

County of  
Newaygo,  
Michigan



Year Ended  
September 30,  
2017

Financial  
Statements

# COUNTY OF NEWAYGO, MICHIGAN

## Table of Contents

	<u>Page</u>
<b>Elected Officials</b>	1
<b>Independent Auditors' Report</b>	3
<b>Management's Discussion and Analysis</b>	7
<b>Basic Financial Statements:</b>	
Government-wide Financial Statements:	
Statement of Net Position	24
Statement of Activities	25
Fund Financial Statements:	
Balance Sheet - Governmental Funds	28
Reconciliation of Fund Balances for Governmental Funds to Net Position of Governmental Activities	29
Statement of Revenues, Expenditures and Change in Fund Balances - Governmental Funds	30
Reconciliation of Net Change in Fund Balances of Governmental Funds to Change in Net Position of Governmental Activities	31
Statement of Revenues, Expenditures and Change in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual:	
General Fund	32
County Jail	36
Statement of Net Position - Proprietary Funds	38
Statement of Revenues, Expenses and Change in Fund Net Position - Proprietary Funds	40
Statement of Cash Flows - Proprietary Funds	42
Statement of Fiduciary Assets and Liabilities	46
Combining Statement of Net Position - Discretely Presented Component Units	48
Combining Statement of Activities - Discretely Presented Component Units	50
Notes to Financial Statements	53
<b>Required Supplementary Information</b>	
MERS Agent Multiple-Employer Defined Benefit Pension Plan:	
Schedule of Changes in County's Net Pension Liability and Related Ratios	88
Schedule of the Net Pension Liability	89
Schedule of Contributions	90
Single Employer Other Postemployment Benefits Plan:	
Schedule of Funding Progress	91
Schedule of Employer Contributions	91

# COUNTY OF NEWAYGO, MICHIGAN

## Table of Contents

	<u>Page</u>
<b>Combining and Individual Fund Financial Statements and Schedules</b>	
General Fund:	
Combining Schedule of Balance Sheet Accounts By Activity	96
Combining Schedule of Revenues, Expenditures and Change in Fund Balances by Activity	98
Schedule of Revenues, Expenditures and Change in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual by Activity	100
Nonmajor Governmental Funds:	
Combining Balance Sheet	106
Combining Statement of Revenues, Expenditures and Change in Fund Balances	107
Combining Balance Sheet - Nonmajor Special Revenue Funds	108
Combining Statement of Revenues, Expenditures and Change in Fund Balances - Nonmajor Special Revenue Funds	114
Schedule of Revenues, Expenditures and Change in Fund Balances - Budget and Actual - Nonmajor Special Revenue Funds	120
Combining Balance Sheet - Nonmajor Debt Service Funds	136
Combining Statement of Revenues, Expenditures and Change in Fund Balances - Nonmajor Debt Service Funds	137
Nonmajor Enterprise Funds:	
Combining Statement of Net Position	140
Combining Statement of Revenues, Expenses and Changes in Fund Net Position	142
Combining Statement of Cash Flows	144
Internal Service Funds:	
Combining Statement of Net Position	150
Combining Statement of Revenues, Expenses and Change in Fund Net Position	154
Combining Statement of Cash Flows	158
Agency Funds:	
Combining Statement of Fiduciary Assets and Liabilities	168
Combining Statement of Changes in Fiduciary Assets and Liabilities	170

# COUNTY OF NEWAYGO, MICHIGAN

## Table of Contents

	<u>Page</u>
Component Units:	
Drain Commissioner:	
Combining Balance Sheet	174
Reconciliation of Fund Balances for Governmental Funds to Net Position of Governmental Activities	177
Combining Statement of Revenues, Expenditures and Change in Fund Balance Reconciliation of the Net Change in Fund Balance of Governmental Funds to Change in Net Position of Governmental Activities	180
Brownfield Redevelopment Authority:	
Balance Sheet/Statement of Net Position	181
Statement of Revenues, Expenditures and Change in Fund Balance/ Statement of Activities	182

**COUNTY OF NEWAYGO, MICHIGAN**

**ELECTED OFFICIALS**

**For the Year Ended September 30, 2017**

**BOARD OF COMMISSIONERS**

Philip D. Deur, District 1  
Bryan Kolk, District 2  
D. Charles Trapp, District 3

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

**COUNTY OFFICIALS**

Jason Vanderstelt, Clerk  
Holly Moon, Treasurer  
Norman L. Ochs, Surveyor  
Dale E. Twing, Drain Commissioner

Ellsworth J. Stay, Jr., Prosecuting Attorney  
Stewart K. Sanders, Register of Deeds  
Robert W. Mendham, Sheriff

**DISTRICT COURT JUDGE**

H. Kevin Drake

**CIRCUIT COURT JUDGE**

Robert D. Springstead

**PROBATE COURT JUDGE**

Graydon W. Dimkoff

**This page intentionally left blank.**

**INDEPENDENT AUDITORS' REPORT**

March 9, 2018

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, 2017, 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 or the Newaygo Medical Care Facility, discretely presented component units, which represent the indicated percentages of total aggregate discretely presented component units assets and deferred outflows, net position, and revenues:

	<b>Percent of Total Assets and Deferred Outflows</b>	<b>Percent of Total Net Position</b>	<b>Percent of Total Revenues</b>
Newaygo County Road Commission	72.7%	72.7%	46.4%
Newaygo County Medical Care Facility	23.6%	25.2%	47.1%

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, and the Newaygo Medical Care Facility, 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, 2017, 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 9, 2018, 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 "Rehmann Robson LLC". The signature is written in a cursive, flowing style.

**This page intentionally left blank.**

## **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, 2017.

### Financial Highlights

1. The assets and deferred outflows of the County exceeded its liabilities at the close of the 2017 fiscal year by \$34,748,689 (*net position*). Of this amount, \$24,768,348 (*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 2017 fiscal year, fund balance for the general fund was \$3,835,286 or 28.4% 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
2017	\$ 3,835,286	28.4% <i>(see "Highlights of FY 2018 Budget" for information on planned use of fund balance)</i>
2016	3,771,163	29.3%
2015	3,560,401	26.5%
2014	3,590,602	27.7%
2013	3,185,486	25.9%

3. The general fund for 2017 increased fund balance by \$64,123 applying the Non-GAAP Budgetary Basis and \$17,795 according to the GAAP Basis.
4. Within the general fund, fund balance is classified as follows: \$300,000 nonspendable, \$95,382 restricted, \$46,557 committed, and \$298,113 assigned. The remaining \$3,095,234 is available as unassigned fund balance (Non-GAAP Budgetary Basis). Unassigned fund balance as a percentage of expenditures and transfers out was 22.4%.
5. At the end of the 2017 fiscal year, fund balance for the general fund according to the GAAP Basis was \$3,079,736. Of this amount \$2,339,684 is available as unassigned fund balance. Unassigned fund balance as a percentage of expenditures and transfers out was 17.0%.
6. As of the close of the 2017 fiscal year, the County's governmental funds reported combined ending fund balances of \$9,208,782. This amount is a \$348,373 decrease over the previous year. \$6,711,503 or 72.9% 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, and a legally separate Road Commission, 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, information technology, 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, 2016 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 \$34,748,689 at the close of the most recent fiscal year.

	Net Position					
	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
<b>Assets</b>						
Current and other assets	\$ 15,261,772	\$15,423,860	\$19,966,246	\$ 19,788,978	\$ 35,228,018	\$35,212,838
Capital assets, net	16,998,755	17,460,252	9,527	12,167	17,008,282	17,472,419
<b>Total assets</b>	<b>32,260,527</b>	<b>32,884,112</b>	<b>19,975,773</b>	<b>19,801,145</b>	<b>52,236,300</b>	<b>52,685,257</b>
<b>Deferred outflows of resources</b>	<b>1,315,641</b>	<b>2,368,716</b>	<b>45,847</b>	<b>55,849</b>	<b>1,361,488</b>	<b>2,424,565</b>
<b>Liabilities</b>						
Long-term debt	10,102,151	11,140,933	2,377,266	2,889,575	12,479,417	14,030,508
Other liabilities	6,270,849	7,760,875	98,833	92,153	6,369,682	7,853,028
<b>Total liabilities</b>	<b>16,373,000</b>	<b>18,901,808</b>	<b>2,476,099</b>	<b>2,981,728</b>	<b>18,849,099</b>	<b>21,883,536</b>
<b>Net position</b>						
Net investment in capital assets	7,434,805	6,893,971	9,527	12,167	7,444,332	6,906,138
Restricted	2,119,345	2,206,765	416,664	479,953	2,536,009	2,686,718
Unrestricted	7,649,018	7,250,284	17,119,330	16,383,146	24,768,348	23,633,430
<b>Total net position</b>	<b>\$ 17,203,168</b>	<b>\$16,351,020</b>	<b>\$17,545,521</b>	<b>\$16,875,266</b>	<b>\$ 34,748,689</b>	<b>\$33,226,286</b>

A portion of the County's net position of \$7,444,332 (21.4%) 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 \$2,536,009 (7.3%) represents resources that are subject to external restrictions on how they can be used. The remaining balance of unrestricted net position (\$24,768,348 or 71.3%) 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	
	2017	2016	2017	2016	2017	2016
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 8,336,863	\$ 7,901,810	\$ 1,525,108	\$ 1,522,732	\$ 9,861,971	\$ 9,424,542
Operating grants	4,281,054	4,413,121	92,125	210,716	4,373,179	4,623,837
Capital grants	41,487	6,623	-	-	41,487	6,623
General revenues:						
Property taxes	10,261,543	10,013,332	-	-	10,261,543	10,013,332
Unrestricted grants	1,416,221	1,105,268	-	-	1,416,221	1,105,268
Unrestricted investment earnings	66,190	56,696	-	-	66,190	56,696
Gain on sale of capital assets	40,045	28,013	-	-	40,045	28,013
<b>Total revenues</b>	<b>24,443,403</b>	<b>23,524,863</b>	<b>1,617,233</b>	<b>1,733,448</b>	<b>26,060,636</b>	<b>25,258,311</b>
<b>Expenses</b>						
General government	4,507,310	4,411,206	-	-	4,507,310	4,411,206
Public safety	9,074,301	10,304,364	-	-	9,074,301	10,304,364
Public works	141,714	70,992	-	-	141,714	70,992
Health and welfare	4,889,398	4,687,084	-	-	4,889,398	4,687,084
Recreation and cultural	629,789	592,938	-	-	629,789	592,938
Legislative	393,622	373,832	-	-	393,622	373,832
Judicial	3,844,132	3,959,351	-	-	3,844,132	3,959,351
Community and economic development	291,065	368,939	-	-	291,065	368,939
Interest on long-term debt	293,635	312,306	-	-	293,635	312,306
Delinquent tax admin	-	-	236,417	237,566	236,417	237,566
Public works projects	-	-	72,730	88,540	72,730	88,540
Jail commissary	-	-	83,447	41,584	83,447	41,584
Building authority	-	-	80,673	83,209	80,673	83,209
<b>Total expenses</b>	<b>24,064,966</b>	<b>25,081,012</b>	<b>473,267</b>	<b>450,899</b>	<b>24,538,233</b>	<b>25,531,911</b>
Change in net position, before transfers	378,437	(1,556,149)	1,143,966	1,282,549	1,522,403	(273,600)
Transfers	473,711	520,890	(473,711)	(520,890)	-	-
Change in net position before special item	852,148	(1,035,259)	670,255	761,659	1,522,403	(273,600)
Special item	-	(119,131)	-	-	-	(119,131)
<b>Change in net position</b>	<b>852,148</b>	<b>(1,154,390)</b>	<b>670,255</b>	<b>761,659</b>	<b>1,522,403</b>	<b>(392,731)</b>
Net position, beginning of year	16,351,020	17,505,410	16,875,266	16,113,607	33,226,286	33,619,017
<b>Net position, end of year</b>	<b>\$ 17,203,168</b>	<b>\$16,351,020</b>	<b>\$17,545,521</b>	<b>\$16,875,266</b>	<b>\$ 34,748,689</b>	<b>\$33,226,286</b>

The County's net position increased by \$1,522,403 during the last fiscal year.



## COUNTY OF NEWAYGO, MICHIGAN

### Management's Discussion and Analysis

**Governmental Activities.** Governmental activities increased the County's net position by \$852,148. This was primarily the result of a reduction in the recognized pension expense from the prior fiscal year.

**Revenues (Statement of Activities)** - Revenues increased by \$918,540 or 3.9% in 2017 from the prior year. There are several revenue sources with variances as follows:

**Charges for services.** Program charges for services increased by \$435,053 or 5.5%.

**Operating grants and contributions.** Program grant revenue decreased \$132,067 or 3.0%.

**Capital grants and contributions.** Program capital grants and contributions increased by \$34,864 or 526%.

**Property taxes.** Property taxes increased by \$248,211 or 2.5% . Of the 2.5% increase, 1.85% is consistent with the rise in taxable values for 2017. The remaining portion was due to better than estimated 2016 property tax revenues.

**Unrestricted grants and contributions.** Unrestricted grants and contributions increased \$310,953 or 28.1%. The main factor involved with this increase is that the County received a distribution of excess net assets from Michigan Municipal Risk Management Authority (MMRMA) totaling \$249,767. A MMRMA distribution was not received in FY 2016.

**Unrestricted investment earnings.** Unrestricted investment earnings increased \$9,494 or 16.7%.

#### 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.

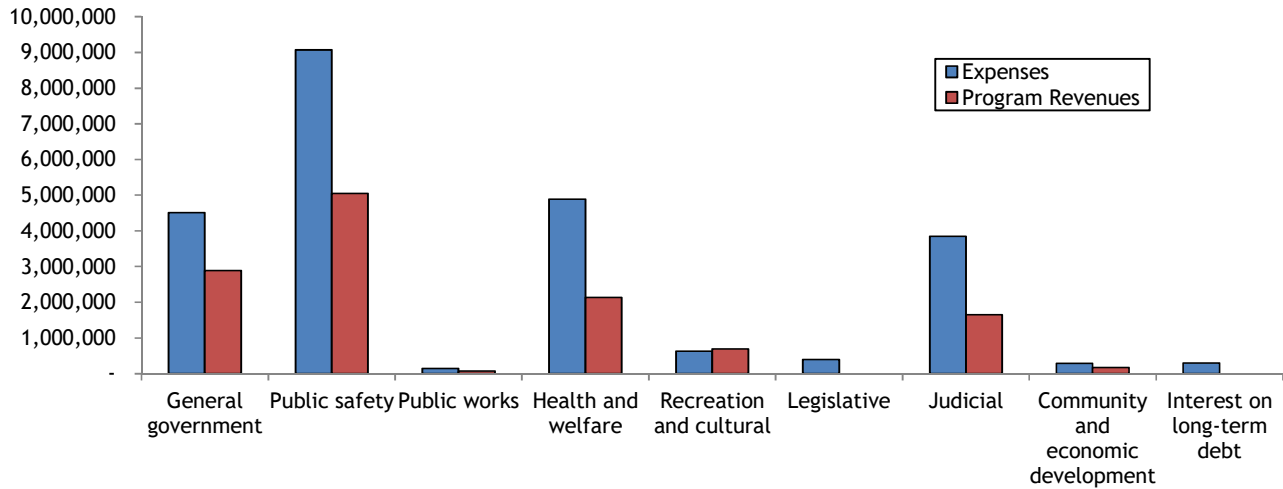
**Recreation and cultural.** Recreation and cultural activities include expenses related to the county parks system.

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

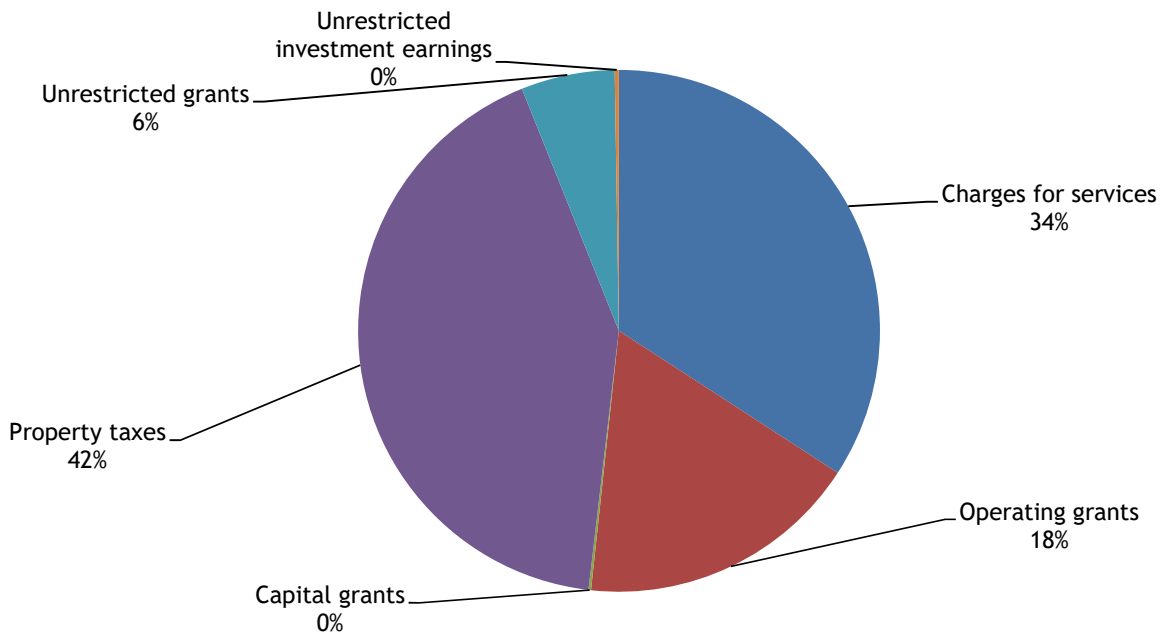
# COUNTY OF NEWAYGO, MICHIGAN

## Management's Discussion and Analysis

**Expenses and Program Revenues - Governmental Activities**



**Revenues by Source - Governmental Activities**



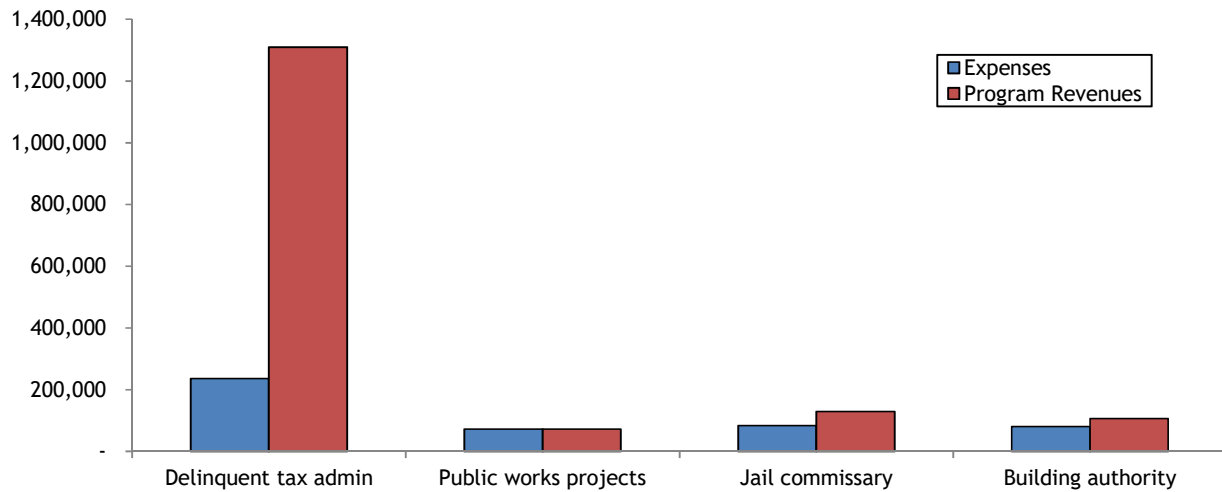
**Business-type Activities.** Business type activities increased the County's net position by \$670,255. The key revenues for the business type activities are penalties and interest on delinquent taxes, proceeds from tax sales, and investment income. The primary reason for the increase in net position 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 2017 include the General Fund, 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 2017 fiscal year, the County's ending fund balance for the general fund was \$3,079,736. Of that amount \$300,000 is nonspendable, \$95,382 is restricted, \$46,557 is committed, \$298,113 is assigned, and \$2,339,684 is unassigned.

The County jail fund decreased its fund balance (GAAP Basis) by \$79,496 from \$293,467 at the beginning of the year to an ending balance of \$214,161. Of that amount \$5,776 is restricted, and \$208,385 is committed.

The capital improvement fund decreased its fund balance (GAAP Basis) by \$139,864 from \$1,969,154 at the beginning of the year to an ending balance of \$1,829,290. Of that amount \$1,829,290 is committed.

Nonmajor funds decreased their collective fund balances (GAAP Basis) by \$146,808 from \$4,232,403 at the beginning of the year to an ending balance of \$4,085,595. Of that amount \$3,000 is nonspendable, \$2,093,121 is restricted, \$733,418 is committed, and \$1,256,056 is assigned.

# COUNTY OF NEWAYGO, MICHIGAN

## Management's Discussion and Analysis

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

**Charges for services.** Charges for services in the governmental funds totaled \$7,641,527. The amount was generated by general fund charges of \$2,365,327, county jail fund charges of \$3,019,446, and nonmajor fund charges of \$2,256,754. The total reflected an overall increase of \$340,412 from the previous year. The overall increase is related mainly to revenues in the General Fund from additional fees collected in the Register of Deeds office and increased charges for services for Elections. The County Jail realized an increase of \$464,642 from the prior year and other nonmajor governmental funds experienced a decrease of \$391,091. This is mainly due to the close out of the Trustee Management and Transport special revenue funds into the main County Jail fund.

**Property taxes.** Property taxes totaled \$10,215,215. This amount marked an increase of \$170,843 from the prior year. On a GAAP Basis, property taxes for the general fund increased just over 1.8% or \$134,490. Property taxes also increased for the sheriff road patrol fund by \$16,580, the soldiers' relief fund by \$1,702, the commission on aging fund by \$8,286, and for debt service by \$9,785.

**Investment earnings and rentals.** Investment earnings and rentals totaled \$182,249. The general fund totaled \$175,448. 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
2017	\$ 175,448
2016	184,669
2015	190,293
2014	191,810
2013	88,066

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

**General government.** General government expenditures were \$4,140,924. The general government category equated to approximately 16.7% of the total expenditures. Overall, this total was a 6.8% increase 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 \$779,371 (19%); Equalization \$623,503 (15%); Treasurer \$526,036 (12%); Register of Deeds \$412,989 (10%); and Clerk \$343,287 (8%).

**Public safety.** Public safety expenditures totaled \$8,867,811 which was an overall \$34,339 (0.39%) 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 \$434,502 (10.2%). The majority of this increase was attributable to staffing costs, supplies for staff and facility, inmate health services, and indirect costs within the county jail facility.

## COUNTY OF NEWAYGO, MICHIGAN

### Management's Discussion and Analysis

**Health and welfare.** Health and welfare expenditures totaled \$4,978,189. The amount marks an overall increase from the prior year of \$547,453 (12.4%). Of the funds in this category, increases in expenditures occurred in the commission on aging \$261,589 (14.6%) mainly due to personnel costs and the purchase of three (3) new vans; soldier's relief fund \$73,311 (43.4%) due to an increase in relief services provided for veterans and personnel costs; and the general fund experienced an increase of \$53,762 (5.7%) primarily due to the reallocation of indirect cost charges for the Health and Mental Health activities and an increase in Medical Examiner costs. Child Care experienced an increase in expenditures of 165,256 (11.3%) mostly related to placement costs of youth into juvenile facilities.

**Recreation and cultural.** Recreation and cultural expenditures were \$598,253 which was an increase of \$40,091 (7.2%) from the previous year. This category is made up of the County parks. The main factors driving the increase were personnel costs, grounds care and maintenance, and utilities.

**Legislative.** Legislative expenditures were \$407,722. The expenditures are an overall increase from the previous year of \$53,662 (15.2%). Expenditure increases are reflected in other post employment benefits (opebs) for the board of commissioners. This was mainly due to a revision of the internal funding mechanism reclassifying the board of commissioners from the Department Head/Elected Officials benefit group to the Unclassified benefit group (which includes the Circuit, District, and Probate Judges and the 7 members of the board of commissioners).

**Judicial.** Judicial expenditures were \$3,908,383 which included general fund expenditures and other governmental funds. The expenditures increased \$134,467 (3.6%) from the previous year. The largest increases were in the 78th District Court \$60,372 (5.2%), Circuit Court Clerk \$18,357 (6.8%), Circuit Court Juvenile Division \$17,983 (8.0%), and Probate Court \$11,726 (2.5%) which were primarily caused from increased personnel costs, software service contracts, indigent attorney services, and indirect cost charges.

**Community and economic development.** Community and economic development expenditures were \$305,296 which is a decrease of \$72,367 (19.2%) 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 2017 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 and state grant revenues for the Commission on Aging were amended by \$104,884 to reflect the purchase of three (3) replacement vans through the MDOT (Michigan Department of Transportation) project.
- The Emergency Services fund budget was amended in FY 2017 by \$195,344 for the Flood Inundation Mapper Project for project costs as well as annual operating maintenance costs. Federal grant monies (\$127,663), contributions from private sources (\$59,000) and county funding (\$8,681) provide the revenue stream for this project.
- The Sheriff received a State of Michigan ORV Enforcement grant of \$20,000 and a Federal Office of Highway Safety & Planning Enforcement Grant of \$19,999.
- General Fund capital outlay was amended to provide for funding received from the Fremont Area Community Foundation for the building two (2) camping cabins for Sandy Beach campground in the amount of \$26,000.

# COUNTY OF NEWAYGO, MICHIGAN

## Management's Discussion and Analysis

- The Child Care fund budget was amended by \$239,024 to reflect additional revenue from the state for child care reimbursement as well as the additional use of fund balance reserve for the 2017 fiscal year.
- The Liability Insurance fund was amended due to the receipt of a net asset distribution from MMRMA (Michigan Municipal Risk Management Authority) of \$249,767.

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, 2017 amounted to \$17,008,282 (net of accumulated depreciation). This investment in capital assets includes land and improvements, buildings and improvements, machinery and equipment, and vehicles. The total decrease in the County's investment in capital assets for the current fiscal year was 2.5%. Major capital assets acquired during the current fiscal year included the following:

#### Land Improvements:

- Concrete work at Sandy Beach campground for boat launch, cabins, and restroom area \$ 18,801
- Parking slab at Henning Parks pavilion area 2,093

#### Buildings and Building Improvements:

- Henning Park Pavilion (donated by PCA community project) 21,626
- Two new parks cabins at Sandy Beach Park and campground office at Diamond Lake Park 28,018
- Ceiling replacement project at the Animal Shelter building 7,775
- Remodel of Sergeant's office at the Jail Building 6,005

#### Equipment/Software:

- GIS imagery 20,184
- Copier, printer, scanner equipment upgrades for various departments 52,043
- Convection steamer and Mobile Radios for Commission on Aging 19,234
- Software upgrades for door security access, courthouse digital recording equipment, jail system software, winscribe software for sheriff, parks management software, and election software for county clerk 78,205
- Messenger board and two (2) flood inundation mapper project river gages for emergency services 58,757
- Various equipment for sheriff (light bar, tablet, cargo partition and storage) 5,060

# COUNTY OF NEWAYGO, MICHIGAN

## Management's Discussion and Analysis

### Vehicles:

- One (1) 2017 Dodge Ram 2500 Truck for the drain commission	\$ 25,540
- Three (3) 2017 Ford Explorers for the sheriff's fleet	80,670
- Two (2) 2017 Ford F-150 trucks for sheriff's fleet	55,350
- Three (3) 2016 MV-ONE Sta-Wagons(Vans) for Commission on Aging fleet	140,916

	Capital Assets (Net of Depreciation)					
	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land and improvements	\$ 3,073,195	\$ 3,111,046	\$ 8,901	\$ 10,471	\$ 3,082,096	\$ 3,121,517
Construction in progress	106,991	45,807	-	-	106,991	45,807
Buildings and improvements	12,585,079	13,176,661	-	-	12,585,079	13,176,661
Office equipment	881,043	830,021	626	1,696	881,669	831,717
Vehicles	352,447	296,717	-	-	352,447	296,717
<b>Total capital assets, net</b>	<b>\$ 16,998,755</b>	<b>\$17,460,252</b>	<b>\$ 9,527</b>	<b>\$ 12,167</b>	<b>\$ 17,008,282</b>	<b>\$17,472,419</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 \$11,890,180 (\$9,661,000 governmental activities and \$2,229,180 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 required principal payments being made on long-term debt.

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	
	2017	2016	2017	2016	2017	2016
General obligation bonds	\$ 9,661,000	\$10,676,000	\$ 2,229,180	\$ 2,709,180	\$ 11,890,180	\$13,385,180
Premium on bonds payable	7,986	9,017	148,086	180,395	156,072	189,412
Compensated absences	433,165	455,916	-	-	433,165	455,916
<b>Total long-term debt</b>	<b>\$ 10,102,151</b>	<b>\$11,140,933</b>	<b>\$ 2,377,266</b>	<b>\$ 2,889,575</b>	<b>\$ 12,479,417</b>	<b>\$14,030,508</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 2018 fiscal year:

- For the 2018 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 \$973,057 for fiscal year 2018. The County is scheduled to receive \$782,235 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 the latter portion of the revenue sharing total.
- The defined benefit pension program's ARC (Annual Required Contribution) will continue to escalate over the next several 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 2018 fiscal year minimum required annual contribution is \$980,652 based on the 5 year phase-in method as determined in the most recent actuarial report as of 12-31-2016.
- 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 2018 fiscal year ARC is estimated at \$783,037. A new actuarial report will be prepared in early 2018, in accordance with GASB (Governmental Accounting Standards Board) Statements 74 and 75 for Postemployment Benefit Plans Other Than Pension Plans. This report will remeasure the County's net OPEB liability and determine the annual required contributions for fiscal years' 2018 and 2019.

#### Highlights of the 2018 budget are as follows:

- The 2018 fiscal year budget addresses the substantial increases in pension liabilities and other-post employment benefits along with the growing maintenance costs associated with technology upgrades and equipment.
- Revenue growth continues to remain slow. For the 2018 fiscal year, it is anticipated that revenues will increase approximately 1% over the 2017 revenues.
- The County's health care fund has been stabilized and costs associated with the self-funding mechanism are currently not increasing. Internal department charges have been reduced in the 2018 fiscal year budget from an annual cost of \$16,200 per full-time employee to \$15,000 annually. Estimated health insurance related costs for the 2018 fiscal are estimated at \$4,000,000.
- Other post-employment benefits (OPEBs) are a significant annual cost with regards to retiree health insurance. The annual required contribution (ARC) for the 2018 fiscal year is estimated to be \$783,037. However, it will be re-measured in early 2018 as new GASB standards apply.
- The County's MERS (Municipal Employees Retirement System) Defined Benefit Program is experiencing substantial increases to our employer contributions. Fluctuation in the stock market, low interest rates coupled with accelerated payments from closed systems are contributing factors. The 2018 fiscal year minimum ARC (annual required contribution) for the "5 year phase-in" method is \$980,652. By the 2021 fiscal year, this amount is estimated at \$1,490,000 under the same method.
- The County is beginning to see an upswing in the housing market resulting in an increase in the number of building permits and associated revenues. Revenue growth is expected to increase, due to this change, within all departments associated with building and housing.
- The 2018 fiscal year budget includes a 2% wage increase for all employees not otherwise bound by contractual language.
- No major capital improvement projects are budgeted for the 2018 fiscal year. Transfers from the capital improvement fund will be utilized to offset general fund fund balance use.



## COUNTY OF NEWAYGO, MICHIGAN

### Management's Discussion and Analysis

- Software upgrades will be implemented across all departments, these funds will be utilized out of the duplication fund and GIS fund balance.

#### 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.

**This page intentionally left blank.**

## **BASIC FINANCIAL STATEMENTS**

# COUNTY OF NEWAYGO, MICHIGAN

## Statement of Net Position

September 30, 2017

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>Assets</b>				
Cash and cash equivalents	\$ 10,024,737	\$ 5,393,201	\$ 15,417,938	\$ 7,193,007
Restricted cash and cash equivalents	-	416,664	416,664	-
Investments	1,343,726	8,645,904	9,989,630	869,737
Receivables	3,701,167	5,510,477	9,211,644	3,444,157
Other assets	192,142	-	192,142	1,080,533
Capital assets not being depreciated	2,370,577	-	2,370,577	2,379,001
Capital assets being depreciated, net	14,628,178	9,527	14,637,705	57,796,590
<b>Total assets</b>	<b>32,260,527</b>	<b>19,975,773</b>	<b>52,236,300</b>	<b>72,763,025</b>
<b>Deferred outflows of resources</b>				
Deferred charge on bond refunding, net	105,036	45,847	150,883	-
Deferred pension amounts	1,210,605	-	1,210,605	3,461,370
<b>Total deferred outflows of resources</b>	<b>1,315,641</b>	<b>45,847</b>	<b>1,361,488</b>	<b>3,461,370</b>
<b>Liabilities</b>				
Accounts payable	977,688	98,833	1,076,521	2,176,439
Short-term notes payable	-	-	-	142,656
Unearned revenue	186,327	-	186,327	281,241
Long-term liabilities:				
Due within one year	1,144,402	507,309	1,651,711	1,361,085
Due in more than one year	8,957,749	1,869,957	10,827,706	4,535,755
Net pension liability	5,106,834	-	5,106,834	4,983,994
Net other postemployment benefits obligation	-	-	-	3,080,178
<b>Total liabilities</b>	<b>16,373,000</b>	<b>2,476,099</b>	<b>18,849,099</b>	<b>16,561,348</b>
<b>Deferred inflows of resources</b>				
Deferred pension amounts	-	-	-	101,120
<b>Net position</b>				
Net investment in capital assets	7,434,805	9,527	7,444,332	55,158,558
Restricted for:				
Community and economic development	1,159,424	-	1,159,424	-
Public safety purposes	446,017	-	446,017	6,293
Drain construction and maintenance	-	-	-	176,953
Debt service	333,869	-	333,869	-
Property tax foreclosures	-	416,664	416,664	-
Other purposes	180,035	-	180,035	-
Unrestricted	7,649,018	17,119,330	24,768,348	4,220,123
<b>Total net position</b>	<b>\$ 17,203,168</b>	<b>\$ 17,545,521</b>	<b>\$ 34,748,689</b>	<b>\$ 59,561,927</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, 2017

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	\$ 4,507,310	\$ 2,002,839	\$ 886,924	\$ -	\$ (1,617,547)
Public safety	9,074,301	4,513,995	526,361	7,356	(4,026,589)
Public works	141,714	-	70,449	-	(71,265)
Health and welfare	4,889,398	261,278	1,873,553	-	(2,754,567)
Recreation and cultural	629,789	655,789	2,440	34,131	62,571
Legislative	393,622	-	-	-	(393,622)
Judicial	3,844,132	824,193	827,940	-	(2,191,999)
Community and economic development	291,065	78,769	93,387	-	(118,909)
Interest on long-term debt	293,635	-	-	-	(293,635)
<b>Total governmental activities</b>	<u>24,064,966</u>	<u>8,336,863</u>	<u>4,281,054</u>	<u>41,487</u>	<u>(11,405,562)</u>
Business-type activities:					
Delinquent tax administration	236,417	1,218,299	91,175	-	1,073,057
Public works projects	72,730	72,730	-	-	-
Jail commissary	83,447	127,975	950	-	45,478
Building authority	80,673	106,104	-	-	25,431
<b>Total business-type activities</b>	<u>473,267</u>	<u>1,525,108</u>	<u>92,125</u>	<u>-</u>	<u>1,143,966</u>
<b>Total primary government</b>	<u>\$ 24,538,233</u>	<u>\$ 9,861,971</u>	<u>\$ 4,373,179</u>	<u>\$ 41,487</u>	<u>\$ (10,261,596)</u>
<b>Component units</b>					
Central Dispatch Authority	\$ 1,121,143	\$ 777,132	\$ 148,975	\$ -	\$ (195,036)
Drain Commissioner	520,945	-	-	678,426	157,481
Brownfield Redevelopment Authority	37,409	-	5,000	-	(32,409)
Roads	11,088,220	1,064,860	7,111,416	3,448,333	536,389
Medical care	12,079,206	11,955,331	-	-	(123,875)
<b>Total component units</b>	<u>\$ 24,846,923</u>	<u>\$ 13,797,323</u>	<u>\$ 7,265,391</u>	<u>\$ 4,126,759</u>	<u>\$ 342,550</u>

continued...

# COUNTY OF NEWAYGO, MICHIGAN

## Statement of Activities

For the Year Ended September 30, 2017

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>Changes in net position</b>				
Net (expense) revenue	\$ (11,405,562)	\$ 1,143,966	\$ (10,261,596)	\$ 342,550
General revenues:				
Property taxes	10,261,543	-	10,261,543	28,523
Grants and contributions not restricted to specific programs	1,416,221	-	1,416,221	-
Unrestricted investment earnings	66,190	-	66,190	45,862
Gain on sale of capital assets	40,045	-	40,045	202,468
Transfers - internal activities	473,711	(473,711)	-	-
Total general revenues and transfers	12,257,710	(473,711)	11,783,999	276,853
<b>Change in net position</b>	852,148	670,255	1,522,403	619,403
Net position, beginning of year	16,351,020	16,875,266	33,226,286	58,942,524
<b>Net position, end of year</b>	<u>\$ 17,203,168</u>	<u>\$ 17,545,521</u>	<u>\$ 34,748,689</u>	<u>\$ 59,561,927</u>

concluded

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

**This page intentionally left blank.**

# COUNTY OF NEWAYGO, MICHIGAN

## Balance Sheet

Governmental Funds

September 30, 2017

	General	County Jail (213)	Capital Improvement (402)	Nonmajor Governmental Funds	Totals
<b>Assets</b>					
Cash and cash equivalents	\$ 845,241	\$ 128,917	\$ 1,848,878	\$ 2,761,019	\$ 5,584,055
Investments	1,343,726	-	-	-	1,343,726
Receivables:					
Accounts	62,286	16,276	-	34,112	112,674
Loans	-	-	-	1,159,424	1,159,424
Taxes	1,354,921	-	-	334	1,355,255
Due from other governments	86,115	238,868	-	452,499	777,482
Due from other funds	171,178	-	-	2,907	174,085
Advance to component unit	300,000	-	-	-	300,000
Prepays	-	-	-	3,000	3,000
<b>Total assets</b>	<b>\$ 4,163,467</b>	<b>\$ 384,061</b>	<b>\$ 1,848,878</b>	<b>\$ 4,413,295</b>	<b>\$ 10,809,701</b>
<b>Liabilities</b>					
Interfund payable	\$ -	\$ -	\$ -	\$ 18,146	\$ 18,146
Accounts payable	129,065	101,673	19,588	128,549	378,875
Accrued expenditures	77,387	46,600	-	81,130	205,117
Due to other governments	-	-	-	21,873	21,873
Due to other funds	12,809	15,018	-	7,204	35,031
Unearned revenue	108,920	6,609	-	70,798	186,327
<b>Total liabilities</b>	<b>328,181</b>	<b>169,900</b>	<b>19,588</b>	<b>327,700</b>	<b>845,369</b>
<b>Deferred inflows of resources</b>					
Unavailable revenues - property taxes	755,550	-	-	-	755,550
<b>Fund balances</b>					
Nonspendable	300,000	-	-	3,000	303,000
Restricted	95,382	5,776	-	2,093,121	2,194,279
Committed	46,557	208,385	1,829,290	733,418	2,817,650
Assigned	298,113	-	-	1,256,056	1,554,169
Unassigned	2,339,684	-	-	-	2,339,684
<b>Total fund balances</b>	<b>3,079,736</b>	<b>214,161</b>	<b>1,829,290</b>	<b>4,085,595</b>	<b>9,208,782</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 4,163,467</b>	<b>\$ 384,061</b>	<b>\$ 1,848,878</b>	<b>\$ 4,413,295</b>	<b>\$ 10,809,701</b>

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



# COUNTY OF NEWAYGO, MICHIGAN

## Reconciliation

Fund Balances for Governmental Funds  
to Net Position of Governmental Activities  
September 30, 2017

**Fund balances - total governmental funds** \$ 9,208,782

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	2,370,577
Capital assets being depreciated, net	14,628,178
Less amounts accounted for in governmental-type internal service funds	(526,441)

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	755,550
---	---------

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	4,301,635
---	-----------

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	105,036
Bonds payable and net issuance premium	(9,668,986)
Accrued interest on long-term debt	(74,934)

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	(5,106,834)
Deferred outflows related to the net pension liability	1,210,605

**Net position of governmental activities** \$ 17,203,168

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

## COUNTY OF NEWAYGO, MICHIGAN

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

Governmental Funds

For the Year Ended September 30, 2017

	General	County Jail (213)	Capital Improvement (402)	Nonmajor Governmental Funds	Totals
<b>Revenues</b>					
Taxes	\$ 7,445,282	\$ -	\$ -	\$ 2,769,933	\$ 10,215,215
Intergovernmental:					
Federal	296,814	-	-	1,056,267	1,353,081
State	1,699,122	-	-	1,057,652	2,756,774
Local	139,138	-	-	163,795	302,933
Licenses and permits	27,333	-	-	26,401	53,734
Fines and forfeitures	52,374	-	-	7,511	59,885
Charges for services	2,365,327	3,019,446	-	2,256,554	7,641,327
Interest and rentals	175,448	-	-	6,801	182,249
Contributions from private sources	124,130	-	25,335	765,019	914,484
Other revenues/reimbursements	196,250	96,207	-	218,718	511,175
<b>Total revenues</b>	<b>12,521,218</b>	<b>3,115,653</b>	<b>25,335</b>	<b>8,328,651</b>	<b>23,990,857</b>
<b>Expenditures</b>					
Current:					
Legislative	407,722	-	-	-	407,722
Judicial	2,965,355	-	-	943,028	3,908,383
General government	4,099,848	-	-	41,076	4,140,924
Public safety	1,045,499	4,679,580	-	3,142,732	8,867,811
Public works	141,694	-	-	-	141,694
Health and welfare	997,141	-	-	3,981,048	4,978,189
Community and economic development	141,722	-	-	163,574	305,296
Recreation and cultural	-	-	-	598,253	598,253
Other	46,249	-	-	-	46,249
Debt service:					
Principal	-	-	-	1,015,000	1,015,000
Interest	-	-	-	286,666	286,666
Capital outlay	105,873	-	56,988	4,542	167,403
<b>Total expenditures</b>	<b>9,951,103</b>	<b>4,679,580</b>	<b>56,988</b>	<b>10,175,919</b>	<b>24,863,590</b>
Revenues over (under) expenditures	2,570,115	(1,563,927)	(31,653)	(1,847,268)	(872,733)
<b>Other financing sources (uses)</b>					
Transfers in	983,711	1,484,431	41,789	2,497,943	5,007,874
Transfers out	(3,536,031)	-	(150,000)	(797,883)	(4,483,914)
Proceeds from sale of capital assets	-	-	-	400	400
<b>Total other financing sources (uses)</b>	<b>(2,552,320)</b>	<b>1,484,431</b>	<b>(108,211)</b>	<b>1,700,460</b>	<b>524,360</b>
<b>Net change in fund balances</b>	<b>17,795</b>	<b>(79,496)</b>	<b>(139,864)</b>	<b>(146,808)</b>	<b>(348,373)</b>
Fund balances, beginning of year	3,061,941	293,657	1,969,154	4,232,403	9,557,155
<b>Fund balances, end of year</b>	<b>\$ 3,079,736</b>	<b>\$ 214,161</b>	<b>\$ 1,829,290</b>	<b>\$ 4,085,595</b>	<b>\$ 9,208,782</b>

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

# COUNTY OF NEWAYGO, MICHIGAN

## Reconciliation

Net Change in Fund Balances for Governmental Funds  
to Change in Net Position of Governmental Activities  
For the Year Ended September 30, 2017

**Net change in fund balances - total governmental funds** \$ (348,373)

Amounts reported for *governmental activities* 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	473,448
Donated capital assets	27,785
Transfers of capital assets from proprietary funds	12,825
Depreciation expense	(929,178)
Proceeds from sale of capital assets	(400)
Loss on disposal of capital assets	(14,526)

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	46,328
--	--------

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	1,015,000
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	5,700
Change in the net pension liability and related deferred amounts	181,448

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	85,098
Net other nonoperating revenue (expense) from internal service funds	372,736
Internal activities (transfers) accounted for in internal service funds	(63,074)

**Change in net position of governmental activities** \$ 852,148

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

## COUNTY OF NEWAYGO, MICHIGAN

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

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

For the Year Ended September 30, 2017

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Taxes:				
Real and personal property taxes	\$ 7,282,650	\$ 7,323,797	\$ 7,438,156	\$ 114,359
Other taxes	5,300	51,141	53,454	2,313
Total taxes	<u>7,287,950</u>	<u>7,374,938</u>	<u>7,491,610</u>	<u>116,672</u>
Intergovernmental:				
Federal	333,284	289,645	296,814	7,169
State	1,820,715	1,840,404	1,699,122	(141,282)
Local	115,240	139,157	139,138	(19)
Total intergovernmental	<u>2,269,239</u>	<u>2,269,206</u>	<u>2,135,074</u>	<u>(134,132)</u>
Licenses and permits	<u>30,000</u>	<u>25,047</u>	<u>27,333</u>	<u>2,286</u>
Fines and forfeitures	<u>52,475</u>	<u>51,731</u>	<u>52,374</u>	<u>643</u>
Charges for services	<u>2,178,908</u>	<u>2,300,668</u>	<u>2,365,327</u>	<u>64,659</u>
Interest and rentals:				
Interest revenue	40,000	42,443	63,555	21,112
Rentals	116,000	114,600	111,893	(2,707)
Total interest and rentals	<u>156,000</u>	<u>157,043</u>	<u>175,448</u>	<u>18,405</u>
Contributions from private sources	<u>39,790</u>	<u>122,789</u>	<u>124,130</u>	<u>1,341</u>
Other revenues/reimbursements:				
Reimbursements	182,826	198,365	196,007	(2,358)
Other revenues	-	263	243	(20)
Total other revenues/reimbursements	<u>182,826</u>	<u>198,628</u>	<u>196,250</u>	<u>(2,378)</u>
<b>Total revenues</b>	<u>12,197,188</u>	<u>12,500,050</u>	<u>12,567,546</u>	<u>67,496</u>
<b>Expenditures</b>				
Legislative:				
Board of Commissioners	<u>422,545</u>	<u>419,076</u>	<u>407,722</u>	<u>(11,354)</u>

continued...

# COUNTY OF NEWAYGO, MICHIGAN

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

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

For the Year Ended September 30, 2017

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Expenditures (continued)</b>				
Judicial:				
27th Circuit Court - Newaygo	\$ 621,567	\$ 640,778	\$ 633,185	\$ (7,593)
27th Circuit Court - Oceana	26,740	25,729	23,415	(2,314)
Circuit Court Probation	32,098	31,654	31,757	103
Circuit Court Clerk	313,732	289,068	287,665	(1,403)
Circuit Court - Juvenile Division	231,520	239,888	241,782	1,894
District Court	1,220,296	1,218,369	1,206,161	(12,208)
Jury Board	10,159	10,459	11,306	847
Probate Court	474,573	473,932	473,850	(82)
Court Guardian	56,234	56,234	56,234	-
Total judicial	<u>2,986,919</u>	<u>2,986,111</u>	<u>2,965,355</u>	<u>(20,756)</u>
General government:				
Administrator	169,902	165,385	166,555	1,170
Accounting	223,001	203,778	201,201	(2,577)
Clerk	348,599	347,127	343,287	(3,840)
Tax allocation	722	722	766	44
Treasurer	537,755	535,380	526,036	(9,344)
Equalization	619,069	627,965	623,503	(4,462)
Cooperative extension	130,719	133,310	133,347	37
Civil counsel	13,017	37,017	34,213	(2,804)
Prosecutor	813,068	808,553	779,371	(29,182)
Register of deeds	410,239	417,959	412,989	(4,970)
Personnel	59,137	56,876	55,877	(999)
Surveyor	55,630	66,396	66,549	153
Drain Commissioner	287,990	293,547	297,197	3,650
Payroll	51,625	51,275	50,386	(889)
Courtesy desk/mail	35,438	37,412	35,879	(1,533)
Drain maintenance and construction	166,706	175,796	171,023	(4,773)
Soil erosion/conservation	6,092	5,979	6,938	959
Elections	146,227	204,701	194,731	(9,970)
Total general government	<u>4,074,936</u>	<u>4,169,178</u>	<u>4,099,848</u>	<u>(69,330)</u>
Public safety:				
Sheriff's department	646,715	643,867	636,565	(7,302)
Courthouse security	42,408	51,230	51,195	(35)
Regional drug force contract	55	55	55	-
Marine law enforcement	38,066	57,039	49,370	(7,669)

continued...

# COUNTY OF NEWAYGO, MICHIGAN

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

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

For the Year Ended September 30, 2017

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Expenditures (concluded)</b>				
Public safety (concluded):				
Crisis management	\$ -	\$ 59,632	\$ 60,796	\$ 1,164
Animal control	240,416	257,812	239,504	(18,308)
Truancy program	8,014	8,014	8,014	-
Total public safety	<u>975,674</u>	<u>1,077,649</u>	<u>1,045,499</u>	<u>(32,150)</u>
Public works:				
Board of public works	47,487	104,042	127,290	23,248
Drain tax at large	15,000	15,000	14,404	(596)
Total public works	<u>62,487</u>	<u>119,042</u>	<u>141,694</u>	<u>22,652</u>
Health and welfare:				
Health department	405,564	405,564	392,574	(12,990)
Contagious disease	582	582	507	(75)
Mental health	344,592	344,592	344,592	-
Family counseling services	-	4,227	-	(4,227)
Medical Care Facility maintenance of effort	96,086	96,086	89,364	(6,722)
Substance abuse	70,292	68,710	47,347	(21,363)
Medical examiner	119,739	119,119	122,757	3,638
Total health and welfare	<u>1,036,855</u>	<u>1,038,880</u>	<u>997,141</u>	<u>(41,739)</u>
Community and economic development:				
Land use educator	78,796	78,796	78,796	-
Economic development (NCEDO)	45,000	45,000	45,000	-
Redevelopment	5,000	5,000	5,000	-
West Michigan regional planning	13,000	13,000	12,926	(74)
Total community and economic development	<u>141,796</u>	<u>141,796</u>	<u>141,722</u>	<u>(74)</u>
Other:				
National Forest grant distributions	139,575	44,480	44,480	-
Non-departmental expenditures	80,000	37,385	1,769	(35,616)
Total other	<u>219,575</u>	<u>81,865</u>	<u>46,249</u>	<u>(35,616)</u>
Capital outlay	<u>53,000</u>	<u>129,179</u>	<u>105,873</u>	<u>(23,306)</u>
<b>Total expenditures</b>	<u>9,973,787</u>	<u>10,162,776</u>	<u>9,951,103</u>	<u>(211,673)</u>
Revenues over expenditures	<u>2,223,401</u>	<u>2,337,274</u>	<u>2,616,443</u>	<u>279,169</u>

continued...

## COUNTY OF NEWAYGO, MICHIGAN

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

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

For the Year Ended September 30, 2017

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Other financing sources (uses)</b>				
Transfers in	\$ 735,271	\$ 983,711	\$ 983,711	\$ -
Transfers out	(3,520,885)	(3,531,855)	(3,536,031)	4,176
<b>Total other financing sources (uses)</b>	<u>(2,785,614)</u>	<u>(2,548,144)</u>	<u>(2,552,320)</u>	<u>4,176</u>
<b>Net change in fund balance</b>	(562,213)	(210,870)	64,123	274,993
Fund balance, beginning of year	<u>3,771,163</u>	<u>3,771,163</u>	<u>3,771,163</u>	<u>-</u>
<b>Fund balance, end of year (budgetary basis)</b>	<u>\$ 3,208,950</u>	<u>\$ 3,560,293</u>	3,835,286	<u>\$ 274,993</u>
Accounting basis difference (Note 2)			<u>(755,550)</u>	
<b>Fund balance, end of year (GAAP basis)</b>			<u>\$ 3,079,736</u>	

concluded

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

## COUNTY OF NEWAYGO, MICHIGAN

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

Budget and Actual - County Jail

For the Year Ended September 30, 2017

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Intergovernmental - federal	\$ 1,600	\$ 1,600	\$ -	\$ (1,600)
Charges for services	3,115,246	2,979,579	3,019,446	39,867
Other revenues/reimbursements	122,681	109,044	96,207	(12,837)
<b>Total revenues</b>	3,239,527	3,090,223	3,115,653	25,430
<b>Expenditures</b>				
Current - public safety	4,788,494	4,687,515	4,679,580	(7,935)
Revenues under expenditures	(1,548,967)	(1,597,292)	(1,563,927)	33,365
<b>Other financing sources</b>				
Transfers in	1,385,000	1,484,433	1,484,431	(2)
<b>Net change in fund balance</b>	(163,967)	(112,859)	(79,496)	33,363
Fund balance, beginning of year	293,657	293,657	293,657	-
<b>Fund balance, end of year</b>	\$ 129,690	\$ 180,798	\$ 214,161	\$ 33,363

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



**This page intentionally left blank.**

# COUNTY OF NEWAYGO, MICHIGAN

## Statement of Net Position

Proprietary Funds  
September 30, 2017

	Business-type Activities - Enterprise Funds				
	2013 and Prior Delinquent Tax (various)	2016 Delinquent Tax (516162)	Sanitary Sewer Construction (852)	P. A. 123 (520-521)	Nonmajor Enterprise Funds
<b>Assets</b>					
Current assets:					
Cash and cash equivalents	\$ 3,499,237	\$ 198,049	\$ -	\$ 808,783	\$ 868,986
Restricted cash and cash equivalents	-	-	-	416,664	-
Investments	7,090,767	-	-	1,304,555	250,582
Accounts receivable	29,264	-	-	45,845	17,926
Delinquent taxes receivable	11,299	2,215,318	-	-	697,000
Due from other governments	113,746	-	-	-	-
Current portion of leases receivable	-	-	530,891	-	-
Due from other funds	2,232,110	-	-	-	-
Interfund receivable	18,146	-	-	-	-
Prepays	-	-	-	-	-
<b>Total current assets</b>	<b>12,994,569</b>	<b>2,413,367</b>	<b>530,891</b>	<b>2,575,847</b>	<b>1,834,494</b>
Noncurrent assets:					
Advance to component units	15,076	-	-	-	-
Leases receivable, net of current portion	-	-	1,834,112	-	-
Capital assets being depreciated, net	-	-	-	-	9,527
<b>Total noncurrent assets</b>	<b>15,076</b>	<b>-</b>	<b>1,834,112</b>	<b>-</b>	<b>9,527</b>
<b>Total assets</b>	<b>13,009,645</b>	<b>2,413,367</b>	<b>2,365,003</b>	<b>2,575,847</b>	<b>1,844,021</b>
<b>Deferred outflows of resources</b>					
Deferred charge on bond refunding, net	-	-	45,847	-	-
<b>Liabilities</b>					
Current liabilities:					
Accounts payable	19	(1,029)	-	46,860	19,399
Accrued expenses	-	-	-	-	-
Accrued interest payable	-	-	33,584	-	-
Due to other funds	-	2,041,610	-	-	190,500
Current portion of long-term debt	-	-	507,309	-	-
<b>Total current liabilities</b>	<b>19</b>	<b>2,040,581</b>	<b>540,893</b>	<b>46,860</b>	<b>209,899</b>
Noncurrent liabilities –					
Long-term debt, net of current portion	-	-	1,869,957	-	-
<b>Total liabilities</b>	<b>19</b>	<b>2,040,581</b>	<b>2,410,850</b>	<b>46,860</b>	<b>209,899</b>
<b>Net position</b>					
Net investment in capital assets	-	-	-	-	9,527
Restricted for property tax foreclosures	-	-	-	416,664	-
Unrestricted	13,009,626	372,786	-	2,112,323	1,624,595
<b>Total net position</b>	<b>\$ 13,009,626</b>	<b>\$ 372,786</b>	<b>\$ -</b>	<b>\$ 2,528,987</b>	<b>\$ 1,634,122</b>

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

	Governmental Activities
Total	Internal Service Funds
\$ 5,375,055	\$ 4,458,828
416,664	-
8,645,904	-
93,035	(3,668)
2,923,617	-
113,746	-
530,891	-
2,232,110	31,969
18,146	-
-	189,142
<u>20,349,168</u>	<u>4,676,271</u>
15,076	-
1,834,112	-
9,527	526,441
<u>1,858,715</u>	<u>526,441</u>
<u>22,207,883</u>	<u>5,202,712</u>
<u>45,847</u>	-
65,249	276,061
-	20,828
33,584	-
2,232,110	171,023
507,309	99,371
<u>2,838,252</u>	<u>567,283</u>
<u>1,869,957</u>	<u>333,794</u>
<u>4,708,209</u>	<u>901,077</u>
9,527	526,441
416,664	-
<u>17,119,330</u>	<u>3,775,194</u>
<u>\$ 17,545,521</u>	<u>\$ 4,301,635</u>

## COUNTY OF NEWAYGO, MICHIGAN

### Statement of Revenues, Expenses and Change in Fund Net Position

Proprietary Funds

For the Year Ended September 30, 2017

	Business-type Activities - Enterprise Funds				
	2013 and Prior Delinquent Tax (various)	2016 Delinquent Tax (516162)	Sanitary Sewer Construction (852)	P. A. 123 (520-521)	Nonmajor Enterprise Funds
<b>Operating revenues</b>					
Charges for services	\$ -	\$ -	\$ 72,730	\$ 306,118	\$ 118,080
Rentals	-	-	-	-	106,104
Interest and penalties on delinquent taxes	(664)	372,787	-	-	252,188
Reimbursements	-	-	-	287,870	9,895
<b>Total operating revenues</b>	<b>(664)</b>	<b>372,787</b>	<b>72,730</b>	<b>593,988</b>	<b>486,267</b>
<b>Operating expenses</b>					
Supplies and operating expenses	1,626	1	-	228,154	168,116
Depreciation	-	-	-	-	2,640
<b>Total operating expenses</b>	<b>1,626</b>	<b>1</b>	<b>-</b>	<b>228,154</b>	<b>170,756</b>
Operating income (loss)	(2,290)	372,786	72,730	365,834	315,511
<b>Nonoperating revenues (expenses)</b>					
Interest income	61,761	-	-	11,349	19,015
Interest expense	-	-	(72,730)	-	-
Gain on sale of capital assets	-	-	-	-	-
Insurance pool distribution	-	-	-	-	-
<b>Total nonoperating revenues (expense)</b>	<b>61,761</b>	<b>-</b>	<b>(72,730)</b>	<b>11,349</b>	<b>19,015</b>
Income before transfers	59,471	372,786	-	377,183	334,526
<b>Transfers</b>					
Transfers in	14,263	-	-	-	-
Transfers out	-	-	-	(323,711)	(164,263)
<b>Total transfers</b>	<b>14,263</b>	<b>-</b>	<b>-</b>	<b>(323,711)</b>	<b>(164,263)</b>
<b>Change in net position</b>	<b>73,734</b>	<b>372,786</b>	<b>-</b>	<b>53,472</b>	<b>170,263</b>
Net position, beginning of year	12,935,892	-	-	2,475,515	1,463,859
<b>Net position, end of year</b>	<b>\$ 13,009,626</b>	<b>\$ 372,786</b>	<b>\$ -</b>	<b>\$ 2,528,987</b>	<b>\$ 1,634,122</b>

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

	Governmental Activities
Total	Internal Service Funds
\$ 496,928	\$ 3,704,208
106,104	-
624,311	-
<u>297,765</u>	<u>5,125,584</u>
<u>1,525,108</u>	<u>8,829,792</u>
397,897	8,526,527
2,640	218,167
<u>400,537</u>	<u>8,744,694</u>
<u>1,124,571</u>	<u>85,098</u>
92,125	1,215
(72,730)	-
-	40,045
-	<u>331,476</u>
<u>19,395</u>	<u>372,736</u>
<u>1,143,966</u>	<u>457,834</u>
14,263	-
<u>(487,974)</u>	<u>(63,074)</u>
<u>(473,711)</u>	<u>(63,074)</u>
670,255	394,760
<u>16,875,266</u>	<u>3,906,875</u>
<u>\$ 17,545,521</u>	<u>\$ 4,301,635</u>

**COUNTY OF NEWAYGO, MICHIGAN**

**Statement of Cash Flows**

Proprietary Funds

For the Year Ended September 30, 2017

	Business-type Activities - Enterprise Funds				
	2013 and Prior Delinquent Tax (various)	2016 Delinquent Tax (516162)	Sanitary Sewer Construction (852)	P. A. 123 (520-521)	Nonmajor Enterprise Funds
<b>Cash flows from operating activities</b>					
Receipts from customers and users	\$ 363,138	\$ 2,312,002	\$ 72,730	\$ 625,659	\$ 2,734,591
Receipts from interfund services	646,764	-	-	-	-
Payments to vendors	-	(1,030)	-	(183,544)	(199,074)
Payments for personnel services	-	-	-	-	-
Delinquent taxes purchased	-	(4,154,533)	-	-	-
<b>Net cash provided by (used in) operating activities</b>	<b>1,009,902</b>	<b>(1,843,561)</b>	<b>72,730</b>	<b>442,115</b>	<b>2,535,517</b>
<b>Cash flows from noncapital financing activities</b>					
Cash received from interfund loan	-	2,041,610	-	-	20,500
Cash paid for interfund loan	-	-	-	-	(2,688,500)
Transfers in	14,263	-	-	-	-
Transfers out	-	-	-	(323,711)	(164,263)
Insurance pool distribution	-	-	-	-	-
<b>Net cash provided by (used in) non-capital financing activities</b>	<b>14,263</b>	<b>2,041,610</b>	<b>-</b>	<b>(323,711)</b>	<b>(2,832,263)</b>
<b>Cash flows from capital and related financing activities</b>					
Principal paid on long-term debt	-	-	(480,000)	-	-
Interest paid on long-term debt	-	-	(100,786)	-	-
Cash received from capital leases	-	-	508,056	-	-
Proceeds from sale of capital assets	-	-	-	-	-
Purchases of capital assets	-	-	-	-	-
<b>Net cash used in capital and related financing activities</b>	<b>-</b>	<b>-</b>	<b>(72,730)</b>	<b>-</b>	<b>-</b>
<b>Cash flows from investing activities</b>					
Purchase of investments	(1,255,055)	-	-	(150,000)	(251,335)
Proceeds from sale of investments	1,096,048	-	-	-	-
Interest received on investments	130,686	-	-	21,136	19,768
<b>Net cash provided by (used in) investing activities</b>	<b>(28,321)</b>	<b>-</b>	<b>-</b>	<b>(128,864)</b>	<b>(231,567)</b>

	Governmental Activities
Total	Internal Service Funds
\$ 6,108,120	\$ -
646,764	9,188,340
(383,648)	(7,201,172)
-	(1,267,448)
<u>(4,154,533)</u>	<u>-</u>
<u>2,216,703</u>	<u>719,720</u>
2,062,110	-
(2,688,500)	-
14,263	-
(487,974)	(50,249)
<u>-</u>	<u>331,476</u>
<u>(1,100,101)</u>	<u>281,227</u>
(480,000)	-
(100,786)	-
508,056	-
-	46,600
<u>-</u>	<u>(206,096)</u>
<u>(72,730)</u>	<u>(159,496)</u>
(1,656,390)	-
1,096,048	-
<u>171,590</u>	<u>1,215</u>
<u>(388,752)</u>	<u>1,215</u>

continued...

# COUNTY OF NEWAYGO, MICHIGAN

## Statement of Cash Flows

Proprietary Funds

For the Year Ended September 30, 2017

	Business-type Activities - Enterprise Funds				
	2013 and Prior Delinquent Tax (various)	2016 Delinquent Tax (516162)	Sanitary Sewer Construction (852)	P.A. 123 (520-521)	Nonmajor Enterprise Funds
<b>Net changes in cash and cash equivalents</b>	\$ 995,844	\$ 198,049	\$ -	\$ (10,460)	\$ (528,313)
Cash and cash equivalents, beginning of year	2,503,393	-	-	1,235,907	1,397,299
<b>Cash and cash equivalents, end of year</b>	<u>\$ 3,499,237</u>	<u>\$ 198,049</u>	<u>\$ -</u>	<u>\$ 1,225,447</u>	<u>\$ 868,986</u>
<b>Cash and cash equivalents as reported on the statement of net position</b>					
Cash and cash equivalents	\$ 3,499,237	\$ 198,049	\$ -	\$ 808,783	\$ 868,986
Restricted cash and cash equivalents	-	-	-	416,664	-
<b>Total cash and cash equivalents</b>	<u>\$ 3,499,237</u>	<u>\$ 198,049</u>	<u>\$ -</u>	<u>\$ 1,225,447</u>	<u>\$ 868,986</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities</b>					
Operating income (loss)	\$ (2,290)	\$ 372,786	\$ 72,730	\$ 365,834	\$ 315,511
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	-	-	-	-	2,640
Change in operating assets and liabilities:					
Interfund receivable	347,968	-	-	-	-
Accounts receivable	(10,306)	-	-	31,671	(5,471)
Taxes receivable	30,970	(2,215,318)	-	-	2,232,412
Due from other governments	(3,223)	-	-	-	-
Due from other funds	646,764	-	-	-	-
Prepays	-	-	-	-	-
Interfund payable	-	-	-	-	-
Accounts payable	19	(1,029)	-	44,610	(9,575)
Accrued expenses	-	-	-	-	-
Due to other funds	-	-	-	-	-
Compensated absences	-	-	-	-	-
<b>Net cash provided by (used in) operating activities</b>	<u>\$ 1,009,902</u>	<u>\$ (1,843,561)</u>	<u>\$ 72,730</u>	<u>\$ 442,115</u>	<u>\$ 2,535,517</u>

### Non-cash transaction:

The food service fund transferred a capital asset with a net book value of \$12,825 to governmental activities.

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



	Governmental Activities
Total	Internal Service Funds
\$ 655,120	\$ 842,666
<u>5,136,599</u>	<u>3,616,162</u>
<u>\$ 5,791,719</u>	<u>\$ 4,458,828</u>

\$ 5,375,055	\$ 4,458,828
<u>416,664</u>	<u>-</u>
<u>\$ 5,791,719</u>	<u>\$ 4,458,828</u>

\$ 1,124,571      \$ 85,098

2,640	218,167
347,968	-
15,894	190,424
48,064	-
(3,223)	-
646,764	33,031
-	368,665
-	(50,751)
34,025	(166,456)
-	1,885
-	62,408
-	<u>(22,751)</u>

\$ 2,216,703      \$ 719,720

concluded

# COUNTY OF NEWAYGO, MICHIGAN

## Statement of Fiduciary Assets and Liabilities

Agency Funds  
September 30, 2017

### Assets

Cash and cash equivalents	\$ 4,104,855
Due from other governments	429

### Total assets

\$ 4,105,284

### Liabilities

Accounts payable	\$ 248,792
Due to other governments	3,750,975
Undistributed receipts	105,517

### Total liabilities

\$ 4,105,284

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

**This page intentionally left blank.**

# COUNTY OF NEWAYGO, MICHIGAN

## Combining Statement of Net Position

Discretely Presented Component Units

September 30, 2017

	Central Dispatch Authority	Drain Commissioner	Brownfield Redevelopment Authority
<b>Assets</b>			
Cash and cash equivalents	\$ 59,386	\$ 681,982	\$ 91,332
Investments	-	-	-
Receivables	188,437	701,723	-
Other assets	-	-	-
Capital assets not being depreciated	-	227,550	-
Capital assets being depreciated, net	639,448	42,070	-
<b>Total assets</b>	<b>887,271</b>	<b>1,653,325</b>	<b>91,332</b>
<b>Deferred outflows of resources</b>			
Deferred pension amounts	174,368	-	-
<b>Liabilities</b>			
Accounts payable and accrued liabilities	39,385	315,769	2,500
Short-term notes payable	-	142,656	-
Unearned revenue	-	-	-
Long-term liabilities:			
Due within one year	-	300,000	-
Due in more than one year	-	-	-
Net pension liability	735,557	-	-
Net other postemployment benefits obligation	-	-	-
<b>Total liabilities</b>	<b>774,942</b>	<b>758,425</b>	<b>2,500</b>
<b>Deferred inflows of resources</b>			
Deferred pension amounts	-	-	-
<b>Net position</b>			
Net investment in capital assets	639,448	246,567	-
Restricted for employee training	6,293	-	-
Restricted for drain construction and maintenance	-	176,953	-
Unrestricted (deficit)	(359,044)	471,380	88,832
<b>Total net position</b>	<b>\$ 286,697</b>	<b>\$ 894,900</b>	<b>\$ 88,832</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 *	Total
\$ 1,950,723	\$ 4,409,584	\$ 7,193,007
869,737	-	869,737
1,643,734	910,263	3,444,157
868,384	212,149	1,080,533
2,151,451	-	2,379,001
47,026,479	10,088,593	57,796,590
<u>54,510,508</u>	<u>15,620,589</u>	<u>72,763,025</u>
<u>902,667</u>	<u>2,384,335</u>	<u>3,461,370</u>
1,130,330	688,455	2,176,439
-	-	142,656
281,241	-	281,241
653,030	408,055	1,361,085
4,535,755	-	4,535,755
2,440,904	1,807,533	4,983,994
3,080,178	-	3,080,178
<u>12,121,438</u>	<u>2,904,043</u>	<u>16,561,348</u>
<u>824</u>	<u>100,296</u>	<u>101,120</u>
44,183,950	10,088,593	55,158,558
-	-	6,293
-	-	176,953
(893,037)	4,911,992	4,220,123
<u>\$ 43,290,913</u>	<u>\$ 15,000,585</u>	<u>\$ 59,561,927</u>

# COUNTY OF NEWAYGO, MICHIGAN

## Combining Statement of Activities

Discretely Presented Component Units  
For the Year Ended September 30, 2017

	Central Dispatch Authority	Drain Commissioner	Brownfield Redevelopment Authority
<b>Expenses</b>			
Central dispatch	\$ 1,121,143	\$ -	\$ -
County drains	-	520,945	-
Brownfield redevelopment	-	-	37,409
Roads	-	-	-
Medical care	-	-	-
<b>Total expenses</b>	<u>1,121,143</u>	<u>520,945</u>	<u>37,409</u>
<b>Program revenues</b>			
Charges for services	777,132	-	-
Operating grants and contributions	148,975	-	5,000
Capital grants and contributions	-	678,426	-
<b>Total program revenues</b>	<u>926,107</u>	<u>678,426</u>	<u>5,000</u>
Net revenue (expense)	<u>(195,036)</u>	<u>157,481</u>	<u>(32,409)</u>
<b>General revenues</b>			
Property taxes	-	-	28,523
Unrestricted investment earnings	435	-	-
Gain on sale of capital assets	-	-	-
<b>Total general revenues</b>	<u>435</u>	<u>-</u>	<u>28,523</u>
<b>Change in net position</b>	<u>(194,601)</u>	<u>157,481</u>	<u>(3,886)</u>
Net position, beginning of year	<u>481,298</u>	<u>737,419</u>	<u>92,718</u>
<b>Net position, end of year</b>	<u>\$ 286,697</u>	<u>\$ 894,900</u>	<u>\$ 88,832</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.



<b>Road Commission</b>	<b>Medical Care Facility *</b>	<b>Total</b>
\$ -	\$ -	\$ 1,121,143
-	-	520,945
-	-	37,409
11,088,220	-	11,088,220
<u>-</u>	<u>12,079,206</u>	<u>12,079,206</u>
<u>11,088,220</u>	<u>12,079,206</u>	<u>24,846,923</u>
1,064,860	11,955,331	13,797,323
7,111,416	-	7,265,391
3,448,333	-	4,126,759
<u>11,624,609</u>	<u>11,955,331</u>	<u>25,189,473</u>
<u>536,389</u>	<u>(123,875)</u>	<u>342,550</u>
-	-	28,523
-	45,427	45,862
<u>202,468</u>	<u>-</u>	<u>202,468</u>
<u>202,468</u>	<u>45,427</u>	<u>276,853</u>
738,857	(78,448)	619,403
<u>42,552,056</u>	<u>15,079,033</u>	<u>58,942,524</u>
<u>\$ 43,290,913</u>	<u>\$ 15,000,585</u>	<u>\$ 59,561,927</u>

**This page intentionally left blank.**



## **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 Commissioner 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 of 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 County 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

### *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 \$46,842 for the year ended September 30, 2017.

**District Health Department #10** - The County participates jointly in the operation of this Health Department with ten other area counties. The County appropriated \$298,748 to the Health Department for the year ended September 30, 2017.

**West Michigan Forensic Pathology Services** (the "Morgue Authority") - Newaygo County participates in an Authority with other counties that provides joint ownership and use of a shared morgue. The morgue facility is housed in Mecosta County but is available to any of the participating governments for a per-use charge which is intended to cover the operational costs of the facility. Any capital-related needs are to be shared equitably by the participating governments. The County made no contributions to the Authority during the year.

### ***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.

The *2016 delinquent tax fund* accounts for the collection and administration of delinquent property taxes levied in the year 2016.

# COUNTY OF NEWAYGO, MICHIGAN

## Notes to Financial Statements

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."

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.

# COUNTY OF NEWAYGO, MICHIGAN

## Notes to Financial Statements

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. Personal time off 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.

### *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.

# COUNTY OF NEWAYGO, MICHIGAN

## Notes to Financial Statements

### *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, 2017, unassigned fund balance of the general fund was equal to 17.3 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.

### *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.

# COUNTY OF NEWAYGO, MICHIGAN

## Notes to Financial Statements

### *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.

The Statement of Revenues, Expenditures and Change 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 Change in Fund Balances - Governmental Funds.

	Budgetary Basis	Accounting Basis Difference	GAAP Basis
General fund			
Deferred inflows of resources	\$ -	\$ 755,550	\$ 755,550
Property tax revenue	7,491,610	(46,328)	7,445,282
Fund balance, beginning of year	3,771,163	(709,222)	3,061,941
Fund balance, end of year	3,835,286	(755,550)	3,079,736

# COUNTY OF NEWAYGO, MICHIGAN

## Notes to Financial Statements

### 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, 2017, 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 Probation	\$ 31,654	\$ 31,757	\$ 103
Circuit Court - Juvenile Division	239,888	241,782	1,894
Jury Board	10,459	11,306	847
Administrator	165,385	166,555	1,170
Tax allocation	722	766	44
Cooperative extension	133,310	133,347	37
Surveyor	66,396	66,549	153
Drain Commissioner	293,547	297,197	3,650
Soil erosion/conservation	5,979	6,938	959
Crisis management	59,632	60,796	1,164
Board of public works	104,042	127,290	23,248
Medical examiner	119,119	122,757	3,638
Transfers out	3,531,855	3,536,031	4,176
Nonmajor governmental funds:			
County law library - judicial	11,797	12,816	1,019

### 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, 2017:

	Primary Government	Component Units	Totals
<b>Statement of Net Position</b>			
Cash and cash equivalents	\$ 15,417,938	\$ 7,193,007	\$ 22,610,945
Restricted cash and cash equivalents	416,664	-	416,664
Investments	9,989,630	869,737	10,859,367
<b>Statement of Fiduciary Assets and Liabilities</b>			
Cash and cash equivalents	4,104,855	-	4,104,855
<b>Total deposits and investments</b>	<b>29,929,087</b>	<b>8,062,744</b>	<b>37,991,831</b>
<b>Less component units separately audited</b>			
Road Commission	-	(2,820,460)	(2,820,460)
Medical Care Facility	-	(4,409,584)	(4,409,584)
<b>Deposits and investments excluding separately audit component units</b>	<b>\$ 29,929,087</b>	<b>\$ 832,700</b>	<b>\$ 30,761,787</b>
<b>Deposits and investments</b>			
Checking and savings accounts			\$ 12,747,942
Certificates of deposit			5,579,380
Investments			12,433,579
Cash on hand			886
<b>Total</b>			<b>\$ 30,761,787</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, \$13,748,255 of the County's bank balance of \$19,291,540 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, 2017, 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, 2017:

U.S. agencies	\$ 3,207,299
Money market funds	8,027,900
Municipal bonds	<u>1,198,380</u>
<b>Total</b>	<b><u>\$ 12,433,579</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+	\$ 3,207,299
S&P AA-	356,885
S&P AAAm	8,027,900
Moody’s Aa1	<u>841,495</u>
<b>Total</b>	<b><u>\$ 12,433,579</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 of Deposit	Investments
No maturity	\$ -	\$ 8,027,900
Due within one year	2,951,664	450,043
Due in 1-5 years	2,428,544	3,413,454
Due in 6-10 years	<u>199,172</u>	<u>542,182</u>
<b>Total</b>	<b><u>\$ 5,579,380</u></b>	<b><u>\$ 12,433,579</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 Measurements.* 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. All of the County's investments as of September 30, 2017 are valued using Level 2 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	\$ 109,006	\$ 93,035	\$ 1,311,579
Less: allowance for uncollectibles	-	-	(124,797)
Loans receivable	1,159,424	-	-
Taxes (current)	1,355,255	-	-
Taxes (delinquent)	-	2,923,617	-
Due from other governments	777,482	113,746	1,555,652
Advance to component units	300,000	15,076	-
Special assessments	-	-	701,723
Leases	-	2,365,003	-
<b>Total receivables</b>	<b>\$ 3,701,167</b>	<b>\$ 5,510,477</b>	<b>\$ 3,444,157</b>

Of the amounts reported for receivables above, loans receivable of \$1,159,424, special assessments receivable of \$22,867, and leases receivable \$1,834,112 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 \$755,550 for property taxes receivable.

The advances from the primary government 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

### 6. OTHER ASSETS

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

	Governmental Activities	Component Units
Inventories	\$ -	\$ 916,975
Prepays	192,142	163,558
<b>Total other assets</b>	<b>\$ 192,142</b>	<b>\$ 1,080,533</b>

### 7. ACCOUNTS PAYABLE

Payables are comprised of the following at year-end:

	Governmental Activities	Business-type Activities	Component Units
Accounts	\$ 654,936	\$ 65,249	\$ 1,339,294
Accrued liabilities	225,945	-	320,982
Due to other governments	21,873	-	54
Accrued interest on long-term debt	74,934	33,584	-
Advance from primary government	-	-	315,076
Advance from State of Michigan	-	-	201,033
<b>Total payables</b>	<b>\$ 977,688</b>	<b>\$ 98,833</b>	<b>\$ 2,176,439</b>

### 8. INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS

The composition of interfund balances as of September 30, 2017, is as follows:

#### Due to and from primary government funds

	Due from Other Funds	Due to Other Funds
General fund	\$ 171,178	\$ 12,809
County jail	-	15,018
Nonmajor governmental funds	2,907	7,204
2013 and prior delinquent tax	2,232,110	-
2016 delinquent tax	-	2,041,610
Nonmajor enterprise funds	-	190,500
Internal service funds	31,969	171,023
<b>Totals</b>	<b>\$ 2,438,164</b>	<b>\$ 2,438,164</b>



# COUNTY OF NEWAYGO, MICHIGAN

## Notes to Financial Statements

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.

### Interfund receivables and payables

	Interfund Receivable	Interfund Payable
Nonmajor governmental funds	\$ -	\$ 18,146
2013 and prior delinquent tax	18,146	-
<b>Totals</b>	<u>\$ 18,146</u>	<u>\$ 18,146</u>

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

# COUNTY OF NEWAYGO, MICHIGAN

## Notes to Financial Statements

For the year ended September 30, 2017, interfund transfers consisted of the following:

Transfers Out	Transfers in						Totals
	General Fund	County Jail	Capital Improvement	Nonmajor Governmental Funds	2013 and Prior Delinquent Tax	Governmental Activities	
General fund	\$ -	\$ 1,200,000	\$ -	\$ 2,336,031	\$ -	\$ -	\$ 3,536,031
Capital improvements	150,000	-	-	-	-	-	150,000
Nonmajor governmental funds	385,000	209,182	41,789	161,912	-	-	797,883
P.A. 123	323,711	-	-	-	-	-	323,711
Nonmajor enterprise funds	125,000	25,000	-	-	14,263	-	164,263
Internal service funds	-	50,249	-	-	-	12,825	63,074
<b>Totals</b>	<b>\$ 983,711</b>	<b>\$ 1,484,431</b>	<b>\$ 41,789</b>	<b>\$ 2,497,943</b>	<b>\$ 14,263</b>	<b>\$ 12,825</b>	<b>\$ 5,034,962</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; and (4) move surplus funds from the delinquent tax revolving fund to the general fund once a statutory period of time has elapsed. The transfer between internal service funds and governmental activities of \$12,825 represents the carrying value of capital assets in internal service funds that were closed out.

# 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, 2017, was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
<b>Governmental activities</b>					
Capital assets, not being depreciated:					
Land	\$ 2,263,586	\$ -	\$ -	\$ -	\$ 2,263,586
Construction in progress	45,807	63,606	-	(2,422)	106,991
	<u>2,309,393</u>	<u>63,606</u>	<u>-</u>	<u>(2,422)</u>	<u>2,370,577</u>
Capital assets, being depreciated:					
Buildings	23,480,798	63,424	-	-	23,544,222
Land improvements	1,530,224	18,472	-	2,422	1,551,118
Office equipment	3,731,049	263,891	(16,283)	-	3,978,657
Vehicles	1,958,819	297,936	(255,117)	-	2,001,638
	<u>30,700,890</u>	<u>643,723</u>	<u>(271,400)</u>	<u>2,422</u>	<u>31,075,635</u>
Less accumulated depreciation for:					
Buildings	(10,304,137)	(655,006)	-	-	(10,959,143)
Land improvements	(682,764)	(58,745)	-	-	(741,509)
Office equipment	(2,901,028)	(197,943)	1,357	-	(3,097,614)
Vehicles	(1,662,102)	(235,651)	248,562	-	(1,649,191)
	<u>(15,550,031)</u>	<u>(1,147,345)</u>	<u>249,919</u>	<u>-</u>	<u>(16,447,457)</u>
Total capital assets being depreciated, net	<u>15,150,859</u>	<u>(503,622)</u>	<u>(21,481)</u>	<u>2,422</u>	<u>14,628,178</u>
<b>Governmental activities capital assets, net</b>	<u>\$ 17,460,252</u>	<u>\$ (440,016)</u>	<u>\$ (21,481)</u>	<u>\$ -</u>	<u>\$ 16,998,755</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	(5,215)	(1,570)	-	-	(6,785)
Equipment	(27,645)	(1,070)	-	-	(28,715)
	<u>(32,860)</u>	<u>(2,640)</u>	<u>-</u>	<u>-</u>	<u>(35,500)</u>
<b>Business-type activities capital assets, net</b>	<u>\$ 12,167</u>	<u>\$ (2,640)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,527</u>

# COUNTY OF NEWAYGO, MICHIGAN

## Notes to Financial Statements

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

<b>Depreciation of governmental activities by function</b>	
General government	\$ 452,875
Public safety	339,120
Health and welfare	61,801
Cultural and recreation	74,876
Judicial	506
Internal service funds *	<u>218,167</u>
<b>Total governmental activities</b>	<u><u>\$ 1,147,345</u></u>

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

<b>Depreciation of business-type activities by function</b>	
Nonmajor enterprise funds	<u><u>\$ 2,640</u></u>

### Discretely presented component units

Capital assets activity for the Central Dispatch Authority component unit for the year ended September 30, 2017, was as follows:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Disposals</b>	<b>Transfers</b>	<b>Ending Balance</b>
<b>Central Dispatch Authority</b>					
Capital assets, being depreciated:					
Equipment	\$ 970,830	\$ 5,440	\$ -	\$ -	\$ 976,270
Less accumulated depreciation for:					
Equipment	<u>(259,147)</u>	<u>(77,675)</u>	<u>-</u>	<u>-</u>	<u>(336,822)</u>
<b>Central Dispatch Authority capital assets, net</b>	<u><u>\$ 711,683</u></u>	<u><u>\$ (72,235)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 639,448</u></u>

# COUNTY OF NEWAYGO, MICHIGAN

## Notes to Financial Statements

Capital assets activity for the Drain Commissioner component unit for the year ended September 30, 2017, 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	93,338	-	-	162,200
	<u>134,212</u>	<u>93,338</u>	<u>-</u>	<u>-</u>	<u>227,550</u>
Capital assets, being depreciated:					
Infrastructure	578,481	-	-	-	578,481
Less accumulated depreciation for:					
Infrastructure	(521,672)	(14,739)	-	-	(536,411)
Total capital assets being depreciated, net	<u>56,809</u>	<u>(14,739)</u>	<u>-</u>	<u>-</u>	<u>42,070</u>
<b>Drain Commissioner capital assets, net</b>	<u>\$ 191,021</u>	<u>\$ 78,599</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 269,620</u>

## 10. LONG-TERM DEBT

The following is a summary of long-term debt transactions for the year ended September 30, 2017:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
<b>Governmental activities</b>					
General obligation bonds	\$ 10,676,000	\$ -	\$ (1,015,000)	\$ 9,661,000	\$ 1,044,000
Premium on bonds payable	9,017	-	(1,031)	7,986	1,031
Compensated absences	455,916	136,868	(159,619)	433,165	99,371
<b>Total governmental activities</b>	<u>\$ 11,140,933</u>	<u>\$ 136,868</u>	<u>\$ (1,175,650)</u>	<u>\$ 10,102,151</u>	<u>\$ 1,144,402</u>
<b>Business-type activities</b>					
General obligation bonds	\$ 2,709,180	\$ -	\$ (480,000)	\$ 2,229,180	\$ 475,000
Premium on bonds payable	180,395	-	(32,309)	148,086	32,309
<b>Total business-type activities</b>	<u>\$ 2,889,575</u>	<u>\$ -</u>	<u>\$ (512,309)</u>	<u>\$ 2,377,266</u>	<u>\$ 507,309</u>
<b>Discretely presented component units</b>					
<b>Drain Commissioner</b>					
Note payable	\$ -	\$ 300,000	\$ -	\$ 300,000	\$ 300,000

# 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.	\$ 3,930,000
\$6,930,000 2013 Medical Care Facility Refunding Bonds, due in annual installments of \$545,000 to \$625,000 plus interest ranging from 0.45% to 1.95% through 2025.	4,730,000
\$1,117,000 2015 Mental Health Refunding Bonds, due in annual installments of \$56,000 to \$96,000 plus interest at 2.675% through 2030.	<u>1,001,000</u>
<b>Total governmental activities</b>	<b><u><u>\$ 9,661,000</u></u></b>

### 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.	\$ 1,865,000
\$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.	169,180
\$750,000 1978 Hesperia Wastewater Project Bonds, due in annual installments of \$5,000 to \$25,000 plus interest at 5.00% through 2018.	25,000
\$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>170,000</u>
<b>Total business-type activities</b>	<b><u><u>\$ 2,229,180</u></u></b>

# COUNTY OF NEWAYGO, MICHIGAN

## Notes to Financial Statements

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

Year Ended September 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
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	1,176,000	182,435	390,000	31,374
2023-2027	3,830,000	418,452	69,180	18,562
2028-2030	282,000	24,477	-	-
<b>Totals</b>	<b>\$ 9,661,000</b>	<b>\$ 1,526,391</b>	<b>\$ 2,229,180</b>	<b>\$ 281,380</b>

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

### 11. SHORT-TERM NOTES PAYABLE

The Drain Commissioner discretely presented component unit has various short-term notes payable in the aggregate amount of \$142,656 at September 30, 2017. The notes bear interest at 1.60% and are all due in August 2018.

### 12. 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, 2017 of \$790,167. Rental income for the year ended September 30, 2017 amounted to \$100,382, recorded in the Mental Health Building Bonds debt service fund.

# COUNTY OF NEWAYGO, MICHIGAN

## Notes to Financial Statements

### *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, 2017 of \$1,182,134. Rental income for the year ended September 30, 2017 amounted to \$106,104, recorded in the Building Authority enterprise fund. Annual lease payments are as follows:

Year Ended September 30,	Community Mental Health	Department of Human	Total
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	108,000	110,232	218,232
2023-2027	486,000	413,370	899,370
2028-2032	352,800	-	352,800
<b>Totals</b>	<b>\$ 1,407,600</b>	<b>\$ 949,050</b>	<b>\$ 2,356,650</b>

## 13. 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,	
	2017	2016
Estimated liability, beginning of year	\$ 235,623	\$ 108,922
Estimated claims incurred	25,032	179,039
Claim payments	(180,454)	(52,338)
<b>Estimated liability, end of year</b>	<b>\$ 80,201</b>	<b>\$ 235,623</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,	
	2017	2016
Estimated liability, beginning of year	\$ 117,628	\$ 129,859
Estimated claims incurred	3,031,841	3,357,795
Claim payments	(3,081,351)	(3,370,026)
<b>Estimated liability, end of year</b>	<b>\$ 68,118</b>	<b>\$ 117,628</b>

## 14. 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 2017, for which revenue was recognized in the general fund, was \$1,449,015,564. The general operating tax rate for this levy was 5.3464 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 0.4200 mills to fund debt service payments on the medical care facility bonds. These additional levies were based on the 2016 taxable value of \$1,421,421,146.

### Tax Abatements

The County provides tax abatements under several different programs:

*Industrial Facilities Tax Exemptions (IFTs)*, entered into under the Plant Rehabilitation and Industrial Development Districts Act PA 198 of 1974, as amended, provide a tax incentive to manufacturers to enable renovation and expanding of aging facilities, assist in the building of new facilities, and to promote the establishment of high tech facilities. An IFT certificate entitles the facility to an exemption from ad valorem real and/or personal property taxes for a term of 1-12 years as determined by the local unit of government and is computed at half of the local property tax millage rate, amounting to a reduction in property taxes of approximately 50%. For the year ended September 30, 2017, the County's property taxes were reduced by \$17,174 under this program.

# COUNTY OF NEWAYGO, MICHIGAN

## Notes to Financial Statements

The *Brownfield Agreement*, entered into under the Brownfield Redevelopment Financing Act, Act 381 of 1996, as amended provides reimbursement to taxpayers that remediate environmental contamination on their properties. For the year ended September 30, 2017, the County's property taxes were reduced by \$6,216 under this program.

Under the *Agricultural Processing Renaissance Zone Agreement*, entered into under the Michigan Renaissance Zone Act PA 376 of 1996, as amended, facilities do not pay state education tax, personal and real property taxes, and local income tax where applicable. Taxes are still due on those mandated by the federal government, local bond obligations, the Corporate Income Tax, school sinking fund or special assessments. The Michigan State Administrative Board (SAB), upon recommendations from the Michigan Strategic Fund Board (MSF) and the Michigan Agriculture Commission, approves APRZ designations. Once approved, the company enters into an agreement with the Michigan Strategic Fund (MSF) outlining private investment and job creation numbers approved by the SAB. Taxes can be abated up to 15 years. Tax relief is phased out in 25 percent increments over the last three years of the zone designation. For the year ended, September 30, 2017, the County's property taxes were reduced by \$96,216 under this program.

### 15. 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.

### 16. 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).

# COUNTY OF NEWAYGO, MICHIGAN

## Notes to Financial Statements

*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 4% to 8.49% 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, 2016, plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits	114
Inactive employees entitled to but not yet receiving benefits	18
Active employees	23
<b>Total membership</b>	<b>155</b>

*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	\$ 8,870	4.00%	2.25%
Police Officers Labor	17,498	4.50%	2.50%
Appointed Department Heads	16,307	4.50%	2.50%
Teamsters Employees	6,817	8.49%	2.50%
Central Dispatch	350	4.00%	2.25%
Corrections Officers	9,793	4.50%	2.50%
Command Unit	4,671	4.50%	2.50%
Corrections Command	3,207	4.50%	2.50%

*Net Pension Liability.* The County's net pension liability was measured as of December 31, 2016, 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, 2016 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

# COUNTY OF NEWAYGO, MICHIGAN

## Notes to Financial Statements

Although no explicit price inflation assumption is used in the valuation, the long-term annual rate of price inflation implicit in the 3.75% base wage 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>0.25%</u>
<b>Investment rate of return</b>			<u><u>8.00%</u></u>

*Discount Rate.* The discount rate used to measure the total pension liability is 8.0% (down from 8.25% in 2015). 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.

# COUNTY OF NEWAYGO, MICHIGAN

## Notes to Financial Statements

### Changes in Net Pension Liability

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

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at December 31, 2015	\$ 26,002,167	\$ 18,907,388	\$ 7,094,779
Changes for the year:			
Service cost	113,354	-	113,354
Interest	2,006,374	-	2,006,374
Change in benefits	12,026	-	12,026
Difference between expected and actual experience	(255,874)	-	(255,874)
Employer contributions	-	1,006,665	(1,006,665)
Employee contributions	-	47,892	(47,892)
Net investment income	-	2,115,490	(2,115,490)
Benefit payments, including refunds of employee contributions	(1,958,348)	(1,958,348)	-
Administrative expense	-	(41,781)	41,781
Other changes	(2)	-	(2)
Net changes	<u>(82,470)</u>	<u>1,169,918</u>	<u>(1,252,388)</u>
<b>Balances at December 31, 2016</b>	<b><u>\$ 25,919,697</u></b>	<b><u>\$ 20,077,306</u></b>	<b><u>\$ 5,842,391</u></b>

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

Governmental activities	\$ 5,106,834
Central Dispatch Authority component unit	<u>735,557</u>
	<b><u>\$ 5,842,391</u></b>

*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 8.0%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1% lower (7.0%) or 1% higher (9.0%) than the current rate:

	1% Decrease (7.0%)	Current Discount Rate (8.0%)	1% Increase (9.0%)
County's net pension liability	\$ 8,304,995	\$ 5,842,391	\$ 3,727,334

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

# COUNTY OF NEWAYGO, MICHIGAN

## Notes to Financial Statements

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

For the year ended September 30, 2017, the County recognized pension expense of \$720,756. The County reported pension-related deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 777,356	\$ -	\$ 777,356
Contributions subsequent to the measurement date	607,617	-	607,617
<b>Total</b>	<b>\$ 1,384,973</b>	<b>\$ -</b>	<b>\$ 1,384,973</b>
Amounts are recorded in the accompanying financial statements as follows:			
Governmental activities	\$ 1,210,605	\$ -	\$ 1,210,605
Central Dispatch Authority component unit	174,368	-	174,368
	<b>\$ 1,384,973</b>	<b>\$ -</b>	<b>\$ 1,384,973</b>

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, 2018. 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 September 30,	Amount
2018	\$ 325,758
2019	325,759
2020	253,983
2021	<u>(128,144)</u>
<b>Total</b>	<b>\$ <u>777,356</u></b>

*Payable to the Pension Plan.* At September 30, 2017, the County had no amount payable for required contributions to the pension plan for the year ended September 30, 2017.

# COUNTY OF NEWAYGO, MICHIGAN

## Notes to Financial Statements

### 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, 2017 amounted to \$547,984 and \$219,509, respectively.

## 17. 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, 2017, the County contributed \$745,750 to the Plan, which included \$55,801 normal cost for current benefits and \$689,949 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.

# COUNTY OF NEWAYGO, MICHIGAN

## Notes to Financial Statements

*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 2017 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
2015	\$ 721,715	100%	\$ -
2016	788,819	100%	-
2017	745,750	100%	-

*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

### 18. FUND BALANCES - GOVERNMENTAL FUNDS

Detailed information on fund balances of governmental funds is as follows:

	General Fund	County Jail	Capital Improvement	Nonmajor Governmental Funds	Total
Nonspendable:					
Prepays	\$ -	\$ -	\$ -	\$ 3,000	\$ 3,000
Long-term advances	300,000	-	-	-	300,000
Total nonspendable	300,000	-	-	3,000	303,000
Restricted for:					
Family counseling (P.A. 368)	90,970	-	-	-	90,970
Law enforcement and road patrol	-	-	-	118,988	118,988
Community development	-	-	-	1,159,424	1,159,424
Jail training	-	5,776	-	-	5,776
Building inspections (P.A. 245)	-	-	-	297,750	297,750
Register of deeds technology (P.A. 698)	-	-	-	65,507	65,507
Debt service	-	-	-	408,803	408,803
Other purposes	4,412	-	-	42,649	47,061
Total restricted	95,382	5,776	-	2,093,121	2,194,279
Committed for:					
Law enforcement and road patrol	-	-	-	266,507	266,507
Jail operations	-	208,385	-	-	208,385
General capital improvements	-	-	1,694,667	-	1,694,667
Hardy pond non-motorized trail	-	-	134,623	-	134,623
Debt service	-	-	-	466,911	466,911
Other purposes	46,557	-	-	-	46,557
Total committed	46,557	208,385	1,829,290	733,418	2,817,650
Assigned for:					
Emergency services	-	-	-	43,754	43,754
Community development	-	-	-	128,554	128,554
Animal control	45,154	-	-	-	45,154
Elections	68,673	-	-	-	68,673
Building repair and maintenance	184,286	-	-	-	184,286
Law enforcement	-	-	-	161,888	161,888
County parks	-	-	-	168,325	168,325
Friend of court	-	-	-	246,299	246,299
Social services	-	-	-	131,399	131,399
Child care	-	-	-	71,625	71,625
Soldiers' relief	-	-	-	72,881	72,881
Commission on aging programs	-	-	-	220,679	220,679
Other purposes	-	-	-	10,652	10,652
Total assigned	298,113	-	-	1,256,056	1,554,169
Unassigned	2,339,684	-	-	-	2,339,684
<b>Total fund balances, governmental funds</b>	<b>\$ 3,079,736</b>	<b>\$ 214,161</b>	<b>\$ 1,829,290</b>	<b>\$ 4,085,595</b>	<b>\$ 9,208,782</b>

# COUNTY OF NEWAYGO, MICHIGAN

## Notes to Financial Statements

### 19. NET INVESTMENT IN CAPITAL ASSETS

The composition of the County's net investment in capital assets as of September 30, 2017, was as follows:

	Governmental Activities	Business-type Activities	Component Units
Capital assets:			
Capital assets not being depreciated	\$ 2,370,577	\$ -	\$ 2,379,001
Capital assets being depreciated, net	14,628,178	9,527	57,796,590
	<u>16,998,755</u>	<u>9,527</u>	<u>60,175,591</u>
Related debt:			
Note payable	-	-	300,000
Unexpended note proceeds	-	-	(276,947)
Bonds payable	9,661,000	2,229,180	-
Premium on bonds payable	7,986	148,086	-
Deferred charge on refunding	(105,036)	(45,847)	-
Amounts related to capital leases receivable *	-	(2,331,419)	-
Installment purchase agreements	-	-	4,993,980
	<u>9,563,950</u>	<u>-</u>	<u>5,017,033</u>
<b>Net investment in capital assets</b>	<u>\$ 7,434,805</u>	<u>\$ 9,527</u>	<u>\$ 55,158,558</u>

\* The bonds payable related to leases receivable within business-type activities represents debt issued by the County on behalf of other governments who are responsible for all principal and interest on the bonds. Title to the related assets does not transfer to the local unit until the bonds are repaid in full; however, the County considers the assets to be held by the local unit as a capital lease and, accordingly, the capital asset is not reported by the County itself. Therefore, the outstanding debt and any unamortized premium and deferred charge on refunding has been excluded from the calculation above.

### 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 purchase and rental, and survey and engineering services and were in the amounts of \$16,992, \$17,417, and \$54,754, respectively.

### 21. RESTATEMENT - NEWAYGO COUNTY CMH AUTHORITY

During the year, management re-evaluated the status of the Newaygo County CMH Authority, which has previously been reported as a component unit of the County. Based on recent changes in professional standards and state funding models, management has concluded that the County is no longer "financially accountable" for the CMH Authority, and that it would not be misleading to exclude it from the County's financial reporting entity. Accordingly, the Newaygo County CMH Authority is no longer considered a component unit of the County. A copy of the CMH Authority's separately audited financial statements may be obtained by contacting Newaygo County Mental Health, 1049 Newell, PO Box 867, White Cloud, MI 49349.



## **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	2017
<b>Total pension liability</b>			
Service cost	\$ 177,889	\$ 144,182	\$ 113,354
Interest	1,936,675	1,964,674	2,006,374
Change in benefits	-	-	12,026
Difference between expected and actual experience	-	(63,125)	(255,874)
Changes in assumptions	-	1,143,513	-
Benefit payments, including refunds of employee contributions	(1,659,002)	(1,857,659)	(1,958,348)
Other changes	-	(391)	(2)
<b>Net change in total pension liability</b>	<u>455,562</u>	<u>1,331,194</u>	<u>(82,470)</u>
Total pension liability, beginning of year	<u>24,215,411</u>	<u>24,670,973</u>	<u>26,002,167</u>
<b>Total pension liability, end of year</b>	<u>24,670,973</u>	<u>26,002,167</u>	<u>25,919,697</u>
<b>Plan fiduciary net position</b>			
Employer contributions	1,135,610	1,160,256	1,006,665
Employee contributions	8,638	4,701	47,892
Net investment income (loss)	1,209,412	(296,005)	2,115,490
Benefit payments, including refunds of employee contributions	(1,659,002)	(1,857,659)	(1,958,348)
Administrative expense	(44,398)	(43,207)	(41,781)
<b>Net change in plan fiduciary net position</b>	<u>650,260</u>	<u>(1,031,914)</u>	<u>1,169,918</u>
Plan fiduciary net position, beginning of year	<u>19,289,042</u>	<u>19,939,302</u>	<u>18,907,388</u>
<b>Plan fiduciary net position, end of year</b>	<u>19,939,302</u>	<u>18,907,388</u>	<u>20,077,306</u>
<b>County's net pension liability</b>	<u>\$ 4,731,671</u>	<u>\$ 7,094,779</u>	<u>\$ 5,842,391</u>
Plan fiduciary net position as a percentage of total pension liability	80.82%	72.71%	77.46%
Covered payroll	\$ 1,717,803	\$ 1,396,627	\$ 1,089,831
County's net pension liability as a percentage of covered payroll	275.45%	507.99%	536.08%

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**

<b>Fiscal Year Ended Sept. 30,</b>	<b>Total Pension Liability</b>	<b>Plan Net Position</b>	<b>Net Pension Liability</b>	<b>Plan Net Position as Percentage of Total Pension Liability</b>	<b>Covered Payroll</b>	<b>Net Pension Liability as Percentage of Covered Payroll</b>
2017	\$ 25,919,697	\$ 20,077,306	\$ 5,842,391	77.46%	\$ 1,089,831	536.08%
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 Payroll	Contributions as Percentage of Covered Payroll
2017	\$ 810,156	\$ 810,156	\$ -	\$ 1,092,546	74.15%
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 (2017, based on the 12/31/2014 actuarial valuation):

- Actuarial cost method Entry-age normal
- Amortization method Level percent of payroll, closed
- Remaining amortization period 4-10 years based on division
- Asset valuation method Open; 10-year smooth market
- Inflation 3.0% to 4.0%
- Salary increases 4.5% in the long-term (2.0% and 3.0% for calendars years 2015 and 2016, respectively)
- Investment rate of return 8.0%, 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, 2009 actuarial valuations. The Early Retirement rates were first used for the December 31, 2011 actuarial valuations.
- Mortality 1994 Group Annuity Mortality Table of a 50% Male and 50% Female blend. For disabled retirees, the regular mortality table is used with a 10-year set forward in ages to reflect the higher expected mortality rates of disabled members.

**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
2015	\$ 721,715	100%
2016	788,819	100%
2017	745,750	100%

**This page intentionally left blank.**



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

**This page intentionally left blank.**

## **GENERAL FUND**

# COUNTY OF NEWAYGO, MICHIGAN

## Combining Schedule of Balance Sheet Accounts

By Activity - General Fund  
September 30, 2017

	General Fund (101)	Animal Control (2052)	Elections (214)	Budget vs. GAAP Adjustment
<b>Assets</b>				
Cash and cash equivalents	\$ 728,213	\$ 59,202	\$ 57,826	\$ -
Investments	1,343,726	-	-	-
Accounts receivable	50,695	-	11,591	-
Taxes receivable	1,354,921	-	-	-
Due from other governments	86,115	-	-	-
Due from other funds	171,178	-	-	-
Advance to component unit	300,000	-	-	-
<b>Total assets</b>	<b>\$ 4,034,848</b>	<b>\$ 59,202</b>	<b>\$ 69,417</b>	<b>\$ -</b>
<b>Liabilities</b>				
Accounts payable	\$ 122,978	\$ 5,642	\$ 445	\$ -
Accrued expenditures	74,508	2,580	299	-
Due to other funds	12,809	-	-	-
Unearned revenue	108,920	-	-	-
<b>Total liabilities</b>	<b>319,215</b>	<b>8,222</b>	<b>744</b>	<b>-</b>
<b>Deferred inflows of resources</b>				
Unavailable revenues - property taxes	-	-	-	755,550
<b>Fund balances</b>				
Nonspendable	300,000	-	-	-
Restricted	93,612	1,770	-	-
Committed	42,501	4,056	-	-
Assigned	184,286	45,154	68,673	-
Unassigned	3,095,234	-	-	(755,550)
<b>Total fund balances</b>	<b>3,715,633</b>	<b>50,980</b>	<b>68,673</b>	<b>(755,550)</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 4,034,848</b>	<b>\$ 59,202</b>	<b>\$ 69,417</b>	<b>\$ -</b>



<b>Eliminations</b>	<b>Total</b>
\$ -	\$ 845,241
-	1,343,726
-	62,286
-	1,354,921
-	86,115
-	171,178
-	300,000
<hr/>	
\$ -	\$ 4,163,467
<hr/>	
\$ -	\$ 129,065
-	77,387
-	12,809
-	108,920
<hr/>	
-	328,181
<hr/>	
-	755,550
<hr/>	
-	300,000
-	95,382
-	46,557
-	298,113
-	2,339,684
<hr/>	
-	3,079,736
<hr/>	
\$ -	\$ 4,163,467
<hr/>	

# COUNTY OF NEWAYGO, MICHIGAN

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

By Activity - General Fund

For the Year Ended September 30, 2017

	General Fund (101)	Animal Control (2052)	Elections (214)	Budget vs. GAAP Adjustment
<b>Revenues</b>				
Taxes	\$ 7,491,610	\$ -	\$ -	\$ (46,328)
Intergovernmental:				
Federal	296,814	-	-	-
State	1,699,122	-	-	-
Local	139,138	-	-	-
Licenses and permits	27,333	-	-	-
Fines and forfeitures	52,374	-	-	-
Charges for services	2,212,870	67,030	85,427	-
Interest and rentals	175,448	-	-	-
Contributions from private sources	120,273	3,857	-	-
Other revenues/reimbursements	194,490	1,523	237	-
<b>Total revenues</b>	<b>12,409,472</b>	<b>72,410</b>	<b>85,664</b>	<b>(46,328)</b>
<b>Expenditures</b>				
Current:				
Legislative	407,722	-	-	-
Judicial	2,965,355	-	-	-
General government	3,905,117	-	194,731	-
Public safety	805,995	239,504	-	-
Public works	141,694	-	-	-
Health and welfare	997,141	-	-	-
Community and economic development	141,722	-	-	-
Other	46,249	-	-	-
Capital outlay	105,873	-	-	-
<b>Total expenditures</b>	<b>9,516,868</b>	<b>239,504</b>	<b>194,731</b>	<b>-</b>
Revenues over (under) expenditures	2,892,604	(167,094)	(109,067)	(46,328)
<b>Other financing sources (uses)</b>				
Transfers in	983,711	188,716	125,827	-
Transfers out	(3,850,574)	-	-	-
<b>Total other financing sources (uses)</b>	<b>(2,866,863)</b>	<b>188,716</b>	<b>125,827</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>25,741</b>	<b>21,622</b>	<b>16,760</b>	<b>(46,328)</b>
Fund balances, beginning of year	3,689,892	29,358	51,913	(709,222)
<b>Fund balances, end of year</b>	<b>\$ 3,715,633</b>	<b>\$ 50,980</b>	<b>\$ 68,673</b>	<b>\$ (755,550)</b>



<b>Eliminations</b>	<b>Total</b>
\$ -	\$ 7,445,282
-	296,814
-	1,699,122
-	139,138
-	27,333
-	52,374
-	2,365,327
-	175,448
-	124,130
-	196,250
-	<u>12,521,218</u>
-	407,722
-	2,965,355
-	4,099,848
-	1,045,499
-	141,694
-	997,141
-	141,722
-	46,249
-	105,873
-	<u>9,951,103</u>
-	<u>2,570,115</u>
(314,543)	983,711
<u>314,543</u>	<u>(3,536,031)</u>
-	<u>(2,552,320)</u>
-	17,795
-	<u>3,061,941</u>
<u>\$ -</u>	<u>\$ 3,079,736</u>

# COUNTY OF NEWAYGO, MICHIGAN

## Schedule of Revenues, Expenditures and Change in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual - General Fund - By Activity  
For the Year Ended September 30, 2017

	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	\$ 7,282,650	\$ 7,323,797	\$ 7,438,156	\$ 114,359
Other taxes	5,300	51,141	53,454	2,313
Total taxes	<u>7,287,950</u>	<u>7,374,938</u>	<u>7,491,610</u>	<u>116,672</u>
Intergovernmental:				
Federal	333,284	289,645	296,814	7,169
State	1,820,515	1,840,404	1,699,122	(141,282)
Local	115,240	139,157	139,138	(19)
Total intergovernmental	<u>2,269,039</u>	<u>2,269,206</u>	<u>2,135,074</u>	<u>(134,132)</u>
Licenses and permits	<u>30,000</u>	<u>25,047</u>	<u>27,333</u>	<u>2,286</u>
Fines and forfeitures	<u>52,475</u>	<u>51,731</u>	<u>52,374</u>	<u>643</u>
Charges for services	<u>2,107,908</u>	<u>2,161,862</u>	<u>2,212,870</u>	<u>51,008</u>
Interest and rentals:				
Interest revenue	40,000	42,443	63,555	21,112
Rentals	116,000	114,600	111,893	(2,707)
Total interest and rentals	<u>156,000</u>	<u>157,043</u>	<u>175,448</u>	<u>18,405</u>
Contributions from private sources	<u>39,290</u>	<u>120,272</u>	<u>120,273</u>	<u>1</u>
Other revenues/reimbursements:				
Reimbursements	182,426	196,605	194,247	(2,358)
Other revenue	-	263	243	(20)
Total other revenues/reimbursements	<u>182,426</u>	<u>196,868</u>	<u>194,490</u>	<u>(2,378)</u>
<b>Total general fund (101)</b>	<u>12,125,088</u>	<u>12,356,967</u>	<u>12,409,472</u>	<u>52,505</u>
<b>Animal control (fund 2052)</b>				
Charges for services	51,000	63,368	67,030	3,662
Intergovernmental - State	200	-	-	-
Contributions from private sources	500	2,517	3,857	1,340
Other revenues/reimbursements	-	1,523	1,523	-
<b>Total animal control (fund 2052)</b>	<u>51,700</u>	<u>67,408</u>	<u>72,410</u>	<u>5,002</u>
<b>Elections (fund 214)</b>				
Charges for services	20,000	75,438	85,427	9,989
Other revenue/reimbursements	400	237	237	-
<b>Total elections (fund 214)</b>	<u>20,400</u>	<u>75,675</u>	<u>85,664</u>	<u>9,989</u>
<b>Total revenues</b>	<u>12,197,188</u>	<u>12,500,050</u>	<u>12,567,546</u>	<u>67,496</u>

continued...



## COUNTY OF NEWAYGO, MICHIGAN

### Schedule of Revenues, Expenditures and Change in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual - General Fund - By Activity  
For the Year Ended September 30, 2017

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Expenditures</b>				
<b>General fund (fund 101)</b>				
Legislative:				
Board of Commissioners	\$ 422,545	\$ 419,076	\$ 407,722	\$ (11,354)
Judicial:				
27th Circuit Court - Newaygo	621,567	640,778	633,185	(7,593)
27th Circuit Court - Oceana	26,740	25,729	23,415	(2,314)
Circuit Court Probation	32,098	31,654	31,757	103
Circuit Court Clerk	313,732	289,068	287,665	(1,403)
Circuit Court - Juvenile Division	231,520	239,888	241,782	1,894
District Court	1,220,296	1,218,369	1,206,161	(12,208)
Jury Board	10,159	10,459	11,306	847
Probate Court	474,573	473,932	473,850	(82)
Court Guardian	56,234	56,234	56,234	-
Total judicial	2,986,919	2,986,111	2,965,355	(20,756)
General government:				
Administrator	169,902	165,385	166,555	1,170
Accounting	223,001	203,778	201,201	(2,577)
Clerk	348,599	347,127	343,287	(3,840)
Tax allocation	722	722	766	44
Treasurer	537,755	535,380	526,036	(9,344)
Equalization	619,069	627,965	623,503	(4,462)
Cooperative extension	130,719	133,310	133,347	37
Civil counsel	13,017	37,017	34,213	(2,804)
Prosecutor	813,068	808,553	779,371	(29,182)
Register of deeds	410,239	417,959	412,989	(4,970)
Personnel	59,137	56,876	55,877	(999)
Surveyor	55,630	66,396	66,549	153
Drain Commissioner	287,990	293,547	297,197	3,650
Payroll	51,625	51,275	50,386	(889)
Courtesy desk/mail	35,438	37,412	35,879	(1,533)
Drain maintenance and construction	166,706	175,796	171,023	(4,773)
Soil erosion/conservation	6,092	5,979	6,938	959
Total general government	3,928,709	3,964,477	3,905,117	(59,360)
Public safety:				
Sheriff's department	646,715	643,867	636,565	(7,302)
Courthouse security	42,408	51,230	51,195	(35)
Regional drug force contract	55	55	55	-
Marine law enforcement	38,066	57,039	49,370	(7,669)
Crisis management	-	59,632	60,796	1,164
Truancy program	8,014	8,014	8,014	-
Total public safety	735,258	819,837	805,995	(13,842)

continued...

## COUNTY OF NEWAYGO, MICHIGAN

### Schedule of Revenues, Expenditures and Change in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual - General Fund - By Activity  
For the Year Ended September 30, 2017

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Expenditures (continued)</b>				
Public works:				
Board of public works	\$ 47,487	\$ 104,042	\$ 127,290	\$ 23,248
Drain tax at large	15,000	15,000	14,404	(596)
Total public works	<u>62,487</u>	<u>119,042</u>	<u>141,694</u>	<u>22,652</u>
Health and welfare:				
Health department	405,564	405,564	392,574	(12,990)
Contagious disease	582	582	507	(75)
Mental health	344,592	344,592	344,592	-
Family counseling services	-	4,227	-	(4,227)
Medical Care Facility maintenance of effort	96,086	96,086	89,364	(6,722)
Substance abuse	70,292	68,710	47,347	(21,363)
Medical examiner	119,739	119,119	122,757	3,638
Total health and welfare	<u>1,036,855</u>	<u>1,038,880</u>	<u>997,141</u>	<u>(41,739)</u>
Community and economic development:				
Land use educator	78,796	78,796	78,796	-
Economic development (NCEDO)	45,000	45,000	45,000	-
West Michigan regional planning	13,000	13,000	12,926	(74)
Redevelopment	5,000	5,000	5,000	-
Total community and economic development	<u>141,796</u>	<u>141,796</u>	<u>141,722</u>	<u>(74)</u>
Other:				
National Forest grant distributions	139,575	44,480	44,480	-
Non-departmental expenditures	80,000	37,385	1,769	(35,616)
Total other	<u>219,575</u>	<u>81,865</u>	<u>46,249</u>	<u>(35,616)</u>
Capital outlay	<u>53,000</u>	<u>129,179</u>	<u>105,873</u>	<u>(23,306)</u>
<b>Total general fund (fund 101)</b>	<b>9,587,144</b>	<b>9,700,263</b>	<b>9,516,868</b>	<b>(183,395)</b>
<b>Animal control (fund 2052)</b>				
Public safety	240,416	257,812	239,504	(18,308)
<b>Elections (fund 214)</b>				
General government	<u>146,227</u>	<u>204,701</u>	<u>194,731</u>	<u>(9,970)</u>
<b>Total expenditures</b>	<b><u>9,973,787</u></b>	<b><u>10,162,776</u></b>	<b><u>9,951,103</u></b>	<b><u>(211,673)</u></b>
Revenues over expenditures	<u>2,223,401</u>	<u>2,337,274</u>	<u>2,616,443</u>	<u>279,169</u>

continued...

## COUNTY OF NEWAYGO, MICHIGAN

### Schedule of Revenues, Expenditures and Change in Fund Balance

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

For the Year Ended September 30, 2017

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Other financing sources (uses)</b>				
<b>General fund (fund 101)</b>				
Transfers in	\$ 735,271	\$ 983,711	\$ 983,711	\$ -
Transfers out	(3,835,428)	(3,846,398)	(3,850,574)	(4,176)
<b>Total general fund (fund 101)</b>	(3,100,157)	(2,862,687)	(2,866,863)	(4,176)
<b>Animal control (fund 2052)</b>				
Transfers in	188,716	188,716	188,716	-
<b>Elections (fund 214)</b>				
Transfers in	125,827	125,827	125,827	-
<b>Total other financing sources (uses)</b>	(2,785,614)	(2,548,144)	(2,552,320)	(4,176)
<b>Net change in fund balance</b>	(562,213)	(210,870)	64,123	274,993
Fund balance, beginning of year	3,771,163	3,771,163	3,771,163	-
<b>Fund balance, end of year (budgetary basis)</b>	<u>\$ 3,208,950</u>	<u>\$ 3,560,293</u>	3,835,286	<u>\$ 274,993</u>
Accounting basis difference			(755,550)	
<b>Fund balance, end of year (GAAP basis)</b>			<u>\$ 3,079,736</u>	

concluded

**This page intentionally left blank.**

**NONMAJOR GOVERNMENTAL FUNDS**

**COUNTY OF NEWAYGO, MICHIGAN**

**Combining Balance Sheet**

Nonmajor Governmental Funds

September 30, 2017

	Special Revenue	Debt Service	Capital Projects Sandy Beach (471)	Totals
<b>Assets</b>				
Cash and cash equivalents	\$ 1,936,755	\$ 824,264	\$ -	\$ 2,761,019
Accounts receivable	34,112	-	-	34,112
Loans receivable	1,159,424	-	-	1,159,424
Taxes receivable	334	-	-	334
Due from other governments	401,049	51,450	-	452,499
Due from other funds	2,907	-	-	2,907
Prepays	3,000	-	-	3,000
<b>Total assets</b>	<b>\$ 3,537,581</b>	<b>\$ 875,714</b>	<b>\$ -</b>	<b>\$ 4,413,295</b>
<b>Liabilities</b>				
Interfund payable	\$ 18,146	\$ -	\$ -	\$ 18,146
Accounts payable	128,549	-	-	128,549
Accrued expenditures	81,130	-	-	81,130
Due to other governments	21,873	-	-	21,873
Due to other funds	7,204	-	-	7,204
Unearned revenue	70,798	-	-	70,798
<b>Total liabilities</b>	<b>327,700</b>	<b>-</b>	<b>-</b>	<b>327,700</b>
<b>Fund balances</b>				
Nonspendable	3,000	-	-	3,000
Restricted	1,684,318	408,803	-	2,093,121
Committed	266,507	466,911	-	733,418
Assigned	1,256,056	-	-	1,256,056
<b>Total fund balances</b>	<b>3,209,881</b>	<b>875,714</b>	<b>-</b>	<b>4,085,595</b>
<b>Total liabilities and fund balances</b>	<b>\$ 3,537,581</b>	<b>\$ 875,714</b>	<b>\$ -</b>	<b>\$ 4,413,295</b>

# COUNTY OF NEWAYGO, MICHIGAN

## Combining Statement of Revenues, Expenditures and Change in Fund Balances - Nonmajor Governmental Funds For the Year Ended September 30, 2017

	Special Revenue	Debt Service	Capital Projects Sandy Beach (471)	Totals
<b>Revenues</b>				
Taxes	\$ 2,174,477	\$ 595,456	\$ -	\$ 2,769,933
Intergovernmental:				
Federal	1,056,267	-	-	1,056,267
State	993,602	56,045	8,005	1,057,652
Local	63,413	100,382	-	163,795
Licenses and permits	26,401	-	-	26,401
Fines and forfeitures	7,511	-	-	7,511
Charges for services	1,630,579	625,975	-	2,256,554
Interest and rentals	5,381	1,420	-	6,801
Contributions from private sources	765,019	-	-	765,019
Other revenues/reimbursements	218,718	-	-	218,718
<b>Total revenues</b>	<b>6,941,368</b>	<b>1,379,278</b>	<b>8,005</b>	<b>8,328,651</b>
<b>Expenditures</b>				
Current:				
Judicial	943,028	-	-	943,028
General government	41,076	-	-	41,076
Public safety	3,142,732	-	-	3,142,732
Health and welfare	3,981,048	-	-	3,981,048
Community and economic development	163,574	-	-	163,574
Recreation and cultural	598,253	-	-	598,253
Debt service:				
Principal	-	1,015,000	-	1,015,000
Interest	-	286,666	-	286,666
Capital outlay	-	-	4,542	4,542
<b>Total expenditures</b>	<b>8,869,711</b>	<b>1,301,666</b>	<b>4,542</b>	<b>10,175,919</b>
Revenue over (under) expenditures	(1,928,343)	77,612	3,463	(1,847,268)
<b>Other financing sources (uses)</b>				
Transfers in	2,472,943	-	25,000	2,497,943
Transfers out	(396,094)	(185,000)	(216,789)	(797,883)
Proceeds from sale of capital assets	400	-	-	400
<b>Total other financing sources (uses)</b>	<b>2,077,249</b>	<b>(185,000)</b>	<b>(191,789)</b>	<b>1,700,460</b>
<b>Net change in fund balances</b>	<b>148,906</b>	<b>(107,388)</b>	<b>(188,326)</b>	<b>(146,808)</b>
Fund balances, beginning of year	3,060,975	983,102	188,326	4,232,403
<b>Fund balances, end of year</b>	<b>\$ 3,209,881</b>	<b>\$ 875,714</b>	<b>\$ -</b>	<b>\$ 4,085,595</b>

# COUNTY OF NEWAYGO, MICHIGAN

## Combining Balance Sheet

Nonmajor Special Revenue Funds

September 30, 2017

	Deputy Sheriff Reserves Program (205)	Emergency Services (2053)	Crime Victim Rights (2055)	Sheriff Road Patrol (207)
<b>Assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ 5,297	\$ 164,783
Accounts receivable	-	-	-	6,153
Loans receivable	-	-	-	-
Taxes receivable	-	-	-	209
Due from other governments	-	82,277	12,118	1,560
Due from other funds	-	-	858	-
Prepays	-	3,000	-	-
<b>Total assets</b>	<b>\$ -</b>	<b>\$ 85,277</b>	<b>\$ 18,273</b>	<b>\$ 172,705</b>
<b>Liabilities</b>				
Interfund payable	\$ -	\$ 2,070	\$ -	\$ -
Accounts payable	-	11,879	-	14,254
Accrued expenditures	-	1,691	417	26,800
Due to other governments	-	-	-	-
Due to other funds	-	-	7,204	-
Unearned revenue	-	173	-	-
<b>Total liabilities</b>	<b>-</b>	<b>15,813</b>	<b>7,621</b>	<b>41,054</b>
<b>Fund balances</b>				
Nonspendable	-	3,000	-	-
Restricted	-	22,710	-	793
Committed	-	-	-	-
Assigned	-	43,754	10,652	130,858
<b>Total fund balances</b>	<b>-</b>	<b>69,464</b>	<b>10,652</b>	<b>131,651</b>
<b>Total liabilities and fund balances</b>	<b>\$ -</b>	<b>\$ 85,277</b>	<b>\$ 18,273</b>	<b>\$ 172,705</b>



Law Enforcement (2072)	Special Investigative Unit (2073)	Temporary Sheriff (2074)	County Parks (208)	County Jail Trustees Management (2131)	Transport Fund (2132)
\$ 24,616	\$ -	\$ 216,975	\$ 203,853	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
17,622	16,550	34,854	-	-	-
1,232	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 43,470</u>	<u>\$ 16,550</u>	<u>\$ 251,829</u>	<u>\$ 203,853</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ 16,076	\$ -	\$ -	\$ -	\$ -
2,175	-	-	28,347	-	-
1,557	474	-	7,181	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>3,732</u>	<u>16,550</u>	<u>-</u>	<u>35,528</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
39,738	-	-	-	-	-
-	-	251,829	-	-	-
-	-	-	168,325	-	-
<u>39,738</u>	<u>-</u>	<u>251,829</u>	<u>168,325</u>	<u>-</u>	<u>-</u>
<u>\$ 43,470</u>	<u>\$ 16,550</u>	<u>\$ 251,829</u>	<u>\$ 203,853</u>	<u>\$ -</u>	<u>\$ -</u>

continued...

# COUNTY OF NEWAYGO, MICHIGAN

## Combining Balance Sheet

Nonmajor Special Revenue Funds

September 30, 2017

	Friend of the Court (215)	Community Development (2441-2443)	Building Safety and Permits (249)	Register of Deeds Automation (256)
<b>Assets</b>				
Cash and cash equivalents	\$ 162,405	\$ 153,819	\$ 305,163	\$ 66,621
Accounts receivable	1,256	-	-	-
Loans receivable	-	1,159,424	-	-
Taxes receivable	-	-	-	-
Due from other governments	95,816	-	-	-
Due from other funds	-	-	-	-
Prepays	-	-	-	-
<b>Total assets</b>	<b>\$ 259,477</b>	<b>\$ 1,313,243</b>	<b>\$ 305,163</b>	<b>\$ 66,621</b>
<b>Liabilities</b>				
Interfund payable	\$ -	\$ -	\$ -	\$ -
Accounts payable	2,013	25,100	4,477	1,114
Accrued expenditures	11,165	165	2,936	-
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenue	-	-	-	-
<b>Total liabilities</b>	<b>13,178</b>	<b>25,265</b>	<b>7,413</b>	<b>1,114</b>
<b>Fund balances</b>				
Nonspendable	-	-	-	-
Restricted	-	1,159,424	297,750	65,507
Committed	-	-	-	-
Assigned	246,299	128,554	-	-
<b>Total fund balances</b>	<b>246,299</b>	<b>1,287,978</b>	<b>297,750</b>	<b>65,507</b>
<b>Total liabilities and fund balances</b>	<b>\$ 259,477</b>	<b>\$ 1,313,243</b>	<b>\$ 305,163</b>	<b>\$ 66,621</b>

Law Enforcement Technical Fund (2567)	Concealed Pistol Licensing (263)	Drug Law Enforcement (265)	County Law Library (269)	Social Services (290)	Child Care (292)
\$ 35,745	\$ 46,520	\$ 40,395	\$ 276	\$ 131,399	\$ 19,033
-	-	-	-	-	7,055
-	-	-	-	-	-
-	-	-	-	-	-
138	-	4,100	-	-	94,842
-	-	-	817	-	-
-	-	-	-	-	-
<u>\$ 35,883</u>	<u>\$ 46,520</u>	<u>\$ 44,495</u>	<u>\$ 1,093</u>	<u>\$ 131,399</u>	<u>\$ 120,930</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	1,093	-	7,687
-	545	1,395	-	-	5,907
-	-	-	-	-	21,873
-	-	-	-	-	-
-	-	-	-	-	-
-	545	1,395	1,093	-	35,467
-	-	-	-	-	-
-	45,975	33,275	-	-	13,838
4,853	-	9,825	-	-	-
31,030	-	-	-	131,399	71,625
<u>35,883</u>	<u>45,975</u>	<u>43,100</u>	<u>-</u>	<u>131,399</u>	<u>85,463</u>
<u>\$ 35,883</u>	<u>\$ 46,520</u>	<u>\$ 44,495</u>	<u>\$ 1,093</u>	<u>\$ 131,399</u>	<u>\$ 120,930</u>

continued...

# COUNTY OF NEWAYGO, MICHIGAN

## Combining Balance Sheet

Nonmajor Special Revenue Funds

September 30, 2017

	Soldiers' Relief (293)	Veterans' Trust (294)	Commission on Aging (295-2952)	Total
<b>Assets</b>				
Cash and cash equivalents	\$ 75,965	\$ 4,970	\$ 278,920	\$ 1,936,755
Accounts receivable	-	-	19,648	34,112
Loans receivable	-	-	-	1,159,424
Taxes receivable	21	-	104	334
Due from other governments	-	-	41,172	401,049
Due from other funds	-	-	-	2,907
Prepays	-	-	-	3,000
<b>Total assets</b>	<b>\$ 75,986</b>	<b>\$ 4,970</b>	<b>\$ 339,844</b>	<b>\$ 3,537,581</b>
<b>Liabilities</b>				
Interfund payable	\$ -	\$ -	\$ -	\$ 18,146
Accounts payable	1,530	-	28,880	128,549
Accrued expenditures	1,237	-	19,660	81,130
Due to other governments	-	-	-	21,873
Due to other funds	-	-	-	7,204
Unearned revenue	-	-	70,625	70,798
<b>Total liabilities</b>	<b>2,767</b>	<b>-</b>	<b>119,165</b>	<b>327,700</b>
<b>Fund balances</b>				
Nonspendable	-	-	-	3,000
Restricted	338	4,970	-	1,684,318
Committed	-	-	-	266,507
Assigned	72,881	-	220,679	1,256,056
<b>Total fund balances</b>	<b>73,219</b>	<b>4,970</b>	<b>220,679</b>	<b>3,209,881</b>
<b>Total liabilities and fund balances</b>	<b>\$ 75,986</b>	<b>\$ 4,970</b>	<b>\$ 339,844</b>	<b>\$ 3,537,581</b>

concluded

**This page intentionally left blank.**

# COUNTY OF NEWAYGO, MICHIGAN

## Combining Statement of Revenues, Expenditures and Change in Fund Balances - Nonmajor Special Revenue Funds For the Year Ended September 30, 2017

	Deputy Sheriff Reserves Program (205)	Emergency Services (2053)	Crime Victim Rights (2055)	Sheriff Road Patrol (207)
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ 1,358,919
Intergovernmental:				
Federal	-	108,044	-	2,503
State	-	-	48,201	5,845
Local	-	21,794	350	18,493
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Charges for services	-	-	105	33,828
Interest and rentals	-	-	-	2,447
Contributions from private sources	-	42,000	-	200
Other revenue/reimbursements	-	-	-	3,753
<b>Total revenues</b>	<u>-</u>	<u>171,838</u>	<u>48,656</u>	<u>1,425,988</u>
<b>Expenditures</b>				
Current:				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	-	281,466	69,002	2,069,654
Health and welfare	-	-	-	-
Community and economic development	-	-	-	-
Recreation and cultural	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>281,466</u>	<u>69,002</u>	<u>2,069,654</u>
Revenue over (under) expenditures	<u>-</u>	<u>(109,628)</u>	<u>(20,346)</u>	<u>(643,666)</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	127,844	20,811	756,964
Transfers out	(249)	-	-	(136,663)
Proceeds from sale of capital assets	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>(249)</u>	<u>127,844</u>	<u>20,811</u>	<u>620,301</u>
<b>Net change in fund balances</b>	<u>(249)</u>	<u>18,216</u>	<u>465</u>	<u>(23,365)</u>
Fund balances, beginning of year	<u>249</u>	<u>51,248</u>	<u>10,187</u>	<u>155,016</u>
<b>Fund balances, end of year</b>	<u>\$ -</u>	<u>\$ 69,464</u>	<u>\$ 10,652</u>	<u>\$ 131,651</u>

Law Enforcement (2072)	Special Investigative Unit (2073)	Temporary Sheriff (2074)	County Parks (208)	County Jail Trustees Management (2131)	Transport Fund (2132)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17,345	7,000	-	2,440	-	-
84,428	-	-	-	-	-
10,865	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	216,029	651,424	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	86,771	-	4,365	-	-
<u>112,638</u>	<u>93,771</u>	<u>216,029</u>	<u>658,229</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
172,204	93,771	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	598,253	-	-
<u>172,204</u>	<u>93,771</u>	<u>-</u>	<u>598,253</u>	<u>-</u>	<u>-</u>
<u>(59,566)</u>	<u>-</u>	<u>216,029</u>	<u>59,976</u>	<u>-</u>	<u>-</u>
70,342	-	-	-	-	-
-	-	(160,000)	(50,000)	(21,190)	(27,992)
-	-	-	-	-	-
<u>70,342</u>	<u>-</u>	<u>(160,000)</u>	<u>(50,000)</u>	<u>(21,190)</u>	<u>(27,992)</u>
10,776	-	56,029	9,976	(21,190)	(27,992)
28,962	-	195,800	158,349	21,190	27,992
<u>\$ 39,738</u>	<u>\$ -</u>	<u>\$ 251,829</u>	<u>\$ 168,325</u>	<u>\$ -</u>	<u>\$ -</u>

continued...

# COUNTY OF NEWAYGO, MICHIGAN

## Combining Statement of Revenues, Expenditures and Change in Fund Balances - Nonmajor Special Revenue Funds For the Year Ended September 30, 2017

	Friend of the Court (215)	Community Development (2441-2443)	Building Safety and Permits (249)	Register of Deeds Automation (256)
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental:				
Federal	483,982	90,134	-	-
State	69,364	-	-	-
Local	-	-	-	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Charges for services	76,023	-	331,558	57,894
Interest and rentals	-	2,010	-	251
Contributions from private sources	-	1,243	-	-
Other revenue/reimbursements	-	78,769	-	-
<b>Total revenues</b>	<b>629,369</b>	<b>172,156</b>	<b>331,558</b>	<b>58,145</b>
<b>Expenditures</b>				
Current:				
Judicial	930,212	-	-	-
General government	-	-	-	34,519
Public safety	-	-	341,526	-
Health and welfare	-	-	-	-
Community and economic development	-	163,574	-	-
Recreation and cultural	-	-	-	-
<b>Total expenditures</b>	<b>930,212</b>	<b>163,574</b>	<b>341,526</b>	<b>34,519</b>
Revenue over (under) expenditures	(300,843)	8,582	(9,968)	23,626
<b>Other financing sources (uses)</b>				
Transfers in	472,889	100,606	-	-
Transfers out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>472,889</b>	<b>100,606</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>172,046</b>	<b>109,188</b>	<b>(9,968)</b>	<b>23,626</b>
Fund balances, beginning of year	74,253	1,178,790	307,718	41,881
<b>Fund balances, end of year</b>	<b>\$ 246,299</b>	<b>\$ 1,287,978</b>	<b>\$ 297,750</b>	<b>\$ 65,507</b>



Law Enforcement Technical Fund (2567)	Concealed Pistol Licensing (263)	Drug Law Enforcement (265)	County Law Library (269)	Social Services (290)	Child Care (292)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	13,600	-	-	-
-	-	13,414	-	-	700,994
1,489	-	-	-	-	-
-	26,401	-	-	-	-
2,610	-	401	4,500	-	-
13,396	-	-	-	27,095	65,833
-	-	-	-	673	-
-	-	-	-	-	20,708
-	-	-	-	-	13,938
<u>17,495</u>	<u>26,401</u>	<u>27,415</u>	<u>4,500</u>	<u>27,768</u>	<u>801,473</u>
-	-	-	12,816	-	-
-	6,557	-	-	-	-
12,763	-	102,346	-	-	-
-	-	-	-	59,503	1,627,299
-	-	-	-	-	-
-	-	-	-	-	-
<u>12,763</u>	<u>6,557</u>	<u>102,346</u>	<u>12,816</u>	<u>59,503</u>	<u>1,627,299</u>
<u>4,732</u>	<u>19,844</u>	<u>(74,931)</u>	<u>(8,316)</u>	<u>(31,735)</u>	<u>(825,826)</u>
-	-	82,321	5,114	35,382	774,270
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>82,321</u>	<u>5,114</u>	<u>35,382</u>	<u>774,270</u>
4,732	19,844	7,390	(3,202)	3,647	(51,556)
31,151	26,131	35,710	3,202	127,752	137,019
<u>\$ 35,883</u>	<u>\$ 45,975</u>	<u>\$ 43,100</u>	<u>\$ -</u>	<u>\$ 131,399</u>	<u>\$ 85,463</u>

continued...

# COUNTY OF NEWAYGO, MICHIGAN

## Combining Statement of Revenues, Expenditures and Change in Fund Balances - Nonmajor Special Revenue Funds For the Year Ended September 30, 2017

	Soldiers' Relief (293)	Veterans' Trust (294)	Commission on Aging (295-2952)	Total
<b>Revenues</b>				
Taxes	\$ 136,326	\$ -	\$ 679,232	\$ 2,174,477
Intergovernmental:				
Federal	-	-	331,219	1,056,267
State	1,555	-	69,801	993,602
Local	1,742	-	8,680	63,413
Licenses and permits	-	-	-	26,401
Fines and forfeitures	-	-	-	7,511
Charges for services	-	-	157,394	1,630,579
Interest and rentals	-	-	-	5,381
Contributions from private sources	594	-	700,274	765,019
Other revenue/reimbursements	266	-	30,856	218,718
<b>Total revenues</b>	<u>140,483</u>	<u>-</u>	<u>1,977,456</u>	<u>6,941,368</u>
<b>Expenditures</b>				
Current:				
Judicial	-	-	-	943,028
General government	-	-	-	41,076
Public safety	-	-	-	3,142,732
Health and welfare	242,259	-	2,051,987	3,981,048
Community and economic development	-	-	-	163,574
Recreation and cultural	-	-	-	598,253
<b>Total expenditures</b>	<u>242,259</u>	<u>-</u>	<u>2,051,987</u>	<u>8,869,711</u>
Revenue over (under) expenditures	<u>(101,776)</u>	<u>-</u>	<u>(74,531)</u>	<u>(1,928,343)</u>
<b>Other financing sources (uses)</b>				
Transfers in	16,774	-	9,626	2,472,943
Transfers out	-	-	-	(396,094)
Proceeds from sale of capital assets	400	-	-	400
<b>Total other financing sources (uses)</b>	<u>17,174</u>	<u>-</u>	<u>9,626</u>	<u>2,077,249</u>
<b>Net change in fund balances</b>	(84,602)	-	(64,905)	148,906
Fund balances, beginning of year	<u>157,821</u>	<u>4,970</u>	<u>285,584</u>	<u>3,060,975</u>
<b>Fund balances, end of year</b>	<u>\$ 73,219</u>	<u>\$ 4,970</u>	<u>\$ 220,679</u>	<u>\$ 3,209,881</u>

concluded

**This page intentionally left blank.**

# COUNTY OF NEWAYGO, MICHIGAN

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

Budget and Actual - Nonmajor Special Revenue Funds

For the Year Ended September 30, 2017

	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	-	-	-
Contributions from private sources	-	-	-
Interest and rentals	-	-	-
Other revenue/reimbursements	-	-	-
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures</b>			
Current:			
Judicial	-	-	-
General government	-	-	-
Public safety	-	-	-
Health and welfare	-	-	-
Community and economic development	-	-	-
Recreation and cultural	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other financing sources (uses)</b>			
Transfers in	-	-	-
Transfers out	(249)	(249)	-
Proceeds from sale of capital assets	-	-	-
<b>Total other financing sources (uses)</b>	<u>(249)</u>	<u>(249)</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>(249)</u>	<u>(249)</u>	<u>-</u>
Fund balances, beginning of year	<u>249</u>	<u>249</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Emergency Services (2053)			Crime Victim Rights (2055)		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
189,352	108,044	(81,308)	-	-	-
-	-	-	51,466	48,201	(3,265)
18,800	21,794	2,994	400	350	(50)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	100	105	5
42,000	42,000	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>250,152</u>	<u>171,838</u>	<u>(78,314)</u>	<u>51,966</u>	<u>48,656</u>	<u>(3,310)</u>
-	-	-	-	-	-
-	-	-	-	-	-
378,557	281,466	(97,091)	72,777	69,002	(3,775)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>378,557</u>	<u>281,466</u>	<u>(97,091)</u>	<u>72,777</u>	<u>69,002</u>	<u>(3,775)</u>
<u>(128,405)</u>	<u>(109,628)</u>	<u>18,777</u>	<u>(20,811)</u>	<u>(20,346)</u>	<u>465</u>
127,844	127,844	-	20,811	20,811	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>127,844</u>	<u>127,844</u>	<u>-</u>	<u>20,811</u>	<u>20,811</u>	<u>-</u>
(561)	18,216	18,777	-	465	465
51,248	51,248	-	10,187	10,187	-
<u>\$ 50,687</u>	<u>\$ 69,464</u>	<u>\$ 18,777</u>	<u>\$ 10,187</u>	<u>\$ 10,652</u>	<u>\$ 465</u>

continued...

# COUNTY OF NEWAYGO, MICHIGAN

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

Budget and Actual - Nonmajor Special Revenue Funds

For the Year Ended September 30, 2017

	Sheriff Road Patrol (207)		
	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>			
Taxes	\$ 1,358,590	\$ 1,358,919	\$ 329
Intergovernmental:			
Federal	2,503	2,503	-
State	5,845	5,845	-
Local	17,364	18,493	1,129
Licenses and permits	-	-	-
Fines and forfeitures	-	-	-
Charges for services	28,800	33,828	5,028
Contributions from private sources	200	200	-
Interest and rentals	2,300	2,447	147
Other revenue/reimbursements	5,401	3,753	(1,648)
<b>Total revenues</b>	<b>1,421,003</b>	<b>1,425,988</b>	<b>4,985</b>
<b>Expenditures</b>			
Current:			
Judicial	-	-	-
General government	-	-	-
Public safety	2,085,163	2,069,654	(15,509)
Health and welfare	-	-	-
Community and economic development	-	-	-
Recreation and cultural	-	-	-
<b>Total expenditures</b>	<b>2,085,163</b>	<b>2,069,654</b>	<b>(15,509)</b>
Revenues over (under) expenditures	(664,160)	(643,666)	20,494
<b>Other financing sources (uses)</b>			
Transfers in	756,964	756,964	-
Transfers out	(136,663)	(136,663)	-
Proceeds from sale of capital assets	-	-	-
<b>Total other financing sources (uses)</b>	<b>620,301</b>	<b>620,301</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(43,859)</b>	<b>(23,365)</b>	<b>20,494</b>
Fund balances, beginning of year	155,016	155,016	-
<b>Fund balances, end of year</b>	<b>\$ 111,157</b>	<b>\$ 131,651</b>	<b>\$ 20,494</b>

Law Enforcement (2072)			Special Investigative Unit (2073)		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19,999	17,345	(2,654)	7,000	7,000	-
96,982	84,428	(12,554)	-	-	-
10,865	10,865	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	113,498	86,771	(26,727)
<u>127,846</u>	<u>112,638</u>	<u>(15,208)</u>	<u>120,498</u>	<u>93,771</u>	<u>(26,727)</u>
-	-	-	-	-	-
-	-	-	-	-	-
198,888	172,204	(26,684)	120,498	93,771	(26,727)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>198,888</u>	<u>172,204</u>	<u>(26,684)</u>	<u>120,498</u>	<u>93,771</u>	<u>(26,727)</u>
<u>(71,042)</u>	<u>(59,566)</u>	<u>11,476</u>	-	-	-
70,342	70,342	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>70,342</u>	<u>70,342</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(700)	10,776	11,476	-	-	-
28,962	28,962	-	-	-	-
<u>\$ 28,262</u>	<u>\$ 39,738</u>	<u>\$ 11,476</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

continued...

# COUNTY OF NEWAYGO, MICHIGAN

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

Budget and Actual - Nonmajor Special Revenue Funds

For the Year Ended September 30, 2017

	Temporary Sheriff (2074)		
	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	208,170	216,029	7,859
Contributions from private sources	-	-	-
Interest and rentals	-	-	-
Other revenue/reimbursements	-	-	-
<b>Total revenues</b>	<b>208,170</b>	<b>216,029</b>	<b>7,859</b>
<b>Expenditures</b>			
Current:			
Judicial	-	-	-
General government	-	-	-
Public safety	208,170	-	(208,170)
Health and welfare	-	-	-
Community and economic development	-	-	-
Recreation and cultural	-	-	-
<b>Total expenditures</b>	<b>208,170</b>	<b>-</b>	<b>(208,170)</b>
Revenues over (under) expenditures	-	216,029	216,029
<b>Other financing sources (uses)</b>			
Transfers in	-	-	-
Transfers out	(160,000)	(160,000)	-
Proceeds from sale of capital assets	-	-	-
<b>Total other financing sources (uses)</b>	<b>(160,000)</b>	<b>(160,000)</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(160,000)</b>	<b>56,029</b>	<b>216,029</b>
Fund balances, beginning of year	195,800	195,800	-
<b>Fund balances, end of year</b>	<b>\$ 35,800</b>	<b>\$ 251,829</b>	<b>\$ 216,029</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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	2,440	2,440	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
577,350	651,424	74,074	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
3,150	4,365	1,215	-	-	-
<u>580,500</u>	<u>658,229</u>	<u>77,729</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
602,919	598,253	(4,666)	-	-	-
<u>602,919</u>	<u>598,253</u>	<u>(4,666)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(22,419)</u>	<u>59,976</u>	<u>82,395</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
(50,000)	(50,000)	-	(21,190)	(21,190)	-
-	-	-	-	-	-
<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>	<u>(21,190)</u>	<u>(21,190)</u>	<u>-</u>
(72,419)	9,976	82,395	(21,190)	(21,190)	-
158,349	158,349	-	21,190	21,190	-
<u>\$ 85,930</u>	<u>\$ 168,325</u>	<u>\$ 82,395</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

continued...

# COUNTY OF NEWAYGO, MICHIGAN

## Schedule of Revenues, Expenditures, and Change in Fund Balances Budget and Actual - Nonmajor Special Revenue Funds For the Year Ended September 30, 2017

	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	-	-	-
Contributions from private sources	-	-	-
Interest and rentals	-	-	-
Other revenue/reimbursements	-	-	-
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures</b>			
Current:			
Judicial	-	-	-
General government	-	-	-
Public safety	-	-	-
Health and welfare	-	-	-
Community and economic development	-	-	-
Recreation and cultural	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other financing sources (uses)</b>			
Transfers in	-	-	-
Transfers out	(27,992)	(27,992)	-
Proceeds from sale of capital assets	-	-	-
<b>Total other financing sources (uses)</b>	<u>(27,992)</u>	<u>(27,992)</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>(27,992)</u>	<u>(27,992)</u>	<u>-</u>
Fund balances, beginning of year	<u>27,992</u>	<u>27,992</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
420,636	483,982	63,346	165,200	90,134	(75,066)
45,403	69,364	23,961	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
71,308	76,023	4,715	400	-	(400)
-	-	-	-	1,243	1,243
-	-	-	1,150	2,010	860
-	-	-	30,000	78,769	48,769
<u>537,347</u>	<u>629,369</u>	<u>92,022</u>	<u>196,750</u>	<u>172,156</u>	<u>(24,594)</u>
1,010,236	930,212	(80,024)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	297,356	163,574	(133,782)
-	-	-	-	-	-
<u>1,010,236</u>	<u>930,212</u>	<u>(80,024)</u>	<u>297,356</u>	<u>163,574</u>	<u>(133,782)</u>
<u>(472,889)</u>	<u>(300,843)</u>	<u>172,046</u>	<u>(100,606)</u>	<u>8,582</u>	<u>109,188</u>
472,889	472,889	-	100,606	100,606	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>472,889</u>	<u>472,889</u>	<u>-</u>	<u>100,606</u>	<u>100,606</u>	<u>-</u>
-	172,046	172,046	-	109,188	109,188
74,253	74,253	-	1,178,790	1,178,790	-
<u>\$ 74,253</u>	<u>\$ 246,299</u>	<u>\$ 172,046</u>	<u>\$ 1,178,790</u>	<u>\$ 1,287,978</u>	<u>\$ 109,188</u>

continued...

# COUNTY OF NEWAYGO, MICHIGAN

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

Budget and Actual - Nonmajor Special Revenue Funds

For the Year Ended September 30, 2017

	Building Safety and Permits (249)		
	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	311,159	331,558	20,399
Contributions from private sources	-	-	-
Interest and rentals	-	-	-
Other revenue/reimbursements	-	-	-
<b>Total revenues</b>	<b>311,159</b>	<b>331,558</b>	<b>20,399</b>
<b>Expenditures</b>			
Current:			
Judicial	-	-	-
General government	-	-	-
Public safety	343,068	341,526	(1,542)
Health and welfare	-	-	-
Community and economic development	-	-	-
Recreation and cultural	-	-	-
<b>Total expenditures</b>	<b>343,068</b>	<b>341,526</b>	<b>(1,542)</b>
Revenues over (under) expenditures	(31,909)	(9,968)	21,941
<b>Other financing sources (uses)</b>			
Transfers in	-	-	-
Transfers out	-	-	-
Proceeds from sale of capital assets	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(31,909)</b>	<b>(9,968)</b>	<b>21,941</b>
Fund balances, beginning of year	307,718	307,718	-
<b>Fund balances, end of year</b>	<b>\$ 275,809</b>	<b>\$ 297,750</b>	<b>\$ 21,941</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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	1,000	1,489	489
-	-	-	-	-	-
-	-	-	3,000	2,610	(390)
55,000	57,894	2,894	10,867	13,396	2,529
-	-	-	-	-	-
-	251	251	-	-	-
-	-	-	-	-	-
<u>55,000</u>	<u>58,145</u>	<u>3,145</u>	<u>14,867</u>	<u>17,495</u>	<u>2,628</u>
-	-	-	-	-	-
55,000	34,519	(20,481)	-	-	-
-	-	-	14,867	12,763	(2,104)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>55,000</u>	<u>34,519</u>	<u>(20,481)</u>	<u>14,867</u>	<u>12,763</u>	<u>(2,104)</u>
-	23,626	23,626	-	4,732	4,732
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	23,626	23,626	-	4,732	4,732
41,881	41,881	-	31,151	31,151	-
<u>\$ 41,881</u>	<u>\$ 65,507</u>	<u>\$ 23,626</u>	<u>\$ 31,151</u>	<u>\$ 35,883</u>	<u>\$ 4,732</u>

continued...

# COUNTY OF NEWAYGO, MICHIGAN

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

Budget and Actual - Nonmajor Special Revenue Funds

For the Year Ended September 30, 2017

	Concealed Pistol Licensing Fund (263)		
	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental:			
Federal	-	-	-
State	-	-	-
Local	-	-	-
Licenses and permits	26,000	26,401	401
Fines and forfeitures	-	-	-
Charges for services	-	-	-
Contributions from private sources	-	-	-
Interest and rentals	-	-	-
Other revenue/reimbursements	-	-	-
<b>Total revenues</b>	<b>26,000</b>	<b>26,401</b>	<b>401</b>
<b>Expenditures</b>			
Current:			
Judicial	-	-	-
General government	26,000	6,557	(19,443)
Public safety	-	-	-
Health and welfare	-	-	-
Community and economic development	-	-	-
Recreation and cultural	-	-	-
<b>Total expenditures</b>	<b>26,000</b>	<b>6,557</b>	<b>(19,443)</b>
Revenues over (under) expenditures	-	19,844	19,844
<b>Other financing sources (uses)</b>			
Transfers in	-	-	-
Transfers out	-	-	-
Proceeds from sale of capital assets	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>19,844</b>	<b>19,844</b>
Fund balances, beginning of year	26,131	26,131	-
<b>Fund balances, end of year</b>	<b>\$ 26,131</b>	<b>\$ 45,975</b>	<b>\$ 19,844</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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13,600	13,600	-	-	-	-
12,500	13,414	914	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
402	401	(1)	4,500	4,500	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>26,502</u>	<u>27,415</u>	<u>913</u>	<u>4,500</u>	<u>4,500</u>	<u>-</u>
-	-	-	11,797	12,816	1,019
-	-	-	-	-	-
108,823	102,346	(6,477)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>108,823</u>	<u>102,346</u>	<u>(6,477)</u>	<u>11,797</u>	<u>12,816</u>	<u>1,019</u>
<u>(82,321)</u>	<u>(74,931)</u>	<u>7,390</u>	<u>(7,297)</u>	<u>(8,316)</u>	<u>(1,019)</u>
82,321	82,321	-	4,297	5,114	817
-	-	-	-	-	-
-	-	-	-	-	-
<u>82,321</u>	<u>82,321</u>	<u>-</u>	<u>4,297</u>	<u>5,114</u>	<u>817</u>
-	7,390	7,390	(3,000)	(3,202)	(202)
35,710	35,710	-	3,202	3,202	-
<u>\$ 35,710</u>	<u>\$ 43,100</u>	<u>\$ 7,390</u>	<u>\$ 202</u>	<u>\$ -</u>	<u>\$ (202)</u>

continued...

# COUNTY OF NEWAYGO, MICHIGAN

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

Budget and Actual - Nonmajor Special Revenue Funds

For the Year Ended September 30, 2017

	Social Services (290)		
	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	31,868	27,095	(4,773)
Contributions from private sources	-	-	-
Interest and rentals	232	673	441
Other revenue/reimbursements	-	-	-
<b>Total revenues</b>	<b>32,100</b>	<b>27,768</b>	<b>(4,332)</b>
<b>Expenditures</b>			
Current:			
Judicial	-	-	-
General government	-	-	-
Public safety	-	-	-
Health and welfare	67,482	59,503	(7,979)
Community and economic development	-	-	-
Recreation and cultural	-	-	-
<b>Total expenditures</b>	<b>67,482</b>	<b>59,503</b>	<b>(7,979)</b>
Revenues over (under) expenditures	(35,382)	(31,735)	3,647
<b>Other financing sources (uses)</b>			
Transfers in	35,382	35,382	-
Transfers out	-	-	-
Proceeds from sale of capital assets	-	-	-
<b>Total other financing sources (uses)</b>	<b>35,382</b>	<b>35,382</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>3,647</b>	<b>3,647</b>
Fund balances, beginning of year	127,752	127,752	-
<b>Fund balances, end of year</b>	<b>\$ 127,752</b>	<b>\$ 131,399</b>	<b>\$ 3,647</b>



Child Care (292)			Soldiers' Relief (293)		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ 136,382	\$ 136,326	\$ (56)
-	-	-	-	-	-
743,588	700,994	(42,594)	1,554	1,555	1
-	-	-	1,742	1,742	-
-	-	-	-	-	-
-	-	-	-	-	-
66,524	65,833	(691)	-	-	-
17,240	20,708	3,468	594	594	-
-	-	-	-	-	-
-	13,938	13,938	266	266	-
<u>827,352</u>	<u>801,473</u>	<u>(25,879)</u>	<u>140,538</u>	<u>140,483</u>	<u>(55)</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,682,506	1,627,299	(55,207)	247,014	242,259	(4,755)
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,682,506</u>	<u>1,627,299</u>	<u>(55,207)</u>	<u>247,014</u>	<u>242,259</u>	<u>(4,755)</u>
<u>(855,154)</u>	<u>(825,826)</u>	<u>29,328</u>	<u>(106,476)</u>	<u>(101,776)</u>	<u>4,700</u>
774,270	774,270	-	16,774	16,774	-
-	-	-	-	-	-
-	-	-	400	400	-
<u>774,270</u>	<u>774,270</u>	<u>-</u>	<u>17,174</u>	<u>17,174</u>	<u>-</u>
(80,884)	(51,556)	29,328	(89,302)	(84,602)	4,700
137,019	137,019	-	157,821	157,821	-
<u>\$ 56,135</u>	<u>\$ 85,463</u>	<u>\$ 29,328</u>	<u>\$ 68,519</u>	<u>\$ 73,219</u>	<u>\$ 4,700</u>

continued...

# COUNTY OF NEWAYGO, MICHIGAN

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

Budget and Actual - Nonmajor Special Revenue Funds

For the Year Ended September 30, 2017

	Veterans' Trust (294)		
	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	-	-	-
Contributions from private sources	-	-	-
Interest and rentals	-	-	-
Other revenue/reimbursements	-	-	-
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures</b>			
Current:			
Judicial	-	-	-
General government	-	-	-
Public safety	-	-	-
Health and welfare	-	-	-
Community and economic development	-	-	-
Recreation and cultural	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other financing sources (uses)</b>			
Transfers in	-	-	-
Transfers out	-	-	-
Proceeds from sale of capital assets	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	-	-	-
Fund balances, beginning of year	<u>4,970</u>	<u>4,970</u>	-
<b>Fund balances, end of year</b>	<u>\$ 4,970</u>	<u>\$ 4,970</u>	<u>\$ -</u>

Commission on Aging (295-2952)			Total		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ 672,076	\$ 679,232	\$ 7,156	\$ 2,167,048	\$ 2,174,477	\$ 7,429
476,924	331,219	(145,705)	1,295,214	1,056,267	(238,947)
99,126	69,801	(29,325)	1,056,464	993,602	(62,862)
8,324	8,680	356	58,495	63,413	4,918
-	-	-	26,000	26,401	401
-	-	-	7,902	7,511	(391)
155,087	157,394	2,307	1,516,633	1,630,579	113,946
701,837	700,274	(1,563)	761,871	765,019	3,148
-	-	-	3,682	5,381	1,699
20,184	30,856	10,672	172,499	218,718	46,219
<u>2,133,558</u>	<u>1,977,456</u>	<u>(156,102)</u>	<u>7,065,808</u>	<u>6,941,368</u>	<u>(124,440)</u>
-	-	-	1,022,033	943,028	(79,005)
-	-	-	81,000	41,076	(39,924)
-	-	-	3,530,811	3,142,732	(388,079)
2,190,255	2,051,987	(138,268)	4,187,257	3,981,048	(206,209)
-	-	-	297,356	163,574	(133,782)
-	-	-	602,919	598,253	(4,666)
<u>2,190,255</u>	<u>2,051,987</u>	<u>(138,268)</u>	<u>9,721,376</u>	<u>8,869,711</u>	<u>(851,665)</u>
<u>(56,697)</u>	<u>(74,531)</u>	<u>(17,834)</u>	<u>(2,655,568)</u>	<u>(1,928,343)</u>	<u>727,225</u>
6,267	9,626	3,359	2,468,767	2,472,943	4,176
-	-	-	(396,094)	(396,094)	-
-	-	-	400	400	-
<u>6,267</u>	<u>9,626</u>	<u>3,359</u>	<u>2,073,073</u>	<u>2,077,249</u>	<u>4,176</u>
(50,430)	(64,905)	(14,475)	(582,495)	148,906	731,401
285,584	285,584	-	3,060,975	3,060,975	-
<u>\$ 235,154</u>	<u>\$ 220,679</u>	<u>\$ (14,475)</u>	<u>\$ 2,478,480</u>	<u>\$ 3,209,881</u>	<u>\$ 731,401</u>

concluded

# COUNTY OF NEWAYGO, MICHIGAN

## Combining Balance Sheet

Nonmajor Debt Service Funds

September 30, 2017

	Jail Bonds (367)	Medical Care Facility Bonds (305)	Mental Health Building Bonds (392)	Total
<b>Assets</b>				
Cash and cash equivalents	\$ 415,461	\$ 136,178	\$ 272,625	\$ 824,264
Due from other governments	51,450	-	-	51,450
<b>Total assets</b>	<u>\$ 466,911</u>	<u>\$ 136,178</u>	<u>\$ 272,625</u>	<u>\$ 875,714</u>
<b>Fund balances</b>				
Restricted	-	136,178	272,625	408,803
Committed	466,911	-	-	466,911
<b>Total fund balances</b>	<u>\$ 466,911</u>	<u>\$ 136,178</u>	<u>\$ 272,625</u>	<u>\$ 875,714</u>

## COUNTY OF NEWAYGO, MICHIGAN

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

Nonmajor Debt Service Funds

For the Year Ended September 30, 2017

	Jail Bonds (367)	Medical Care Facility Bonds (305)	Mental Health Building Bonds (392)	Total
<b>Revenues</b>				
Taxes	\$ -	\$ 595,456	\$ -	\$ 595,456
Intergovernmental:				
State	-	56,045	-	56,045
Local	-	-	100,382	100,382
Charges for services	625,975	-	-	625,975
Interest	-	1,420	-	1,420
<b>Total revenues</b>	<u>625,975</u>	<u>652,921</u>	<u>100,382</u>	<u>1,379,278</u>
<b>Expenditures</b>				
Debt service:				
Principal	400,000	555,000	60,000	1,015,000
Interest	177,910	80,374	28,382	286,666
<b>Total expenditures</b>	<u>577,910</u>	<u>635,374</u>	<u>88,382</u>	<u>1,301,666</u>
Revenues over expenditures	<u>48,065</u>	<u>17,547</u>	<u>12,000</u>	<u>77,612</u>
<b>Other financing uses</b>				
Transfers out	-	-	(185,000)	(185,000)
<b>Net change in fund balances</b>	48,065	17,547	(173,000)	(107,388)
Fund balances, beginning of year	<u>418,846</u>	<u>118,631</u>	<u>445,625</u>	<u>983,102</u>
<b>Fund balances, end of year</b>	<u>\$ 466,911</u>	<u>\$ 136,178</u>	<u>\$ 272,625</u>	<u>\$ 875,714</u>

**This page intentionally left blank.**

## **NONMAJOR ENTERPRISE FUNDS**

# COUNTY OF NEWAYGO, MICHIGAN

## Combining Statement of Net Position

Nonmajor Enterprise Funds

September 30, 2017

	2014 Delinquent Tax (516142)	2015 Delinquent Tax (516152)	2017 Delinquent Tax (516172)
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ 318,361	\$ 75,486	\$ 146
Investments	250,582	-	-
Accounts receivable	1,927	-	-
Delinquent taxes receivable	6,585	670,060	20,355
Total current assets	<u>577,455</u>	<u>745,546</u>	<u>20,501</u>
Noncurrent assets:			
Capital assets being depreciated, net	-	-	-
<b>Total assets</b>	<u>577,455</u>	<u>745,546</u>	<u>20,501</u>
<b>Liabilities (all current)</b>			
Accounts payable	-	(2,392)	-
Due to other funds	-	170,000	20,500
<b>Total liabilities (all current)</b>	<u>-</u>	<u>167,608</u>	<u>20,500</u>
<b>Net position</b>			
Investment in capital assets	-	-	-
Unrestricted	577,455	577,938	1
<b>Total net position</b>	<u>\$ 577,455</u>	<u>\$ 577,938</u>	<u>\$ 1</u>





<b>PRE Audit (530)</b>	<b>Building Authority (569)</b>	<b>Jail Commissary (595)</b>	<b>Total</b>
\$ 55,847	\$ 211,671	\$ 207,475	\$ 868,986
-	-	-	250,582
-	-	15,999	17,926
-	-	-	697,000
<u>55,847</u>	<u>211,671</u>	<u>223,474</u>	<u>1,834,494</u>
-	-	9,527	9,527
<u>55,847</u>	<u>211,671</u>	<u>233,001</u>	<u>1,844,021</u>
16,830	1,649	3,312	19,399
-	-	-	190,500
<u>16,830</u>	<u>1,649</u>	<u>3,312</u>	<u>209,899</u>
-	-	9,527	9,527
<u>39,017</u>	<u>210,022</u>	<u>220,162</u>	<u>1,624,595</u>
<u>\$ 39,017</u>	<u>\$ 210,022</u>	<u>\$ 229,689</u>	<u>\$ 1,634,122</u>

## COUNTY OF NEWAYGO, MICHIGAN

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

Nonmajor Enterprise Funds

For the Year Ended September 30, 2017

	2014 Delinquent Tax (516142)	2015 Delinquent Tax (516152)	2017 Delinquent Tax (516172)
<b>Operating revenues</b>			
Charges for services	\$ -	\$ -	\$ -
Rentals	-	-	-
Interest and penalties on delinquent taxes	34,670	217,518	-
Reimbursements	-	-	-
<b>Total operating revenues</b>	<u>34,670</u>	<u>217,518</u>	<u>-</u>
<b>Operating expense</b>			
Supplies and operating expenses	-	6,394	(1)
Depreciation	-	-	-
<b>Total operating expense</b>	<u>-</u>	<u>6,394</u>	<u>(1)</u>
Operating income (loss)	34,670	211,124	1
<b>Nonoperating revenues</b>			
Interest revenue	1,083	-	-
Income before transfers	35,753	211,124	1
<b>Transfers</b>			
Transfers out	(14,263)	-	-
<b>Change in net position</b>	21,490	211,124	1
Net position, beginning of year	555,965	366,814	-
<b>Net position, end of year</b>	<u>\$ 577,455</u>	<u>\$ 577,938</u>	<u>\$ 1</u>

<b>PRE Audit (530)</b>	<b>Building Authority (569)</b>	<b>Jail Commissary (595)</b>	<b>Total</b>
\$ -	\$ -	\$ 118,080	\$ 118,080
-	106,104	-	106,104
-	-	-	252,188
-	-	9,895	9,895
-	106,104	127,975	486,267
243	80,673	80,807	168,116
-	-	2,640	2,640
243	80,673	83,447	170,756
(243)	25,431	44,528	315,511
16,982	-	950	19,015
16,739	25,431	45,478	334,526
-	(125,000)	(25,000)	(164,263)
16,739	(99,569)	20,478	170,263
22,278	309,591	209,211	1,463,859
<u>\$ 39,017</u>	<u>\$ 210,022</u>	<u>\$ 229,689</u>	<u>\$ 1,634,122</u>

## COUNTY OF NEWAYGO, MICHIGAN

### Combining Statement of Cash Flows

Nonmajor Enterprise Funds

For the Year Ended September 30, 2017

	2014 Delinquent Tax (516142)	2015 Delinquent Tax (516152)	2017 Delinquent Tax (516172)
<b>Cash flows from operating activities</b>			
Receipts from customers and users	\$ 719,533	\$ 1,784,523	\$ -
Payments to vendors	-	(4,074)	(20,354)
<b>Net cash provided by (used in) operating activities</b>	<u>719,533</u>	<u>1,780,449</u>	<u>(20,354)</u>
<b>Cash flows from noncapital financing activities</b>			
Cash received from interfund loan	-	-	20,500
Cash paid for interfund loan	(320,000)	(2,368,500)	-
Transfers out	(14,263)	-	-
<b>Net cash provided by (used in) noncapital financing activities</b>	<u>(334,263)</u>	<u>(2,368,500)</u>	<u>20,500</u>
<b>Cash flows from investing activities</b>			
Purchase of investments	(251,335)	-	-
Interest received	1,836	-	-
<b>Net cash provided by (used in) investing activities</b>	<u>(249,499)</u>	<u>-</u>	<u>-</u>
<b>Net change in cash and cash equivalents</b>	135,771	(588,051)	146
Cash and cash equivalents, beginning of year	<u>182,590</u>	<u>663,537</u>	<u>-</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 318,361</u>	<u>\$ 75,486</u>	<u>\$ 146</u>



<b>PRE Audit (530)</b>	<b>Building Authority (569)</b>	<b>Jail Commissary (595)</b>	<b>Total</b>
\$ - (12,464)	\$ 106,104 (80,673)	\$ 124,431 (81,509)	\$ 2,734,591 (199,074)
<u>(12,464)</u>	<u>25,431</u>	<u>42,922</u>	<u>2,535,517</u>
-	-	-	20,500
-	-	-	(2,688,500)
<u>-</u>	<u>(125,000)</u>	<u>(25,000)</u>	<u>(164,263)</u>
<u>-</u>	<u>(125,000)</u>	<u>(25,000)</u>	<u>(2,832,263)</u>
-	-	-	(251,335)
<u>16,982</u>	<u>-</u>	<u>950</u>	<u>19,768</u>
<u>16,982</u>	<u>-</u>	<u>950</u>	<u>(231,567)</u>
4,518	(99,569)	18,872	(528,313)
<u>51,329</u>	<u>311,240</u>	<u>188,603</u>	<u>1,397,299</u>
<u>\$ 55,847</u>	<u>\$ 211,671</u>	<u>\$ 207,475</u>	<u>\$ 868,986</u>

continued...

## COUNTY OF NEWAYGO, MICHIGAN

### Combining Statement of Cash Flows

Nonmajor Enterprise Funds

For the Year Ended September 30, 2017

	2014 Delinquent Tax (516142)	2015 Delinquent Tax (516152)	2017 Delinquent Tax (516172)
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities</b>			
Operating income (loss)	\$ 34,670	\$ 211,124	\$ 1
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	(1,927)	-	-
Delinquent taxes receivable	685,762	1,567,005	(20,355)
Accounts payable	1,028	2,320	-
<b>Net cash provided by (used in) operating activities</b>	<u>\$ 719,533</u>	<u>\$ 1,780,449</u>	<u>\$ (20,354)</u>



<b>PRE Audit (530)</b>	<b>Building Authority (569)</b>	<b>Jail Commissary (595)</b>	<b>Total</b>
\$ (243)	\$ 25,431	\$ 44,528	\$ 315,511
-	-	2,640	2,640
-	-	(3,544)	(5,471)
-	-	-	2,232,412
<u>(12,221)</u>	<u>-</u>	<u>(702)</u>	<u>(9,575)</u>
<u>\$ (12,464)</u>	<u>\$ 25,431</u>	<u>\$ 42,922</u>	<u>\$ 2,535,517</u>

concluded

**This page intentionally left blank.**



## **INTERNAL SERVICE FUNDS**

# COUNTY OF NEWAYGO, MICHIGAN

## Combining Statement of Net Position

Internal Service Funds

September 30, 2017

	Building Grounds Maintenance (631)	Campus Security (632)	Central Stores (633)
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ 117,720	\$ 18,804	\$ 79,518
Accounts receivable	-	-	659
Due from other funds	-	-	-
Prepays	-	-	9,092
<b>Total current assets</b>	<u>117,720</u>	<u>18,804</u>	<u>89,269</u>
Noncurrent assets –			
Capital assets being depreciated, net	<u>2,376</u>	<u>-</u>	<u>-</u>
<b>Total assets</b>	<u>120,096</u>	<u>18,804</u>	<u>89,269</u>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	13,556	-	52
Accrued expenses	4,271	3,407	-
Due to other funds	-	-	-
Current portion of long-term debt	-	-	-
<b>Total current liabilities</b>	<u>17,827</u>	<u>3,407</u>	<u>52</u>
Noncurrent liabilities –			
Long-term debt, net of current portion	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total liabilities</b>	<u>17,827</u>	<u>3,407</u>	<u>52</u>
<b>Net position</b>			
Net investment in capital assets	2,376	-	-
Unrestricted	<u>99,893</u>	<u>15,397</u>	<u>89,217</u>
<b>Total net position</b>	<u>\$ 102,269</u>	<u>\$ 15,397</u>	<u>\$ 89,217</u>

Information Services (636)	Drain Computer (637)	Drain Maintenance / Construction (638)	Duplicating (645)	Food Service (652)	Telephone System (656)	Motor Pool (661)
\$ 150,553	\$ -	\$ 256,118	\$ 213,747	\$ -	\$ 22,993	\$ 112,558
-	-	-	-	-	-	5,000
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>150,553</u>	<u>-</u>	<u>256,118</u>	<u>213,747</u>	<u>-</u>	<u>22,993</u>	<u>117,558</u>
<u>33,615</u>	<u>-</u>	<u>84,148</u>	<u>55,514</u>	<u>-</u>	<u>122,551</u>	<u>228,237</u>
<u>184,168</u>	<u>-</u>	<u>340,266</u>	<u>269,261</u>	<u>-</u>	<u>145,544</u>	<u>345,795</u>
10,956	-	218	845	-	1,873	35,642
2,369	-	-	649	-	894	-
-	-	171,023	-	-	-	-
-	-	-	-	-	-	-
<u>13,325</u>	<u>-</u>	<u>171,241</u>	<u>1,494</u>	<u>-</u>	<u>2,767</u>	<u>35,642</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>13,325</u>	<u>-</u>	<u>171,241</u>	<u>1,494</u>	<u>-</u>	<u>2,767</u>	<u>35,642</u>
33,615	-	84,148	55,514	-	122,551	228,237
137,228	-	84,877	212,253	-	20,226	81,916
<u>\$ 170,843</u>	<u>\$ -</u>	<u>\$ 169,025</u>	<u>\$ 267,767</u>	<u>\$ -</u>	<u>\$ 142,777</u>	<u>\$ 310,153</u>

continued...

# COUNTY OF NEWAYGO, MICHIGAN

## Combining Statement of Net Position

Internal Service Funds

September 30, 2017

	Unemployment (676)	Health and Wellness (677)	Liability Insurance (678)
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ 88,556	\$ 988,437	\$ 323,459
Accounts receivable	-	(9,327)	-
Due from other funds	-	2,838	-
Prepays	-	98,316	81,734
<b>Total current assets</b>	<u>88,556</u>	<u>1,080,264</u>	<u>405,193</u>
Noncurrent assets –			
Capital assets being depreciated, net	-	-	-
<b>Total assets</b>	<u>88,556</u>	<u>1,080,264</u>	<u>405,193</u>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	-	126,298	80,201
Accrued expenses	369	3,897	-
Due to other funds	-	-	-
Current portion of long-term debt	-	-	-
<b>Total current liabilities</b>	<u>369</u>	<u>130,195</u>	<u>80,201</u>
Noncurrent liabilities –			
Long-term debt, net of current portion	-	-	-
<b>Total liabilities</b>	<u>369</u>	<u>130,195</u>	<u>80,201</u>
<b>Net position</b>			
Net investment in capital assets	-	-	-
Unrestricted	88,187	950,069	324,992
<b>Total net position</b>	<u>\$ 88,187</u>	<u>\$ 950,069</u>	<u>\$ 324,992</u>

Building Renovation (694)	Workers' Compensation (696)	Retiree Health Insurance (7311)	Retirement (731)	Unused Sick and Vacation (730)	Total
\$ -	\$ 310,952	\$ 205,146	\$ 988,844	\$ 581,423	\$ 4,458,828
-	-	-	-	-	(3,668)
-	-	-	-	29,131	31,969
-	-	-	-	-	189,142
-	310,952	205,146	988,844	610,554	4,676,271
-	-	-	-	-	526,441
-	310,952	205,146	988,844	610,554	5,202,712
-	-	-	855	5,565	276,061
-	1,646	-	-	3,326	20,828
-	-	-	-	-	171,023
-	-	-	-	99,371	99,371
-	1,646	-	855	108,262	567,283
-	-	-	-	333,794	333,794
-	1,646	-	855	442,056	901,077
-	-	-	-	-	526,441
-	309,306	205,146	987,989	168,498	3,775,194
\$ -	\$ 309,306	\$ 205,146	\$ 987,989	\$ 168,498	\$ 4,301,635

concluded

## COUNTY OF NEWAYGO, MICHIGAN

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

Internal Service Funds

For the Year Ended September 30, 2017

	Building Grounds Maintenance (631)	Campus Security (632)	Central Stores (633)
<b>Operating revenues</b>			
Charges for services	\$ 665,963	\$ 216,365	\$ 3,659
Reimbursements	-	-	-
<b>Total operating revenues</b>	<u>665,963</u>	<u>216,365</u>	<u>3,659</u>
<b>Operating expense</b>			
Supplies and operating expenses	619,649	215,688	4,362
Depreciation	2,028	-	-
<b>Total operating expense</b>	<u>621,677</u>	<u>215,688</u>	<u>4,362</u>
Operating income (loss)	<u>44,286</u>	<u>677</u>	<u>(703)</u>
<b>Nonoperating revenues</b>			
Interest revenue	-	-	-
Gain on sale of capital assets	-	-	-
Insurance pool distribution	-	-	-
<b>Total nonoperating revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>
Income (loss) before transfers	<u>44,286</u>	<u>677</u>	<u>(703)</u>
<b>Transfers</b>			
Transfers out	-	-	-
<b>Change in net position</b>	44,286	677	(703)
Net position, beginning of year	<u>57,983</u>	<u>14,720</u>	<u>89,920</u>
<b>Net position, end of year</b>	<u>\$ 102,269</u>	<u>\$ 15,397</u>	<u>\$ 89,217</u>

Information Services (636)	Drain Computer (637)	Drain Maintenance / Construction (638)	Duplicating (645)	Food Service (652)	Telephone System (656)	Motor Pool (661)
\$ 305,489	\$ -	\$ 289,925	\$ 81,253	\$ -	\$ 55,840	\$ 160,862
-	-	-	-	-	13,007	-
305,489	-	289,925	81,253	-	68,847	160,862
292,690	4,687	194,130	66,758	-	102,100	26,188
11,563	1,154	10,182	16,211	-	14,706	162,323
304,253	5,841	204,312	82,969	-	116,806	188,511
1,236	(5,841)	85,613	(1,716)	-	(47,959)	(27,649)
-	-	1,215	-	-	-	-
500	-	2,500	-	-	-	37,045
-	-	-	-	-	-	-
500	-	3,715	-	-	-	37,045
1,736	(5,841)	89,328	(1,716)	-	(47,959)	9,396
-	-	-	-	(58,025)	-	-
1,736	(5,841)	89,328	(1,716)	(58,025)	(47,959)	9,396
169,107	5,841	79,697	269,483	58,025	190,736	300,757
\$ 170,843	\$ -	\$ 169,025	\$ 267,767	\$ -	\$ 142,777	\$ 310,153

continued...

## COUNTY OF NEWAYGO, MICHIGAN

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

Internal Service Funds

For the Year Ended September 30, 2017

	Unemployment (676)	Health and Wellness (677)	Liability Insurance (678)
<b>Operating revenues</b>			
Charges for services	\$ -	\$ -	\$ -
Reimbursements	43,816	3,591,643	273,049
<b>Total operating revenues</b>	<u>43,816</u>	<u>3,591,643</u>	<u>273,049</u>
<b>Operating expense</b>			
Supplies and operating expenses	36,990	3,682,789	308,462
Depreciation	-	-	-
<b>Total operating expense</b>	<u>36,990</u>	<u>3,682,789</u>	<u>308,462</u>
Operating income (loss)	<u>6,826</u>	<u>(91,146)</u>	<u>(35,413)</u>
<b>Nonoperating revenues</b>			
Interest revenue	-	-	-
Gain on sale of capital assets	-	-	-
Insurance pool distribution	-	-	249,767
<b>Total nonoperating revenues</b>	<u>-</u>	<u>-</u>	<u>249,767</u>
Income (loss) before transfers	<u>6,826</u>	<u>(91,146)</u>	<u>214,354</u>
<b>Transfers</b>			
Transfers out	-	-	-
<b>Change in net position</b>	6,826	(91,146)	214,354
Net position, beginning of year	<u>81,361</u>	<u>1,041,215</u>	<u>110,638</u>
<b>Net position, end of year</b>	<u>\$ 88,187</u>	<u>\$ 950,069</u>	<u>\$ 324,992</u>



Building Renovation (694)	Workers' Compensation (696)	Retiree Health Insurance (7311)	Retirement (731)	Unused Sick and Vacation (730)	Total
\$ -	\$ -	\$ -	\$ 1,735,462	\$ 189,390	\$ 3,704,208
-	171,730	942,196	-	90,143	5,125,584
-	171,730	942,196	1,735,462	279,533	8,829,792
-	338,529	745,750	1,608,347	279,408	8,526,527
-	-	-	-	-	218,167
-	338,529	745,750	1,608,347	279,408	8,744,694
-	(166,799)	196,446	127,115	125	85,098
-	-	-	-	-	1,215
-	-	-	-	-	40,045
-	81,709	-	-	-	331,476
-	81,709	-	-	-	372,736
-	(85,090)	196,446	127,115	125	457,834
(5,049)	-	-	-	-	(63,074)
(5,049)	(85,090)	196,446	127,115	125	394,760
5,049	394,396	8,700	860,874	168,373	3,906,875
\$ -	\$ 309,306	\$ 205,146	\$ 987,989	\$ 168,498	\$ 4,301,635

concluded

# COUNTY OF NEWAYGO, MICHIGAN

## Combining Statement of Cash Flows

Internal Service Funds

For the Year Ended September 30, 2017

	Building Grounds Maintenance (631)	Campus Security (632)	Central Stores (633)
<b>Cash flows from operating activities</b>			
Receipts from interfund services	\$ 665,963	\$ 216,365	\$ 3,631
Payments to vendors	(310,788)	(13,102)	(3,901)
Payments for personnel services	(316,892)	(202,575)	-
<b>Net cash provided by (used in) operating activities</b>	<u>38,283</u>	<u>688</u>	<u>(270)</u>
<b>Cash flows from noncapital financing activities</b>			
Transfers out	-	-	-
Insurance pool distribution	-	-	-
<b>Net cash provided by (used in) noncapital financing activities</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Cash flows from capital and related financing activities</b>			
Proceeds from sale of capital assets	-	-	-
Purchase of capital assets	-	-	-
<b>Net cash provided by (used in) capital and related financing activities</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Cash flows from investing activities</b>			
Interest received on investments	-	-	-
<b>Net change in cash and cash equivalents</b>	<u>38,283</u>	<u>688</u>	<u>(270)</u>
Cash and cash equivalents, beginning of year	<u>79,437</u>	<u>18,116</u>	<u>79,788</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 117,720</u>	<u>\$ 18,804</u>	<u>\$ 79,518</u>

Information Services (636)	Drain Computer (637)	Drain Maintenance / Construction (638)	Duplicating (645)	Food Service (652)	Telephone System (656)	Motor Pool (661)
\$ 305,489 (134,178) (151,024)	\$ - (4,687) -	\$ 420,018 (194,453) -	\$ 81,253 (21,787) (46,039)	\$ 119 (43,008) -	\$ 68,847 (29,170) (71,793)	\$ 160,862 4,209 -
20,287	(4,687)	225,565	13,427	(42,889)	(32,116)	165,071
-	-	-	-	(45,200)	-	-
-	-	-	-	-	-	-
-	-	-	-	(45,200)	-	-
500 (20,184)	- -	2,500 (25,540)	- (24,352)	- -	- -	43,600 (136,020)
(19,684)	-	(23,040)	(24,352)	-	-	(92,420)
-	-	1,215	-	-	-	-
603	(4,687)	203,740	(10,925)	(88,089)	(32,116)	72,651
149,950	4,687	52,378	224,672	88,089	55,109	39,907
\$ 150,553	\$ -	\$ 256,118	\$ 213,747	\$ -	\$ 22,993	\$ 112,558

continued...

## COUNTY OF NEWAYGO, MICHIGAN

### Combining Statement of Cash Flows

Internal Service Funds

For the Year Ended September 30, 2017

	Unemployment (676)	Health and Wellness (677)	Liability Insurance (678)
<b>Cash flows from operating activities</b>			
Receipts from interfund services	\$ 43,816	\$ 3,777,838	\$ 273,049
Payments to vendors	(74,521)	(3,333,607)	(314,191)
Payments for personnel services	(27,453)	(134,203)	-
<b>Net cash provided by (used in) operating activities</b>	<u>(58,158)</u>	<u>310,028</u>	<u>(41,142)</u>
<b>Cash flows from noncapital financing activities</b>			
Transfers out	-	-	-
Insurance pool distribution	-	-	249,767
<b>Net cash provided by (used in) noncapital financing activities</b>	<u>-</u>	<u>-</u>	<u>249,767</u>
<b>Cash flows from capital and related financing activities</b>			
Proceeds from sale of capital assets	-	-	-
Purchase of capital assets	-	-	-
<b>Net cash provided by (used in) capital and related financing activities</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Cash flows from investing activities</b>			
Interest received on investments	-	-	-
<b>Net change in cash and cash equivalents</b>	<u>(58,158)</u>	<u>310,028</u>	<u>208,625</u>
Cash and cash equivalents, beginning of year	<u>146,714</u>	<u>678,409</u>	<u>114,834</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 88,556</u>	<u>\$ 988,437</u>	<u>\$ 323,459</u>

<b>Building Renovation (694)</b>	<b>Workers' Compensation (696)</b>	<b>Retiree Health Insurance (7311)</b>	<b>Retirement (731)</b>	<b>Unused Sick and Vacation (730)</b>	<b>Total</b>
\$ 6,300	\$ 171,730	\$ 1,007,196	\$ 1,735,462	\$ 250,402	\$ 9,188,340
(1,251)	(228,099)	(802,050)	(1,608,561)	(88,027)	(7,201,172)
-	(110,346)	-	-	(207,123)	(1,267,448)
5,049	(166,715)	205,146	126,901	(44,748)	719,720
(5,049)	-	-	-	-	(50,249)
-	81,709	-	-	-	331,476
(5,049)	81,709	-	-	-	281,227
-	-	-	-	-	46,600
-	-	-	-	-	(206,096)
-	-	-	-	-	(159,496)
-	-	-	-	-	1,215
-	(85,006)	205,146	126,901	(44,748)	842,666
-	395,958	-	861,943	626,171	3,616,162
\$ -	\$ 310,952	\$ 205,146	\$ 988,844	\$ 581,423	\$ 4,458,828

continued...

## COUNTY OF NEWAYGO, MICHIGAN

### Combining Statement of Cash Flows

Internal Service Funds

For the Year Ended September 30, 2017

	Building Grounds Maintenance (631)	Campus Security (632)	Central Stores (633)
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities</b>			
Operating income (loss)	\$ 44,286	\$ 677	\$ (703)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation expense	2,028	-	-
Change in operating assets and liabilities:			
Accounts receivable	-	-	(28)
Due from other funds	-	-	-
Prepays	-	-	3,141
Interfund payable	-	-	-
Accounts payable	(7,900)	(37)	5
Accrued expenses	(131)	48	-
Due to other funds	-	-	(2,685)
Compensated absences	-	-	-
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 38,283</b>	<b>\$ 688</b>	<b>\$ (270)</b>

**Non-cash transaction:**

The food service fund transferred a capital asset with a net book value of \$12,825 to governmental activities.

Information Services (636)	Drain Computer (637)	Drain Maintenance / Construction (638)	Duplicating (645)	Food Service (652)	Telephone System (656)	Motor Pool (661)
\$ 1,236	\$ (5,841)	\$ 85,613	\$ (1,716)	\$ -	\$ (47,959)	\$ (27,649)
11,563	1,154	10,182	16,211	-	14,706	162,323
-	-	-	-	119	-	(5,000)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
6,667	-	(323)	(1,095)	(42,945)	1,223	35,397
821	-	-	27	(63)	(86)	-
-	-	130,093	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 20,287</u>	<u>\$ (4,687)</u>	<u>\$ 225,565</u>	<u>\$ 13,427</u>	<u>\$ (42,889)</u>	<u>\$ (32,116)</u>	<u>\$ 165,071</u>

continued...

## COUNTY OF NEWAYGO, MICHIGAN

### Combining Statement of Cash Flows

Internal Service Funds

For the Year Ended September 30, 2017

	Unemployment (676)	Health and Wellness (677)	Liability Insurance (678)
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities</b>			
Operating income (loss)	\$ 6,826	\$ (91,146)	\$ (35,413)
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	-	189,033	-
Due from other funds	-	(2,838)	-
Prepays	-	215,831	149,693
Interfund payable	-	-	-
Accounts payable	-	(577)	(155,422)
Accrued expenses	16	(275)	-
Due to other funds	(65,000)	-	-
Compensated absences	-	-	-
<b>Net cash provided by (used in) operating activities</b>	<b>\$ (58,158)</b>	<b>\$ 310,028</b>	<b>\$ (41,142)</b>



<b>Building Renovation (694)</b>	<b>Workers' Compensation (696)</b>	<b>Retiree Health Insurance (7311)</b>	<b>Retirement (731)</b>	<b>Unused Sick and Vacation (730)</b>	<b>Total</b>
\$ -	\$ (166,799)	\$ 196,446	\$ 127,115	\$ 125	\$ 85,098
-	-	-	-	-	218,167
6,300	-	-	-	-	190,424
-	-	65,000	-	(29,131)	33,031
-	-	-	-	-	368,665
(1,251)	-	(49,500)	-	-	(50,751)
-	-	(6,800)	(214)	5,565	(166,456)
-	84	-	-	1,444	1,885
-	-	-	-	-	62,408
-	-	-	-	(22,751)	(22,751)
<u>\$ 5,049</u>	<u>\$ (166,715)</u>	<u>\$ 205,146</u>	<u>\$ 126,901</u>	<u>\$ (44,748)</u>	<u>\$ 719,720</u>

concluded

**This page intentionally left blank.**

## **AGENCY FUNDS**

# COUNTY OF NEWAYGO, MICHIGAN

## Combining Statement of Fiduciary Assets and Liabilities

Agency Funds  
September 30, 2017

	Central Payroll Processing (115)	Central Accounts Payable (125)	Trust and Agency (701)	Trust and Agency Outside Accounts (702)
<b>Assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ 3,956,073	\$ 43,265
Due from other governments	-	-	429	-
<b>Total assets</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,956,502</u>	<u>\$ 43,265</u>
<b>Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ 205,527	\$ 43,265
Due to other governments	-	-	3,750,975	-
Undistributed receipts	-	-	-	-
<b>Total liabilities</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,956,502</u>	<u>\$ 43,265</u>



<b>Library Penal (721)</b>	<b>Total</b>
\$ 105,517	\$ 4,104,855
-	429
<u>\$ 105,517</u>	<u>\$ 4,105,284</u>
\$ -	\$ 248,792
-	3,750,975
105,517	105,517
<u>\$ 105,517</u>	<u>\$ 4,105,284</u>

# COUNTY OF NEWAYGO, MICHIGAN

## Combining Statement of Changes in Fiduciary Assets and Liabilities

Agency Funds

For the Year Ended September 30, 2017

	Beginning Balance	Additions	Deductions	Ending Balance
<b><u>Central Payroll Processing</u></b>				
<b>Assets</b>				
Cash and cash equivalents	\$ -	\$ 23,151,464	\$ 23,151,464	\$ -
<b>Liabilities</b>				
Accounts payable	\$ -	\$ 594,206	\$ 594,206	\$ -
Due to other governments	-	2,715,707	2,715,707	-
Undistributed receipts	-	2,647,975	2,647,975	-
<b>Total liabilities</b>	<b>\$ -</b>	<b>\$ 5,957,888</b>	<b>\$ 5,957,888</b>	<b>\$ -</b>
<b><u>Central Accounts Payable</u></b>				
<b>Assets</b>				
Cash and cash equivalents	\$ -	\$ 22,800,921	\$ 22,800,921	\$ -
<b>Liabilities</b>				
Accounts payable	\$ -	\$ 22,800,921	\$ 22,800,921	\$ -
<b><u>Trust and Agency</u></b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 5,188,243	\$ 11,535,971	\$ 12,768,141	\$ 3,956,073
Due from other governments	529	-	100	429
<b>Total assets</b>	<b>\$ 5,188,772</b>	<b>\$ 11,535,971</b>	<b>\$ 12,768,241</b>	<b>\$ 3,956,502</b>
<b>Liabilities</b>				
Accounts payable	\$ 497,032	\$ 729,781	\$ 1,021,286	\$ 205,527
Due to other governments	4,691,740	22,392,722	23,333,487	3,750,975
<b>Total liabilities</b>	<b>\$ 5,188,772</b>	<b>\$ 23,122,503</b>	<b>\$ 24,354,773</b>	<b>\$ 3,956,502</b>

continued...

# COUNTY OF NEWAYGO, MICHIGAN

## Combining Statement of Changes in Fiduciary Assets and Liabilities

Agency Funds

For the Year Ended September 30, 2017

	Beginning Balance	Additions	Deductions	Ending Balance
<b><u>Trust and Agency Outside Accounts</u></b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 29,500	\$ 121,968	\$ 108,203	\$ 43,265
<b>Liabilities</b>				
Accounts payable	\$ 29,500	\$ 121,968	\$ 108,203	\$ 43,265
<b><u>Library Penal Fine</u></b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 90,295	\$ 179,618	\$ 164,396	\$ 105,517
Accounts receivable	20	-	20	-
<b>Total assets</b>	<b>\$ 90,315</b>	<b>\$ 179,618</b>	<b>\$ 164,416</b>	<b>\$ 105,517</b>
<b>Liabilities</b>				
Undistributed receipts	90,315	172,513	157,311	105,517
<b>Total liabilities</b>	<b>\$ 90,315</b>	<b>\$ 172,513</b>	<b>\$ 157,311</b>	<b>\$ 105,517</b>
<b><u>Total All Agency Funds</u></b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 5,308,038	\$ 57,789,942	\$ 58,993,125	\$ 4,104,855
Accounts receivable	20	-	20	-
Due from other governments	529	-	100	429
<b>Total assets</b>	<b>\$ 5,308,587</b>	<b>\$ 57,789,942</b>	<b>\$ 58,993,245</b>	<b>\$ 4,105,284</b>
<b>Liabilities</b>				
Accounts payable	\$ 526,532	\$ 24,246,876	\$ 24,524,616	\$ 248,792
Due to other governments	4,691,740	25,108,429	26,049,194	3,750,975
Undistributed receipts	90,315	2,820,488	2,805,286	105,517
<b>Total liabilities</b>	<b>\$ 5,308,587</b>	<b>\$ 52,175,793</b>	<b>\$ 53,379,096</b>	<b>\$ 4,105,284</b>

concluded

**This page intentionally left blank.**



## **COMPONENT UNITS**

# COUNTY OF NEWAYGO, MICHIGAN

## Combining Balance Sheet

Drain Commissioner Component Unit

September 30, 2017

	Drain (801xxx)	Drain Revolving (802xxx)	Brooks Lake Board (845)
<b>Assets</b>			
Cash and cash equivalents	\$ 391,183	\$ 113,846	\$ 81,038
Special assessments receivable	499,023	-	15,000
Due from other funds	-	186,267	-
<b>Total assets</b>	<u>\$ 890,206</u>	<u>\$ 300,113</u>	<u>\$ 96,038</u>
<b>Liabilities</b>			
Accounts payable	\$ 580	\$ 113	\$ -
Due to other funds	186,267	-	16,547
Advance from primary government	15,076	300,000	-
Short-term notes payable	142,656	-	-
<b>Total liabilities</b>	<u>344,579</u>	<u>300,113</u>	<u>16,547</u>
<b>Deferred inflows of resources</b>			
Unavailable revenues - special assessments	499,023	-	15,000
<b>Fund balances</b>			
Restricted for drain maintenance and construction	276,947	-	64,491
Unassigned (deficit)	(230,343)	-	-
<b>Total fund balances</b>	<u>46,604</u>	<u>-</u>	<u>64,491</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 890,206</u>	<u>\$ 300,113</u>	<u>\$ 96,038</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
\$ 36,536	\$ 7,096	\$ 7,204	\$ 28,179	\$ 16,900	\$ 681,982
45,000	26,400	73,800	30,000	12,500	701,723
16,547	-	-	-	-	202,814
<u>\$ 98,083</u>	<u>\$ 33,496</u>	<u>\$ 81,004</u>	<u>\$ 58,179</u>	<u>\$ 29,400</u>	<u>\$ 1,586,519</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 693
-	-	-	-	-	202,814
-	-	-	-	-	315,076
-	-	-	-	-	142,656
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>661,239</u>
<u>45,000</u>	<u>26,400</u>	<u>73,800</u>	<u>30,000</u>	<u>12,500</u>	<u>701,723</u>
53,083	7,096	7,204	28,179	16,900	453,900
-	-	-	-	-	(230,343)
<u>53,083</u>	<u>7,096</u>	<u>7,204</u>	<u>28,179</u>	<u>16,900</u>	<u>223,557</u>
<u>\$ 98,083</u>	<u>\$ 33,496</u>	<u>\$ 81,004</u>	<u>\$ 58,179</u>	<u>\$ 29,400</u>	<u>\$ 1,586,519</u>

**This page intentionally left blank.**

## COUNTY OF NEWAYGO, MICHIGAN

### Reconciliation

Fund Balances for Governmental Funds  
to Net Position of Governmental Activities  
Drain Commissioner Component Unit  
September 30, 2017

<b>Fund balances - total governmental funds</b>	\$ 223,557
---	------------

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	227,550
Capital assets being depreciated, net	42,070

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	701,723
--	---------

Certain liabilities such as notes payable, are not due and payable in the current period and therefore are not reported in the funds.

Note payable	<u>(300,000)</u>
--------------	------------------

<b>Net position of governmental activities</b>	<u><u>\$ 894,900</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, 2017

	Drain (801xxx)	Drain Revolving (802xxx)	Brooks Lake Board (845)
<b>Revenues</b>			
Special assessments	\$ 287,575	\$ -	\$ 30,000
<b>Expenditures</b>			
Current - public works	407,074	-	14,011
Debt service - interest expense	580	-	-
<b>Total expenditures</b>	407,654	-	14,011
Revenues over (under) expenditures	(120,079)	-	15,989
<b>Other financing sources</b>			
Issuance of long-term debt	300,000	-	-
<b>Net change in fund balances</b>	179,921	-	15,989
Fund balances (deficit), beginning of year	(133,317)	-	48,502
<b>Fund balances, end of year</b>	<u>\$ 46,604</u>	<u>\$ -</u>	<u>\$ 64,491</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	\$ 24,000	\$ 60,800	\$ 30,000	\$ 14,500	\$ 491,875
45,887	30,275	62,234	30,824	8,659	598,964
-	-	-	-	-	580
45,887	30,275	62,234	30,824	8,659	599,544
(887)	(6,275)	(1,434)	(824)	5,841	(107,669)
-	-	-	-	-	300,000
(887)	(6,275)	(1,434)	(824)	5,841	192,331
53,970	13,371	8,638	29,003	11,059	31,226
\$ 53,083	\$ 7,096	\$ 7,204	\$ 28,179	\$ 16,900	\$ 223,557

## COUNTY OF NEWAYGO, MICHIGAN

### Reconciliation

Net Change in Fund Balances of Governmental Funds  
to Change in Net Position of Governmental Activities  
Drain Commissioner Component Unit  
For the Year Ended September 30, 2017

<b>Net change in fund balances - total governmental funds</b>	<b>\$ 192,331</b>
---	-------------------

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	93,338
Depreciation expense	(14,739)

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	186,551
--	---------

Note proceeds provide current financial resources to governmental funds in the period issued, but issuing notes increases long-term liabilities in the statement of net position. Repayment of note principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Issuance of long-term debt	<u>(300,000)</u>
----------------------------	------------------

<b>Change in net position of governmental activities</b>	<b><u><u>\$ 157,481</u></u></b>
--	---------------------------------



# COUNTY OF NEWAYGO, MICHIGAN

## Balance Sheet / Statement of Net Position

Brownfield Redevelopment Authority Component Unit

September 30, 2017

	Governmental Fund (243)	Adjustments	Statement of Activities
<b>Assets</b>			
Cash and cash equivalents	\$ 91,332	\$ -	\$ 91,332
<b>Liabilities</b>			
Accounts payable	\$ 2,500	-	2,500
<b>Fund balance</b>			
Unassigned	88,832	(88,832)	
<b>Total liabilities and fund balances</b>	<u>\$ 91,332</u>		
<b>Net position</b>			
Unrestricted		<u>\$ 88,832</u>	<u>\$ 88,832</u>

## COUNTY OF NEWAYGO, MICHIGAN

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

Statement of Activities

Brownfield Redevelopment Authority Component Unit

For the Year Ended September 30, 2017

	Governmental Fund (243)	Adjustments	Statement of Net Position
<b>Revenues</b>			
Property taxes	\$ 28,523	\$ -	\$ 28,523
Contributions	5,000	-	5,000
<b>Total revenues</b>	33,523	-	33,523
<b>Expenditures / expenses</b>			
Community and economic development	37,409	-	37,409
<b>Net change in fund balance / net position</b>	(3,886)	-	(3,886)
Fund balance/net position, beginning of year	92,718	-	92,718
<b>Fund balance/net position, end of year</b>	<u>\$ 88,832</u>	<u>\$ -</u>	<u>\$ 88,832</u>