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Presented by  
Ron Alden,  
Village Manager

2019 CITIZEN'S GUIDE TO VILLAGE OF  
ROSCOMMON FINANCIAL HEALTH

## KEY TERMS

There are a few key terms that may be helpful when reading this report. They include:

- **Budget deficit/surplus.** If there is less money received than paid out in a given fiscal year, there is a budget **deficit** or shortfall. If there is more money received than paid during the fiscal year, a budget **surplus** exists.
- **Debt.** Just like a homeowner takes out a mortgage, governments can borrow money to pay for certain types of projects. The state has both short-term debt (paid back within the fiscal year) and long-term debt. Debt can be either **general obligation** debt, meaning that the state pays back the debt with regular tax collections and other revenues, or **special revenue** debt, which is paid off over time with revenue from specified sources beyond the usual taxes and service fees.
- **Fiscal year (FY).** The 12-month period of time during which budgets are allocated or finances are planned. Most households have a fiscal year that runs from January 1 to December 31 (that's the period for which we pay personal income taxes in April), while state government uses an October 1 - September 30 fiscal year. Some local units of government, including public schools, use a July 1 - June 30 fiscal year, while others operate on a typical calendar year.
- **Fund balance.** Once all the bills for the year have been paid out of a certain fund, whatever is left over is called the fund balance. When a fund balance is less than zero, you'll see the number shown with parentheses around it. Deficits cause fund balances to decrease, while surpluses cause them to increase.
- **Public budget gap.** A novel measure, similar to the deficit, used to measure the extent to which a government is falling short of covering its current and long-term obligations in a fiscal period. The budget gap takes into account the budget deficit, as well as any new obligations that the government has failed to cover such as **employee pensions or retiree health care**.
- **Reserved/Restricted funds.** Some funds are considered to be "reserved" or "restricted" for a specific purpose, and cannot be spent for anything else.

## WELCOME

Greetings,

The Village of Roscommon, population approximately 1,133, is situated in Roscommon County near the apex of I-75 and M-27. Nearby is Higgins Lake, named by the National Geographic Society as one of the six most beautiful lakes in the world. Adding to the "water sports" flavor of the village is the historic AuSable River, featuring some of the nation's best fishing, canoeing and kayaking experiences.

In 1879, the Village of Roscommon was named the county seat by unanimous vote by the Supervisors and a courthouse was built shortly thereafter. The railroads were instrumental in starting the resort industry of the county in the late 1800's, furnishing transportation for people from Detroit and other cities to Roscommon, where they were then transported to one of the camps at Higgins Lake.

Our churches represent many denominations, and offer activities for all ages in the community, including frequent fundraisers for area organizations. The Village of Roscommon has two public parks; Wallace Park, located right off M-18 on the AuSable River, which offers easy canoe and kayak access to the river, as well as Metro Park, with baseball fields and playgrounds. Metro Park is operated by the Roscommon Metropolitan Recreation Authority (RMRA), under the jurisdiction of the Village Government. RMRA also operates the AuSable River Center, which is a museum that features antique canoes, history of paddle boating and exploration of the rivers and canals of the area. In addition, the Gahagan Nature Preserve, named after Margaret Gahagan, offers trail walks, educational series and group outings for all ages. RMRA also offers the CRAF (Community Recreation, Activity, and Fitness) center, a 26,000-square foot facility containing two gymnasiums, a fitness center, meeting rooms, and classrooms.

The Village used the following assumptions when creating their 2019 budget, located at the end of this guide:

- a) The historical revenue and expenditure sources from prior years.
- b) In 2018, the Village will start collecting cable franchise fees. The Village has accounted for the increased revenues for 2018.
- c) The Village assumes that the Personal Property Tax exemption reimbursement will be reduced during 2018. This was reflected as a decrease in revenues.

Sincerely,  
[Ron Alden, Village Manager](#)

## How Governments Use Your Money

### **WHERE CITIZEN DOLLARS GO**

The Village of Roscommon collects revenue from the State of Michigan through “revenue sharing” collected through the Michigan Sales Tax and Michigan Public Act 51 through “transportation” collected through the Michigan Gasoline Tax. Revenues are also collected by taxation currently supporting the General Fund and Sewer Fund. General Fund Taxes support specific departments including the Manager, Clerk, Treasurer, Department of Public Works, and Cemetery. Sewer Fund Tax revenues are used to pay off the 1998 Sewer Improvement Bond with an outstanding balance of \$2,162,379 with a payoff in 2038. Business type activities include water and wastewater operations and service revenues are collected by monthly billings. These revenues are used to operate the water and wastewater systems including maintenance, repairs, new construction, and payroll.

### **SERVICES THAT GOVERNMENTS PROVIDE**

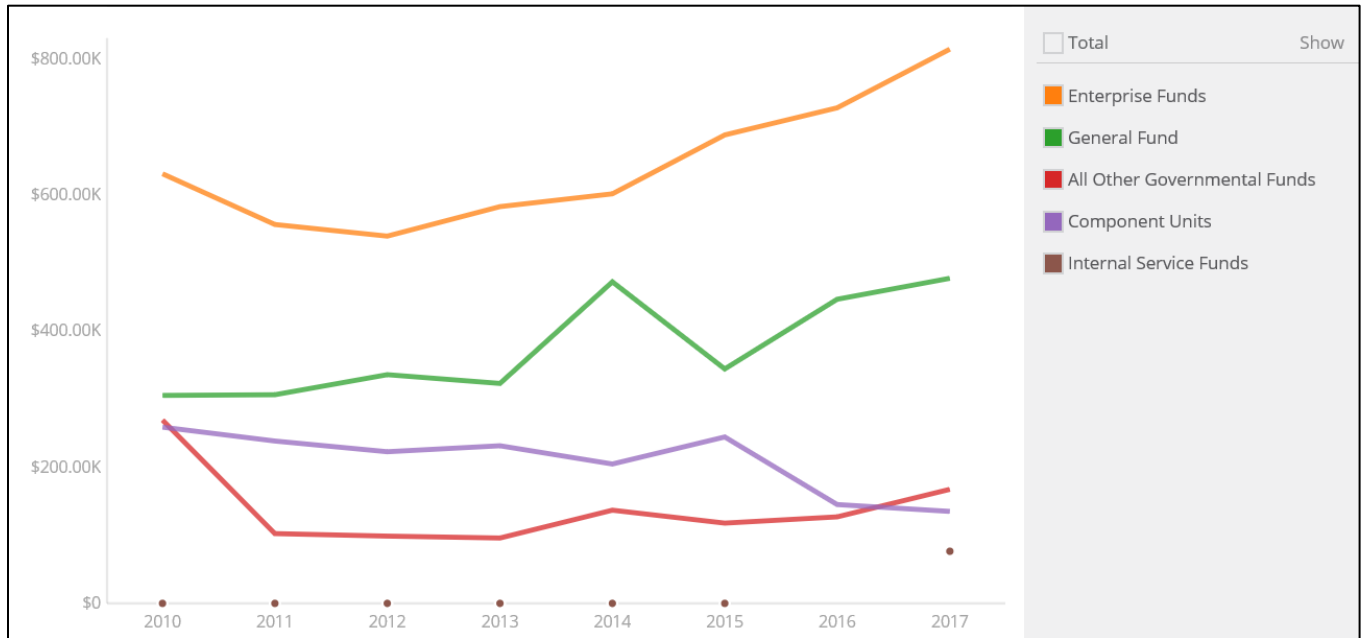
The Village of Roscommon provides basic local government services:

- Tax Collection: The Village Treasurer collects summer taxes including General Fund and Sewer Fund Taxes.
- Accounting and Financial Reporting: The Village Clerk maintains the General Ledger which includes the current village's financial standings.
- Record Keeping: The Village Clerk maintains all records of the village including Ordinances and Minutes.
- Drinking Water: The Department of Public Works maintains the Water Tower and Water Mains that provide drinking water to 438 households.
- Sanitary Sewer: The Department of Public Works maintains the Sewer Lagoons and Sewer Mains that remove wastewater from 438 households to the lagoons for treatment and discharge.
- Roads: The Department of Public Works maintains 3.3 Miles of Major Street Roads and 7.45 Local Street Roads totaling 10.75 miles of roads.
- Cemetery: The village maintains a cemetery divided into two (2) sections named New and Old.
- Police: The village contracts with the Roscommon County Sheriff's Department for part-time patrol coverage for \$20,000 annually.
- Building Inspections: The village contracts for plumbing, electrical, mechanical, and a building inspector for new construction and renovations to existing structures.
- Street Lighting: The village provides street lights on M-18 and Old M-76 in an annual amount of \$15,000.

## Taxpayer Money is Spent: Government Revenues and Expenditures

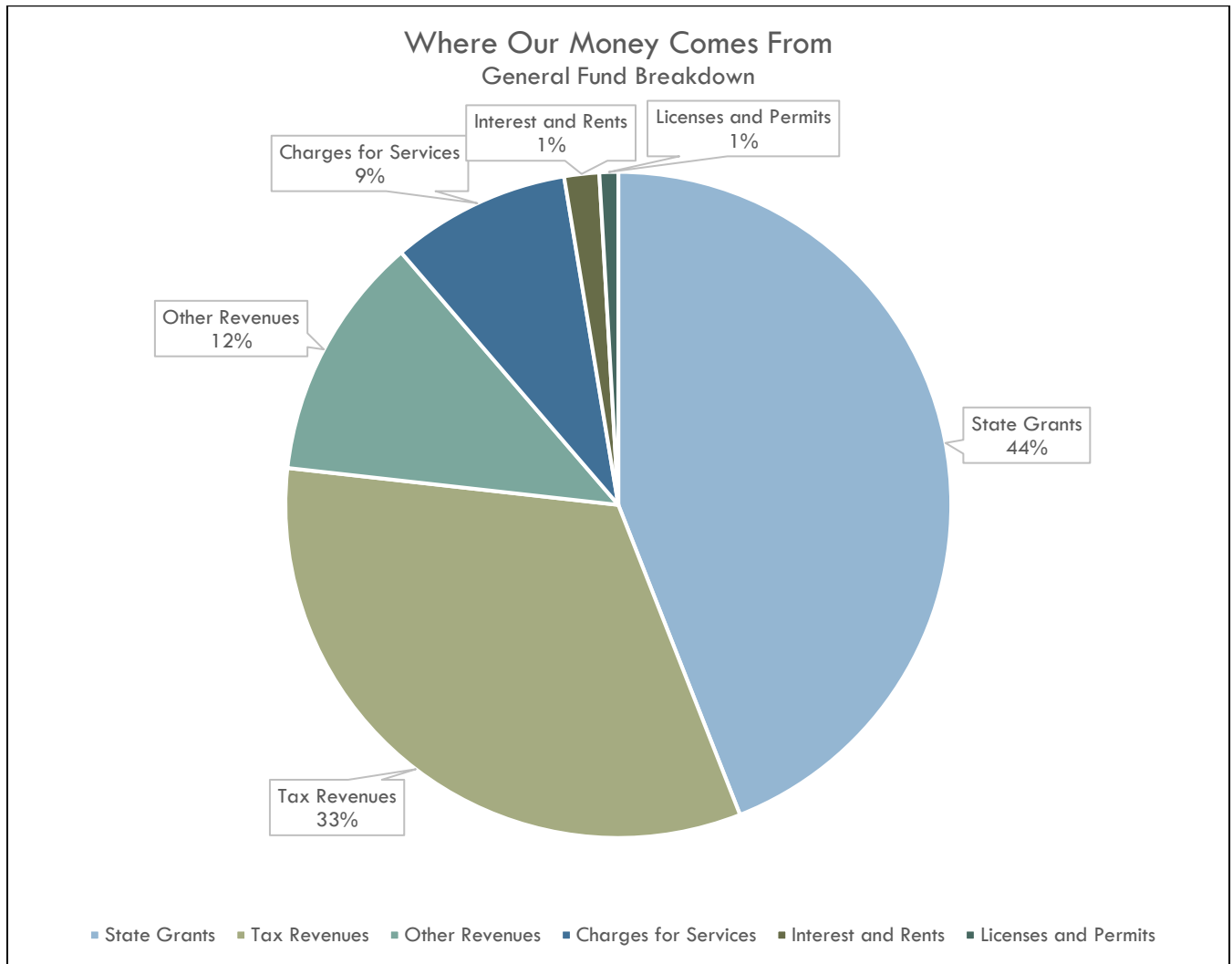
### REVENUE REPORT

#### Snapshot of All Funds (in total), 2010 to Current Year



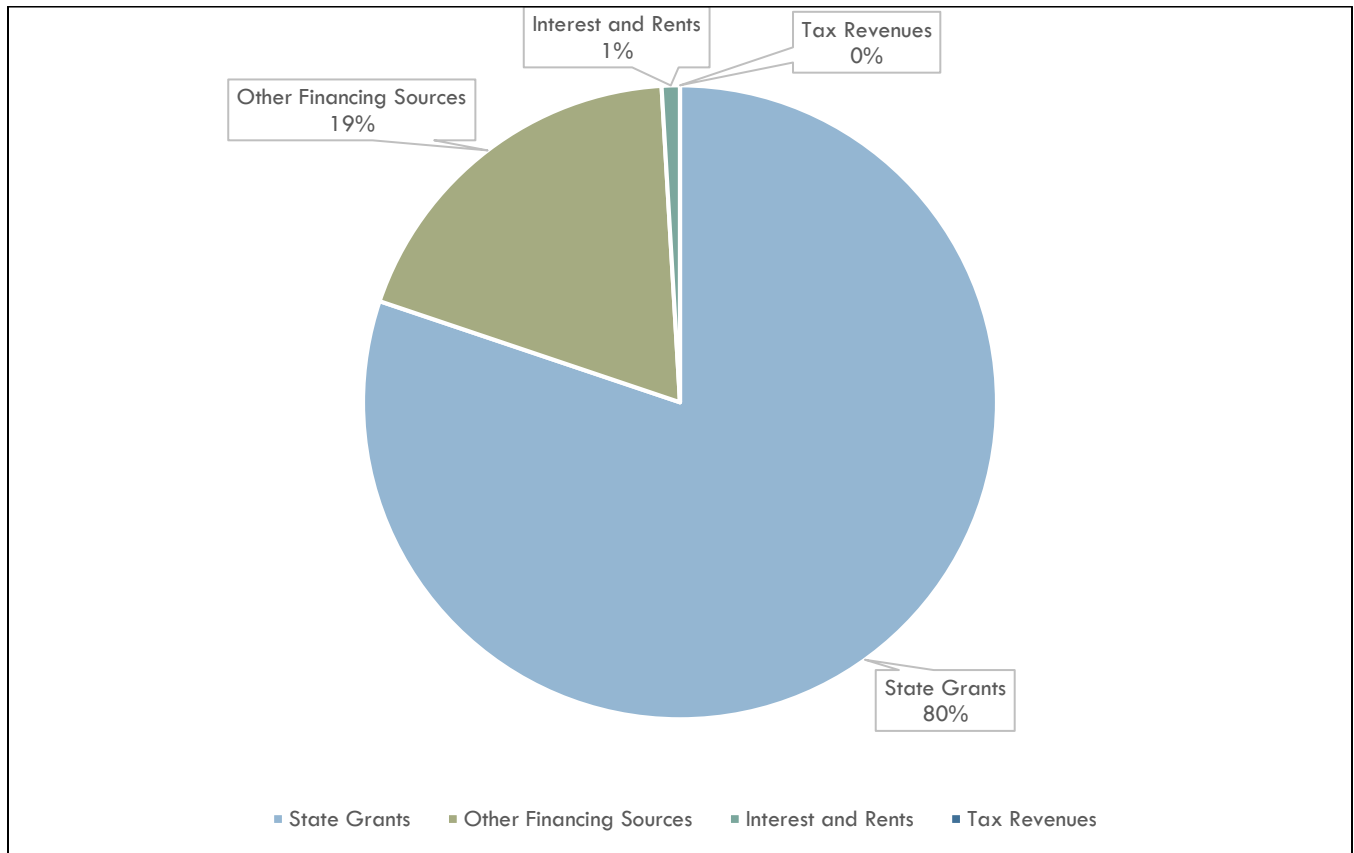
Fund	Amount	Percentage
Enterprise Funds	\$814,944	48.72%
General Fund	\$478,023	28.58%
All Other Governmental Funds	\$167,700	10.03%
Component Units	\$135,251	8.09%
Internal Service Funds	\$76,625	4.58%

## Roscommon Revenues, Current Year



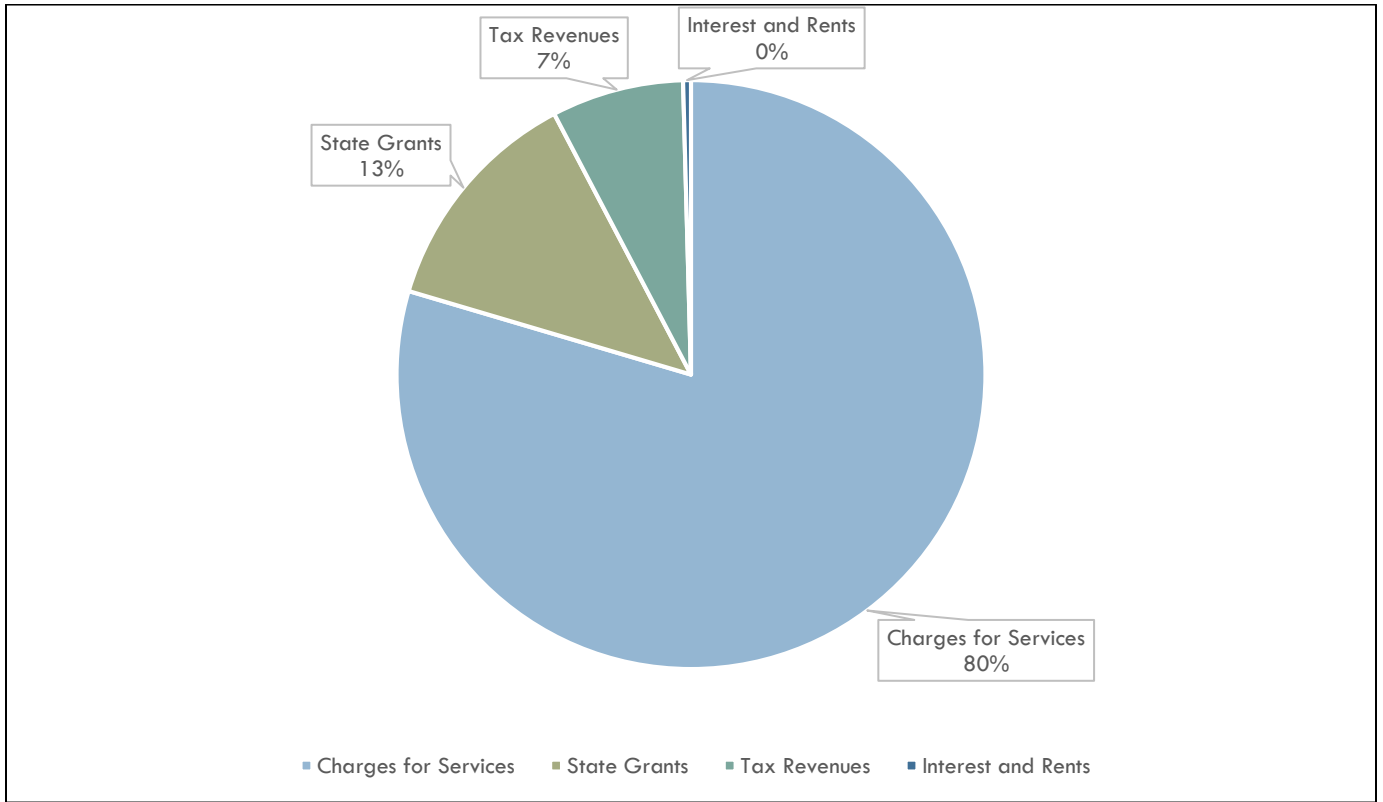
Category	Amount	Percentage
State Grants	\$210,533	44.04%
Tax Revenues	\$156,445	32.73%
Other Revenue	\$56,993	11.92%
Interest and Rents	\$8,104	1.70%
Licenses and Permits	\$4,367	0.91%

**Other Governmental Funds:**



Category	Amount	Percentage
State Grants	\$134,444	80.17%
Other Financing Sources	\$31,700	18.90%
Interest and Rents	\$1,556	0.93%
Tax Revenues	\$0	0%

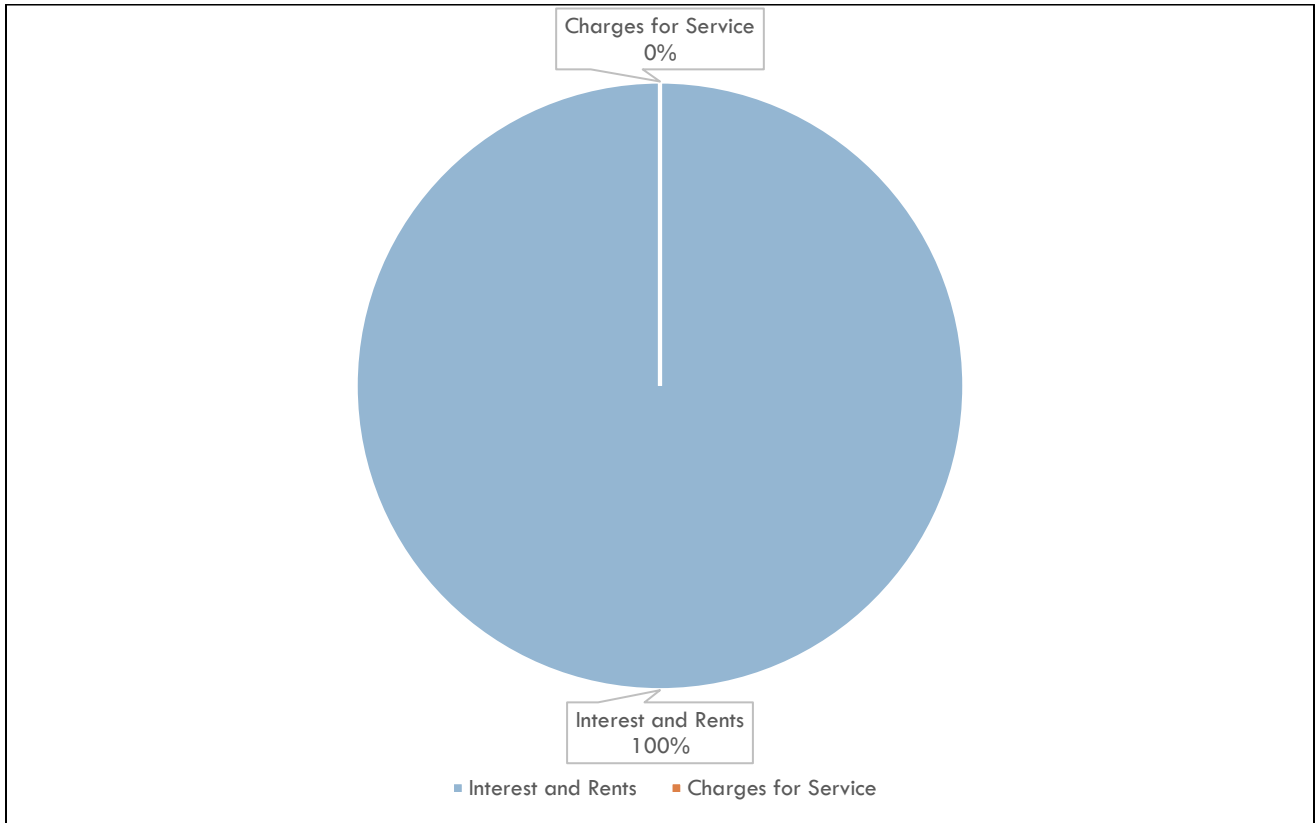
Enterprise Funds:



Category	Amount	Percentage
Charges for Services	\$648,518	79.58%
State Grants	\$103,753	12.73%
Tax Revenues	\$59,164	7.26%
Interest and Rents	\$3,509	0.43%

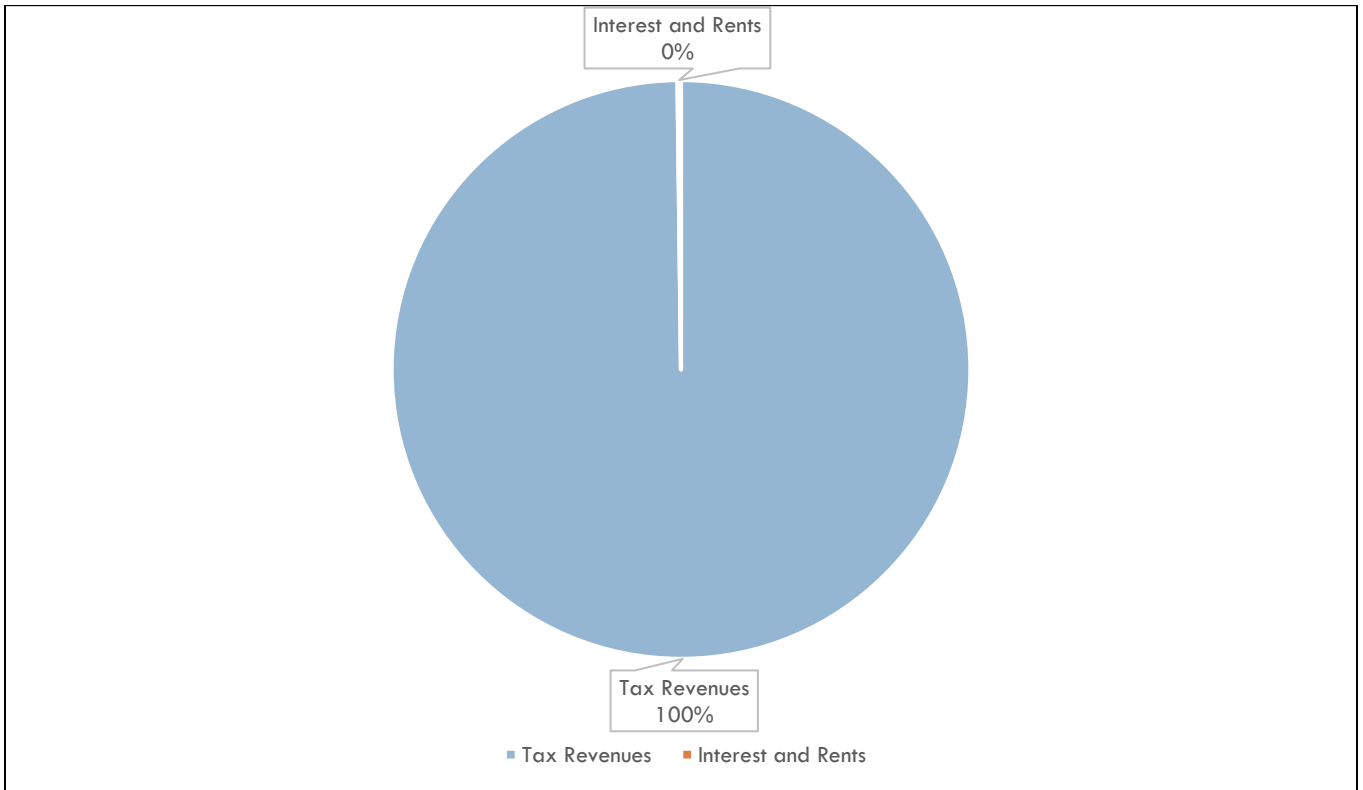


Internal Service Funds:



Category	Amount	Percentage
Interest and Rents	\$76,625	100.00%
Charges for Services	\$0	0%

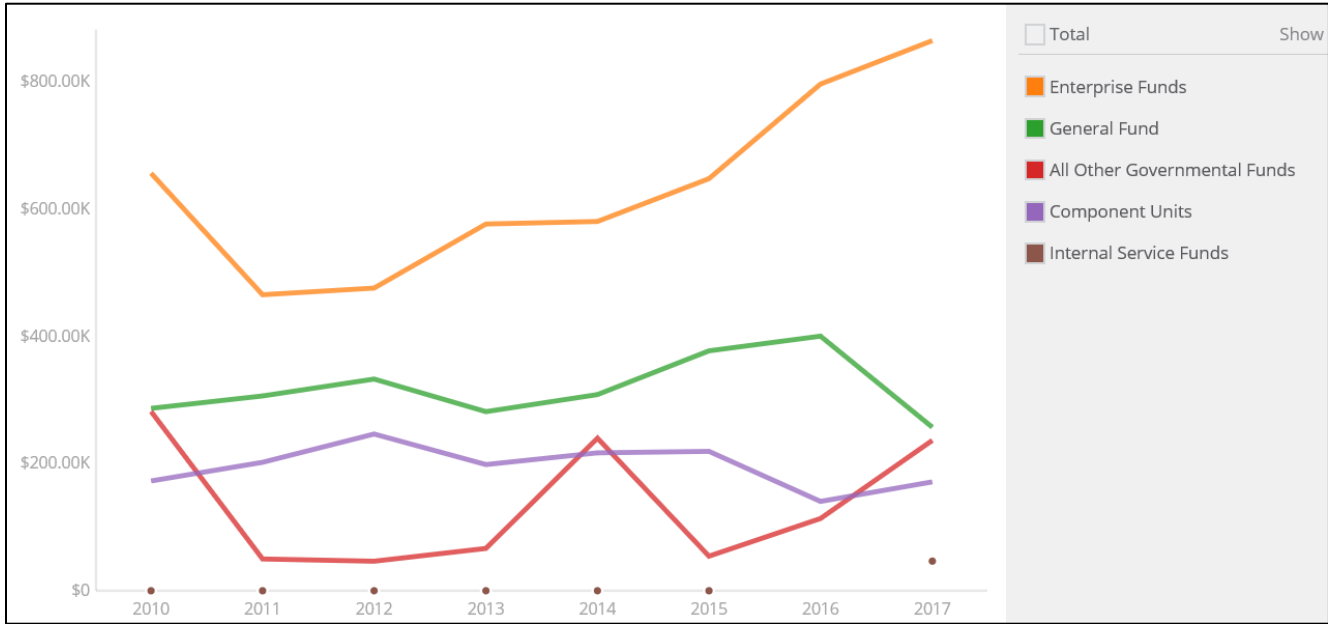
Component Unit:



Category	Amount	Percentage
Tax Revenues	\$134,988	99.81%
Interest and Rents	\$263	0.19%

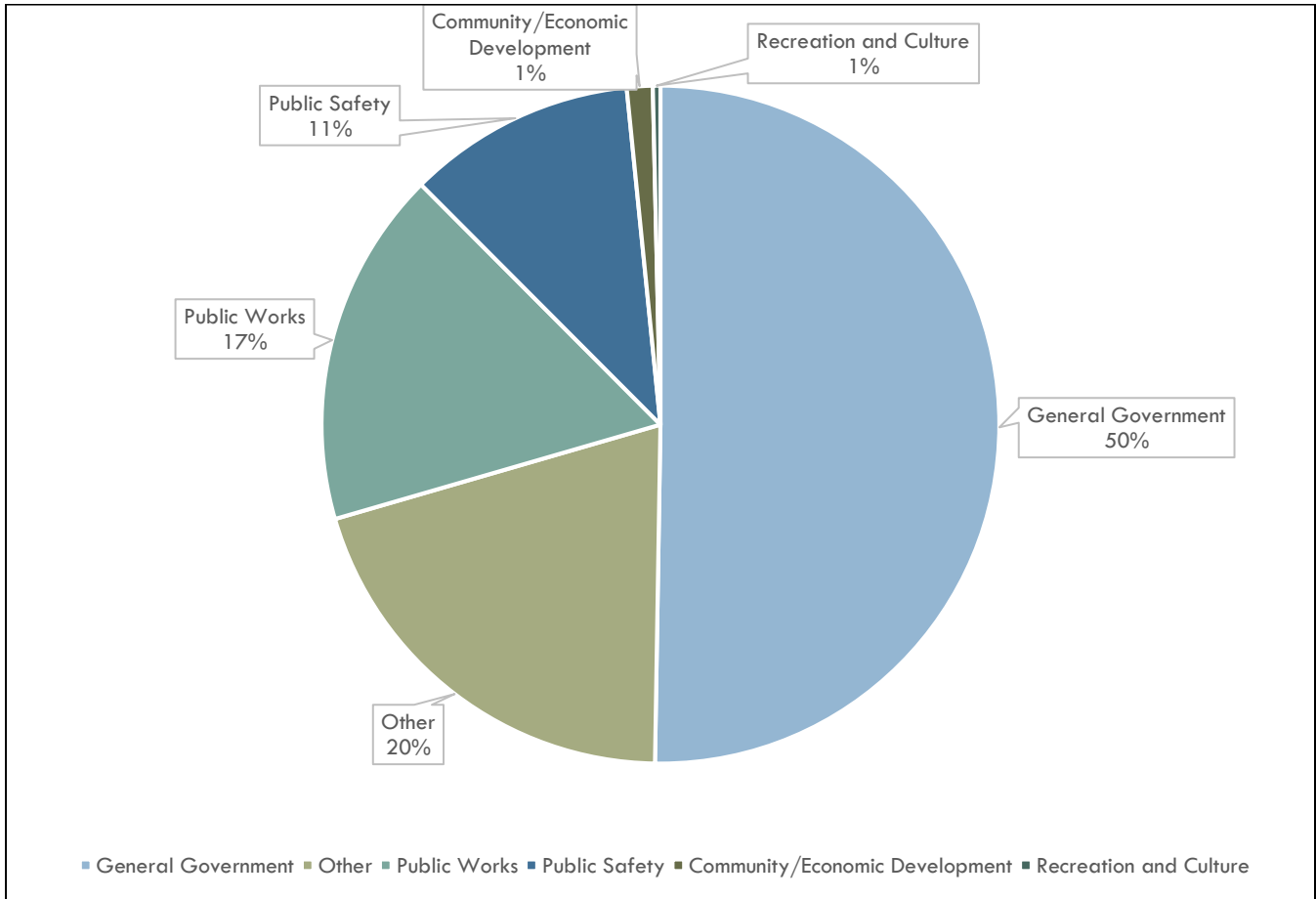
## EXPENDITURE REPORT

### Snapshot of All Funds (in total), 2010 to Current Year



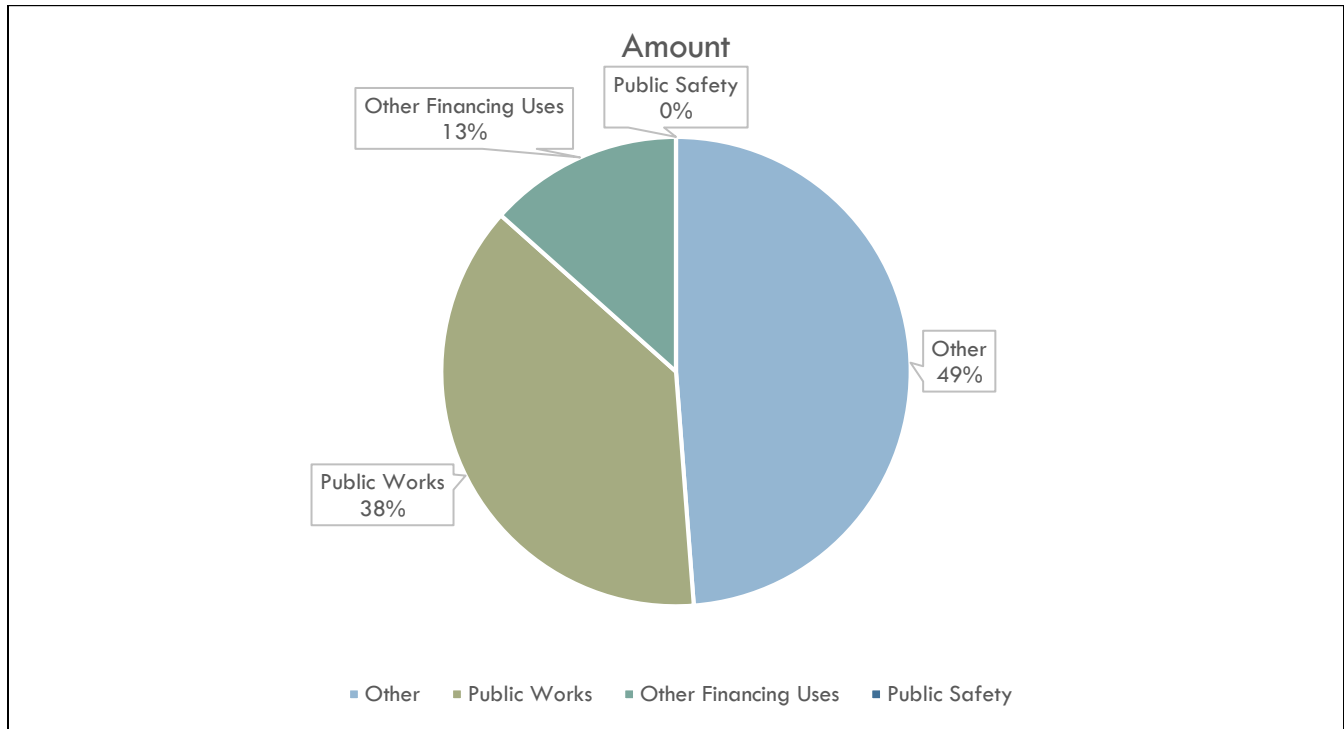
Fund	Amount	Percentage
Enterprise Funds	\$865,220	54.87%
General Fund	\$257,133	16.31%
All Other Governmental Funds	\$236,524	15.00%
Component Units	\$171,243	10.86%
Internal Service Funds	\$46,592	2.96%

General Fund:



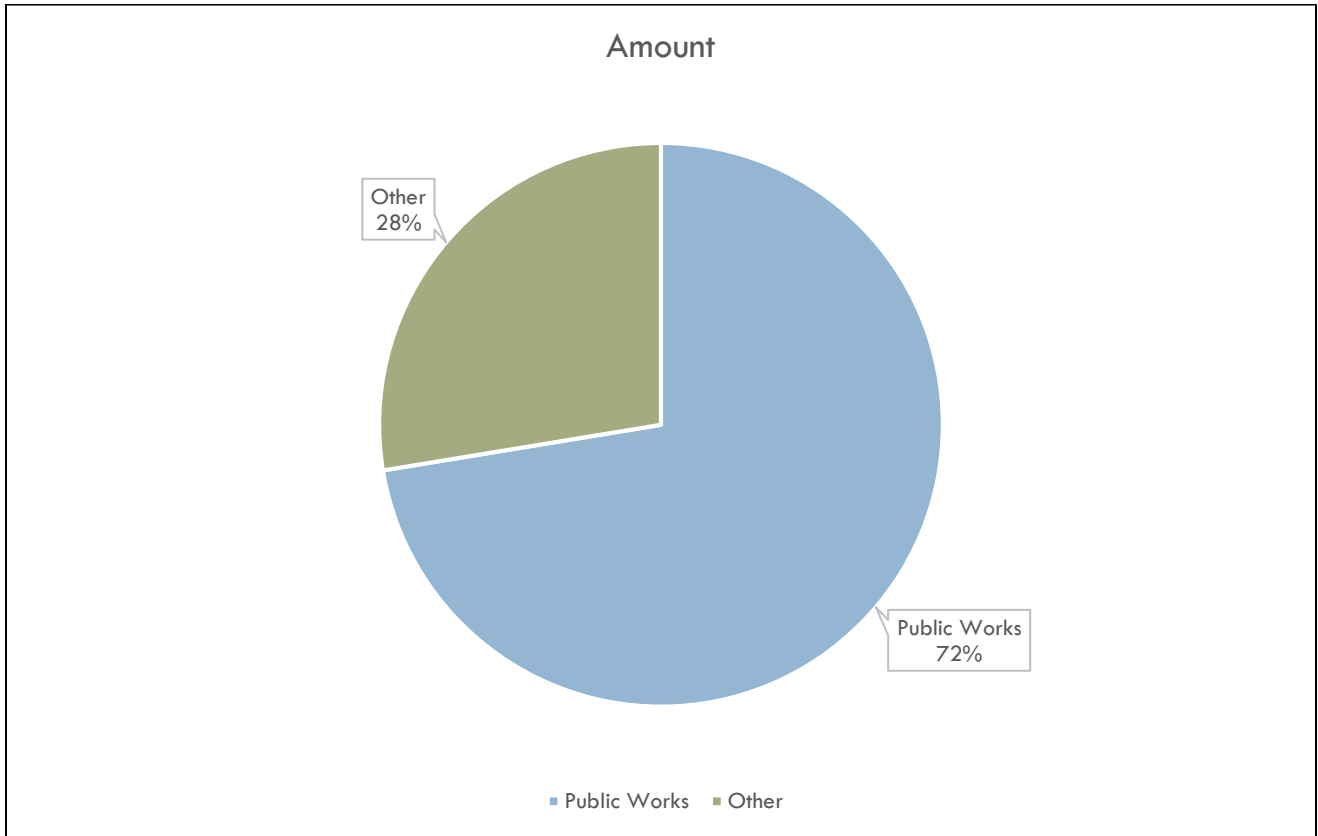
Category	Amount	Percentage
<b>General Government</b>	\$129,226	50.26%
<b>Other</b>	\$52,070	20.25%
<b>Public Works</b>	\$43,742	17.01%
<b>Public Safety</b>	\$28,000	10.89%
<b>Community/Economic Development</b>	\$3,170	1.23%
<b>Recreation and Culture</b>	\$925	0.36%

Other Governmental Funds:



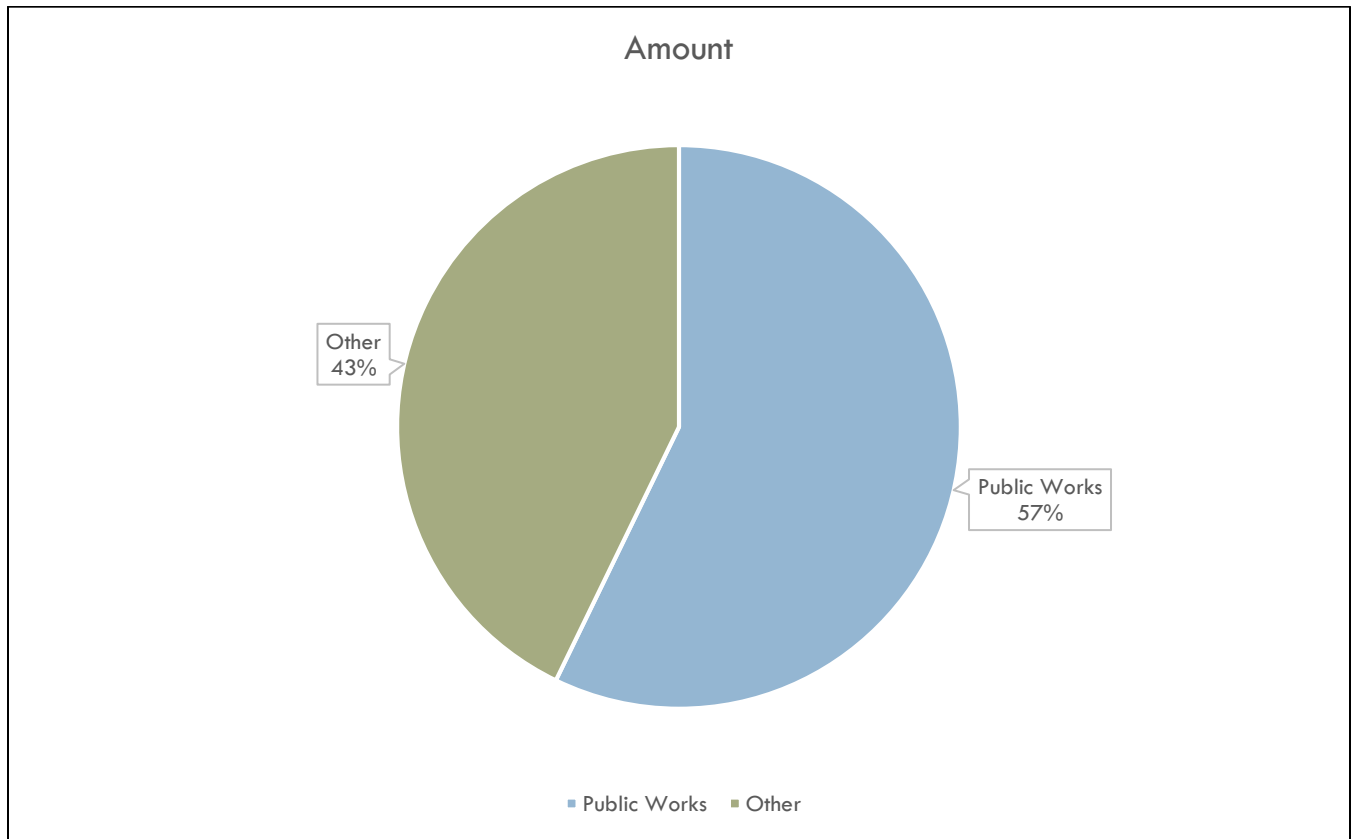
Category	Amount	Percentage
Other	\$115,396	48.79%
Public Works	\$89,428	37.81%
Other Financing Uses	\$31,700	13.40%
Public Safety	\$0	0%

Enterprise Funds:



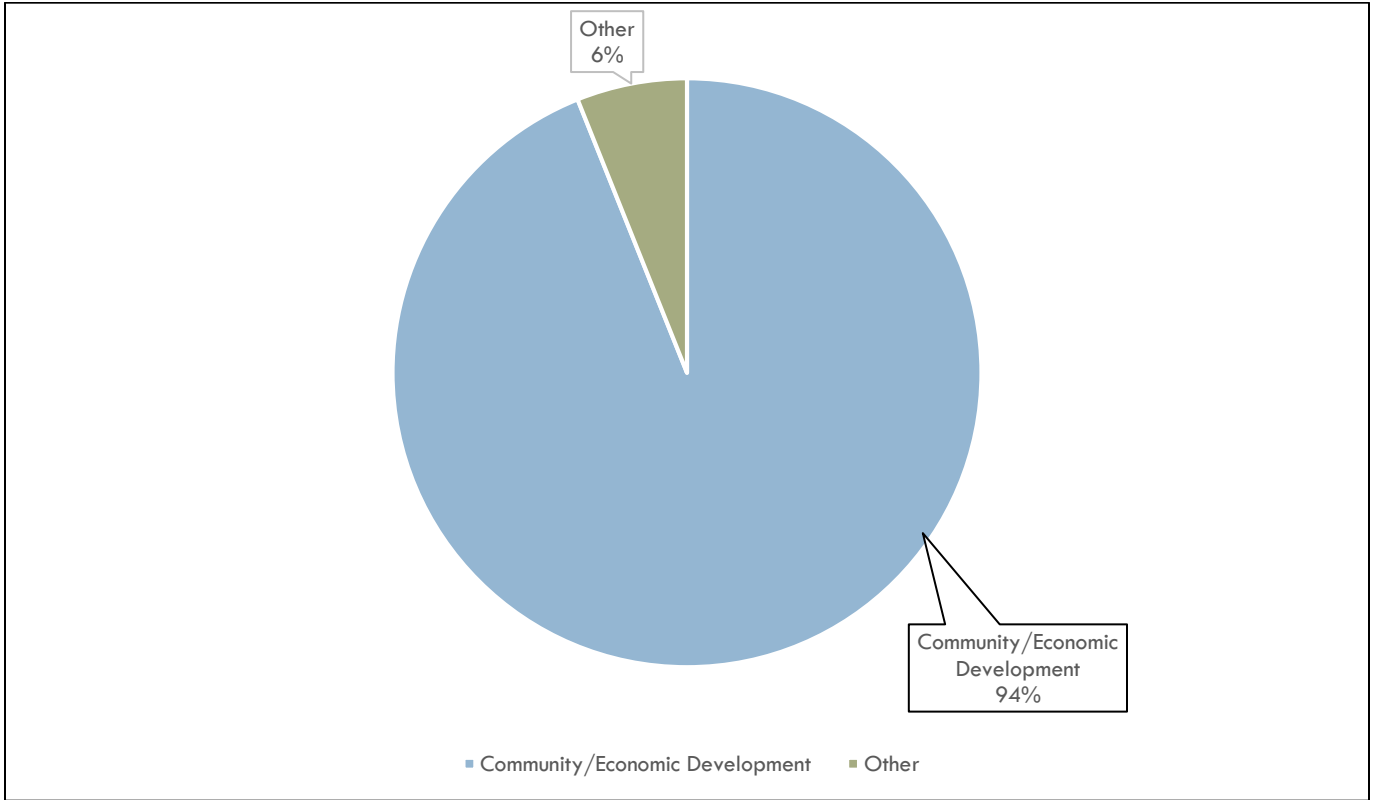
Category	Amount	Percentage
Public Works	\$626,507	72.41%
Other	\$238,713	27.59%

Internal Service Funds:



Category	Amount	Percentage
Public Works	\$26,650	57.20%
Other	\$19,942	42.80%

Component Unit:



Category	Amount	Percentage
Community/Economic Development	\$160,865	93.94%
Other	\$10,378	6.06%

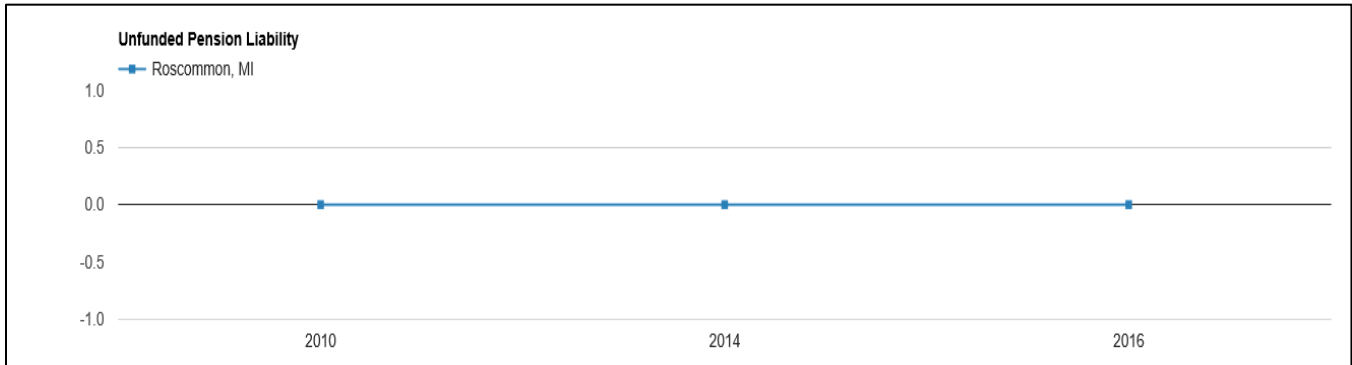


### PENSION AND OTHER RETIREE BENEFITS

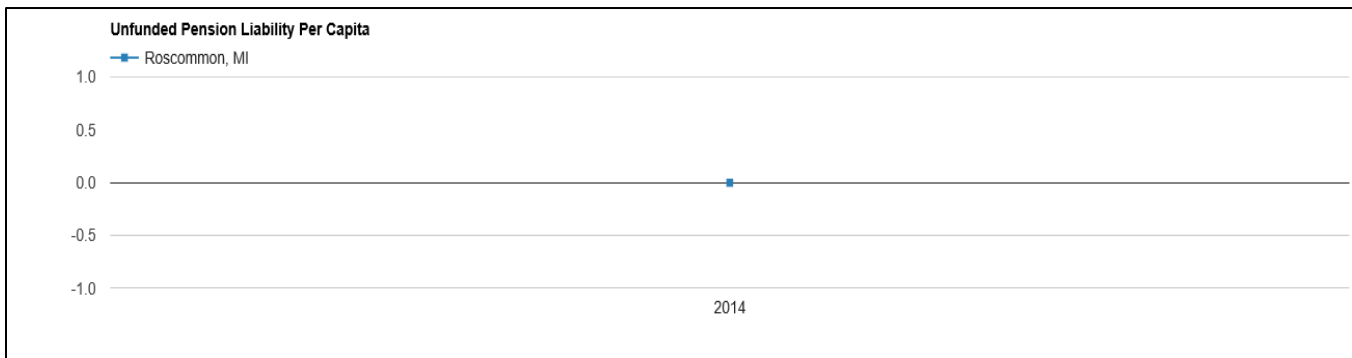
The Village of Roscommon makes a defined contribution for employee pensions through the Michigan Employee Retirement System (MERS) and carries no pension liability. Annual contributions were \$26,708.13 and \$28,160.71 in 2016 and 2017 respectively.

Net Pension Obligation:

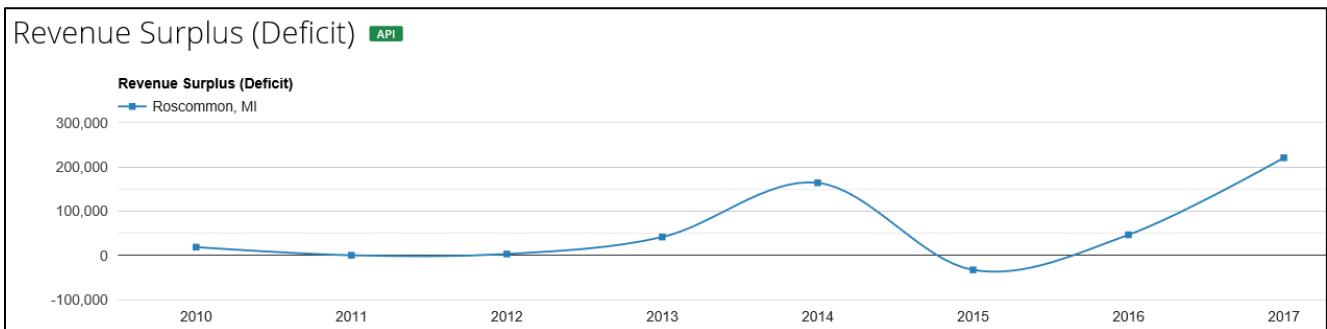
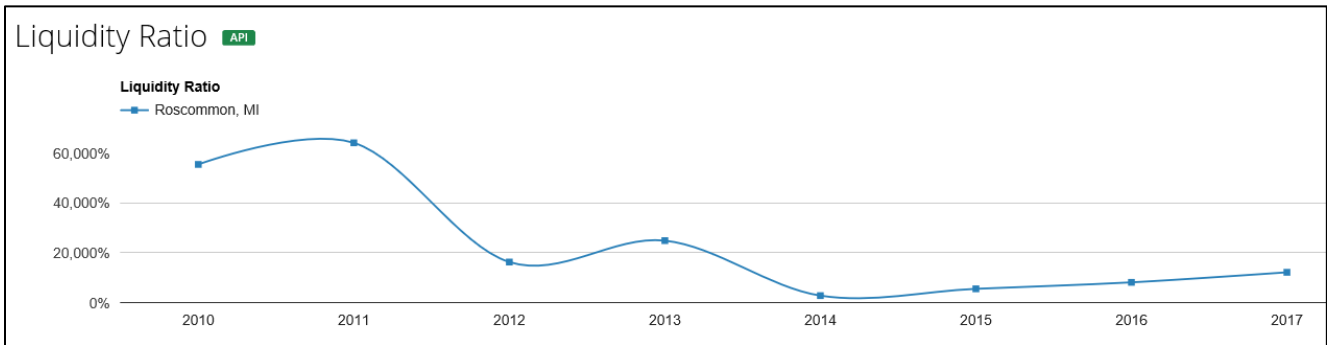
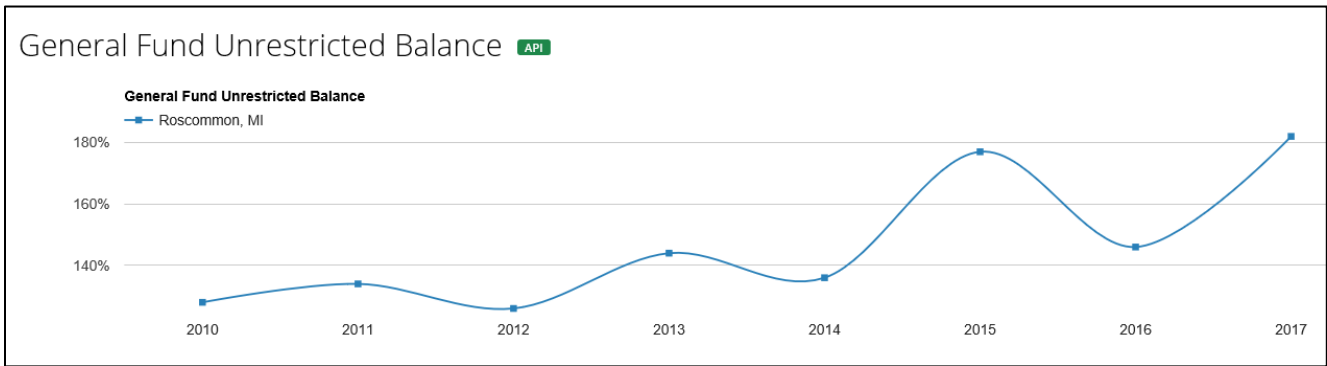
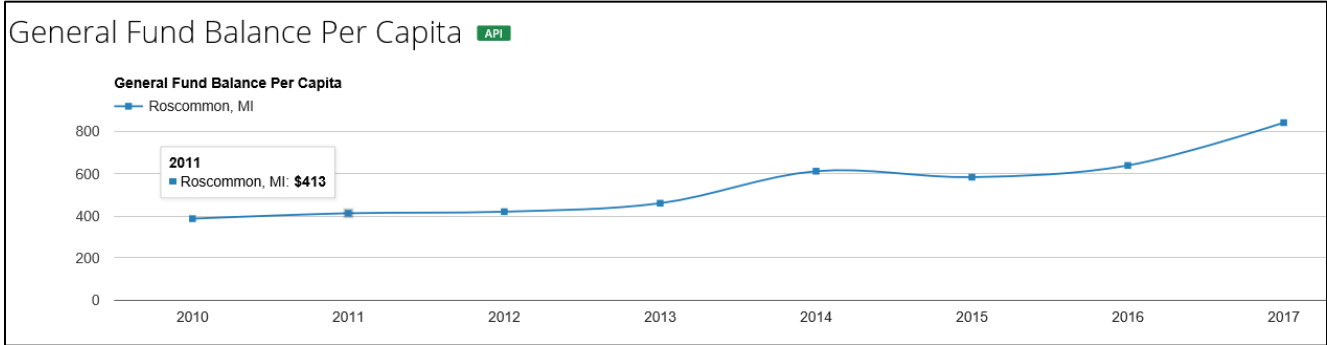
#### Unfunded Pension Liability



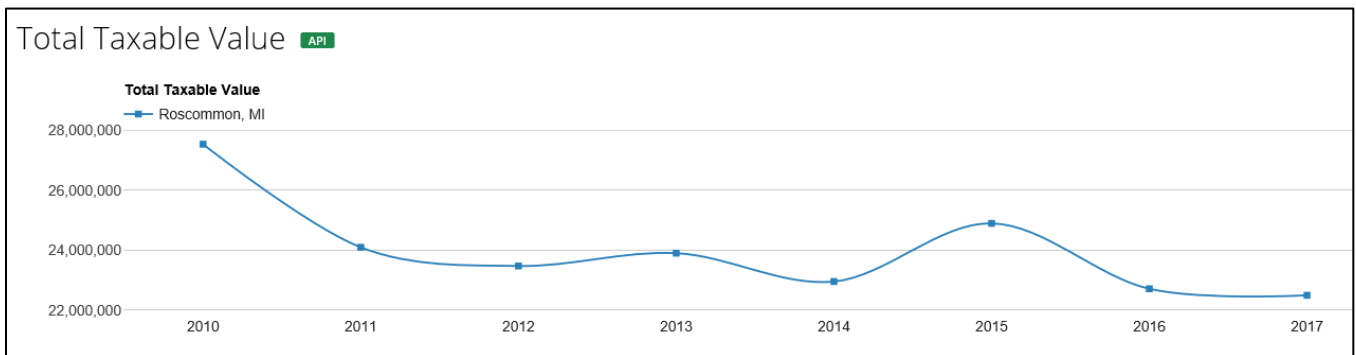
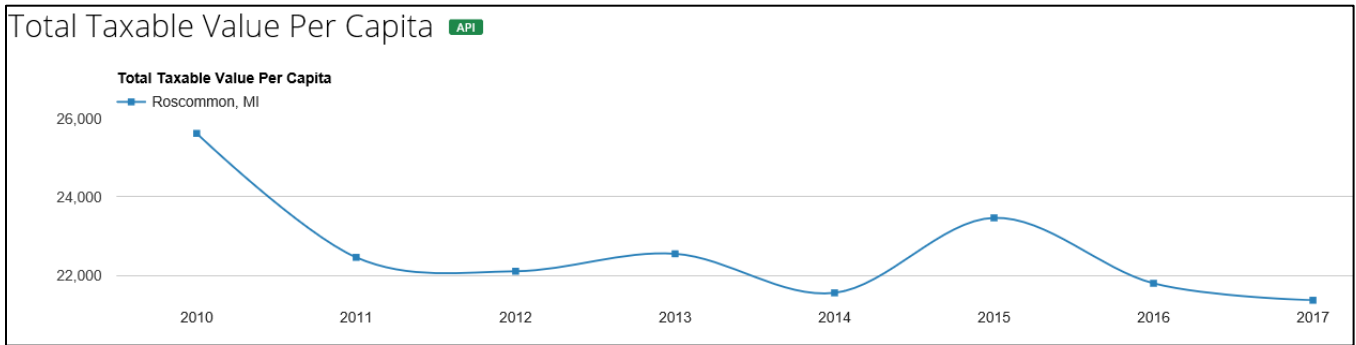
#### Unfunded Pension Liability Per Capita










Fund Balance – General Fund






### Property Tax Values







## MUNICIPAL PERFORMANCE DASHBOARD








Fiscal Stability			
	2016	2017	Progress
Annual general fund expenditures per capita	\$384	\$227	
Fund balance as a percent of annual general fund expenditures	166.3%	344.9%	
Unfunded other post employment benefits (OPEB) liability as a percent of annual general fund revenue	0%	0%	
Debt burden per capita	\$1,567	\$1,326	
Percentage of road funding provided by the general fund	0.0%	0.0%	
Ratio of pensioners to employees <i>Notes: 2017: No Unfunded Pensions</i>	0.00	0.00	
Number of services delivered via cooperative venture	5	5	
Bond rating (Standard & Poor's)	N/A	N/A	

Economic Strength			
	2016	2017	Progress
Percent of community with access to high speed broadband	100%	100%	
Percent of community age 25+ with a Bachelor Degree or higher	9%	13%	
Average age of critical infrastructure (years)	22.3	23.3	

Quality of Life			
	2016	2017	Progress
Miles of sidewalks and non-motorized trails per mile of local roads	0.5	0.5	
Percent of general fund budget committed to arts, culture and recreation	28%	2%	
Acres of park per thousand residents	12.1	12.8	
Percent of community with curbside recycling	100%	100%	

Public Safety			
	2016	2017	Progress
Violent crimes per thousand	41.0	0.0	
Property crimes per thousand	8	46	
Traffic injuries or fatalities	1	 1	

 Trend is down, performance improving	 Trend is up, performance improving
 Trend is down, performance declining	 Trend is up, performance declining
 Trend is down, performance neutral	 Trend is up, performance neutral
 Trend is neutral, performance neutral	* 1.0% threshold is allowed