

# ***Dollars and Sense:***

## ***How the Village of Sheridan Spends Your Money***

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2011 Citizen's Guide to  
Village of Sheridan's Financial Health

Presented by

The Village of Sheridan

## 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.

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## *Welcome*

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Greetings,

Welcome to the Village of Sheridan, nestled into the heart of Montcalm County in Michigan's Lower Peninsula. Driving in from the south, one passes Pearl Lake and enters the quaint downtown business district. Updated housing surrounds the main street and an elementary school serving the Central Montcalm district is just to the east. While getting through the village does not take long, slowing down to check out what is offered or meeting some of its residents is definitely worth it.

Sheridan, population 643, is near the center of the state and is equidistant from the large cities of Lansing, Grand Rapids, Mt. Pleasant, and Big Rapids. We have a variety of downtown businesses including a grocery store, dollar store, restaurant, barber shops, V.F.W., community center, salons, auto parts store, funeral home, bowling alley, ice cream shop, hardware store, tattoo parlor, tire store, chiropractic office, hospital, medical offices, plastics factory, lumber yard, churches, fire station and smokehouse for training and education, bar, post office, bank, hardware store, automotive/ Whizzer dealer, and the Sheridan Village Office. The Village of Sheridan is a member of the Heart of Montcalm Chamber of Commerce.

Education is important to its residents. Sheridan school-age residents attend Central Montcalm Public Schools. Post secondary opportunities exist nearby. Montcalm Community College is five miles away, offering two-year degrees, enrichment courses, and fitness opportunities including a pool and rock climbing wall.

Sheridan and its surroundings offer more than most small communities because of our numerous lakes, snowmobile trails, and golf courses. Sheridan is graced by Pearl Lake and its public beach that has recently been updated with a new pavilion, barbeque grills, picnic tables, handicap accessible fishing dock, and a new playground for three different age groups.

Come join us in the village. One exciting weekend to explore is the Sheridan Springfest, celebrated annually on Memorial Day weekend featuring parades, amusement rides, family activities, and events.

Susan Wyckoff McFarland, Village President

**WHERE CITIZEN DOLLARS GO**

- **SUMMER VILLAGE TAX = 47% OF REVENUE ; MILLAGE RATE: 11.2233**
- **WATER & SEWER = \$110.00 QUARTERLY OR \$440.00 YEARLY PER HOUSEHOLD**
- **SEWER ONLY USERS = \$57.85 QUARTERLY OR \$231.40 YEARLY PER HOUSEHOLD**
- **WATER ONLY USERS = \$52.15 QUARTERLY OR \$208.60 YEARLY PER HOUSEHOLD**

**SERVICES THAT GOVERNMENTS PROVIDE**

**THE VILLAGE OF SHERIDAN PROVIDES ITS RESIDENCES THE FOLLOWING SERVICES:**

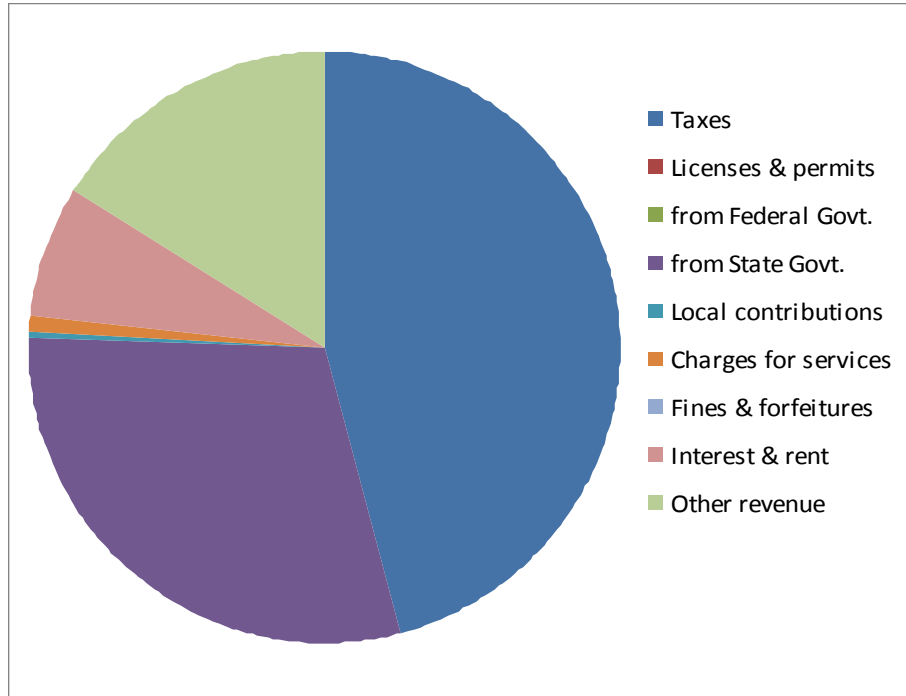
- **STREET MAINTENANCE: WINTER SNOW REMOVAL, SUMMER REPAIR AND UP-GRADES**
- **FIRE PROTECTION**
- **PARK & CEMETERY MAINTENANCE: MOWING AND REPAIR OF PROPERTY & STRUCTURES**
- **COMMUNITY CENTER: MANAGES AND MAINTENANCE**
- **FALL LEAF PICK-UP AND BRUSH CHIPPING**
- **WATER & SEWER SERVICE: MAINTAINS 2 WELLS (3<sup>RD</sup> TO BE INSTALLED FALL 2011), SEWER SYSTEM (LIFT STATIONS, PUMP STATIONS), SEWER PONDS**
- **GENERAL MAINTENANCE**

*How Taxpayer Money is Spent:  
Government Revenues and Expenditures*

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**GOVERNMENT BUDGETS**

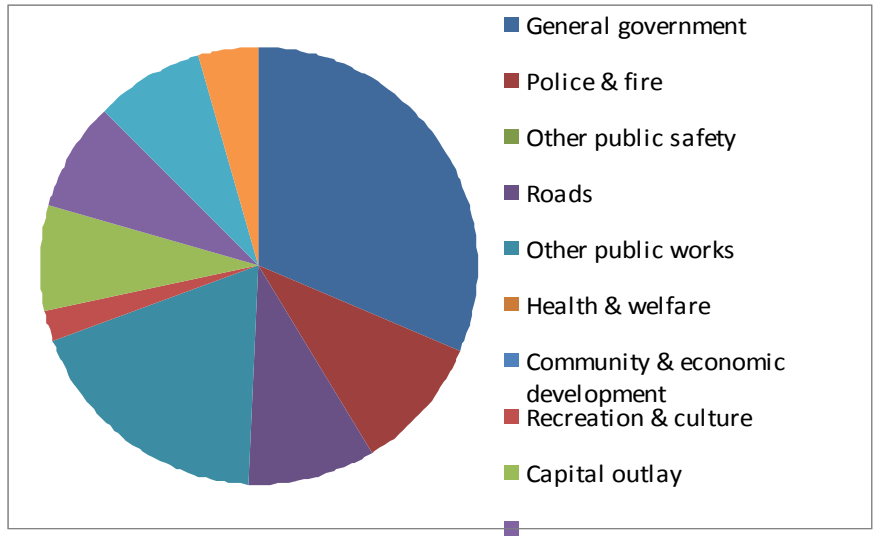
**Revenues:**



2. Compared to the prior year

	<u>2010</u>	<u>2011</u>	<u>% change</u>
Taxes	<u>188,926</u>	\$ 182,785	-3%
Licenses & permits	<u>0</u>	-	n/a
from Federal Govt.	<u>0</u>	-	n/a
from State Govt.	<u>109,477</u>	117,991	8%
Local contributions	<u>0</u>	-	n/a
Charges for services	<u>6,505</u>	3,626	-44%
Fines & forfeitures	<u>0</u>	-	n/a
Interest & rent	<u>38,419</u>	15,849	(1)
Other revenue	<u>31,677</u>	<u>78,049</u>	146%
Total	<u>\$ 375,004</u>	<u>\$ 398,300</u>	6%

**Expenditures.**



**2. Compared to the prior year**

	<u>2010</u>	<u>2011</u>	<u>% change</u>
General government	\$ 120,966	\$ 123,756	2%
Police & fire	58,075	40,300	-31%
Other public safety	1,000	-	-100%
Roads	73,898	36,503	-51%
Other public works	81,317	74,503	-8%
Health & welfare	-	-	n/a
Community & economic development	-	-	n/a
Recreation & culture	9,052	8,916	-2%
Capital outlay	-	30,025	n/a
Debt service	32,331	32,024	-1%
Unallocated fringes & insurance	-	32,217	n/a
Net Interfund transfers	28,657	<u>17,328</u>	-40%
		\$	
total expenditures	405,296	<u><u>395,572</u></u>	-2%

## **NUMBER OF GOVERNMENT EMPLOYEES**

The Village employ's two full-time, and three part-time employees.

The number of full-time employees was reduced from three down to two in 2009.

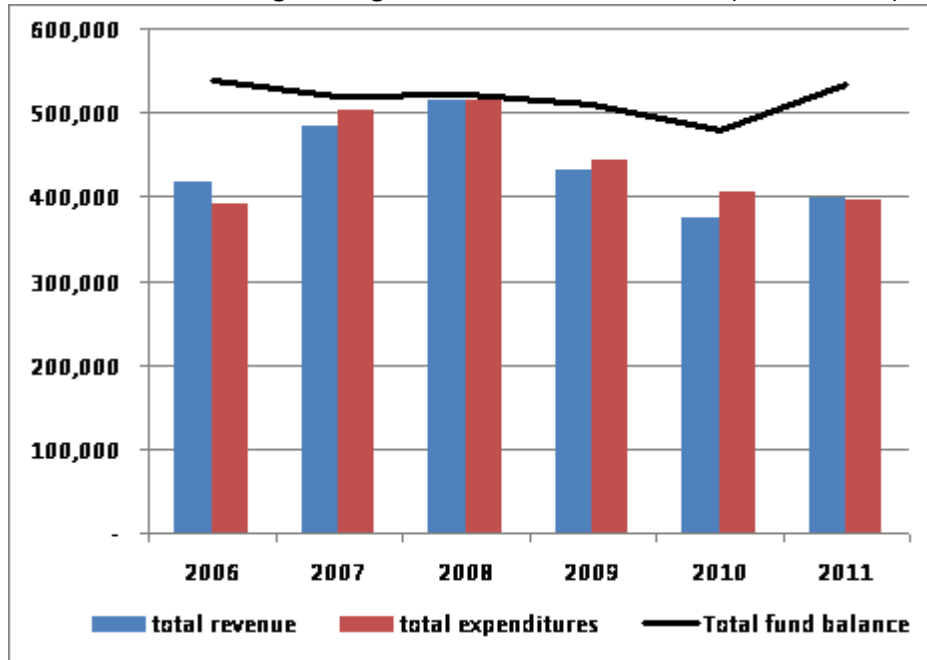
## **DIFFERENCE IN PUBLIC AND PRIVATE SECTOR COMPENSATION**

Full-time employee compensation is comparable to private sector compensation.

Part-time compensation is below the mean when compared to all sectors. (public, private, government)

**RESERVES AND MAJOR FUND BALANCES**

1. How have we managed our governmental fund resources (fund balance)?

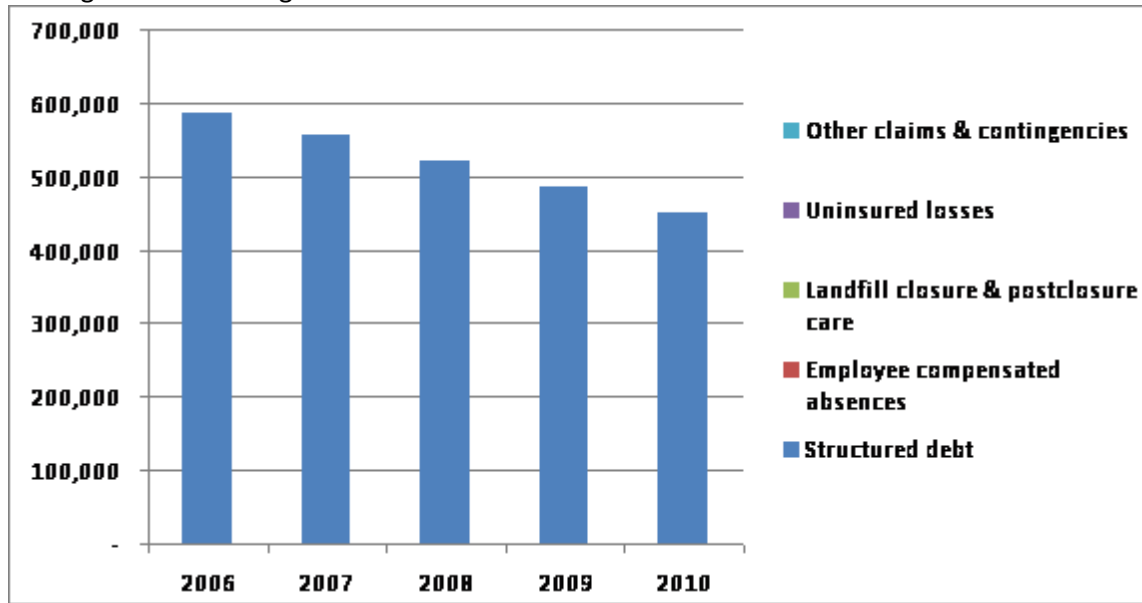


2. Compared to the prior year

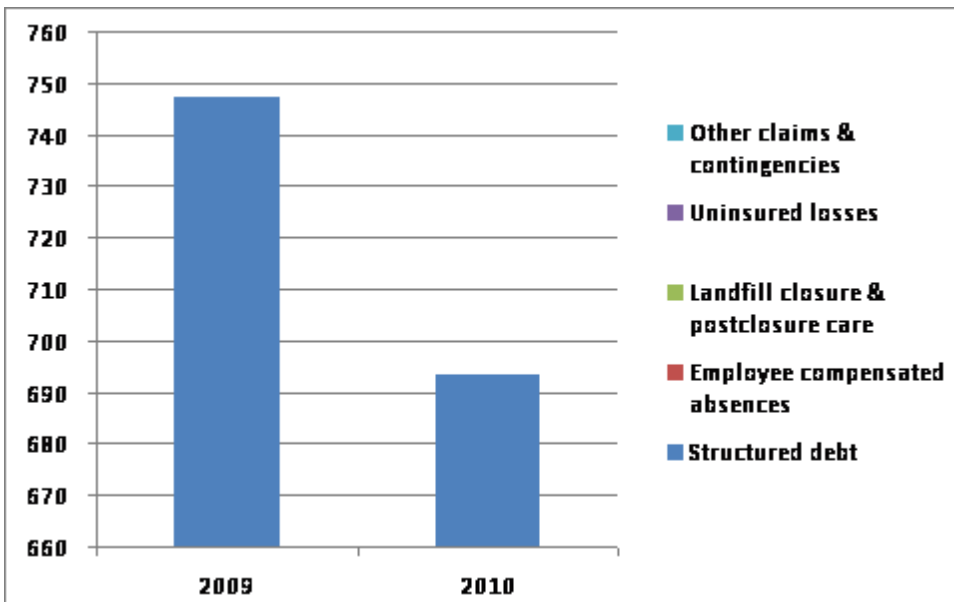
	<u>2010</u>	<u>2011</u>	<u>% change</u>
Revenue	375,004	398,300	6%
Expenditures	405,296	395,572	-2%
Surplus (shortfall)	<u>(30,292)</u>	<u>2,728</u>	<u>-109%</u>
Fund balance, by component:			
Reserved	5,772	-	-100%
Designated	-	-	0%
Undesignated total fund balance	<u>474,229</u>	<u>532,729</u>	<u>12%</u>
	<u>480,001</u>	<u>532,729</u>	<u>11%</u>

## DEBT LEVELS

### 4. Long Term Debt obligations:

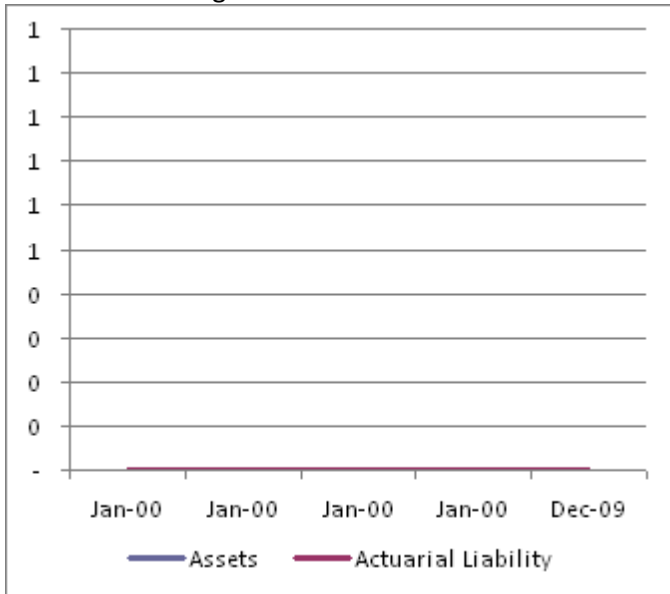


### 5. Debt & other long term obligations per capita - compared to the prior year

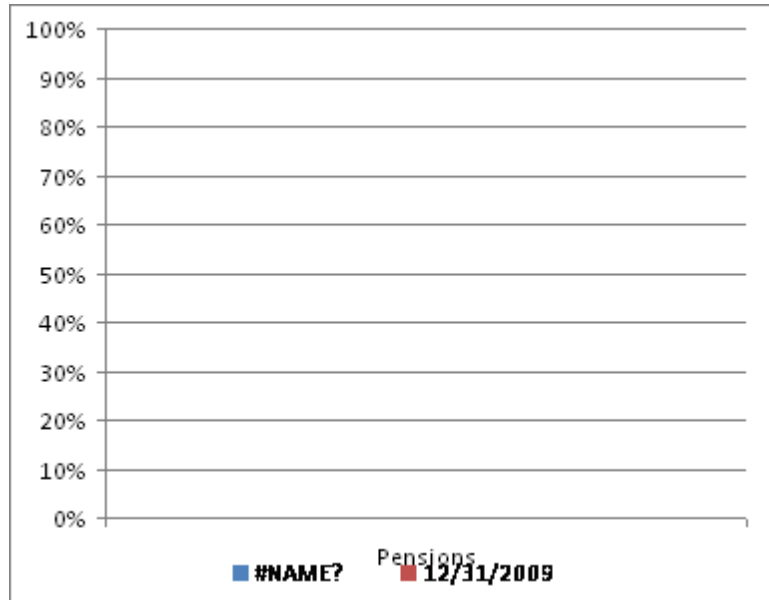


# PENSION AND OTHER RETIREE BENEFITS

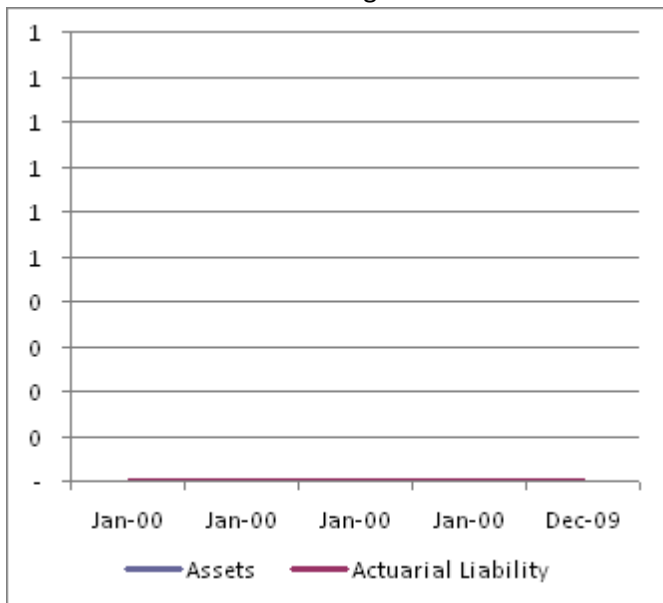
## 1. Pension funding status



## 3. Percent funded - compared to the prior year



## 2. Retiree Health care funding status



## *How This Report Was Developed*

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**The goal of this report was to provide the public with as much information as possible on the revenues, expenditures, and other financial activities of The Village of Sheridan.**