issuance)	
General Obligation:	<input type="checkbox"/> No <input type="checkbox"/> Yes

Page Two

Primary Security Pledge: ☐ Limited Tax ☐ Unlimited Tax
☐ Other ☐ None

Secondary Security Pledge: ☐ Distributable State Aid (Revenue Sharing) ☐ State School Aid
☐ Other ☐ None

Source of Repayment: ☐ Bond Proceeds ☐ General Funds
☐ Grants ☐ MI Transportation Funds
☐ Rates, Fees, Charges, Lease Payments ☐ State School Aid
☐ Special Assessments ☐ Special Assessments – County Drains
☐ Distributable State Aid (Revenue Sharing) ☐ Tax
☐ Tax Increment Financing ☐ Other:

Type of Sale: ☐ Competitive Bid (must include proof of publication of the Notice of Sale)
☐ Negotiated Sale/Private Placement (select one of the reasons below)
☐ Cost Savings ☐ Innovative Structure
☐ Market Volatility ☐ New Entity
☐ Below Investment Grade Rating ☐ Unusual Financing Terms
☐ Other:

Page Three

Sold To:		<input type="checkbox"/> Government Agency – Name: _____		
		<input type="checkbox"/> Other – Name: _____		
Sold At:		<input type="checkbox"/> Par		
		<input type="checkbox"/> Net Original Issue Premium	Premium _____	Purchase Price _____
				Percentage _____ %
		<input type="checkbox"/> Net Original Issue Discount	Discount _____	Purchase Price _____
				Percentage _____ %
Authorized by Voters:		<input type="checkbox"/> No <input type="checkbox"/> Yes	School Bond Loan Fund Qualification: <input type="checkbox"/> No <input type="checkbox"/> Yes	
Special Education Funded:		<input type="checkbox"/> No <input type="checkbox"/> Yes	Vocational Education Funded: <input type="checkbox"/> No <input type="checkbox"/> Yes	
Structure: <input type="checkbox"/> Bond (select type below)				
<input type="checkbox"/> Capital Improvement				
Date Notice of Intent Published: _____				
Was a Referendum Requested: <input type="checkbox"/> No <input type="checkbox"/> Yes				
<input type="checkbox"/> Refunding				
<input type="checkbox"/> Net Present Value Savings:		Amount _____	Savings % of Bonds Refunded _____ %	
<input type="checkbox"/> Net Present Value Loss:		Amount _____	Loss % of Bonds Refunded _____ %	
<input type="checkbox"/> Partial:		New Money _____	Refunding _____	
<input type="checkbox"/> Revenue				
<input type="checkbox"/> Other: _____				

Page Three

☐ Note (select type below)

☐ Bond Anticipation:

Amount of Proceeds from Long-Term Security

☐ Revenue Anticipation:

Prior Fiscal Year Revenue Sharing

Amount of Issue as % of Revenue Sharing

%

Borrowing Against:

☐

Current Fiscal Year

☐

Next Fiscal Year

☐ State Aid:

Estimated School Aid Amount

Amount of Issue as % of Est. State School Aid

%

Borrowing Against:

☐

Current Fiscal Year

☐

Next Fiscal Year

☐ Tax Anticipation:

Estimated Property Tax Amount

Amount of Issue as % of Est. Property Tax

%

Borrowing Against:

☐

Current Fiscal Year

☐

Next Fiscal Year

☐ Drain

☐ Line of Credit

Debt Structure:

☐

Serial

☐

Term

☐

Both

Rating: Obtained for this Issuance	
<input type="checkbox"/> Yes (select Agency and Rating Category):	
Agency:	<input type="checkbox"/> Moody's <input type="checkbox"/> Standard & Poor's <input type="checkbox"/> Fitch <input type="checkbox"/> Kroll
Rating Category:	<input type="checkbox"/> Aaa/AAA <input type="checkbox"/> Aa/AA <input type="checkbox"/> A/A <input type="checkbox"/> Baa/BBB <input type="checkbox"/> Other: <input type="text"/>
<input type="checkbox"/> No (select Reason)	
Reason:	<input type="checkbox"/> Credit Enhancement <input type="checkbox"/> Unlimited Tax General Obligation <input type="checkbox"/> Special Assessment <input type="checkbox"/> Sold to Government Agency <input type="checkbox"/> Rating Exemption <input type="checkbox"/> Not Applicable — Less than \$5 million <input type="checkbox"/> Not Applicable — State School Bond Loan <input type="checkbox"/> Not Applicable — PA 94 of 1933 Revenue Bond without full faith and credit pledge.
Is this Issuance Excluded from Debt Limits? <input type="checkbox"/> No	
<input type="checkbox"/> Yes — Provide Statutory Exclusion: <input type="text"/>	
<input type="checkbox"/> N/A (Applies to General Law Townships & Authorities Only)	
Total Long-Term Debt Outstanding (including this Issuance): <input type="text"/> (Excludes Compensated Absences, Pension or OPEB Liabilities unless a bond was issued)	
Does this issuance put your municipality over its debt limit? <input type="checkbox"/> No <input type="checkbox"/> Yes	
For the two questions below, if N/A, provide statutory exclusion:	
1) Does the first principal payment occur within five years after the date of issuance? (MCL 141.2503(1)) <input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> N/A <input type="text"/>	
2) Are all principal payments in any year beyond four years from the date of issuance greater than 20% of the principal payments in any subsequent year? (MCL 141.2503(1)) <input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> N/A <input type="text"/>	

Attached Forms

Attached Forms: If "No" is selected and the document(s) are not attached, an explanation is required. If an acceptable explanation is not provided, the Security Report may be deemed incomplete and not accepted by the Department of Treasury. Security Reports not accepted may not count toward the 15-business day requirement and may result in a subsequent year denial of the municipality's Qualifying Statement.

Copy of Municipal Security (Specimen)

☐ Yes

☐ No

Explain:

Copy of Maturity Schedule (Must Include Principal and Interest Payment Dates, Coupons, Reoffering Yields, Reoffering Prices, Call Feature, Original Issue Premium/Discount by Maturity, Shown on Issuer's Fiscal Year)

☐ Yes

☐ No

Explain:

Authorizing Resolution or Ordinance (Drain Order)

☐ Yes

☐ No

Explain:

Legal Opinion regarding legality and tax status of the municipal security

☐ Yes

☐ No

Explain:

Award Resolution, Certificate of Award, or Purchase Agreement, including a detail of the annual interest rate and call features

☐ Yes

☐ No

Explain:

Proof of Publication of the Notice of Sale

☐ Yes

☐ No

Explain:

Copy of Notice of Rating(s) from recognized Rating Agency(ies)

☐ Yes

☐ No

Explain:

For Refunding Security, Net Present Value Savings/Loss Analysis

☐ Yes

☐ No

Explain:

Copy of Official Statement

☐ Yes

☐ No

Explain:

Filing Fees and Vouchers

Filing Fee Voucher Municipal Finance Filing Fees Community Engagement and Finance Division	
Instructions:	<p>NOTE: This is only applicable if you are filing under Revised Municipal Finance Act, PA 34 of 2001, MCL 141.2319 (1).</p> <p>Print this voucher and remit through the United States Postal Service with check payable to "State of Michigan" to:</p> <p>Community Engagement and Finance Division Michigan Department of Treasury PO Box 30728 Lansing MI 48909</p>
Submitter:	
Report – Amount and Name of Security:	Security Report: <div></div>
Municipality:	
Filing Fee:	
Late Fee (if applicable):	
Amount Enclosed:	\$ 0.00
<p>NOTE: The filing fee is equal to 0.02% (0.0002) of the principal amount of the municipal security to be issued, but not less than \$100 and not greater than \$1,000. If the qualifying statement was filed late (more than six months after the municipality's fiscal year-end), a late fee of \$100 must be submitted with the first filing thereafter.</p>	



Michigan Department of Treasury



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LOCAL GOVERNMENT

STATE AND AUTHORITY FINANCE

REPORTS & LEGAL

COMMUNITY ENGAGEMENT AND FINANCE

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SCHOOL REVIEW AND FISCAL ACCOUNTABILITY

LOCAL FISCAL HEALTH



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Local Government



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- Community Engagement and Finance
- Local Retirement Reporting
- Revenue Sharing
- State Tax Commission
- School Review and Fiscal Accountability
- Local Fiscal Health

TREASURY / LOCAL GOVERNMENT / COMMUNITY ENGAGEMENT AND FINANCE

Community Engagement and Finance

File and Search Reports Local Retirement Reporting Financial Emergency Information MI Community Financial Dashboard

Mission Statement
The Community Engagement and Finance Division (CEFD) is a division within the Bureau of Local Government, at the Michigan Department of Treasury. Our mission is to partner with Michigan municipalities, helping them to be fiscally resilient through financial, operational, and regulatory support services.

Contact Information
Email: TreasLocalGov@michigan.gov
Phone: 517-335-7469
[More Contact Information](#)

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LOCAL GOVERNMENT

- Community Engagement and Finance
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- School Review and Fiscal Accountability
- Local Fiscal Health

TREASURY / LOCAL GOVERNMENT

File and Search Online Reports

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MI Community Financial Data Frequently Asked Questions View List of Reports

Highlights

Electronic Filing System



Local Government Electronic Filing System

Michigan Department of Treasury

***=Required Fields**

* UserID:

UserName123

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* Password:

[Forgot Password](#)

* Security Code:



Enter the Security Code shown above:

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- Enter your UserID and Password
- Enter the Security Code
- Select Login

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Local Government Electronic Filing System

Michigan Department of Treasury

Welcome Jeffrey Schwartz of qwe

User

[User Profile](#) [Logout](#)

* = Required Fields

*County:

Municipality Type:

*Municipality:

*Form:

Security Report

*Fiscal Year:

*Audit Filed Under:

Create Form

[Delete](#)

Year	Form	Municipality	Submitter	Date Submitted	Status	Action	Voucher	Delete
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Local Government Electronic Filing System

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Local Unit Basic Information

County:	INGHAM	Type:	County	Local Unit Name:	INGHAM
Municode:	33-0-000	FY Ending:	2021	Year End Month:	12
Form ID: 2697			Instructions		FAQs

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Municode:	33-0-000	FY Ending:	2021	Year End Month:	12
Form ID: 2697			Instructions		FAQs

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Form ID: 2697			Instructions	FAQs	

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Please provide the following:

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* I certify that the Chief Administrative Officer is aware of the information included in this filing and has asserted to me that this is complete and accurate in all respects. It is understood (by the CAO and/or myself) that providing false information for this is a misdemeanor pursuant to the Michigan Penal Code (MCL 750.489).

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Form ID: 2697			Instructions		FAQs

Please do not use the browser refresh, back or forward buttons as your data may not be saved.

Attachment	Filename	Description
SECRPT_ORG	3300003892SecRpt.pdf	Please attach Security Report Form 3892 and supporting documentation.

Certification

Please provide the following:

DONE

I certify that the Chief Administrative Officer is aware of the information included in this filing and has asserted to me that this is complete and accurate in all respects. It is understood (by the CAO and/or myself) that providing false information for this is a misdemeanor pursuant to the Michigan Penal Code (MCL 750.489).

Successful submission Feb 22 2021 12:51PM.
Confirmation number: 2697
Please print for your records.

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Municipal Finance

- Harlan Goodrich GoodrichH@Michigan.gov
- Jeff Schwartz SchwartzJI@Michigan.gov
- Bill Sanders SandersVWI@Michigan.gov

Net Position Ratio and Long-Term Solvency

Nick Brousseau
Departmental Analyst,
Community Engagement and Finance,
Department of Treasury



Local Government Fiscal Health Metrics

Part III in a series of presentations in which Treasury will review metrics of local government fiscal health

Goal of this series is to provide local governments with the information and tools to monitor its own fiscal health

1. Cash Solvency
2. Budget Solvency
3. *Long-Term Solvency – Net Position Ratio*
4. Service Solvency

What is the Net Position Ratio?

A measurement of fiscal health of a local government

- **Net Position** is the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources.
- **Net Position Ratio** measures the net position as a ratio of governmental revenues
- **Measurement of long-term solvency**
 - Examples are maintaining infrastructure, making debt payments, and affording legacy obligations
- **Debt can be a useful tool**

Calculating Net Position Ratio

Calculation:

- Governmental Net Position as a ratio of Governmental Fund Revenues
 - Govt. Net Position: \$7,551,238
 - Total Govt. Revenues: \$37,013,721
- Net Position Ratio:
 - \$7,551,23/\$37,013,721
 - **20.4%**

Statement of Net Position June 30, 2020

	Primary Government		Totals	Component Unit
	Governmental Activities	Business-type Activities		Housing Commission 3/31/2020
NET POSITION:				
Net Investment in Capital Assets	6,435,677	6,030,088	12,465,765	486,323
Restricted	1,034,462	-	1,034,462	19,413
Unrestricted	81,099	292,373	373,472	243,708
TOTAL NET POSITION	\$ 7,551,238	\$ 6,322,461	\$ 13,873,699	\$ 749,444

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds
For the Year Ended June 30, 2020

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues			
Taxes	\$ 9,744,264	\$ 6,349,476	\$ 16,093,740
Special assessments	-	889,170	889,170
Licenses and permits	926,208	-	926,208
Intergovernmental	5,115,774	8,929,473	14,045,247
Charges for services	1,532,233	240,369	1,772,602
Fines and fees	126,356	446,544	572,900
Contributions from private sector	-	1,089,847	1,089,847
Interest and rents	798,960	274,532	1,073,492
Miscellaneous	67,177	483,338	550,515
Total revenues	18,310,972	18,702,749	37,013,721

What is an appropriate net position % of revenues?

It depends! Community by community decision.

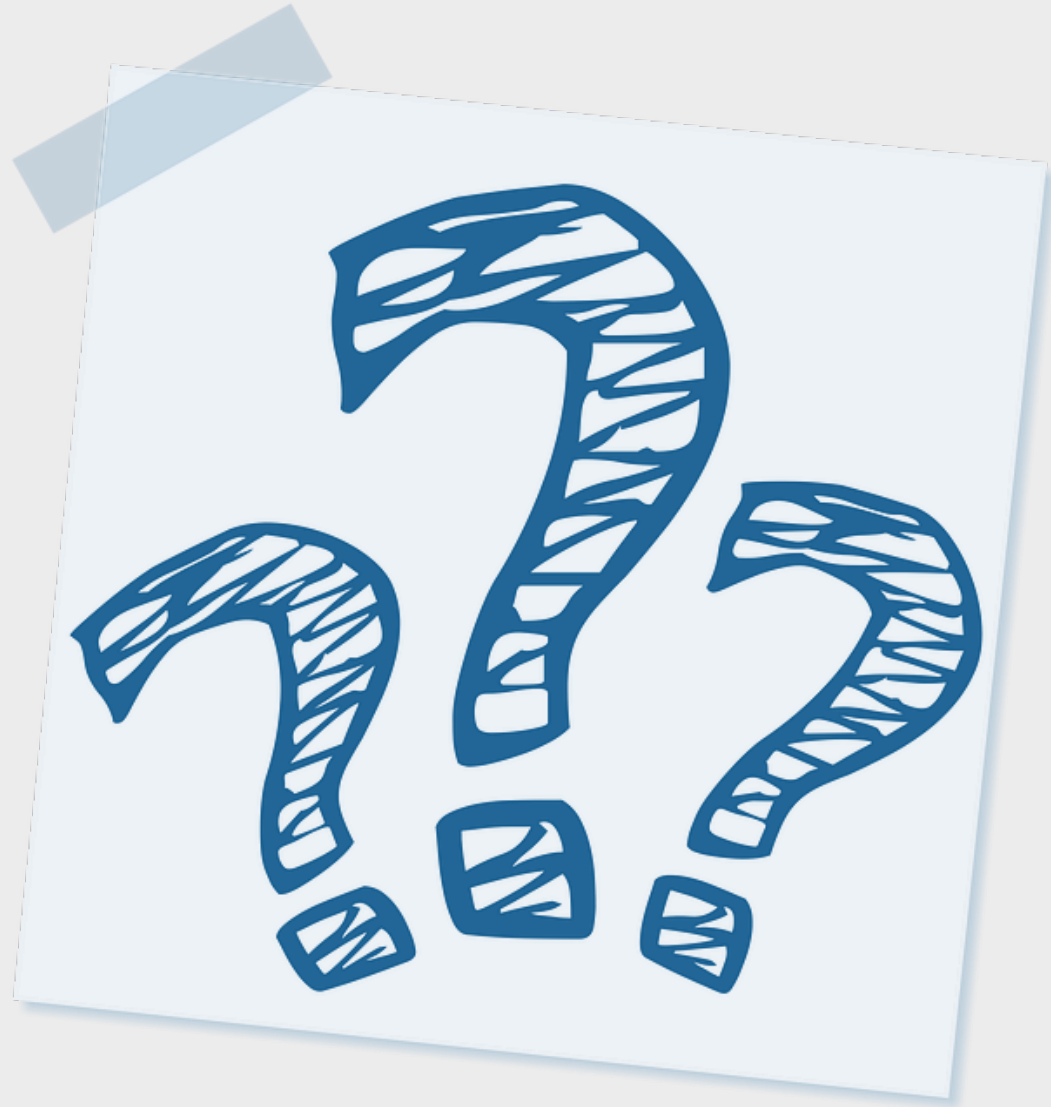
The net position ratio is representative of long-term decisions that have been already been implemented related to debt and other obligations that need to be accounted for when looking holistically at your local government:

- Generally speaking, the lower the ratio (including negative numbers), the greater impact on long-term solvency
- Local governments with lower ratios may consider modifying cash or fund balance policies to help accommodate future costs
- Long-term budget projections and forecasts should be developed to help plan for these future costs, and updated regularly
- Budgets should explain long range financial plans and its effect upon the budget and budget process
- Establish debt structuring practices and investment policies.
- Review long-term debt for ways to reduce payments and/or total liabilities
- Review the prefunding of long-term liabilities where possible

**Conventional
wisdom?**

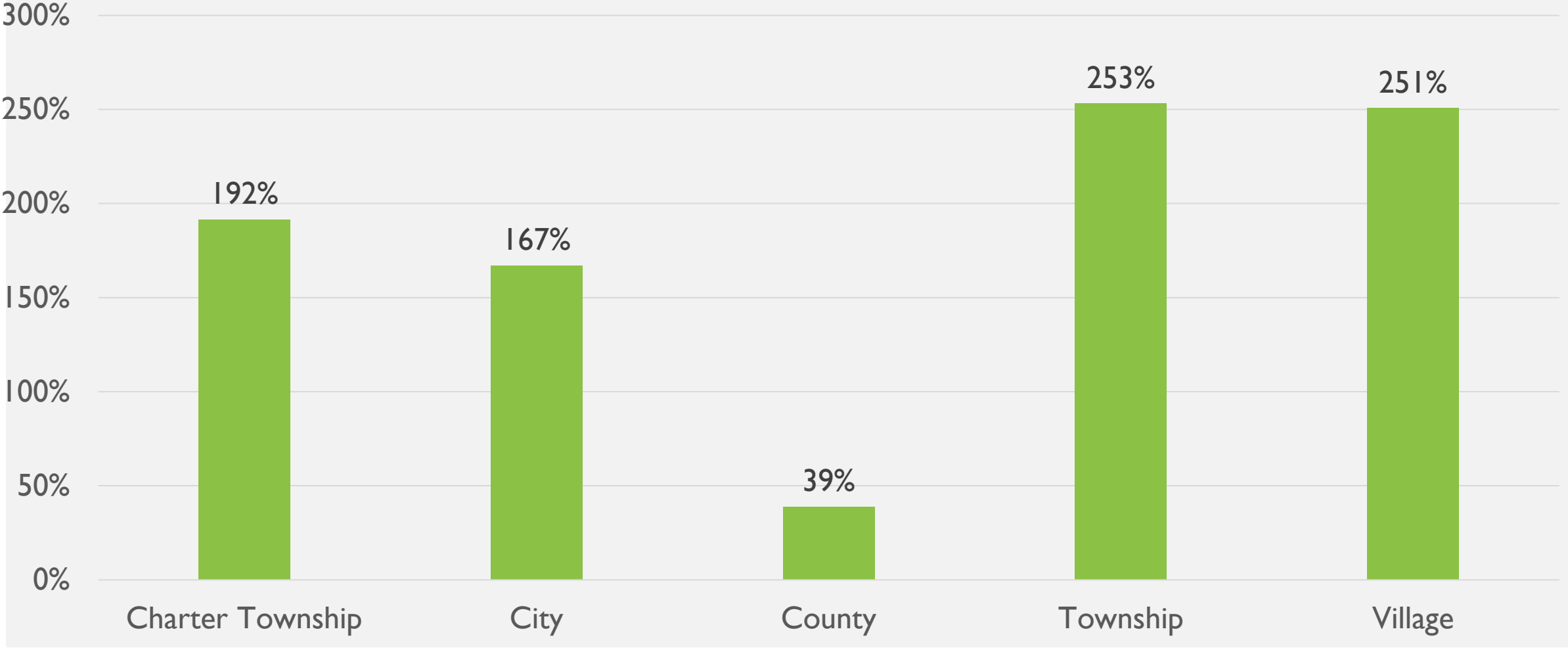
Greater than 0%

Poll:
**What is a healthy
net position?**



Net Position Ratio by Government Type

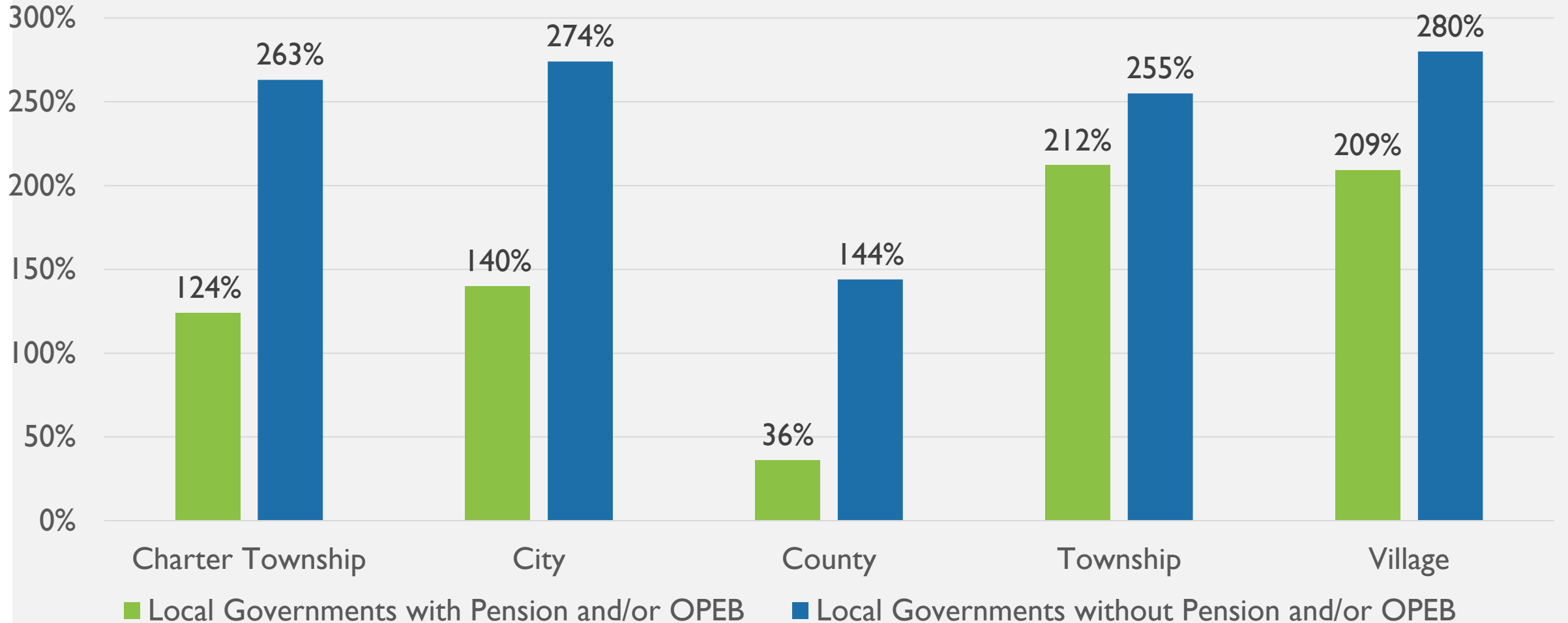
Median Net Position Ratio FY 2019



Net Position Ratio by Government Type

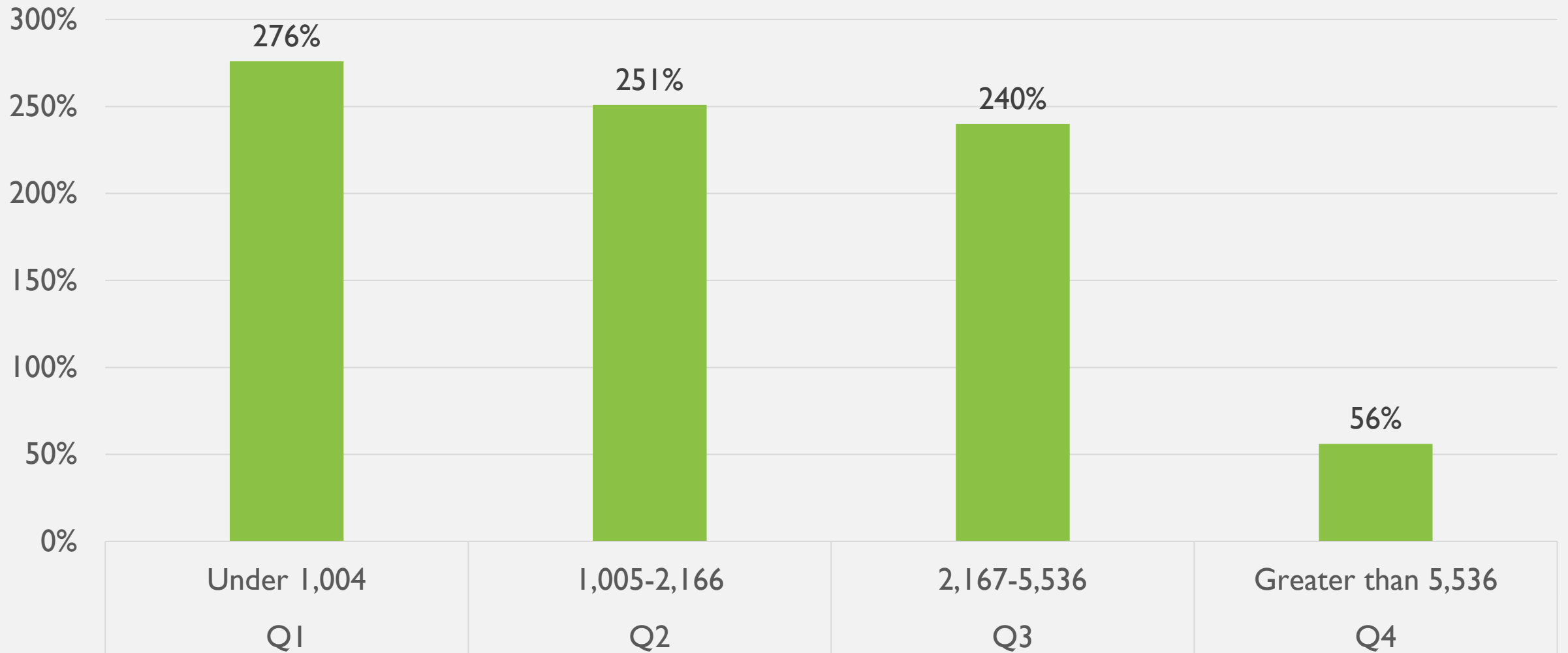
Retirement Impact

FY 2019



Net Position Ratio by Population

Median Net Position Ratio by Population Quartiles 2019




Net Position Ratio by Government Type

FY 2019

Percentile	Charter Township	City	County	Township	Village
5 th Percentile	-138%	-179%	-83%	102%	75%
10 th Percentile	-29%	-116%	-50%	129%	97%
15 th Percentile	41%	-33%	-41%	151%	112%
20 th Percentile	81%	1%	-18%	166%	154%

MI Community Financial Dashboard



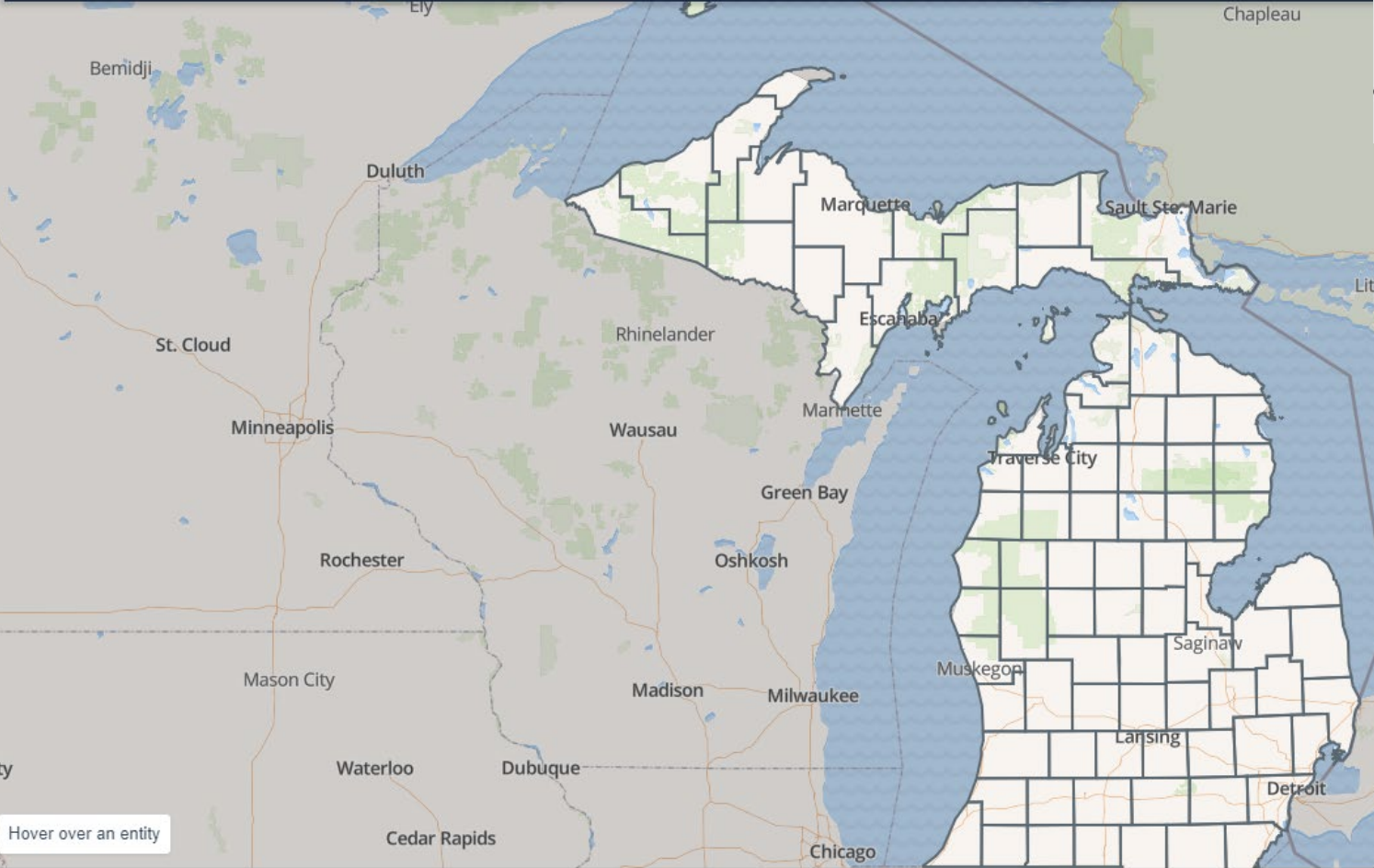
MI Community Financial Dashboard

Michigan Department of Treasury

View

Counties

Fiscal Year: 2019



[Explore other data](#)

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API

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Analytics

Percentiles are calculated by ranking all local units of the same type that submitted data for the given year on a scale of 1-100, with a higher percentile value (or lower ranking) indicating a stronger position in that measurement.

General Fund Health	589th of 1205 51st percentile
General Fund Ratio	528th of 1205 56th percentile
General Fund Cash Ratio	640th of 1027 38th percentile
Property Tax Health	366th of 1236 70th percentile
Debt Health	418th of 538 22nd percentile
Governmental Net Position Ratio	458th of 822 44th percentile

Register for Fiscally Ready Communities Webinar Trainings

The Michigan Department of Treasury and Michigan State University Extension (MSU Extension) are excited to announce our newest Fiscally Ready Communities trainings!

Upcoming Free Training Opportunities:

Budgeting for Fiscal Sustainability

- August 25th at 10 am

Capital Asset Management and Planning Trainings

- June 29th at 10 am
- July 28th at 2 pm
- December 9th at 6 pm

Please register for the training that best fits your schedule at:
<https://events.anr.msu.edu/FiscallyReadyWebinar/>

Resources & Contact Information

Michigan Department of Treasury

Community Engagement and Finance Division

www.Michigan.Gov/CEFD

MI Community Financial Dashboard:

<http://micommunityfinancials.michigan.gov/>

Fiscally Ready Communities:

www.michigan.gov/FiscallyReady

Email: TreasLocalGov@michigan.gov

Phone: 517-335-7469

Questions





www.michigan.gov/CEFD
www.michigan.gov/treasury

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