

County of  
Newaygo,  
Michigan



Year Ended  
September 30,  
2016

Financial  
Statements

# COUNTY OF NEWAYGO, MICHIGAN

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# COUNTY OF NEWAYGO, MICHIGAN

## ELECTED OFFICIALS

For the Year Ended September 30, 2016

### BOARD OF COMMISSIONERS

Philip D. Deur, District 1  
Steven A. Johnson, District 2  
D. Charles Trapp, District 3

James Maike, Jr., District 4  
Larry J. Lethorn, District 5  
Christian P. Ortwein, District 6  
Patrick J. Gardner, District 7

### COUNTY OFFICIALS

Andrew B. Robinson, Clerk  
Holly Moon, Treasurer  
Norman L. Ochs, Surveyor  
Dale E. Twing, Drain Commissioner

Robert D. Springstead, Prosecutor  
Stewart K. Sanders, Register of Deeds  
Patrick L. Hedlund, Sheriff

### DISTRICT COURT JUDGE

H. Kevin Drake

### CIRCUIT COURT JUDGES

Anthony A. Monton, Chief Judge

### PROBATE COURT JUDGE

Graydon W. Dimkoff

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**INDEPENDENT AUDITORS' REPORT**

March 31, 2017

 Board of Commissioners  
 County of Newaygo, Michigan  
 White Cloud, Michigan

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the *County of Newaygo, Michigan* (the "County"), as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Independent Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Newaygo County Road Commission, the Newaygo Medical Care Facility, or the Newaygo Community Mental Health Authority discretely presented component units, which represent the indicated percentages of total aggregate discretely presented component units assets and deferred outflows, net position, and revenues:

|  | Percent of<br>Total Assets<br>and Deferred<br>Outflows | Percent of<br>Total Net<br>Position | Percent of Total<br>Revenues |
|--|--|-------------------------------------|------------------------------|
| Newaygo County Road Commission         | 68.5%  | 68.8%                               | 34.4%                        |
| Newaygo County Medical Care Facility   | 21.3%  | 24.4%                               | 29.7%                        |
| Newaygo County Community Mental Health | 7.2%   | 4.6%                                | 30.7%                        |

Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Newaygo County Road Commission, the Newaygo Medical Care Facility, and the Newaygo Community Mental Health Authority is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Newaygo Medical Care Facility were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### *Opinions*

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Newaygo, Michigan, as of September 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund and each major special revenue fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedules for the pension and other postemployment benefits plans, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Newaygo, Michigan's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Other Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2017, on our consideration of the County of Newaygo, Michigan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County of Newaygo, Michigan's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Lehman Lohman LLC". The signature is written in a cursive, flowing style.

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

# COUNTY OF NEWAYGO, MICHIGAN

## Management's Discussion and Analysis

As management of the *County of Newaygo, Michigan* (the "County"), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended September 30, 2016.

### Financial Highlights

1. The assets and deferred outflows of the County exceeded its liabilities at the close of the 2016 fiscal year by \$33,226,286 (*net position*). Of this amount, \$23,633,430 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
2. When utilizing the Non-GAAP Budgetary Basis, at the end of the 2016 fiscal year, fund balance for the general fund was \$3,771,163 or 29.3% of expenditures (including transfers out). The following table provides historical information on fund balance of the general fund and the amount as a percentage of that fiscal year's expenditures and transfers out:

| Fiscal Year | Fund Balance | % of Exp. and Trans. Out   |
|-------------|--------------|--|
| 2016        | \$ 3,771,163 | 29.3% <i>(see "Highlights of FY 2017 Budget" for information on planned use of fund balance)</i> |
| 2015        | 3,560,401    | 26.5%  |
| 2014        | 3,590,602    | 27.7%  |
| 2013        | 3,185,486    | 25.9%  |
| 2012        | 3,021,690    | 24.9%  |

3. The general fund for 2016 increased fund balance by \$210,762 applying the Non-GAAP Budgetary Basis and \$241,802 according to the GAAP Basis.
4. Within the general fund, fund balance is classified as follows: \$300,000 nonspendable, \$97,263 restricted, \$12,287 committed, and \$219,017 assigned. The remaining \$3,142,596 is available as unassigned fund balance (Non-GAAP Budgetary Basis). Unassigned fund balance as a percentage of expenditures and transfers out was 24%.
5. At the end of the 2016 fiscal year, fund balance for the general fund according to the GAAP Basis was \$3,061,941. Of this amount \$2,433,374 is available as unassigned fund balance. Unassigned fund balance as a percentage of expenditures and transfers out was 18.9%.
6. As of the close of the 2016 fiscal year, the County's governmental funds reported combined ending fund balances of \$9,557,155. This amount is a \$167,109 decrease over the previous year. \$6,976,756 or 72.8% of the total is available for spending at the government's discretion (committed, assigned, and unassigned).
7. The audit classifies property taxes that have been billed but remain uncollected as of 60 days subsequent to year-end as deferred inflows of resources. Therefore, a budgetary/accounting basis reconciliation has been included for clarification in the notes to the financial statements.

# COUNTY OF NEWAYGO, MICHIGAN

## Management's Discussion and Analysis

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide Financial Statements.** The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the County's assets, deferred outflows of resources, and liabilities, with the residual reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include legislative, judicial, general government, public safety, public works, health and welfare, community and economic development, and recreation and cultural. The business-type activities include the administration of the delinquent property tax system, public works projects, and the building authority, as well as the operation of the jail commissary.

The government-wide financial statements include not only the County itself (known as the *primary government*), but also a legally separate Central Dispatch Authority (E-911), legally separate Drainage Districts, a legally separate Brownfield Redevelopment Authority, a legally separate Medical Care Facility, a legally separate Road Commission, and a legally separate Community Mental Health Authority for which the County is financially accountable. Financial information for these *component units* is reported separately from the financial information presented for the primary government itself.

**Fund Financial Statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental Funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

# COUNTY OF NEWAYGO, MICHIGAN

## Management's Discussion and Analysis

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains several individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the general fund, county jail fund, and capital improvement fund, all of which are considered to be major funds. Data for the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The County adopts an annual appropriated budget for its general fund and special revenue funds. Budgetary comparison statements and schedules have been provided for these funds to demonstrate compliance with this budget. Budgets are adopted for the debt service funds, capital projects funds, and permanent funds, although this information is used for internal purposes only and is not presented in the audited financial statements.

**Proprietary Funds.** The County maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for collection and administration of delinquent property taxes, compliance with public act 123, sanitary sewer construction for other local units, the jail commissary, and activity of the building authority. Internal service funds are used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its motor pool, building renovations, risk management and employee benefit programs. Because these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the 2013 and prior delinquent tax fund, 2015 delinquent tax fund, sanitary sewer construction fund, and P.A. 123 fund which are considered to be major funds of the County. The County's internal service funds are presented in the proprietary fund financial statements in the Governmental Activities - Internal Service Funds column.

**Fiduciary Funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain information concerning the County's progress in funding its obligation to provide pension and other postemployment benefits to its employees.

# COUNTY OF NEWAYGO, MICHIGAN

## Management's Discussion and Analysis

### Government-wide Financial Analysis

As previously stated, net position may serve over time as a useful indicator of a government's financial position. In the case of Newaygo County, assets and deferred outflows exceeded liabilities by \$33,226,286 at the close of the most recent fiscal year.

|                                       | Net Position            |                     |                          |                     |                      |                     |
|---------------------------------------|-------------------------|---------------------|--------------------------|---------------------|----------------------|---------------------|
|                                       | Governmental Activities |                     | Business-type Activities |                     | Total                |                     |
|                                       | 2016                    | 2015                | 2016                     | 2015                | 2016                 | 2015                |
| <b>Assets</b>                         |                         |                     |                          |                     |                      |                     |
| Current and other assets              | \$ 15,423,860           | \$17,582,762        | \$19,788,978             | \$20,570,876        | \$ 35,212,838        | \$38,153,638        |
| Capital assets, net                   | 17,460,252              | 17,199,185          | 12,167                   | 18,403              | 17,472,419           | 17,217,588          |
| <b>Total assets</b>                   | <b>32,884,112</b>       | <b>34,781,947</b>   | <b>19,801,145</b>        | <b>20,589,279</b>   | <b>52,685,257</b>    | <b>55,371,226</b>   |
| <b>Deferred outflows of resources</b> |                         |                     |                          |                     |                      |                     |
|                                       | 2,368,716               | 1,196,244           | 55,849                   | 65,851              | 2,424,565            | 1,262,095           |
| <b>Liabilities</b>                    |                         |                     |                          |                     |                      |                     |
| Long-term liabilities                 | 11,140,933              | 12,067,627          | 2,889,575                | 4,456,884           | 14,030,508           | 16,524,511          |
| Other liabilities                     | 7,760,875               | 6,405,154           | 92,153                   | 84,639              | 7,853,028            | 6,489,793           |
| <b>Total liabilities</b>              | <b>18,901,808</b>       | <b>18,472,781</b>   | <b>2,981,728</b>         | <b>4,541,523</b>    | <b>21,883,536</b>    | <b>23,014,304</b>   |
| <b>Net position</b>                   |                         |                     |                          |                     |                      |                     |
| Net investment in capital assets      | 6,893,971               | 5,659,573           | 12,167                   | 18,403              | 6,906,138            | 5,677,976           |
| Restricted                            | 2,206,765               | 2,140,832           | 479,953                  | 556,024             | 2,686,718            | 2,696,856           |
| Unrestricted                          | 7,250,284               | 9,705,005           | 16,383,146               | 15,539,180          | 23,633,430           | 25,244,185          |
| <b>Total net position</b>             | <b>\$ 16,351,020</b>    | <b>\$17,505,410</b> | <b>\$16,875,266</b>      | <b>\$16,113,607</b> | <b>\$ 33,226,286</b> | <b>\$33,619,017</b> |

A portion of the County's net position of \$6,906,138 (20.8%) represents its investment in capital assets (e.g., land, buildings, vehicles and equipment), less any related outstanding debt used to acquire those assets. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net position of \$2,686,718 (8.1%) represents resources that are subject to external restrictions on how they can be used. The remaining balance of unrestricted net position (\$23,633,430 or 71.1%) may be used to meet the County's ongoing obligations to citizens and creditors.

# COUNTY OF NEWAYGO, MICHIGAN

## Management's Discussion and Analysis

|  | Change in Net Position  |                     |                          |                     |                      |                     |
|--|-------------------------|---------------------|--------------------------|---------------------|----------------------|---------------------|
|  | Governmental Activities |                     | Business-type Activities |                     | Total                |                     |
|  | 2016                    | 2015                | 2016                     | 2015                | 2016                 | 2015                |
| <b>Revenues</b>                            |                         |                     |                          |                     |                      |                     |
| Program revenues:                          |                         |                     |                          |                     |                      |                     |
| Charges for services                       | \$ 7,901,810            | \$ 7,917,948        | \$ 1,522,732             | \$ 1,561,263        | \$ 9,424,542         | \$ 9,479,211        |
| Operating grants                           | 4,413,121               | 4,570,082           | 210,228                  | 274,197             | 4,623,349            | 4,844,279           |
| Capital grants                             | 6,623                   | 16,501              | -                        | -                   | 6,623                | 16,501              |
| General revenues:                          |                         |                     |                          |                     |                      |                     |
| Property taxes                             | 10,013,332              | 9,908,362           | -                        | -                   | 10,013,332           | 9,908,362           |
| Unrestricted grants                        | 1,105,268               | 1,642,261           | -                        | -                   | 1,105,268            | 1,642,261           |
| Unrestricted investment earnings           | 56,696                  | 67,603              | 488                      | 229                 | 57,184               | 67,832              |
| Gain on sale of capital assets             | 28,013                  | 8,970               | -                        | -                   | 28,013               | 8,970               |
| <b>Total revenues</b>                      | <b>23,524,863</b>       | <b>24,131,727</b>   | <b>1,733,448</b>         | <b>1,835,689</b>    | <b>25,258,311</b>    | <b>25,967,416</b>   |
| <b>Expenses</b>                            |                         |                     |                          |                     |                      |                     |
| General government                         | 4,411,206               | 4,981,055           | -                        | -                   | 4,411,206            | 4,981,055           |
| Public safety                              | 10,304,364              | 8,810,193           | -                        | -                   | 10,304,364           | 8,810,193           |
| Public works                               | 70,992                  | 58,998              | -                        | -                   | 70,992               | 58,998              |
| Health and welfare                         | 4,687,084               | 4,302,441           | -                        | -                   | 4,687,084            | 4,302,441           |
| Recreation and cultural                    | 592,938                 | 560,234             | -                        | -                   | 592,938              | 560,234             |
| Legislative                                | 373,832                 | 359,357             | -                        | -                   | 373,832              | 359,357             |
| Judicial                                   | 3,959,351               | 3,713,092           | -                        | -                   | 3,959,351            | 3,713,092           |
| Community and economic development         | 368,939                 | 351,251             | -                        | -                   | 368,939              | 351,251             |
| Interest on long-term debt                 | 312,306                 | 397,148             | -                        | -                   | 312,306              | 397,148             |
| Delinquent tax admin                       | -                       | -                   | 237,566                  | 272,620             | 237,566              | 272,620             |
| Public works projects                      | -                       | -                   | 88,540                   | 104,755             | 88,540               | 104,755             |
| Jail commissary                            | -                       | -                   | 41,584                   | 37,598              | 41,584               | 37,598              |
| Building authority                         | -                       | -                   | 83,209                   | 73,451              | 83,209               | 73,451              |
| <b>Total expenses</b>                      | <b>25,081,012</b>       | <b>23,533,769</b>   | <b>450,899</b>           | <b>488,424</b>      | <b>25,531,911</b>    | <b>24,022,193</b>   |
| Change in net position, before transfers   | (1,556,149)             | 597,958             | 1,282,549                | 1,347,265           | (273,600)            | 1,945,223           |
| Transfers                                  | 520,890                 | 30,000              | (520,890)                | (30,000)            | -                    | -                   |
| Change in net position before special item | (1,035,259)             | 627,958             | 761,659                  | 1,317,265           | (273,600)            | 1,945,223           |
| Special item                               | (119,131)               | -                   | -                        | -                   | (119,131)            | -                   |
| Change in net position                     | (1,154,390)             | 627,958             | 761,659                  | 1,317,265           | (392,731)            | 1,945,223           |
| Net position, beginning of year            | 17,505,410              | 16,877,452          | 16,113,607               | 14,796,342          | 33,619,017           | 31,673,794          |
| <b>Net position, end of year</b>           | <b>\$ 16,351,020</b>    | <b>\$17,505,410</b> | <b>\$16,875,266</b>      | <b>\$16,113,607</b> | <b>\$ 33,226,286</b> | <b>\$33,619,017</b> |

The County's net position decreased by \$392,731 during the last fiscal year.

# COUNTY OF NEWAYGO, MICHIGAN

## Management's Discussion and Analysis

**Governmental Activities.** Governmental activities decreased the County's net position by \$1,154,390. This was primarily the result of utilizing accumulated reserves in internal service funds.

**Revenues (Statement of Activities) -** Revenues decreased by \$606,064 or 2.5% in 2016 from the prior year. There are several revenue sources with variances as follows:

**Charges for services.** Program charges for services decreased slightly by \$16,138 or 0.20%.

**Operating grants and contributions.** Program grant revenue decreased \$156,961 or 3.4%.

**Capital grants and contributions.** Program capital grants and contributions increased by \$9,878 or 59.9%.

**Property taxes.** Property taxes increased by \$104,970 or 1.1% which is consistent with the increases in taxable value.

**Unrestricted grants and contributions.** Unrestricted grants and contributions decreased \$536,993 or 32.7%. The main factor involved with this decrease is the fact that the prior fiscal year (FY 2015) received two distributions of excess net assets from Michigan Municipal Risk Management Authority (MMRMA) totaling \$538,881. Subsequently, a MMRMA distribution was not received in FY 2016.

**Unrestricted investment earnings.** Unrestricted investment earnings decreased \$10,907 or 16.1%. The main cause for the decrease is related to the fair market value of investments measured as of 09/30/2016.

### Expenses for Governmental Activities (Statement of Activities)

**Legislative.** Legislative activities include expenses related to the Board of Commissioners.

**Judicial.** Judicial activities include expenses related to the administration of the circuit court/friend of the court, district court, probate court, jury board, county guardian, and the county law library.

**General government.** General government activities include expenses related to support departments of the county such as administration, clerk, treasurer, register of deeds, equalization, prosecuting attorney, drain commission/soil erosion, finance, and payroll.

**Public safety.** Public safety activities include expenses related to the sheriff's office and road patrol, animal control, county jail, emergency services, and building safety and permits. The increase in public safety expenses in comparison to the prior year is a result of the change in the net pension liability and related deferred amounts.

**Public works.** Public works activities include expenses related to the board of public works and the county drain tax at large.

**Health and welfare.** Health and welfare activities include expenses related to the medical examiner services, child care, commission on aging, and veterans' services.

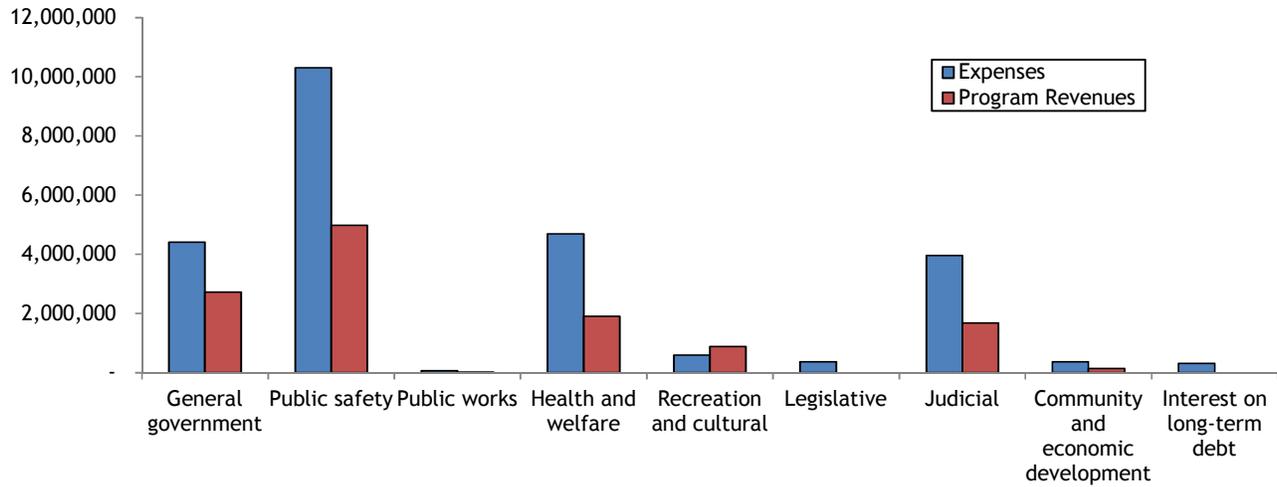
**Recreation and cultural.** Recreation and cultural activities include expenses related to the county parks system.

**Community and economic development.** Community and economic development activities include expenses related to land use educator services and community development programs.

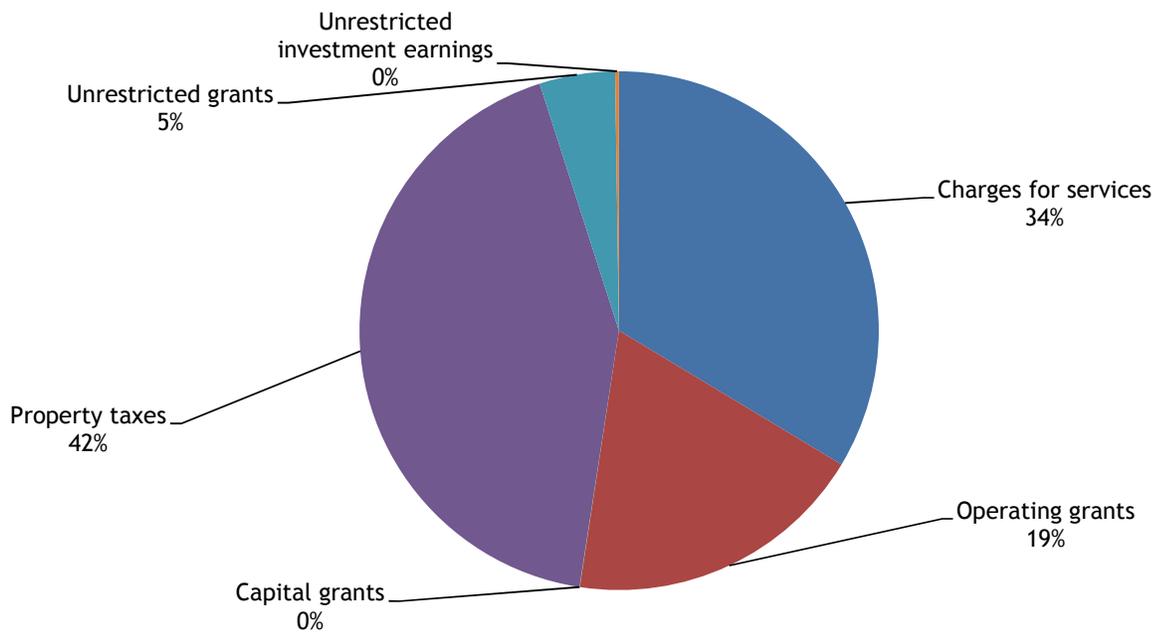
# COUNTY OF NEWAYGO, MICHIGAN

## Management's Discussion and Analysis

Expenses and Program Revenues - Governmental Activities



Revenues by Source - Governmental Activities



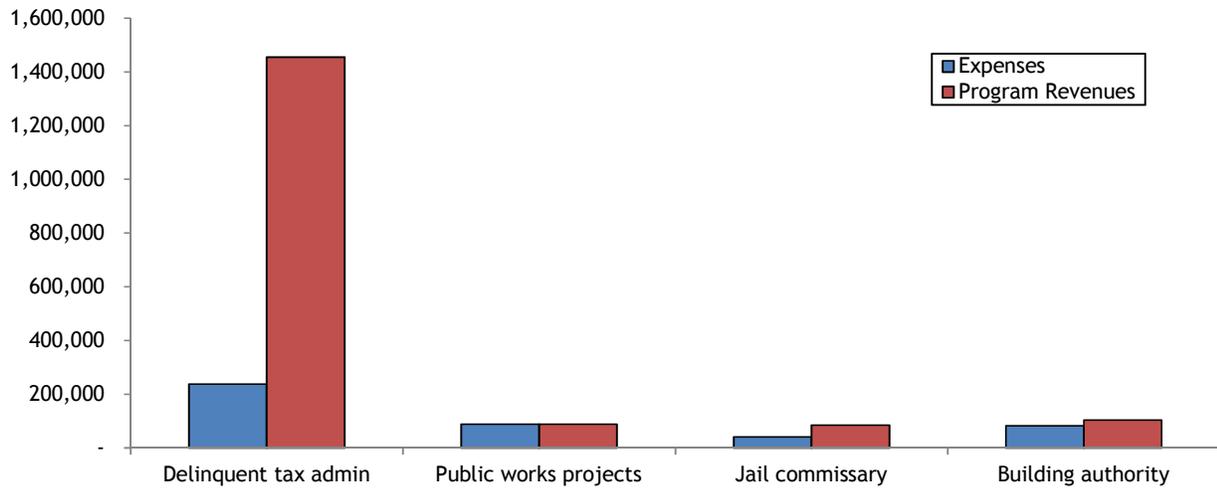
**Business-type Activities.** Business type activities increased the County's net position by \$761,659. The key revenues for the business type activities are penalties and interest on delinquent taxes, proceeds from tax sales, and investment income. The primary reason for the increase in net position is expenses related to delinquent taxes were minimal.

Business-type activities are classified as enterprise funds which include delinquent taxes, P.A. 123 activities, principal residence exemption audits, operations of the jail commissary, and general obligation bonds which are offset by capital leases receivable.

# COUNTY OF NEWAYGO, MICHIGAN

## Management's Discussion and Analysis

Expenses and Program Revenues - Business-type Activities



### Financial Analysis of the County's Funds

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The fund financial statements provide detailed information about the most significant funds, not the County as a whole. The County uses funds to help manage money for specific purposes as well as to show accountability for certain activities such as a special property tax millage or grant funded programs. The County's major funds for 2016 include the General Fund, Special Investigative Unit (Central Michigan Enforcement Team), County Jail, Capital Improvements, Delinquent Tax Administration, P.A. 123 Funds, and Sanitary Sewer Construction Debt Service.

**Governmental Funds.** The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The County general fund is the chief operating fund of the County. When utilizing the GAAP Basis, at the end of the 2016 fiscal year, the County's ending fund balance for the general fund was \$3,061,941. Of that amount \$300,000 is nonspendable, \$97,263 is restricted, \$12,287 is committed, \$219,017 is assigned, and \$2,433,374 is unassigned.

Nonmajor funds decreased their collective fund balances (GAAP Basis) by \$52,312 from \$4,284,715 at the beginning of the year to an ending balance of \$4,232,403. Of that amount \$9,000 is nonspendable, \$2,175,518 is restricted, \$855,112 is committed, and \$1,192,773 is assigned.

### Revenues (Statement of Revenues, Expenditures and Changes in Fund Balance)

**Charges for services.** Charges for services in the governmental funds totaled \$7,301,115. The amount was generated by general fund charges of \$2,088,466, county jail fund charges of \$2,564,804, and nonmajor fund charges of \$2,647,845. The total reflected an overall decrease of \$212,577 from the previous year. The overall decline is related mainly to reduced revenues in the General Fund from the following: lower charges from the county's internal indirect cost program lower revenues from elections, and diminished revenues from the 78th District Court - court related charges.

# COUNTY OF NEWAYGO, MICHIGAN

## Management's Discussion and Analysis

Property taxes. Property taxes totaled \$10,044,372. This amount marked an increase of \$122,110 from the prior year. On a GAAP Basis, property taxes for the general fund increased just over 0.69% or \$49,930. Property taxes also increased for the sheriff road patrol fund by \$32,335, the soldiers' relief fund by \$3,208, the commission on aging fund by \$16,165, and for debt service by \$20,472.

Investment earnings and rentals. Investment earnings and rentals totaled \$187,880. The general fund totaled \$184,669. This amount was a decrease over the prior year. Historical information on interest earnings and rentals of the general fund is presented in the following table:

| Fiscal Year | Investment Earnings and Rentals |
|-------------|---------------------------------|
| 2016        | \$ 184,669                      |
| 2015        | 190,293                         |
| 2014        | 191,810                         |
| 2013        | 88,066                          |
| 2012        | 168,733                         |

### Expenditures (Statement of Revenues, Expenditures and Changes in Fund Balance)

General government. General government expenditures were \$3,878,366. The general government category equated to approximately 15.8% of the total expenditures. This total was a 1.9% decrease from the previous year. Some of the departments included within the general government category include the Prosecutor, Administrator, Accounting, Clerk, Treasurer, Equalization, Personnel, and Payroll. The departments with the highest expenditures within the general government category of the general fund were the Prosecutor \$734,807 (19%); Equalization \$582,572 (15%); Treasurer \$485,823 (12%); Register of Deeds \$356,943 (9%); and Clerk \$318,618 (8%).

Public safety. Public safety expenditures totaled \$8,833,472 which was a \$164,321 (1.9%) increase from the prior year. This category contains portions of the general fund (including animal control) and the county jail fund, as well as the Nonmajor Governmental funds of the sheriff's reserves, crime victim's rights, sheriff's road patrol, law enforcement, building inspection, transport for the jail, drug law enforcement, county jail trustee management, emergency services and law enforcement technology. The county jail had the largest increase in expenditures from the prior year of \$204,373 (5%). The majority of this increase was attributable to staffing costs within the county jail facility.

Health and welfare. Health and welfare expenditures totaled \$4,430,737. The amount marks an overall increase from the prior year of \$184,861 (4.4%). Of the funds in this category, increases in expenditures occurred in the commission on aging \$91,144 (5.4%) mainly due to personnel costs and program expenses; social services \$15,227 (29.9%); soldier's relief fund \$14,882 (9.7%) had increased personnel costs due to the service officer transition; and the general fund experienced an increase of \$76,334 (8.8%) primarily due to the reallocation of indirect cost charges for the Health and Mental Health activities. Child Care actually experienced a decrease in overall expenditures of \$12,726 (0.86%) mostly related to placement costs of youth into juvenile facilities.

# COUNTY OF NEWAYGO, MICHIGAN

## Management's Discussion and Analysis

**Recreation and cultural.** Recreation and cultural expenditures were \$558,161 which was an increase of \$6,450 or 1.17% from the previous year. This category is made up of the County parks. The main factor driving the increase was personnel costs.

**Legislative.** Legislative expenditures were \$354,062. The expenditures are an overall increase from the previous year of \$25,319 (7.7%). Expenditure increases are reflected in overall fringe benefit and indirect cost charges for the board of commissioners.

**Judicial.** Judicial expenditures were \$3,773,914 which included general fund expenditures and other governmental funds. The expenditures were an increase of \$195,371 (5.5%) from the previous year. The largest increases were in the Friend of the Court \$117,475 (14.6%), 78th District Court \$48,376 (4.2%), and Probate Court \$34,051 (7.9%) which were primarily caused from increased personnel costs.

**Community and economic development.** Community and economic development expenditures were \$377,664 which is an increase of \$18,806 (5.2%) from the previous year. This category includes programs related to economic and community development and land use. These programs include housing projects for low income individuals, activity to expand the economic activity within the County, and land use and planning related endeavors.

### Budgetary Highlights

The County makes numerous budget amendments throughout the year based upon the realization of anticipated revenues and expenditures. Primarily, budget variances or amendments for the 2016 fiscal year were attributable to revenues being more than anticipated and other program changes. A few significant variances worth noting are listed below:

- The federal grant revenues within the general fund's crisis management activity were amended to reflect the use of Title III National Forest monies (\$14,476) and the Cooperative Forestry Assistance Grant (\$73,700) towards Emergency Services' wildfire mitigation plan.
- State grant revenue in the Sandy Beach Construction fund was amended to \$285,502 in FY 2016 for the reimbursable expenditures under the Michigan Department of Natural Resources Waterways Grant for capital improvements at the Sandy Beach campground.
- State grant revenue in the E-911 Services fund was amended to \$340,346 in FY 2016 for the reimbursable expenditures under the State of Michigan - Competitive Grant Assistance Program for the 911 telephone system.
- Revenues for the housing of additional federal inmates above the 140 guaranteed contract were lower than anticipated for the 2016 fiscal year. The charges for services revenue was reduced by \$249,251.
- The use of fund balance for the 2016 fiscal year for the Health and Wellness fund was increased from \$321,333 to \$592,060 based on 1st-3rd quarter actual claims data and 4th quarter estimated claims.

# COUNTY OF NEWAYGO, MICHIGAN

## Management's Discussion and Analysis

The annual budget is developed between May and July and ultimately approved in August or September to take effect at the beginning of October. Unfortunately, the timing and process requires a prediction of the taxable value and the Headlee Reduction Fraction well over a year before most of the numbers actually become known. This has caused a natural move towards a more conservative estimate of the anticipated property tax revenue and the potential for greater disparity between budgeted and actual figures.

To further compound budget challenges, Newaygo County is one of only a handful of counties that still determines and levies its annual general fund millage through a tax allocation process. Most counties have established a set general operating millage that is then annually subject to the Headlee reduction. Newaygo County, through the tax allocation board, every year in May, holds tax allocation hearings to determine the amount of its levy. The tax allocation board is established by statute and is made up of representatives from the County, local units of government, the Intermediate School District (ISD) and the public. Within state guidelines, the tax allocation board determines a split of a set millage between the County, ISD and the local units of government (townships). The millage is then subject to the Headlee reduction and placed on the Summer tax roll. If, throughout the process, the County is not granted the traditional allocation of the mills, the summer tax levy would be inadequate to supply the revenue needed within the general fund to offset the expenditures that had been incurred in the prior nine months of the fiscal year.

### Capital Assets and Debt Administration

Capital Assets. The County's capital assets for its governmental and business-type activities as of September 30, 2016 amounted to \$17,472,419 (net of accumulated depreciation). This investment in capital assets includes land and improvements, buildings and improvements, machinery and equipment, and vehicles. The total increase in the County's investment in capital assets for the current fiscal year was 1.5%. Major capital assets acquired during the current fiscal year included the following:

|  |                     |
|--|---------------------|
| Land:  |                     |
| Parcel #62-15-05-176-001 located at 1020 Wilcox, White Cloud, MI         | \$ 30,000           |
| Land Improvements:   |                     |
| Sandy Beach MDNR Waterways Project Phase 1 and portions of Phase 2       | 566,203             |
| Buildings and Building Improvements:                                     |                     |
| Maintenance Building Renovations   | 210,952             |
| Two new parks cabins at Sandy Beach Park                                 | 26,000              |
| New roof at jail facility  | 19,900              |
| Restroom renovations at the Commission on Aging building                 | 16,451              |
| Equipment/Software:  |                     |
| New county-wide telephone system   | 147,061             |
| GEHL excavator for drain commission                                      | 69,875              |
| Steamer/kettle combination and tilting skillet for jail kitchen facility | 37,476              |
| One (1) new K-9 (German Shepherd) for sheriff's K-9 unit                 | 11,000              |
| Vehicles:  |                     |
| One (1) 2016 Polaris Sportsman for sheriff's ORV program                 | 5,800               |
| One (1) 2016 Yamaha for sheriff's ORV program                            | 6,050               |
| Two (2) 2016 Ford Explorers for sheriff's fleet                          | 53,256              |
| One (1) 2016 Ford Taurus for sheriff's fleet                             | 25,357              |
| One (1) 2016 Chevrolet 3500 15 passenger van for jail transport          | 28,509              |
| One (1) 2016 Ford F-150 4x4 for Animal Control                           | 22,955              |
| One (1) 2016 Ford F-350 4x4 for Building & Grounds                       | 27,778              |
| Three (3) pre-owned vehicles for general motor pool fleet                | 34,507              |
|  | <u>\$ 1,339,130</u> |

# COUNTY OF NEWAYGO, MICHIGAN

## Management's Discussion and Analysis

|                                  | Capital Assets (Net of Depreciation) |                     |                          |                  |                      |                     |
|----------------------------------|--------------------------------------|---------------------|--------------------------|------------------|----------------------|---------------------|
|                                  | Governmental Activities              |                     | Business-type Activities |                  | Total                |                     |
|                                  | 2016                                 | 2015                | 2016                     | 2015             | 2016                 | 2015                |
| Land and improvements            | \$ 3,111,046                         | \$ 2,532,165        | \$ 10,471                | \$ 12,040        | \$ 3,121,517         | \$ 2,544,205        |
| Construction in progress         | 45,807                               | 192,391             | -                        | -                | 45,807               | 192,391             |
| Buildings and improvements       | 13,176,661                           | 13,553,764          | -                        | -                | 13,176,661           | 13,553,764          |
| Office equipment                 | 830,021                              | 642,805             | 1,696                    | 6,363            | 831,717              | 649,168             |
| Vehicles                         | 296,717                              | 278,060             | -                        | -                | 296,717              | 278,060             |
| <b>Total capital assets, net</b> | <b>\$ 17,460,252</b>                 | <b>\$17,199,185</b> | <b>\$ 12,167</b>         | <b>\$ 18,403</b> | <b>\$ 17,472,419</b> | <b>\$17,217,588</b> |

Additional information on the County's capital assets can be found in Note 9 of this report.

Long-term Debt. At the end of the current fiscal year, the County had outstanding bonds in the amount of \$13,385,180 (\$10,676,000 governmental activities and \$2,709,180 business-type activities). All the bonds are backed by the County's faith and credit. The County's long-term debt decreased from the prior year. This was, in part, the result of using internal resources to fund the delinquent tax settlement instead of issuing notes payable.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10% of its total assessed valuation. The County's outstanding general obligation debt is significantly below the debt limitation for the County.

|                             | Long-term Debt          |                     |                          |                     |                      |                     |
|-----------------------------|-------------------------|---------------------|--------------------------|---------------------|----------------------|---------------------|
|                             | Governmental Activities |                     | Business-type Activities |                     | Total                |                     |
|                             | 2016                    | 2015                | 2016                     | 2015                | 2016                 | 2015                |
| General obligation bonds    | \$ 10,676,000           | \$11,662,000        | \$ 2,709,180             | \$ 3,194,180        | \$ 13,385,180        | \$14,856,180        |
| Notes payable               | -                       | -                   | -                        | 1,050,000           | -                    | 1,050,000           |
| Premium on bonds payable    | 9,017                   | 10,048              | 180,395                  | 212,704             | 189,412              | 222,752             |
| Compensated absences        | 455,916                 | 395,579             | -                        | -                   | 455,916              | 395,579             |
| <b>Total long-term debt</b> | <b>\$ 11,140,933</b>    | <b>\$12,067,627</b> | <b>\$ 2,889,575</b>      | <b>\$ 4,456,884</b> | <b>\$ 14,030,508</b> | <b>\$16,524,511</b> |

Additional information on the County long-term debt can be found in Note 10 of this report.

### Economic Factors and Next Year's Budget and Rates

The following factors were considered in preparing the County's budget for the 2017 fiscal year:

- For the 2017 fiscal year, a conservative approach has continued and a tax revenue increase of 1% has been budgeted for the County's general fund. It is projected that the road patrol, commission on aging, and veterans' affairs will see slight increases as well.
- The condition of the state and federal economies will likely continue to result in additional decreases in state and federal funding. The actual magnitude of the decreases will depend on the economy within the State of Michigan and continued budgetary cuts at the federal level. It is likely these decreases will come through changes in grants and long standing funding relationships.

## COUNTY OF NEWAYGO, MICHIGAN

### Management's Discussion and Analysis

- Revenue sharing for the County is projected to be \$963,423 for fiscal year 2017. The County is scheduled to receive \$772,601 as part of the county revenue sharing payment. The remaining portion of funds, \$190,822, is subject to the County Incentive Program (CIP). The County must comply with the Accountability and Transparency provision of the CIP to qualify for 20% of the revenue sharing total.
- The defined benefit pension program's ARC (Annual Required Contribution) will continue to escalate over the next 4-5 years due to the following factors: a fixed period amortization now that all groups are closed; a lower than assumed annual rate of return; change in the mortality table; and an asset smoothing period change from 10 years to 5 years. The 2017 fiscal year ARC will be \$862,176.
- OPEB (Other Postemployment Benefits) contributions for retiree health insurance has dramatically increased due to changes in the actuarial reporting standards/tables and lower than expected investment returns. The 2017 fiscal year ARC is \$745,750.

Highlights of the 2017 budget are as follows:

- Concentrated efforts to attain the most accurate portrait of revenues and expenditures in the budget development phases.
- The 2017 budget incorporates funding for capital improvements.
- It is anticipated that real property taxable values will increase by 1% for the 2017 tax levy year.
- Register of Deeds general fund revenue is estimated to increase by \$100,000 due to the enactment of Public Act 224 of 2016. This act became effective 10-1-2016 establishing a flat fee for recording a document regardless of the number of pages being recorded.
- The general fund is balanced using \$552,420 of fund balance and \$252,591 from available land sale proceeds.
- The county jail appropriation from the general fund remains at \$1,200,000 for the 2017 fiscal year. The county jail is also utilizing \$160,000 of the additional revenue generated from the housing of extra federal inmates over the 140 guaranteed contract for its fiscal year 2017 operating budget.
- The road patrol appropriation from the general fund is set at \$756,715 for fiscal year 2017.
- Animal control fund revenues from dog licenses are expected to remain stagnant for the 2017 fiscal year. The fund is relying on additional money from the general fund.
- The building safety and permits fund reflects no subsidy from the general fund. The budget contains funding that allows for the office to be open five days a week with two full-time and one part-time secretarial positions.
- The veterans' affairs budget reflects a strategic approach for the dollars they have available to distribute to clients.

## COUNTY OF NEWAYGO, MICHIGAN

### Management's Discussion and Analysis

- The budget for retirement reflects an averaging of the defined benefit and defined contribution cost for each benefit group using a percentage based allocation to cover each benefit group's ARC for the retirement system.
- The fiscal year 2017 OPEB ARC is fully funded through the budget. The funding mechanisms that are in place will need to be closely monitored since fluctuations in the employee dynamic will affect the revenue stream for the retiree health insurance fund.
- A 2% wage increase has been included for employees, except in cases where bargaining agreements may have stated differently. Temporary employees were not included.
- The 2017 fiscal year budget reflects a 12.5% increase in the departmental charge for health insurance. The annual charge for fiscal year 2016 was \$14,400 per full-time employee. This has been increased to \$16,200 per full-time employee for fiscal year 2017.

#### Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to: Donna E. Kipp, Finance Director, 1087 Newell Street, P.O. Box 885, White Cloud, Michigan 49349.

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## BASIC FINANCIAL STATEMENTS

COUNTY OF NEWAYGO, MICHIGAN

Statement of Net Position

September 30, 2016

|  | Primary Government      |                          |                      | Component Units      |
|--|-------------------------|--------------------------|----------------------|----------------------|
|  | Governmental Activities | Business-type Activities | Total                |                      |
| <b>Assets</b>                                |                         |                          |                      |                      |
| Cash and cash equivalents                    | \$ 8,220,289            | \$ 5,044,357             | \$ 13,264,646        | \$ 11,437,871        |
| Restricted cash and cash equivalents         | -                       | 479,953                  | 479,953              | 474,768              |
| Investments                                  | 2,003,706               | 8,165,028                | 10,168,734           | 258,514              |
| Receivables                                  | 4,333,058               | 6,084,563                | 10,417,621           | 3,473,701            |
| Advance to component units                   | 300,000                 | 15,077                   | 315,077              | -                    |
| Other assets                                 | 566,807                 | -                        | 566,807              | 1,218,676            |
| Capital assets not being depreciated         | 2,309,393               | -                        | 2,309,393            | 2,393,369            |
| Capital assets being depreciated, net        | 15,150,859              | 12,167                   | 15,163,026           | 57,553,568           |
| Net pension asset                            | -                       | -                        | -                    | 265,039              |
| <b>Total assets</b>                          | <b>32,884,112</b>       | <b>19,801,145</b>        | <b>52,685,257</b>    | <b>77,075,506</b>    |
| <b>Deferred outflows of resources</b>        |                         |                          |                      |                      |
| Deferred charge on bond refunding, net       | 118,736                 | 55,849                   | 174,585              | -                    |
| Deferred pension amounts                     | 2,249,980               | -                        | 2,249,980            | 3,555,020            |
| <b>Total deferred outflows of resources</b>  | <b>2,368,716</b>        | <b>55,849</b>            | <b>2,424,565</b>     | <b>3,555,020</b>     |
| <b>Liabilities</b>                           |                         |                          |                      |                      |
| Accounts payable                             | 1,240,909               | 92,153                   | 1,333,062            | 3,958,108            |
| Advance from primary government              | -                       | -                        | -                    | 315,077              |
| Unearned revenue                             | 192,309                 | -                        | 192,309              | 234,712              |
| Long-term liabilities:                       |                         |                          |                      |                      |
| Due within one year                          | 1,081,798               | 512,309                  | 1,594,107            | 1,254,874            |
| Due in more than one year                    | 10,059,135              | 2,377,266                | 12,436,401           | 5,465,924            |
| Net pension liability                        | 6,327,657               | -                        | 6,327,657            | 5,035,137            |
| Net other postemployment benefits obligation | -                       | -                        | -                    | 2,555,735            |
| <b>Total liabilities</b>                     | <b>18,901,808</b>       | <b>2,981,728</b>         | <b>21,883,536</b>    | <b>18,819,567</b>    |
| <b>Net position</b>                          |                         |                          |                      |                      |
| Net investment in capital assets             | 6,893,971               | 12,167                   | 6,906,138            | 54,053,726           |
| Restricted for:                              |                         |                          |                      |                      |
| Community and economic development           | 1,121,183               | -                        | 1,121,183            | -                    |
| Public safety purposes                       | 421,216                 | -                        | 421,216              | 12,375               |
| Drain construction and maintenance           | -                       | -                        | -                    | 58,633               |
| Debt service                                 | 483,622                 | -                        | 483,622              | -                    |
| Property tax foreclosures                    | -                       | 479,953                  | 479,953              | -                    |
| Other purposes                               | 180,744                 | -                        | 180,744              | 263,778              |
| Unrestricted                                 | 7,250,284               | 16,383,146               | 23,633,430           | 7,422,447            |
| <b>Total net position</b>                    | <b>\$ 16,351,020</b>    | <b>\$ 16,875,266</b>     | <b>\$ 33,226,286</b> | <b>\$ 61,810,959</b> |

The accompanying notes are an integral part of these financial statements.

COUNTY OF NEWAYGO, MICHIGAN

**Statement of Activities**

For the Year Ended September 30, 2016

| Functions / Programs                  | Expenses             | Program Revenues     |                                    | Net (Expense) Revenue |                                  |
|---------------------------------------|----------------------|----------------------|------------------------------------|-----------------------|----------------------------------|
|                                       |                      | Charges for Services | Operating Grants and Contributions |                       | Capital Grants and Contributions |
| <b>Primary government</b>             |                      |                      |                                    |                       |                                  |
| Governmental activities:              |                      |                      |                                    |                       |                                  |
| General government                    | \$ 4,411,206         | \$ 1,661,873         | \$ 1,058,526                       | \$ -                  | \$ (1,690,807)                   |
| Public safety                         | 10,304,364           | 4,534,479            | 445,193                            | 6,623                 | (5,318,069)                      |
| Public works                          | 70,992               | -                    | 6,629                              | -                     | (64,363)                         |
| Health and welfare                    | 4,687,084            | 234,742              | 1,675,618                          | -                     | (2,776,724)                      |
| Recreation and cultural               | 592,938              | 607,066              | 274,951                            | -                     | 289,079                          |
| Legislative                           | 373,832              | -                    | -                                  | -                     | (373,832)                        |
| Judicial                              | 3,959,351            | 825,123              | 852,780                            | -                     | (2,281,448)                      |
| Community and economic development    | 368,939              | 38,527               | 99,424                             | -                     | (230,988)                        |
| Interest on long-term debt            | 312,306              | -                    | -                                  | -                     | (312,306)                        |
| <b>Total governmental activities</b>  | <u>25,081,012</u>    | <u>7,901,810</u>     | <u>4,413,121</u>                   | <u>6,623</u>          | <u>(12,759,458)</u>              |
| Business-type activities:             |                      |                      |                                    |                       |                                  |
| Delinquent tax administration         | 237,566              | 1,245,643            | 210,228                            | -                     | 1,218,305                        |
| Public works projects                 | 88,540               | 88,540               | -                                  | -                     | -                                |
| Jail commissary                       | 41,584               | 84,960               | -                                  | -                     | 43,376                           |
| Building authority                    | 83,209               | 103,589              | -                                  | -                     | 20,380                           |
| <b>Total business-type activities</b> | <u>450,899</u>       | <u>1,522,732</u>     | <u>210,228</u>                     | <u>-</u>              | <u>1,282,061</u>                 |
| <b>Total primary government</b>       | <u>\$ 25,531,911</u> | <u>\$ 9,424,542</u>  | <u>\$ 4,623,349</u>                | <u>\$ 6,623</u>       | <u>\$ (11,477,397)</u>           |
| <b>Component units</b>                |                      |                      |                                    |                       |                                  |
| Central Dispatch Authority            | \$ 1,114,875         | \$ 773,357           | \$ 543,406                         | \$ -                  | \$ 201,888                       |
| Drain Commissioner                    | 405,138              | -                    | -                                  | 685,269               | 280,131                          |
| Brownfield Redevelopment Authority    | 34,078               | -                    | 5,000                              | -                     | (29,078)                         |
| Roads                                 | 10,732,248           | 1,296,862            | 7,110,408                          | 4,370,949             | 2,045,971                        |
| Medical care                          | 11,629,677           | 11,630,307           | -                                  | -                     | 630                              |
| Community Mental Health               | 12,161,132           | 11,290,679           | 713,964                            | -                     | (156,489)                        |
| <b>Total component units</b>          | <u>\$ 36,077,148</u> | <u>\$ 24,991,205</u> | <u>\$ 8,372,778</u>                | <u>\$ 5,056,218</u>   | <u>\$ 2,343,053</u>              |

continued...

# COUNTY OF NEWAYGO, MICHIGAN

## Statement of Activities For the Year Ended September 30, 2016

|   | Primary Government         |                             |                 | Component<br>Units |
|---|----------------------------|-----------------------------|-----------------|--------------------|
|   | Governmental<br>Activities | Business-type<br>Activities | Total           |                    |
| Changes in net position   |                            |                             |                 |                    |
| Net (expense) revenue   | \$ (12,759,458)            | \$ 1,282,061                | \$ (11,477,397) | \$ 2,343,053       |
| General revenues:   |                            |                             |                 |                    |
| Property taxes  | 10,013,332                 | -                           | 10,013,332      | 28,196             |
| Grants and contributions not restricted<br>to specific programs | 1,105,268                  | -                           | 1,105,268       | -                  |
| Unrestricted investment earnings                                | 56,696                     | 488                         | 57,184          | 7,575              |
| Gain on sale of capital assets                                  | 28,013                     | -                           | 28,013          | 706,764            |
| Transfers - internal activities                                 | 520,890                    | (520,890)                   | -               | -                  |
| Total general revenues and transfers                            | 11,724,199                 | (520,402)                   | 11,203,797      | 742,535            |
| Change in net position before special item                      | (1,035,259)                | 761,659                     | (273,600)       | 3,085,588          |
| Special item - transfer of operations (Note 21)                 | (119,131)                  | -                           | (119,131)       | -                  |
| Change in net position  | (1,154,390)                | 761,659                     | (392,731)       | 3,085,588          |
| Net position, beginning of year, as restated                    | 17,505,410                 | 16,113,607                  | 33,619,017      | 58,725,371         |
| Net position, end of year                                       | \$ 16,351,020              | \$ 16,875,266               | \$ 33,226,286   | \$ 61,810,959      |

concluded

The accompanying notes are an integral part of these financial statements.

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COUNTY OF NEWAYGO, MICHIGAN

**Reconciliation**

Fund Balances for Governmental Funds  
to Net Position of Governmental Activities  
September 30, 2016

Fund balances - total governmental funds \$ 9,557,155

Amounts reported for *governmental activities* in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources, and therefore are not reported in the fund statements.

|  |            |
|--|------------|
| Capital assets not being depreciated                                   | 2,309,393  |
| Capital assets being depreciated, net                                  | 15,150,859 |
| Less amounts accounted for in governmental-type internal service funds | (557,892)  |

The focus of governmental funds is on short-term financing. Accordingly, some assets will not be available to pay for current-period expenditures. Those assets (such as certain receivables) are offset by deferred inflows of resources in the governmental funds, and thus are not included in fund balance.

|   |         |
|---|---------|
| Deferred inflows of resources for unavailable property taxes receivable | 709,222 |
|---|---------|

Internal service funds are used by management to charge the costs of certain activities, such as insurance and other centralized costs, to individual funds. The assets and liabilities of certain internal service funds are included in governmental activities.

|   |           |
|---|-----------|
| Net position of internal service funds accounted for in governmental activities | 3,906,875 |
|---|-----------|

Certain liabilities and deferred outflows of resources, such as bonds payable, are not due and payable in the current period, and therefore are not reported in the funds.

|  |              |
|--|--------------|
| Deferred charge on bond refunding, net | 118,736      |
| Bonds payable and net issuance premium | (10,685,017) |
| Accrued interest on long-term debt     | (80,634)     |

Certain pension-related amounts, such as the net pension liability and deferred amounts are not due and payable in the current period or do not represent current financial resources and therefore are not reported in the funds.

|  |             |
|--|-------------|
| Net pension liability                                  | (6,327,657) |
| Deferred outflows related to the net pension liability | 2,249,980   |

|   |                      |
|---|----------------------|
| Net position of governmental activities | <u>\$ 16,351,020</u> |
|---|----------------------|

The accompanying notes are an integral part of these basic financial statements.

# COUNTY OF NEWAYGO, MICHIGAN

## Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the Year Ended September 30, 2016

|   | General             | County Jail<br>(213) | Capital Improvement<br>(402) | Nonmajor Governmental<br>Funds | Totals              |
|---|---------------------|----------------------|------------------------------|--------------------------------|---------------------|
| <b>Revenues</b>                             |                     |                      |                              |                                |                     |
| Taxes                                       | \$ 7,310,792        | \$ -                 | \$ -                         | \$ 2,733,580                   | \$ 10,044,372       |
| Intergovernmental:                          |                     |                      |                              |                                |                     |
| Federal                                     | 451,753             | -                    | -                            | 900,869                        | 1,352,622           |
| State                                       | 1,711,530           | -                    | -                            | 1,182,367                      | 2,893,897           |
| Local                                       | 134,282             | -                    | -                            | 181,675                        | 315,957             |
| Licenses and permits                        | 37,750              | -                    | -                            | 30,168                         | 67,918              |
| Fines and forfeitures                       | 46,643              | -                    | -                            | 8,043                          | 54,686              |
| Charges for services                        | 2,088,466           | 2,564,804            | -                            | 2,647,845                      | 7,301,115           |
| Interest and rentals                        | 184,669             | -                    | -                            | 3,211                          | 187,880             |
| Contributions from private sources          | 71,367              | -                    | -                            | 737,710                        | 809,077             |
| Other revenues/reimbursements               | 98,256              | 131,164              | -                            | 179,056                        | 408,476             |
| <b>Total revenues</b>                       | <b>12,135,508</b>   | <b>2,695,968</b>     | <b>-</b>                     | <b>8,604,524</b>               | <b>23,436,000</b>   |
| <b>Expenditures</b>                         |                     |                      |                              |                                |                     |
| Current:                                    |                     |                      |                              |                                |                     |
| Legislative                                 | 354,062             | -                    | -                            | -                              | 354,062             |
| Judicial                                    | 2,841,189           | -                    | -                            | 932,725                        | 3,773,914           |
| General government                          | 3,808,116           | -                    | -                            | 70,250                         | 3,878,366           |
| Public safety                               | 1,173,616           | 4,245,078            | -                            | 3,414,778                      | 8,833,472           |
| Public works                                | 70,744              | -                    | -                            | -                              | 70,744              |
| Health and welfare                          | 943,379             | -                    | -                            | 3,487,358                      | 4,430,737           |
| Community and economic development          | 140,993             | -                    | -                            | 236,671                        | 377,664             |
| Recreation and cultural                     | -                   | -                    | -                            | 558,161                        | 558,161             |
| Other                                       | 143,690             | -                    | -                            | -                              | 143,690             |
| Debt service:                               |                     |                      |                              |                                |                     |
| Principal                                   | -                   | -                    | -                            | 986,000                        | 986,000             |
| Interest                                    | -                   | -                    | -                            | 310,252                        | 310,252             |
| Capital outlay                              | 125,395             | -                    | 296,040                      | 383,929                        | 805,364             |
| <b>Total expenditures</b>                   | <b>9,601,184</b>    | <b>4,245,078</b>     | <b>296,040</b>               | <b>10,380,124</b>              | <b>24,522,426</b>   |
| Revenues over (under) expenditures          | 2,534,324           | (1,549,110)          | (296,040)                    | (1,775,600)                    | (1,086,426)         |
| <b>Other financing sources (uses)</b>       |                     |                      |                              |                                |                     |
| Transfers in                                | 963,967             | 1,631,448            | 25,000                       | 2,534,496                      | 5,154,911           |
| Transfers out                               | (3,256,489)         | (67,897)             | (100,000)                    | (692,077)                      | (4,116,463)         |
| <b>Total other financing sources (uses)</b> | <b>(2,292,522)</b>  | <b>1,563,551</b>     | <b>(75,000)</b>              | <b>1,842,419</b>               | <b>1,038,448</b>    |
| Special item (Note 21)                      | -                   | -                    | -                            | (119,131)                      | (119,131)           |
| <b>Net change in fund balances</b>          | <b>241,802</b>      | <b>14,441</b>        | <b>(371,040)</b>             | <b>(52,312)</b>                | <b>(167,109)</b>    |
| Fund balances, beginning of year            | 2,820,139           | 279,216              | 2,340,194                    | 4,284,715                      | 9,724,264           |
| <b>Fund balances, end of year</b>           | <b>\$ 3,061,941</b> | <b>\$ 293,657</b>    | <b>\$ 1,969,154</b>          | <b>\$ 4,232,403</b>            | <b>\$ 9,557,155</b> |

The accompanying notes are an integral part of these financial statements.

# COUNTY OF NEWAYGO, MICHIGAN

## Balance Sheet Governmental Funds September 30, 2016

|   | General             | County Jail<br>(213) | Capital<br>Improvement<br>(402) | Nonmajor<br>Governmental<br>Funds | Totals               |
|---|---------------------|----------------------|---------------------------------|-----------------------------------|----------------------|
| <b>Assets</b>   |                     |                      |                                 |                                   |                      |
| Cash and cash equivalents   | \$ 35,800           | \$ 151,902           | \$ 1,980,481                    | \$ 2,802,058                      | \$ 4,970,241         |
| Investments   | 2,003,706           | -                    | -                               | -                                 | 2,003,706            |
| Receivables:  |                     |                      |                                 |                                   |                      |
| Accounts  | 21,688              | 20,924               | -                               | 42,251                            | 84,863               |
| Loans   | -                   | -                    | -                               | 1,121,183                         | 1,121,183            |
| Taxes   | 1,782,761           | -                    | -                               | -                                 | 1,782,761            |
| Due from other governments  | 223,854             | 196,254              | -                               | 737,387                           | 1,157,495            |
| Due from other funds  | 43,760              | -                    | -                               | 1,232                             | 44,992               |
| Advance to component unit   | 300,000             | -                    | -                               | -                                 | 300,000              |
| Prepays   | -                   | -                    | -                               | 9,000                             | 9,000                |
| <b>Total assets</b>   | <b>\$ 4,411,569</b> | <b>\$ 369,080</b>    | <b>\$ 1,980,481</b>             | <b>\$ 4,713,111</b>               | <b>\$ 11,474,241</b> |
| <b>Liabilities</b>  |                     |                      |                                 |                                   |                      |
| Interfund payable   | \$ 208,817          | \$ -                 | \$ -                            | \$ 106,546                        | \$ 315,363           |
| Accounts payable  | 243,308             | 24,945               | 11,327                          | 184,904                           | 464,484              |
| Accrued expenditures  | 76,332              | 43,869               | -                               | 85,904                            | 206,105              |
| Due to other governments  | -                   | -                    | -                               | 28,226                            | 28,226               |
| Due to other funds  | 1,232               | -                    | -                               | 145                               | 1,377                |
| Unearned revenue  | 110,717             | 6,609                | -                               | 74,983                            | 192,309              |
| <b>Total liabilities</b>  | <b>640,406</b>      | <b>75,423</b>        | <b>11,327</b>                   | <b>480,708</b>                    | <b>1,207,864</b>     |
| <b>Deferred inflows of resources</b>                                      |                     |                      |                                 |                                   |                      |
| Unavailable revenues - property taxes                                     | 709,222             | -                    | -                               | -                                 | 709,222              |
| <b>Fund balances</b>  |                     |                      |                                 |                                   |                      |
| Nonspendable  | 300,000             | -                    | -                               | 9,000                             | 309,000              |
| Restricted  | 97,263              | 14,618               | -                               | 2,175,518                         | 2,287,399            |
| Committed   | 12,287              | 279,039              | 1,969,154                       | 855,112                           | 3,115,592            |
| Assigned  | 219,017             | -                    | -                               | 1,192,773                         | 1,411,790            |
| Unassigned  | 2,433,374           | -                    | -                               | -                                 | 2,433,374            |
| <b>Total fund balances</b>  | <b>3,061,941</b>    | <b>293,657</b>       | <b>1,969,154</b>                | <b>4,232,403</b>                  | <b>9,557,155</b>     |
| <b>Total liabilities, deferred inflows of resources and fund balances</b> | <b>\$ 4,411,569</b> | <b>\$ 369,080</b>    | <b>\$ 1,980,481</b>             | <b>\$ 4,713,111</b>               | <b>\$ 11,474,241</b> |

The accompanying notes are an integral part of these financial statements.

## COUNTY OF NEWAYGO, MICHIGAN

### Reconciliation

Net Changes in Fund Balances for Governmental Funds  
to Change in Net Position of Governmental Activities  
For the Year Ended September 30, 2016

|  |                       |
|--|-----------------------|
| Net change in fund balances - total governmental funds   | \$ (167,109)          |
| Amounts reported for <i>governmental activities</i> in the statement of activities are different because:  |                       |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.  |                       |
| Capital assets purchased / constructed   | 906,041               |
| Depreciation expense   | (875,834)             |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, but rather are deferred to the following year.  |                       |
| Net change in deferred property taxes receivable   | (31,040)              |
| Bond proceeds provide current financial resources to governmental funds in the period issued, but issuing bonds increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. |                       |
| Principal payments on long-term liabilities  | 986,000               |
| Amortization of premium on long-term debt  | 1,031                 |
| Amortization of deferred charge on bond refunding  | (13,700)              |
| Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.  |                       |
| Change in accrued interest payable on long-term debt   | 10,615                |
| Change in the net pension liability and related deferred amounts   | (880,142)             |
| An internal service fund is used by management to charge the costs of certain services to individual governmental funds. The net revenue (expense) attributable to those funds is reported with governmental activities.   |                       |
| Net operating income (loss) from governmental activities in internal service funds   | (685,974)             |
| Net other nonoperating revenue (expense) from internal service funds   | 113,280               |
| Internal activities (transfers) accounted for in internal service funds  | (517,558)             |
| Change in net position of governmental activities  | <u>\$ (1,154,390)</u> |

The accompanying notes are an integral part of these basic financial statements.

# COUNTY OF NEWAYGO, MICHIGAN

## Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual - General Fund

For the Year Ended September 30, 2016

|  | Original Budget   | Final Budget      | Actual            | Actual Over (Under) Final Budget |
|--|-------------------|-------------------|-------------------|----------------------------------|
| <b>Revenues</b>                            |                   |                   |                   |                                  |
| <b>Taxes:</b>                              |                   |                   |                   |                                  |
| Real and personal property taxes           | \$ 7,316,783      | \$ 7,316,783      | \$ 7,271,744      | \$ (45,039)                      |
| Other taxes                                | 6,000             | 6,000             | 8,008             | 2,008                            |
| <b>Total taxes</b>                         | <u>7,322,783</u>  | <u>7,322,783</u>  | <u>7,279,752</u>  | <u>(43,031)</u>                  |
| <b>Intergovernmental:</b>                  |                   |                   |                   |                                  |
| Federal                                    | 331,440           | 410,299           | 451,753           | 41,454                           |
| State                                      | 1,716,237         | 1,716,877         | 1,711,530         | (5,347)                          |
| Local                                      | 106,873           | 127,673           | 134,282           | 6,609                            |
| <b>Total intergovernmental</b>             | <u>2,154,550</u>  | <u>2,254,849</u>  | <u>2,297,565</u>  | <u>42,716</u>                    |
| <b>Licenses and permits</b>                | <u>35,000</u>     | <u>35,000</u>     | <u>37,750</u>     | <u>2,750</u>                     |
| <b>Fines and forfeitures</b>               | <u>51,000</u>     | <u>51,000</u>     | <u>46,643</u>     | <u>(4,357)</u>                   |
| <b>Charges for services</b>                | <u>2,320,694</u>  | <u>2,102,828</u>  | <u>2,088,466</u>  | <u>(14,362)</u>                  |
| <b>Interest and rentals:</b>               |                   |                   |                   |                                  |
| Interest revenue                           | 32,000            | 32,000            | 55,366            | 23,366                           |
| Rentals                                    | 125,959           | 125,959           | 129,303           | 3,344                            |
| <b>Total interest and rentals</b>          | <u>157,959</u>    | <u>157,959</u>    | <u>184,669</u>    | <u>26,710</u>                    |
| <b>Contributions from private sources</b>  | <u>42,479</u>     | <u>42,479</u>     | <u>71,367</u>     | <u>28,888</u>                    |
| <b>Other revenues/reimbursements:</b>      |                   |                   |                   |                                  |
| Reimbursements                             | 82,123            | 33,314            | 97,816            | 64,502                           |
| Other revenues                             | 1,500             | 1,500             | 440               | (1,060)                          |
| <b>Total other revenues/reimbursements</b> | <u>83,623</u>     | <u>34,814</u>     | <u>98,256</u>     | <u>63,442</u>                    |
| <b>Total revenues</b>                      | <u>12,168,088</u> | <u>12,001,712</u> | <u>12,104,468</u> | <u>102,756</u>                   |
| <b>Expenditures</b>                        |                   |                   |                   |                                  |
| <b>Legislative:</b>                        |                   |                   |                   |                                  |
| Board of Commissioners                     | <u>374,701</u>    | <u>374,701</u>    | <u>354,062</u>    | <u>(20,639)</u>                  |

continued...

# COUNTY OF NEWAYGO, MICHIGAN

## Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual - General Fund

For the Year Ended September 30, 2016

|                                    | Original<br>Budget | Final<br>Budget  | Actual           | Actual Over<br>(Under) Final<br>Budget |
|------------------------------------|--------------------|------------------|------------------|--|
| <b>Expenditures (continued)</b>    |                    |                  |                  |  |
| <b>Judicial:</b>                   |                    |                  |                  |  |
| 27th Circuit Court - Newaygo       | \$ 623,929         | \$ 638,451       | \$ 624,514       | \$ (13,937)                            |
| 27th Circuit Court - Oceana        | 26,081             | 26,081           | 24,963           | (1,118)                                |
| Circuit Court Probation            | 26,199             | 26,199           | 25,160           | (1,039)                                |
| Circuit Court Clerk                | 294,156            | 294,156          | 269,306          | (24,850)                               |
| Circuit Court - Juvenile Division  | 205,861            | 215,247          | 223,799          | 8,552                                  |
| District Court                     | 1,166,229          | 1,167,829        | 1,145,791        | (22,038)                               |
| Jury Board                         | 12,454             | 12,454           | 10,919           | (1,535)                                |
| Probate Court                      | 458,503            | 458,503          | 462,122          | 3,619                                  |
| Court Guardian                     | 54,615             | 54,615           | 54,615           | -                                      |
| <b>Total judicial</b>              | <b>2,868,027</b>   | <b>2,893,535</b> | <b>2,841,189</b> | <b>(52,346)</b>                        |
| <b>General government:</b>         |                    |                  |                  |  |
| Administrator                      | 192,637            | 209,412          | 164,661          | (44,751)                               |
| Accounting                         | 209,670            | 213,870          | 208,330          | (5,540)                                |
| Clerk                              | 329,624            | 330,561          | 318,618          | (11,943)                               |
| Board of review                    | 1,145              | 1,145            | 834              | (311)                                  |
| Treasurer                          | 506,538            | 506,538          | 485,823          | (20,715)                               |
| Equalization                       | 629,652            | 587,182          | 582,572          | (4,610)                                |
| Cooperative extension              | 164,928            | 164,928          | 155,547          | (9,381)                                |
| Civil counsel                      | 15,008             | 15,008           | 5,815            | (9,193)                                |
| Prosecutor                         | 749,928            | 750,197          | 734,807          | (15,390)                               |
| Register of deeds                  | 361,461            | 361,461          | 356,943          | (4,518)                                |
| Personnel                          | 60,974             | 60,974           | 57,178           | (3,796)                                |
| Surveyor                           | 88,246             | 88,246           | 58,375           | (29,871)                               |
| Drain Commissioner                 | 264,357            | 264,357          | 258,300          | (6,057)                                |
| Payroll                            | 47,710             | 48,310           | 46,905           | (1,405)                                |
| Courtesy desk/mail                 | 33,218             | 33,218           | 24,815           | (8,403)                                |
| Drain maintenance and construction | 153,191            | 153,191          | 150,054          | (3,137)                                |
| Soil erosion/conservation          | 6,451              | 6,451            | 5,322            | (1,129)                                |
| Elections                          | 172,501            | 196,005          | 193,217          | (2,788)                                |
| <b>Total general government</b>    | <b>3,987,239</b>   | <b>3,991,054</b> | <b>3,808,116</b> | <b>(182,938)</b>                       |
| <b>Public safety:</b>              |                    |                  |                  |  |
| Sheriff's department               | 736,746            | 736,746          | 735,893          | (853)                                  |
| Courthouse security                | 42,990             | 42,990           | 46,706           | 3,716                                  |
| Regional drug force contract       | 113                | 113              | 113              | -                                      |
| Marine law enforcement             | 39,547             | 67,423           | 63,180           | (4,243)                                |

continued...

# COUNTY OF NEWAYGO, MICHIGAN

## Statement of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Budgetary Basis) and Actual - General Fund For the Year Ended September 30, 2016

|   | Original Budget  | Final Budget     | Actual           | Actual Over (Under) Final Budget |
|---|------------------|------------------|------------------|----------------------------------|
| <b>Expenditures (concluded)</b>                 |                  |                  |                  |                                  |
| <b>Public safety (continued):</b>               |                  |                  |                  |                                  |
| Crisis management                               | \$ -             | \$ 88,176        | \$ 88,176        | \$ -                             |
| Animal control                                  | 228,269          | 229,534          | 222,468          | (7,066)                          |
| Truancy program                                 | 8,000            | 8,000            | 8,000            | -                                |
| Other public safety                             | 310              | 9,390            | 9,080            | (310)                            |
| <b>Total public safety</b>                      | <b>1,055,975</b> | <b>1,182,372</b> | <b>1,173,616</b> | <b>(8,756)</b>                   |
| <b>Public works:</b>                            |                  |                  |                  |                                  |
| Board of public works                           | 46,437           | 46,437           | 56,779           | 10,342                           |
| Drain tax at large                              | 15,000           | 14,000           | 13,965           | (35)                             |
| <b>Total public works</b>                       | <b>61,437</b>    | <b>60,437</b>    | <b>70,744</b>    | <b>10,307</b>                    |
| <b>Health and welfare:</b>                      |                  |                  |                  |                                  |
| Health department                               | 312,502          | 360,361          | 360,361          | -                                |
| Contagious disease                              | 462              | 462              | 515              | 53                               |
| Mental health                                   | 220,000          | 293,182          | 293,182          | -                                |
| Family counseling services                      | 5,000            | 5,000            | -                | (5,000)                          |
| Medical Care Facility maintenance of effort     | 96,103           | 96,103           | 95,520           | (583)                            |
| Substance abuse                                 | 67,552           | 92,994           | 97,411           | 4,417                            |
| Medical examiner                                | 125,381          | 125,381          | 96,390           | (28,991)                         |
| <b>Total health and welfare</b>                 | <b>827,000</b>   | <b>973,483</b>   | <b>943,379</b>   | <b>(30,104)</b>                  |
| <b>Community and economic development:</b>      |                  |                  |                  |                                  |
| Land use educator                               | 78,067           | 78,067           | 78,067           | -                                |
| Economic development (NCEDO)                    | 45,000           | 45,000           | 45,000           | -                                |
| Redevelopment                                   | 5,000            | 5,000            | 5,000            | -                                |
| West Michigan regional planning                 | 13,500           | 13,500           | 12,926           | (574)                            |
| <b>Total community and economic development</b> | <b>141,567</b>   | <b>141,567</b>   | <b>140,993</b>   | <b>(574)</b>                     |
| <b>Other:</b>                                   |                  |                  |                  |                                  |
| National Forest grant distributions             | 147,137          | 137,820          | 143,581          | 5,761                            |
| Non-departmental expenditures                   | 25,000           | 101,927          | 109              | (101,818)                        |
| <b>Total other</b>                              | <b>172,137</b>   | <b>239,747</b>   | <b>143,690</b>   | <b>(96,057)</b>                  |
| Capital outlay                                  | 4,635            | 105,235          | 125,395          | 20,160                           |
| <b>Total expenditures</b>                       | <b>9,492,718</b> | <b>9,962,131</b> | <b>9,601,184</b> | <b>(360,947)</b>                 |
| Revenues over expenditures                      | 2,675,370        | 2,039,581        | 2,503,284        | 463,703                          |

continued...

# COUNTY OF NEWAYGO, MICHIGAN

## Statement of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Budgetary Basis) and Actual - General Fund For the Year Ended September 30, 2016

|   | Original Budget     | Final Budget        | Actual              | Actual Over (Under) Final Budget |
|---|---------------------|---------------------|---------------------|----------------------------------|
| Other financing sources (uses)              |                     |                     |                     |                                  |
| Transfers in                                | \$ 798,059          | \$ 968,138          | \$ 963,967          | \$ (4,171)                       |
| Transfers out                               | (3,643,099)         | (3,255,371)         | (3,256,489)         | 1,118                            |
| Total other financing sources (uses)        | (2,845,040)         | (2,287,233)         | (2,292,522)         | (3,053)                          |
| Net change in fund balance                  | (169,670)           | (247,652)           | 210,762             | 458,414                          |
| Fund balance, beginning of year             | 3,560,401           | 3,560,401           | 3,560,401           | -                                |
| Fund balance, end of year (budgetary basis) | <u>\$ 3,390,731</u> | <u>\$ 3,312,749</u> | 3,771,163           | <u>\$ 458,414</u>                |
| Accounting basis difference (Note 2)        |                     |                     | <u>(709,222)</u>    |                                  |
| Fund balance, end of year (GAAP basis)      |                     |                     | <u>\$ 3,061,941</u> |                                  |

concluded

The accompanying notes are an integral part of these financial statements.

# COUNTY OF NEWAYGO, MICHIGAN

## Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - County Jail

For the Year Ended September 30, 2016

|   | Original Budget    | Final Budget       | Actual             | Actual Over (Under) Final Budget |
|---|--------------------|--------------------|--------------------|----------------------------------|
| <b>Revenues</b>                             |                    |                    |                    |                                  |
| Intergovernmental - federal                 | \$ 1,600           | \$ 1,600           | \$ -               | \$ (1,600)                       |
| Charges for services                        | 2,617,826          | 2,618,212          | 2,564,804          | (53,408)                         |
| Other revenues/reimbursements               | 73,139             | 74,680             | 131,164            | 56,484                           |
| <b>Total revenues</b>                       | <b>2,692,565</b>   | <b>2,694,492</b>   | <b>2,695,968</b>   | <b>1,476</b>                     |
| <b>Expenditures</b>                         |                    |                    |                    |                                  |
| Current - public safety                     | 4,357,316          | 4,359,243          | 4,245,078          | (114,165)                        |
| <b>Revenues under expenditures</b>          | <b>(1,664,751)</b> | <b>(1,664,751)</b> | <b>(1,549,110)</b> | <b>115,641</b>                   |
| <b>Other financing sources (uses)</b>       |                    |                    |                    |                                  |
| Transfers in                                | 1,631,448          | 1,631,448          | 1,631,448          | -                                |
| Transfers out                               | (67,897)           | (67,897)           | (67,897)           | -                                |
| <b>Total other financing sources (uses)</b> | <b>1,563,551</b>   | <b>1,563,551</b>   | <b>1,563,551</b>   | <b>-</b>                         |
| <b>Net change in fund balance</b>           | <b>(101,200)</b>   | <b>(101,200)</b>   | <b>14,441</b>      | <b>115,641</b>                   |
| <b>Fund balance, beginning of year</b>      | <b>279,216</b>     | <b>279,216</b>     | <b>279,216</b>     | <b>-</b>                         |
| <b>Fund balance, end of year</b>            | <b>\$ 178,016</b>  | <b>\$ 178,016</b>  | <b>\$ 293,657</b>  | <b>\$ 115,641</b>                |

The accompanying notes are an integral part of these financial statements.

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# COUNTY OF NEWAYGO, MICHIGAN

## Statement of Net Position

Proprietary Funds  
September 30, 2016

|   | Business-type Activities - Enterprise Funds   |                                    |   |                       |                                 |
|---|---|------------------------------------|---|-----------------------|---------------------------------|
|   | 2013 and Prior<br>Delinquent Tax<br>(various) | 2015<br>Delinquent Tax<br>(516152) | Sanitary Sewer<br>Construction<br>(852) | P.A. 123<br>(520-521) | Nonmajor<br>Enterprise<br>Funds |
| <b>Assets</b>                             |   |                                    |   |                       |                                 |
| Current assets:                           |   |                                    |   |                       |                                 |
| Cash and cash equivalents                 | \$ 2,503,393                                  | \$ 663,537                         | \$ -                                    | \$ 755,954            | \$ 755,359                      |
| Restricted cash and cash equivalents      | -   | -                                  | -                                       | 479,953               | -                               |
| Investments                               | 7,000,686                                     | -                                  | -                                       | 1,164,342             | -                               |
| Accounts receivable                       | 18,956  | -                                  | -                                       | 77,516                | 12,455                          |
| Delinquent taxes receivable               | 42,269  | 2,237,065                          | -                                       | -                     | 712,720                         |
| Due from other governments                | 110,523                                       | -                                  | -                                       | -                     | -                               |
| Current portion of leases receivable      | -   | -                                  | 541,640                                 | -                     | -                               |
| Due from other funds                      | 2,878,874                                     | -                                  | -                                       | -                     | -                               |
| Interfund receivable                      | 366,114                                       | -                                  | -                                       | -                     | -                               |
| Prepays                                   | -   | -                                  | -                                       | -                     | -                               |
| <b>Total current assets</b>               | <b>12,920,815</b>                             | <b>2,900,602</b>                   | <b>541,640</b>                          | <b>2,477,765</b>      | <b>1,480,534</b>                |
| Noncurrent assets:                        |   |                                    |   |                       |                                 |
| Advance to component units                | 15,077  | -                                  | -                                       | -                     | -                               |
| Leases receivable, net of current portion | -   | -                                  | 2,331,419                               | -                     | -                               |
| Capital assets being depreciated, net     | -   | -                                  | -                                       | -                     | 12,167                          |
| <b>Total noncurrent assets</b>            | <b>15,077</b>                                 | <b>-</b>                           | <b>2,331,419</b>                        | <b>-</b>              | <b>12,167</b>                   |
| <b>Total assets</b>                       | <b>12,935,892</b>                             | <b>2,900,602</b>                   | <b>2,873,059</b>                        | <b>2,477,765</b>      | <b>1,492,701</b>                |
| Deferred outflows of resources            |   |                                    |   |                       |                                 |
| Deferred charge on bond refunding, net    | -   | -                                  | 55,849                                  | -                     | -                               |
| <b>Liabilities</b>                        |   |                                    |   |                       |                                 |
| Current liabilities:                      |   |                                    |   |                       |                                 |
| Interfund payable                         | -   | -                                  | -                                       | -                     | -                               |
| Accounts payable                          | -   | (4,712)                            | -                                       | 2,250                 | 55,282                          |
| Accrued expenses                          | -   | -                                  | -                                       | -                     | -                               |
| Accrued interest payable                  | -   | -                                  | 39,333                                  | -                     | -                               |
| Due to other funds                        | -   | 2,538,500                          | -                                       | -                     | 340,374                         |
| Current portion of long-term debt         | -   | -                                  | 512,309                                 | -                     | -                               |
| <b>Total current liabilities</b>          | <b>-</b>                                      | <b>2,533,788</b>                   | <b>551,642</b>                          | <b>2,250</b>          | <b>395,656</b>                  |
| Noncurrent liabilities -                  |   |                                    |   |                       |                                 |
| Long-term debt, net of current portion    | -   | -                                  | 2,377,266                               | -                     | -                               |
| <b>Total liabilities</b>                  | <b>-</b>                                      | <b>2,533,788</b>                   | <b>2,928,908</b>                        | <b>2,250</b>          | <b>395,656</b>                  |
| <b>Net position</b>                       |   |                                    |   |                       |                                 |
| Net investment in capital assets          | -   | -                                  | -                                       | -                     | 12,167                          |
| Restricted for property tax foreclosures  | -   | -                                  | -                                       | 479,953               | -                               |
| Unrestricted                              | 12,935,892                                    | 366,814                            | -                                       | 1,995,562             | 1,084,878                       |
| <b>Total net position</b>                 | <b>\$ 12,935,892</b>                          | <b>\$ 366,814</b>                  | <b>\$ -</b>                             | <b>\$ 2,475,515</b>   | <b>\$ 1,097,045</b>             |

The accompanying notes are an integral part of these financial statements.

|                      | Governmental<br>Activities   |
|----------------------|------------------------------|
| Total                | Internal<br>Service<br>Funds |
| \$ 4,678,243         | \$ 3,616,162                 |
| 479,953              | -                            |
| 8,165,028            | -                            |
| 108,927              | 180,456                      |
| 2,992,054            | -                            |
| 110,523              | 6,300                        |
| 541,640              | -                            |
| 2,878,874            | 65,000                       |
| 366,114              | -                            |
| -                    | 557,807                      |
| <u>20,321,356</u>    | <u>4,425,725</u>             |
| 15,077               | -                            |
| 2,331,419            | -                            |
| 12,167               | 557,892                      |
| <u>2,358,663</u>     | <u>557,892</u>               |
| <u>22,680,019</u>    | <u>4,983,617</u>             |
| <u>55,849</u>        | -                            |
| -                    | 50,751                       |
| 52,820               | 442,517                      |
| -                    | 18,943                       |
| 39,333               | -                            |
| 2,878,874            | 108,615                      |
| 512,309              | 65,767                       |
| <u>3,483,336</u>     | <u>686,593</u>               |
| <u>2,377,266</u>     | <u>390,149</u>               |
| <u>5,860,602</u>     | <u>1,076,742</u>             |
| 12,167               | 557,892                      |
| 479,953              | -                            |
| <u>16,383,146</u>    | <u>3,348,983</u>             |
| <u>\$ 16,875,266</u> | <u>\$ 3,906,875</u>          |

COUNTY OF NEWAYGO, MICHIGAN

Statement of Revenues, Expenses and Changes in Fund Net Position

Proprietary Funds

For the Year Ended September 30, 2016

|   | Business-type Activities - Enterprise Funds   |                                    |   |                       |                                 |
|---|---|------------------------------------|---|-----------------------|---------------------------------|
|   | 2013 and Prior<br>Delinquent Tax<br>(various) | 2015<br>Delinquent Tax<br>(516152) | Sanitary Sewer<br>Construction<br>(852) | P.A. 123<br>(520-521) | Nonmajor<br>Enterprise<br>Funds |
| Operating revenues                                |   |                                    |   |                       |                                 |
| Charges for services                              | \$ -  | \$ -                               | \$ 88,540                               | \$ 324,484            | \$ 76,843                       |
| Rentals   | -   | -                                  | -                                       | -                     | 103,589                         |
| Interest and penalties on delinquent taxes        | 25,953  | 366,605                            | -                                       | -                     | 213,730                         |
| Reimbursements                                    | -   | -                                  | -                                       | 314,871               | 8,117                           |
| <b>Total operating revenues</b>                   | <b>25,953</b>                                 | <b>366,605</b>                     | <b>88,540</b>                           | <b>639,355</b>        | <b>402,279</b>                  |
| Operating expenses                                |   |                                    |   |                       |                                 |
| Supplies and operating expenses                   | 2,842   | 1                                  | -                                       | 221,990               | 128,526                         |
| Depreciation                                      | 2,279   | -                                  | -                                       | 1,319                 | 2,638                           |
| <b>Total operating expenses</b>                   | <b>5,121</b>                                  | <b>1</b>                           | <b>-</b>                                | <b>223,309</b>        | <b>131,164</b>                  |
| <b>Operating income (loss)</b>                    | <b>20,832</b>                                 | <b>366,604</b>                     | <b>88,540</b>                           | <b>416,046</b>        | <b>271,115</b>                  |
| Nonoperating revenues (expenses)                  |   |                                    |   |                       |                                 |
| Interest income                                   | 174,894                                       | 209                                | -                                       | 26,314                | 9,299                           |
| Interest expense                                  | -   | -                                  | (88,540)                                | -                     | (2,764)                         |
| Gain on sale of capital assets                    | -   | -                                  | -                                       | -                     | -                               |
| Insurance pool distribution                       | -   | -                                  | -                                       | -                     | -                               |
| <b>Total nonoperating revenues (expense)</b>      | <b>174,894</b>                                | <b>209</b>                         | <b>(88,540)</b>                         | <b>26,314</b>         | <b>6,535</b>                    |
| <b>Income (loss) before transfers</b>             | <b>195,726</b>                                | <b>366,813</b>                     | <b>-</b>                                | <b>442,360</b>        | <b>277,650</b>                  |
| Transfers   |   |                                    |   |                       |                                 |
| Transfers in                                      | -   | -                                  | -                                       | -                     | -                               |
| Transfers out                                     | -   | -                                  | -                                       | (490,890)             | (30,000)                        |
| <b>Total transfers</b>                            | <b>-</b>                                      | <b>-</b>                           | <b>-</b>                                | <b>(490,890)</b>      | <b>(30,000)</b>                 |
| <b>Change in net position before special item</b> | <b>195,726</b>                                | <b>366,813</b>                     | <b>-</b>                                | <b>(48,530)</b>       | <b>247,650</b>                  |
| Special item (Note 21)                            | -   | -                                  | -                                       | -                     | -                               |
| <b>Change in net position</b>                     | <b>195,726</b>                                | <b>366,813</b>                     | <b>-</b>                                | <b>(48,530)</b>       | <b>247,650</b>                  |
| Net position, beginning of year                   | 12,740,166                                    | 1                                  | -                                       | 2,524,045             | 849,395                         |
| <b>Net position, end of year</b>                  | <b>\$ 12,935,892</b>                          | <b>\$ 366,814</b>                  | <b>\$ -</b>                             | <b>\$ 2,475,515</b>   | <b>\$ 1,097,045</b>             |

The accompanying notes are an integral part of these financial statements.

|                      | Governmental<br>Activities   |
|----------------------|------------------------------|
| Total                | Internal<br>Service<br>Funds |
| \$ 489,867           | \$ 2,666,315                 |
| 103,589              | -                            |
| 606,288              | -                            |
| <u>322,988</u>       | <u>4,522,101</u>             |
| <u>1,522,732</u>     | <u>7,188,416</u>             |
| 353,359              | 7,663,572                    |
| <u>6,236</u>         | <u>210,818</u>               |
| <u>359,595</u>       | <u>7,874,390</u>             |
| <u>1,163,137</u>     | <u>(685,974)</u>             |
| 210,716              | 659                          |
| (91,304)             | -                            |
| -                    | 28,013                       |
| <u>-</u>             | <u>84,608</u>                |
| <u>119,412</u>       | <u>113,280</u>               |
| <u>1,282,549</u>     | <u>(572,694)</u>             |
| -                    | 168,317                      |
| <u>(520,890)</u>     | <u>(685,875)</u>             |
| <u>(520,890)</u>     | <u>(517,558)</u>             |
| 761,659              | (1,090,252)                  |
| <u>-</u>             | <u>(370,071)</u>             |
| 761,659              | (1,460,323)                  |
| <u>16,113,607</u>    | <u>5,367,198</u>             |
| <u>\$ 16,875,266</u> | <u>\$ 3,906,875</u>          |

# COUNTY OF NEWAYGO, MICHIGAN

## Statement of Cash Flows

Proprietary Funds

For the Year Ended September 30, 2016

|  | Business-type Activities - Enterprise Funds   |                                    |   |                       |                                 |
|--|---|------------------------------------|---|-----------------------|---------------------------------|
|  | 2013 and Prior<br>Delinquent Tax<br>(various) | 2015<br>Delinquent Tax<br>(516152) | Sanitary Sewer<br>Construction<br>(852) | P.A. 123<br>(520-521) | Nonmajor<br>Enterprise<br>Funds |
| <b>Cash flows from operating activities</b>                                |   |                                    |   |                       |                                 |
| Receipts from customers and users  | \$ 623,374                                    | \$ 2,150,447                       | \$ 88,540                               | \$ 591,207            | \$ 1,996,443                    |
| Receipts from interfund services   | -   | -                                  | -                                       | -                     | -                               |
| Payments to vendors  | -   | (4,713)                            | -                                       | (225,725)             | (127,688)                       |
| Payments for personnel services  | -   | -                                  | -                                       | -                     | -                               |
| Delinquent taxes purchased   | -   | (4,020,907)                        | -                                       | -                     | -                               |
| <b>Net cash provided by (used in)<br/>operating activities</b>             | <b>623,374</b>                                | <b>(1,875,173)</b>                 | <b>88,540</b>                           | <b>365,482</b>        | <b>1,868,755</b>                |
| <b>Cash flows from noncapital financing activities</b>                     |   |                                    |   |                       |                                 |
| Principal paid on long-term debt   | -   | -                                  | -                                       | -                     | (1,050,000)                     |
| Interest paid on long-term debt  | -   | -                                  | -                                       | -                     | (2,764)                         |
| Cash received from interfund loan  | -   | 2,538,500                          | -                                       | -                     | 20,374                          |
| Cash paid for interfund loan   | (1,878,874)                                   | -                                  | -                                       | -                     | (680,000)                       |
| Transfers in   | -   | -                                  | -                                       | -                     | -                               |
| Transfers out  | -   | -                                  | -                                       | (490,890)             | (30,000)                        |
| Insurance pool distribution  | -   | -                                  | -                                       | -                     | -                               |
| <b>Net cash (used in) provided by non-capital<br/>financing activities</b> | <b>(1,878,874)</b>                            | <b>2,538,500</b>                   | <b>-</b>                                | <b>(490,890)</b>      | <b>(1,742,390)</b>              |
| <b>Cash flows from capital and related<br/>financing activities</b>        |   |                                    |   |                       |                                 |
| Principal paid on long-term debt   | -   | -                                  | (485,000)                               | -                     | -                               |
| Interest paid on long-term debt  | -   | -                                  | (116,661)                               | -                     | -                               |
| Cash received from capital leases  | -   | -                                  | 513,121                                 | -                     | -                               |
| Proceeds from sale of capital assets                                       | -   | -                                  | -                                       | -                     | -                               |
| Purchases of capital assets  | -   | -                                  | -                                       | -                     | -                               |
| <b>Net cash used in capital and<br/>related financing activities</b>       | <b>-</b>                                      | <b>-</b>                           | <b>(88,540)</b>                         | <b>-</b>              | <b>-</b>                        |
| <b>Cash flows from investing activities</b>                                |   |                                    |   |                       |                                 |
| Purchase of investments  | (3,242,966)                                   | -                                  | -                                       | (721,367)             | -                               |
| Proceeds from sale of investments  | 4,940,000                                     | -                                  | -                                       | 702,029               | -                               |
| Interest received on investments   | 174,893                                       | 209                                | -                                       | 26,314                | 9,299                           |
| <b>Net cash provided by<br/>investing activities</b>                       | <b>1,871,927</b>                              | <b>209</b>                         | <b>-</b>                                | <b>6,976</b>          | <b>9,299</b>                    |

|                    | Governmental<br>Activities   |
|--------------------|------------------------------|
| Total              | Internal<br>Service<br>Funds |
| \$ 5,450,011       | \$ -                         |
| -                  | 7,485,469                    |
| (358,126)          | (5,943,573)                  |
| -                  | (1,594,699)                  |
| <u>(4,020,907)</u> | <u>-</u>                     |
| 1,070,978          | (52,803)                     |
| (1,050,000)        | -                            |
| (2,764)            | -                            |
| 2,558,874          | -                            |
| <u>(2,558,874)</u> | <u>-</u>                     |
| -                  | 152,817                      |
| (520,890)          | (622,645)                    |
| <u>-</u>           | <u>84,608</u>                |
| <u>(1,573,654)</u> | <u>(385,220)</u>             |
| (485,000)          | -                            |
| (116,661)          | -                            |
| 513,121            | -                            |
| -                  | 30,860                       |
| <u>-</u>           | <u>(444,526)</u>             |
| <u>(88,540)</u>    | <u>(413,666)</u>             |
| (3,964,333)        | -                            |
| 5,642,029          | -                            |
| <u>210,715</u>     | <u>659</u>                   |
| <u>1,888,411</u>   | <u>659</u>                   |

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# COUNTY OF NEWAYGO, MICHIGAN

## Statement of Cash Flows

Proprietary Funds

For the Year Ended September 30, 2016

|  | Business-type Activities - Enterprise Funds   |                                    |   |                       |                                 |
|--|---|------------------------------------|---|-----------------------|---------------------------------|
|  | 2013 and Prior<br>Delinquent Tax<br>(various) | 2015<br>Delinquent Tax<br>(516152) | Sanitary Sewer<br>Construction<br>(852) | P.A. 123<br>(520-521) | Nonmajor<br>Enterprise<br>Funds |
| Net change in cash and cash equivalents  | \$ 616,427                                    | \$ 663,536                         | \$ -                                    | \$ (118,432)          | \$ 135,664                      |
| Cash and cash equivalents, beginning of year   | 1,886,966                                     | 1                                  | -                                       | 1,354,339             | 619,695                         |
| Cash and cash equivalents, end of year   | <u>\$ 2,503,393</u>                           | <u>\$ 663,537</u>                  | <u>\$ -</u>                             | <u>\$ 1,235,907</u>   | <u>\$ 755,359</u>               |
| Cash and cash equivalents as reported<br>on the statement of net position                                      |   |                                    |   |                       |                                 |
| Cash and cash equivalents  | \$ 2,503,393                                  | \$ 663,537                         | \$ -                                    | \$ 755,954            | \$ 755,359                      |
| Restricted cash and cash equivalents   | -   | -                                  | -                                       | 479,953               | -                               |
| Total cash and cash equivalents  | <u>\$ 2,503,393</u>                           | <u>\$ 663,537</u>                  | <u>\$ -</u>                             | <u>\$ 1,235,907</u>   | <u>\$ 755,359</u>               |
| Reconciliation of operating income (loss) to net cash<br>provided by (used in) operating activities            |   |                                    |   |                       |                                 |
| Operating income (loss)  | \$ 20,832                                     | \$ 366,604                         | \$ 88,540                               | \$ 416,046            | \$ 271,115                      |
| Adjustments to reconcile operating<br>income (loss) to net cash (used in)<br>provided by operating activities: |   |                                    |   |                       |                                 |
| Depreciation   | 2,279   | -                                  | -                                       | 1,319                 | 2,638                           |
| Change in operating assets and liabilities:  |   |                                    |   |                       |                                 |
| Interfund receivable   | (163,739)                                     | -                                  | -                                       | -                     | -                               |
| Accounts receivable  | 2,904   | -                                  | -                                       | (48,148)              | (1,149)                         |
| Taxes receivable   | 806,184                                       | (2,237,065)                        | -                                       | -                     | 1,570,493                       |
| Due from other governments   | (41,898)                                      | -                                  | -                                       | -                     | -                               |
| Due from other funds   | -   | -                                  | -                                       | -                     | -                               |
| Prepays  | -   | -                                  | -                                       | -                     | -                               |
| Accounts payable   | (3,188)                                       | (4,712)                            | -                                       | (3,735)               | 25,658                          |
| Accrued expenses   | -   | -                                  | -                                       | -                     | -                               |
| Due to other funds   | -   | -                                  | -                                       | -                     | -                               |
| Compensated absences   | -   | -                                  | -                                       | -                     | -                               |
| Net cash provided by (used in)<br>operating activities   | <u>\$ 623,374</u>                             | <u>\$ (1,875,173)</u>              | <u>\$ 88,540</u>                        | <u>\$ 365,482</u>     | <u>\$ 1,868,755</u>             |

The accompanying notes are an integral part of these financial statements.

|                     | Governmental<br>Activities   |
|---------------------|------------------------------|
| Total               | Internal<br>Service<br>Funds |
| \$ 1,297,195        | \$ (851,030)                 |
| <u>3,861,001</u>    | <u>4,467,192</u>             |
| <u>\$ 5,158,196</u> | <u>\$ 3,616,162</u>          |
| <br>                |                              |
| \$ 4,678,243        | \$ 3,616,162                 |
| <u>479,953</u>      | <u>-</u>                     |
| <u>\$ 5,158,196</u> | <u>\$ 3,616,162</u>          |
| <br>                |                              |
| \$ 1,163,137        | \$ (685,974)                 |
| <br>                |                              |
| 6,236               | 210,818                      |
| (163,739)           | -                            |
| (46,393)            | 274,080                      |
| 139,612             | -                            |
| (41,898)            | -                            |
| -                   | 24,512                       |
| -                   | (13,486)                     |
| 14,023              | 117,646                      |
| -                   | (19,786)                     |
| -                   | (20,951)                     |
| -                   | <u>60,338</u>                |
| <br>                |                              |
| <u>\$ 1,070,978</u> | <u>\$ (52,803)</u>           |

concluded

# COUNTY OF NEWAYGO, MICHIGAN

## Statement of Fiduciary Assets and Liabilities

Agency Funds  
September 30, 2016

|                            |                     |
|----------------------------|---------------------|
| Assets                     |                     |
| Cash and cash equivalents  | \$ 5,308,038        |
| Accounts receivable        | 20                  |
| Due from other governments | <u>529</u>          |
| Total assets               | <u>\$ 5,308,587</u> |
| Liabilities                |                     |
| Accounts payable           | \$ 526,532          |
| Due to other governments   | 4,691,740           |
| Undistributed receipts     | <u>90,315</u>       |
| Total liabilities          | <u>\$ 5,308,587</u> |

The accompanying notes are an integral part of these financial statements.

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# COUNTY OF NEWAYGO, MICHIGAN

## Combining Statement of Net Position

Discretely Presented Component Units

September 30, 2016

|   | Central<br>Dispatch<br>Authority | Drain<br>Commissioner | Brownfield<br>Redevelopment<br>Authority |
|---|----------------------------------|-----------------------|--|
| <b>Assets</b>                                     |                                  |                       |  |
| Cash and cash equivalents                         | \$ 20,611                        | \$ 357,741            | \$ 100,414                               |
| Restricted cash and cash equivalents              | -                                | -                     | -  |
| Investments                                       | -                                | -                     | -  |
| Receivables                                       | 233,244                          | 515,172               | 428                                      |
| Other assets                                      | -                                | -                     | -  |
| Capital assets not being depreciated              | -                                | 134,212               | -  |
| Capital assets being depreciated, net             | 711,683                          | 56,809                | -  |
| Net pension asset                                 | -                                | -                     | -  |
| <b>Total assets</b>                               | <b>965,538</b>                   | <b>1,063,934</b>      | <b>100,842</b>                           |
| <b>Deferred outflows of resources</b>             |                                  |                       |  |
| Deferred pension amounts                          | 297,981                          | -                     | -  |
| <b>Liabilities</b>                                |                                  |                       |  |
| Accounts payable and accrued liabilities          | 15,099                           | 11,438                | 8,124                                    |
| Advance from primary government                   | -                                | 315,077               | -  |
| Unearned revenue                                  | -                                | -                     | -  |
| Long-term liabilities:                            |                                  |                       |  |
| Due within one year                               | -                                | -                     | -  |
| Due in more than one year                         | -                                | -                     | -  |
| Net pension liability                             | 767,122                          | -                     | -  |
| Net other postemployment benefits obligation      | -                                | -                     | -  |
| <b>Total liabilities</b>                          | <b>782,221</b>                   | <b>326,515</b>        | <b>8,124</b>                             |
| <b>Net position</b>                               |                                  |                       |  |
| Net investment in capital assets                  | 711,683                          | 191,021               | -  |
| Restricted for employee training                  | 12,375                           | -                     | -  |
| Restricted for Michigan families program          | -                                | -                     | -  |
| Restricted for drain construction and maintenance | -                                | 58,633                | -  |
| Unrestricted (deficit)                            | (242,760)                        | 487,765               | 92,718                                   |
| <b>Total net position</b>                         | <b>\$ 481,298</b>                | <b>\$ 737,419</b>     | <b>\$ 92,718</b>                         |

\*Included in the accompanying financial statements on a December 31 fiscal year end.

The accompanying notes are an integral part of these financial statements.



| Road Commission      | Medical Care Facility * | Community Mental Health | Total                |
|----------------------|-------------------------|-------------------------|----------------------|
| \$ 3,236,892         | \$ 4,371,242            | \$ 3,350,971            | \$ 11,437,871        |
| -                    | -                       | 474,768                 | 474,768              |
| 258,514              | -                       | -                       | 258,514              |
| 1,748,762            | 766,038                 | 210,057                 | 3,473,701            |
| 955,150              | 185,562                 | 77,964                  | 1,218,676            |
| 2,151,451            | -                       | 107,706                 | 2,393,369            |
| 45,326,222           | 10,473,828              | 985,026                 | 57,553,568           |
| -                    | -                       | 265,039                 | 265,039              |
| <u>53,676,991</u>    | <u>15,796,670</u>       | <u>5,471,531</u>        | <u>77,075,506</u>    |
| <br>                 |                         |                         |                      |
| <u>1,568,880</u>     | <u>1,374,614</u>        | <u>313,545</u>          | <u>3,555,020</u>     |
| <br>                 |                         |                         |                      |
| 1,447,343            | 400,687                 | 2,075,417               | 3,958,108            |
| -                    | -                       | -                       | 315,077              |
| 180,078              | -                       | 54,634                  | 234,712              |
| <br>                 |                         |                         |                      |
| 741,227              | 426,308                 | 87,339                  | 1,254,874            |
| 4,766,673            | -                       | 699,251                 | 5,465,924            |
| 3,002,759            | 1,265,256               | -                       | 5,035,137            |
| 2,555,735            | -                       | -                       | 2,555,735            |
| <u>12,693,815</u>    | <u>2,092,251</u>        | <u>2,916,641</u>        | <u>18,819,567</u>    |
| <br>                 |                         |                         |                      |
| 42,153,548           | 10,473,828              | 523,646                 | 54,053,726           |
| -                    | -                       | -                       | 12,375               |
| -                    | -                       | 263,778                 | 263,778              |
| -                    | -                       | -                       | 58,633               |
| 398,508              | 4,605,205               | 2,081,011               | 7,422,447            |
| <u>\$ 42,552,056</u> | <u>\$ 15,079,033</u>    | <u>\$ 2,868,435</u>     | <u>\$ 61,810,959</u> |

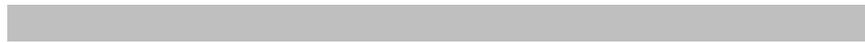
# COUNTY OF NEWAYGO, MICHIGAN

## Combining Statement of Activities Discretely Presented Component Units For the Year Ended September 30, 2016

|  | Central<br>Dispatch<br>Authority | Drain<br>Commissioner | Brownfield<br>Redevelopment<br>Authority |
|--|----------------------------------|-----------------------|--|
| Expenses                                     |                                  |                       |  |
| Central dispatch                             | \$ 1,114,875                     | \$ -                  | \$ -                                     |
| County drains                                | -                                | 405,138               | -  |
| Brownfield redevelopment                     | -                                | -                     | 34,078                                   |
| Roads  | -                                | -                     | -  |
| Medical care                                 | -                                | -                     | -  |
| Community Mental Health                      | -                                | -                     | -  |
| Total expenses                               | <u>1,114,875</u>                 | <u>405,138</u>        | <u>34,078</u>                            |
| Program revenues                             |                                  |                       |  |
| Charges for services                         | 773,357                          | -                     | -  |
| Operating grants and contributions           | 543,406                          | -                     | 5,000                                    |
| Capital grants and contributions             | -                                | 685,269               | -  |
| Total program revenues                       | <u>1,316,763</u>                 | <u>685,269</u>        | <u>5,000</u>                             |
| Net revenue (expense)                        | <u>201,888</u>                   | <u>280,131</u>        | <u>(29,078)</u>                          |
| General revenues                             |                                  |                       |  |
| Property taxes                               | -                                | -                     | 28,196                                   |
| Unrestricted investment earnings             | 515                              | -                     | -  |
| Gain on sale of capital assets               | -                                | -                     | -  |
| Total general revenues                       | <u>515</u>                       | <u>-</u>              | <u>28,196</u>                            |
| Change in net position                       | 202,403                          | 280,131               | (882)                                    |
| Net position, beginning of year, as restated | <u>278,895</u>                   | <u>457,288</u>        | <u>93,600</u>                            |
| Net position, end of year                    | <u>\$ 481,298</u>                | <u>\$ 737,419</u>     | <u>\$ 92,718</u>                         |

\*Included in the accompanying financial statements on a December 31 fiscal year end.

The accompanying notes are an integral part of these financial statements.



| Road Commission      | Medical Care Facility * | Community Mental Health | Total                |
|----------------------|-------------------------|-------------------------|----------------------|
| \$ -                 | \$ -                    | \$ -                    | \$ 1,114,875         |
| -                    | -                       | -                       | 405,138              |
| -                    | -                       | -                       | 34,078               |
| 10,732,248           | -                       | -                       | 10,732,248           |
| -                    | 11,629,677              | -                       | 11,629,677           |
| -                    | -                       | 12,161,132              | 12,161,132           |
| <u>10,732,248</u>    | <u>11,629,677</u>       | <u>12,161,132</u>       | <u>36,077,148</u>    |
| 1,296,862            | 11,630,307              | 11,290,679              | 24,991,205           |
| 7,110,408            | -                       | 713,964                 | 8,372,778            |
| 4,370,949            | -                       | -                       | 5,056,218            |
| <u>12,778,219</u>    | <u>11,630,307</u>       | <u>12,004,643</u>       | <u>38,420,201</u>    |
| <u>2,045,971</u>     | <u>630</u>              | <u>(156,489)</u>        | <u>2,343,053</u>     |
| -                    | -                       | -                       | 28,196               |
| -                    | -                       | 7,060                   | 7,575                |
| 706,764              | -                       | -                       | 706,764              |
| <u>706,764</u>       | <u>-</u>                | <u>7,060</u>            | <u>742,535</u>       |
| 2,752,735            | 630                     | (149,429)               | 3,085,588            |
| <u>39,799,321</u>    | <u>15,078,403</u>       | <u>3,017,864</u>        | <u>58,725,371</u>    |
| <u>\$ 42,552,056</u> | <u>\$ 15,079,033</u>    | <u>\$ 2,868,435</u>     | <u>\$ 61,810,959</u> |

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## NOTES TO FINANCIAL STATEMENTS

# COUNTY OF NEWAYGO, MICHIGAN

## Notes to Financial Statements

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Newaygo, Michigan (the “County” or the “government”) was incorporated in 1851 and covers an area of 864 square miles. The County operates under a 7-member elected Board of Commissioners and an appointed County Administrator.

The financial statements of the County have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the County’s accounting policies are described below.

#### Reporting Entity

As required by generally accepted accounting principles, these financial statements present the government and its component units, entities for which the County is financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government’s operations and as such, data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the combined financial statements to emphasize that they are legally separate from the government.

#### *Blended Component Unit*

Newaygo County Building Authority (the “Building Authority”) - The Building Authority is governed by a 3-member board which is appointed by the County Board of Commissioners. Its sole purpose is to finance and construct the County’s public buildings. It is reported as an enterprise fund and has a September 30 year-end. A separate report is not prepared for the Building Authority.

#### *Discretely Presented Component Units*

Newaygo County Central Dispatch Authority (the “Authority”) - The Authority was established by resolution by the County Board of Commissioners. It establishes policy and reviews operations of the E-911 service for the County Board of Commissioners. Because the County Board of Commissioners elects a voting majority of the Authority’s board members and can remove Authority board members at will, it is deemed to have the ability to impose its will. The Authority cannot set its own budget, establish rates, or issue debt and, accordingly, is fiscally dependent on the County. The Authority has a September 30 year end, and is accounted for as a single enterprise fund. Complete financial statements for this component unit are not separately prepared.

# COUNTY OF NEWAYGO, MICHIGAN

## Notes to Financial Statements

Newaygo County Drain Commissioner (the “Drain Commissioner”) - All drainage districts established pursuant to the Michigan Drain Code of 1956 are separate legal entities with the power to contract, to sue and be sued, and to hold, manage and dispose of real and personal property. The statutory governing board of Chapter 5 and 6 drainage districts consists of the Michigan Director of Agriculture and the drain commission of each county involved in the project. The County Drain Commissioner has sole responsibility to administer Chapter 3 and 4 drainage districts. A drainage board or drain commission, on behalf of the drainage district, may issue debt and levy special assessments without the prior approval of the County. The full faith and credit of the County may be given for the debt of the drainage district. The Drain Commissioner is required by law to make an annual report to the Board of Commissioners in October. The Drain Commission is required to be presented as a discretely-presented component unit by the State of Michigan, and accordingly, has been reported as such under the "misleading to exclude" criteria. The Drain Commissioner has a September 30 year end. Complete financial statements for this component unit are not separately prepared.

Brownfield Redevelopment Authority - This entity was created to facilitate the implementation of plans relating to the identification and treatment of environmentally distressed areas to promote revitalization within the Brownfield Redevelopment zone. The members of the governing board of the Brownfield Redevelopment Authority are appointed by the County Board of Commissioners, effectively allowing the County to impose its will on the Authority. The budgets and expenditures of the Authority must be approved by the County, indicating fiscal dependency. The Authority has a September 30 year end. Complete financial statements for this component unit are not separately prepared.

Newaygo County Road Commission (the “Road Commission”) - the Road Commission is responsible for the maintenance and construction of the County road system. The Road Commission’s operations are financed primarily from the State distribution of gas and weight taxes, federal financial assistance, and contributions from other local governments within the County. The three-member Board is appointed by the Newaygo County Board Commissioners. Because the County may remove commission members, it has financial accountability for the Road Commission, as such is reported as a discretely-presented component unit of the County. The Road Commission has a September 30 year end. The component unit is audited separately from the County and complete financial statements may be obtained from the Road Commission’s administrative office. Accordingly, the County has elected to omit substantially all note disclosures related to the Road Commission in these financial statements.

Newaygo Medical Care Facility (the “Facility”) - The Facility is a long-term care unit, independent-living facility, and a community center. It services primarily residents of Newaygo County. The Facility is governed by the Newaygo County Department of Human Services Board. The board consists of three members, two of whom are appointed by the County Board of Commissioners and the other appointed by the State of Michigan governor. The County Board of Commissioners approves the Facility’s budget as a line item in the County budget. Because the County has financial accountability for the Facility and can impose its will by appointing and removing commission members, the Facility is deemed to be a discretely-presented component unit of the County. The Facility is reported in the County’s financial statements on its fiscal year end of December 31. The component unit is audited separately from the County and complete financial statements may be obtained from the Facility’s administrative office. Accordingly, the County has elected to omit substantially all note disclosures related to the Facility in these financial statements.

# COUNTY OF NEWAYGO, MICHIGAN

## Notes to Financial Statements

Newaygo County Community Mental Health Authority (the "CMH") - The CMH was created to operate, control and manage an integrated behavioral healthcare system to serve Newaygo County. The County is a direct beneficiary of the services provided. The County is required to make an annual appropriation to the CMH and, accordingly, a financial burden exists. The CMH is reported in the County's financial statements on its fiscal year end of September 30. The component unit is audited separately from the County and complete financial statements may be obtained from the CMH's administrative office. Accordingly, the County has elected to omit substantially all note disclosures related to the CMH in these financial statements.

### *Jointly Governed Organizations*

Mid-State Health Network - The County participates jointly with numerous other northern Michigan counties in the operation of a substance abuse treatment agency. The funding formula requires the County to appropriate 50% of its convention facility revenue each year, which amounted to \$96,946 for the year ended September 30, 2016.

District Health Department #10 - The County participates jointly in the operation of this Health Department with ten other area counties. The County appropriated \$312,502 to the Health Department for the year ended September 30, 2016.

### *Government-wide and Fund Financial Statements*

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

# COUNTY OF NEWAYGO, MICHIGAN

## Notes to Financial Statements

### *Measurement Focus, Basis of Accounting, and Financial Statement Presentation*

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Agency funds, a type of fiduciary fund, are unlike all other types of funds, reporting only assets and liabilities. Therefore, agency funds cannot be said to have a measurement focus. They do, however, use the accrual basis of accounting to recognize receivables and payables.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period or within one year for expenditure-driven grants. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, intergovernmental revenue, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and as such have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The County reports the following major governmental funds:

The *general fund* is the government's primary operating fund. It is used to account for and report all financial resources not accounted for and reported in another fund.

The *county jail fund* accounts for the operations of the County Jail Facility. Primary revenue sources for this fund are rental fees, charges for housing prisoners, and an appropriation from the general fund.

The *capital improvement fund* accounts for the financial resources restricted or committed for the acquisition or construction of capital improvements, other than those projects that are financed by proprietary funds.

The County reports the following major proprietary funds:

The *2013 and prior delinquent tax fund* accounts for the collection and administration of delinquent property taxes levied in years 2013 and prior.

# COUNTY OF NEWAYGO, MICHIGAN

## Notes to Financial Statements

The *2015 delinquent tax fund* accounts for the collection and administration of delinquent property taxes levied in the year 2015.

The *sanitary sewer construction fund* accounts for special assessment debt issued on behalf of local units, dollars received from the local units for the payment of principal and interest on this debt, and expenditures of bond proceeds.

The *P.A. 123 fund* accounts for the revenue collection and administration from forfeited property under Public Act 123 of 1999.

Additionally, the County reports the following fund types:

*Special revenue funds* are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

*Debt service funds* account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

*Enterprise funds* account for those operations that are financed and operated in a manner similar to private business or where the County has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

*Internal service funds* account for operations that provide services (such as equipment rentals and self-insurance) to other departments or agencies of the government, on a cost-reimbursement basis.

*Agency funds* are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. These funds are used to account for assets that the government holds for others in an agency capacity (such as taxes collected for other governments).

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds and of the government's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Restricted net position represents amounts that are subject to restrictions beyond the government's control. The restrictions may be externally imposed or imposed by law. When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

# COUNTY OF NEWAYGO, MICHIGAN

## Notes to Financial Statements

### Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Equity

#### *Deposits and Investments*

The government's cash and cash equivalents include amounts in demand deposit accounts, certificates of deposit and short term investments with original maturities of three months or less from the date of acquisition. Investments are stated at fair value.

Restricted cash and cash equivalents consists of proceeds from the sale of foreclosed property, net of unpaid taxes and fees and auction costs. Such funds remain restricted for the two most recent levies, at which time they can be utilized at the direction of the Board of Commissioners.

Investment income of the pooled cash fund is allocated to the general fund based on County policy, except for the central dispatch authority component unit which receives a proportionate share of investment earnings based on average cash balances.

State statutes and County policy authorize the County to invest in:

Bonds, securities, other obligations and repurchase agreements of the United States, or an agency or instrumentality of the United States.

Certificates of deposit, savings accounts, deposit accounts or depository receipts of a qualified financial institution.

Commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and that matures not more than 270 days after the date of purchase.

Bankers' acceptances of United States banks.

Obligations of the State of Michigan and its political subdivisions, that, at the time of purchase are rated as investment grade by at least one standard rating service.

Mutual funds registered under the Investment Company Act of 1940 with the authority to purchase only investment vehicles that are legal for direct investment by a public corporation.

External investment pools as authorized by Public Act 20 as amended through December 31, 1997.

#### *Receivables and Payables*

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

# COUNTY OF NEWAYGO, MICHIGAN

## Notes to Financial Statements

Advances between funds and component units are offset by nonspendable fund balance in applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are shown net of an allowance for uncollectibles, as applicable.

Amounts due from other governments include amounts due from grantors for specific programs and capital projects. Program grants and capital grants for capital assets are recorded as receivables and revenues at the time reimbursable project costs are incurred. Revenues received in advance of project costs being incurred are reported as unearned.

Loans receivable in the community development fund represent federal Community Development Block Grant funds advanced to area residents for home improvements, which must be repaid by the homeowner upon sale or foreclosure. The County has an enforceable lien on such property.

### *Other Assets*

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. Inventories are reported only in the separately-audited Road Commission.

### *Capital Assets*

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items acquired or constructed since 1980), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$1,500 and an estimated useful life of one year or more. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition cost at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities, if any, is included as part of the capitalized value of the asset constructed. No such interest expense was incurred during the current fiscal year.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

|                          | Years |
|--------------------------|-------|
| Buildings                | 25-40 |
| Land improvements        | 10-20 |
| Machinery and equipment  | 5-10  |
| Vehicles                 | 3-5   |
| Bike paths and trailways | 20    |
| Drain infrastructure     | 20    |

# COUNTY OF NEWAYGO, MICHIGAN

## Notes to Financial Statements

The County reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset exceeds its fair value. If it is determined that an impairment loss has occurred the asset is written down to its net realizable value and a current charge to income is recognized.

### *Deferred Outflows of Resources*

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and, as such, will not be recognized as an outflow of resources (expense/expenditure) until then. The County reports deferred outflows of resources in the proprietary fund and government-wide statements for deferred charges on bond refundings. The amounts result from the difference in the carrying value of refunded debt and its reacquisition price and are amortized over the shorter of the life of the refunded or refunding debt. In addition, the County reports deferred outflows of resources related to the net pension liability.

### *Compensated Absences*

Eligible employees are permitted to accumulate earned but unused vacation pay benefits in varying amounts based on length of service and certain other established criteria. Sick pay and vacation pay is accrued when earned in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

### *Long-term Obligations*

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

# COUNTY OF NEWAYGO, MICHIGAN

## Notes to Financial Statements

### *Deferred Inflows of Resources*

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The governmental funds report unavailable revenues, which arise only under a modified accrual basis of accounting, from property taxes and special assessments receivable. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In addition, the County reports deferred inflows of resources in its full-accrual statements related to the net pension liability.

### *Fund Equity*

Governmental funds report nonspendable fund balance for amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Restricted fund balance is reported when externally imposed constraints are placed on the use of resources by grantors, contributors, or laws or regulations of other governments. Committed fund balance is reported for amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Commissioners (the government's highest level of decision-making authority). A formal resolution of the Board of Commissioners is required to establish, modify, or rescind a fund balance commitment. The County reports assigned fund balance for amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. The Board of Commissioners has delegated the authority to assign fund balance to the County Administrator. Unassigned fund balance is the residual classification for the general fund.

The County Board of Commissioners has adopted a minimum fund balance policy in which unassigned fund balance of the general fund will be equal to a range of 10 percent to 16 percent of total general fund expenditures (including budgeted transfers out). At September 30, 2016, unassigned fund balance of the general fund was equal to 18.9 percent of general fund expenditures and transfers out.

When the government incurs an expenditure for purposes for which various fund balance classifications can be used, it is the government's policy to use restricted fund balance first, then committed fund balance, assigned fund balance, and finally unassigned fund balance.

### *Interfund Transactions*

During the course of normal operations, the County has numerous transactions between funds and component units, including expenditures and transfers of resources to provide services, construct assets, and service debt. The accompanying financial statements generally reflect such transactions as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements. Internal service funds are used to record charges for services to all County departments and funds as transfers or operating revenue. All County funds record these payments to the internal service funds as transfers or operating expenditures/expenses.

# COUNTY OF NEWAYGO, MICHIGAN

## Notes to Financial Statements

### *Pensions*

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the plan fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

### *Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates. The County utilizes various investment instruments which are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

## 2. BUDGETARY INFORMATION

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general and special revenue funds, except as noted below. All annual appropriations lapse at year end. The legal level of budgetary control is the activity level in the general fund and the functional level for special revenue funds.

All departments and budgetary centers of the County are required to submit budget requests to the County Administrator. The Administrator then develops and presents a proposed budget to the Board for review. The Board generally holds public hearings in August and a final budget is approved prior to September 30, the close of the County's fiscal year. The appropriated budget is prepared by fund and department/activity. Budget amendments and transfers of appropriations less than \$30,000 require Administrator approval. Board approval is required for all others.

### *Budget / GAAP Reconciliation*

The County has prepared its budget for the general fund recognizing the full amount of the July 1 property tax levy as revenue in the current year. GAAP requires that property taxes not collected by November 30 (60 days after year end) be deferred as "unavailable", and recognized in the following fiscal year. As the County intends to rely on the July 1 levy to fund current year operations, management believes it is appropriate to follow this budgetary (non-GAAP) basis in its internal accounting for property taxes, and disclose the difference between the budgetary basis and GAAP in the notes to the financial statements.

# COUNTY OF NEWAYGO, MICHIGAN

## Notes to Financial Statements

The Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual - General Fund is presented on the same basis of accounting used in preparing the adopted budget. The following schedule reconciles the amounts on that statement to the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.

|                                 | Budgetary Basis | Accounting Basis Difference | GAAP Basis |
|---------------------------------|-----------------|-----------------------------|------------|
| General fund                    |                 |                             |            |
| Deferred inflows of resources   | \$ -            | \$ 709,222                  | \$ 709,222 |
| Property tax revenue            | 7,279,752       | 31,040                      | 7,310,792  |
| Fund balance, beginning of year | 3,560,401       | (740,262)                   | 2,820,139  |
| Fund balance, end of year       | 3,771,163       | (709,222)                   | 3,061,941  |

### 3. EXCESS OF EXPENDITURES OVER BUDGET

P.A. 621 of 1978, as amended, provides that a local unit shall not incur expenditures in excess of the amount budgeted. The approved budgets of the County were adopted on the activity level basis for the general fund and the functional basis for special revenue funds.

During the year ended September 30, 2016, the County had incurred expenditures in budgetary funds which were in excess of the amounts budgeted as follows:

|  | Final Budget | Expenditures | Budget Variance |
|--|--------------|--------------|-----------------|
| General fund:                                  |              |              |                 |
| Circuit Court - Juvenile Division              | \$ 215,247   | \$ 223,799   | \$ 8,552        |
| Probate Court                                  | 458,503      | 462,122      | 3,619           |
| Courthouse security                            | 42,990       | 46,706       | 3,716           |
| Board of public works                          | 46,437       | 56,779       | 10,342          |
| Contagious disease                             | 462          | 515          | 53              |
| Substance abuse                                | 92,994       | 97,411       | 4,417           |
| National forest grant distributions            | 137,820      | 143,581      | 5,761           |
| Capital outlay                                 | 105,235      | 125,395      | 20,160          |
| Transfers out                                  | 3,255,371    | 3,256,489    | 1,118           |
| Nonmajor governmental funds:                   |              |              |                 |
| Building and safety permits - public safety    | 265,194      | 285,386      | 20,192          |
| Law enforcement technical fund - public safety | 15,367       | 17,695       | 2,328           |
| Child care - health and welfare                | 1,377,918    | 1,462,043    | 84,125          |

### 4. DEPOSITS AND INVESTMENTS

The County maintains pooled and individual fund demand deposits, certificates of deposit and short-term investment accounts for the primary government and certain discretely presented component units. Certain imprest demand deposit accounts are also maintained by discretely presented component units.

# COUNTY OF NEWAYGO, MICHIGAN

## Notes to Financial Statements

Following is a reconciliation of deposit and investment balances as of September 30, 2016:

|  | Primary Government   | Component Units   | Totals               |
|--|----------------------|-------------------|----------------------|
| <b>Statement of Net Position</b>   |                      |                   |                      |
| Cash and cash equivalents  | \$ 13,264,646        | \$ 11,437,871     | \$ 24,702,517        |
| Restricted cash and cash equivalents                                       | 479,953              | 474,768           | 954,721              |
| Investments  | 10,168,734           | 258,514           | 10,427,248           |
| <b>Statement of Fiduciary Assets and Liabilities</b>                       |                      |                   |                      |
| Cash and cash equivalents  | 5,308,038            | -                 | 5,308,038            |
| <b>Total deposits and investments</b>                                      | <b>29,221,371</b>    | <b>12,171,153</b> | <b>41,392,524</b>    |
| <b>Less component units separately audited</b>                             |                      |                   |                      |
| Road Commission  | -                    | (3,495,406)       | (3,495,406)          |
| Medical Care Facility  | -                    | (4,371,242)       | (4,371,242)          |
| Community Mental Health  | -                    | (3,825,739)       | (3,825,739)          |
| <b>Deposits and investments excluding separately audit component units</b> | <b>\$ 29,221,371</b> | <b>\$ 478,766</b> | <b>\$ 29,700,137</b> |
| <b>Deposits and investments</b>  |                      |                   |                      |
| Checking and savings accounts  |                      |                   | \$ 15,335,695        |
| Certificates of deposit  |                      |                   | 5,699,653            |
| Investments  |                      |                   | 8,663,903            |
| Cash on hand   |                      |                   | 886                  |
| <b>Total</b>   |                      |                   | <b>\$ 29,700,137</b> |

*Custodial Credit Risk - Deposits.* Custodial credit risk is the risk that, in the event of a bank failure, the County's deposits might not be returned. State law does not require and the County does not have a policy for deposit custodial credit risk. As of year-end, \$16,595,787 of the County's bank balance of \$22,284,445 was exposed to custodial credit risk because it was uninsured and uncollateralized. Due to the dollar amounts of cash deposits and the limits of FDIC insurance, the County believes it is impractical to insure all bank deposits. As a result, the County evaluates each financial institution with which it deposits County funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

# COUNTY OF NEWAYGO, MICHIGAN

## Notes to Financial Statements

*Custodial Credit Risk - Investments.* For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. In order to minimize this risk, County policy limits the types of investments and pre-qualifies financial institutions. As of September 30, 2016, none of the County's investments were exposed to risk since the securities are held in the County's name by the counterparty. Following is a summary of the County's investments as of September 30, 2016:

|                    |                            |
|--------------------|----------------------------|
| U.S. agencies      | \$ 2,593,917               |
| Money market funds | 5,351,980                  |
| Municipal bonds    | <u>718,006</u>             |
| <b>Total</b>       | <b><u>\$ 8,663,903</u></b> |

*Credit Risk.* State law limits investments to specific government securities, certificates of deposits and bank accounts with qualified financial institutions, commercial paper with specific maximum maturities and ratings when purchased, bankers acceptances of specific financial institutions, qualified mutual funds and qualified external investment pools as identified in the list of authorized investments in the summary of significant accounting policies. The County's investment policy does not have specific limits in excess of state law on investment credit risk.

Credit risk ratings, where applicable, are summarized as follows:

|              |                            |
|--------------|----------------------------|
| S&P AA+      | \$ 2,593,917               |
| S&P AAAm     | 5,351,980                  |
| S&P AA1      | 607,464                    |
| S&P AA-      | <u>110,542</u>             |
| <b>Total</b> | <b><u>\$ 8,663,903</u></b> |

*Interest Rate Risk.* Interest rate risk is the risk that the market rate of securities in the portfolio will fall due to changes in market interest rates. State law limits the allowable investments and the maturities of some of the allowable investments as identified in the summary of significant accounting policies. The County's investment policy does not have specific limits in excess of state law on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Maturity dates for investments and certificates of deposit held at year-end are summarized as follows:

|                     | Certificates<br>of Deposit | Investments                |
|---------------------|----------------------------|----------------------------|
| No maturity         | \$ -                       | \$ 5,351,980               |
| Due within one year | 1,300,665                  | -                          |
| Due in 1-5 years    | 4,197,659                  | 2,906,268                  |
| Due in 6-10 years   | <u>201,329</u>             | <u>405,655</u>             |
| <b>Total</b>        | <b><u>\$ 5,699,653</u></b> | <b><u>\$ 8,663,903</u></b> |

# COUNTY OF NEWAYGO, MICHIGAN

## Notes to Financial Statements

*Concentration of Credit Risk.* Concentration of credit risk is the risk of loss attributed to the magnitude of the County’s investment in a single issuer. State law limits allowable investments but does not limit concentration of credit risk as identified in the list of authorized investments in the summary of significant accounting policies. The County’s investment policy limits investments in a single financial institution of a single security type (with the exception of U.S. treasuries and agencies and authorized pools) to 70% of the total investment portfolio. All investments held at year end are reported above.

*Fair Value Measurement.* The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The County has the following recurring fair value measurements as of September 30, 2016:

- Michigan Cooperative Liquid Assets Securities System (money market fund), with a balance of \$5,351,980, which invests primarily in Level 2 investments.
- U.S. agencies, with a balance of \$2,593,917, which are valued using quoted market prices (Level 1 inputs).
- Municipal bonds, with a balance of \$718,006, which are valued using quoted market prices (Level 1 inputs).

## 5. RECEIVABLES AND DEFERRED INFLOWS OF RESOURCES

Receivables are comprised of the following at year-end:

|                                    | Governmental Activities | Business-type Activities | Component Units     |
|------------------------------------|-------------------------|--------------------------|---------------------|
| Accounts                           | \$ 265,319              | \$ 108,927               | \$ 1,331,911        |
| Less: allowance for uncollectibles | -                       | -                        | (99,125)            |
| Loans receivable                   | 1,121,183               | -                        | -                   |
| Taxes (current)                    | 1,782,761               | -                        | -                   |
| Taxes (delinquent)                 | -                       | 2,992,054                | -                   |
| Due from other governments         | 1,163,795               | 110,523                  | 1,725,743           |
| Special assessments                | -                       | -                        | 515,172             |
| Leases                             | -                       | 2,873,059                | -                   |
| <b>Total receivables</b>           | <b>\$ 4,333,058</b>     | <b>\$ 6,084,563</b>      | <b>\$ 3,473,701</b> |

Of the amounts reported for receivables above, loans receivable of \$1,121,183, special assessments receivable of \$54,939, and leases receivable \$2,331,419 are not expected to be collected within one year.

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, the County reported deferred inflows of resources in governmental funds of \$709,222 for property taxes receivable.

# COUNTY OF NEWAYGO, MICHIGAN

## Notes to Financial Statements

### 6. OTHER ASSETS

Other assets as reported in the statement of net position consist of the following at year-end:

|                    | Governmental<br>Activities | Component<br>Units  |
|--------------------|----------------------------|---------------------|
| Inventories        | \$ -                       | \$ 997,866          |
| Prepays            | 566,807                    | 220,810             |
| Total other assets | <u>\$ 566,807</u>          | <u>\$ 1,218,676</u> |

### 7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Payables are comprised of the following at year-end:

|                                    | Governmental<br>Activities | Business-type<br>Activities | Component<br>Units  |
|------------------------------------|----------------------------|-----------------------------|---------------------|
| Accounts                           | \$ 907,001                 | \$ 52,820                   | \$ 2,903,972        |
| Accrued liabilities                | 225,048                    | -                           | 523,239             |
| Due to other governments           | 28,226                     | -                           | 530,897             |
| Accrued interest on long-term debt | 80,634                     | 39,333                      | -                   |
| Total payables                     | <u>\$ 1,240,909</u>        | <u>\$ 92,153</u>            | <u>\$ 3,958,108</u> |

### 8. INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS

The composition of interfund balances as of September 30, 2016, is as follows:

Due to and from primary government funds

|                               | Due from<br>Other Funds | Due to<br>Other Funds |
|-------------------------------|-------------------------|-----------------------|
| General fund                  | \$ 43,760               | \$ 1,232              |
| Nonmajor governmental funds   | 1,232                   | 145                   |
| 2013 and prior delinquent tax | 2,878,874               | -                     |
| 2015 delinquent tax           | -                       | 2,538,500             |
| Nonmajor enterprise funds     | -                       | 340,374               |
| Internal service funds        | 65,000                  | 108,615               |
| Totals                        | <u>\$ 2,988,866</u>     | <u>\$ 2,988,866</u>   |

These balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. In addition, balances between delinquent tax funds relate to short-term loans to finance the annual tax settlement.

# COUNTY OF NEWAYGO, MICHIGAN

## Notes to Financial Statements

### Interfund receivables and payables

|                               | Interfund<br>Receivable | Interfund<br>Payable |
|-------------------------------|-------------------------|----------------------|
| General fund                  | \$ -                    | \$ 208,817           |
| Nonmajor governmental funds   | -                       | 106,546              |
| 2013 and prior delinquent tax | 366,114                 | -                    |
| Internal service funds        | -                       | 50,751               |
|                               | <hr/>                   | <hr/>                |
| Totals                        | <u>\$ 366,114</u>       | <u>\$ 366,114</u>    |

The balances result from funds with negative balances in the County's pooled cash and investments.

### Due to and from component units

|                               | Advance to<br>Component<br>Unit | Due to<br>Primary<br>Government |
|-------------------------------|---------------------------------|---------------------------------|
| General fund                  | \$ 300,000                      | \$ -                            |
| 2013 and prior delinquent tax | 15,077                          | -                               |
| Drain commissioner            | -                               | 315,077                         |
|                               | <hr/>                           | <hr/>                           |
| Totals                        | <u>\$ 315,077</u>               | <u>\$ 315,077</u>               |

The advances to the Drain Commissioner component unit are for the purpose of financing maintenance and construction for various drainage districts. The costs are ultimately recovered by the Drain Commissioner through special assessments to taxpayers benefiting from such improvements.

# COUNTY OF NEWAYGO, MICHIGAN

## Notes to Financial Statements

For the year ended September 30, 2016, interfund transfers consisted of the following:

| Transfers Out               | Transfers in      |                     |                     |                             |                        | Totals              |
|-----------------------------|-------------------|---------------------|---------------------|-----------------------------|------------------------|---------------------|
|                             | General Fund      | County Jail         | Capital Improvement | Nonmajor Governmental Funds | Internal Service Funds |                     |
| General                     | \$ -              | \$ 1,200,000        | \$ -                | \$ 2,056,489                | \$ -                   | \$ 3,256,489        |
| County jail                 | -                 | -                   | -                   | 53,430                      | 14,467                 | 67,897              |
| Capital improvements        | -                 | -                   | -                   | 100,000                     | -                      | 100,000             |
| Nonmajor governmental funds | 31,600            | 313,000             | 25,000              | 259,577                     | 62,900                 | 692,077             |
| P.A. 123                    | 490,890           | -                   | -                   | -                           | -                      | 490,890             |
| Nonmajor enterprise funds   | 25,000            | -                   | -                   | 5,000                       | -                      | 30,000              |
| Internal service funds      | 416,477           | 118,448             | -                   | 60,000                      | 90,950                 | 685,875             |
| <b>Totals</b>               | <b>\$ 963,967</b> | <b>\$ 1,631,448</b> | <b>\$ 25,000</b>    | <b>\$ 2,534,496</b>         | <b>\$ 168,317</b>      | <b>\$ 5,323,228</b> |

Transfers are used to: (1) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them; (2) move receipts restricted to or allowed for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due; and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

# COUNTY OF NEWAYGO, MICHIGAN

## Notes to Financial Statements

### 9. CAPITAL ASSETS

#### Primary government

Capital asset activity for the primary government for the year ended September 30, 2016, was as follows:

|   | Beginning<br>Balance | Additions          | Disposals         | Transfers        | Ending<br>Balance    |
|---|----------------------|--------------------|-------------------|------------------|----------------------|
| <b>Governmental activities</b>                          |                      |                    |                   |                  |                      |
| Capital assets, not being depreciated:                  |                      |                    |                   |                  |                      |
| Land  | \$ 2,233,586         | \$ 30,000          | \$ -              | \$ -             | \$ 2,263,586         |
| Construction in progress                                | 192,391              | 45,807             | -                 | (192,391)        | 45,807               |
|   | <u>2,425,977</u>     | <u>75,807</u>      | <u>-</u>          | <u>(192,391)</u> | <u>2,309,393</u>     |
| Capital assets, being depreciated:                      |                      |                    |                   |                  |                      |
| Buildings   | 23,185,329           | 287,774            | -                 | 7,695            | 23,480,798           |
| Land improvements                                       | 950,821              | 394,707            | -                 | 184,696          | 1,530,224            |
| Office equipment  | 3,888,892            | 382,093            | (539,936)         | -                | 3,731,049            |
| Vehicles  | 1,925,648            | 210,186            | (177,015)         | -                | 1,958,819            |
|   | <u>29,950,690</u>    | <u>1,274,760</u>   | <u>(716,951)</u>  | <u>192,391</u>   | <u>30,700,890</u>    |
| Less accumulated depreciation for:                      |                      |                    |                   |                  |                      |
| Buildings   | (9,631,565)          | (672,572)          | -                 | -                | (10,304,137)         |
| Land improvements                                       | (652,242)            | (30,522)           | -                 | -                | (682,764)            |
| Office equipment  | (3,246,087)          | (192,029)          | 537,088           | -                | (2,901,028)          |
| Vehicles  | (1,647,588)          | (191,529)          | 177,015           | -                | (1,662,102)          |
|   | <u>(15,177,482)</u>  | <u>(1,086,652)</u> | <u>714,103</u>    | <u>-</u>         | <u>(15,550,031)</u>  |
| Total capital assets<br>being depreciated, net          | <u>14,773,208</u>    | <u>188,108</u>     | <u>(2,848)</u>    | <u>192,391</u>   | <u>15,150,859</u>    |
| <b>Governmental activities<br/>capital assets, net</b>  | <u>\$ 17,199,185</u> | <u>\$ 263,915</u>  | <u>\$ (2,848)</u> | <u>\$ -</u>      | <u>\$ 17,460,252</u> |
| <b>Business-type activities</b>                         |                      |                    |                   |                  |                      |
| Capital assets, being depreciated:                      |                      |                    |                   |                  |                      |
| Land improvements                                       | \$ 15,686            | \$ -               | \$ -              | \$ -             | \$ 15,686            |
| Equipment   | 29,341               | -                  | -                 | -                | 29,341               |
|   | <u>45,027</u>        | <u>-</u>           | <u>-</u>          | <u>-</u>         | <u>45,027</u>        |
| Less accumulated depreciation for:                      |                      |                    |                   |                  |                      |
| Land improvements                                       | (3,646)              | (1,569)            | -                 | -                | (5,215)              |
| Equipment   | (22,978)             | (4,667)            | -                 | -                | (27,645)             |
|   | <u>(26,624)</u>      | <u>(6,236)</u>     | <u>-</u>          | <u>-</u>         | <u>(32,860)</u>      |
| <b>Business-type activities<br/>capital assets, net</b> | <u>\$ 18,403</u>     | <u>\$ (6,236)</u>  | <u>\$ -</u>       | <u>\$ -</u>      | <u>\$ 12,167</u>     |

# COUNTY OF NEWAYGO, MICHIGAN

## Notes to Financial Statements

Depreciation expense was charged to functions/programs of the primary government as follows:

|   |                         |
|---|-------------------------|
| Depreciation of governmental activities by function |                         |
| General government                                  | \$ 469,408              |
| Public safety                                       | 334,990                 |
| Health and welfare                                  | 50,198                  |
| Cultural and recreation                             | 20,732                  |
| Judicial  | 506                     |
| Internal service funds *                            | <u>210,818</u>          |
| <br>Total governmental activities                   | <br><u>\$ 1,086,652</u> |

\* Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets

|  |                     |
|--|---------------------|
| Depreciation of business-type activities by function |                     |
| 2013 and prior delinquent tax                        | \$ 2,279            |
| P.A. 123   | 1,319               |
| Nonmajor enterprise funds                            | <u>2,638</u>        |
| <br>Total business-type activities                   | <br><u>\$ 6,236</u> |

### Discretely presented component units

Capital assets activity for the Central Dispatch Authority component unit for the year ended September 30, 2016, was as follows:

|   | Beginning<br>Balance  | Additions             | Disposals       | Transfers       | Ending<br>Balance     |
|---|-----------------------|-----------------------|-----------------|-----------------|-----------------------|
| Central Dispatch Authority                            |                       |                       |                 |                 |                       |
| Capital assets, being depreciated:                    |                       |                       |                 |                 |                       |
| Equipment   | \$ 714,705            | \$ 342,873            | \$ (86,748)     | \$ -            | \$ 970,830            |
| Less accumulated depreciation for:                    |                       |                       |                 |                 |                       |
| Equipment   | <u>(296,869)</u>      | <u>(49,026)</u>       | <u>86,748</u>   | <u>-</u>        | <u>(259,147)</u>      |
| <br>Central Dispatch Authority<br>capital assets, net | <br><u>\$ 417,836</u> | <br><u>\$ 293,847</u> | <br><u>\$ -</u> | <br><u>\$ -</u> | <br><u>\$ 711,683</u> |

# COUNTY OF NEWAYGO, MICHIGAN

## Notes to Financial Statements

Capital assets activity for the Drain Commissioner component unit for the year ended September 30, 2016, was as follows:

|   | Beginning Balance | Additions         | Disposals   | Transfers   | Ending Balance    |
|---|-------------------|-------------------|-------------|-------------|-------------------|
| <b>Drain Commissioner</b>                   |                   |                   |             |             |                   |
| Capital assets, not being depreciated:      |                   |                   |             |             |                   |
| Land  | \$ -              | \$ 65,350         | \$ -        | \$ -        | \$ 65,350         |
| Construction in progress                    | -                 | 68,862            | -           | -           | 68,862            |
|   | <u>-</u>          | <u>134,212</u>    | <u>-</u>    | <u>-</u>    | <u>134,212</u>    |
| Capital assets, being depreciated:          |                   |                   |             |             |                   |
| Infrastructure                              | 578,481           | -                 | -           | -           | 578,481           |
| Less accumulated depreciation for:          |                   |                   |             |             |                   |
| Infrastructure                              | (504,320)         | (17,352)          | -           | -           | (521,672)         |
| Total capital assets being depreciated, net | <u>74,161</u>     | <u>(17,352)</u>   | <u>-</u>    | <u>-</u>    | <u>56,809</u>     |
| Drain Commissioner capital assets, net      | <u>\$ 74,161</u>  | <u>\$ 116,860</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 191,021</u> |

## 10. LONG-TERM DEBT

The following is a summary of long-term debt transactions for the year ended September 30, 2016:

|   | Beginning Balance    | Additions         | Deductions            | Ending Balance       | Due Within One Year |
|---|----------------------|-------------------|-----------------------|----------------------|---------------------|
| <b>Governmental activities</b>              |                      |                   |                       |                      |                     |
| General obligation bonds                    | \$ 11,662,000        | \$ -              | \$ (986,000)          | \$ 10,676,000        | \$ 1,015,000        |
| Premium on bonds payable                    | 10,048               | -                 | (1,031)               | 9,017                | 1,031               |
| Compensated absences                        | 395,579              | 154,427           | (94,090)              | 455,916              | 65,767              |
| Total governmental activities               | <u>\$ 12,067,627</u> | <u>\$ 154,427</u> | <u>\$ (1,081,121)</u> | <u>\$ 11,140,933</u> | <u>\$ 1,081,798</u> |
| <b>Business-type activities</b>             |                      |                   |                       |                      |                     |
| General obligation bonds                    | \$ 3,194,180         | \$ -              | \$ (485,000)          | \$ 2,709,180         | \$ 480,000          |
| Premium on bonds payable                    | 212,704              | -                 | (32,309)              | 180,395              | 32,309              |
| Notes payable                               | 1,050,000            | -                 | (1,050,000)           | -                    | -                   |
| Total business-type activities              | <u>\$ 4,456,884</u>  | <u>\$ -</u>       | <u>\$ (1,567,309)</u> | <u>\$ 2,889,575</u>  | <u>\$ 512,309</u>   |
| <b>Discretely Presented Component Units</b> |                      |                   |                       |                      |                     |
| Central Dispatch Authority                  |                      |                   |                       |                      |                     |
| Compensated absences                        | <u>\$ 19,418</u>     | <u>\$ -</u>       | <u>\$ (19,418)</u>    | <u>\$ -</u>          | <u>\$ -</u>         |

# COUNTY OF NEWAYGO, MICHIGAN

## Notes to Financial Statements

*General Obligation Bonds.* The government issues general obligation bonds to provide funds to construct major capital facilities and refund previously issued bonds. Such bonds are generally repaid from voter-approved property tax levies, interfund transfers and contributions from local municipalities. The County has pledged its full faith and credit for payment on the general obligation bonds. Also, under the terms of certain bond agreements, local units have pledged their full faith and credit to pay the County each year such amounts.

General obligation bonds of business-type activities are offset by capital leases receivable from the local units of government for which the bonds were issued in the County's name. The terms of these capital leases, which relate to water and sewer systems constructed by the County on behalf of the local units, match the debt maturity requirements of the related bonds.

### Governmental Activities

|  |                      |
|--|----------------------|
| \$5,550,000 2009 Jail Improvement Bonds (Series A), due in annual installments of \$175,000 to \$555,000 plus interest ranging from 2.50% to 5.00% through 2025. | \$ 4,330,000         |
| \$6,930,000 2013 Medical Care Facility Refunding Bonds, due in annual installments of \$545,000 to \$625,000 plus interest at 0.45% to 1.95% through 2025.       | 5,285,000            |
| \$1,117,000 2015 Mental Health Refunding Bonds, due in annual installments of \$56,000 to \$96,000 plus interest ranging from 2.675% through 2030.               | <u>1,061,000</u>     |
| Total governmental activities  | <u>\$ 10,676,000</u> |

### Business-type Activities

|  |                     |
|--|---------------------|
| \$3,780,000 2012 Chain of Lakes Refunding Bond, due in annual installments of \$360,000 to \$400,000 plus interest ranging from 2.00% to 4.00% through 2022. | \$ 2,245,000        |
| \$414,167 2005 Hesperia Sanitary Sewer System Bonds, due in annual installments of \$20,000 to \$25,000 plus interest at 1.63% through 2025.                 | 189,180             |
| \$750,000 1978 Hesperia Wastewater Project Bonds, due in annual installments of \$5,000 to \$25,000 plus interest at 5.00% through 2018.                     | 50,000              |
| \$2,100,000 1981 White Cloud/Sherman Wastewater Bonds, due in annual installments of \$5,000 to \$70,000 plus interest at 5.00% through 2020.                | <u>225,000</u>      |
| Total business-type activities   | <u>\$ 2,709,180</u> |

*Notes Payable.* The 2014 delinquent tax fund issued notes payable for the 2014 property tax settlement in the amount of \$2,000,000. The notes accrued interest at a rate of 0.881% and were repaid in full during the year ended September 30, 2016.

# COUNTY OF NEWAYGO, MICHIGAN

## Notes to Financial Statements

Annual debt service requirements to maturity for long-term debt are as follows:

| Year Ended<br>September 30, | Governmental Activities |                     | Business-type Activities |                   |
|-----------------------------|-------------------------|---------------------|--------------------------|-------------------|
|                             | Principal               | Interest            | Principal                | Interest          |
| 2017                        | \$ 1,015,000            | \$ 286,316          | \$ 480,000               | \$ 101,074        |
| 2018                        | 1,044,000               | 265,716             | 475,000                  | 85,348            |
| 2019                        | 1,079,000               | 242,040             | 455,000                  | 66,524            |
| 2020                        | 1,103,000               | 210,836             | 450,000                  | 48,198            |
| 2021                        | 1,147,000               | 182,435             | 390,000                  | 31,374            |
| 2022-2026                   | 4,933,000               | 418,452             | 459,180                  | 18,562            |
| 2027-2030                   | 355,000                 | 24,477              | -                        | -                 |
| Totals                      | <u>\$ 10,676,000</u>    | <u>\$ 1,630,272</u> | <u>\$ 2,709,180</u>      | <u>\$ 351,080</u> |

The compensated absences liability attributable to the governmental activities is expected to be liquidated by the unused sick and vacation internal service fund.

## 11. OPERATING LEASES

### *Community Mental Health*

On June 1, 2007, the County entered into a lease agreement with the Newaygo County Mental Health Board (the "Board", a separate governmental entity) for office space. The facility construction was funded, in part, by general obligation limited tax bonds, issued by the County. The County signed a 25-year operating lease agreement with the Board for use of the facility, which will remain under ownership of the County itself. Lease payments are due and payable each quarter in the amount of \$18,000 plus an additional amount to fund interest expense on the bonds issued by the County, based on the bond amortization schedule.

The facility has been recorded in capital assets of governmental activities at the initial cost of \$1,915,495, less accumulated depreciation through September 30, 2016 of \$713,548. Rental income for the year ended September 30, 2016 amounted to \$149,442, recorded in the Mental Health Building Bonds debt service fund.

### *State of Michigan Department of Human Services*

The County leases property to the State of Michigan Department of Human Services (DHS) under an agreement through June 30, 2026. Lease payments are due in monthly installments and increase annually. The property has been recorded in capital assets of governmental activities at the initial cost of \$2,662,847, less accumulated depreciation through September 30, 2016 of \$1,121,049. Rental income for the year ended September 30, 2016 amounted to \$103,589, recorded in the Building Authority enterprise fund.

# COUNTY OF NEWAYGO, MICHIGAN

## Notes to Financial Statements

Annual lease payments to maturity for operating leases are as follows:

| Year Ended September 30, | Community Mental Health | Department of Human Services | Total               |
|--------------------------|-------------------------|------------------------------|---------------------|
| 2017                     | \$ 121,200              | \$ 106,104                   | \$ 227,304          |
| 2018                     | 118,800                 | 106,104                      | 224,904             |
| 2019                     | 116,400                 | 106,104                      | 222,504             |
| 2020                     | 114,000                 | 106,104                      | 220,104             |
| 2021                     | 111,600                 | 107,136                      | 218,736             |
| 2022-2026                | 504,000                 | 523,602                      | 1,027,602           |
| 2027-2031                | 406,800                 | -                            | 406,800             |
| 2032                     | 36,000                  | -                            | 36,000              |
| <b>Totals</b>            | <b>\$ 1,528,800</b>     | <b>\$ 1,055,154</b>          | <b>\$ 2,583,954</b> |

## 12. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County is insured with private carriers for employee health care, life insurance, and disability coverage. The County is a member of the Michigan Association of Counties Workers Compensation Fund (MACWCF) for its workers' compensation coverage. The pool is organized under Public Act 317 of 1969, as amended. In the event that the pool's claims and expenses exceed the premiums charged, participating members may be subject to additional premiums to cover the deficiency. The County is not aware of any additional charges being required for any of the last three fiscal years.

The County is an individual member of the Michigan Municipal Risk Management Authority (MMRMA) for its property and general liability insurance coverage. The County makes annual contributions to MMRMA based on actuarial studies using historical data and insurance industry statistics. Such contributions as received by MMRMA are allocated between its general and member retention funds. Economic resources in the MMRMA's general fund are expended for reinsurance coverage, claim payments and certain general and administrative costs, whereas resources in the member retention fund are used for loss payments and defense costs up to the members' self-insured retention limits along with certain other member-specific costs.

Changes in the balances of claims liabilities are as follows:

|   | Year Ended September 30, |                   |
|---|--------------------------|-------------------|
|   | 2016                     | 2015              |
| Estimated liability, beginning of year  | \$ 108,922               | \$ 43,026         |
| Estimated claims incurred               | 179,039                  | 87,458            |
| Claim payments                          | (52,338)                 | (21,562)          |
| <b>Estimated liability, end of year</b> | <b>\$ 235,623</b>        | <b>\$ 108,922</b> |

# COUNTY OF NEWAYGO, MICHIGAN

## Notes to Financial Statements

Additionally, the County provides health and wellness benefits to its employees through a self insurance program. Premiums are paid into the health and wellness internal service fund by all other funds and are available to pay claims and administrative costs of the program. Interfund premiums are based primarily upon claims experience and are reported as quasi-external interfund transactions. The County holds stop-loss coverage on the plan for claims in excess of \$140,000.

The County estimates the liability for its self-insured coverages and includes both those claims that have been reported as well as those that have not yet been reported. These estimates are prepared with the assistance of the County's third-party administrators for claims management and are recorded in the health and wellness internal service fund. Changes in the estimated claims liability are as follows:

|  | Year Ended September 30, |                    |
|--|--------------------------|--------------------|
|  | 2016                     | 2015               |
| Estimated liability, beginning of year | \$ 129,859               | \$ 51,821          |
| Estimated claims incurred              | 3,357,795                | 3,136,474          |
| Claim payments                         | <u>(3,370,026)</u>       | <u>(3,058,436)</u> |
| Estimated liability, end of year       | <u>\$ 117,628</u>        | <u>\$ 129,859</u>  |

## 13. PROPERTY TAXES

County general fund property taxes are levied on July 1 of each year (the lien date) and are due in full by September 14, though they do not become delinquent until March 1 of the following year. For levies other than the general fund, the lien date is December 1.

Property taxes are levied on the assessed taxable value of the property as established by local units, accepted by the County and equalized under State statute at approximately 50 percent of the current estimated market value.

The taxable value of real and personal property for 2016, for which revenue was recognized in the general fund, was \$1,421,421,146. The general operating tax rate for this levy was 5.3685 mills. The County assessed an additional 0.9968 mills sheriff road patrol operations, 0.1000 mills for veterans' affairs, 0.4983 mills for commission on aging, and 0.4000 mills to fund debt service payments on the medical care facility bonds. These additional levies were based on the 2015 taxable value of \$1,468,898,634.

## 14. CONTINGENT LIABILITIES

The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the County and its attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the County.

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

# COUNTY OF NEWAYGO, MICHIGAN

## Notes to Financial Statements

### 15. BENEFIT PLANS

#### Defined Benefit Pension Plan

##### *General Information About the Plan*

*Plan Description.* The County (including the Central Dispatch Authority component unit) participates in the Municipal Employees' Retirement System (MERS) of Michigan, a defined benefit pension plan that provides certain retirement, disability and death benefits to plan members and beneficiaries. MERS is an agent multiple-employer, state-wide public employee pension plan established by the Michigan Legislature under Public Act 135 of 1945 and administered by a nine member Retirement Board. Public Act 427 of 1984, as amended, establishes and amends the benefit provisions of the participants in MERS. MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained accessing the MERS website at [www.mersofmich.com](http://www.mersofmich.com).

*Benefits Provided.* Pension benefits vary by division and are calculated as final average compensation (based on a 5 year calculation) and a multiplier ranging from 2.25% to 2.50% as summarized in the table below. Participants are fully vested in the plan after 10 years. Normal retirement age is 60 with early retirement at age 50 or 55, based on division and year of service. Early retirement based on a reduced benefit is available at age 50 with 25 years of service and/or age 55 with 15 years of service, based on division. Member contributions range from 0% to 4.49% of covered wages as presented in the table below. All divisions are closed to new hires who are enrolled in the County's defined contribution plan.

*Employees Covered by Benefit Terms.* At December 31, 2015, plan membership consisted of the following:

|  |         |
|--|---------|
| Inactive employees or beneficiaries currently receiving benefits | 111     |
| Inactive employees entitled to but not yet receiving benefits    | 16      |
| Active employees   | 29      |
| <br>Total membership   | <br>156 |

*Contributions.* The County is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS Retirement Board. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Since all divisions are closed to new hires, employer contributions are expressed as a fixed monthly amount as summarized in the following table:

| Division                   | Employer Contribution Rate | Employee Contribution Rate | Benefit Multiplier |
|----------------------------|----------------------------|----------------------------|--------------------|
| Unclassified               | \$ 8,681                   | 4.00%                      | 2.25%              |
| Police Officers Labor      | 19,822                     | 4.50%                      | 2.50%              |
| Appointed Department Heads | 15,818                     | 4.50%                      | 2.50%              |
| Teamsters Employees        | 5,784                      | 8.49%                      | 2.50%              |
| Central Dispatch           | 908                        | 4.00%                      | 2.25%              |
| Corrections Officers       | 8,372                      | 4.50%                      | 2.50%              |
| Command Unit               | 5,501                      | 4.50%                      | 2.50%              |
| Corrections Command        | 2,807                      | 4.50%                      | 2.50%              |

# COUNTY OF NEWAYGO, MICHIGAN

## Notes to Financial Statements

*Net Pension Liability.* The County's net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

*Actuarial Assumptions.* The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

|                           |  |
|---------------------------|--|
| Inflation                 | 2.5%   |
| Salary increases          | 3.75% in the long-term                                   |
| Investment rate of return | 7.75%, net of investment expense and including inflation |

Although no specific price inflation assumptions are needed for the valuation, the assumed long-term annual rate of price inflation is 2.5%.

Mortality rates used were based on the RP-2014 Group Annuity Mortality Table of a 50% Male and 50% Female blend.

The actuarial assumptions used in valuation were based on the results of the most recent actuarial experience study of 2009-2013.

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment and administrative expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

| Asset Class                          | Target Allocation | Long-term Expected Real Rate of Return | Expected Money-Weighted Rate of Return |
|--------------------------------------|-------------------|--|--|
| Global equity                        | 57.50%            | 5.02%                                  | 2.89%                                  |
| Global fixed income                  | 20.00%            | 2.18%                                  | 0.44%                                  |
| Real assets                          | 12.50%            | 4.23%                                  | 0.51%                                  |
| Diversifying strategies              | 10.00%            | 6.56%                                  | 0.66%                                  |
|                                      | <u>100.00%</u>    |  |  |
| Inflation                            |                   |  | 3.25%                                  |
| Administrative expenses netted above |                   |  | <u>0.50%</u>                           |
| Investment rate of return            |                   |  | <u>8.25%</u>                           |

# COUNTY OF NEWAYGO, MICHIGAN

## Notes to Financial Statements

*Discount Rate.* The discount rate used to measure the total pension liability is 8.25%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

### *Changes in Net Pension Liability*

The components of the change in the net pension liability are summarized as follows:

|  | Total Pension<br>Liability<br>(a) | Plan Fiduciary<br>Net Position<br>(b) | Net Pension<br>Liability<br>(a) - (b) |
|--|-----------------------------------|---------------------------------------|---------------------------------------|
| Balances at December 31, 2014                                    | \$ 24,670,973                     | \$ 19,939,302                         | \$ 4,731,671                          |
| Changes for the year:  |                                   |                                       |                                       |
| Service cost   | 144,182                           | -                                     | 144,182                               |
| Interest   | 1,964,674                         | -                                     | 1,964,674                             |
| Difference between expected and actual<br>experience             | (63,125)                          | -                                     | (63,125)                              |
| Changes in assumptions   | 1,143,513                         | -                                     | 1,143,513                             |
| Employer contributions   | -                                 | 1,160,256                             | (1,160,256)                           |
| Employee contributions   | -                                 | 4,701                                 | (4,701)                               |
| Net investment income (loss)                                     | -                                 | (296,005)                             | 296,005                               |
| Benefit payments, including refunds of<br>employee contributions | (1,857,659)                       | (1,857,659)                           | -                                     |
| Administrative expense   | -                                 | (43,207)                              | 43,207                                |
| Other changes  | (391)                             | -                                     | (391)                                 |
| Net changes  | <u>1,331,194</u>                  | <u>(1,031,914)</u>                    | <u>2,363,108</u>                      |
| Balances at December 31, 2015                                    | <u>\$ 26,002,167</u>              | <u>\$ 18,907,388</u>                  | <u>\$ 7,094,779</u>                   |

The net pension liability is recorded in the accompanying financial statements as follows:

|   |                     |
|---|---------------------|
| Governmental activities                   | \$ 6,327,657        |
| Central Dispatch Authority component unit | <u>767,122</u>      |
|   | <u>\$ 7,094,779</u> |

# COUNTY OF NEWAYGO, MICHIGAN

## Notes to Financial Statements

*Sensitivity of the Net Pension Liability to Changes in the Discount Rate.* The following presents the net pension liability of the County, calculated using the discount rate of 8.25%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1% lower (7.25%) or 1% higher (9.25%) than the current rate:

|                                | 1% Decrease<br>(7.25%) | Current<br>Discount Rate<br>(8.25%) | 1% Increase<br>(9.25%) |
|--------------------------------|------------------------|-------------------------------------|------------------------|
| County's net pension liability | \$ 9,599,256           | \$ 7,094,779                        | \$ 4,943,626           |

*Pension Plan Fiduciary Net Position.* Detailed information about the pension plan's fiduciary net position is available in the separately issued Plan financial statements.

### *Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*

For the year ended September 30, 2016, the County recognized pension expense of \$2,066,624. The County reported pension-related deferred outflows of resources and deferred inflows of resources from the following sources:

|  | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources | Net Deferred<br>Outflows<br>(Inflows) of<br>Resources |
|--|--------------------------------------|-------------------------------------|---|
| Net difference between projected and actual earnings on pension plan investments | \$ 1,743,835                         | \$ -                                | \$ 1,743,835  |
| Contributions subsequent to the measurement date                                 | 804,126                              | -                                   | 804,126   |
| <b>Total</b>   | <b>\$ 2,547,961</b>                  | <b>\$ -</b>                         | <b>\$ 2,547,961</b>                                   |
| Amounts are recorded in the accompanying financial statements as follows:        |                                      |                                     |   |
| Governmental activities  | \$ 2,249,980                         | \$ -                                | \$ 2,249,980  |
| Central Dispatch Authority component unit  | 297,981                              | -                                   | 297,981   |
|  | <b>\$ 2,547,961</b>                  | <b>\$ -</b>                         | <b>\$ 2,547,961</b>                                   |

# COUNTY OF NEWAYGO, MICHIGAN

## Notes to Financial Statements

The amount of deferred outflows of resources related to County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2017. Other amounts reported as pension-related deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

| Year Ended<br>September 30, | Amount              |
|-----------------------------|---------------------|
| 2017                        | \$ 453,902          |
| 2018                        | 453,902             |
| 2019                        | 453,901             |
| 2020                        | <u>382,130</u>      |
| Total                       | <u>\$ 1,743,835</u> |

*Payable to the Pension Plan.* At September 30, 2016, the County reported a payable of \$89,347 for the outstanding amount of contributions to the pension plan required for the year ended September 30, 2016.

### Defined Contribution Pension Plan

The County provides pension benefits for substantially all of its full-time employees through the Newaygo County Defined Contribution Pension Plan, a defined contribution plan. The Newaygo County Board of Commissioners is the administrator of the plan and also establishes and amends the plan provisions and the contribution requirements. In a defined contribution plan, benefits depend solely on amounts contributed to the plan, plus investment earnings. Employees are eligible to participate immediately upon hire. By County Resolution, the plan requires the County to contribute, on behalf of each covered employee, 5.0% of the employees' compensation. The County is also required to match employee contributions up to 3.0% of compensation.

Participants may make voluntary contributions into the plan. The County's contributions for each employee (and interest allocated to the employee's account) are fully vested after four years of continuous service. The employee contributions become fully vested at the time of their contribution to the plan. County contributions for, and interest forfeited by, employees who leave employment before four years of service are used to reduce the County's current-period contribution requirement. Vesting is based on years of participation in the plan. If the employee withdraws from the plan, that period of time is not included as time vested.

Employer and employee contributions to the plan for the year ended September 30, 2016 amounted to \$538,602 and \$220,882, respectively.

# COUNTY OF NEWAYGO, MICHIGAN

## Notes to Financial Statements

### 16. OTHER POSTEMPLOYMENT BENEFITS

*Plan Description.* The County of Newaygo Retiree Healthcare Plan (the “Plan”) is a single-employer defined benefit postemployment healthcare plan which provides medical insurance and prescription drug coverage to qualified retirees and their beneficiaries. As of October 1, 2015, the date of the most recent actuarial valuation, the Plan included 149 members (48 retirees and 101 active employees).

*Funding Policy.* The contribution requirements of Plan members and the County are established and may be amended by the County Board of Commissioners. Retirees receiving benefits contribute a percentage of actual premiums for retiree and spousal coverage, depending on bargaining unit. The County participates in the MERS Retiree Health Funding Vehicle, a legally established trust under section 401(a) of the Internal Revenue Code. For the fiscal year ended September 30, 2016, the County contributed \$788,819 to the Plan, which included \$52,642 normal cost for current benefits and \$736,177 to amortize the unfunded actuarial accrued liability. Retirees receiving benefits are not currently required to contribute to the Plan.

*Annual OPEB Cost and Net OPEB Obligation.* The County's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

*Funded Status and Funding Progress.* As of October 1, 2015, the date of the most recent actuarial valuation, the Plan was 22.79% funded. The actuarial accrued liability for benefits was \$13,123,688, and the actuarial value of assets was \$2,990,339, resulting in an unfunded actuarial accrued liability (UAAL) of \$10,133,349. Covered payroll (annual payroll for active employees covered by the plan) was \$5,432,778 and the ratio of unfunded actuarial accrued liability to covered payroll was 186.5%. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for 2016 and the two preceding years were as follows:

| Three-Year Trend Information |                  |  |                     |
|------------------------------|------------------|--|---------------------|
| Year Ended September 30,     | Annual OPEB Cost | Percentage of Annual OPEB Cost Contributed | Net OPEB Obligation |
| 2014                         | \$ 809,083       | 100%                                       | \$ -                |
| 2015                         | 721,715          | 100%                                       | -                   |
| 2016                         | 788,819          | 100%                                       | -                   |

# COUNTY OF NEWAYGO, MICHIGAN

## Notes to Financial Statements

*Actuarial Methods and Assumptions.* Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the 2015 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included (a) a rate of return on investments of 6.0%; (b) retirement rate of 100% at age 75; (c) projected participation of current employees upon retirement of 75% with a projected 33% of current employees electing two-party coverage upon retirement; and (d) projected healthcare benefit increases of 6.7% and 6.1% for Pre-65 and Post-65 retirees, respectively, decreasing to an ultimate rate of 4.40%. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the fair value of investments. The unfunded actuarial accrued liability is being amortized as a level dollar amount over 30 years on an open basis.

# COUNTY OF NEWAYGO, MICHIGAN

## Notes to Financial Statements

### 17. FUND BALANCES - GOVERNMENTAL FUNDS

In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the County classifies fund balances primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Detailed information on fund balances of governmental funds is as follows:

|  | General Fund        | Jail              | Capital Improvement | Nonmajor Funds      | Total               |
|--|---------------------|-------------------|---------------------|---------------------|---------------------|
| <b>Nonspendable:</b>                           |                     |                   |                     |                     |                     |
| Prepays  | \$ -                | \$ -              | \$ -                | \$ 9,000            | \$ 9,000            |
| Long-term advances                             | 300,000             | -                 | -                   | -                   | 300,000             |
| <b>Total nonspendable</b>                      | <b>300,000</b>      | <b>-</b>          | <b>-</b>            | <b>9,000</b>        | <b>309,000</b>      |
| <b>Restricted for:</b>                         |                     |                   |                     |                     |                     |
| Family counseling (P.A. 368)                   | 86,058              | -                 | -                   | -                   | 86,058              |
| Law enforcement and road patrol                | -                   | -                 | -                   | 87,609              | 87,609              |
| Community development                          | -                   | -                 | -                   | 1,121,183           | 1,121,183           |
| Jail training                                  | -                   | 14,618            | -                   | -                   | 14,618              |
| Building inspections (P.A. 245)                | -                   | -                 | -                   | 307,718             | 307,718             |
| Register of deeds technology (P.A. 698)        | -                   | -                 | -                   | 41,881              | 41,881              |
| Law library (P.A. 59)                          | -                   | -                 | -                   | 3,202               | 3,202               |
| Debt service                                   | -                   | -                 | -                   | 564,256             | 564,256             |
| Other purposes                                 | 11,205              | -                 | -                   | 49,669              | 60,874              |
| <b>Total restricted</b>                        | <b>97,263</b>       | <b>14,618</b>     | <b>-</b>            | <b>2,175,518</b>    | <b>2,287,399</b>    |
| <b>Committed for:</b>                          |                     |                   |                     |                     |                     |
| Law enforcement and road patrol                | -                   | -                 | -                   | 198,758             | 198,758             |
| Jail operations                                | -                   | 279,039           | -                   | 49,182              | 328,221             |
| General capital improvements                   | -                   | -                 | 1,730,592           | -                   | 1,730,592           |
| Hardy pond non-motorized trail                 | -                   | -                 | 138,562             | 188,326             | 326,888             |
| Sandy beach construction                       | -                   | -                 | 100,000             | -                   | 100,000             |
| Debt service                                   | -                   | -                 | -                   | 418,846             | 418,846             |
| Other purposes                                 | 12,287              | -                 | -                   | -                   | 12,287              |
| <b>Total committed</b>                         | <b>12,287</b>       | <b>279,039</b>    | <b>1,969,154</b>    | <b>855,112</b>      | <b>3,115,592</b>    |
| <b>Assigned for:</b>                           |                     |                   |                     |                     |                     |
| Emergency services                             | -                   | -                 | -                   | 31,187              | 31,187              |
| Community development                          | -                   | -                 | -                   | 57,607              | 57,607              |
| Animal control                                 | 27,588              | -                 | -                   | -                   | 27,588              |
| Elections                                      | 51,913              | -                 | -                   | -                   | 51,913              |
| Building repair and maintenance                | 139,516             | -                 | -                   | -                   | 139,516             |
| Law enforcement                                | -                   | -                 | -                   | 186,193             | 186,193             |
| County parks                                   | -                   | -                 | -                   | 158,349             | 158,349             |
| Friend of court                                | -                   | -                 | -                   | 74,253              | 74,253              |
| Social services                                | -                   | -                 | -                   | 127,752             | 127,752             |
| Child care                                     | -                   | -                 | -                   | 123,171             | 123,171             |
| Soldiers' relief                               | -                   | -                 | -                   | 151,080             | 151,080             |
| Commission on aging programs                   | -                   | -                 | -                   | 272,745             | 272,745             |
| Other purposes                                 | -                   | -                 | -                   | 10,436              | 10,436              |
| <b>Total assigned</b>                          | <b>219,017</b>      | <b>-</b>          | <b>-</b>            | <b>1,192,773</b>    | <b>1,411,790</b>    |
| Unassigned                                     | 2,433,374           | -                 | -                   | -                   | 2,433,374           |
| <b>Total fund balances, governmental funds</b> | <b>\$ 3,061,941</b> | <b>\$ 293,657</b> | <b>\$ 1,969,154</b> | <b>\$ 4,232,403</b> | <b>\$ 9,557,155</b> |

# COUNTY OF NEWAYGO, MICHIGAN

## Notes to Financial Statements

### 18. NET INVESTMENT IN CAPITAL ASSETS

The composition of the County's net investment in capital assets as of September 30, 2016, was as follows:

|  | Governmental<br>Activities | Business-type<br>Activities | Component<br>Units   |
|--|----------------------------|-----------------------------|----------------------|
| Capital assets:                              |                            |                             |                      |
| Capital assets not being depreciated         | \$ 2,309,393               | \$ -                        | \$ 2,393,369         |
| Capital assets being depreciated, net        | 15,150,859                 | 12,167                      | 57,553,568           |
|  | <u>17,460,252</u>          | <u>12,167</u>               | <u>59,946,937</u>    |
| Related debt:                                |                            |                             |                      |
| Bonds payable                                | 10,676,000                 | 2,709,180                   | -                    |
| Premium on bonds payable                     | 9,017                      | 180,395                     | -                    |
| Deferred charge on refunding                 | (118,736)                  | (55,849)                    | -                    |
| Amounts related to capital leases receivable | -                          | (2,833,726)                 | -                    |
| Installment purchase agreements              | -                          | -                           | 5,893,211            |
|  | <u>10,566,281</u>          | <u>-</u>                    | <u>5,893,211</u>     |
| Net investment in capital assets             | <u>\$ 6,893,971</u>        | <u>\$ 12,167</u>            | <u>\$ 54,053,726</u> |

### 19. INTERGOVERNMENTAL AGREEMENTS

#### *West Michigan Forensic Pathology Services*

Newaygo County has entered into an intergovernmental agreement with Mecosta County for establishment of a shared morgue. The morgue facility is housed in Mecosta County and the capital costs were funded primarily through a State grant administered by Mecosta County. Accordingly, no amounts have been capitalized by Newaygo County. Under the terms of the agreement, the counties will share in costs of operation on a 50/50 basis along with any capital-related needs not funded through the State grant. The County made no contributions to the Authority during the year. The Counties have entered into an interlocal agreement to establish the West Michigan Forensic Pathology Services Authority. The Authority will commence operations beginning in 2017.

### 20. RELATED PARTY TRANSACTIONS

During the year, the County conducted business with three of its elected officials. These transactions were for automobile repairs and maintenance, equipment rental, and survey and engineering services and were in the amounts of \$23,889, \$328, and \$53,792, respectively.

### 21. SPECIAL ITEMS

On October 2, 2015, the County transferred the fiduciary responsibility for the Central Michigan Enforcement Team (CMET) to the County of Mecosta, Michigan. This is reported as a special item in the Special Investigative Unit nonmajor governmental fund and in the government-wide statement of net position at the net transferred amount of \$119,131.

# COUNTY OF NEWAYGO, MICHIGAN

## Notes to Financial Statements

The County has been accumulating resources in an internal service fund for the payment of accrued sick and vacation liabilities. These liabilities were previously reported in the various funds/opinion units where each employee's wages were being charged. In order to offset the liability with the resources accumulated for this dedicated purpose, the compensated absences balance for governmental activities as of October 1, 2015 was transferred to the unused sick and vacation internal service fund. While this created a special item in various internal service funds and for GASB 34 adjustments, there was no net impact on beginning net position of governmental activities.

## 22. RESTATEMENT

The Medical Care Facility component unit adopted the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, in the current year. As a result of this change, beginning net position of the Medical Care Facility component unit was decreased by \$1,536,797.



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## REQUIRED SUPPLEMENTARY INFORMATION

# COUNTY OF NEWAYGO, MICHIGAN

## Required Supplementary Information

### MERS Agent Multiple-Employer Defined Benefit Pension Plan

#### Schedule of Changes in the County's Net Pension Liability and Related Ratios

|   | Year Ended September 30, |                     |
|---|--------------------------|---------------------|
|   | 2015                     | 2016                |
| <b>Total pension liability</b>  |                          |                     |
| Service cost  | \$ 177,889               | \$ 144,182          |
| Interest  | 1,936,675                | 1,964,674           |
| Difference between expected and actual experience                                     | -                        | (63,125)            |
| Changes in assumptions  | -                        | 1,143,513           |
| Benefit payments, including refunds<br>of employee contributions                      | (1,659,002)              | (1,857,659)         |
| Other changes   | -                        | (391)               |
| <b>Net change in total pension liability</b>  | <u>455,562</u>           | <u>1,331,194</u>    |
| <b>Total pension liability, beginning of year</b>                                     | <u>24,215,411</u>        | <u>24,670,973</u>   |
| <b>Total pension liability, end of year</b>   | <u>24,670,973</u>        | <u>26,002,167</u>   |
| <b>Plan fiduciary net position</b>  |                          |                     |
| Employer contributions  | 1,135,610                | 1,160,256           |
| Employee contributions  | 8,638                    | 4,701               |
| Net investment income (loss)  | 1,209,412                | (296,005)           |
| Benefit payments, including refunds<br>of employee contributions                      | (1,659,002)              | (1,857,659)         |
| Administrative expense  | (44,398)                 | (43,207)            |
| <b>Net change in plan fiduciary net position</b>                                      | <u>650,260</u>           | <u>(1,031,914)</u>  |
| <b>Plan fiduciary net position, beginning of year</b>                                 | <u>19,289,042</u>        | <u>19,939,302</u>   |
| <b>Plan fiduciary net position, end of year</b>                                       | <u>19,939,302</u>        | <u>18,907,388</u>   |
| <b>County's net pension liability</b>   | <u>\$ 4,731,671</u>      | <u>\$ 7,094,779</u> |
| <b>Plan fiduciary net position as a percentage<br/>of total pension liability</b>     | 80.82%                   | 72.71%              |
| <b>Covered-employee payroll</b>   | \$ 1,717,803             | \$ 1,396,627        |
| <b>County's net pension liability as a percentage<br/>of covered-employee payroll</b> | 275.45%                  | 507.99%             |

The amounts presented for each fiscal year were determined as of December 31 of the preceding year.

Note: GASB 68 was implemented in fiscal year 2015. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

COUNTY OF NEWAYGO, MICHIGAN

**Required Supplementary Information**  
MERS Agent Multiple-Employer Defined Benefit Pension Plan

Schedule of the Net Pension Liability

| Fiscal Year Ended Sept. 30, | Total Pension Liability | Plan Net Position | Net Pension Liability | Plan Net Position as Percentage of Total Pension Liability | Covered-Employee Payroll | Net Pension Liability as Percentage of Covered Payroll |
|-----------------------------|-------------------------|-------------------|-----------------------|--|--------------------------|--|
| 2016                        | \$ 26,002,167           | \$ 18,907,388     | \$ 7,094,779          | 72.71%   | \$ 1,396,627             | 507.99%  |
| 2015                        | 24,670,973              | 19,939,302        | 4,731,671             | 80.82%   | 1,717,803                | 275.45%  |

The amounts presented for each fiscal year were determined as of December 31 of the preceding year.

Note: GASB 68 was implemented in fiscal year 2015. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

# COUNTY OF NEWAYGO, MICHIGAN

## Required Supplementary Information MERS Agent Multiple-Employer Defined Benefit Pension Plan

### Schedule of Contributions

| Fiscal Year Ended Sept. 30, | Actuarially Determined Contribution | Contributions in Relation to the Actuarially Determined Contribution | Contribution Deficiency (Excess) | Covered-Employee Payroll | Contributions as Percentage of Covered-Employee Payroll |
|-----------------------------|-------------------------------------|--|----------------------------------|--------------------------|---|
| 2016                        | \$ 805,812                          | \$ 1,072,168   | \$ (266,356)                     | \$ 1,445,878             | 74.15%  |
| 2015                        | 744,876                             | 1,189,619  | (444,743)                        | 1,660,381                | 71.65%  |

Note: GASB 68 was implemented in fiscal year 2015. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

#### Notes to Schedule of Contributions

**Valuation Date** Actuarially determined contribution rates are calculated as of the December 31 that is 21 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

|                               |   |
|-------------------------------|---|
| Actuarial cost method         | Entry-age normal  |
| Amortization method           | Level percent of payroll, open  |
| Remaining amortization period | 4-10 years based on division  |
| Asset valuation method        | 10 year smoothed  |
| Inflation                     | 2.5%  |
| Salary increases              | 3.75% in the long-term  |
| Investment rate of return     | 7.75%, net of investment and administrative expense including inflation   |
| Retirement age                | Age-based table of rates that are specific to the type of eligibility condition. The Normal Retirement rates were first used for the December 31, 2015 actuarial valuations. The Early Retirement rates were first used for the December 31, 2015 actuarial valuations. |
| Mortality                     | Mortality rates used were based on the RP-2014 Group Annuity Mortality Table of a 50% Male and 50% Female blend.  |

COUNTY OF NEWAYGO, MICHIGAN

**Required Supplementary Information**  
Single Employer Other Postemployment Benefits Plan

Schedule of Funding Progress

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) - Entry Age (b) | Unfunded AAL (UAAL) (b-a) | Funded Ratio (a / b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll ((b-a) / c) |
|--------------------------|-------------------------------|---|---------------------------|----------------------|---------------------|---|
| 12/31/2011               | \$ 1,067,702                  | \$ 9,623,170                                      | \$ 8,555,468              | 11.1%                | \$ 6,431,327        | 133.0%  |
| 10/01/2013               | 1,433,150                     | 10,618,602  | 9,185,452                 | 13.5%                | 6,228,326           | 147.5%  |
| 10/01/2015               | 2,990,339                     | 13,123,688  | 10,133,349                | 22.8%                | 5,432,778           | 186.5%  |

Schedule of Employer Contributions

| Year Ended September 30, | Annual Required Contributions | Percentage Contributed |
|--------------------------|-------------------------------|------------------------|
| 2014                     | \$ 809,083                    | 100%                   |
| 2015                     | 721,715                       | 100%                   |
| 2016                     | 788,819                       | 100%                   |

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**COMBINING AND INDIVIDUAL FUND FINANCIAL  
STATEMENTS AND SCHEDULES**

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## GENERAL FUND

# COUNTY OF NEWAYGO, MICHIGAN

## Combining Schedule of Balance Sheet Accounts

By Activity - General Fund

September 30, 2016

|   | General<br>Fund<br>(101) | Animal<br>Control<br>(2052) | Elections<br>(214) | Budget vs.<br>GAAP<br>Adjustment |
|---|--------------------------|-----------------------------|--------------------|----------------------------------|
| <b>Assets</b>   |                          |                             |                    |                                  |
| Cash and cash equivalents   | \$ -                     | \$ 35,800                   | \$ -               | \$ -                             |
| Investments   | 2,003,706                | -                           | -                  | -                                |
| Accounts receivable   | 21,688                   | -                           | -                  | -                                |
| Taxes receivable  | 1,782,761                | -                           | -                  | -                                |
| Due from other governments  | 161,006                  | -                           | 62,848             | -                                |
| Due from other funds  | 43,760                   | -                           | -                  | -                                |
| Advance to component unit   | 300,000                  | -                           | -                  | -                                |
| <b>Total assets</b>   | <b>\$ 4,312,921</b>      | <b>\$ 35,800</b>            | <b>\$ 62,848</b>   | <b>\$ -</b>                      |
| <b>Liabilities</b>  |                          |                             |                    |                                  |
| Interfund payable   | \$ 203,961               | \$ -                        | \$ 4,856           | \$ -                             |
| Accounts payable  | 233,530                  | 4,277                       | 5,501              | -                                |
| Accrued expenditures  | 73,589                   | 2,165                       | 578                | -                                |
| Due to other funds  | 1,232                    | -                           | -                  | -                                |
| Unearned revenue  | 110,717                  | -                           | -                  | -                                |
| <b>Total liabilities</b>  | <b>623,029</b>           | <b>6,442</b>                | <b>10,935</b>      | <b>-</b>                         |
| <b>Deferred inflows of resources</b>                                      |                          |                             |                    |                                  |
| Unavailable revenues - property taxes                                     | -                        | -                           | -                  | 709,222                          |
| <b>Fund balances</b>  |                          |                             |                    |                                  |
| Nonspendable  | 300,000                  | -                           | -                  | -                                |
| Restricted  | 95,493                   | 1,770                       | -                  | -                                |
| Committed   | 12,287                   | -                           | -                  | -                                |
| Assigned  | 139,516                  | 27,588                      | 51,913             | -                                |
| Unassigned  | 3,142,596                | -                           | -                  | (709,222)                        |
| <b>Total fund balances</b>  | <b>3,689,892</b>         | <b>29,358</b>               | <b>51,913</b>      | <b>(709,222)</b>                 |
| <b>Total liabilities, deferred inflows of resources and fund balances</b> | <b>\$ 4,312,921</b>      | <b>\$ 35,800</b>            | <b>\$ 62,848</b>   | <b>\$ -</b>                      |



| Eliminations | Total        |
|--------------|--------------|
| \$ -         | \$ 35,800    |
| -            | 2,003,706    |
| -            | 21,688       |
| -            | 1,782,761    |
| -            | 223,854      |
| -            | 43,760       |
| -            | 300,000      |
| <hr/>        |              |
| \$ -         | \$ 4,411,569 |
| <hr/>        |              |
| \$ -         | \$ 208,817   |
| -            | 243,308      |
| -            | 76,332       |
| -            | 1,232        |
| -            | 110,717      |
| <hr/>        |              |
| -            | 640,406      |
| <hr/>        |              |
| -            | 709,222      |
| <hr/>        |              |
| -            | 300,000      |
| -            | 97,263       |
| -            | 12,287       |
| -            | 219,017      |
| -            | 2,433,374    |
| <hr/>        |              |
| -            | 3,061,941    |
| <hr/>        |              |
| \$ -         | \$ 4,411,569 |
| <hr/>        |              |

# COUNTY OF NEWAYGO, MICHIGAN

## Combining Schedule of Revenues, Expenditures and Changes in Fund Balances

By Activity - General Fund

For the Year Ended September 30, 2016

|   | General<br>Fund<br>(101) | Animal<br>Control<br>(2052) | Elections<br>(214) | Budget vs.<br>GAAP<br>Adjustment |
|---|--------------------------|-----------------------------|--------------------|----------------------------------|
| <b>Revenues</b>                             |                          |                             |                    |                                  |
| Taxes                                       | \$ 7,279,752             | \$ -                        | \$ -               | \$ 31,040                        |
| Intergovernmental:                          |                          |                             |                    |                                  |
| Federal                                     | 451,753                  | -                           | -                  | -                                |
| State                                       | 1,711,330                | 200                         | -                  | -                                |
| Local                                       | 134,282                  | -                           | -                  | -                                |
| Licenses and permits                        | 37,750                   | -                           | -                  | -                                |
| Fines and forfeitures                       | 46,643                   | -                           | -                  | -                                |
| Charges for services                        | 1,994,578                | 60,229                      | 33,659             | -                                |
| Interest and rentals                        | 184,669                  | -                           | -                  | -                                |
| Contributions from private sources          | 70,408                   | 959                         | -                  | -                                |
| Other revenues/reimbursements               | 34,761                   | -                           | 63,495             | -                                |
| <b>Total revenues</b>                       | <b>11,945,926</b>        | <b>61,388</b>               | <b>97,154</b>      | <b>31,040</b>                    |
| <b>Expenditures</b>                         |                          |                             |                    |                                  |
| Current:                                    |                          |                             |                    |                                  |
| Legislative                                 | 354,062                  | -                           | -                  | -                                |
| Judicial                                    | 2,841,189                | -                           | -                  | -                                |
| General government                          | 3,614,899                | -                           | 193,217            | -                                |
| Public safety                               | 951,148                  | 222,468                     | -                  | -                                |
| Public works                                | 70,744                   | -                           | -                  | -                                |
| Health and welfare                          | 943,379                  | -                           | -                  | -                                |
| Community and economic development          | 140,993                  | -                           | -                  | -                                |
| Other                                       | 143,690                  | -                           | -                  | -                                |
| Capital outlay                              | 125,395                  | -                           | -                  | -                                |
| <b>Total expenditures</b>                   | <b>9,185,499</b>         | <b>222,468</b>              | <b>193,217</b>     | <b>-</b>                         |
| Revenues over (under) expenditures          | 2,760,427                | (161,080)                   | (96,063)           | 31,040                           |
| <b>Other financing sources (uses)</b>       |                          |                             |                    |                                  |
| Transfers in                                | 963,967                  | 176,078                     | 100,000            | -                                |
| Transfers out                               | (3,532,567)              | -                           | -                  | -                                |
| <b>Total other financing sources (uses)</b> | <b>(2,568,600)</b>       | <b>176,078</b>              | <b>100,000</b>     | <b>-</b>                         |
| <b>Net changes in fund balances</b>         | <b>191,827</b>           | <b>14,998</b>               | <b>3,937</b>       | <b>31,040</b>                    |
| Fund balances, beginning of year            | 3,498,065                | 14,360                      | 47,976             | (740,262)                        |
| <b>Fund balances, end of year</b>           | <b>\$ 3,689,892</b>      | <b>\$ 29,358</b>            | <b>\$ 51,913</b>   | <b>\$ (709,222)</b>              |



| Eliminations   | Total               |
|----------------|---------------------|
| \$ -           | \$ 7,310,792        |
| -              | 451,753             |
| -              | 1,711,530           |
| -              | 134,282             |
| -              | 37,750              |
| -              | 46,643              |
| -              | 2,088,466           |
| -              | 184,669             |
| -              | 71,367              |
| -              | 98,256              |
| -              | <u>12,135,508</u>   |
| -              | 354,062             |
| -              | 2,841,189           |
| -              | 3,808,116           |
| -              | 1,173,616           |
| -              | 70,744              |
| -              | 943,379             |
| -              | 140,993             |
| -              | 143,690             |
| -              | 125,395             |
| -              | <u>9,601,184</u>    |
| -              | <u>2,534,324</u>    |
| (276,078)      | 963,967             |
| <u>276,078</u> | <u>(3,256,489)</u>  |
| -              | <u>(2,292,522)</u>  |
| -              | 241,802             |
| -              | <u>2,820,139</u>    |
| <u>\$ -</u>    | <u>\$ 3,061,941</u> |

# COUNTY OF NEWAYGO, MICHIGAN

## Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Budgetary Basis) and Actual - General Fund - By Activity For the Year Ended September 30, 2016

|                                     | Original Budget   | Final Budget      | Actual            | Actual Over (Under) Final Budget |
|-------------------------------------|-------------------|-------------------|-------------------|----------------------------------|
| <b>Revenues</b>                     |                   |                   |                   |                                  |
| <b>General fund (fund 101)</b>      |                   |                   |                   |                                  |
| Taxes:                              |                   |                   |                   |                                  |
| Real and personal property taxes    | \$ 7,316,783      | \$ 7,316,783      | \$ 7,271,744      | \$ (45,039)                      |
| Other taxes                         | 6,000             | 6,000             | 8,008             | 2,008                            |
| Total taxes                         | <u>7,322,783</u>  | <u>7,322,783</u>  | <u>7,279,752</u>  | <u>(43,031)</u>                  |
| Intergovernmental:                  |                   |                   |                   |                                  |
| Federal                             | 331,440           | 410,299           | 451,753           | 41,454                           |
| State                               | 1,716,237         | 1,716,677         | 1,711,330         | (5,347)                          |
| Local                               | 106,873           | 127,673           | 134,282           | 6,609                            |
| Total intergovernmental             | <u>2,154,550</u>  | <u>2,254,649</u>  | <u>2,297,365</u>  | <u>42,716</u>                    |
| Licenses and permits                | <u>35,000</u>     | <u>35,000</u>     | <u>37,750</u>     | <u>2,750</u>                     |
| Fines and forfeitures               | <u>51,000</u>     | <u>51,000</u>     | <u>46,643</u>     | <u>(4,357)</u>                   |
| Charges for services                | <u>2,212,802</u>  | <u>1,956,066</u>  | <u>1,994,578</u>  | <u>38,512</u>                    |
| Interest and rentals:               |                   |                   |                   |                                  |
| Interest revenue                    | 32,000            | 32,000            | 55,366            | 23,366                           |
| Rentals                             | 125,959           | 125,959           | 129,303           | 3,344                            |
| Total interest and rentals          | <u>157,959</u>    | <u>157,959</u>    | <u>184,669</u>    | <u>26,710</u>                    |
| Contributions from private sources  | <u>41,279</u>     | <u>41,279</u>     | <u>70,408</u>     | <u>29,129</u>                    |
| Other revenues/reimbursements:      |                   |                   |                   |                                  |
| Reimbursements                      | 81,523            | 33,080            | 34,321            | 1,241                            |
| Other revenue                       | 1,500             | 1,500             | 440               | (1,060)                          |
| Total other revenues/reimbursements | <u>83,023</u>     | <u>34,580</u>     | <u>34,761</u>     | <u>181</u>                       |
| Total general fund (101)            | <u>12,058,396</u> | <u>11,853,316</u> | <u>11,945,926</u> | <u>92,610</u>                    |
| <b>Animal control (fund 2052)</b>   |                   |                   |                   |                                  |
| Charges for services                | 50,991            | 50,991            | 60,229            | 9,238                            |
| Intergovernmental - State           | -                 | 200               | 200               | -                                |
| Contributions from private sources  | 1,200             | 1,200             | 959               | (241)                            |
| Total animal control (fund 2052)    | <u>52,191</u>     | <u>52,391</u>     | <u>61,388</u>     | <u>8,997</u>                     |
| <b>Elections (fund 214)</b>         |                   |                   |                   |                                  |
| Charges for services                | 56,901            | 95,771            | 33,659            | (62,112)                         |
| Other revenue and reimbursements    | 600               | 234               | 63,495            | 63,261                           |
| Total elections (fund 214)          | <u>57,501</u>     | <u>96,005</u>     | <u>97,154</u>     | <u>1,149</u>                     |
| Total revenues                      | <u>12,168,088</u> | <u>12,001,712</u> | <u>12,104,468</u> | <u>102,756</u>                   |

continued...

# COUNTY OF NEWAYGO, MICHIGAN

## Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Budgetary Basis) and Actual - General Fund - By Activity For the Year Ended September 30, 2016

|                                    | Original Budget  | Final Budget     | Actual           | Actual Over (Under) Final Budget |
|------------------------------------|------------------|------------------|------------------|----------------------------------|
| <b>Expenditures</b>                |                  |                  |                  |                                  |
| <b>General fund (fund 101)</b>     |                  |                  |                  |                                  |
| <b>Legislative:</b>                |                  |                  |                  |                                  |
| Board of Commissioners             | \$ 374,701       | \$ 374,701       | \$ 354,062       | \$ (20,639)                      |
| <b>Judicial:</b>                   |                  |                  |                  |                                  |
| 27th Circuit Court - Newaygo       | 623,929          | 638,451          | 624,514          | (13,937)                         |
| 27th Circuit Court - Oceana        | 26,081           | 26,081           | 24,963           | (1,118)                          |
| Circuit Court Probation            | 26,199           | 26,199           | 25,160           | (1,039)                          |
| Circuit Court Clerk                | 294,156          | 294,156          | 269,306          | (24,850)                         |
| Circuit Court - Juvenile Division  | 205,861          | 215,247          | 223,799          | 8,552                            |
| District Court                     | 1,166,229        | 1,167,829        | 1,145,791        | (22,038)                         |
| Jury Board                         | 12,454           | 12,454           | 10,919           | (1,535)                          |
| Probate Court                      | 458,503          | 458,503          | 462,122          | 3,619                            |
| Court Guardian                     | 54,615           | 54,615           | 54,615           | -                                |
| <b>Total judicial</b>              | <b>2,868,027</b> | <b>2,893,535</b> | <b>2,841,189</b> | <b>(52,346)</b>                  |
| <b>General government:</b>         |                  |                  |                  |                                  |
| Administrator                      | 192,637          | 209,412          | 164,661          | (44,751)                         |
| Accounting                         | 209,670          | 213,870          | 208,330          | (5,540)                          |
| Clerk                              | 329,624          | 330,561          | 318,618          | (11,943)                         |
| Tax allocation                     | 1,145            | 1,145            | 834              | (311)                            |
| Treasurer                          | 506,538          | 506,538          | 485,823          | (20,715)                         |
| Equalization                       | 629,652          | 587,182          | 582,572          | (4,610)                          |
| Cooperative extension              | 164,928          | 164,928          | 155,547          | (9,381)                          |
| Civil counsel                      | 15,008           | 15,008           | 5,815            | (9,193)                          |
| Prosecutor                         | 749,928          | 750,197          | 734,807          | (15,390)                         |
| Register of deeds                  | 361,461          | 361,461          | 356,943          | (4,518)                          |
| Personnel                          | 60,974           | 60,974           | 57,178           | (3,796)                          |
| Surveyor                           | 88,246           | 88,246           | 58,375           | (29,871)                         |
| Drain Commissioner                 | 264,357          | 264,357          | 258,300          | (6,057)                          |
| Payroll                            | 47,710           | 48,310           | 46,905           | (1,405)                          |
| Courtesy desk/mail                 | 33,218           | 33,218           | 24,815           | (8,403)                          |
| Drain maintenance and construction | 153,191          | 153,191          | 150,054          | (3,137)                          |
| Soil erosion/conservation          | 6,451            | 6,451            | 5,322            | (1,129)                          |
| <b>Total general government</b>    | <b>3,814,738</b> | <b>3,795,049</b> | <b>3,614,899</b> | <b>(180,150)</b>                 |
| <b>Public safety:</b>              |                  |                  |                  |                                  |
| Sheriff's department               | 736,746          | 736,746          | 735,893          | (853)                            |
| Courthouse security                | 42,990           | 42,990           | 46,706           | 3,716                            |
| Regional drug force contract       | 113              | 113              | 113              | -                                |
| Marine law enforcement             | 39,547           | 67,423           | 63,180           | (4,243)                          |
| Crisis management                  | -                | 88,176           | 88,176           | -                                |
| Truancy program                    | 8,000            | 8,000            | 8,000            | -                                |
| Other public safety                | 310              | 9,390            | 9,080            | (310)                            |
| <b>Total public safety</b>         | <b>827,706</b>   | <b>952,838</b>   | <b>951,148</b>   | <b>(1,690)</b>                   |

continued...

# COUNTY OF NEWAYGO, MICHIGAN

## Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Budgetary Basis) and Actual - General Fund - By Activity For the Year Ended September 30, 2016

|  | Original<br>Budget | Final<br>Budget  | Actual           | Actual Over<br>(Under) Final<br>Budget |
|--|--------------------|------------------|------------------|--|
| Expenditures (continued)                       |                    |                  |                  |  |
| Public works:                                  |                    |                  |                  |  |
| Board of public works                          | \$ 46,437          | \$ 46,437        | \$ 56,779        | \$ 10,342                              |
| Drain tax at large                             | 15,000             | 14,000           | 13,965           | (35)                                   |
| Total public works                             | <u>61,437</u>      | <u>60,437</u>    | <u>70,744</u>    | <u>10,307</u>                          |
| Health and welfare:                            |                    |                  |                  |  |
| Health department                              | 312,502            | 360,361          | 360,361          | -                                      |
| Contagious disease                             | 462                | 462              | 515              | 53                                     |
| Mental health                                  | 220,000            | 293,182          | 293,182          | -                                      |
| Family counseling services                     | 5,000              | 5,000            | -                | (5,000)                                |
| Medical Care Facility maintenance<br>of effort | 96,103             | 96,103           | 95,520           | (583)                                  |
| Substance abuse                                | 67,552             | 92,994           | 97,411           | 4,417                                  |
| Medical examiner                               | 125,381            | 125,381          | 96,390           | (28,991)                               |
| Total health and welfare                       | <u>827,000</u>     | <u>973,483</u>   | <u>943,379</u>   | <u>(30,104)</u>                        |
| Community and economic development:            |                    |                  |                  |  |
| Land use educator                              | 78,067             | 78,067           | 78,067           | -                                      |
| Economic development (NCEDO)                   | 45,000             | 45,000           | 45,000           | -                                      |
| West Michigan regional planning                | 13,500             | 13,500           | 12,926           | (574)                                  |
| Redevelopment                                  | 5,000              | 5,000            | 5,000            | -                                      |
| Total community and economic<br>development    | <u>141,567</u>     | <u>141,567</u>   | <u>140,993</u>   | <u>(574)</u>                           |
| Other:   |                    |                  |                  |  |
| National Forest grant distributions            | 147,137            | 137,820          | 143,581          | 5,761                                  |
| Non-departmental expenditures                  | 25,000             | 101,927          | 109              | (101,818)                              |
| Total other                                    | <u>172,137</u>     | <u>239,747</u>   | <u>143,690</u>   | <u>(96,057)</u>                        |
| Capital outlay                                 | <u>4,635</u>       | <u>105,235</u>   | <u>125,395</u>   | <u>20,160</u>                          |
| Total general fund (fund 101)                  | 9,091,948          | 9,536,592        | 9,185,499        | (351,093)                              |
| Animal control (fund 2052)                     |                    |                  |                  |  |
| Public safety                                  | 228,269            | 229,534          | 222,468          | (7,066)                                |
| Elections (fund 214)                           |                    |                  |                  |  |
| General government                             | <u>172,501</u>     | <u>196,005</u>   | <u>193,217</u>   | <u>(2,788)</u>                         |
| Total expenditures                             | <u>9,492,718</u>   | <u>9,962,131</u> | <u>9,601,184</u> | <u>(360,947)</u>                       |
| Revenues over expenditures                     | <u>2,675,370</u>   | <u>2,039,581</u> | <u>2,503,284</u> | <u>463,703</u>                         |

continued...

COUNTY OF NEWAYGO, MICHIGAN

**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
 Budget (Non-GAAP Budgetary Basis) and Actual - General Fund - By Activity  
 For the Year Ended September 30, 2016

|   | Original Budget | Final Budget | Actual       | Actual Over (Under) Final Budget |
|---|-----------------|--------------|--------------|----------------------------------|
| Other financing sources (uses)              |                 |              |              |                                  |
| General fund (fund 101)                     |                 |              |              |                                  |
| Transfers in                                | \$ 798,059      | \$ 968,138   | \$ 963,967   | \$ (4,171)                       |
| Transfers out                               | (3,919,177)     | (3,531,449)  | (3,532,567)  | (1,118)                          |
| Total general fund (fund 101)               | (3,121,118)     | (2,563,311)  | (2,568,600)  | (5,289)                          |
| Animal control (fund 2052)                  |                 |              |              |                                  |
| Transfers in                                | 176,078         | 176,078      | 176,078      | -                                |
| Elections (fund 214)                        |                 |              |              |                                  |
| Transfers in                                | 100,000         | 100,000      | 100,000      | -                                |
| Total other financing sources (uses)        | (2,845,040)     | (2,287,233)  | (2,292,522)  | (5,289)                          |
| Net change in fund balance                  | (169,670)       | (247,652)    | 210,762      | 458,414                          |
| Fund balance, beginning of year             | 3,560,401       | 3,560,401    | 3,560,401    | -                                |
| Fund balance, end of year (budgetary basis) | \$ 3,390,731    | \$ 3,312,749 | 3,771,163    | \$ 458,414                       |
| Accounting basis difference                 |                 |              | (709,222)    |                                  |
| Fund balance, end of year (GAAP basis)      |                 |              | \$ 3,061,941 |                                  |

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**NONMAJOR GOVERNMENTAL FUNDS**

# COUNTY OF NEWAYGO, MICHIGAN

## Combining Balance Sheet Nonmajor Governmental Funds September 30, 2016

|  | Special<br>Revenue  | Debt<br>Service   | Capital<br>Projects<br>Sandy Beach<br>(471) | Totals              |
|--|---------------------|-------------------|---|---------------------|
| <b>Assets</b>                              |                     |                   |   |                     |
| Cash and cash equivalents                  | \$ 1,871,303        | \$ 930,755        | \$ -  | \$ 2,802,058        |
| Accounts receivable                        | 41,354              | 897               | -   | 42,251              |
| Loans receivable                           | 1,121,183           | -                 | -   | 1,121,183           |
| Due from other governments                 | 428,986             | 51,450            | 256,951                                     | 737,387             |
| Due from other funds                       | 1,232               | -                 | -   | 1,232               |
| Prepays                                    | 9,000               | -                 | -   | 9,000               |
| <b>Total assets</b>                        | <b>\$ 3,473,058</b> | <b>\$ 983,102</b> | <b>\$ 256,951</b>                           | <b>\$ 4,713,111</b> |
| <b>Liabilities</b>                         |                     |                   |   |                     |
| Interfund payable                          | \$ 40,343           | \$ -              | \$ 66,203                                   | \$ 106,546          |
| Accounts payable                           | 182,482             | -                 | 2,422                                       | 184,904             |
| Accrued expenditures                       | 85,904              | -                 | -   | 85,904              |
| Due to other governments                   | 28,226              | -                 | -   | 28,226              |
| Due to other funds                         | 145                 | -                 | -   | 145                 |
| Unearned revenue                           | 74,983              | -                 | -   | 74,983              |
| <b>Total liabilities</b>                   | <b>412,083</b>      | <b>-</b>          | <b>68,625</b>                               | <b>480,708</b>      |
| <b>Fund balances</b>                       |                     |                   |   |                     |
| Nonspendable                               | 9,000               | -                 | -   | 9,000               |
| Restricted                                 | 1,611,262           | 564,256           | -   | 2,175,518           |
| Committed                                  | 247,940             | 418,846           | 188,326                                     | 855,112             |
| Assigned                                   | 1,192,773           | -                 | -   | 1,192,773           |
| <b>Total fund balances</b>                 | <b>3,060,975</b>    | <b>983,102</b>    | <b>188,326</b>                              | <b>4,232,403</b>    |
| <b>Total liabilities and fund balances</b> | <b>\$ 3,473,058</b> | <b>\$ 983,102</b> | <b>\$ 256,951</b>                           | <b>\$ 4,713,111</b> |

COUNTY OF NEWAYGO, MICHIGAN

Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances - Nonmajor Governmental Funds  
For the Year Ended September 30, 2016

|   | Special<br>Revenue  | Debt<br>Service   | Capital<br>Projects<br>Sandy Beach<br>(471) | Totals              |
|---|---------------------|-------------------|---|---------------------|
| Revenues                                    |                     |                   |   |                     |
| Taxes                                       | \$ 2,147,909        | \$ 585,671        | \$ -  | \$ 2,733,580        |
| Intergovernmental:                          |                     |                   |   |                     |
| Federal                                     | 900,869             | -                 | -   | 900,869             |
| State                                       | 925,416             | -                 | 256,951                                     | 1,182,367           |
| Local                                       | 32,233              | 149,442           | -   | 181,675             |
| Licenses and permits                        | 30,168              | -                 | -   | 30,168              |
| Fines and forfeitures                       | 8,043               | -                 | -   | 8,043               |
| Charges for services                        | 2,020,155           | 627,690           | -   | 2,647,845           |
| Interest and rentals                        | 2,147               | 1,064             | -   | 3,211               |
| Contributions from private sources          | 737,710             | -                 | -   | 737,710             |
| Other revenues/reimbursements               | 179,056             | -                 | -   | 179,056             |
| <b>Total revenues</b>                       | <b>6,983,706</b>    | <b>1,363,867</b>  | <b>256,951</b>                              | <b>8,604,524</b>    |
| Expenditures                                |                     |                   |   |                     |
| Current:                                    |                     |                   |   |                     |
| Judicial                                    | 932,725             | -                 | -   | 932,725             |
| General government                          | 70,250              | -                 | -   | 70,250              |
| Public safety                               | 3,414,778           | -                 | -   | 3,414,778           |
| Health and welfare                          | 3,487,358           | -                 | -   | 3,487,358           |
| Community and economic<br>development       | 236,671             | -                 | -   | 236,671             |
| Recreation and cultural                     | 558,161             | -                 | -   | 558,161             |
| Debt service:                               |                     |                   |   |                     |
| Principal                                   | -                   | 986,000           | -   | 986,000             |
| Interest                                    | -                   | 310,252           | -   | 310,252             |
| Capital outlay                              | -                   | -                 | 383,929                                     | 383,929             |
| <b>Total expenditures</b>                   | <b>8,699,943</b>    | <b>1,296,252</b>  | <b>383,929</b>                              | <b>10,380,124</b>   |
| Revenue over (under) expenditures           | (1,716,237)         | 67,615            | (126,978)                                   | (1,775,600)         |
| Other financing sources (uses)              |                     |                   |   |                     |
| Transfers in                                | 2,409,496           | -                 | 125,000                                     | 2,534,496           |
| Transfers out                               | (692,077)           | -                 | -   | (692,077)           |
| <b>Total other financing sources (uses)</b> | <b>1,717,419</b>    | <b>-</b>          | <b>125,000</b>                              | <b>1,842,419</b>    |
| Special item (Note 21)                      | (119,131)           | -                 | -   | (119,131)           |
| <b>Net changes in fund balances</b>         | <b>(117,949)</b>    | <b>67,615</b>     | <b>(1,978)</b>                              | <b>(52,312)</b>     |
| Fund balances, beginning of year            | 3,178,924           | 915,487           | 190,304                                     | 4,284,715           |
| <b>Fund balances, end of year</b>           | <b>\$ 3,060,975</b> | <b>\$ 983,102</b> | <b>\$ 188,326</b>                           | <b>\$ 4,232,403</b> |

# COUNTY OF NEWAYGO, MICHIGAN

## Combining Balance Sheet Nonmajor Special Revenue Funds September 30, 2016

|  | Deputy<br>Sheriff Reserves<br>Program<br>(205) | Emergency<br>Services<br>(2053) | Crime<br>Victim<br>Rights<br>(2055) |
|--|--|---------------------------------|-------------------------------------|
| <b>Assets</b>                              |  |                                 |                                     |
| Cash and cash equivalents                  | \$ 249   | \$ 33,196                       | \$ -                                |
| Accounts receivable                        | -  | 1,400                           | -                                   |
| Loans receivable                           | -  | -                               | -                                   |
| Due from other governments                 | -  | 10,944                          | 12,380                              |
| Due from other funds                       | -  | -                               | -                                   |
| Prepays                                    | -  | 9,000                           | -                                   |
| <b>Total assets</b>                        | <b>\$ 249</b>                                  | <b>\$ 54,540</b>                | <b>\$ 12,380</b>                    |
| <b>Liabilities</b>                         |  |                                 |                                     |
| Interfund payable                          | \$ -   | \$ -                            | \$ 782                              |
| Accounts payable                           | -  | 632                             | 524                                 |
| Accrued expenditures                       | -  | 1,302                           | 742                                 |
| Due to other governments                   | -  | -                               | -                                   |
| Due to other funds                         | -  | -                               | 145                                 |
| Unearned revenue                           | -  | 1,358                           | -                                   |
| <b>Total liabilities</b>                   | <b>-</b>                                       | <b>3,292</b>                    | <b>2,193</b>                        |
| <b>Fund balances</b>                       |  |                                 |                                     |
| Nonspendable                               | -  | 9,000                           | -                                   |
| Restricted                                 | -  | 11,061                          | -                                   |
| Committed                                  | -  | -                               | -                                   |
| Assigned                                   | 249  | 31,187                          | 10,187                              |
| <b>Total fund balances</b>                 | <b>249</b>                                     | <b>51,248</b>                   | <b>10,187</b>                       |
| <b>Total liabilities and fund balances</b> | <b>\$ 249</b>                                  | <b>\$ 54,540</b>                | <b>\$ 12,380</b>                    |

| Sheriff<br>Road<br>Patrol<br>(207) | Law<br>Enforcement<br>(2072) | Special<br>Investigative<br>Unit<br>(2073) | Temporary<br>Sheriff<br>(2074) | County<br>Parks<br>(208) | County Jail<br>Trustees<br>Management<br>(2131) |
|------------------------------------|------------------------------|--|--------------------------------|--------------------------|---|
| \$ 196,728                         | \$ -                         | \$ -                                       | \$ 162,341                     | \$ 171,073               | \$ 8,102  |
| 13,439                             | -                            | -  | -                              | 2,961                    | -   |
| -                                  | -                            | -  | -                              | -                        | -   |
| -                                  | 51,916                       | 21,619                                     | 33,459                         | -                        | 13,692  |
| -                                  | 1,232                        | -  | -                              | -                        | -   |
| -                                  | -                            | -  | -                              | -                        | -   |
| <u>\$ 210,167</u>                  | <u>\$ 53,148</u>             | <u>\$ 21,619</u>                           | <u>\$ 195,800</u>              | <u>\$ 174,034</u>        | <u>\$ 21,794</u>                                |
| \$ -                               | \$ 19,868                    | \$ 19,693                                  | \$ -                           | \$ -                     | \$ -  |
| 27,980                             | 1,313                        | -  | -                              | 8,590                    | 43  |
| 27,171                             | 3,005                        | 1,926                                      | -                              | 7,095                    | 561   |
| -                                  | -                            | -  | -                              | -                        | -   |
| -                                  | -                            | -  | -                              | -                        | -   |
| -                                  | -                            | -  | -                              | -                        | -   |
| <u>55,151</u>                      | <u>24,186</u>                | <u>21,619</u>                              | <u>-</u>                       | <u>15,685</u>            | <u>604</u>                                      |
| -                                  | -                            | -  | -                              | -                        | -   |
| 210                                | 28,605                       | -  | -                              | -                        | -   |
| -                                  | -                            | -  | 195,800                        | -                        | 21,190  |
| <u>154,806</u>                     | <u>357</u>                   | <u>-</u>                                   | <u>-</u>                       | <u>158,349</u>           | <u>-</u>  |
| <u>155,016</u>                     | <u>28,962</u>                | <u>-</u>                                   | <u>195,800</u>                 | <u>158,349</u>           | <u>21,190</u>                                   |
| <u>\$ 210,167</u>                  | <u>\$ 53,148</u>             | <u>\$ 21,619</u>                           | <u>\$ 195,800</u>              | <u>\$ 174,034</u>        | <u>\$ 21,794</u>                                |

continued...

# COUNTY OF NEWAYGO, MICHIGAN

## Combining Balance Sheet Nonmajor Special Revenue Funds September 30, 2016

|  | Transport<br>Fund<br>(2132) | Friend<br>of the<br>Court<br>(215) | Community<br>Development<br>(2441-2443) |
|--|-----------------------------|------------------------------------|---|
| <b>Assets</b>                              |                             |                                    |   |
| Cash and cash equivalents                  | \$ 15,894                   | \$ 5,914                           | \$ 51,021                               |
| Accounts receivable                        | -                           | -                                  | -                                       |
| Loans receivable                           | -                           | -                                  | 1,121,183                               |
| Due from other governments                 | 13,527                      | 81,650                             | 17,608                                  |
| Due from other funds                       | -                           | -                                  | -                                       |
| Prepays                                    | -                           | -                                  | -                                       |
| <b>Total assets</b>                        | <b>\$ 29,421</b>            | <b>\$ 87,564</b>                   | <b>\$ 1,189,812</b>                     |
| <b>Liabilities</b>                         |                             |                                    |   |
| Interfund payable                          | \$ -                        | \$ -                               | \$ -                                    |
| Accounts payable                           | 305                         | 1,696                              | 9,702                                   |
| Accrued expenditures                       | 1,124                       | 11,615                             | 1,320                                   |
| Due to other governments                   | -                           | -                                  | -                                       |
| Due to other funds                         | -                           | -                                  | -                                       |
| Unearned revenue                           | -                           | -                                  | -                                       |
| <b>Total liabilities</b>                   | <b>1,429</b>                | <b>13,311</b>                      | <b>11,022</b>                           |
| <b>Fund balances</b>                       |                             |                                    |   |
| Nonspendable                               | -                           | -                                  | -                                       |
| Restricted                                 | -                           | -                                  | 1,121,183                               |
| Committed                                  | 27,992                      | -                                  | -                                       |
| Assigned                                   | -                           | 74,253                             | 57,607                                  |
| <b>Total fund balances</b>                 | <b>27,992</b>               | <b>74,253</b>                      | <b>1,178,790</b>                        |
| <b>Total liabilities and fund balances</b> | <b>\$ 29,421</b>            | <b>\$ 87,564</b>                   | <b>\$ 1,189,812</b>                     |

| Building Safety and Permits (249) | Register of Deeds Automation (256) | Law Enforcement Technical Fund (2567) | Concealed Pistol Licensing (263) | Drug Law Enforcement (265) | County Law Library (269) |
|-----------------------------------|------------------------------------|---------------------------------------|----------------------------------|----------------------------|--------------------------|
| \$ 314,904                        | \$ 42,655                          | \$ 31,151                             | \$ 26,131                        | \$ 37,172                  | \$ 3,332                 |
| -                                 | -                                  | -                                     | -                                | -                          | -                        |
| -                                 | -                                  | -                                     | -                                | -                          | -                        |
| -                                 | -                                  | -                                     | -                                | -                          | -                        |
| -                                 | -                                  | -                                     | -                                | -                          | -                        |
| <u>\$ 314,904</u>                 | <u>\$ 42,655</u>                   | <u>\$ 31,151</u>                      | <u>\$ 26,131</u>                 | <u>\$ 37,172</u>           | <u>\$ 3,332</u>          |
| \$ -                              | \$ -                               | \$ -                                  | \$ -                             | \$ -                       | \$ -                     |
| 4,805                             | 774                                | -                                     | -                                | -                          | 130                      |
| 2,381                             | -                                  | -                                     | -                                | 1,462                      | -                        |
| -                                 | -                                  | -                                     | -                                | -                          | -                        |
| -                                 | -                                  | -                                     | -                                | -                          | -                        |
| <u>7,186</u>                      | <u>774</u>                         | <u>-</u>                              | <u>-</u>                         | <u>1,462</u>               | <u>130</u>               |
| -                                 | -                                  | -                                     | -                                | -                          | -                        |
| 307,718                           | 41,881                             | -                                     | 26,131                           | 32,873                     | 3,202                    |
| -                                 | -                                  | 121                                   | -                                | 2,837                      | -                        |
| -                                 | -                                  | 31,030                                | -                                | -                          | -                        |
| <u>307,718</u>                    | <u>41,881</u>                      | <u>31,151</u>                         | <u>26,131</u>                    | <u>35,710</u>              | <u>3,202</u>             |
| <u>\$ 314,904</u>                 | <u>\$ 42,655</u>                   | <u>\$ 31,151</u>                      | <u>\$ 26,131</u>                 | <u>\$ 37,172</u>           | <u>\$ 3,332</u>          |

continued...

# COUNTY OF NEWAYGO, MICHIGAN

## Combining Balance Sheet Nonmajor Special Revenue Funds September 30, 2016

|  | Social<br>Services<br>(290) | Child<br>Care<br>(292) | Soldiers'<br>Relief<br>(293) |
|--|-----------------------------|------------------------|------------------------------|
| <b>Assets</b>                              |                             |                        |                              |
| Cash and cash equivalents                  | \$ 128,012                  | \$ 123,710             | \$ 170,783                   |
| Accounts receivable                        | -                           | 6,039                  | -                            |
| Loans receivable                           | -                           | -                      | -                            |
| Due from other governments                 | -                           | 118,432                | -                            |
| Due from other funds                       | -                           | -                      | -                            |
| Prepays                                    | -                           | -                      | -                            |
| <b>Total assets</b>                        | <b>\$ 128,012</b>           | <b>\$ 248,181</b>      | <b>\$ 170,783</b>            |
| <b>Liabilities</b>                         |                             |                        |                              |
| Interfund payable                          | \$ -                        | \$ -                   | \$ -                         |
| Accounts payable                           | 260                         | 77,273                 | 10,931                       |
| Accrued expenditures                       | -                           | 5,663                  | 2,031                        |
| Due to other governments                   | -                           | 28,226                 | -                            |
| Due to other funds                         | -                           | -                      | -                            |
| Unearned revenue                           | -                           | -                      | -                            |
| <b>Total liabilities</b>                   | <b>260</b>                  | <b>111,162</b>         | <b>12,962</b>                |
| <b>Fund balances</b>                       |                             |                        |                              |
| Nonspendable                               | -                           | -                      | -                            |
| Restricted                                 | -                           | 13,848                 | 6,741                        |
| Committed                                  | -                           | -                      | -                            |
| Assigned                                   | 127,752                     | 123,171                | 151,080                      |
| <b>Total fund balances</b>                 | <b>127,752</b>              | <b>137,019</b>         | <b>157,821</b>               |
| <b>Total liabilities and fund balances</b> | <b>\$ 128,012</b>           | <b>\$ 248,181</b>      | <b>\$ 170,783</b>            |



| Veterans'<br>Trust<br>(294) | Commission<br>on Aging<br>(295-2952) | Total               |
|-----------------------------|--------------------------------------|---------------------|
| \$ 4,970                    | \$ 343,965                           | \$ 1,871,303        |
| -                           | 17,515                               | 41,354              |
| -                           | -                                    | 1,121,183           |
| -                           | 53,759                               | 428,986             |
| -                           | -                                    | 1,232               |
| -                           | -                                    | 9,000               |
| <u>\$ 4,970</u>             | <u>\$ 415,239</u>                    | <u>\$ 3,473,058</u> |
| \$ -                        | \$ -                                 | \$ 40,343           |
| -                           | 37,524                               | 182,482             |
| -                           | 18,506                               | 85,904              |
| -                           | -                                    | 28,226              |
| -                           | -                                    | 145                 |
| -                           | 73,625                               | 74,983              |
| <u>-</u>                    | <u>129,655</u>                       | <u>412,083</u>      |
| -                           | -                                    | 9,000               |
| 4,970                       | 12,839                               | 1,611,262           |
| -                           | -                                    | 247,940             |
| -                           | 272,745                              | 1,192,773           |
| <u>4,970</u>                | <u>285,584</u>                       | <u>3,060,975</u>    |
| <u>\$ 4,970</u>             | <u>\$ 415,239</u>                    | <u>\$ 3,473,058</u> |

concluded

# COUNTY OF NEWAYGO, MICHIGAN

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds For the Year Ended September 30, 2016

|   | Deputy<br>Sheriff Reserves<br>Program<br>(205) | Emergency<br>Services<br>(2053) | Crime<br>Victim<br>Rights<br>(2055) |
|---|--|---------------------------------|-------------------------------------|
| Revenues                                    |  |                                 |                                     |
| Taxes                                       | \$ -   | \$ -                            | \$ -                                |
| Intergovernmental:                          |  |                                 |                                     |
| Federal                                     | -  | 71,023                          | -                                   |
| State                                       | -  | -                               | 44,015                              |
| Local                                       | -  | 4,025                           | 400                                 |
| Licenses and permits                        | -  | -                               | -                                   |
| Fines and forfeitures                       | -  | -                               | -                                   |
| Charges for services                        | -  | -                               | 290                                 |
| Interest and rentals                        | -  | -                               | -                                   |
| Contributions from private sources          | -  | -                               | -                                   |
| Other revenue/reimbursements                | -  | -                               | -                                   |
| <b>Total revenues</b>                       | <b>-</b>                                       | <b>75,048</b>                   | <b>44,705</b>                       |
| Expenditures                                |  |                                 |                                     |
| Current:                                    |  |                                 |                                     |
| Judicial                                    | -  | -                               | -                                   |
| General government                          | -  | -                               | -                                   |
| Public safety                               | -  | 173,691                         | 62,504                              |
| Health and welfare                          | -  | -                               | -                                   |
| Community and economic development          | -  | -                               | -                                   |
| Recreation and cultural                     | -  | -                               | -                                   |
| <b>Total expenditures</b>                   | <b>-</b>                                       | <b>173,691</b>                  | <b>62,504</b>                       |
| Revenue over (under) expenditures           | -  | (98,643)                        | (17,799)                            |
| Other financing sources (uses)              |  |                                 |                                     |
| Transfers in                                | -  | 105,106                         | 19,109                              |
| Transfers out                               | -  | -                               | -                                   |
| <b>Total other financing sources (uses)</b> | <b>-</b>                                       | <b>105,106</b>                  | <b>19,109</b>                       |
| Special item                                | -  | -                               | -                                   |
| <b>Net changes in fund balances</b>         | <b>-</b>                                       | <b>6,463</b>                    | <b>1,310</b>                        |
| Fund balances, beginning of year            | 249  | 44,785                          | 8,877                               |
| <b>Fund balances, end of year</b>           | <b>\$ 249</b>                                  | <b>\$ 51,248</b>                | <b>\$ 10,187</b>                    |

| Sheriff<br>Road<br>Patrol<br>(207) | Law<br>Enforcement<br>(2072) | Special<br>Investigative<br>Unit<br>(2073) | Temporary<br>Sheriff<br>(2074) | County<br>Parks<br>(208) | County Jail<br>Trustees<br>Management<br>(2131) |
|------------------------------------|------------------------------|--|--------------------------------|--------------------------|---|
| \$ 1,342,339                       | \$ -                         | \$ -                                       | \$ -                           | \$ -                     | \$ -  |
| -                                  | 18,514                       | 6,079                                      | -                              | -                        | -   |
| -                                  | 114,042                      | -  | -                              | -                        | -   |
| 16,468                             | 280                          | -  | -                              | -                        | -   |
| -                                  | -                            | -  | -                              | -                        | -   |
| -                                  | -                            | -  | -                              | -                        | -   |
| 41,980                             | 10,960                       | -  | 252,339                        | 605,639                  | 167,042   |
| 1,182                              | -                            | -  | -                              | -                        | -   |
| -                                  | -                            | -  | -                              | 18,000                   | -   |
| 13,199                             | 2,000                        | 99,831                                     | -                              | 1,427                    | -   |
| <u>1,415,168</u>                   | <u>145,796</u>               | <u>105,910</u>                             | <u>252,339</u>                 | <u>625,066</u>           | <u>167,042</u>                                  |
| -                                  | -                            | -  | -                              | -                        | -   |
| -                                  | -                            | -  | -                              | -                        | -   |
| 2,067,297                          | 236,414                      | 105,802                                    | -                              | -                        | 163,260   |
| -                                  | -                            | -  | -                              | -                        | -   |
| -                                  | -                            | -  | -                              | -                        | -   |
| -                                  | -                            | -  | -                              | 558,161                  | -   |
| <u>2,067,297</u>                   | <u>236,414</u>               | <u>105,802</u>                             | <u>-</u>                       | <u>558,161</u>           | <u>163,260</u>                                  |
| <u>(652,129)</u>                   | <u>(90,618)</u>              | <u>108</u>                                 | <u>252,339</u>                 | <u>66,905</u>            | <u>3,782</u>                                    |
| 942,078                            | 58,018                       | -  | -                              | 15,000                   | 1,200   |
| (197,477)                          | -                            | -  | (400,000)                      | (25,000)                 | (39,000)  |
| <u>744,601</u>                     | <u>58,018</u>                | <u>-</u>                                   | <u>(400,000)</u>               | <u>(10,000)</u>          | <u>(37,800)</u>                                 |
| -                                  | -                            | (119,131)                                  | -                              | -                        | -   |
| 92,472                             | (32,600)                     | (119,023)                                  | (147,661)                      | 56,905                   | (34,018)  |
| <u>62,544</u>                      | <u>61,562</u>                | <u>119,023</u>                             | <u>343,461</u>                 | <u>101,444</u>           | <u>55,208</u>                                   |
| <u>\$ 155,016</u>                  | <u>\$ 28,962</u>             | <u>\$ -</u>                                | <u>\$ 195,800</u>              | <u>\$ 158,349</u>        | <u>\$ 21,190</u>                                |

continued...

# COUNTY OF NEWAYGO, MICHIGAN

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds For the Year Ended September 30, 2016

|   | Transport<br>Fund<br>(2132) | Friend<br>of the<br>Court<br>(215) | Community<br>Development<br>(2441-2443) |
|---|-----------------------------|------------------------------------|---|
| <b>Revenues</b>                             |                             |                                    |   |
| Taxes                                       | \$ -                        | \$ -                               | \$ -                                    |
| Intergovernmental:                          |                             |                                    |   |
| Federal                                     | -                           | 476,137                            | 93,849                                  |
| State                                       | -                           | 91,639                             | -                                       |
| Local                                       | -                           | -                                  | -                                       |
| Licenses and permits                        | -                           | -                                  | -                                       |
| Fines and forfeitures                       | -                           | -                                  | -                                       |
| Charges for services                        | 163,501                     | 81,595                             | 6,122                                   |
| Interest and rentals                        | -                           | -                                  | 454                                     |
| Contributions from private sources          | -                           | -                                  | 5,121                                   |
| Other revenue/reimbursements                | -                           | -                                  | 32,405                                  |
| <b>Total revenues</b>                       | <b>163,501</b>              | <b>649,371</b>                     | <b>137,951</b>                          |
| <b>Expenditures</b>                         |                             |                                    |   |
| Current:                                    |                             |                                    |   |
| Judicial                                    | -                           | 921,255                            | -                                       |
| General government                          | -                           | -                                  | -                                       |
| Public safety                               | 201,201                     | -                                  | -                                       |
| Health and welfare                          | -                           | -                                  | -                                       |
| Community and economic development          | -                           | -                                  | 236,671                                 |
| Recreation and cultural                     | -                           | -                                  | -                                       |
| <b>Total expenditures</b>                   | <b>201,201</b>              | <b>921,255</b>                     | <b>236,671</b>                          |
| Revenue over (under) expenditures           | (37,700)                    | (271,884)                          | (98,720)                                |
| <b>Other financing sources (uses)</b>       |                             |                                    |   |
| Transfers in                                | 52,230                      | 315,000                            | 88,288                                  |
| Transfers out                               | -                           | -                                  | -                                       |
| <b>Total other financing sources (uses)</b> | <b>52,230</b>               | <b>315,000</b>                     | <b>88,288</b>                           |
| Special item                                | -                           | -                                  | -                                       |
| <b>Net changes in fund balances</b>         | <b>14,530</b>               | <b>43,116</b>                      | <b>(10,432)</b>                         |
| Fund balances, beginning of year            | 13,462                      | 31,137                             | 1,189,222                               |
| <b>Fund balances, end of year</b>           | <b>\$ 27,992</b>            | <b>\$ 74,253</b>                   | <b>\$ 1,178,790</b>                     |

| Building Safety and Permits (249) | Register of Deeds Automation (256) | Law Enforcement Technical Fund (2567) | Concealed Pistol Licensing (263) | Drug Law Enforcement (265) | County Law Library (269) |
|-----------------------------------|------------------------------------|---------------------------------------|----------------------------------|----------------------------|--------------------------|
| \$ -                              | \$ -                               | \$ -                                  | \$ -                             | \$ -                       | \$ -                     |
| -                                 | -                                  | -                                     | -                                | 11,542                     | -                        |
| -                                 | -                                  | -                                     | -                                | -                          | -                        |
| -                                 | -                                  | 1,176                                 | -                                | -                          | -                        |
| -                                 | -                                  | -                                     | 30,168                           | -                          | -                        |
| -                                 | -                                  | 2,875                                 | -                                | 668                        | 4,500                    |
| 369,225                           | 56,210                             | 13,765                                | -                                | -                          | -                        |
| -                                 | 113                                | -                                     | -                                | -                          | -                        |
| -                                 | -                                  | -                                     | -                                | -                          | -                        |
| -                                 | -                                  | -                                     | -                                | -                          | -                        |
| <u>369,225</u>                    | <u>56,323</u>                      | <u>17,816</u>                         | <u>30,168</u>                    | <u>12,210</u>              | <u>4,500</u>             |
| -                                 | -                                  | -                                     | -                                | -                          | 11,470                   |
| -                                 | 60,921                             | -                                     | 9,329                            | -                          | -                        |
| 285,386                           | -                                  | 17,695                                | -                                | 101,528                    | -                        |
| -                                 | -                                  | -                                     | -                                | -                          | -                        |
| -                                 | -                                  | -                                     | -                                | -                          | -                        |
| -                                 | -                                  | -                                     | -                                | -                          | -                        |
| <u>285,386</u>                    | <u>60,921</u>                      | <u>17,695</u>                         | <u>9,329</u>                     | <u>101,528</u>             | <u>11,470</u>            |
| <u>83,839</u>                     | <u>(4,598)</u>                     | <u>121</u>                            | <u>20,839</u>                    | <u>(89,318)</u>            | <u>(6,970)</u>           |
| -                                 | -                                  | -                                     | -                                | 92,559                     | -                        |
| -                                 | -                                  | -                                     | -                                | -                          | -                        |
| -                                 | -                                  | -                                     | -                                | 92,559                     | -                        |
| -                                 | -                                  | -                                     | -                                | -                          | -                        |
| 83,839                            | (4,598)                            | 121                                   | 20,839                           | 3,241                      | (6,970)                  |
| <u>223,879</u>                    | <u>46,479</u>                      | <u>31,030</u>                         | <u>5,292</u>                     | <u>32,469</u>              | <u>10,172</u>            |
| <u>\$ 307,718</u>                 | <u>\$ 41,881</u>                   | <u>\$ 31,151</u>                      | <u>\$ 26,131</u>                 | <u>\$ 35,710</u>           | <u>\$ 3,202</u>          |

continued...

# COUNTY OF NEWAYGO, MICHIGAN

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds For the Year Ended September 30, 2016

|   | Social<br>Services<br>(290) | Child<br>Care<br>(292) | Soldiers'<br>Relief<br>(293) |
|---|-----------------------------|------------------------|------------------------------|
| <b>Revenues</b>                             |                             |                        |                              |
| Taxes                                       | \$ -                        | \$ -                   | \$ 134,624                   |
| Intergovernmental:                          |                             |                        |                              |
| Federal                                     | -                           | 994                    | -                            |
| State                                       | -                           | 639,560                | -                            |
| Local                                       | -                           | -                      | 1,652                        |
| Licenses and permits                        | -                           | -                      | -                            |
| Fines and forfeitures                       | -                           | -                      | -                            |
| Charges for services                        | 33,443                      | 69,239                 | -                            |
| Interest and rentals                        | 398                         | -                      | -                            |
| Contributions from private sources          | -                           | 27,935                 | 6,444                        |
| Other revenue/reimbursements                | -                           | -                      | -                            |
| <b>Total revenues</b>                       | <b>33,841</b>               | <b>737,728</b>         | <b>142,720</b>               |
| <b>Expenditures</b>                         |                             |                        |                              |
| Current:                                    |                             |                        |                              |
| Judicial                                    | -                           | -                      | -                            |
| General government                          | -                           | -                      | -                            |
| Public safety                               | -                           | -                      | -                            |
| Health and welfare                          | 66,068                      | 1,462,043              | 168,949                      |
| Community and economic development          | -                           | -                      | -                            |
| Recreation and cultural                     | -                           | -                      | -                            |
| <b>Total expenditures</b>                   | <b>66,068</b>               | <b>1,462,043</b>       | <b>168,949</b>               |
| Revenue over (under) expenditures           | (32,227)                    | (724,315)              | (26,229)                     |
| <b>Other financing sources (uses)</b>       |                             |                        |                              |
| Transfers in                                | 18,794                      | 645,000                | 49,729                       |
| Transfers out                               | -                           | -                      | -                            |
| <b>Total other financing sources (uses)</b> | <b>18,794</b>               | <b>645,000</b>         | <b>49,729</b>                |
| Special item                                | -                           | -                      | -                            |
| <b>Net changes in fund balances</b>         | <b>(13,433)</b>             | <b>(79,315)</b>        | <b>23,500</b>                |
| Fund balances, beginning of year            | 141,185                     | 216,334                | 134,321                      |
| <b>Fund balances, end of year</b>           | <b>\$ 127,752</b>           | <b>\$ 137,019</b>      | <b>\$ 157,821</b>            |



| Veterans' Trust (294) | Commission on Aging (295-2952) | Total               |
|-----------------------|--------------------------------|---------------------|
| \$ -                  | \$ 670,946                     | \$ 2,147,909        |
| -                     | 222,731                        | 900,869             |
| -                     | 36,160                         | 925,416             |
| -                     | 8,232                          | 32,233              |
| -                     | -                              | 30,168              |
| -                     | -                              | 8,043               |
| -                     | 148,805                        | 2,020,155           |
| -                     | -                              | 2,147               |
| -                     | 680,210                        | 737,710             |
| -                     | 30,194                         | 179,056             |
| -                     | <u>1,797,278</u>               | <u>6,983,706</u>    |
| -                     | -                              | 932,725             |
| -                     | -                              | 70,250              |
| -                     | -                              | 3,414,778           |
| -                     | 1,790,298                      | 3,487,358           |
| -                     | -                              | 236,671             |
| -                     | -                              | 558,161             |
| -                     | <u>1,790,298</u>               | <u>8,699,943</u>    |
| -                     | <u>6,980</u>                   | <u>(1,716,237)</u>  |
| -                     | 7,385                          | 2,409,496           |
| -                     | (30,600)                       | (692,077)           |
| -                     | <u>(23,215)</u>                | <u>1,717,419</u>    |
| -                     | -                              | <u>(119,131)</u>    |
| -                     | (16,235)                       | (117,949)           |
| <u>4,970</u>          | <u>301,819</u>                 | <u>3,178,924</u>    |
| <u>\$ 4,970</u>       | <u>\$ 285,584</u>              | <u>\$ 3,060,975</u> |

concluded

# COUNTY OF NEWAYGO, MICHIGAN

## Schedule of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Special Revenue Funds For the Year Ended September 30, 2016

|   | Deputy Sheriff Reserves Program (205) |          |                                  |
|---|---------------------------------------|----------|----------------------------------|
|   | Final Budget                          | Actual   | Actual Over (Under) Final Budget |
| <b>Revenues</b>                             |                                       |          |                                  |
| Taxes                                       | \$ -                                  | \$ -     | \$ -                             |
| Intergovernmental:                          |                                       |          |                                  |
| Federal                                     | -                                     | -        | -                                |
| State                                       | -                                     | -        | -                                |
| Local                                       | -                                     | -        | -                                |
| Licenses and permits                        | -                                     | -        | -                                |
| Fines and forfeitures                       | -                                     | -        | -                                |
| Charges for services                        | 200                                   | -        | (200)                            |
| Contributions from private sources          | -                                     | -        | -                                |
| Interest and rentals                        | -                                     | -        | -                                |
| Other revenue/reimbursements                | -                                     | -        | -                                |
| <b>Total revenues</b>                       | <b>200</b>                            | <b>-</b> | <b>(200)</b>                     |
| <b>Expenditures</b>                         |                                       |          |                                  |
| Current:                                    |                                       |          |                                  |
| Judicial                                    | -                                     | -        | -                                |
| General government                          | -                                     | -        | -                                |
| Public safety                               | 200                                   | -        | (200)                            |
| Health and welfare                          | -                                     | -        | -                                |
| Community and economic development          | -                                     | -        | -                                |
| Recreation and cultural                     | -                                     | -        | -                                |
| <b>Total expenditures</b>                   | <b>200</b>                            | <b>-</b> | <b>(200)</b>                     |
| Revenues over (under) expenditures          | -                                     | -        | -                                |
| Other financing sources (uses)              |                                       |          |                                  |
| Transfers in                                | -                                     | -        | -                                |
| Transfers out                               | -                                     | -        | -                                |
| <b>Total other financing sources (uses)</b> | <b>-</b>                              | <b>-</b> | <b>-</b>                         |
| Special item                                | -                                     | -        | -                                |
| Net changes in fund balances                | -                                     | -        | -                                |
| Fund balances, beginning of year            | 249                                   | 249      | -                                |
| Fund balances, end of year                  | \$ 249                                | \$ 249   | \$ -                             |

| Emergency Services (2053) |                  |                                  | Crime Victim Rights (2055) |                  |                                  |
|---------------------------|------------------|----------------------------------|----------------------------|------------------|----------------------------------|
| Final Budget              | Actual           | Actual Over (Under) Final Budget | Final Budget               | Actual           | Actual Over (Under) Final Budget |
| \$ -                      | \$ -             | \$ -                             | \$ -                       | \$ -             | \$ -                             |
| 83,671                    | 71,023           | (12,648)                         | -                          | -                | -                                |
| -                         | -                | -                                | 50,266                     | 44,015           | (6,251)                          |
| 1,700                     | 4,025            | 2,325                            | -                          | 400              | 400                              |
| -                         | -                | -                                | -                          | -                | -                                |
| -                         | -                | -                                | -                          | -                | -                                |
| -                         | -                | -                                | 100                        | 290              | 190                              |
| -                         | -                | -                                | -                          | -                | -                                |
| -                         | -                | -                                | -                          | -                | -                                |
| -                         | -                | -                                | -                          | -                | -                                |
| <u>85,371</u>             | <u>75,048</u>    | <u>(10,323)</u>                  | <u>50,366</u>              | <u>44,705</u>    | <u>(5,661)</u>                   |
| -                         | -                | -                                | -                          | -                | -                                |
| -                         | -                | -                                | -                          | -                | -                                |
| 190,477                   | 173,691          | (16,786)                         | 69,873                     | 62,504           | (7,369)                          |
| -                         | -                | -                                | -                          | -                | -                                |
| -                         | -                | -                                | -                          | -                | -                                |
| -                         | -                | -                                | -                          | -                | -                                |
| <u>190,477</u>            | <u>173,691</u>   | <u>(16,786)</u>                  | <u>69,873</u>              | <u>62,504</u>    | <u>(7,369)</u>                   |
| <u>(105,106)</u>          | <u>(98,643)</u>  | <u>6,463</u>                     | <u>(19,507)</u>            | <u>(17,799)</u>  | <u>1,708</u>                     |
| 105,106                   | 105,106          | -                                | 19,109                     | 19,109           | -                                |
| -                         | -                | -                                | -                          | -                | -                                |
| <u>105,106</u>            | <u>105,106</u>   | <u>-</u>                         | <u>19,109</u>              | <u>19,109</u>    | <u>-</u>                         |
| -                         | -                | -                                | -                          | -                | -                                |
| -                         | 6,463            | 6,463                            | (398)                      | 1,310            | 1,708                            |
| 44,785                    | 44,785           | -                                | 8,877                      | 8,877            | -                                |
| <u>\$ 44,785</u>          | <u>\$ 51,248</u> | <u>\$ 6,463</u>                  | <u>\$ 8,479</u>            | <u>\$ 10,187</u> | <u>\$ 1,708</u>                  |

continued...

# COUNTY OF NEWAYGO, MICHIGAN

## Schedule of Revenues, Expenditures, and Changes in Fund Balances

Budget and Actual - Nonmajor Special Revenue Funds

For the Year Ended September 30, 2016

|   | Sheriff Road Patrol (207) |                   |                                  |
|---|---------------------------|-------------------|----------------------------------|
|   | Final Budget              | Actual            | Actual Over (Under) Final Budget |
| <b>Revenues</b>                             |                           |                   |                                  |
| Taxes                                       | \$ 1,336,898              | \$ 1,342,339      | \$ 5,441                         |
| Intergovernmental:                          |                           |                   |                                  |
| Federal                                     | 1,657                     | -                 | (1,657)                          |
| State                                       | -                         | -                 | -                                |
| Local                                       | 16,648                    | 16,468            | (180)                            |
| Licenses and permits                        | -                         | -                 | -                                |
| Fines and forfeitures                       | -                         | -                 | -                                |
| Charges for services                        | 32,739                    | 41,980            | 9,241                            |
| Contributions from private sources          | -                         | -                 | -                                |
| Interest and rentals                        | 105                       | 1,182             | 1,077                            |
| Other revenue/reimbursements                | 5,103                     | 13,199            | 8,096                            |
| <b>Total revenues</b>                       | <b>1,393,150</b>          | <b>1,415,168</b>  | <b>22,018</b>                    |
| <b>Expenditures</b>                         |                           |                   |                                  |
| Current:                                    |                           |                   |                                  |
| Judicial                                    | -                         | -                 | -                                |
| General government                          | -                         | -                 | -                                |
| Public safety                               | 2,168,882                 | 2,067,297         | (101,585)                        |
| Health and welfare                          | -                         | -                 | -                                |
| Community and economic development          | -                         | -                 | -                                |
| Recreation and cultural                     | -                         | -                 | -                                |
| <b>Total expenditures</b>                   | <b>2,168,882</b>          | <b>2,067,297</b>  | <b>(101,585)</b>                 |
| Revenues over (under) expenditures          | (775,732)                 | (652,129)         | 123,603                          |
| <b>Other financing sources (uses)</b>       |                           |                   |                                  |
| Transfers in                                | 942,078                   | 942,078           | -                                |
| Transfers out                               | (197,477)                 | (197,477)         | -                                |
| <b>Total other financing sources (uses)</b> | <b>744,601</b>            | <b>744,601</b>    | <b>-</b>                         |
| Special item                                | -                         | -                 | -                                |
| <b>Net changes in fund balances</b>         | <b>(31,131)</b>           | <b>92,472</b>     | <b>123,603</b>                   |
| Fund balances, beginning of year            | 62,544                    | 62,544            | -                                |
| <b>Fund balances, end of year</b>           | <b>\$ 31,413</b>          | <b>\$ 155,016</b> | <b>\$ 123,603</b>                |

| Law Enforcement (2072) |                  |                                  | Special Investigative Unit (2073) |                |                                  |
|------------------------|------------------|----------------------------------|-----------------------------------|----------------|----------------------------------|
| Final Budget           | Actual           | Actual Over (Under) Final Budget | Final Budget                      | Actual         | Actual Over (Under) Final Budget |
| \$ -                   | \$ -             | \$ -                             | \$ -                              | \$ -           | \$ -                             |
| 20,000                 | 18,514           | (1,486)                          | -                                 | 6,079          | 6,079                            |
| 115,492                | 114,042          | (1,450)                          | -                                 | -              | -                                |
| 280                    | 280              | -                                | 111,622                           | -              | (111,622)                        |
| -                      | -                | -                                | -                                 | -              | -                                |
| -                      | -                | -                                | -                                 | -              | -                                |
| 10,960                 | 10,960           | -                                | -                                 | -              | -                                |
| -                      | -                | -                                | -                                 | -              | -                                |
| -                      | -                | -                                | -                                 | -              | -                                |
| 2,000                  | 2,000            | -                                | -                                 | 99,831         | 99,831                           |
| <u>148,732</u>         | <u>145,796</u>   | <u>(2,936)</u>                   | <u>111,622</u>                    | <u>105,910</u> | <u>(5,712)</u>                   |
| -                      | -                | -                                | -                                 | -              | -                                |
| -                      | -                | -                                | -                                 | -              | -                                |
| 244,091                | 236,414          | (7,677)                          | 111,622                           | 105,802        | (5,820)                          |
| -                      | -                | -                                | -                                 | -              | -                                |
| -                      | -                | -                                | -                                 | -              | -                                |
| -                      | -                | -                                | -                                 | -              | -                                |
| <u>244,091</u>         | <u>236,414</u>   | <u>(7,677)</u>                   | <u>111,622</u>                    | <u>105,802</u> | <u>(5,820)</u>                   |
| <u>(95,359)</u>        | <u>(90,618)</u>  | <u>4,741</u>                     | -                                 | <u>108</u>     | <u>108</u>                       |
| 58,018                 | 58,018           | -                                | -                                 | -              | -                                |
| -                      | -                | -                                | -                                 | -              | -                                |
| <u>58,018</u>          | <u>58,018</u>    | <u>-</u>                         | <u>-</u>                          | <u>-</u>       | <u>-</u>                         |
| -                      | -                | -                                | -                                 | (119,131)      | (119,131)                        |
| (37,341)               | (32,600)         | 4,741                            | -                                 | (119,023)      | (119,023)                        |
| 61,562                 | 61,562           | -                                | 119,023                           | 119,023        | -                                |
| <u>\$ 24,221</u>       | <u>\$ 28,962</u> | <u>\$ 4,741</u>                  | <u>\$ 119,023</u>                 | <u>\$ -</u>    | <u>\$ (119,023)</u>              |

continued...

# COUNTY OF NEWAYGO, MICHIGAN

## Schedule of Revenues, Expenditures, and Changes in Fund Balances

Budget and Actual - Nonmajor Special Revenue Funds

For the Year Ended September 30, 2016

|   | Temporary Sheriff (2074) |                   |                                  |
|---|--------------------------|-------------------|----------------------------------|
|   | Final Budget             | Actual            | Actual Over (Under) Final Budget |
| Revenues                                    |                          |                   |                                  |
| Taxes                                       | \$ -                     | \$ -              | \$ -                             |
| Intergovernmental:                          |                          |                   |                                  |
| Federal                                     | -                        | -                 | -                                |
| State                                       | -                        | -                 | -                                |
| Local                                       | -                        | -                 | -                                |
| Licenses and permits                        | -                        | -                 | -                                |
| Fines and forfeitures                       | -                        | -                 | -                                |
| Charges for services                        | 212,950                  | 252,339           | 39,389                           |
| Contributions from private sources          | -                        | -                 | -                                |
| Interest and rentals                        | -                        | -                 | -                                |
| Other revenue/reimbursements                | -                        | -                 | -                                |
| <b>Total revenues</b>                       | <b>212,950</b>           | <b>252,339</b>    | <b>39,389</b>                    |
| Expenditures                                |                          |                   |                                  |
| Current:                                    |                          |                   |                                  |
| Judicial                                    | -                        | -                 | -                                |
| General government                          | -                        | -                 | -                                |
| Public safety                               | 156,411                  | -                 | (156,411)                        |
| Health and welfare                          | -                        | -                 | -                                |
| Community and economic development          | -                        | -                 | -                                |
| Recreation and cultural                     | -                        | -                 | -                                |
| <b>Total expenditures</b>                   | <b>156,411</b>           | <b>-</b>          | <b>(156,411)</b>                 |
| Revenues over (under) expenditures          | 56,539                   | 252,339           | 195,800                          |
| Other financing sources (uses)              |                          |                   |                                  |
| Transfers in                                | -                        | -                 | -                                |
| Transfers out                               | (400,000)                | (400,000)         | -                                |
| <b>Total other financing sources (uses)</b> | <b>(400,000)</b>         | <b>(400,000)</b>  | <b>-</b>                         |
| Special item                                | -                        | -                 | -                                |
| <b>Net changes in fund balances</b>         | <b>(343,461)</b>         | <b>(147,661)</b>  | <b>195,800</b>                   |
| Fund balances, beginning of year            | 343,461                  | 343,461           | -                                |
| <b>Fund balances, end of year</b>           | <b>\$ -</b>              | <b>\$ 195,800</b> | <b>\$ 195,800</b>                |

| County Parks (208) |                   |                                  | County Jail Trustees Management (2131) |                  |                                  |
|--------------------|-------------------|----------------------------------|--|------------------|----------------------------------|
| Final Budget       | Actual            | Actual Over (Under) Final Budget | Final Budget                           | Actual           | Actual Over (Under) Final Budget |
| \$ -               | \$ -              | \$ -                             | \$ -                                   | \$ -             | \$ -                             |
| -                  | -                 | -                                | -                                      | -                | -                                |
| -                  | -                 | -                                | -                                      | -                | -                                |
| -                  | -                 | -                                | -                                      | -                | -                                |
| -                  | -                 | -                                | -                                      | -                | -                                |
| 557,675            | 605,639           | 47,964                           | 167,042                                | 167,042          | -                                |
| 18,000             | 18,000            | -                                | -                                      | -                | -                                |
| -                  | -                 | -                                | -                                      | -                | -                                |
| 3,350              | 1,427             | (1,923)                          | -                                      | -                | -                                |
| <u>579,025</u>     | <u>625,066</u>    | <u>46,041</u>                    | <u>167,042</u>                         | <u>167,042</u>   | <u>-</u>                         |
| -                  | -                 | -                                | -                                      | -                | -                                |
| -                  | -                 | -                                | -                                      | -                | -                                |
| -                  | -                 | -                                | 176,466                                | 163,260          | (13,206)                         |
| -                  | -                 | -                                | -                                      | -                | -                                |
| -                  | -                 | -                                | -                                      | -                | -                                |
| 569,025            | 558,161           | (10,864)                         | -                                      | -                | -                                |
| <u>569,025</u>     | <u>558,161</u>    | <u>(10,864)</u>                  | <u>176,466</u>                         | <u>163,260</u>   | <u>(13,206)</u>                  |
| <u>10,000</u>      | <u>66,905</u>     | <u>56,905</u>                    | <u>(9,424)</u>                         | <u>3,782</u>     | <u>13,206</u>                    |
| 15,000             | 15,000            | -                                | 1,200                                  | 1,200            | -                                |
| (25,000)           | (25,000)          | -                                | (39,000)                               | (39,000)         | -                                |
| <u>(10,000)</u>    | <u>(10,000)</u>   | <u>-</u>                         | <u>(37,800)</u>                        | <u>(37,800)</u>  | <u>-</u>                         |
| -                  | -                 | -                                | -                                      | -                | -                                |
| -                  | 56,905            | 56,905                           | (47,224)                               | (34,018)         | 13,206                           |
| <u>101,444</u>     | <u>101,444</u>    | <u>-</u>                         | <u>55,208</u>                          | <u>55,208</u>    | <u>-</u>                         |
| <u>\$ 101,444</u>  | <u>\$ 158,349</u> | <u>\$ 56,905</u>                 | <u>\$ 7,984</u>                        | <u>\$ 21,190</u> | <u>\$ 13,206</u>                 |

continued...

# COUNTY OF NEWAYGO, MICHIGAN

## Schedule of Revenues, Expenditures, and Changes in Fund Balances

Budget and Actual - Nonmajor Special Revenue Funds

For the Year Ended September 30, 2016

|   | Transport Fund (2132) |                |                                  |
|---|-----------------------|----------------|----------------------------------|
|   | Final Budget          | Actual         | Actual Over (Under) Final Budget |
| <b>Revenues</b>                             |                       |                |                                  |
| Taxes                                       | \$ -                  | \$ -           | \$ -                             |
| Intergovernmental:                          |                       |                |                                  |
| Federal                                     | -                     | -              | -                                |
| State                                       | -                     | -              | -                                |
| Local                                       | -                     | -              | -                                |
| Licenses and permits                        | -                     | -              | -                                |
| Fines and forfeitures                       | -                     | -              | -                                |
| Charges for services                        | 156,732               | 163,501        | 6,769                            |
| Contributions from private sources          | -                     | -              | -                                |
| Interest and rentals                        | -                     | -              | -                                |
| Other revenue/reimbursements                | -                     | -              | -                                |
| <b>Total revenues</b>                       | <b>156,732</b>        | <b>163,501</b> | <b>6,769</b>                     |
| <b>Expenditures</b>                         |                       |                |                                  |
| Current:                                    |                       |                |                                  |
| Judicial                                    | -                     | -              | -                                |
| General government                          | -                     | -              | -                                |
| Public safety                               | 208,962               | 201,201        | (7,761)                          |
| Health and welfare                          | -                     | -              | -                                |
| Community and economic development          | -                     | -              | -                                |
| Recreation and cultural                     | -                     | -              | -                                |
| <b>Total expenditures</b>                   | <b>208,962</b>        | <b>201,201</b> | <b>(7,761)</b>                   |
| Revenues over (under) expenditures          | (52,230)              | (37,700)       | 14,530                           |
| <b>Other financing sources (uses)</b>       |                       |                |                                  |
| Transfers in                                | 52,230                | 52,230         | -                                |
| Transfers out                               | -                     | -              | -                                |
| <b>Total other financing sources (uses)</b> | <b>52,230</b>         | <b>52,230</b>  | <b>-</b>                         |
| Special item                                | -                     | -              | -                                |
| Net changes in fund balances                | -                     | 14,530         | 14,530                           |
| Fund balances, beginning of year            | 13,462                | 13,462         | -                                |
| Fund balances, end of year                  | \$ 13,462             | \$ 27,992      | \$ 14,530                        |

| Friend of the Court (215) |                  |                                  | Community Development (2441-2443) |                     |                                  |
|---------------------------|------------------|----------------------------------|-----------------------------------|---------------------|----------------------------------|
| Final Budget              | Actual           | Actual Over (Under) Final Budget | Final Budget                      | Actual              | Actual Over (Under) Final Budget |
| \$ -                      | \$ -             | \$ -                             | \$ -                              | \$ -                | \$ -                             |
| 525,499                   | 476,137          | (49,362)                         | 165,200                           | 93,849              | (71,351)                         |
| 48,000                    | 91,639           | 43,639                           | -                                 | -                   | -                                |
| -                         | -                | -                                | -                                 | -                   | -                                |
| -                         | -                | -                                | -                                 | -                   | -                                |
| -                         | -                | -                                | -                                 | -                   | -                                |
| 66,450                    | 81,595           | 15,145                           | -                                 | 6,122               | 6,122                            |
| -                         | -                | -                                | 20,000                            | 5,121               | (14,879)                         |
| -                         | -                | -                                | 1,150                             | 454                 | (696)                            |
| -                         | -                | -                                | 35,975                            | 32,405              | (3,570)                          |
| <u>639,949</u>            | <u>649,371</u>   | <u>9,422</u>                     | <u>222,325</u>                    | <u>137,951</u>      | <u>(84,374)</u>                  |
| 958,843                   | 921,255          | (37,588)                         | -                                 | -                   | -                                |
| -                         | -                | -                                | -                                 | -                   | -                                |
| -                         | -                | -                                | -                                 | -                   | -                                |
| -                         | -                | -                                | -                                 | -                   | -                                |
| -                         | -                | -                                | 312,043                           | 236,671             | (75,372)                         |
| -                         | -                | -                                | -                                 | -                   | -                                |
| <u>958,843</u>            | <u>921,255</u>   | <u>(37,588)</u>                  | <u>312,043</u>                    | <u>236,671</u>      | <u>(75,372)</u>                  |
| <u>(318,894)</u>          | <u>(271,884)</u> | <u>47,010</u>                    | <u>(89,718)</u>                   | <u>(98,720)</u>     | <u>(9,002)</u>                   |
| 315,000                   | 315,000          | -                                | 88,288                            | 88,288              | -                                |
| -                         | -                | -                                | -                                 | -                   | -                                |
| <u>315,000</u>            | <u>315,000</u>   | <u>-</u>                         | <u>88,288</u>                     | <u>88,288</u>       | <u>-</u>                         |
| -                         | -                | -                                | -                                 | -                   | -                                |
| (3,894)                   | 43,116           | 47,010                           | (1,430)                           | (10,432)            | (9,002)                          |
| 31,137                    | 31,137           | -                                | 1,189,222                         | 1,189,222           | -                                |
| <u>\$ 27,243</u>          | <u>\$ 74,253</u> | <u>\$ 47,010</u>                 | <u>\$ 1,187,792</u>               | <u>\$ 1,178,790</u> | <u>\$ (9,002)</u>                |

continued...

# COUNTY OF NEWAYGO, MICHIGAN

## Schedule of Revenues, Expenditures, and Changes in Fund Balances

Budget and Actual - Nonmajor Special Revenue Funds

For the Year Ended September 30, 2016

|   | Building Safety and Permits (249) |                   |                                  |
|---|-----------------------------------|-------------------|----------------------------------|
|   | Final Budget                      | Actual            | Actual Over (Under) Final Budget |
| Revenues                                    |                                   |                   |                                  |
| Taxes                                       | \$ -                              | \$ -              | \$ -                             |
| Intergovernmental:                          |                                   |                   |                                  |
| Federal                                     | -                                 | -                 | -                                |
| State                                       | -                                 | -                 | -                                |
| Local                                       | -                                 | -                 | -                                |
| Licenses and permits                        | -                                 | -                 | -                                |
| Fines and forfeitures                       | -                                 | -                 | -                                |
| Charges for services                        | 184,949                           | 369,225           | 184,276                          |
| Contributions from private sources          | -                                 | -                 | -                                |
| Interest and rentals                        | -                                 | -                 | -                                |
| Other revenue/reimbursements                | 500                               | -                 | (500)                            |
| <b>Total revenues</b>                       | <b>185,449</b>                    | <b>369,225</b>    | <b>183,776</b>                   |
| Expenditures                                |                                   |                   |                                  |
| Current:                                    |                                   |                   |                                  |
| Judicial                                    | -                                 | -                 | -                                |
| General government                          | -                                 | -                 | -                                |
| Public safety                               | 265,194                           | 285,386           | 20,192                           |
| Health and welfare                          | -                                 | -                 | -                                |
| Community and economic development          | -                                 | -                 | -                                |
| Recreation and cultural                     | -                                 | -                 | -                                |
| <b>Total expenditures</b>                   | <b>265,194</b>                    | <b>285,386</b>    | <b>20,192</b>                    |
| Revenues over (under) expenditures          | (79,745)                          | 83,839            | 163,584                          |
| Other financing sources (uses)              |                                   |                   |                                  |
| Transfers in                                | -                                 | -                 | -                                |
| Transfers out                               | -                                 | -                 | -                                |
| <b>Total other financing sources (uses)</b> | <b>-</b>                          | <b>-</b>          | <b>-</b>                         |
| Special item                                | -                                 | -                 | -                                |
| <b>Net changes in fund balances</b>         | <b>(79,745)</b>                   | <b>83,839</b>     | <b>163,584</b>                   |
| Fund balances, beginning of year            | 223,879                           | 223,879           | -                                |
| <b>Fund balances, end of year</b>           | <b>\$ 144,134</b>                 | <b>\$ 307,718</b> | <b>\$ 163,584</b>                |

| Register of Deeds Automation (256) |                  |                                  | Law Enforcement Technical Fund (2567) |                  |                                  |
|------------------------------------|------------------|----------------------------------|---------------------------------------|------------------|----------------------------------|
| Final Budget                       | Actual           | Actual Over (Under) Final Budget | Final Budget                          | Actual           | Actual Over (Under) Final Budget |
| \$ -                               | \$ -             | \$ -                             | \$ -                                  | \$ -             | \$ -                             |
| -                                  | -                | -                                | -                                     | -                | -                                |
| -                                  | -                | -                                | -                                     | -                | -                                |
| -                                  | -                | -                                | 1,500                                 | 1,176            | (324)                            |
| -                                  | -                | -                                | -                                     | -                | -                                |
| -                                  | -                | -                                | 3,000                                 | 2,875            | (125)                            |
| 57,000                             | 56,210           | (790)                            | 10,867                                | 13,765           | 2,898                            |
| -                                  | -                | -                                | -                                     | -                | -                                |
| 100                                | 113              | 13                               | -                                     | -                | -                                |
| -                                  | -                | -                                | -                                     | -                | -                                |
| <u>57,100</u>                      | <u>56,323</u>    | <u>(777)</u>                     | <u>15,367</u>                         | <u>17,816</u>    | <u>2,449</u>                     |
| -                                  | -                | -                                | -                                     | -                | -                                |
| 89,100                             | 60,921           | (28,179)                         | -                                     | -                | -                                |
| -                                  | -                | -                                | 15,367                                | 17,695           | 2,328                            |
| -                                  | -                | -                                | -                                     | -                | -                                |
| -                                  | -                | -                                | -                                     | -                | -                                |
| -                                  | -                | -                                | -                                     | -                | -                                |
| <u>89,100</u>                      | <u>60,921</u>    | <u>(28,179)</u>                  | <u>15,367</u>                         | <u>17,695</u>    | <u>2,328</u>                     |
| <u>(32,000)</u>                    | <u>(4,598)</u>   | <u>27,402</u>                    | <u>-</u>                              | <u>121</u>       | <u>121</u>                       |
| -                                  | -                | -                                | -                                     | -                | -                                |
| -                                  | -                | -                                | -                                     | -                | -                                |
| -                                  | -                | -                                | -                                     | -                | -                                |
| -                                  | -                | -                                | -                                     | -                | -                                |
| <u>(32,000)</u>                    | <u>(4,598)</u>   | <u>27,402</u>                    | <u>-</u>                              | <u>121</u>       | <u>121</u>                       |
| <u>46,479</u>                      | <u>46,479</u>    | <u>-</u>                         | <u>31,030</u>                         | <u>31,030</u>    | <u>-</u>                         |
| <u>\$ 14,479</u>                   | <u>\$ 41,881</u> | <u>\$ 27,402</u>                 | <u>\$ 31,030</u>                      | <u>\$ 31,151</u> | <u>\$ 121</u>                    |

continued...

# COUNTY OF NEWAYGO, MICHIGAN

## Schedule of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Special Revenue Funds For the Year Ended September 30, 2016

|   | Concealed Pistol Licensing Fund (263) |                  |                                  |
|---|---------------------------------------|------------------|----------------------------------|
|   | Final Budget                          | Actual           | Actual Over (Under) Final Budget |
| <b>Revenues</b>                             |                                       |                  |                                  |
| Taxes                                       | \$ -                                  | \$ -             | \$ -                             |
| Intergovernmental:                          |                                       |                  |                                  |
| Federal                                     | -                                     | -                | -                                |
| State                                       | -                                     | -                | -                                |
| Local                                       | -                                     | -                | -                                |
| Licenses and permits                        | 20,000                                | 30,168           | 10,168                           |
| Fines and forfeitures                       | -                                     | -                | -                                |
| Charges for services                        | -                                     | -                | -                                |
| Contributions from private sources          | -                                     | -                | -                                |
| Interest and rentals                        | -                                     | -                | -                                |
| Other revenue/reimbursements                | -                                     | -                | -                                |
| <b>Total revenues</b>                       | <b>20,000</b>                         | <b>30,168</b>    | <b>10,168</b>                    |
| <b>Expenditures</b>                         |                                       |                  |                                  |
| Current:                                    |                                       |                  |                                  |
| Judicial                                    | -                                     | -                | -                                |
| General government                          | 20,000                                | 9,329            | (10,671)                         |
| Public safety                               | -                                     | -                | -                                |
| Health and welfare                          | -                                     | -                | -                                |
| Community and economic development          | -                                     | -                | -                                |
| Recreation and cultural                     | -                                     | -                | -                                |
| <b>Total expenditures</b>                   | <b>20,000</b>                         | <b>9,329</b>     | <b>(10,671)</b>                  |
| Revenues over (under) expenditures          | -                                     | 20,839           | 20,839                           |
| <b>Other financing sources (uses)</b>       |                                       |                  |                                  |
| Transfers in                                | -                                     | -                | -                                |
| Transfers out                               | -                                     | -                | -                                |
| <b>Total other financing sources (uses)</b> | <b>-</b>                              | <b>-</b>         | <b>-</b>                         |
| Special item                                | -                                     | -                | -                                |
| <b>Net changes in fund balances</b>         | <b>-</b>                              | <b>20,839</b>    | <b>20,839</b>                    |
| Fund balances, beginning of year            | 5,292                                 | 5,292            | -                                |
| <b>Fund balances, end of year</b>           | <b>\$ 5,292</b>                       | <b>\$ 26,131</b> | <b>\$ 20,839</b>                 |

| Drug Law Enforcement (265) |           |                                  | County Law Library (269) |          |                                  |
|----------------------------|-----------|----------------------------------|--------------------------|----------|----------------------------------|
| Final Budget               | Actual    | Actual Over (Under) Final Budget | Final Budget             | Actual   | Actual Over (Under) Final Budget |
| \$ -                       | \$ -      | \$ -                             | \$ -                     | \$ -     | \$ -                             |
| 11,333                     | 11,542    | 209                              | -                        | -        | -                                |
| -                          | -         | -                                | -                        | -        | -                                |
| -                          | -         | -                                | -                        | -        | -                                |
| -                          | -         | -                                | -                        | -        | -                                |
| -                          | 668       | 668                              | 4,500                    | 4,500    | -                                |
| -                          | -         | -                                | -                        | -        | -                                |
| -                          | -         | -                                | -                        | -        | -                                |
| -                          | -         | -                                | -                        | -        | -                                |
| 11,333                     | 12,210    | 877                              | 4,500                    | 4,500    | -                                |
| -                          | -         | -                                | 11,487                   | 11,470   | (17)                             |
| -                          | -         | -                                | -                        | -        | -                                |
| 103,892                    | 101,528   | (2,364)                          | -                        | -        | -                                |
| -                          | -         | -                                | -                        | -        | -                                |
| -                          | -         | -                                | -                        | -        | -                                |
| -                          | -         | -                                | -                        | -        | -                                |
| 103,892                    | 101,528   | (2,364)                          | 11,487                   | 11,470   | (17)                             |
| (92,559)                   | (89,318)  | 3,241                            | (6,987)                  | (6,970)  | 17                               |
| 92,559                     | 92,559    | -                                | -                        | -        | -                                |
| -                          | -         | -                                | -                        | -        | -                                |
| 92,559                     | 92,559    | -                                | -                        | -        | -                                |
| -                          | -         | -                                | -                        | -        | -                                |
| -                          | 3,241     | 3,241                            | (6,987)                  | (6,970)  | 17                               |
| 32,469                     | 32,469    | -                                | 10,172                   | 10,172   | -                                |
| \$ 32,469                  | \$ 35,710 | \$ 3,241                         | \$ 3,185                 | \$ 3,202 | \$ 17                            |

continued...

# COUNTY OF NEWAYGO, MICHIGAN

## Schedule of Revenues, Expenditures, and Changes in Fund Balances

Budget and Actual - Nonmajor Special Revenue Funds

For the Year Ended September 30, 2016

|   | Social Services (290) |                   |                                  |
|---|-----------------------|-------------------|----------------------------------|
|   | Final Budget          | Actual            | Actual Over (Under) Final Budget |
| Revenues                                    |                       |                   |                                  |
| Taxes                                       | \$ -                  | \$ -              | \$ -                             |
| Intergovernmental:                          |                       |                   |                                  |
| Federal                                     | -                     | -                 | -                                |
| State                                       | 50,000                | -                 | (50,000)                         |
| Local                                       | -                     | -                 | -                                |
| Licenses and permits                        | -                     | -                 | -                                |
| Fines and forfeitures                       | -                     | -                 | -                                |
| Charges for services                        | 56,500                | 33,443            | (23,057)                         |
| Contributions from private sources          | -                     | -                 | -                                |
| Interest and rentals                        | 140                   | 398               | 258                              |
| Other revenue/reimbursements                | -                     | -                 | -                                |
| <b>Total revenues</b>                       | <b>106,640</b>        | <b>33,841</b>     | <b>(72,799)</b>                  |
| Expenditures                                |                       |                   |                                  |
| Current:                                    |                       |                   |                                  |
| Judicial                                    | -                     | -                 | -                                |
| General government                          | -                     | -                 | -                                |
| Public safety                               | -                     | -                 | -                                |
| Health and welfare                          | 125,434               | 66,068            | (59,366)                         |
| Community and economic development          | -                     | -                 | -                                |
| Recreation and cultural                     | -                     | -                 | -                                |
| <b>Total expenditures</b>                   | <b>125,434</b>        | <b>66,068</b>     | <b>(59,366)</b>                  |
| Revenues over (under) expenditures          | (18,794)              | (32,227)          | (13,433)                         |
| Other financing sources (uses)              |                       |                   |                                  |
| Transfers in                                | 18,794                | 18,794            | -                                |
| Transfers out                               | -                     | -                 | -                                |
| <b>Total other financing sources (uses)</b> | <b>18,794</b>         | <b>18,794</b>     | <b>-</b>                         |
| Special item                                | -                     | -                 | -                                |
| Net changes in fund balances                | -                     | (13,433)          | (13,433)                         |
| Fund balances, beginning of year            | 141,185               | 141,185           | -                                |
| <b>Fund balances, end of year</b>           | <b>\$ 141,185</b>     | <b>\$ 127,752</b> | <b>\$ (13,433)</b>               |

| Child Care (292)  |                   |                                  | Soldiers' Relief (293) |                   |                                  |
|-------------------|-------------------|----------------------------------|------------------------|-------------------|----------------------------------|
| Final Budget      | Actual            | Actual Over (Under) Final Budget | Final Budget           | Actual            | Actual Over (Under) Final Budget |
| \$ -              | \$ -              | \$ -                             | \$ 134,138             | \$ 134,624        | \$ 486                           |
| 1,673             | 994               | (679)                            | -                      | -                 | -                                |
| 603,422           | 639,560           | 36,138                           | -                      | -                 | -                                |
| -                 | -                 | -                                | 1,658                  | 1,652             | (6)                              |
| -                 | -                 | -                                | -                      | -                 | -                                |
| -                 | -                 | -                                | -                      | -                 | -                                |
| 56,500            | 69,239            | 12,739                           | -                      | -                 | -                                |
| 18,000            | 27,935            | 9,935                            | -                      | 6,444             | 6,444                            |
| -                 | -                 | -                                | -                      | -                 | -                                |
| 200               | -                 | (200)                            | -                      | -                 | -                                |
| <u>679,795</u>    | <u>737,728</u>    | <u>57,933</u>                    | <u>135,796</u>         | <u>142,720</u>    | <u>6,924</u>                     |
| -                 | -                 | -                                | -                      | -                 | -                                |
| -                 | -                 | -                                | -                      | -                 | -                                |
| -                 | -                 | -                                | -                      | -                 | -                                |
| 1,377,918         | 1,462,043         | 84,125                           | 185,525                | 168,949           | (16,576)                         |
| -                 | -                 | -                                | -                      | -                 | -                                |
| -                 | -                 | -                                | -                      | -                 | -                                |
| <u>1,377,918</u>  | <u>1,462,043</u>  | <u>84,125</u>                    | <u>185,525</u>         | <u>168,949</u>    | <u>(16,576)</u>                  |
| <u>(698,123)</u>  | <u>(724,315)</u>  | <u>(26,192)</u>                  | <u>(49,729)</u>        | <u>(26,229)</u>   | <u>23,500</u>                    |
| 645,000           | 645,000           | -                                | 49,729                 | 49,729            | -                                |
| -                 | -                 | -                                | -                      | -                 | -                                |
| <u>645,000</u>    | <u>645,000</u>    | <u>-</u>                         | <u>49,729</u>          | <u>49,729</u>     | <u>-</u>                         |
| -                 | -                 | -                                | -                      | -                 | -                                |
| (53,123)          | (79,315)          | (26,192)                         | -                      | 23,500            | 23,500                           |
| 216,334           | 216,334           | -                                | 134,321                | 134,321           | -                                |
| <u>\$ 163,211</u> | <u>\$ 137,019</u> | <u>\$ (26,192)</u>               | <u>\$ 134,321</u>      | <u>\$ 157,821</u> | <u>\$ 23,500</u>                 |

continued...

# COUNTY OF NEWAYGO, MICHIGAN

## Schedule of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Nonmajor Special Revenue Funds For the Year Ended September 30, 2016

|   | Veterans' Trust (294) |          |                                  |
|---|-----------------------|----------|----------------------------------|
|   | Final Budget          | Actual   | Actual Over (Under) Final Budget |
| Revenues                                    |                       |          |                                  |
| Taxes                                       | \$ -                  | \$ -     | \$ -                             |
| Intergovernmental:                          |                       |          |                                  |
| Federal                                     | -                     | -        | -                                |
| State                                       | -                     | -        | -                                |
| Local                                       | -                     | -        | -                                |
| Licenses and permits                        | -                     | -        | -                                |
| Fines and forfeitures                       | -                     | -        | -                                |
| Charges for services                        | -                     | -        | -                                |
| Contributions from private sources          | -                     | -        | -                                |
| Interest and rentals                        | -                     | -        | -                                |
| Other revenue/reimbursements                | -                     | -        | -                                |
| <b>Total revenues</b>                       | <b>-</b>              | <b>-</b> | <b>-</b>                         |
| Expenditures                                |                       |          |                                  |
| Current:                                    |                       |          |                                  |
| Judicial                                    | -                     | -        | -                                |
| General government                          | -                     | -        | -                                |
| Public safety                               | -                     | -        | -                                |
| Health and welfare                          | -                     | -        | -                                |
| Community and economic development          | -                     | -        | -                                |
| Recreation and cultural                     | -                     | -        | -                                |
| <b>Total expenditures</b>                   | <b>-</b>              | <b>-</b> | <b>-</b>                         |
| Revenues over (under) expenditures          | -                     | -        | -                                |
| Other financing sources (uses)              |                       |          |                                  |
| Transfers in                                | -                     | -        | -                                |
| Transfers out                               | -                     | -        | -                                |
| <b>Total other financing sources (uses)</b> | <b>-</b>              | <b>-</b> | <b>-</b>                         |
| Special item                                | -                     | -        | -                                |
| Net changes in fund balances                | -                     | -        | -                                |
| Fund balances, beginning of year            | 4,970                 | 4,970    | -                                |
| Fund balances, end of year                  | \$ 4,970              | \$ 4,970 | \$ -                             |

| Commission on Aging (295-2952) |                   |                                  | Total               |                     |                                  |
|--------------------------------|-------------------|----------------------------------|---------------------|---------------------|----------------------------------|
| Final Budget                   | Actual            | Actual Over (Under) Final Budget | Final Budget        | Actual              | Actual Over (Under) Final Budget |
| \$ 670,365                     | \$ 670,946        | \$ 581                           | \$ 2,141,401        | \$ 2,147,909        | \$ 6,508                         |
| 222,085                        | 222,731           | 646                              | 1,031,118           | 900,869             | (130,249)                        |
| 36,160                         | 36,160            | -                                | 903,340             | 925,416             | 22,076                           |
| 8,324                          | 8,232             | (92)                             | 141,732             | 32,233              | (109,499)                        |
| -                              | -                 | -                                | 20,000              | 30,168              | 10,168                           |
| -                              | -                 | -                                | 7,500               | 8,043               | 543                              |
| 135,583                        | 148,805           | 13,222                           | 1,706,247           | 2,020,155           | 313,908                          |
| 695,613                        | 680,210           | (15,403)                         | 751,613             | 737,710             | (13,903)                         |
| -                              | -                 | -                                | 1,495               | 2,147               | 652                              |
| 25,884                         | 30,194            | 4,310                            | 73,012              | 179,056             | 106,044                          |
| <u>1,794,014</u>               | <u>1,797,278</u>  | <u>3,264</u>                     | <u>6,777,458</u>    | <u>6,983,706</u>    | <u>206,248</u>                   |
| -                              | -                 | -                                | 970,330             | 932,725             | (37,605)                         |
| -                              | -                 | -                                | 109,100             | 70,250              | (38,850)                         |
| -                              | -                 | -                                | 3,711,437           | 3,414,778           | (296,659)                        |
| 1,790,363                      | 1,790,298         | (65)                             | 3,479,240           | 3,487,358           | 8,118                            |
| -                              | -                 | -                                | 312,043             | 236,671             | (75,372)                         |
| -                              | -                 | -                                | 569,025             | 558,161             | (10,864)                         |
| <u>1,790,363</u>               | <u>1,790,298</u>  | <u>(65)</u>                      | <u>9,151,175</u>    | <u>8,699,943</u>    | <u>(451,232)</u>                 |
| <u>3,651</u>                   | <u>6,980</u>      | <u>3,329</u>                     | <u>(2,373,717)</u>  | <u>(1,716,237)</u>  | <u>657,480</u>                   |
| 6,267                          | 7,385             | 1,118                            | 2,408,378           | 2,409,496           | 1,118                            |
| (30,600)                       | (30,600)          | -                                | (692,077)           | (692,077)           | -                                |
| <u>(24,333)</u>                | <u>(23,215)</u>   | <u>1,118</u>                     | <u>1,716,301</u>    | <u>1,717,419</u>    | <u>1,118</u>                     |
| -                              | -                 | -                                | -                   | (119,131)           | (119,131)                        |
| (20,682)                       | (16,235)          | 4,447                            | (657,416)           | (117,949)           | 539,467                          |
| 301,819                        | 301,819           | -                                | 3,178,924           | 3,178,924           | -                                |
| <u>\$ 281,137</u>              | <u>\$ 285,584</u> | <u>\$ 4,447</u>                  | <u>\$ 2,521,508</u> | <u>\$ 3,060,975</u> | <u>\$ 539,467</u>                |

concluded

# COUNTY OF NEWAYGO, MICHIGAN

## Combining Balance Sheet

Nonmajor Debt Service Funds

September 30, 2016

|  | Jail<br>Bonds<br>(367) | Medical Care<br>Facility Bonds<br>(305) | Mental Health<br>Building Bonds<br>(392) | Total             |
|--|------------------------|---|--|-------------------|
| <b>Assets</b>                              |                        |   |  |                   |
| Cash and cash equivalents                  | \$ 367,396             | \$ 118,631                              | \$ 444,728                               | \$ 930,755        |
| Accounts receivable                        | -                      | -                                       | 897                                      | 897               |
| Due from other governments                 | 51,450                 | -                                       | -  | 51,450            |
| <b>Total assets</b>                        | <b>\$ 418,846</b>      | <b>\$ 118,631</b>                       | <b>\$ 445,625</b>                        | <b>\$ 983,102</b> |
| <b>Liabilities</b>                         |                        |   |  |                   |
| Due to other funds                         | \$ -                   | \$ -                                    | \$ -                                     | \$ -              |
| <b>Fund balances</b>                       |                        |   |  |                   |
| Restricted                                 | -                      | 118,631                                 | 445,625                                  | 564,256           |
| Committed                                  | 418,846                | -                                       | -  | 418,846           |
| <b>Total fund balances</b>                 | <b>418,846</b>         | <b>118,631</b>                          | <b>445,625</b>                           | <b>983,102</b>    |
| <b>Total liabilities and fund balances</b> | <b>\$ 418,846</b>      | <b>\$ 118,631</b>                       | <b>\$ 445,625</b>                        | <b>\$ 983,102</b> |

# COUNTY OF NEWAYGO, MICHIGAN

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Debt Service Funds

For the Year Ended September 30, 2016

|                                    | Jail<br>Bonds<br>(367) | Medical Care<br>Facility Bonds<br>(305) | Mental Health<br>Building Bonds<br>(392) | Total             |
|------------------------------------|------------------------|---|--|-------------------|
| <b>Revenues</b>                    |                        |   |  |                   |
| Taxes                              | \$ -                   | \$ 585,671                              | \$ -                                     | \$ 585,671        |
| Intergovernmental - local          | -                      | -                                       | 149,442                                  | 149,442           |
| Charges for services               | 627,690                | -                                       | -  | 627,690           |
| Interest                           | 393                    | 671                                     | -  | 1,064             |
| <b>Total revenues</b>              | <b>628,083</b>         | <b>586,342</b>                          | <b>149,442</b>                           | <b>1,363,867</b>  |
| <b>Expenditures</b>                |                        |   |  |                   |
| Debt service:                      |                        |   |  |                   |
| Principal                          | 380,000                | 550,000                                 | 56,000                                   | 986,000           |
| Interest                           | 191,209                | 84,499                                  | 34,544                                   | 310,252           |
| <b>Total expenditures</b>          | <b>571,209</b>         | <b>634,499</b>                          | <b>90,544</b>                            | <b>1,296,252</b>  |
| <b>Net change in fund balances</b> | <b>56,874</b>          | <b>(48,157)</b>                         | <b>58,898</b>                            | <b>67,615</b>     |
| Fund balances, beginning of year   | 361,972                | 166,788                                 | 386,727                                  | 915,487           |
| <b>Fund balances, end of year</b>  | <b>\$ 418,846</b>      | <b>\$ 118,631</b>                       | <b>\$ 445,625</b>                        | <b>\$ 983,102</b> |

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## NONMAJOR ENTERPRISE FUNDS

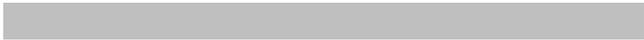
# COUNTY OF NEWAYGO, MICHIGAN

## Combining Statement of Net Position

Nonmajor Enterprise Funds

September 30, 2016

|                                       | 2014<br>Delinquent<br>Tax<br>(516142) | 2016<br>Delinquent<br>Tax<br>(516162) | PRE<br>Audit<br>(530) |
|---------------------------------------|---------------------------------------|---------------------------------------|-----------------------|
| <b>Assets</b>                         |                                       |                                       |                       |
| Current assets:                       |                                       |                                       |                       |
| Cash and cash equivalents             | \$ 182,590                            | \$ 21,597                             | \$ 51,329             |
| Accounts receivable                   | -                                     | -                                     | -                     |
| Delinquent taxes receivable           | 692,347                               | 20,373                                | -                     |
| Total current assets                  | <u>874,937</u>                        | <u>41,970</u>                         | <u>51,329</u>         |
| Noncurrent assets:                    |                                       |                                       |                       |
| Capital assets being depreciated, net | -                                     | -                                     | -                     |
| Total assets                          | <u>874,937</u>                        | <u>41,970</u>                         | <u>51,329</u>         |
| <b>Liabilities (all current)</b>      |                                       |                                       |                       |
| Accounts payable                      | (1,028)                               | 21,596                                | 29,051                |
| Due to other funds                    | 320,000                               | 20,374                                | -                     |
| Total liabilities (all current)       | <u>318,972</u>                        | <u>41,970</u>                         | <u>29,051</u>         |
| <b>Net position</b>                   |                                       |                                       |                       |
| Net investment in capital assets      | -                                     | -                                     | -                     |
| Unrestricted                          | 555,965                               | -                                     | 22,278                |
| Total net position                    | <u>\$ 555,965</u>                     | <u>\$ -</u>                           | <u>\$ 22,278</u>      |



| Building Authority<br>(569) | Jail Commissary<br>(595) | Total               |
|-----------------------------|--------------------------|---------------------|
| \$ 311,240                  | \$ 188,603               | \$ 755,359          |
| -                           | 12,455                   | 12,455              |
| -                           | -                        | 712,720             |
| <u>311,240</u>              | <u>201,058</u>           | <u>1,480,534</u>    |
| -                           | 12,167                   | 12,167              |
| <u>311,240</u>              | <u>213,225</u>           | <u>1,492,701</u>    |
| 1,649                       | 4,014                    | 55,282              |
| -                           | -                        | 340,374             |
| <u>1,649</u>                | <u>4,014</u>             | <u>395,656</u>      |
| -                           | 12,167                   | 12,167              |
| <u>309,591</u>              | <u>197,044</u>           | <u>1,084,878</u>    |
| <u>\$ 309,591</u>           | <u>\$ 209,211</u>        | <u>\$ 1,097,045</u> |

# COUNTY OF NEWAYGO, MICHIGAN

## Combining Statement of Revenues, Expenses and Changes in Fund Net Position

Nonmajor Enterprise Funds

For the Year Ended September 30, 2016

|   | 2014<br>Delinquent<br>Tax<br>(516142) | 2016<br>Delinquent<br>Tax<br>(516162) | PRE<br>Audit<br>(530) |
|---|---------------------------------------|---------------------------------------|-----------------------|
| Operating revenues                            |                                       |                                       |                       |
| Charges for services                          | \$ -                                  | \$ -                                  | \$ -                  |
| Rentals                                       | -                                     | -                                     | -                     |
| Interest and penalties on delinquent taxes    | 213,730                               | -                                     | -                     |
| Reimbursements                                | -                                     | -                                     | -                     |
| <b>Total operating revenues</b>               | <b>213,730</b>                        | <b>-</b>                              | <b>-</b>              |
| Operating expense                             |                                       |                                       |                       |
| Supplies and operating expenses               | 6,336                                 | -                                     | 35                    |
| Depreciation                                  | -                                     | -                                     | -                     |
| <b>Total operating expense</b>                | <b>6,336</b>                          | <b>-</b>                              | <b>35</b>             |
| <b>Operating income (loss)</b>                | <b>207,394</b>                        | <b>-</b>                              | <b>(35)</b>           |
| Nonoperating revenues (expenses)              |                                       |                                       |                       |
| Interest revenue                              | -                                     | -                                     | 8,811                 |
| Interest expense                              | (2,764)                               | -                                     | -                     |
| <b>Total nonoperating revenues (expenses)</b> | <b>(2,764)</b>                        | <b>-</b>                              | <b>8,811</b>          |
| <b>Income before transfers</b>                | <b>204,630</b>                        | <b>-</b>                              | <b>8,776</b>          |
| Transfers                                     |                                       |                                       |                       |
| Transfers out                                 | -                                     | -                                     | -                     |
| <b>Change in net position</b>                 | <b>204,630</b>                        | <b>-</b>                              | <b>8,776</b>          |
| <b>Net position, beginning of year</b>        | <b>351,335</b>                        | <b>-</b>                              | <b>13,502</b>         |
| <b>Net position, end of year</b>              | <b>\$ 555,965</b>                     | <b>\$ -</b>                           | <b>\$ 22,278</b>      |



| Building Authority<br>(569) | Jail Commissary<br>(595) | Total               |
|-----------------------------|--------------------------|---------------------|
| \$ -                        | \$ 76,843                | \$ 76,843           |
| 103,589                     | -                        | 103,589             |
| -                           | -                        | 213,730             |
| -                           | 8,117                    | 8,117               |
| <u>103,589</u>              | <u>84,960</u>            | <u>402,279</u>      |
| 83,209                      | 38,946                   | 128,526             |
| -                           | 2,638                    | 2,638               |
| <u>83,209</u>               | <u>41,584</u>            | <u>131,164</u>      |
| <u>20,380</u>               | <u>43,376</u>            | <u>271,115</u>      |
| -                           | 488                      | 9,299               |
| -                           | -                        | (2,764)             |
| -                           | 488                      | 6,535               |
| 20,380                      | 43,864                   | 277,650             |
| <u>(30,000)</u>             | <u>-</u>                 | <u>(30,000)</u>     |
| (9,620)                     | 43,864                   | 247,650             |
| <u>319,211</u>              | <u>165,347</u>           | <u>849,395</u>      |
| <u>\$ 309,591</u>           | <u>\$ 209,211</u>        | <u>\$ 1,097,045</u> |

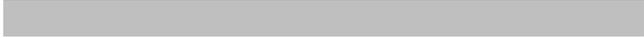
# COUNTY OF NEWAYGO, MICHIGAN

## Combining Statement of Cash Flows

Nonmajor Enterprise Funds

For the Year Ended September 30, 2016

|   | 2014<br>Delinquent<br>Tax<br>(516142) | 2016<br>Delinquent<br>Tax<br>(516162) | PRE<br>Audit<br>(530)   |
|---|---------------------------------------|---------------------------------------|-------------------------|
| Cash flows from operating activities                |                                       |                                       |                         |
| Receipts from customers and users                   | \$ 1,804,596                          | \$ 1,223                              | \$ 3,224                |
| Payments to vendors                                 | (7,357)                               | -                                     | -                       |
| Net cash provided (used in) by operating activities | <u>1,797,239</u>                      | <u>1,223</u>                          | <u>3,224</u>            |
| Cash flows from noncapital financing activities     |                                       |                                       |                         |
| Principal paid on long-term debt                    | (1,050,000)                           | -                                     | -                       |
| Interest paid on long-term debt                     | (2,764)                               | -                                     | -                       |
| Cash received from interfund loan                   | -                                     | 20,374                                | -                       |
| Cash paid for interfund loan                        | (680,000)                             | -                                     | -                       |
| Transfers out                                       | -                                     | -                                     | -                       |
| Net cash used in noncapital financing activities    | <u>(1,732,764)</u>                    | <u>20,374</u>                         | <u>-</u>                |
| Cash flows from investing activities                |                                       |                                       |                         |
| Interest received                                   | -                                     | -                                     | 8,811                   |
| Net change in cash and cash equivalents             | 64,475                                | 21,597                                | 12,035                  |
| Cash and cash equivalents, beginning of year        | <u>118,115</u>                        | <u>-</u>                              | <u>39,294</u>           |
| Cash and cash equivalents, end of year              | <u><u>\$ 182,590</u></u>              | <u><u>\$ 21,597</u></u>               | <u><u>\$ 51,329</u></u> |



| Building Authority<br>(569) | Jail Commissary<br>(595) | Total                     |
|-----------------------------|--------------------------|---------------------------|
| \$ 104,412<br>(83,278)      | \$ 82,988<br>(37,053)    | \$ 1,996,443<br>(127,688) |
| <u>21,134</u>               | <u>45,935</u>            | <u>1,868,755</u>          |
| -                           | -                        | (1,050,000)               |
| -                           | -                        | (2,764)                   |
| -                           | -                        | 20,374                    |
| -                           | -                        | (680,000)                 |
| <u>(30,000)</u>             | <u>-</u>                 | <u>(30,000)</u>           |
| <u>(30,000)</u>             | <u>-</u>                 | <u>(1,742,390)</u>        |
| -                           | 488                      | 9,299                     |
| (8,866)                     | 46,423                   | 135,664                   |
| <u>320,106</u>              | <u>142,180</u>           | <u>619,695</u>            |
| <u>\$ 311,240</u>           | <u>\$ 188,603</u>        | <u>\$ 755,359</u>         |

continued...

# COUNTY OF NEWAYGO, MICHIGAN

## Combining Statement of Cash Flows

Nonmajor Enterprise Funds

For the Year Ended September 30, 2016

|  | 2014<br>Delinquent<br>Tax<br>(516142) | 2016<br>Delinquent<br>Tax<br>(516162) | PRE<br>Audit<br>(530) |
|--|---------------------------------------|---------------------------------------|-----------------------|
| Reconciliation of operating income (loss) to net cash provided by (used in) operating activities         |                                       |                                       |                       |
| Operating income (loss)  | \$ 207,394                            | \$ -                                  | \$ (35)               |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: |                                       |                                       |                       |
| Depreciation expense   | -                                     | -                                     | -                     |
| Change in operating assets and liabilities:  |                                       |                                       |                       |
| Accounts receivable  | -                                     | -                                     | -                     |
| Delinquent taxes receivable  | 1,590,866                             | (20,373)                              | -                     |
| Accounts payable   | (1,021)                               | 21,596                                | 3,259                 |
| Net cash provided by (used in) operating activities  | <u>\$ 1,797,239</u>                   | <u>\$ 1,223</u>                       | <u>\$ 3,224</u>       |



| Building Authority<br>(569) | Jail Commissary<br>(595) | Total               |
|-----------------------------|--------------------------|---------------------|
| \$ 20,380                   | \$ 43,376                | \$ 271,115          |
| -                           | 2,638                    | 2,638               |
| 823                         | (1,972)                  | (1,149)             |
| -                           | -                        | 1,570,493           |
| (69)                        | 1,893                    | 25,658              |
| <u>\$ 21,134</u>            | <u>\$ 45,935</u>         | <u>\$ 1,868,755</u> |

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## INTERNAL SERVICE FUNDS

# COUNTY OF NEWAYGO, MICHIGAN

## Combining Statement of Net Position Internal Service Funds September 30, 2016

|                                       | Building<br>Grounds<br>Maintenance<br>(631) | Campus<br>Security<br>(632) | Central<br>Stores<br>(633) |
|---------------------------------------|---|-----------------------------|----------------------------|
| <b>Assets</b>                         |   |                             |                            |
| Current assets:                       |   |                             |                            |
| Cash and cash equivalents             | \$ 79,437                                   | \$ 18,116                   | \$ 79,788                  |
| Accounts receivable                   | -   | -                           | 631                        |
| Due from other governments            | -   | -                           | -                          |
| Due from other funds                  | -   | -                           | -                          |
| Prepays                               | -   | -                           | 12,233                     |
| <b>Total current assets</b>           | <u>79,437</u>                               | <u>18,116</u>               | <u>92,652</u>              |
| Noncurrent assets –                   |   |                             |                            |
| Capital assets being depreciated, net | 4,404                                       | -                           | -                          |
| <b>Total assets</b>                   | <u>83,841</u>                               | <u>18,116</u>               | <u>92,652</u>              |
| <b>Liabilities</b>                    |   |                             |                            |
| Current liabilities:                  |   |                             |                            |
| Interfund payable                     | -   | -                           | -                          |
| Accounts payable                      | 21,456                                      | 37                          | 47                         |
| Accrued expenses                      | 4,402                                       | 3,359                       | -                          |
| Due to other funds                    | -   | -                           | 2,685                      |
| Current portion of long-term debt     | -   | -                           | -                          |
| <b>Total current liabilities</b>      | <u>25,858</u>                               | <u>3,396</u>                | <u>2,732</u>               |
| Noncurrent liabilities –              |   |                             |                            |
| Long-term debt                        | -   | -                           | -                          |
| <b>Total liabilities</b>              | <u>25,858</u>                               | <u>3,396</u>                | <u>2,732</u>               |
| <b>Net position</b>                   |   |                             |                            |
| Net investment in capital assets      | 4,404                                       | -                           | -                          |
| Unrestricted                          | 53,579                                      | 14,720                      | 89,920                     |
| <b>Total net position</b>             | <u>\$ 57,983</u>                            | <u>\$ 14,720</u>            | <u>\$ 89,920</u>           |

| Information Services (636) | Drain Computer (637) | Drain Maintenance / Construction (638) | Duplicating (645) | Food Service (652) | Telephone System (656) |
|----------------------------|----------------------|--|-------------------|--------------------|------------------------|
| \$ 149,950                 | \$ 4,687             | \$ 52,378                              | \$ 224,672        | \$ 88,089          | \$ 55,109              |
| -                          | -                    | -                                      | -                 | 119                | -                      |
| -                          | -                    | -                                      | -                 | -                  | -                      |
| -                          | -                    | -                                      | -                 | -                  | -                      |
| -                          | -                    | -                                      | -                 | -                  | -                      |
| <u>149,950</u>             | <u>4,687</u>         | <u>52,378</u>                          | <u>224,672</u>    | <u>88,208</u>      | <u>55,109</u>          |
| <u>24,994</u>              | <u>1,154</u>         | <u>68,791</u>                          | <u>47,373</u>     | <u>12,825</u>      | <u>137,257</u>         |
| <u>174,944</u>             | <u>5,841</u>         | <u>121,169</u>                         | <u>272,045</u>    | <u>101,033</u>     | <u>192,366</u>         |
| -                          | -                    | -                                      | -                 | -                  | -                      |
| 4,289                      | -                    | 542                                    | 1,940             | 42,945             | 650                    |
| 1,548                      | -                    | -                                      | 622               | 63                 | 980                    |
| -                          | -                    | 40,930                                 | -                 | -                  | -                      |
| -                          | -                    | -                                      | -                 | -                  | -                      |
| <u>5,837</u>               | <u>-</u>             | <u>41,472</u>                          | <u>2,562</u>      | <u>43,008</u>      | <u>1,630</u>           |
| -                          | -                    | -                                      | -                 | -                  | -                      |
| <u>5,837</u>               | <u>-</u>             | <u>41,472</u>                          | <u>2,562</u>      | <u>43,008</u>      | <u>1,630</u>           |
| 24,994                     | 1,154                | 68,791                                 | 47,373            | 12,825             | 137,257                |
| <u>144,113</u>             | <u>4,687</u>         | <u>10,906</u>                          | <u>222,110</u>    | <u>45,200</u>      | <u>53,479</u>          |
| <u>\$ 169,107</u>          | <u>\$ 5,841</u>      | <u>\$ 79,697</u>                       | <u>\$ 269,483</u> | <u>\$ 58,025</u>   | <u>\$ 190,736</u>      |

continued...

# COUNTY OF NEWAYGO, MICHIGAN

## Combining Statement of Net Position

Internal Service Funds

September 30, 2016

|                                       | Motor<br>Pool<br>(661) | Unemployment<br>(676) | Health and<br>Wellness<br>(677) |
|---------------------------------------|------------------------|-----------------------|---------------------------------|
| <b>Assets</b>                         |                        |                       |                                 |
| Current assets:                       |                        |                       |                                 |
| Cash and cash equivalents             | \$ 39,907              | \$ 146,714            | \$ 678,409                      |
| Accounts receivable                   | -                      | -                     | 179,706                         |
| Due from other governments            | -                      | -                     | -                               |
| Due from other funds                  | -                      | -                     | -                               |
| Prepays                               | -                      | -                     | 314,147                         |
| Total current assets                  | <u>39,907</u>          | <u>146,714</u>        | <u>1,172,262</u>                |
| Noncurrent assets –                   |                        |                       |                                 |
| Capital assets being depreciated, net | <u>261,094</u>         | <u>-</u>              | <u>-</u>                        |
| Total assets                          | <u>301,001</u>         | <u>146,714</u>        | <u>1,172,262</u>                |
| <b>Liabilities</b>                    |                        |                       |                                 |
| Current liabilities:                  |                        |                       |                                 |
| Interfund payable                     | -                      | -                     | -                               |
| Accounts payable                      | 244                    | -                     | 126,875                         |
| Accrued expenses                      | -                      | 353                   | 4,172                           |
| Due to other funds                    | -                      | 65,000                | -                               |
| Current portion of long-term debt     | -                      | -                     | -                               |
| Total current liabilities             | <u>244</u>             | <u>65,353</u>         | <u>131,047</u>                  |
| Noncurrent liabilities –              |                        |                       |                                 |
| Long-term debt                        | <u>-</u>               | <u>-</u>              | <u>-</u>                        |
| Total liabilities                     | <u>244</u>             | <u>65,353</u>         | <u>131,047</u>                  |
| <b>Net position</b>                   |                        |                       |                                 |
| Net investment in capital assets      | 261,094                | -                     | -                               |
| Unrestricted                          | <u>39,663</u>          | <u>81,361</u>         | <u>1,041,215</u>                |
| Total net position                    | <u>\$ 300,757</u>      | <u>\$ 81,361</u>      | <u>\$ 1,041,215</u>             |

| Liability Insurance<br>(678) | Equipment Pool<br>(692) | Building Renovation<br>(694) | Workers' Compensation<br>(696) | Retiree Health Insurance<br>(7311) | Retirement<br>(731) |
|------------------------------|-------------------------|------------------------------|--------------------------------|------------------------------------|---------------------|
| \$ 114,834                   | \$ -                    | \$ -                         | \$ 395,958                     | \$ -                               | \$ 861,943          |
| -                            | -                       | -                            | -                              | -                                  | -                   |
| -                            | -                       | 6,300                        | -                              | -                                  | -                   |
| -                            | -                       | -                            | -                              | 65,000                             | -                   |
| 231,427                      | -                       | -                            | -                              | -                                  | -                   |
| <u>346,261</u>               | <u>-</u>                | <u>6,300</u>                 | <u>395,958</u>                 | <u>65,000</u>                      | <u>861,943</u>      |
| -                            | -                       | -                            | -                              | -                                  | -                   |
| <u>346,261</u>               | <u>-</u>                | <u>6,300</u>                 | <u>395,958</u>                 | <u>65,000</u>                      | <u>861,943</u>      |
| -                            | -                       | 1,251                        | -                              | 49,500                             | -                   |
| 235,623                      | -                       | -                            | -                              | 6,800                              | 1,069               |
| -                            | -                       | -                            | 1,562                          | -                                  | -                   |
| -                            | -                       | -                            | -                              | -                                  | -                   |
| -                            | -                       | -                            | -                              | -                                  | -                   |
| <u>235,623</u>               | <u>-</u>                | <u>1,251</u>                 | <u>1,562</u>                   | <u>56,300</u>                      | <u>1,069</u>        |
| -                            | -                       | -                            | -                              | -                                  | -                   |
| <u>235,623</u>               | <u>-</u>                | <u>1,251</u>                 | <u>1,562</u>                   | <u>56,300</u>                      | <u>1,069</u>        |
| -                            | -                       | -                            | -                              | -                                  | -                   |
| 110,638                      | -                       | 5,049                        | 394,396                        | 8,700                              | 860,874             |
| <u>\$ 110,638</u>            | <u>\$ -</u>             | <u>\$ 5,049</u>              | <u>\$ 394,396</u>              | <u>\$ 8,700</u>                    | <u>\$ 860,874</u>   |

continued...

# COUNTY OF NEWAYGO, MICHIGAN

## Combining Statement of Net Position

Internal Service Funds

September 30, 2016

|                                       | Unused<br>Sick and<br>Vacation<br>(730) | Total               |
|---------------------------------------|---|---------------------|
| <b>Assets</b>                         |   |                     |
| Current assets:                       |   |                     |
| Cash and cash equivalents             | \$ 626,171                              | \$ 3,616,162        |
| Accounts receivable                   | -                                       | 180,456             |
| Due from other governments            | -                                       | 6,300               |
| Due from other funds                  | -                                       | 65,000              |
| Prepays                               | -                                       | 557,807             |
| Total current assets                  | <u>626,171</u>                          | <u>4,425,725</u>    |
| Noncurrent assets –                   |   |                     |
| Capital assets being depreciated, net | -                                       | <u>557,892</u>      |
| Total assets                          | <u>626,171</u>                          | <u>4,983,617</u>    |
| <b>Liabilities</b>                    |   |                     |
| Current liabilities:                  |   |                     |
| Interfund payable                     | -                                       | 50,751              |
| Accounts payable                      | -                                       | 442,517             |
| Accrued expenses                      | 1,882                                   | 18,943              |
| Due to other funds                    | -                                       | 108,615             |
| Current portion of long-term debt     | 65,767                                  | 65,767              |
| Total current liabilities             | <u>67,649</u>                           | <u>686,593</u>      |
| Noncurrent liabilities –              |   |                     |
| Long-term debt                        | <u>390,149</u>                          | <u>390,149</u>      |
| Total liabilities                     | <u>457,798</u>                          | <u>1,076,742</u>    |
| <b>Net position</b>                   |   |                     |
| Net investment in capital assets      | -                                       | 557,892             |
| Unrestricted                          | <u>168,373</u>                          | <u>3,348,983</u>    |
| Total net position                    | <u>\$ 168,373</u>                       | <u>\$ 3,906,875</u> |

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# COUNTY OF NEWAYGO, MICHIGAN

## Combining Statement of Revenues, Expenses and Changes in Fund Net Position

Internal Service Funds

For the Year Ended September 30, 2016

|   | Building<br>Grounds<br>Maintenance<br>(631) | Campus<br>Security<br>(632) | Central<br>Stores<br>(633) |
|---|---|-----------------------------|----------------------------|
| Operating revenues                                |   |                             |                            |
| Charges for services                              | \$ 644,269                                  | \$ 212,861                  | \$ 4,182                   |
| Reimbursements                                    | -   | -                           | -                          |
| <b>Total operating revenues</b>                   | <b>644,269</b>                              | <b>212,861</b>              | <b>4,182</b>               |
| Operating expense                                 |   |                             |                            |
| Supplies and operating expenses                   | 622,429                                     | 210,292                     | 4,184                      |
| Depreciation                                      | 3,133                                       | -                           | -                          |
| <b>Total operating expense</b>                    | <b>625,562</b>                              | <b>210,292</b>              | <b>4,184</b>               |
| <b>Operating income (loss)</b>                    | <b>18,707</b>                               | <b>2,569</b>                | <b>(2)</b>                 |
| Nonoperating revenues                             |   |                             |                            |
| Interest revenue                                  | -   | -                           | -                          |
| Gain on sale of capital assets                    | -   | -                           | -                          |
| Insurance pool distribution                       | -   | -                           | -                          |
| <b>Total nonoperating revenues</b>                | <b>-</b>                                    | <b>-</b>                    | <b>-</b>                   |
| <b>Income (loss) before transfers</b>             | <b>18,707</b>                               | <b>2,569</b>                | <b>(2)</b>                 |
| Transfers   |   |                             |                            |
| Transfers in                                      | -   | -                           | -                          |
| Transfers out                                     | -   | -                           | -                          |
| <b>Total transfers</b>                            | <b>-</b>                                    | <b>-</b>                    | <b>-</b>                   |
| <b>Change in net position before special item</b> | <b>18,707</b>                               | <b>2,569</b>                | <b>(2)</b>                 |
| Special item (Note 21)                            | 13,018                                      | 9,228                       | 1,110                      |
| <b>Change in net position</b>                     | <b>31,725</b>                               | <b>11,797</b>               | <b>1,108</b>               |
| Net position, beginning of year                   | 26,258                                      | 2,923                       | 88,812                     |
| <b>Net position, end of year</b>                  | <b>\$ 57,983</b>                            | <b>\$ 14,720</b>            | <b>\$ 89,920</b>           |

| Information Services (636) | Drain Computer (637) | Drain Maintenance / Construction (638) | Duplicating (645) | Food Service (652) | Telephone System (656) |
|----------------------------|----------------------|--|-------------------|--------------------|------------------------|
| \$ 264,369                 | \$ -                 | \$ 191,056                             | \$ 82,410         | \$ 576,625         | \$ 74,399              |
| -                          | -                    | -                                      | -                 | -                  | -                      |
| <u>264,369</u>             | <u>-</u>             | <u>191,056</u>                         | <u>82,410</u>     | <u>576,625</u>     | <u>74,399</u>          |
| 231,314                    | -                    | 39,647                                 | 75,858            | 438,184            | 115,194                |
| 14,681                     | 1,259                | 6,592                                  | 18,798            | 675                | 9,804                  |
| <u>245,995</u>             | <u>1,259</u>         | <u>46,239</u>                          | <u>94,656</u>     | <u>438,859</u>     | <u>124,998</u>         |
| <u>18,374</u>              | <u>(1,259)</u>       | <u>144,817</u>                         | <u>(12,246)</u>   | <u>137,766</u>     | <u>(50,599)</u>        |
| -                          | -                    | 659                                    | -                 | -                  | -                      |
| 177                        | -                    | 16,155                                 | -                 | -                  | -                      |
| -                          | -                    | -                                      | -                 | -                  | -                      |
| <u>177</u>                 | <u>-</u>             | <u>16,814</u>                          | <u>-</u>          | <u>-</u>           | <u>-</u>               |
| <u>18,551</u>              | <u>(1,259)</u>       | <u>161,631</u>                         | <u>(12,246)</u>   | <u>137,766</u>     | <u>(50,599)</u>        |
| -                          | -                    | 25,950                                 | -                 | -                  | -                      |
| -                          | (9,950)              | (149,020)                              | -                 | (126,328)          | -                      |
| -                          | (9,950)              | (123,070)                              | -                 | (126,328)          | -                      |
| <u>18,551</u>              | <u>(11,209)</u>      | <u>38,561</u>                          | <u>(12,246)</u>   | <u>11,438</u>      | <u>(50,599)</u>        |
| 608                        | -                    | -                                      | -                 | 334                | -                      |
| <u>19,159</u>              | <u>(11,209)</u>      | <u>38,561</u>                          | <u>(12,246)</u>   | <u>11,772</u>      | <u>(50,599)</u>        |
| <u>149,948</u>             | <u>17,050</u>        | <u>41,136</u>                          | <u>281,729</u>    | <u>46,253</u>      | <u>241,335</u>         |
| <u>\$ 169,107</u>          | <u>\$ 5,841</u>      | <u>\$ 79,697</u>                       | <u>\$ 269,483</u> | <u>\$ 58,025</u>   | <u>\$ 190,736</u>      |

continued...

# COUNTY OF NEWAYGO, MICHIGAN

## Combining Statement of Revenues, Expenses and Changes in Fund Net Position

Internal Service Funds

For the Year Ended September 30, 2016

|   | Motor<br>Pool<br>(661) | Unemployment<br>(676) | Health and<br>Wellness<br>(677) |
|---|------------------------|-----------------------|---------------------------------|
| Operating revenues                                |                        |                       |                                 |
| Charges for services                              | \$ 116,255             | \$ -                  | \$ -                            |
| Reimbursements                                    | -                      | 45,367                | 3,235,229                       |
| <b>Total operating revenues</b>                   | <b>116,255</b>         | <b>45,367</b>         | <b>3,235,229</b>                |
| Operating expense                                 |                        |                       |                                 |
| Supplies and operating expenses                   | 22,800                 | 29,202                | 3,619,189                       |
| Depreciation                                      | 155,876                | -                     | -                               |
| <b>Total operating expense</b>                    | <b>178,676</b>         | <b>29,202</b>         | <b>3,619,189</b>                |
| <b>Operating income (loss)</b>                    | <b>(62,421)</b>        | <b>16,165</b>         | <b>(383,960)</b>                |
| Nonoperating revenues                             |                        |                       |                                 |
| Interest revenue                                  | -                      | -                     | -                               |
| Gain on sale of capital assets                    | 11,681                 | -                     | -                               |
| Insurance pool distribution                       | -                      | -                     | -                               |
| <b>Total nonoperating revenues</b>                | <b>11,681</b>          | <b>-</b>              | <b>-</b>                        |
| <b>Income (loss) before transfers</b>             | <b>(50,740)</b>        | <b>16,165</b>         | <b>(383,960)</b>                |
| Transfers   |                        |                       |                                 |
| Transfers in                                      | 77,367                 | -                     | -                               |
| Transfers out                                     | (16,000)               | (65,000)              | (5,723)                         |
| <b>Total transfers</b>                            | <b>61,367</b>          | <b>(65,000)</b>       | <b>(5,723)</b>                  |
| <b>Change in net position before special item</b> | <b>10,627</b>          | <b>(48,835)</b>       | <b>(389,683)</b>                |
| Special item (Note 21)                            | -                      | -                     | 1,209                           |
| <b>Change in net position</b>                     | <b>10,627</b>          | <b>(48,835)</b>       | <b>(388,474)</b>                |
| Net position, beginning of year                   | 290,130                | 130,196               | 1,429,689                       |
| <b>Net position, end of year</b>                  | <b>\$ 300,757</b>      | <b>\$ 81,361</b>      | <b>\$ 1,041,215</b>             |

| Liability Insurance<br>(678) | Equipment Pool<br>(692) | Building Renovation<br>(694) | Workers' Compensation<br>(696) | Retiree Health Insurance<br>(7311) | Retirement<br>(731) |
|------------------------------|-------------------------|------------------------------|--------------------------------|------------------------------------|---------------------|
| \$ -                         | \$ -                    | \$ 76,860                    | \$ -                           | \$ -                               | \$ 227,782          |
| 228,286                      | -                       | -                            | 175,567                        | 737,666                            | -                   |
| 228,286                      | -                       | 76,860                       | 175,567                        | 737,666                            | 227,782             |
| 453,526                      | 2                       | 75,090                       | 314,103                        | 795,619                            | 272,317             |
| -                            | -                       | -                            | -                              | -                                  | -                   |
| 453,526                      | 2                       | 75,090                       | 314,103                        | 795,619                            | 272,317             |
| (225,240)                    | (2)                     | 1,770                        | (138,536)                      | (57,953)                           | (44,535)            |
| -                            | -                       | -                            | -                              | -                                  | -                   |
| -                            | -                       | -                            | -                              | -                                  | -                   |
| -                            | -                       | -                            | 84,608                         | -                                  | -                   |
| -                            | -                       | -                            | 84,608                         | -                                  | -                   |
| (225,240)                    | (2)                     | 1,770                        | (53,928)                       | (57,953)                           | (44,535)            |
| -                            | -                       | -                            | -                              | 65,000                             | -                   |
| (313,854)                    | -                       | -                            | -                              | -                                  | -                   |
| (313,854)                    | -                       | -                            | -                              | 65,000                             | -                   |
| (539,094)                    | (2)                     | 1,770                        | (53,928)                       | 7,047                              | (44,535)            |
| -                            | -                       | -                            | -                              | -                                  | -                   |
| (539,094)                    | (2)                     | 1,770                        | (53,928)                       | 7,047                              | (44,535)            |
| 649,732                      | 2                       | 3,279                        | 448,324                        | 1,653                              | 905,409             |
| \$ 110,638                   | \$ -                    | \$ 5,049                     | \$ 394,396                     | \$ 8,700                           | \$ 860,874          |

continued...

# COUNTY OF NEWAYGO, MICHIGAN

## Combining Statement of Revenues, Expenses and Changes in Fund Net Position

Internal Service Funds

For the Year Ended September 30, 2016

|   | Unused<br>Sick and<br>Vacation<br>(730) | Total               |
|---|---|---------------------|
| Operating revenues                                |   |                     |
| Charges for services                              | \$ 195,247                              | \$ 2,666,315        |
| Reimbursements                                    | 99,986                                  | 4,522,101           |
| <b>Total operating revenues</b>                   | <b>295,233</b>                          | <b>7,188,416</b>    |
| Operating expense                                 |   |                     |
| Supplies and operating expenses                   | 344,622                                 | 7,663,572           |
| Depreciation                                      | -                                       | 210,818             |
| <b>Total operating expense</b>                    | <b>344,622</b>                          | <b>7,874,390</b>    |
| <b>Operating income (loss)</b>                    | <b>(49,389)</b>                         | <b>(685,974)</b>    |
| Nonoperating revenues                             |   |                     |
| Interest revenue                                  | -                                       | 659                 |
| Gain on sale of capital assets                    | -                                       | 28,013              |
| Insurance pool distribution                       | -                                       | 84,608              |
| <b>Total nonoperating revenues</b>                | <b>-</b>                                | <b>113,280</b>      |
| <b>Income (loss) before transfers</b>             | <b>(49,389)</b>                         | <b>(572,694)</b>    |
| Transfers   |   |                     |
| Transfers in                                      | -                                       | 168,317             |
| Transfers out                                     | -                                       | (685,875)           |
| <b>Total transfers</b>                            | <b>-</b>                                | <b>(517,558)</b>    |
| <b>Change in net position before special item</b> | <b>(49,389)</b>                         | <b>(1,090,252)</b>  |
| <b>Special item (Note 21)</b>                     | <b>(395,578)</b>                        | <b>(370,071)</b>    |
| <b>Change in net position</b>                     | <b>(444,967)</b>                        | <b>(1,460,323)</b>  |
| <b>Net position, beginning of year</b>            | <b>613,340</b>                          | <b>5,367,198</b>    |
| <b>Net position, end of year</b>                  | <b>\$ 168,373</b>                       | <b>\$ 3,906,875</b> |

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COUNTY OF NEWAYGO, MICHIGAN

**Combining Statement of Cash Flows**  
 Internal Service Funds  
 For the Year Ended September 30, 2016

|  | Building<br>Grounds<br>Maintenance<br>(631) | Campus<br>Security<br>(632) | Central<br>Stores<br>(633) |
|--|---|-----------------------------|----------------------------|
| Cash flows from operating activities                           |   |                             |                            |
| Receipts from interfund services                               | \$ 644,408                                  | \$ 212,861                  | \$ 3,551                   |
| Payments to vendors  | (315,598)                                   | (23,595)                    | (15,050)                   |
| Payments for personnel services                                | (309,260)                                   | (191,399)                   | -                          |
| Net cash provided by (used in) operating activities            | <u>19,550</u>                               | <u>(2,133)</u>              | <u>(11,499)</u>            |
| Cash flows from noncapital financing activities                |   |                             |                            |
| Transfers in   | -   | -                           | -                          |
| Transfers out  | -   | -                           | -                          |
| Insurance pool distribution                                    | -   | -                           | -                          |
| Net cash provided by (used in) noncapital financing activities | <u>-</u>                                    | <u>-</u>                    | <u>-</u>                   |
| Cash flows from capital and related financing activities       |   |                             |                            |
| Proceeds from sale of capital assets                           | -   | -                           | -                          |
| Purchase of capital assets                                     | -   | -                           | -                          |
| Net cash used in capital and related financing activities      | <u>-</u>                                    | <u>-</u>                    | <u>-</u>                   |
| Cash flows from investing activities                           |   |                             |                            |
| Interest received on investments                               | -   | -                           | -                          |
| Net change in cash and cash equivalents                        | 19,550                                      | (2,133)                     | (11,499)                   |
| Cash and cash equivalents, beginning of year                   | <u>59,887</u>                               | <u>20,249</u>               | <u>91,287</u>              |
| Cash and cash equivalents, end of year                         | <u>\$ 79,437</u>                            | <u>\$ 18,116</u>            | <u>\$ 79,788</u>           |

| Information Services<br>(636) | Drain Computer<br>(637) | Drain Maintenance /<br>Construction<br>(638) | Duplicating<br>(645) | Food Service<br>(652) | Telephone System<br>(656) |
|-------------------------------|-------------------------|--|----------------------|-----------------------|---------------------------|
| \$ 264,769                    | \$ -                    | \$ 184,517                                   | \$ 82,410            | \$ 576,506            | \$ 74,399                 |
| (119,577)                     | -                       | (39,294)                                     | (32,793)             | (420,519)             | (53,194)                  |
| (119,199)                     | -                       | -  | (40,982)             | (8,510)               | (62,677)                  |
| <u>25,993</u>                 | <u>-</u>                | <u>145,223</u>                               | <u>8,635</u>         | <u>147,477</u>        | <u>(41,472)</u>           |
| -                             | -                       | 25,950                                       | -                    | -                     | -                         |
| -                             | (9,950)                 | (149,020)                                    | -                    | (126,328)             | -                         |
| -                             | -                       | -  | -                    | -                     | -                         |
| <u>-</u>                      | <u>(9,950)</u>          | <u>(123,070)</u>                             | <u>-</u>             | <u>(126,328)</u>      | <u>-</u>                  |
| 177                           | -                       | 16,155                                       | 2,847                | -                     | -                         |
| -                             | -                       | (69,875)                                     | (15,753)             | (13,500)              | (147,061)                 |
| <u>177</u>                    | <u>-</u>                | <u>(53,720)</u>                              | <u>(12,906)</u>      | <u>(13,500)</u>       | <u>(147,061)</u>          |
| -                             | -                       | 659  | -                    | -                     | -                         |
| 26,170                        | (9,950)                 | (30,908)                                     | (4,271)              | 7,649                 | (188,533)                 |
| <u>123,780</u>                | <u>14,637</u>           | <u>83,286</u>                                | <u>228,943</u>       | <u>80,440</u>         | <u>243,642</u>            |
| <u>\$ 149,950</u>             | <u>\$ 4,687</u>         | <u>\$ 52,378</u>                             | <u>\$ 224,672</u>    | <u>\$ 88,089</u>      | <u>\$ 55,109</u>          |

continued...

# COUNTY OF NEWAYGO, MICHIGAN

## Combining Statement of Cash Flows Internal Service Funds For the Year Ended September 30, 2016

|  | Motor<br>Pool<br>(661) | Unemployment<br>(676) | Health and<br>Wellness<br>(677) |
|--|------------------------|-----------------------|---------------------------------|
| Cash flows from operating activities                           |                        |                       |                                 |
| Receipts from interfund services                               | \$ 121,255             | \$ 45,367             | \$ 3,194,441                    |
| Payments to vendors  | (52,084)               | (3,798)               | (3,517,524)                     |
| Payments for personnel services                                | -                      | (25,051)              | (154,051)                       |
| Net cash provided by (used in) operating activities            | <u>69,171</u>          | <u>16,518</u>         | <u>(477,134)</u>                |
| Cash flows from noncapital financing activities                |                        |                       |                                 |
| Transfers in   | 77,367                 | -                     | -                               |
| Transfers out  | (16,000)               | -                     | (5,723)                         |
| Insurance pool distribution                                    | -                      | -                     | -                               |
| Net cash provided by (used in) noncapital financing activities | <u>61,367</u>          | <u>-</u>              | <u>(5,723)</u>                  |
| Cash flows from capital and related financing activities       |                        |                       |                                 |
| Proceeds from sale of capital assets                           | 11,681                 | -                     | -                               |
| Purchase of capital assets                                     | (198,337)              | -                     | -                               |
| Net cash used in capital and related financing activities      | <u>(186,656)</u>       | <u>-</u>              | <u>-</u>                        |
| Cash flows from investing activities                           |                        |                       |                                 |
| Interest received on investments                               | -                      | -                     | -                               |
| Net change in cash and cash equivalents                        | (56,118)               | 16,518                | (482,857)                       |
| Cash and cash equivalents, beginning of year                   | <u>96,025</u>          | <u>130,196</u>        | <u>1,161,266</u>                |
| Cash and cash equivalents, end of year                         | <u>\$ 39,907</u>       | <u>\$ 146,714</u>     | <u>\$ 678,409</u>               |

| Liability Insurance<br>(678) | Equipment Pool<br>(692) | Building Renovation<br>(694) | Workers' Compensation<br>(696)       | Retiree Health Insurance<br>(7311) | Retirement<br>(731)          |
|------------------------------|-------------------------|------------------------------|--------------------------------------|------------------------------------|------------------------------|
| \$ 542,140<br>(291,984)<br>- | \$ -<br>(7,970)<br>-    | \$ 76,860<br>(75,090)<br>-   | \$ 175,567<br>(212,459)<br>(100,082) | \$ 737,666<br>(788,819)<br>-       | \$ 229,146<br>(271,248)<br>- |
| <u>250,156</u>               | <u>(7,970)</u>          | <u>1,770</u>                 | <u>(136,974)</u>                     | <u>(51,153)</u>                    | <u>(42,102)</u>              |
| -<br>(313,854)<br>-          | -<br>-<br>-             | -<br>(1,770)<br>-            | -<br>-<br>84,608                     | 49,500<br>-<br>-                   | -<br>-<br>-                  |
| <u>(313,854)</u>             | <u>-</u>                | <u>(1,770)</u>               | <u>84,608</u>                        | <u>49,500</u>                      | <u>-</u>                     |
| -<br>-<br>-                  | -<br>-<br>-             | -<br>-<br>-                  | -<br>-<br>-                          | -<br>-<br>-                        | -<br>-<br>-                  |
| -<br>-                       | -<br>-                  | -<br>-                       | -<br>-                               | -<br>-                             | -<br>-                       |
| <u>(63,698)</u>              | <u>(7,970)</u>          | <u>-</u>                     | <u>(52,366)</u>                      | <u>(1,653)</u>                     | <u>(42,102)</u>              |
| <u>178,532</u>               | <u>7,970</u>            | <u>-</u>                     | <u>448,324</u>                       | <u>1,653</u>                       | <u>904,045</u>               |
| <u>\$ 114,834</u>            | <u>\$ -</u>             | <u>\$ -</u>                  | <u>\$ 395,958</u>                    | <u>\$ -</u>                        | <u>\$ 861,943</u>            |

continued...

COUNTY OF NEWAYGO, MICHIGAN

Combining Statement of Cash Flows  
 Internal Service Funds  
 For the Year Ended September 30, 2016

|  | Unused<br>Sick and<br>Vacation<br>(730) | Total               |
|--|---|---------------------|
| Cash flows from operating activities                           |   |                     |
| Receipts from interfund services                               | \$ 319,606                              | \$ 7,485,469        |
| Payments to vendors  | 297,023                                 | (5,943,573)         |
| Payments for personnel services                                | (583,488)                               | (1,594,699)         |
|  | <u>33,141</u>                           | <u>(52,803)</u>     |
| Net cash provided by (used in) operating activities            |   |                     |
| Cash flows from noncapital financing activities                |   |                     |
| Transfers in   | -                                       | 152,817             |
| Transfers out  | -                                       | (622,645)           |
| Insurance pool distribution                                    | -                                       | 84,608              |
|  | <u>-</u>                                | <u>(385,220)</u>    |
| Net cash provided by (used in) noncapital financing activities |   |                     |
| Cash flows from capital and related financing activities       |   |                     |
| Proceeds from sale of capital assets                           | -                                       | 30,860              |
| Purchase of capital assets                                     | -                                       | (444,526)           |
|  | <u>-</u>                                | <u>(413,666)</u>    |
| Net cash used in capital and related financing activities      |   |                     |
| Cash flows from investing activities                           |   |                     |
| Interest received on investments                               | -                                       | 659                 |
|  | <u>-</u>                                | <u>659</u>          |
| Net change in cash and cash equivalents                        | 33,141                                  | (851,030)           |
| Cash and cash equivalents, beginning of year                   | <u>593,030</u>                          | <u>4,467,192</u>    |
| Cash and cash equivalents, end of year                         | <u>\$ 626,171</u>                       | <u>\$ 3,616,162</u> |

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COUNTY OF NEWAYGO, MICHIGAN

**Combining Statement of Cash Flows**  
 Internal Service Funds  
 For the Year Ended September 30, 2016

|  | Building<br>Grounds<br>Maintenance<br>(631) | Campus<br>Security<br>(632) | Central<br>Stores<br>(633) |
|--|---|-----------------------------|----------------------------|
| Reconciliation of operating income (loss) to net cash provided by (used in) operating activities |   |                             |                            |
| Operating income (loss)  | \$ 18,707                                   | \$ 2,569                    | \$ (2)                     |
| Adjustments to reconcile operating income (loss) to net cash provided by operating activities:   |   |                             |                            |
| Depreciation expense   | 3,133                                       | -                           | -                          |
| Change in operating assets and liabilities:  |   |                             |                            |
| Accounts receivable  | -   | -                           | (631)                      |
| Due from other funds   | 139   | -                           | -                          |
| Prepays  | -   | -                           | (12,233)                   |
| Accounts payable   | 4,432                                       | 36                          | (148)                      |
| Accrued expenses   | (6,861)                                     | (4,738)                     | (1,170)                    |
| Due to other funds   | -   | -                           | 2,685                      |
| Compensated absences   | -   | -                           | -                          |
| Net cash provided by (used in) operating activities  | <u>\$ 19,550</u>                            | <u>\$ (2,133)</u>           | <u>\$ (11,499)</u>         |



| Information Services (636) | Drain Computer (637) | Drain Maintenance / Construction (638) | Duplicating (645) | Food Service (652) | Telephone System (656) |
|----------------------------|----------------------|--|-------------------|--------------------|------------------------|
| \$ 18,374                  | \$ (1,259)           | \$ 144,817                             | \$ (12,246)       | \$ 137,766         | \$ (50,599)            |
| 14,681                     | 1,259                | 6,592                                  | 18,798            | 675                | 9,804                  |
| 400                        | -                    | -                                      | -                 | (119)              | -                      |
| -                          | -                    | -                                      | -                 | -                  | -                      |
| -                          | -                    | -                                      | -                 | -                  | -                      |
| (735)                      | -                    | 353                                    | 1,461             | 9,424              | (1,657)                |
| (6,727)                    | -                    | -                                      | 622               | (269)              | 980                    |
| -                          | -                    | (6,539)                                | -                 | -                  | -                      |
| -                          | -                    | -                                      | -                 | -                  | -                      |
| <u>\$ 25,993</u>           | <u>\$ -</u>          | <u>\$ 145,223</u>                      | <u>\$ 8,635</u>   | <u>\$ 147,477</u>  | <u>\$ (41,472)</u>     |

continued...

COUNTY OF NEWAYGO, MICHIGAN

Combining Statement of Cash Flows  
 Internal Service Funds  
 For the Year Ended September 30, 2016

|  | Motor<br>Pool<br>(661) | Unemployment<br>(676) | Health and<br>Wellness<br>(677) |
|--|------------------------|-----------------------|---------------------------------|
| Reconciliation of operating income (loss) to net cash provided by (used in) operating activities |                        |                       |                                 |
| Operating income (loss)  | \$ (62,421)            | \$ 16,165             | \$ (383,960)                    |
| Adjustments to reconcile operating income (loss) to net cash provided by operating activities:   |                        |                       |                                 |
| Depreciation expense   | 155,876                | -                     | -                               |
| Change in operating assets and liabilities:  |                        |                       |                                 |
| Accounts receivable  | -                      | -                     | (40,788)                        |
| Due from other funds   | -                      | -                     | -                               |
| Prepays  | -                      | -                     | (45,223)                        |
| Accounts payable   | (24,284)               | -                     | (4,813)                         |
| Accrued expenses   | -                      | 353                   | (2,350)                         |
| Due to other funds   | -                      | -                     | -                               |
| Compensated absences   | -                      | -                     | -                               |
| Net cash provided by (used in) operating activities  | \$ 69,171              | \$ 16,518             | \$ (477,134)                    |



| Liability Insurance<br>(678) | Equipment Pool<br>(692) | Building Renovation<br>(694) | Workers' Compensation<br>(696) | Retiree Health Insurance<br>(7311) | Retirement<br>(731) |
|------------------------------|-------------------------|------------------------------|--------------------------------|------------------------------------|---------------------|
| \$ (225,240)                 | \$ (2)                  | \$ 1,770                     | \$ (138,536)                   | \$ (57,953)                        | \$ (44,535)         |
| -                            | -                       | -                            | -                              | -                                  | -                   |
| 313,854                      | -                       | -                            | -                              | -                                  | 1,364               |
| -                            | -                       | -                            | -                              | -                                  | -                   |
| 43,970                       | -                       | -                            | -                              | -                                  | -                   |
| 126,701                      | -                       | -                            | -                              | 6,800                              | 1,069               |
| -                            | -                       | -                            | 1,562                          | -                                  | -                   |
| (9,129)                      | (7,968)                 | -                            | -                              | -                                  | -                   |
| -                            | -                       | -                            | -                              | -                                  | -                   |
| <u>\$ 250,156</u>            | <u>\$ (7,970)</u>       | <u>\$ 1,770</u>              | <u>\$ (136,974)</u>            | <u>\$ (51,153)</u>                 | <u>\$ (42,102)</u>  |

continued...

COUNTY OF NEWAYGO, MICHIGAN

Combining Statement of Cash Flows  
 Internal Service Funds  
 For the Year Ended September 30, 2016

|  | Unused<br>Sick and<br>Vacation<br>(730) | Total        |
|--|---|--------------|
| Reconciliation of operating income (loss) to net cash provided by (used in) operating activities |   |              |
| Operating income (loss)  | \$ (49,389)                             | \$ (685,974) |
| Adjustments to reconcile operating income (loss) to net cash provided by operating activities:   |   |              |
| Depreciation expense   | -                                       | 210,818      |
| Change in operating assets and liabilities:  |   |              |
| Accounts receivable  | -                                       | 274,080      |
| Due from other funds   | 24,373                                  | 24,512       |
| Prepays  | -                                       | (13,486)     |
| Accounts payable   | (993)                                   | 117,646      |
| Accrued expenses   | (1,188)                                 | (19,786)     |
| Due to other funds   | -                                       | (20,951)     |
| Compensated absences   | 60,338                                  | 60,338       |
|  | \$ 33,141                               | \$ (52,803)  |
| Net cash provided by (used in) operating activities  |   |              |
|  | \$ 33,141                               | \$ (52,803)  |
|  |   | concluded    |

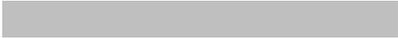
## AGENCY FUNDS

# COUNTY OF NEWAYGO, MICHIGAN

## Combining Statement of Fiduciary Assets and Liabilities

Agency Funds  
September 30, 2016

|                            | Central<br>Payroll<br>Processing<br>(115) | Central<br>Accounts<br>Payable<br>(125) | Trust and<br>Agency<br>(701) | Trust and<br>Agency<br>Outside<br>Accounts<br>(702) |
|----------------------------|---|---|------------------------------|---|
| <b>Assets</b>              |   |   |                              |   |
| Cash and cash equivalents  | \$ -                                      | \$ -                                    | \$ 5,188,243                 | \$ 29,500   |
| Accounts receivable        | -   | -                                       | -                            | -   |
| Due from other governments | -   | -                                       | 529                          | -   |
| <b>Total assets</b>        | <u>\$ -</u>                               | <u>\$ -</u>                             | <u>\$ 5,188,772</u>          | <u>\$ 29,500</u>                                    |
| <b>Liabilities</b>         |   |   |                              |   |
| Accounts payable           | \$ -                                      | \$ -                                    | \$ 497,032                   | \$ 29,500   |
| Due to other governments   | -   | -                                       | 4,691,740                    | -   |
| Undistributed receipts     | -   | -                                       | -                            | -   |
| <b>Total liabilities</b>   | <u>\$ -</u>                               | <u>\$ -</u>                             | <u>\$ 5,188,772</u>          | <u>\$ 29,500</u>                                    |



| Library Penal (721) | Total               |
|---------------------|---------------------|
| \$ 90,295           | \$ 5,308,038        |
| 20                  | 20                  |
| -                   | 529                 |
| <u>\$ 90,315</u>    | <u>\$ 5,308,587</u> |
| \$ -                | \$ 526,532          |
| -                   | 4,691,740           |
| 90,315              | 90,315              |
| <u>\$ 90,315</u>    | <u>\$ 5,308,587</u> |

# COUNTY OF NEWAYGO, MICHIGAN

## Combining Statement of Changes in Fiduciary Assets and Liabilities

Agency Funds

For the Year Ended September 30, 2016

|  | Beginning<br>Balance | Additions            | Deductions           | Ending<br>Balance   |
|--|----------------------|----------------------|----------------------|---------------------|
| <b><u>Central Payroll Processing</u></b> |                      |                      |                      |                     |
| <b>Assets</b>                            |                      |                      |                      |                     |
| Cash and cash equivalents                | \$ 2,231             | \$ 23,335,441        | \$ 23,337,672        | \$ -                |
| <b>Liabilities</b>                       |                      |                      |                      |                     |
| Accounts payable                         | \$ -                 | \$ 5,410,424         | \$ 5,410,424         | \$ -                |
| Due to other governments                 | -                    | 2,812,070            | 2,812,070            | -                   |
| Undistributed receipts                   | 2,231                | 2,718,313            | 2,720,544            | -                   |
| <b>Total liabilities</b>                 | <b>\$ 2,231</b>      | <b>\$ 10,940,807</b> | <b>\$ 10,943,038</b> | <b>\$ -</b>         |
| <b><u>Central Accounts Payable</u></b>   |                      |                      |                      |                     |
| <b>Assets</b>                            |                      |                      |                      |                     |
| Cash and cash equivalents                | \$ -                 | \$ 20,144,446        | \$ 20,144,446        | \$ -                |
| <b>Liabilities</b>                       |                      |                      |                      |                     |
| Accounts payable                         | \$ -                 | \$ 20,144,446        | \$ 20,144,446        | \$ -                |
| <b><u>Trust and Agency</u></b>           |                      |                      |                      |                     |
| <b>Assets</b>                            |                      |                      |                      |                     |
| Cash and cash equivalents                | \$ 3,741,165         | \$ 10,344,170        | \$ 8,897,092         | \$ 5,188,243        |
| Accounts receivable                      | 113                  | -                    | 113                  | -                   |
| Due from other governments               | 529                  | 6,317                | 6,317                | 529                 |
| <b>Total assets</b>                      | <b>\$ 3,741,807</b>  | <b>\$ 10,350,487</b> | <b>\$ 8,903,522</b>  | <b>\$ 5,188,772</b> |
| <b>Liabilities</b>                       |                      |                      |                      |                     |
| Accounts payable                         | \$ 278,235           | \$ 980,462           | \$ 761,665           | \$ 497,032          |
| Due to other governments                 | 3,463,572            | 19,237,009           | 18,008,841           | 4,691,740           |
| Undistributed receipts                   | -                    | 15                   | 15                   | -                   |
| <b>Total liabilities</b>                 | <b>\$ 3,741,807</b>  | <b>\$ 20,217,486</b> | <b>\$ 18,770,521</b> | <b>\$ 5,188,772</b> |

continued...

# COUNTY OF NEWAYGO, MICHIGAN

## Combining Statement of Changes in Fiduciary Assets and Liabilities

Agency Funds

For the Year Ended September 30, 2016

|   | Beginning<br>Balance | Additions            | Deductions           | Ending<br>Balance   |
|---|----------------------|----------------------|----------------------|---------------------|
| <b><u>Trust and Agency Outside Accounts</u></b> |                      |                      |                      |                     |
| <b>Assets</b>                                   |                      |                      |                      |                     |
| Cash and cash equivalents                       | \$ 21,284            | \$ 54,297            | \$ 46,081            | \$ 29,500           |
| <b>Liabilities</b>                              |                      |                      |                      |                     |
| Accounts payable                                | \$ 21,284            | \$ 54,297            | \$ 46,081            | \$ 29,500           |
| <b><u>Library Penal Fine</u></b>                |                      |                      |                      |                     |
| <b>Assets</b>                                   |                      |                      |                      |                     |
| Cash and cash equivalents                       | \$ 93,538            | \$ 180,319           | \$ 183,562           | \$ 90,295           |
| Accounts receivable                             | -                    | 172,212              | 172,192              | 20                  |
| <b>Total assets</b>                             | <b>\$ 93,538</b>     | <b>\$ 352,531</b>    | <b>\$ 355,754</b>    | <b>\$ 90,315</b>    |
| <b>Liabilities</b>                              |                      |                      |                      |                     |
| Accounts payable                                | \$ -                 | \$ 170,926           | \$ 170,926           | \$ -                |
| Undistributed receipts                          | 93,538               | 172,411              | 175,634              | 90,315              |
| <b>Total liabilities</b>                        | <b>\$ 93,538</b>     | <b>\$ 343,337</b>    | <b>\$ 346,560</b>    | <b>\$ 90,315</b>    |
| <b><u>Total All Agency Funds</u></b>            |                      |                      |                      |                     |
| <b>Assets</b>                                   |                      |                      |                      |                     |
| Cash and cash equivalents                       | \$ 3,858,218         | \$ 54,058,673        | \$ 52,608,853        | \$ 5,308,038        |
| Accounts receivable                             | 113                  | 172,212              | 172,305              | 20                  |
| Due from other governments                      | 529                  | 6,317                | 6,317                | 529                 |
| <b>Total assets</b>                             | <b>\$ 3,858,860</b>  | <b>\$ 54,237,202</b> | <b>\$ 52,787,475</b> | <b>\$ 5,308,587</b> |
| <b>Liabilities</b>                              |                      |                      |                      |                     |
| Accounts payable                                | \$ 299,519           | \$ 26,760,555        | \$ 26,533,542        | \$ 526,532          |
| Due to other governments                        | 3,463,572            | 22,049,079           | 20,820,911           | 4,691,740           |
| Undistributed receipts                          | 95,769               | 2,890,739            | 2,896,193            | 90,315              |
| <b>Total liabilities</b>                        | <b>\$ 3,858,860</b>  | <b>\$ 51,700,373</b> | <b>\$ 50,250,646</b> | <b>\$ 5,308,587</b> |

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## COMPONENT UNITS

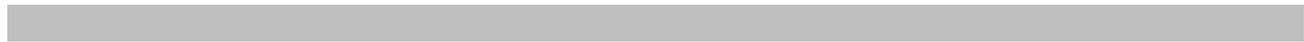
# COUNTY OF NEWAYGO, MICHIGAN

## Combining Balance Sheet

Drain Commissioner Component Unit

September 30, 2016

|   | Drain<br>(801xxx) | Drain<br>Revolving<br>(802xxx) | Brooks<br>Lake<br>Board<br>(845) |
|---|-------------------|--------------------------------|----------------------------------|
| <b>Assets</b>   |                   |                                |                                  |
| Cash and cash equivalents   | \$ 117,678        | \$ 64,082                      | \$ 67,054                        |
| Special assessments receivable  | 310,872           | -                              | 30,000                           |
| Due from other funds  | -                 | 235,918                        | -                                |
| <b>Total assets</b>   | <b>\$ 428,550</b> | <b>\$ 300,000</b>              | <b>\$ 97,054</b>                 |
| <b>Liabilities</b>  |                   |                                |                                  |
| Accounts payable  | \$ -              | \$ -                           | \$ 2,005                         |
| Due to other funds  | 235,918           | -                              | 16,547                           |
| Advance from primary government   | 15,077            | 300,000                        | -                                |
| <b>Total liabilities</b>  | <b>250,995</b>    | <b>300,000</b>                 | <b>18,552</b>                    |
| <b>Deferred inflows of resources</b>  |                   |                                |                                  |
| Unavailable revenues - special assessments                                    | 310,872           | -                              | 30,000                           |
| <b>Fund balances</b>  |                   |                                |                                  |
| Restricted for drain maintenance and construction                             | 58,633            | -                              | 48,502                           |
| Unassigned (deficit)  | (191,950)         | -                              | -                                |
| <b>Total fund balances</b>  | <b>(133,317)</b>  | <b>-</b>                       | <b>48,502</b>                    |
| <b>Total liabilities, deferred inflows of resources<br/>and fund balances</b> | <b>\$ 428,550</b> | <b>\$ 300,000</b>              | <b>\$ 97,054</b>                 |



| Hess Lake Improvement (846) | Diamond Lake Board (847) | Pickeral and Kimball Lakes Board (848) | Ryerson Lake Board (849) | Engel Wright Lake Board (850) | Total               |
|-----------------------------|--------------------------|--|--------------------------|-------------------------------|---------------------|
| \$ 38,009                   | \$ 18,358                | \$ 8,638                               | \$ 31,218                | \$ 12,704                     | \$ 357,741          |
| 45,000                      | 24,000                   | 60,800                                 | 30,000                   | 14,500                        | 515,172             |
| 16,547                      | -                        | -                                      | -                        | -                             | 252,465             |
| <u>\$ 99,556</u>            | <u>\$ 42,358</u>         | <u>\$ 69,438</u>                       | <u>\$ 61,218</u>         | <u>\$ 27,204</u>              | <u>\$ 1,125,378</u> |
| \$ 586                      | \$ 4,987                 | \$ -                                   | \$ 2,215                 | \$ 1,645                      | \$ 11,438           |
| -                           | -                        | -                                      | -                        | -                             | 252,465             |
| -                           | -                        | -                                      | -                        | -                             | 315,077             |
| <u>586</u>                  | <u>4,987</u>             | <u>-</u>                               | <u>2,215</u>             | <u>1,645</u>                  | <u>578,980</u>      |
| <u>45,000</u>               | <u>24,000</u>            | <u>60,800</u>                          | <u>30,000</u>            | <u>14,500</u>                 | <u>515,172</u>      |
| 53,970                      | 13,371                   | 8,638                                  | 29,003                   | 11,059                        | 223,176             |
| -                           | -                        | -                                      | -                        | -                             | (191,950)           |
| <u>53,970</u>               | <u>13,371</u>            | <u>8,638</u>                           | <u>29,003</u>            | <u>11,059</u>                 | <u>31,226</u>       |
| <u>\$ 99,556</u>            | <u>\$ 42,358</u>         | <u>\$ 69,438</u>                       | <u>\$ 61,218</u>         | <u>\$ 27,204</u>              | <u>\$ 1,125,378</u> |

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# COUNTY OF NEWAYGO, MICHIGAN

## Reconciliation

Fund Balances for Governmental Funds  
to Net Position of Governmental Activities  
Drain Commissioner Component Unit  
September 30, 2016

|  |    |        |
|--|----|--------|
| Fund balances - total governmental funds | \$ | 31,226 |
|--|----|--------|

Amounts reported for the *component unit* in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources, and therefore are not reported in the fund statement.

|                                       |         |
|---------------------------------------|---------|
| Capital assets not being depreciated  | 134,212 |
| Capital assets being depreciated, net | 56,809  |

Certain assets, such as assessments receivable, are not due and receivable in the current period and therefore are offset with deferred inflows of resources in the fund statement.

|  |                |
|--|----------------|
| Deferred inflows of resources for special assessments receivable | <u>515,172</u> |
|--|----------------|

|   |    |                       |
|---|----|-----------------------|
| Net position of governmental activities | \$ | <u><u>737,419</u></u> |
|---|----|-----------------------|

# COUNTY OF NEWAYGO, MICHIGAN

## Combining Statement of Revenues, Expenditures and Change in Fund Balances

Drain Commissioner Component Unit

For the Year Ended September 30, 2016

|  | Drain<br>(801xxx)   | Drain<br>Revolving<br>(802xxx) | Brooks<br>Lake<br>Board<br>(845) |
|--|---------------------|--------------------------------|----------------------------------|
| Revenues                                   |                     |                                |                                  |
| Special assessments                        | \$ 433,691          | \$ -                           | \$ 30,000                        |
| Expenditures                               |                     |                                |                                  |
| Current - public works                     | 338,196             | -                              | 9,392                            |
| Net change in fund balances                | 95,495              | -                              | 20,608                           |
| Fund balances (deficit), beginning of year | (228,812)           | -                              | 27,894                           |
| Fund balances (deficit), end of year       | <u>\$ (133,317)</u> | <u>\$ -</u>                    | <u>\$ 48,502</u>                 |



| Hess Lake Improvement (846) | Diamond Lake Board (847) | Pickeral and Kimball Lakes Board (848) | Ryerson Lake Board (849) | Engel Wright Lake Board (850) | Total            |
|-----------------------------|--------------------------|--|--------------------------|-------------------------------|------------------|
| \$ 45,000                   | \$ 23,896                | \$ 60,800                              | \$ 30,000                | \$ 14,500                     | \$ 637,887       |
| <u>39,951</u>               | <u>23,767</u>            | <u>66,994</u>                          | <u>30,968</u>            | <u>12,730</u>                 | <u>521,998</u>   |
| 5,049                       | 129                      | (6,194)                                | (968)                    | 1,770                         | 115,889          |
| <u>48,921</u>               | <u>13,242</u>            | <u>14,832</u>                          | <u>29,971</u>            | <u>9,289</u>                  | <u>(84,663)</u>  |
| <u>\$ 53,970</u>            | <u>\$ 13,371</u>         | <u>\$ 8,638</u>                        | <u>\$ 29,003</u>         | <u>\$ 11,059</u>              | <u>\$ 31,226</u> |

# COUNTY OF NEWAYGO, MICHIGAN

## Reconciliation

Net Changes in Fund Balances of Governmental Funds  
to Change in Net Position of Governmental Activities  
Drain Commissioner Component Unit  
For the Year Ended September 30, 2016

|  |            |
|--|------------|
| Net change in fund balances - total governmental funds | \$ 115,889 |
|--|------------|

Amounts reported for the *component unit* in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

|  |          |
|--|----------|
| Capital assets purchased / constructed | 134,212  |
| Depreciation expense                   | (17,352) |

Assessments receivable are long-term in nature and are collectable over several years. However, the current receipts are reflected as revenues on the fund statements.

|  |               |
|--|---------------|
| Change in deferred inflows of resources for special assessments receivable | <u>47,382</u> |
|--|---------------|

|   |                          |
|---|--------------------------|
| Change in net position of governmental activities | <u><u>\$ 280,131</u></u> |
|---|--------------------------|

# COUNTY OF NEWAYGO, MICHIGAN

## Balance Sheet / Statement of Net Position

Brownfield Redevelopment Authority Component Unit

September 30, 2016

|  | Governmental<br>Fund<br>(243) | Adjustments      | Statement<br>of Activities |
|--|-------------------------------|------------------|----------------------------|
| <b>Assets</b>                              |                               |                  |                            |
| Cash and cash equivalents                  | \$ 100,414                    | \$ -             | \$ 100,414                 |
| Taxes receivable                           | 428                           | -                | 428                        |
| <b>Total assets</b>                        | <u>\$ 100,842</u>             | <u>-</u>         | <u>100,842</u>             |
| <b>Liabilities</b>                         |                               |                  |                            |
| Accounts payable                           | \$ 8,124                      | -                | <u>8,124</u>               |
| <b>Fund balance</b>                        |                               |                  |                            |
| Unassigned                                 | <u>92,718</u>                 | <u>(92,718)</u>  |                            |
| <b>Total liabilities and fund balances</b> | <u>\$ 100,842</u>             |                  |                            |
| <b>Net position</b>                        |                               |                  |                            |
| Unrestricted                               |                               | <u>\$ 92,718</u> | <u>\$ 92,718</u>           |

# COUNTY OF NEWAYGO, MICHIGAN

## Statement of Revenues, Expenditures and Changes in Fund Balance /

Statement of Activities

Brownfield Redevelopment Authority Component Unit

For the Year Ended September 30, 2016

|  | Governmental<br>Fund<br>(243) | Adjustments | Statement<br>of Net Position |
|--|-------------------------------|-------------|------------------------------|
| Revenues                                     |                               |             |                              |
| Property taxes                               | \$ 28,196                     | \$ -        | \$ 28,196                    |
| Contributions                                | 5,000                         | -           | 5,000                        |
| Total revenues                               | 33,196                        | -           | 33,196                       |
| Expenditures / expenses                      |                               |             |                              |
| Community and economic development           | 34,078                        | -           | 34,078                       |
| Net changes in fund balance / net position   | (882)                         | -           | (882)                        |
| Fund balance/net position, beginning of year | 93,600                        | -           | 93,600                       |
| Fund balance/net position, end of year       | \$ 92,718                     | \$ -        | \$ 92,718                    |