

GENERAL FUND BALANCE

Cass County has been operating in a difficult fiscal environment.

The Board of Commissioners can take a number of actions to improve Cass County's chances of avoiding future financial difficulties.

Cass County depends upon revenue sources that are permitted by the State of Michigan. The County is also susceptible to unanticipated expenses that may or may not be under its control. Some of these uncertainties are:

- Changes in Federal and Michigan tax policies
- Mandates of the Federal government
 - (The Headlee amendment protects the County from mandates of the Michigan government)
- Court decisions that increase expenses
- Voter referendums that limit taxing and spending
- Costs of labor agreements imposed by arbitrators
- Expenses resulting from natural disasters
- Large increases in energy costs
- Unexpected capital costs from water pipe breaks or other building failures not covered by insurance
- Unplanned overtime costs
- Errors in estimating revenues and expenses
- Problems in cash flow

Cass County has experienced some of these uncertainties, but it has had adequate resources to deal with them since 1992.

Cass County has had a comprehensive fiscal policy since 1995.

Recognizing the cash flow timing deficiencies which have resulted from moving the annual property tax billing from December 1 to July 1, an amount equal to 40% of the operating tax levy is to be designated within Fund Equity to be made available to cover times of cash availability shortages.

Adopted: June 1, 2006

Amended: April 5, 2007

Amended: February 7, 2008