

County of
Newaygo,
Michigan



Year Ended
September 30,
2013

Financial
Statements

COUNTY OF NEWAYGO, MICHIGAN

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INTRODUCTORY SECTION

COUNTY OF NEWAYGO, MICHIGAN

ELECTED OFFICIALS

For the Year Ended September 30, 2013

BOARD OF COMMISSIONERS

Philip D. Deur, District 1

Stanley J. Nieboer, District 2

D. Charles Trapp, District 3

James Maike, Jr., District 4

Larry J. Lethorn, District 5

Christian P. Ortwein, District 6

Patrick J. Gardner, District 7

COUNTY OFFICIALS

Laurel J. Breuker, Clerk

Holly Moon, Treasurer

Norman L. Ochs, Surveyor

Dale E. Twing, Drain Commissioner

Robert Springtead, Prosecutor

Linda M. Landheer, Register of Deeds

Michael S. Mercer, Sheriff

DISTRICT COURT JUDGE

H. Kevin Drake

CIRCUIT COURT JUDGES

Anthony A. Monton, Chief Judge

Terrence R. Thomas

PROBATE COURT JUDGE

Graydon W. Dimkoff



Office of Administration

P.O. BOX 885
1087 NEWELL
WHITE CLOUD, MICHIGAN 49349
FAX (231) 689-7205

March 3, 2014

Board of Commissioners and the citizens of Newaygo County:

The Annual Financial Report of the County of Newaygo, Michigan, for the fiscal year ended September 30, 2013 is submitted herewith. The financial statements included in this report have been audited by Rehmann Robson, an independent firm of certified public accountants. The report is prepared for the purpose of disclosing the County's financial condition to its residents, elected officials, and other interested parties.

The financial statements have been prepared in compliance with applicable state statutes and Generally Accepted Accounting Principles (GAAP) as stated in the Governmental Accounting Standards Board statements and interpretations. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the County. As management, we believe that the data, as presented, is accurate in all material aspects, and that it is presented in such a manner as to fairly set forth the financial position and results of operations of the County as measured by the financial activity of its funds.

The independent audit of the financial statements of the County of Newaygo was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and legal requirements involving the administration of federal awards. These reports are available in the County of Newaygo's separately issued Single Audit Report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The County of Newaygo's MD&A can be found immediately following this letter.

Newaygo County and Its Services



General Information

Until 1836, the Newaygo area was inhabited by mainly Native Americans. The lumbering industry took its foothold in the territory at this time and began drawing people into the area. In 1851, Newaygo became an official county of the State of Michigan. The 2010 census population was 48,460 with fluctuation based upon economic forces. Newaygo County encompasses an area of approximately 842 square miles and is located in the western Lower Peninsula. The County is comprised of 4 cities, 1 village, and 24 townships.

The County's 234 natural lakes and ponds, 356 miles of rivers and streams, and 349,132 acres of forest land, allow Newaygo County to continue to be a prime area for recreational activities including hunting, fishing, canoeing/boating, hiking and camping. The County is also located in close proximity to the Cities of Muskegon and Grand Rapids, and is part of the Grand Rapids Metropolitan Statistical Area.

Newaygo County Government Operations

The Board of Commissioners is the governing board and policy-making body of the County of Newaygo. While many of its powers, duties and responsibilities are prescribed by law, and diffused through the wide-spread use of commissions, boards, committees, and independently elected county officials, the board is in charge of creating County policy and approving the budget, as well as oversight of the County Administrator. The County Administrator is responsible for carrying out the policies, motions, resolutions and ordinances of the Board of Commissioners; for overseeing day-to-day operations of the governmental unit; and for appointing and supervising the heads of various departments. The Board of Commissioners is a seven-member board that is elected from single-member districts, determined by population, to two-year terms on a partisan basis. From within its ranks, the board elects a Chairman and Vice-Chairman.

Newaygo County by Commissioner District

Commissioner Districts: 2013-2022

| | | | |
|--|---------------------------------------|--|--|
| Troy 283 | Lilley 797 | Home 232 | Barton 717 |
| District 1 Beaver 509 | Merrill 667 | District 3 Monroe 320 | Norwich 607 |
| Denver 1928 | Lincoln 1275 | Wilcox 1098 | Goodwell 547 |
| Dayton 1949 | Sherman 2109 | Everett 1862 | District 4 Big Prairie 2573 |
| Sheridan 2510 | District 5 Garfield 2537 | 1152 Newaygo 1976 Brooks 2358 | Croton 3228 |
| District 2 Bridgeton 2141 | Ashland 2773 | District 7 City of Grant 894 Grant 3294 | District 6 Ensley 2635 |

The financial reporting entity of the County of Newaygo includes all funds and account groups of the primary government as well as all of its component units. Component units are legally separate entities for which the primary government is financially accountable. The County provides a full range of services that are either mandated by State statute, or authorized by the County Board of Commissioners. These services include legislative, judicial, public safety, public works, health, welfare, cultural, recreational, capital improvements, and general administrative services including vital statistics and record keeping for births, deaths, and property.

The County adopts its annual budget in accordance with the State Uniform Budgeting and Accounting Act. The general, special revenue and debt service funds are under formal budgetary control. 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. In accordance with state law, a public hearing is held and the final budget is approved in August, prior to the close of the County's fiscal year. The appropriated budget is prepared by activity and line-item within each fund and department. Budget amendments and transfers of appropriations less than \$30,000 require Administrator approval. Board approval is required for all others.

Economic Overview of Newaygo County

Newaygo County's economy continued to show a recovery in 2013. Unemployment rates have continued to decline from peak levels in 2009 and employment is growing measured both by place of residence and place of business. The positive economic climate of the past few years has also led to a strengthening of the real estate market.

In spite of recent economic challenges, Newaygo County has fared remarkably well in the economic downturn that has severely impacted Michigan during the last national recession. In general, both the State of Michigan and Newaygo County are recovering faster than the nation based on the past two or three years of economic data. This has been led by resurgence in the manufacturing and automotive sectors, and continued strength in agribusiness.

Some of the highlights of recent years include:

- Creation of an Agriculture Renaissance Zone for Nestle/Gerber Products and overall strength of the agriculture industry. This has already led to capital investment of more than \$100 million with more planned, as well as job growth at the facility.
- The new \$8 million, 35,000 sq. ft. Gerber Life Insurance Call Center has created 200 new jobs.
- The opening of the Stream Community Business and Training Center, and the County's first Brownfield Redevelopment Authority project. This facility has helped to start several new ventures and is an asset for existing businesses to utilize.
- Growth and resurgence of manufacturing jobs in the County.
- Creation of a Convention and Visitors Bureau to increase tourism. In 2011 and 2013, Newaygo County hosted the National Canoe Races and since 2012, the CVB has hosted a North American Ice Fishing Circuit event.
- Positive growths in equalized valuations.
- Strong growth in median household income.

Agriculture as a Key Industry

For Newaygo County, and many of the rural counties throughout the state, agriculture is a key industry. Agriculture is the biggest industry in Newaygo County, with tourism being a close second. Annually, Newaygo County farms produce over \$100 million in sales, nearly three times the rate of the state on a per capita basis. In addition, the County's single largest employer, Nestle/Gerber, is engaged in agricultural food processing and it is estimated that well over 20 percent of Newaygo County's direct economic output is tied to the agriculture. Employment in the agriculture sector is approximately five times as great in Newaygo County as compared to the State of Michigan and the indirect impact of the dollars circulating through the economy raise the percentage even higher.

Nestle/Gerber Products, known throughout the world for baby food, is the County's largest employer and is in the agricultural food processing business. Gerber began as a family owned business in Fremont, Michigan in 1928. In the fall of 2007 Gerber Products, headquartered in New Jersey, was sold by Novartis, a multi-national corporation headquartered in Switzerland, to Nestle, the world's largest food company. The company employs over 1,200 workers within the County, including Gerber Life Insurance.

In the beginning of 2009, Newaygo County, in partnership with the City of Fremont, the Michigan Department of Agriculture and the Michigan Economic Development Corporation granted Gerber Products an Agriculture Renaissance Zone around its facility in Fremont.

With the exception of voter approved bond debt, the zone effectively eliminated Gerber Product's property tax burden for up to 15 years. In exchange for the tax relief, Gerber Products agreed to a development agreement that guaranteed that over 1,100 jobs would remain in Fremont and that \$50 million in new investments would occur within the next 10 years. The agreement is expandable and allows for the extension of the tax relief (10 years to 15), if Gerber Products invests an additional \$25 million (\$75 million total) and creates 200 additional jobs (1,300 total) by the end of the tenth year. The Agricultural Renaissance Zone has proven to be a successful incentive tool as investment at the Nestle/Gerber facility had already topped \$100 million by the end of 2012, with much more planned over the next few years.

The County was pleased to be able to work with its largest employer to provide tax incentives to keep Gerber competitive, while helping the local economy by providing job stability and guarantees for commerce. A Regional Economic Model Inc. (REMI) analysis of the impact of the economic development project and the retention of the 1,100 jobs shows that the true impact of jobs preserved measured in excess of 3,500 throughout the State of Michigan. This 15 year retention project also has a \$1.6 billion impact on the Newaygo County economy and a \$3.2 billion impact on the State's economy.

Population

Newaygo County has been and continues to be an area of growth within the State of Michigan although population has decreased slightly since the 2010 Census. The 2012 population of Newaygo County is 47,959, down slightly from 48,460 in 2010. However, Newaygo County saw an increase of 1.2 percent from 2000 to 2010 when the State of Michigan saw a population decline during this decade. The strong population growth of the past few decades is reflective of the outstanding quality of life that Newaygo County offers.

Employment

Employment trends in Newaygo County continue to be positive especially in light of the most recent economic downturn in the manufacturing sector across the nation and within the State.

During 2013, employment based on residence in Newaygo County increased to a level of 20,320 (through November), an increase of 3.1 percent from the 2012 level. The number of unemployed residents decreased slightly during this same time. The combination of job growth and a decrease in the number of unemployed persons lead to another drop in the County's unemployment rate from 8.5 percent in 2012 to 8.1 percent in 2013. Newaygo County's unemployment rate in 2013 remained slightly above the national rate of 7.5 percent and was below the State of Michigan at 8.8 percent. Year over year employment based on residence has increased in Newaygo County for 41 straight months.

Given Newaygo County's close proximity to major employment centers in Grand Rapids and Muskegon, it is not surprising that almost half of the labor force living in Newaygo County work outside the county borders. Although some of this can be attributable to people moving to Newaygo County and keeping their jobs in other employment centers, job growth as measured by the place of business has been very strong in Newaygo County over the last 10+ years.

Employment by place of business in Newaygo County declined approximately 2 percent from 1999 to 2010. However, during that same period employment has declined by 16 percent in the State of Michigan another indication that the employment situation in Newaygo County has remained fairly strong. In fact, employment in the nation was only up a scant 0.6 percent during that period. Since 2010, employment by place of business is up 5.8 percent and employment levels are actually higher than 1999.

Manufacturing employment in Newaygo County still remains at or above 1990 levels and continues to bounce back strongly. These items are attributable to a diversified manufacturing base and a strong retention program. Manufacturing employment within the County has been bolstered by concentration on the manufacture of goods that weren't hit as hard by the recent economic downturn and also by a strong retention program through the Newaygo County Economic Development Office (NCEDO), in partnership with state and local officials. Since 2010, manufacturing employment in Newaygo County is up nearly 50 percent and has recovered to levels higher than before the last recession.

Positive employment and economic conditions have led to relatively strong growth in median household incomes in Newaygo County. From 2000 to 2012, median household income grew 12 percent. This was approximately three times the growth rate of Michigan at 4 percent. Median household income in Newaygo County has increased faster than the State of Michigan for the past two decades.

Employment performance in Newaygo County can be summarized as follows:

- Impressive employment growth as measured by both place of residence and place of business over the last ten years.
- Strong overall manufacturing trends.
- Declining unemployment rate that is primarily due to strong local employment growth over the last few years.

Major Employers

| Employer | City | Product / Service | Employees |
|--|-------------|---------------------------------------|--------------|
| Gerber Products and Life Insurance Company | Fremont | Baby Food and Life Insurance | 1,288 |
| Magna Donnelly Corporation | Newaygo | Automotive Doors & Mirrors | 900 |
| Gerber Memorial Health Services | Fremont | Health Care Services | 550 |
| Dura Automotive | Fremont | Metal Stamping & Assemblies | 375 |
| County of Newaygo | White Cloud | County Government | 285 |
| Wal-Mart | Fremont | Retail Department Store | 195 |
| Newaygo Medical Care Facility | Fremont | Health Care Services | 150 |
| North American Refractories | White Cloud | Refractory Products & Furnace Linings | 125 |
| Pine Medical Group | Fremont | Health Care Services | 110 |
| Transitional Health Services | Fremont | Health Care Services | 105 |
| Total Employers | 10 | Total | 4,083 |

* Source: Michigan Works! West Central

Property Values

According to the 2013 Newaygo County Equalization Report, equalized values rose (50 percent of full market value) by 0.8 percent. This is the first increase in property values since 2008 and is another indication of an improving local economy. Since 1999, property values have grown 64 percent compared to 34 percent for the State of Michigan.

Newaygo County continues to vary from the rest of the state regarding the impacts to property values for commercial and industrial property. However, this is fairly typical of rural counties. Commercial development typically follows population growth and in the past decade Newaygo County saw an increase in commercial developments. Most recently, a new Gerber Insurance call center and Biodigester have been built in Fremont and several new multi-use developments have been completed throughout the rest of the County.

Technology

Newaygo County is fortunate to be one of the most technologically advanced rural areas in the Country. A fiber optic cable telecommunication network exists that supports data, video, and voice communication capabilities and is available to all county residents. The network connects schools, municipal buildings, libraries, the hospital, private non-profit agencies, and area businesses making accessible universal internet connectivity, technology labs, two-way interactive video classrooms, and telecommunications services. In addition, broadband internet connections are available in most areas of the County through cable, DSL and wireless service.

In recent years the County has invested heavily in technology. Public safety officers from various police departments have been outfitted with 800 mhz radios, in car digital cameras, and computers in police vehicles. This technology will serve as the foundation for continued advances regarding law enforcement. Future plans include the integration of e-ticket, a system to allow a police officer to swipe your license and instantly print up a ticket, and an AVL system (automatic vehicle locator), an integration that will allow dispatchers to see the real-time location of emergency response vehicles on a GIS overlay in the CAD system.

Future Prognosis

Recovery from the state recession has begun, but has been slow in part due to uncertainties stemming from the recent war(s) in the Middle East, including the possibility of terrorists' attacks here in the U.S., and the increasing price of oil, as well as fundamental changes in the way goods are manufactured, and the fluctuations in the stock market. There are six main factors that could further affect the state's economy in the near future: 1) continuing conflict in the Middle East; 2) minimal consumer spending; 3) continued delays in revamping from a manufacturing state to a knowledge-based services state; 4) a continued stagnate real estate market; 5) a discontinuation of federal unemployment benefits for workers; and 6) housing foreclosures.

The federal and state budget deficits and spending continue to remain at a crisis level and therefore the shifting of activities and requirements to the local level continues to be an issue. Newaygo County continues to experience a significant loss in financial support, but not a change in mandated requirements regarding the delivery of services. The elimination of/cuts to State Revenue Sharing and other reductions at both the state and federal levels have had disastrous effects on local governments throughout the State and Newaygo County certainly has felt these changes.

Fortunately, the difficult decisions of recent years, relative to reductions in spending and other proactive fiscal policies by the Board of Commissioners and Administration, have begun to lay the ground work for a viable, prosperous future for the County. Although the State has not fully reimplemented revenue sharing for counties, fortunately the county was proactive in planning for this contingency by reducing costs and streamlining services.

One example of this is the Board of Commissioner’s decision to fully fund pension liabilities during the employment tenure of the employees eligible to receive a pension. Over the past decade, the County has worked to close all employee groups for pensions (new hires are placed on a 401 type retirement system), and in FY2012 the County built upon those successes by deciding to utilize reserves to fund the unfunded liability of the pensions. Rather than utilize the 20+ year amortization recommended by the retirement trust administrators, the County instead chose to fund the liability over an amortization period of 5-6 years. Although these changes will take years to fully implement and come to fruition, management is confident that they will help make the County of Newaygo more efficient and better suited to continue to provide public services on the limited resources anticipated in the future.

Unfortunately, one thing is certain, should revenues continue to decrease, inevitably, corresponding reductions in services will follow.

Major Initiatives

Facility and equipment improvements

Some of the acquired capital assets or improvements during fiscal year 2013 include:

| | |
|---|----------|
| Land Improvements: | |
| Installation of chain link fence on the south side of the jail facility | \$ 9,000 |
| Buildings: | |
| New cabin located at Sandy Beach campground | 12,000 |
| New cabin located at Henning Park campground | 12,000 |
| Reroofing project for the courthouse | 110,344 |
| Shower tiling project at the jail facility | 34,752 |
| Addition of electric for cabins located at Henning Park | 5,776 |
| Equipment: | |
| Liebert Model UPS Unit for E-911 | 4,655 |
| Xerox copier/printer for sheriff’s office | 7,426 |
| Electric and gas convection ovens for the jail kitchen | 10,663 |
| Water softener system for the jail facility | 18,997 |
| Three (3) HVAC Rooftop units for the DBH building | 15,400 |
| X-ray baggage scanner for courthouse security | 19,400 |
| Card swipe security access for courthouse | 17,677 |
| Cornpro trailer for animal control | 4,590 |
| Motorola radios/consolettes for emergency services | 33,052 |
| Control boards and FCH controllers for emergency services siren project | 18,900 |

Vehicles:

| | | |
|--|----|--------|
| 2013 Ford E-350 15-passenger van for jail transport | \$ | 25,345 |
| 2013 Champion bus for commission on aging | | 55,173 |
| Two (2) 2013 Ford Econoline vans for commission on aging | | 73,792 |

Technology Updates and Program Improvements

In the past year, the County has either funded or is in the process of funding several technology updates and program improvements:

Computer equipment/Software:

| | | |
|--|----|--------|
| Computer replacement rotation for various departments | \$ | 25,000 |
| Upgrades to the AS/400 system | | 5,625 |
| Upgrades to telephone system (switches, SFP cards, fiber cables) | | 29,500 |

Respectfully submitted,



Tobi G. Lake
Administrator

COUNTY OF NEWAYGO, MICHIGAN

Statement of Management's Responsibility for Financial Statements

Responsibility for the integrity of the financial data presented rests with the County. I believe the data to be accurate in all material aspects. These financial statements are prepared in accordance with Generally Accepted Accounting Principles applicable to county governments and State statutes.

The County maintains a system of internal controls to provide reasonable assurance that the books and records reflect authorized transactions of the County.

Rehmann Robson, the County's independent certified public accountants, have audited the accompanying financial statements, and the supplemental financial information has been subjected to the auditing procedures applied in their audit. Rehmann Robson's opinion is included in the financial section of this report.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Tobi G. Lake". The signature is fluid and cursive, with a long horizontal stroke at the end.

Tobi G. Lake
Administrator

COUNTY OF NEWAYGO, MICHIGAN

Acknowledgement

I would like to express our gratitude to all members of the Newaygo County Board of Commissioners for their interest and support in planning and conducting financial operations of the County of Newaygo in a responsible and progressive manner.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Tobi G. Lake". The signature is fluid and cursive, with a long horizontal stroke at the end.

Tobi G. Lake
Administrator

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

March 3, 2014

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, 2013, 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, which represent 98 percent, 99 percent, and 94 percent, respectively, of the assets, net position, and revenues of the discretely presented component units. 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, 2013, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedules of funding progress and employer contributions for the pension and other postemployment benefits plan, 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 and the introductory section 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.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 3, 2014, 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.

Rehmann Lobson LLC

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MANAGEMENT'S DISCUSSION AND ANALYSIS

COUNTY OF NEWAYGO, MICHIGAN

Management's Discussion and Analysis

As management of the *County of Newaygo, Michigan* (the "County"), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended September 30, 2013. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Financial Highlights

1. The assets and deferred outflows of the County exceeded its liabilities and deferred inflows at the close of the 2013 fiscal year by \$33,636,741 (*net position*). Of this amount, \$26,657,708 (*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 2013 fiscal year, fund balance for the general fund was \$3,185,486 or 25.9% of expenditures (including transfers out). The amount for fiscal year 2012 was \$3,021,690 (24.9%); fiscal year 2011 was \$2,722,828 (20.7%); 2010 was \$2,197,786 (16.8%); 2009 was \$2,467,925 (19%); 2008 was \$2,098,521 (15%); 2007 was \$1,887,708 (15%); and 2006 was \$1,165,474 (9.7%).
3. The general fund for 2013 increased fund balance by \$163,796 (Non-GAAP Budgetary Basis) (\$99,431 GAAP Basis). This increase is primarily the net of general fund revenues over expenditures of \$319,149 and the decrease in fund balance for the special projects fund located within the general fund of \$156,026.
4. Within the general fund, three fund balances totaling \$128,063 (special projects, animal control and elections) were classified as assigned and an additional \$311,874 was classified as nonspendable. The remaining \$2,745,549 is available as unassigned fund balance (Non-GAAP Budgetary Basis). This amount is comprised of \$33,394 of budget stabilization within the general fund and \$2,712,155 general fund. Unassigned fund balance (net of budget stabilization) as a percentage of expenditures and transfers out was 22.1%.
5. At the end of the 2013 fiscal year, fund balance for the general fund according to the GAAP Basis was \$2,444,923. Of this amount \$2,004,986 is available as unassigned fund balance. This amount is comprised of \$33,394 of budget stabilization within the general fund and \$1,971,592 general fund. Unassigned fund balance (net of budget stabilization) as a percentage of expenditures and transfers out was 16%.
6. As of the close of the 2013 fiscal year, the County's governmental funds reported combined ending fund balances of \$9,376,156. This amount is a \$266,780 increase over the previous year. \$6,782,351 or 72.2% of the total is available for spending at the government's discretion (committed, assigned, and unassigned).
7. The 2013 fiscal year audit classifies billed, but unpaid property taxes as deferred inflows of resources. Therefore, a budgetary/accounting basis reconciliation has been included for clarification.

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.

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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, liabilities, and deferred inflows of resources, 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, recreation and cultural and other functions. 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.

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, special investigative unit (Central Michigan Enforcement Team or CMET 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.

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The County adopts an annual appropriated budget for its general fund and special revenue funds. Budgetary comparison statements 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 the 2010 and prior delinquent tax fund, 2012 delinquent tax fund, the sanitary sewer construction fund, the 2011 delinquent tax fund, the 2013 delinquent tax fund, the PRE audit fund, the P.A. 123 fund, the building authority fund, and the jail commissary fund. 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 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 2010 and prior delinquent tax fund, 2012 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.

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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 and deferred inflows by \$33,636,741 at the close of the most recent fiscal year.

| | Net Position | | | | | |
|---------------------------------------|-------------------------|----------------------|--------------------------|----------------------|----------------------|----------------------|
| | Governmental Activities | | Business-type Activities | | Total | |
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| Assets | | | | | | |
| Current and other assets | \$ 17,642,496 | \$ 17,764,488 | \$ 19,530,349 | \$ 19,887,214 | \$ 37,172,845 | \$ 37,651,702 |
| Capital assets, net | 18,251,623 | 18,806,088 | 26,424 | 17,992 | 18,278,047 | 18,824,080 |
| Total assets | 35,894,119 | 36,570,576 | 19,556,773 | 19,905,206 | 55,450,892 | 56,475,782 |
| Deferred outflows of resources | | | | | | |
| Loss on bond refunding, net | 159,836 | - | 85,855 | 95,857 | 245,691 | 95,857 |
| Liabilities | | | | | | |
| Long-term liabilities | 14,362,642 | 15,163,552 | 5,536,502 | 6,603,811 | 19,899,144 | 21,767,363 |
| Other liabilities | 2,048,406 | 2,875,769 | 112,292 | 94,937 | 2,160,698 | 2,970,706 |
| Total liabilities | 16,411,048 | 18,039,321 | 5,648,794 | 6,698,748 | 22,059,842 | 24,738,069 |
| Net position | | | | | | |
| Net investment in capital assets | 4,479,349 | 4,062,487 | 26,424 | 17,992 | 4,505,773 | 4,080,479 |
| Restricted | 2,174,779 | 1,923,418 | 298,481 | 525,562 | 2,473,260 | 2,448,980 |
| Unrestricted | 12,988,779 | 12,545,350 | 13,668,929 | 12,758,761 | 26,657,708 | 25,304,111 |
| Total net position | \$ 19,642,907 | \$ 18,531,255 | \$ 13,993,834 | \$ 13,302,315 | \$ 33,636,741 | \$ 31,833,570 |

A significant portion of the County's net position of \$4,505,773 (13.4 percent) 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 \$2,473,260 (7.4 percent) represents resources that are subject to external restrictions on how they can be used. The remaining balance of unrestricted net position (\$26,657,708 or 79.2 percent) may be used to meet the county's ongoing obligations to citizens and creditors.

The largest amount of County assets is cash, cash equivalents, and investments. This level of cash and investments is considered favorable as most entities report capital assets as their largest asset.

COUNTY OF NEWAYGO, MICHIGAN

Management's Discussion and Analysis

| | Change in Net Position | | | | | |
|---|-------------------------|----------------------|--------------------------|----------------------|----------------------|----------------------|
| | Governmental Activities | | Business-type Activities | | Total | |
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| Revenues | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 8,058,824 | \$ 7,884,825 | \$ 1,571,589 | \$ 1,482,999 | \$ 9,630,413 | \$ 9,367,824 |
| Operating grants | 4,354,229 | 4,447,521 | (186,899) | 176,430 | 4,167,330 | 4,623,951 |
| Capital grants | 192,657 | 284,014 | - | - | 192,657 | 284,014 |
| General revenues: | | | | | | |
| Property taxes | 10,050,917 | 9,731,473 | - | - | 10,050,917 | 9,731,473 |
| Unrestricted grants | 1,077,415 | 757,243 | - | - | 1,077,415 | 757,243 |
| Unrestricted investment earnings | 37,217 | 115,065 | 61 | - | 37,278 | 115,065 |
| Gain on sale of capital assets | 8,614 | 10,325 | - | - | 8,614 | 10,325 |
| Total revenues | 23,779,873 | 23,230,466 | 1,384,751 | 1,659,429 | 25,164,624 | 24,889,895 |
| Expenses | | | | | | |
| General government | 4,869,090 | 4,864,181 | - | - | 4,869,090 | 4,864,181 |
| Public safety | 8,792,330 | 8,887,587 | - | - | 8,792,330 | 8,887,587 |
| Public works | 42,353 | 36,991 | - | - | 42,353 | 36,991 |
| Health and welfare | 4,109,202 | 4,144,659 | - | - | 4,109,202 | 4,144,659 |
| Recreation and cultural | 437,101 | 464,946 | - | - | 437,101 | 464,946 |
| Legislative | 315,399 | 351,564 | - | - | 315,399 | 351,564 |
| Judicial | 3,469,671 | 3,665,651 | - | - | 3,469,671 | 3,665,651 |
| Community and economic development | 258,439 | 351,139 | - | - | 258,439 | 351,139 |
| Interest on long-term debt | 461,402 | 623,474 | - | - | 461,402 | 623,474 |
| Delinquent tax collection | - | - | 323,051 | 353,488 | 323,051 | 353,488 |
| Public works projects | - | - | 130,435 | 122,403 | 130,435 | 122,403 |
| Jail commissary | - | - | 95,245 | 11,740 | 95,245 | 11,740 |
| Building authority | - | - | 57,735 | 62,589 | 57,735 | 62,589 |
| Total expenses | 22,754,987 | 23,390,192 | 606,466 | 550,220 | 23,361,453 | 23,940,412 |
| Change in net position, before transfers | 1,024,886 | (159,726) | 778,285 | 1,109,209 | 1,803,171 | 949,483 |
| Transfers | 86,766 | 167,913 | (86,766) | (167,913) | - | - |
| Change in net position | 1,111,652 | 8,187 | 691,519 | 941,296 | 1,803,171 | 949,483 |
| Net position, beginning of year, as restated | 18,531,255 | 18,523,068 | 13,302,315 | 12,361,019 | 31,833,570 | 30,884,087 |
| Net position, end of year | \$ 19,642,907 | \$ 18,531,255 | \$ 13,993,834 | \$ 13,302,315 | \$ 33,636,741 | \$ 31,833,570 |

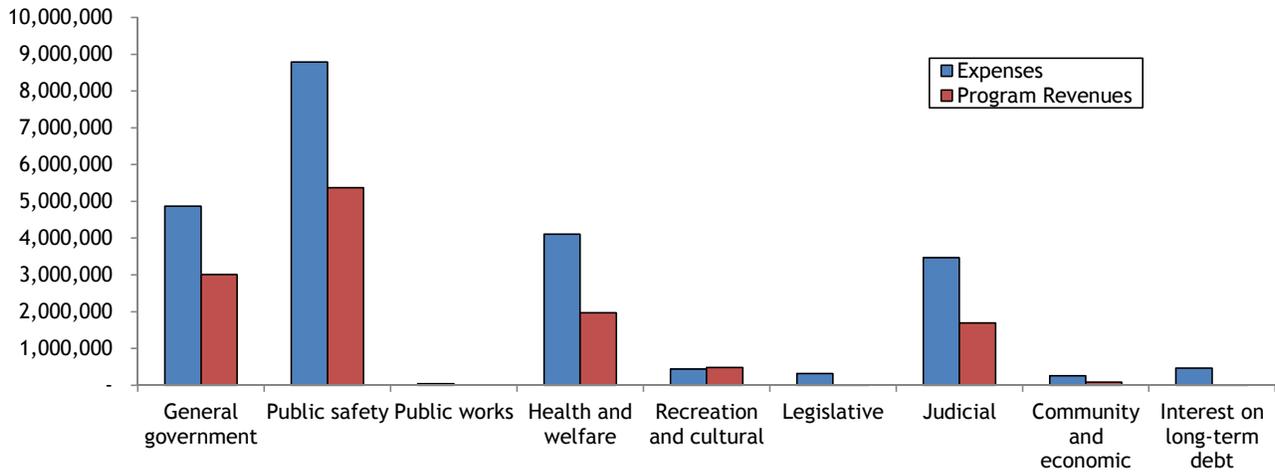
The County's net position increased by \$1,803,171 during the last fiscal year.

Governmental Activities. Governmental activities increased the County's net position by \$1,111,652. The elements that led to this increase were related to increased revenues from grants and property taxes, and decreases in expenditures.

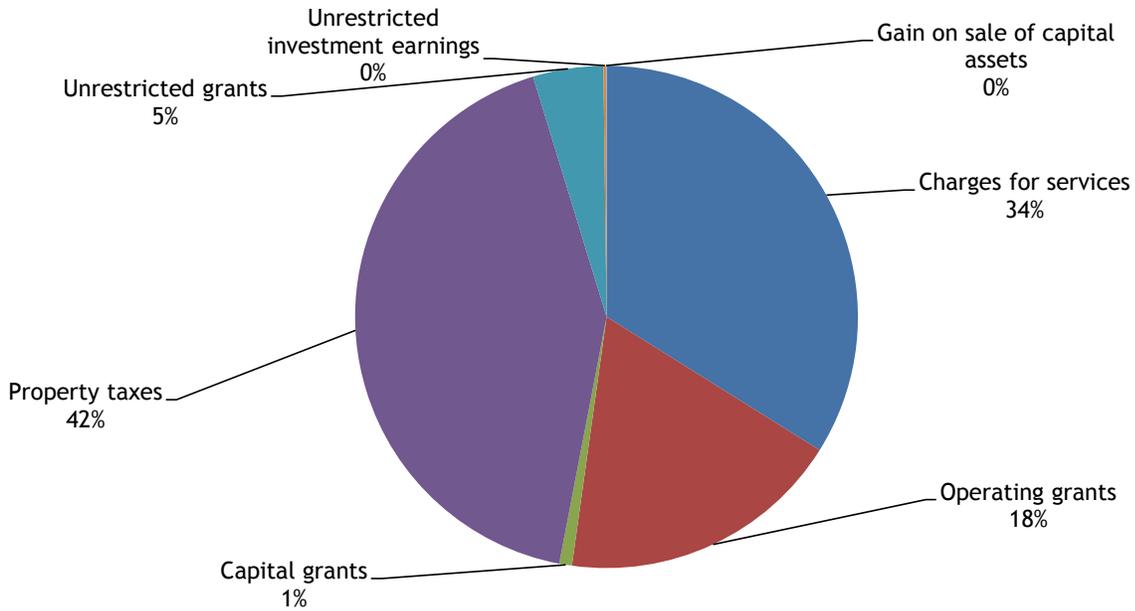
COUNTY OF NEWAYGO, MICHIGAN

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Expenses and Program Revenues - Governmental Activities



Revenues by Source - Governmental Activities

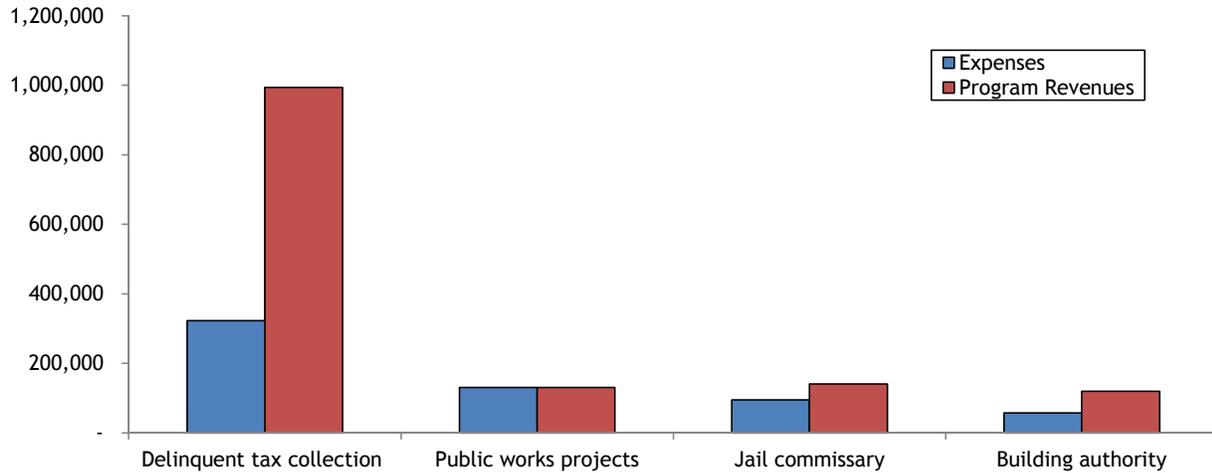


Business-type Activities. Business-type activities increased the County's net position by \$691,519. The key elements related to this increase were in interest and penalties and charges for services within the delinquent tax funds.

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.

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 2013 fiscal year, the County's ending fund balance for the general fund was \$2,444,923. Of that amount \$311,874 is nonspendable, \$128,063 is assigned, and \$2,004,986 is unassigned.

Nonmajor funds increased their collective fund balances (GAAP Basis) by \$434,107 from \$4,140,263 at the beginning of the year to an ending balance of \$4,574,370. Of that amount \$1,107,356 is nonspendable, \$1,119,348 is restricted, \$1,452,090 is committed, and \$895,576 is assigned.

Revenues (Statement of Revenues, Expenditures and Changes in Net Position)

Charges for services. Charges for services in the governmental funds totaled \$7,614,496. The amount was generated by general fund charges of \$2,276,917, county jail fund charges of \$2,699,926, and nonmajor fund charges of \$2,637,654. The total reflected an overall increase of \$170,857 from the previous year (\$35,613 increase in general fund, \$42,742 decrease in jail fund, \$62,500 decrease in capital improvement fund, and \$240,486 increase in nonmajor funds).

Property taxes. Property taxes totaled \$9,986,552. This amount marked an increase of \$326,075 from the prior year. As a GAAP Basis, property taxes for the general fund increased 2.9% or \$199,681. Property taxes also decreased for the sheriff road patrol fund (\$88), increased for the soldiers' relief fund (\$23), increased for the commission on aging fund (\$99), and increased for debt service (\$126,390).

Investment earnings and rentals. Investment earnings and rentals totaled \$91,297. The general fund totaled \$88,066. This amount was a decrease over the prior year and still substantially lower than in previous years: \$168,733 (2012), \$164,906 (2011), \$254,119 (2010), \$239,631 (2009), \$383,103 (2008), \$335,655 (2007), \$235,830 (2006).

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

General government. General government expenditures were \$3,884,075. The general government category equated to approximately 16.7% of the total expenditures. This total was a 2.0% increase from the previous year. Some of the departments included within the general government category include the Prosecutor, Administrator, Accounting, County Clerk, Budget, Treasurer, Equalization, Personnel, and Payroll. The Prosecutor's Office had the highest expenditures within the general government category of the general fund with approximately 17.1% of the total.

Public safety. Public safety expenditures totaled \$8,554,837 which was a \$296,247 (3.6%) increase from the prior year. This category contains portions of the general fund (including animal control), the county jail fund, and the special investigative unit, as well as the Nonmajor Governmental funds of mounted division, 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 sheriff road patrol fund had the largest increase in expenditures from the prior year of \$104,075 (5.3%).

Health and welfare. Health and welfare expenditures totaled \$4,126,601. The amount marks an overall increase from the prior year of \$191,281. Of the funds in this category, increases in expenditures occurred in the commission on aging (7.3%), child care (38%), and the general fund (1.5%), while decreases occurred in the soldiers' relief fund (10%), and social services (65%).

Recreation and cultural. Recreation and cultural expenditures were \$418,950 which was decrease of \$35,621 or 7.8% from the previous year. This category is made up of the County parks.

Legislative. Legislative expenditures were \$324,167. The expenditures are an overall increase from the previous year of \$12,610.

Judicial. Judicial expenditures were \$3,475,761 which included general fund expenditures and other governmental funds. Within the General fund, the judicial expenditures were 28.1% of total expenditures (\$2,621,480). The expenditures were an overall .9% decrease from the previous year.

Community and economic development. Community and economic development expenditures were \$271,277 which is a 18.9% decrease 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.

General Fund Budgetary Highlights

The general fund amended budget revenues continue to reflect a slowed economy, a drop in the tax base, and state cuts to revenue sharing. Prior to 2003 the County received revenue sharing payments under the State Revenue Sharing Act of 1971, as amended in 1998. In 2004 legislation was passed that eliminated state revenue sharing payments and required a shifting of the tax levy. The legislation mandated a full winter levy in December of 2004 and a one-third levy in July of 2005. Every year thereafter an additional one-third levy was moved, until 2007, when the entire levy was on the summer tax levy. The mandate called for the elimination of revenue sharing payments and the establishment of a designated fund made up of the extra three one-third levies to be used for an annual draw to substitute for the lost revenue sharing. The state established an annual amount that could be transferred to the general fund based on the County's past revenue sharing payments. When the fund was exhausted, revenue sharing payments were to resume. The County exhausted the fund in the 2011 budget year and revenue sharing was reintroduced with significant conditions and at reduced levels.

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 2013 fiscal year were attributable to revenues being more than anticipated and other program changes. A few significant variances worth noting are listed below:

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- Real property tax revenues were projected at a conservative level with no increase when the 2013 budget was adopted in August 2012. With the final taxable value numbers received in April 2013, the budget was amended to anticipate an additional \$70,800 in property revenues representing a 1% increase when comparing to the prior year.
- The federal grants revenue within the general fund was amended to reflect the anticipated FY 2012 National Forest Revenue Pass-Through Program monies of \$175,659. These dollars are considered Title I monies and may only be used for school purposes and county roads in which national forests are situated. The County Treasurer receives the funds and then redistributes all of the money in a ratio of 75 percent to local school districts for school purposes and 25 percent to townships for the improvement of county roads within those townships.
- The parks department secured funding through the Fremont Area Community Foundation in the amount of \$24,000 for two camping cabins. The capital outlay in the general fund budget was amended to reflect the receipt of the funds from the FAF and the subsequent expense for building materials. These cabins were built in collaboration with NCRESA (Newaygo County Regional Educational Service Agency) and their construction trades students.
- The final amended general fund budget also reflects additional revenues received from Charges for Services. As an example with the adoption of the FY 2013 budget, the Register of Deeds Office revenues were budgeted at a conservative level based on the recent decline in the housing market. However, these revenues performed well above the originally anticipated budget and were amended by \$19,430.

The changes made to revenue sharing and recent legislation to eliminate personal property taxes have made the budgeting process extremely difficult. The annual budget is developed between May and July and ultimately approved in August 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, 2013 amounted to \$18,278,047 (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 2.9 percent.

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Major capital assets acquired during the current fiscal year included the following:

| | |
|--|------------|
| Buildings: | |
| Courthouse re-roofing project | \$ 110,344 |
| Jail shower tile project | 34,752 |
| Two new camping cabins for the Parks Department | 24,000 |
| Equipment/Software: | |
| Water softener system at jail facility | 18,997 |
| Electric and gas ovens for the jail kitchen | 10,663 |
| Card swipe security for the courthouse | 17,677 |
| X-ray baggage scanner for court security | 19,400 |
| Three (3) HVAC rooftop units for the DBH building | 15,400 |
| Motorola radios for emergency services | 15,158 |
| Vehicles: | |
| 2013 Ford E-350 Passenger Van for jail transport | 23,345 |
| 2013 Champion Bus for commission on aging | 55,173 |
| Two (2) 2013 Ford Econoline vans for commission on aging | 73,792 |

| | Capital Assets (Net of Depreciation) | | | | | |
|----------------------------------|--------------------------------------|----------------------|--------------------------|------------------|----------------------|----------------------|
| | Governmental Activities | | Business-type Activities | | Total | |
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| Land and improvements | \$ 2,572,103 | \$ 2,604,754 | \$ - | \$ - | \$ 2,572,103 | \$ 2,604,754 |
| Buildings and improvements | 14,711,281 | 15,196,897 | - | - | 14,711,281 | 15,196,897 |
| Office equipment | 673,486 | 720,946 | 26,424 | 17,992 | 699,910 | 738,938 |
| Vehicles | 294,753 | 283,491 | - | - | 294,753 | 283,491 |
| Total capital assets, net | \$ 18,251,623 | \$ 18,806,088 | \$ 26,424 | \$ 17,992 | \$ 18,278,047 | \$ 18,824,080 |

Additional information on the County's capital assets can be found in Note 10 of this report.

Long-term Debt. At the end of the current fiscal year, the County had outstanding bonds in the amount of \$18,104,180 (\$13,920,000 governmental activities and \$4,184,180 business-type activities). At a minimum, all the bonds are backed by the County's faith and credit.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent 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 | |
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| General obligation bonds | \$ 13,920,000 | \$ 14,750,000 | \$ 4,184,180 | \$ 4,644,180 | \$ 18,104,180 | \$ 19,394,180 |
| Notes payable | - | - | 1,075,000 | 1,650,000 | 1,075,000 | 1,650,000 |
| Premium on bonds payable | 12,110 | 13,141 | 277,322 | 309,631 | 289,432 | 322,772 |
| Compensated absences | 430,532 | 400,411 | - | - | 430,532 | 400,411 |
| Total long-term debt | \$ 14,362,642 | \$ 15,163,552 | \$ 5,536,502 | \$ 6,603,811 | \$ 19,899,144 | \$ 21,767,363 |

Additional information on the County long-term debt can be found in Note 11 of this report.

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Economic Factors and Next Year's Budget and Rates

The following factors were considered in preparing the County's budget for the 2014 fiscal year:

- The decline in property values and the rise in foreclosures over the past several years have had a dramatic effect on the property tax levy and the revenue generated by it. For the 2014 fiscal year, a conservative approach has continued and tax revenue increases have not been budgeted for the County's general fund. However it is projected that the road patrol, commission on aging, and veterans' affairs will see increases.
- 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.
- Revenue Sharing for the County is projected to be \$762,850 for fiscal year 2014. Effective with the 2013 fiscal year, the State implemented new requirements for Revenue Sharing. The County is scheduled to receive \$610,277 as part of the County Revenue Sharing Payment. However, the remaining portion of funds (\$152,573) is subject to the new County Incentive Program (CIP). The CIP portion of Revenue Sharing requires the County to submit the following three elements in order to qualify for funding: 1) Accounting & Transparency (\$50,858); 2) Consolidation of Services (\$50,858); and 3) Unfunded Accrued Liability Plan (\$50,857).
- With the property tax levy for the general fund shifting to the summer, at budget time Administration is forced to predict the taxable value, including new construction, and in recent years, reductions due to diminished property values of the County, as well as the anticipated Headlee Rollback over a year in advance.
- The crash of the stock market and its effect on the market value of our defined benefit accounts through MERS, coupled with accelerated payments required from "closed systems". Accelerated payments mean an increase in the County's required annual payments to the retirement system.
- Newly established OPEB (Other Postemployment Benefits) amounts and the full funding of the County's annual required contribution. The cost for funding the County's ARC (Annual Required Contribution) for OPEB's has dramatically increased since our first payment in FY 2010.

Highlights of the 2014 budget are as follows:

- Concentrated efforts to attain the most accurate portrait of revenues and expenditures in the budget development phases.
- The 2014 budget, for the first time, incorporates a Capital Improvements Plan.
- Property tax revenues are not budgeted to increase for the general fund. However it is projected that the road patrol, commission on aging, and veterans affairs will see increases of \$73,145, \$36,572, and \$6,587 respectively.
- Interest earnings remain at an all-time low.
- The general fund is balanced using \$215,000 of fund balance for operations. However, it is hoped that this amount can be reduced or offset with an increase in property tax revenues and/or the anticipated dividend from MMRMA.
- The county jail was provided an increased appropriation from the general fund - an increase of \$150,000 compared to FY 2014. Also, the County Jail is utilizing \$371,152 of the additional revenue generated in FY 2013 from the housing of extra federal inmates over the 140 guaranteed contract.

COUNTY OF NEWAYGO, MICHIGAN

Management's Discussion and Analysis

- The road patrol fund is balanced using \$145,287 of the additional revenue generated in FY 2013 from the housing of extra federal inmates over the 140 guaranteed contract.
- The animal control fund is experiencing decreased revenues from dog licensing and is relying on additional money from the general fund.
- The building safety & permits fund reflects no subsidy from the general fund. It does reflect the continued closing of the office one day per week, subsequent reductions in costs, and slow, steady increases in revenue.
- The veterans' affairs budget reflects a strategic approach for the dollars they have available to distribute to clients.
- The 2014 budget reflects an averaging of the defined benefit and defined contribution estimated costs for each benefit group using a percentage based allocation.
- A total transfer of \$355,938 from the retirement fund is provided to the road patrol fund (\$173,761), the general fund (\$105,886), the county jail (\$38,876), and the E-911 service fund (\$37,415) to help offset the increased costs with regards to reaching our goal of 100% funding in 3-5 years.
- The FY 2014 OPEB (Other Postemployment Benefits) ARC (Annual Required Contribution) is fully funded through the budget.
- There is no wage increase for employees budgeted in the 2014 fiscal year.

Personnel changes / updates:

- The Assistant Prosecuting Attorney position is expected to remain vacant throughout FY 2014. This position remains in the manning table but has not been budgeted.
- The position of Legal Secretary in the Prosecuting Attorney's Office is expected to remain vacant throughout FY 2014. The position remains in the manning table but has not been budgeted.
- The position of Clerk of the Court/Business Manager in the 78th District Court is not expected to be filled until midway through the fiscal year. The FY 2014 budget contains 62.5% funding for the position.
- The budget includes funding for two (2) new correction officer positions.

The budget retains funding for the following positions:

- CASA Volunteer Coordinator - funding is in conjunction with the Fremont Area Community Foundation;
- Account Position (Treasurer's Office) - funding is provided from PA 123 Operations;
- Register of Deeds Clerk - part time position;
- Animal Shelter Attendant - part time position;
- IT Technical Support Specialistian - full time position; and
- Assistant Emergency Services Director - part time position (offset by NACCHO funds)

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: Tobi G. Lake, Administrator, 1087 Newell Street, P.O. Box 885, White Cloud, Michigan 49349.

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BASIC FINANCIAL STATEMENTS

COUNTY OF NEWAYGO, MICHIGAN

Statement of Net Position September 30, 2013

| | Primary Government | | | Component Units |
|--|-------------------------|--------------------------|----------------------|----------------------|
| | Governmental Activities | Business-type Activities | Total | |
| Assets | | | | |
| Cash and cash equivalents | \$ 10,773,095 | \$ 2,650,527 | \$ 13,423,622 | \$ 6,818,743 |
| Restricted cash and cash equivalents | - | 298,481 | 298,481 | - |
| Investments | 2,459,746 | 8,741,536 | 11,201,282 | - |
| Receivables | 3,836,250 | 7,824,729 | 11,660,979 | 2,748,318 |
| Advance to component units | 300,000 | 15,076 | 315,076 | - |
| Other assets | 273,405 | - | 273,405 | 1,050,111 |
| Capital assets not being depreciated | 2,233,586 | - | 2,233,586 | 2,151,451 |
| Capital assets being depreciated, net | 16,018,037 | 26,424 | 16,044,461 | 50,472,963 |
| Total assets | 35,894,119 | 19,556,773 | 55,450,892 | 63,241,586 |
| Deferred outflows of resources | | | | |
| Loss on bond refunding, net | 159,836 | 85,855 | 245,691 | - |
| Liabilities | | | | |
| Accounts payable | 1,917,589 | 112,292 | 2,029,881 | 1,576,665 |
| Advance from primary government | - | - | - | 315,076 |
| Unearned revenue | 130,817 | - | 130,817 | - |
| Long-term liabilities: | | | | |
| Due within one year | 1,188,893 | 532,309 | 1,721,202 | 256,558 |
| Due in more than one year | 13,173,749 | 5,004,193 | 18,177,942 | 1,695,318 |
| Net other postemployment benefits obligation | - | - | - | 1,306,858 |
| Total liabilities | 16,411,048 | 5,648,794 | 22,059,842 | 5,150,475 |
| Net position | | | | |
| Net investment in capital assets | 4,479,349 | 26,424 | 4,505,773 | 51,501,960 |
| Restricted for: | | | | |
| Community and economic development | 1,107,356 | - | 1,107,356 | - |
| Public safety | 329,748 | - | 329,748 | - |
| Other state mandated programs | 207,193 | - | 207,193 | - |
| Debt service | 530,482 | - | 530,482 | - |
| Property tax foreclosures | - | 298,481 | 298,481 | - |
| Unrestricted | 12,988,779 | 13,668,929 | 26,657,708 | 6,589,151 |
| Total net position | \$ 19,642,907 | \$ 13,993,834 | \$ 33,636,741 | \$ 58,091,111 |

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

COUNTY OF NEWAYGO, MICHIGAN

Statement of Activities

For the Year Ended September 30, 2013

| Functions / Programs | Expenses | Program Revenues | | | Net (Expense) Revenue |
|---------------------------------------|----------------------|----------------------|------------------------------------|----------------------------------|-----------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | |
| Primary government | | | | | |
| Governmental activities: | | | | | |
| General government | \$ 4,869,090 | \$ 1,843,999 | \$ 1,160,762 | \$ - | \$ (1,864,329) |
| Public safety | 8,792,330 | 4,680,915 | 568,649 | 118,981 | (3,423,785) |
| Public works | 42,353 | - | - | - | (42,353) |
| Health and welfare | 4,109,202 | 205,763 | 1,687,754 | 73,676 | (2,142,009) |
| Recreation and cultural | 437,101 | 473,830 | 9,250 | - | 45,979 |
| Legislative | 315,399 | 50 | - | - | (315,349) |
| Judicial | 3,469,671 | 823,638 | 866,598 | - | (1,779,435) |
| Community and economic development | 258,439 | 30,629 | 56,617 | - | (171,193) |
| Interest on long-term debt | 461,402 | - | 4,599 | - | (456,803) |
| Total governmental activities | 22,754,987 | 8,058,824 | 4,354,229 | 192,657 | (10,149,277) |
| Business-type activities: | | | | | |
| Delinquent tax administration | 323,051 | 1,180,518 | (186,899) | - | 670,568 |
| Public works projects | 130,435 | 130,435 | - | - | - |
| Jail commissary | 95,245 | 140,953 | - | - | 45,708 |
| Building authority | 57,735 | 119,683 | - | - | 61,948 |
| Total business-type activities | 606,466 | 1,571,589 | (186,899) | - | 778,224 |
| Total primary government | \$ 23,361,453 | \$ 9,630,413 | \$ 4,167,330 | \$ 192,657 | \$ (9,371,053) |
| Component units | | | | | |
| Central Dispatch Authority | \$ 866,047 | \$ 676,139 | \$ 251,551 | \$ - | \$ 61,643 |
| Drain Commissioner | 326,746 | - | - | 341,575 | 14,829 |
| Brownfield Redevelopment Authority | 35,474 | - | 6,000 | - | (29,474) |
| Roads | 9,803,617 | 1,166,163 | 5,974,857 | 2,806,060 | 143,463 |
| Medical care | 10,745,026 | 11,047,211 | - | - | 302,185 |
| Total component units | \$ 21,776,910 | \$ 12,889,513 | \$ 6,232,408 | \$ 3,147,635 | \$ 492,646 |

continued...

COUNTY OF NEWAYGO, MICHIGAN

Statement of Activities For the Year Ended September 30, 2013

| | Primary Government | | | Component Units |
|---|----------------------------|-----------------------------|----------------------|----------------------|
| | Governmental Activities | Business-type Activities | Total | |
| Changes in net position | | | | |
| Net (expense) revenue | \$ (10,149,277) | \$ 778,224 | \$ (9,371,053) | \$ 492,646 |
| General revenues: | | | | |
| Property taxes | 10,050,917 | - | 10,050,917 | 29,771 |
| Grants and contributions not restricted to specific programs | 1,077,415 | - | 1,077,415 | - |
| Unrestricted investment earnings | 37,217 | 61 | 37,278 | - |
| Gain on sale of capital assets | 8,614 | - | 8,614 | - |
| Other revenues | - | - | - | 2,690 |
| Transfers - internal activities | 86,766 | (86,766) | - | - |
| Total general revenues and transfers | 11,260,929 | (86,705) | 11,174,224 | 32,461 |
| Change in net position | 1,111,652 | 691,519 | 1,803,171 | 525,107 |
| Net position, beginning of year, as restated | 18,531,255 | 13,302,315 | 31,833,570 | 57,566,004 |
| Net position, end of year | <u>\$ 19,642,907</u> | <u>\$ 13,993,834</u> | <u>\$ 33,636,741</u> | <u>\$ 58,091,111</u> |

concluded

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

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COUNTY OF NEWAYGO, MICHIGAN

Balance Sheet
 Governmental Funds
 September 30, 2013

| | General | Special Investigative Unit (2073) | County Jail (213) |
|---|---------------------|--|-------------------------|
| Assets | | | |
| Cash and cash equivalents | \$ 71,887 | \$ 599,747 | \$ - |
| Investments | 2,459,746 | - | - |
| Receivables: | | | |
| Accounts | 28,928 | 1,242 | 6,622 |
| Taxes | 1,717,023 | - | - |
| Due from other governments | 139,634 | 34,025 | 204,944 |
| Due from other funds | 93,293 | - | - |
| Advance to component unit | 300,000 | - | - |
| Prepays | 11,874 | - | - |
| Total assets | \$ 4,822,385 | \$ 635,014 | \$ 211,566 |
| Liabilities | | | |
| Interfund payable | \$ 1,176,052 | \$ - | \$ 78,531 |
| Accounts payable | 197,531 | 55,644 | 15,605 |
| Accrued expenditures | 171,608 | 1,563 | 88,500 |
| Due to other governments | - | 522,580 | - |
| Due to other funds | 25,745 | - | - |
| Unearned revenue | 65,963 | - | 1,604 |
| Total liabilities | 1,636,899 | 579,787 | 184,240 |
| Deferred inflows of resources | | | |
| Unavailable revenues - property taxes | 740,563 | - | - |
| Fund balances | | | |
| Nonspendable | 311,874 | - | - |
| Restricted | - | 55,227 | - |
| Committed | - | - | 27,326 |
| Assigned | 128,063 | - | - |
| Unassigned | 2,004,986 | - | - |
| Total fund balances | 2,444,923 | 55,227 | 27,326 |
| Total liabilities, deferred inflows of resources and fund balances | \$ 4,822,385 | \$ 635,014 | \$ 211,566 |

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

| Capital Improvement (402) | Nonmajor Governmental Funds | Totals |
|---------------------------|-----------------------------|----------------------|
| \$ 2,274,310 | \$ 3,587,152 | \$ 6,533,096 |
| - | - | 2,459,746 |
| - | 1,137,351 | 1,174,143 |
| - | 513 | 1,717,536 |
| - | 402,361 | 780,964 |
| - | 1,432 | 94,725 |
| - | - | 300,000 |
| - | - | 11,874 |
| <u>\$ 2,274,310</u> | <u>\$ 5,128,809</u> | <u>\$ 13,072,084</u> |
| \$ - | \$ 27,728 | \$ 1,282,311 |
| - | 147,486 | 416,266 |
| - | 179,566 | 441,237 |
| - | 134,783 | 657,363 |
| - | 1,626 | 27,371 |
| - | 63,250 | 130,817 |
| - | 554,439 | 2,955,365 |
| - | - | 740,563 |
| - | 1,107,356 | 1,419,230 |
| - | 1,119,348 | 1,174,575 |
| 2,274,310 | 1,452,090 | 3,753,726 |
| - | 895,576 | 1,023,639 |
| - | - | 2,004,986 |
| <u>2,274,310</u> | <u>4,574,370</u> | <u>9,376,156</u> |
| <u>\$ 2,274,310</u> | <u>\$ 5,128,809</u> | <u>\$ 13,072,084</u> |

COUNTY OF NEWAYGO, MICHIGAN

Reconciliation

Fund Balances for Governmental Funds
to Net Position of Governmental Activities
September 30, 2013

| | |
|---|----------------------|
| Fund balances - total governmental funds | \$ 9,376,156 |
| Amounts reported for <i>governmental activities</i> 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 | 2,233,586 |
| Capital assets being depreciated, net | 16,018,037 |
| Less amounts accounted for in governmental-type internal service funds | (238,882) |
| 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 property taxes receivable | 740,563 |
| 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 governmental activities accounted for in internal service funds | 5,792,159 |
| 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. | |
| Loss on advance bond refunding, net | 159,836 |
| Bonds payable and net issuance premium | (13,932,110) |
| Compensated absences | (399,286) |
| Accrued interest on long-term liabilities | (107,152) |
| Net position of governmental activities | <u>\$ 19,642,907</u> |

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

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COUNTY OF NEWAYGO, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the Year Ended September 30, 2013

| | General | Special Investigative Unit (2073) | County Jail (213) |
|---|--------------------|-----------------------------------|-------------------|
| Revenues | | | |
| Taxes | \$ 7,095,091 | \$ - | \$ - |
| Intergovernmental: | | | |
| Federal | 381,967 | 117,375 | - |
| State | 1,641,321 | - | - |
| Local | 142,844 | - | - |
| Licenses and permits | 57,746 | - | - |
| Fines and forfeitures | 68,619 | - | - |
| Charges for services | 2,276,917 | - | 2,699,926 |
| Interest and rentals | 88,066 | 585 | - |
| Contributions from private sources | 35,811 | 146,607 | - |
| Other revenues/reimbursements | 144,425 | - | 74,990 |
| Total revenues | 11,932,807 | 264,567 | 2,774,916 |
| Expenditures | | | |
| Current: | | | |
| Legislative | 324,167 | - | - |
| Judicial | 2,621,480 | - | - |
| General government | 3,800,559 | - | - |
| Public safety | 1,103,967 | 229,037 | 4,146,846 |
| Public works | 46,052 | - | - |
| Health and welfare | 813,264 | - | - |
| Community and economic development | 127,873 | - | - |
| Recreation and cultural | - | - | - |
| Other | 213,269 | - | - |
| Debt service: | | | |
| Principal | - | - | - |
| Interest | - | - | - |
| Bond issuance costs | - | - | - |
| Capital outlay | 290,884 | - | - |
| Total expenditures | 9,341,515 | 229,037 | 4,146,846 |
| Revenues over (under) expenditures | 2,591,292 | 35,530 | (1,371,930) |
| Other financing sources (uses) | | | |
| Proceeds from sale of capital assets | 774 | - | - |
| Issuance of refunding bonds | - | - | - |
| Transfers in | 560,138 | - | 1,273,173 |
| Transfers out | (3,052,773) | - | (15,587) |
| Payments to refunded bond escrow agent | - | - | - |
| Total other financing sources (uses) | (2,491,861) | - | 1,257,586 |
| Net change in fund balances | 99,431 | 35,530 | (114,344) |
| Fund balances, beginning of year | 2,345,492 | 19,697 | 141,670 |
| Fund balances, end of year | \$ 2,444,923 | \$ 55,227 | \$ 27,326 |

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

| Capital Improvement (402) | Nonmajor Governmental Funds | Totals |
|---------------------------|-----------------------------|--------------|
| \$ - | \$ 2,891,461 | \$ 9,986,552 |
| - | 898,742 | 1,398,084 |
| - | 922,030 | 2,563,351 |
| - | 248,955 | 391,799 |
| - | - | 57,746 |
| - | 10,723 | 79,342 |
| - | 2,637,654 | 7,614,497 |
| - | 2,646 | 91,297 |
| - | 688,240 | 870,658 |
| - | 50,565 | 269,980 |
| - | 8,351,016 | 23,323,306 |
| - | - | 324,167 |
| - | 854,281 | 3,475,761 |
| - | 83,516 | 3,884,075 |
| - | 3,074,987 | 8,554,837 |
| - | - | 46,052 |
| - | 3,313,337 | 4,126,601 |
| - | 143,404 | 271,277 |
| - | 418,950 | 418,950 |
| - | - | 213,269 |
| - | 910,000 | 910,000 |
| - | 478,780 | 478,780 |
| - | 47,601 | 47,601 |
| - | 161,204 | 452,088 |
| - | 9,486,060 | 23,203,458 |
| - | (1,135,044) | 119,848 |
| - | - | 774 |
| - | 6,930,000 | 6,930,000 |
| - | 2,202,918 | 4,036,229 |
| - | (545,368) | (3,613,728) |
| - | (7,018,399) | (7,018,399) |
| - | 1,569,151 | 334,876 |
| - | 434,107 | 454,724 |
| 2,274,310 | 4,140,263 | 8,921,432 |
| \$ 2,274,310 | \$ 4,574,370 | \$ 9,376,156 |

COUNTY OF NEWAYGO, MICHIGAN

Reconciliation

Net Changes in Fund Balances for Governmental Funds
to Change in Net Position of Governmental Activities
For the Year Ended September 30, 2013

Net change in fund balances - total governmental funds \$ 454,724

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

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

| | |
|--|-----------|
| Capital assets purchased / constructed | 392,946 |
| Donated capital assets | 87,852 |
| Depreciation expense | (936,377) |
| Proceeds on sale of capital assets | (774) |
| Gain on disposal of capital assets | 774 |

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 | 64,365 |
|--|--------|

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 | 910,000 |
| Issuance of refunding bonds | (6,930,000) |
| Payments to defeased bond escrow agent | 7,018,399 |
| Amortization of premium on long-term debt | 1,031 |
| Amortization of deferred loss on bond refunding | (8,563) |

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 | 72,511 |
| Change in the accrual for compensated absences | (15,384) |

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 | 59,835 |
| Interest income from internal service funds | 66,814 |
| Gain on sale of capital assets from internal service funds | 7,840 |
| Net other nonoperating revenue (expense) from internal service funds | 201,394 |
| Internal activities (transfers) accounted for in internal service funds | (335,735) |

Change in net position of governmental activities \$ 1,111,652

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

COUNTY OF NEWAYGO, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Budgetary Basis) and Actual - General Fund For the Year Ended September 30, 2013

| | Original Budget | Final Budget | Actual | Actual Over (Under) Final Budget |
|--|-------------------|-------------------|-------------------|----------------------------------|
| Revenues | | | | |
| Taxes: | | | | |
| Real and personal property taxes | \$ 6,861,361 | \$ 6,932,161 | \$ 7,131,146 | \$ 198,985 |
| Other taxes | 11,000 | 29,620 | 28,310 | (1,310) |
| Total taxes | 6,872,361 | 6,961,781 | 7,159,456 | 197,675 |
| Intergovernmental: | | | | |
| Federal | 206,907 | 351,964 | 381,967 | 30,003 |
| State | 1,593,628 | 1,631,075 | 1,641,321 | 10,246 |
| Local | 90,854 | 98,957 | 142,844 | 43,887 |
| Total intergovernmental | 1,891,389 | 2,081,996 | 2,166,132 | 84,136 |
| Licenses and permits | 49,000 | 57,135 | 57,746 | 611 |
| Fines and forfeitures | 74,000 | 69,470 | 68,619 | (851) |
| Charges for services | 2,210,372 | 2,259,772 | 2,276,917 | 17,145 |
| Interest and rentals: | | | | |
| Interest revenue | 57,330 | 52,330 | (29,597) | (81,927) |
| Rentals | 100,579 | 116,813 | 117,663 | 850 |
| Total interest and rentals | 157,909 | 169,143 | 88,066 | (81,077) |
| Contributions from private sources | 1,500 | 35,810 | 35,811 | 1 |
| Other revenues/reimbursements: | | | | |
| Reimbursements | 11,687 | 77,024 | 77,969 | 945 |
| Other revenues | 68,500 | 66,456 | 66,456 | - |
| Total other revenues/reimbursements | 80,187 | 143,480 | 144,425 | 945 |
| Total revenues | 11,336,718 | 11,778,587 | 11,997,172 | 218,585 |
| Expenditures | | | | |
| Legislative: | | | | |
| Board of Commissioners | 340,640 | 339,594 | 324,167 | (15,427) |

continued...

COUNTY OF NEWAYGO, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance

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

For the Year Ended September 30, 2013

| | Original Budget | Final Budget | Actual | Actual Over (Under) Final Budget |
|------------------------------------|--------------------|------------------|------------------|--|
| Expenditures (continued) | | | | |
| Judicial: | | | | |
| 27th Circuit Court - Newaygo | \$ 604,800 | \$ 600,002 | \$ 593,988 | \$ (6,014) |
| 27th Circuit Court - Oceana | 35,110 | 35,713 | 35,411 | (302) |
| Circuit Court Probation | 18,556 | 17,726 | 17,373 | (353) |
| Circuit Court Clerk | 233,974 | 224,080 | 223,149 | (931) |
| Circuit Court - Juvenile Division | 224,105 | 229,989 | 227,234 | (2,755) |
| District Court | 1,082,849 | 1,046,060 | 1,037,924 | (8,136) |
| Jury Board | 12,843 | 13,493 | 13,496 | 3 |
| Probate Court | 418,866 | 424,470 | 418,243 | (6,227) |
| Court Guardian | 54,062 | 54,662 | 54,662 | - |
| Total judicial | 2,685,165 | 2,646,195 | 2,621,480 | (24,715) |
| General government: | | | | |
| Administrator | 259,146 | 249,767 | 243,846 | (5,921) |
| Accounting | 253,151 | 258,182 | 257,689 | (493) |
| Clerk | 333,285 | 333,285 | 322,888 | (10,397) |
| Board of review | 1,143 | 953 | 903 | (50) |
| Treasurer | 453,020 | 453,020 | 441,692 | (11,328) |
| Equalization | 572,648 | 561,217 | 551,583 | (9,634) |
| Cooperative extension | 143,184 | 143,535 | 143,673 | 138 |
| Civil counsel | 15,021 | 10,021 | 8,302 | (1,719) |
| Prosecutor | 661,564 | 665,414 | 651,579 | (13,835) |
| Register of deeds | 381,574 | 383,405 | 369,901 | (13,504) |
| Personnel | 86,364 | 85,969 | 84,764 | (1,205) |
| Surveyor | 87,878 | 87,878 | 90,565 | 2,687 |
| Drain Commissioner | 296,047 | 257,760 | 255,367 | (2,393) |
| Payroll | 60,248 | 50,894 | 49,099 | (1,795) |
| Courtesy desk/mail | 36,440 | 34,673 | 34,155 | (518) |
| Drain maintenance and construction | 143,118 | 169,304 | 165,399 | (3,905) |
| Soil erosion/conservation | 9,470 | 9,670 | 9,369 | (301) |
| Elections | 129,379 | 135,872 | 119,785 | (16,087) |
| Total general government | 3,922,680 | 3,890,819 | 3,800,559 | (90,260) |
| Public safety: | | | | |
| Sheriff's department | 747,048 | 745,353 | 744,659 | (694) |
| Courthouse security | 38,304 | 43,249 | 43,162 | (87) |
| Regional drug force contract | 116 | 116 | 116 | - |
| Marine law enforcement | 49,237 | 63,370 | 58,286 | (5,084) |

continued...

COUNTY OF NEWAYGO, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance

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

For the Year Ended September 30, 2013

| | Original Budget | Final Budget | Actual | Actual Over (Under) Final Budget |
|--|--------------------|------------------|------------------|--|
| Expenditures (concluded) | | | | |
| Public safety (continued): | | | | |
| Junk law enforcement | \$ 116 | \$ 116 | \$ 116 | \$ - |
| Spray and neuter grant | 3,045 | 635 | 634 | (1) |
| Crisis management | 33,448 | 20,421 | 17,996 | (2,425) |
| Animal control | 197,976 | 225,019 | 217,220 | (7,799) |
| Truancy program | - | 8,000 | 8,000 | - |
| Other public safety | 14,078 | 13,778 | 13,778 | - |
| Total public safety | <u>1,083,368</u> | <u>1,120,057</u> | <u>1,103,967</u> | <u>(16,090)</u> |
| Public works: | | | | |
| Board of public works | 28,440 | 37,940 | 34,151 | (3,789) |
| Drain tax at large | 15,000 | 11,901 | 11,901 | - |
| Total public works | <u>43,440</u> | <u>49,841</u> | <u>46,052</u> | <u>(3,789)</u> |
| Health and welfare: | | | | |
| Health department | 305,837 | 307,435 | 307,435 | - |
| Contagious disease | 440 | 440 | 419 | (21) |
| Mental health | 220,000 | 220,000 | 220,000 | - |
| Family counseling services | 6,876 | 5,876 | 5,876 | - |
| Medical Care Facility maintenance of effort | 88,213 | 92,673 | 92,672 | (1) |
| Substance abuse | 102,573 | 134,147 | 102,074 | (32,073) |
| Medical examiner | 78,298 | 86,898 | 84,788 | (2,110) |
| Total health and welfare | <u>802,237</u> | <u>847,469</u> | <u>813,264</u> | <u>(34,205)</u> |
| Community and economic development: | | | | |
| Land use educator | 71,947 | 71,947 | 71,947 | - |
| Economic development (NCEDO) | 43,000 | 43,000 | 43,000 | - |
| West Michigan regional planning | 13,000 | 12,926 | 12,926 | - |
| Total community and economic development | <u>127,947</u> | <u>127,873</u> | <u>127,873</u> | <u>-</u> |
| Other: | | | | |
| Capital grants | - | 175,659 | 206,104 | 30,445 |
| Non-departmental expenditures | 6,941 | 47,498 | 7,165 | (40,333) |
| Total other | <u>6,941</u> | <u>223,157</u> | <u>213,269</u> | <u>(9,888)</u> |
| Capital outlay | <u>10,635</u> | <u>300,443</u> | <u>290,884</u> | <u>(9,559)</u> |
| Total expenditures | <u>9,023,053</u> | <u>9,545,448</u> | <u>9,341,515</u> | <u>(203,933)</u> |
| Revenues over expenditures | <u>2,313,665</u> | <u>2,233,139</u> | <u>2,655,657</u> | <u>422,518</u> |

continued...

COUNTY OF NEWAYGO, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Budgetary Basis) and Actual - General Fund For the Year Ended September 30, 2013

| | Original Budget | Final Budget | Actual | Actual Over (Under) Final Budget |
|---|---------------------|---------------------|---------------------|----------------------------------|
| Other financing sources (uses) | | | | |
| Proceeds on sale of capital assets | \$ - | \$ 512 | \$ 774 | \$ 262 |
| Transfers in | 682,208 | 564,044 | 560,138 | (3,906) |
| Transfers out | (3,027,234) | (3,051,044) | (3,052,773) | (1,729) |
| Total other financing sources (uses) | (2,345,026) | (2,486,488) | (2,491,861) | (5,373) |
| Net change in fund balance | (31,361) | (253,349) | 163,796 | 417,145 |
| Fund balance, beginning of year | 3,021,690 | 3,021,690 | 3,021,690 | - |
| Fund balance, end of year (budgetary basis) | <u>\$ 2,990,329</u> | <u>\$ 2,768,341</u> | 3,185,486 | <u>\$ 417,145</u> |
| Accounting basis difference (Note 2) | | | <u>(740,563)</u> | |
| Fund balance, end of year (GAAP basis) | | | <u>\$ 2,444,923</u> | |

concluded

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

COUNTY OF NEWAYGO, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance Budget and Actual - Special Investigative Unit For the Year Ended September 30, 2013

| | Original Budget | Final Budget | Actual | Actual Over (Under) Final Budget |
|------------------------------------|------------------|------------------|------------------|----------------------------------|
| Revenues | | | | |
| Intergovernmental - federal | \$ 163,881 | \$ 136,215 | \$ 117,375 | \$ (18,840) |
| Interest revenue | - | 536 | 585 | 49 |
| Contributions from private sources | 116,566 | 146,607 | 146,607 | - |
| Total revenues | 280,447 | 283,358 | 264,567 | (18,791) |
| Expenditures | | | | |
| Current - public safety | 280,447 | 283,358 | 229,037 | (54,321) |
| Net change in fund balance | - | - | 35,530 | 35,530 |
| Fund balances, beginning of year | 19,697 | 19,697 | 19,697 | - |
| Fund balances, end of year | \$ 19,697 | \$ 19,697 | \$ 55,227 | \$ 35,530 |

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

COUNTY OF NEWAYGO, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - County Jail

For the Year Ended September 30, 2013

| | Original Budget | Final Budget | Actual | Actual Over (Under) Final Budget |
|---|--------------------|--------------------|--------------------|----------------------------------|
| Revenues | | | | |
| Intergovernmental - federal | \$ 1,500 | \$ 1,604 | \$ - | \$ (1,604) |
| Charges for services | 2,691,654 | 2,717,089 | 2,699,926 | (17,163) |
| Other revenues/reimbursements | 110,174 | 79,339 | 74,990 | (4,349) |
| Total revenues | 2,803,328 | 2,798,032 | 2,774,916 | (23,116) |
| Expenditures | | | | |
| Current - public safety | 4,031,629 | 4,147,883 | 4,146,846 | (1,037) |
| Revenues under expenditures | (1,228,301) | (1,349,851) | (1,371,930) | (22,079) |
| Other financing sources (uses) | | | | |
| Transfers in | 1,228,320 | 1,273,173 | 1,273,173 | - |
| Transfers out | (49,107) | (15,587) | (15,587) | - |
| Total other financing sources (uses) | 1,179,213 | 1,257,586 | 1,257,586 | - |
| Net change in fund balance | (49,088) | (92,265) | (114,344) | (22,079) |
| Fund balance, beginning of year | 141,670 | 141,670 | 141,670 | - |
| Fund balance, end of year | \$ 92,582 | \$ 49,405 | \$ 27,326 | \$ (22,079) |

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

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COUNTY OF NEWAYGO, MICHIGAN

Statement of Net Position

Proprietary Funds
September 30, 2013

| | Business-type Activities - Enterprise Funds | | | |
|---|--|---------------------------------------|--|-----------------------|
| | 2010 and Prior Delinquent Tax (various) | 2012 Delinquent Tax (516122) | Sanitary Sewer Construction (852) | P.A. 123 (520-521) |
| Assets | | | | |
| Current assets: | | | | |
| Cash and cash equivalents | \$ 51,425 | \$ 190,493 | \$ 4,268 | \$ 674,961 |
| Restricted cash and cash equivalents | - | - | - | 298,481 |
| Investments | 7,616,812 | - | - | 1,124,724 |
| Accounts receivable | 11,074 | - | - | 68,218 |
| Delinquent taxes receivable | 51,955 | 2,333,175 | - | - |
| Due from other governments | 66,951 | - | - | - |
| Current portion of leases receivable | - | - | 545,353 | - |
| Due from other funds | 1,320,000 | - | - | - |
| Interfund receivable | 1,282,311 | - | - | - |
| Prepays | - | - | - | - |
| Total current assets | 10,400,528 | 2,523,668 | 549,621 | 2,166,384 |
| Noncurrent assets: | | | | |
| Advance to component units | 15,076 | - | - | - |
| Leases receivable, net of current portion | - | - | 3,885,649 | - |
| Capital assets being depreciated, net | 8,357 | - | - | 4,837 |
| Total noncurrent assets | 23,433 | - | 3,885,649 | 4,837 |
| Total assets | 10,423,961 | 2,523,668 | 4,435,270 | 2,171,221 |
| Deferred outflows of resources | | | | |
| Loss on bond refunding, net | - | - | 85,855 | - |
| Liabilities | | | | |
| Current liabilities: | | | | |
| Accounts payable | 827 | - | - | 48,037 |
| Accrued expenses | - | - | - | - |
| Due to other governments | - | - | - | - |
| Accrued interest payable | - | - | 55,355 | - |
| Due to other funds | - | 1,070,000 | - | - |
| Current portion of long-term debt | - | - | 532,309 | - |
| Total current liabilities | 827 | 1,070,000 | 587,664 | 48,037 |
| Noncurrent liabilities: | | | | |
| Long-term debt, net of current portion | - | 1,075,000 | 3,929,193 | - |
| Total liabilities | 827 | 2,145,000 | 4,516,857 | 48,037 |
| Net position | | | | |
| Net investment in capital assets | 8,357 | - | - | 4,837 |
| Restricted for property tax foreclosures | - | - | - | 298,481 |
| Unrestricted | 10,414,777 | 378,668 | 4,268 | 1,819,866 |
| Total net position | \$ 10,423,134 | \$ 378,668 | \$ 4,268 | \$ 2,123,184 |

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

| Business-type Activities | | Governmental Activities |
|---------------------------|----------------------|-------------------------|
| Nonmajor Enterprise Funds | Total | Internal Service Funds |
| \$ 447,069 | \$ 1,368,216 | \$ 5,522,310 |
| - | 298,481 | - |
| - | 8,741,536 | - |
| 10,479 | 89,771 | 157,265 |
| 823,372 | 3,208,502 | - |
| 28,503 | 95,454 | 6,342 |
| - | 545,353 | - |
| - | 1,320,000 | 35,770 |
| - | 1,282,311 | - |
| - | - | 261,531 |
| <u>1,309,423</u> | <u>16,949,624</u> | <u>5,983,218</u> |
| - | 15,076 | - |
| - | 3,885,649 | - |
| <u>13,230</u> | <u>26,424</u> | <u>238,882</u> |
| <u>13,230</u> | <u>3,927,149</u> | <u>238,882</u> |
| <u>1,322,653</u> | <u>20,876,773</u> | <u>6,222,100</u> |
| - | 85,855 | - |
| 8,072 | 56,936 | 267,853 |
| - | - | 27,718 |
| 1 | 1 | - |
| - | 55,355 | - |
| 250,000 | 1,320,000 | 103,124 |
| - | 532,309 | 3,269 |
| <u>258,073</u> | <u>1,964,601</u> | <u>401,964</u> |
| - | 5,004,193 | 27,977 |
| <u>258,073</u> | <u>6,968,794</u> | <u>429,941</u> |
| 13,230 | 26,424 | 238,882 |
| - | 298,481 | - |
| <u>1,051,350</u> | <u>13,668,929</u> | <u>5,553,277</u> |
| <u>\$ 1,064,580</u> | <u>\$ 13,993,834</u> | <u>\$ 5,792,159</u> |

COUNTY OF NEWAYGO, MICHIGAN

Statement of Revenues, Expenses and Changes in Fund Net Position
 Proprietary Funds
 For the Year Ended September 30, 2013

| | Business-type Activities - Enterprise Funds | | | |
|--|--|---------------------------------------|--|-----------------------|
| | 2010 and Prior Delinquent Tax (various) | 2012 Delinquent Tax (516122) | Sanitary Sewer Construction (852) | P.A. 123 (520-521) |
| Operating revenues | | | | |
| Charges for services | \$ - | \$ - | \$ 130,435 | \$ 148,503 |
| Rentals | - | - | - | - |
| Interest and penalties on delinquent taxes | 46,913 | 396,358 | - | - |
| Reimbursements | - | - | - | 341,008 |
| Total operating revenues | 46,913 | 396,358 | 130,435 | 489,511 |
| Operating expenses | | | | |
| Supplies and operating expenses | 26,123 | - | - | 258,126 |
| Depreciation | 3,039 | - | - | 1,759 |
| Total operating expenses | 29,162 | - | - | 259,885 |
| Operating income (loss) | 17,751 | 396,358 | 130,435 | 229,626 |
| Nonoperating revenues (expenses) | | | | |
| Interest income (loss) | (180,402) | 54 | - | (19,314) |
| Interest expense | - | (17,744) | (130,435) | - |
| Gain on sale of capital assets | - | - | - | - |
| Insurance pool distribution | - | - | - | - |
| Total nonoperating revenues (expense) | (180,402) | (17,690) | (130,435) | (19,314) |
| Income (loss) before transfers | (162,651) | 378,668 | - | 210,312 |
| Transfers | | | | |
| Transfers in | 4,489 | - | - | - |
| Transfers out | - | - | - | (56,766) |
| Total transfers | 4,489 | - | - | (56,766) |
| Change in net position | (158,162) | 378,668 | - | 153,546 |
| Net position, beginning of year | 10,581,296 | - | 4,268 | 1,969,638 |
| Net position, end of year | \$ 10,423,134 | \$ 378,668 | \$ 4,268 | \$ 2,123,184 |

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

| Business-type Activities | | Governmental Activities | |
|---------------------------|----------------------|-------------------------|--|
| Nonmajor Enterprise Funds | Total | Internal Service Funds | |
| \$ 68,142 | \$ 347,080 | \$ 1,757,462 | |
| 119,683 | 119,683 | - | |
| 247,736 | 691,007 | - | |
| 72,811 | 413,819 | 4,397,681 | |
| <u>508,372</u> | <u>1,571,589</u> | <u>6,155,143</u> | |
| 160,715 | 444,964 | 5,963,650 | |
| 1,121 | 5,919 | 131,658 | |
| <u>161,836</u> | <u>450,883</u> | <u>6,095,308</u> | |
| <u>346,536</u> | <u>1,120,706</u> | <u>59,835</u> | |
| 12,824 | (186,838) | 66,814 | |
| (7,404) | (155,583) | - | |
| - | - | 7,840 | |
| - | - | 201,394 | |
| <u>5,420</u> | <u>(342,421)</u> | <u>276,048</u> | |
| <u>351,956</u> | <u>778,285</u> | <u>335,883</u> | |
| - | 4,489 | 699,276 | |
| (34,489) | (91,255) | (1,035,011) | |
| <u>(34,489)</u> | <u>(86,766)</u> | <u>(335,735)</u> | |
| 317,467 | 691,519 | 148 | |
| <u>747,113</u> | <u>13,302,315</u> | <u>5,792,011</u> | |
| <u>\$ 1,064,580</u> | <u>\$ 13,993,834</u> | <u>\$ 5,792,159</u> | |

COUNTY OF NEWAYGO, MICHIGAN

Statement of Cash Flows

Proprietary Funds

For the Year Ended September 30, 2013

| | Business-type Activities - Enterprise Funds | | | |
|--|--|---------------------------------------|--|-----------------------|
| | 2010 and Prior Delinquent Tax (various) | 2012 Delinquent Tax (516122) | Sanitary Sewer Construction (852) | P.A. 123 (520-521) |
| Cash flows from operating activities | | | | |
| Receipts from customers and users | \$ - | \$ 2,426,323 | \$ 130,435 | \$ 541,825 |
| Receipts from interfund services | 1,520,687 | - | - | - |
| Receipts from other sources | - | - | - | - |
| Payments for interfund services | (25,446) | - | - | - |
| Payments to vendors | - | - | - | (210,089) |
| Payments for personnel services | - | - | - | - |
| Delinquent taxes purchased | - | (4,363,140) | - | - |
| Net cash provided by (used in) operating activities | 1,495,241 | (1,936,817) | 130,435 | 331,736 |
| Cash flows from noncapital financing activities | | | | |
| Proceeds from issuance of long-term debt | - | 2,000,000 | - | - |
| Principal paid on long-term debt | - | (925,000) | - | - |
| Interest paid on long-term debt | - | (17,744) | - | - |
| Cash received from interfund loan | - | 1,070,000 | - | - |
| Cash paid for interfund loan | (1,070,000) | - | - | - |
| Repayment of interfund loan | 525,000 | - | - | - |
| Transfers in | 4,489 | - | - | - |
| Transfers out | - | - | - | (56,766) |
| Net cash (used in) provided by non-capital financing activities | (540,511) | 2,127,256 | - | (56,766) |
| Cash flows from capital and related financing activities | | | | |
| Principal paid on long-term debt | - | - | (460,000) | - |
| Interest paid on long-term debt | - | - | (178,390) | - |
| Cash received from capital leases | - | - | 507,955 | - |
| Proceeds from sale of capital assets | - | - | - | - |
| Purchases of capital assets | - | - | - | - |
| Net cash used in capital and related financing activities | - | - | (130,435) | - |
| Cash flows from investing activities | | | | |
| Purchase of investments | (5,737,806) | - | - | (878,876) |
| Sale of investments | 3,310,139 | - | - | 630,586 |
| Interest received on investments | (180,402) | 54 | - | (19,314) |
| Net cash provided by investing activities | (2,608,069) | 54 | - | (267,604) |

| Business-type Activities | | Governmental Activities |
|---------------------------|--------------------|-------------------------|
| Nonmajor Enterprise Funds | Total | Internal Service Funds |
| \$ 2,160,503 | \$ 5,259,086 | \$ - |
| 8 | 1,520,695 | 6,233,170 |
| - | - | 201,394 |
| - | (25,446) | - |
| (167,993) | (378,082) | (5,901,349) |
| - | - | (908,447) |
| - | (4,363,140) | - |
| <u>1,992,518</u> | <u>2,013,113</u> | <u>(375,232)</u> |
| - | 2,000,000 | - |
| (1,650,000) | (2,575,000) | - |
| (7,404) | (25,148) | - |
| - | 1,070,000 | - |
| - | (1,070,000) | - |
| (525,000) | - | - |
| - | 4,489 | 699,276 |
| (34,489) | (91,255) | (1,035,011) |
| <u>(2,216,893)</u> | <u>(686,914)</u> | <u>(335,735)</u> |
| - | (460,000) | - |
| - | (178,390) | - |
| - | 507,955 | - |
| - | - | 7,840 |
| (14,351) | (14,351) | (32,772) |
| <u>(14,351)</u> | <u>(144,786)</u> | <u>(24,932)</u> |
| - | (6,616,682) | - |
| - | 3,940,725 | - |
| 12,824 | (186,838) | 66,814 |
| <u>12,824</u> | <u>(2,862,795)</u> | <u>66,814</u> |

continued...

COUNTY OF NEWAYGO, MICHIGAN

Statement of Cash Flows

Proprietary Funds

For the Year Ended September 30, 2013

| | Business-type Activities - Enterprise Funds | | | |
|--|--|---------------------------------------|--|-----------------------|
| | 2010 and Prior Delinquent Tax (various) | 2012 Delinquent Tax (516122) | Sanitary Sewer Construction (852) | P.A. 123 (520-521) |
| Net change in cash and cash equivalents | \$ (1,653,339) | \$ 190,493 | \$ - | \$ 7,366 |
| Cash and cash equivalents, beginning of year | 1,704,764 | - | 4,268 | 966,076 |
| Cash and cash equivalents, end of year | <u>\$ 51,425</u> | <u>\$ 190,493</u> | <u>\$ 4,268</u> | <u>\$ 973,442</u> |
| Cash and cash equivalents as reported on the statement of net position | | | | |
| Cash and cash equivalents | \$ 51,425 | \$ 190,493 | \$ 4,268 | \$ 674,961 |
| Restricted cash and cash equivalents | - | - | - | 298,481 |
| Total cash and cash equivalents | <u>\$ 51,425</u> | <u>\$ 190,493</u> | <u>\$ 4,268</u> | <u>\$ 973,442</u> |
| Cash flows from operating activities | | | | |
| Operating income (loss) | \$ 17,751 | \$ 396,358 | \$ 130,435 | \$ 229,626 |
| Adjustments to reconcile operating income (loss) to net cash (used in) provided by operating activities: | | | | |
| Depreciation | 3,039 | - | - | 1,759 |
| Insurance pool distribution | - | - | - | - |
| Change in assets / liabilities: | | | | |
| Interfund receivable | 445,703 | - | - | - |
| Accounts receivable | 1,609 | - | - | 52,314 |
| Taxes receivable | 943,915 | (2,333,175) | - | - |
| Due from other governments | 82,547 | - | - | - |
| Due from other funds | - | - | - | - |
| Prepays | - | - | - | - |
| Accounts payable | 677 | - | - | 48,037 |
| Due to other governments | - | - | - | - |
| Accrued expenses | - | - | - | - |
| Due to other funds | - | - | - | - |
| Compensated absences | - | - | - | - |
| Net cash provided by (used in) operating activities | <u>\$ 1,495,241</u> | <u>\$ (1,936,817)</u> | <u>\$ 130,435</u> | <u>\$ 331,736</u> |

Non-cash transactions

There were no non-cash transactions during the fiscal year.

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

| Business-type Activities | | Governmental Activities |
|---------------------------|---------------------|-------------------------|
| Nonmajor Enterprise Funds | Total | Internal Service Funds |
| \$ (225,902) | \$ (1,681,382) | \$ (669,085) |
| 672,971 | 3,348,079 | 6,191,395 |
| <u>\$ 447,069</u> | <u>\$ 1,666,697</u> | <u>\$ 5,522,310</u> |
| \$ 447,069 | \$ 1,368,216 | \$ 5,522,310 |
| - | 298,481 | - |
| <u>\$ 447,069</u> | <u>\$ 1,666,697</u> | <u>\$ 5,522,310</u> |
| \$ 346,536 | \$ 1,120,706 | \$ 59,835 |
| 1,121 | 5,919 | 131,658 |
| - | - | 201,394 |
| - | 445,703 | - |
| (10,271) | 43,652 | 16,175 |
| 1,689,338 | 300,078 | - |
| (28,503) | 54,044 | (378) |
| 8 | 8 | (26,740) |
| - | - | 26,056 |
| (5,712) | 43,002 | (901,989) |
| 1 | 1 | - |
| - | - | 3,593 |
| - | - | 100,427 |
| - | - | 14,737 |
| <u>\$ 1,992,518</u> | <u>\$ 2,013,113</u> | <u>\$ (375,232)</u> |

concluded

COUNTY OF NEWAYGO, MICHIGAN

Statement of Fiduciary Assets and Liabilities

Agency Funds
September 30, 2013

Assets

| | |
|----------------------------|--------------|
| Cash and cash equivalents | \$ 3,252,336 |
| Accounts receivable | 1,028 |
| Due from other governments | <u>579</u> |

Total assets \$ 3,253,943

Liabilities

| | |
|--------------------------|---------------|
| Accounts payable | \$ 247,080 |
| Due to other governments | 2,933,375 |
| Undistributed receipts | <u>73,488</u> |

Total liabilities \$ 3,253,943

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

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COUNTY OF NEWAYGO, MICHIGAN

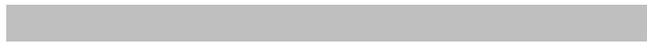
Combining Statement of Net Position

Discretely Presented Component Units

September 30, 2013

| | Central Dispatch Authority | Drain Commissioner | Brownfield Redevelopment Authority |
|--|----------------------------------|-----------------------|--|
| Assets | | | |
| Cash and cash equivalents | \$ - | \$ 353,233 | \$ 146,559 |
| Receivables | 236,208 | 338,792 | - |
| Other assets | - | - | - |
| Capital assets not being depreciated | - | - | - |
| Capital assets being depreciated, net | 20,489 | 111,670 | - |
| Total assets | 256,697 | 803,695 | 146,559 |
| Liabilities | | | |
| Negative equity in cash and cash equivalents | 33,537 | - | - |
| Accounts payable and accrued liabilities | 30,373 | - | 21,536 |
| Advance from primary government | - | 315,076 | - |
| Long-term liabilities: | | | |
| Due within one year | 5,586 | - | - |
| Due in more than one year | 14,947 | - | - |
| Net other postemployment benefits obligation | - | - | - |
| Total liabilities | 84,443 | 315,076 | 21,536 |
| Net position | | | |
| Net investment in capital assets | 20,489 | 111,670 | - |
| Unrestricted | 151,765 | 376,949 | 125,023 |
| Total net position | \$ 172,254 | \$ 488,619 | \$ 125,023 |

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



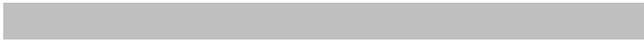
| Road Commission | Medical Care Facility | Total |
|----------------------|-----------------------------|----------------------|
| \$ 1,209,409 | \$ 5,143,079 | \$ 6,852,280 |
| 1,200,926 | 972,392 | 2,748,318 |
| 888,115 | 161,996 | 1,050,111 |
| 2,151,451 | - | 2,151,451 |
| <u>38,699,814</u> | <u>11,640,990</u> | <u>50,472,963</u> |
| | | |
| <u>44,149,715</u> | <u>17,918,457</u> | <u>63,275,123</u> |
| | | |
| - | - | 33,537 |
| 881,624 | 643,132 | 1,576,665 |
| - | - | 315,076 |
| | | |
| 250,972 | - | 256,558 |
| 1,056,717 | 623,654 | 1,695,318 |
| <u>1,306,858</u> | <u>-</u> | <u>1,306,858</u> |
| | | |
| <u>3,496,171</u> | <u>1,266,786</u> | <u>5,184,012</u> |
| | | |
| 39,728,811 | 11,640,990 | 51,501,960 |
| <u>924,733</u> | <u>5,010,681</u> | <u>6,589,151</u> |
| | | |
| <u>\$ 40,653,544</u> | <u>\$ 16,651,671</u> | <u>\$ 58,091,111</u> |

COUNTY OF NEWAYGO, MICHIGAN

Combining Statement of Activities Discretely Presented Component Units For the Year Ended September 30, 2013

| | Central Dispatch Authority | Drain Commissioner | Brownfield Redevelopment Authority |
|------------------------------------|----------------------------------|-----------------------|--|
| Expenses | | | |
| Central dispatch | \$ 866,047 | \$ - | \$ - |
| County drains | - | 326,746 | - |
| Brownfield redevelopment | - | - | 35,474 |
| Roads | - | - | - |
| Medical care | - | - | - |
| Total expenses | <u>866,047</u> | <u>326,746</u> | <u>35,474</u> |
| Program revenues | | | |
| Charges for services | 676,139 | - | - |
| Operating grants and contributions | 251,551 | - | 6,000 |
| Capital grants and contributions | - | 341,575 | - |
| Total program revenues | <u>927,690</u> | <u>341,575</u> | <u>6,000</u> |
| Net revenue (expense) | <u>61,643</u> | <u>14,829</u> | <u>(29,474)</u> |
| General revenues | | | |
| Property taxes | - | - | 29,771 |
| Other revenues | - | - | - |
| Total general revenues | <u>-</u> | <u>-</u> | <u>29,771</u> |
| Change in net position | 61,643 | 14,829 | 297 |
| Net position, beginning of year | <u>110,611</u> | <u>473,790</u> | <u>124,726</u> |
| Net position, end of year | <u>\$ 172,254</u> | <u>\$ 488,619</u> | <u>\$ 125,023</u> |

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



| Road Commission | Medical Care Facility | Total |
|----------------------|-----------------------|----------------------|
| \$ - | \$ - | \$ 866,047 |
| - | - | 326,746 |
| - | - | 35,474 |
| 9,803,617 | - | 9,803,617 |
| - | 10,745,026 | 10,745,026 |
| <u>9,803,617</u> | <u>10,745,026</u> | <u>21,776,910</u> |
| 1,166,163 | 11,047,211 | 12,889,513 |
| 5,974,857 | - | 6,232,408 |
| 2,806,060 | - | 3,147,635 |
| <u>9,947,080</u> | <u>11,047,211</u> | <u>22,269,556</u> |
| <u>143,463</u> | <u>302,185</u> | <u>492,646</u> |
| - | - | 29,771 |
| <u>1,096</u> | <u>1,594</u> | <u>2,690</u> |
| <u>1,096</u> | <u>1,594</u> | <u>32,461</u> |
| 144,559 | 303,779 | 525,107 |
| <u>40,508,985</u> | <u>16,347,892</u> | <u>57,566,004</u> |
| <u>\$ 40,653,544</u> | <u>\$ 16,651,671</u> | <u>\$ 58,091,111</u> |

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NOTES TO FINANCIAL STATEMENTS

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Reporting Entity

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

Blended Component Unit

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

Discretely Presented Component Units

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

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

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

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

Newaygo County Road Commission (the “Commission”) - the Commission is responsible for the maintenance and construction of the County road system. The Commission’s operations are financed primarily from the State distribution of gas and weight taxes, federal financial assistance, and contributions from other local governments within the County. The three-member Board is appointed by the Newaygo County Board Commissioners. Because the County may remove commission members, it has financial accountability for the Road Commission, as such is reported as a discretely-presented component unit of the County. The 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 Commission in these financial statements.

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

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

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.

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.

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

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 *special investigative unit fund* accounts for the operations of the Central Michigan Enforcement Team. Primary revenue sources for this fund are intergovernmental grants and drug forfeitures.

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 *2010 and prior delinquent tax fund* accounts for the collection and administration of delinquent property taxes levied in years 2010 and prior.

The *2012 delinquent tax fund* accounts for the collection and administration of delinquent property taxes levied in the year 2012.

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 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.

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

Capital projects funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

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 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.

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 resulting from funds in 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.

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

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

All trade and property tax receivables are shown net of an allowance for uncollectibles, as applicable. At September 30, 2013, the Medical Care Facility component unit had a reserve of \$30,000 for uncollectible receivables.

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.

Accounts 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.

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

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.

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 fair value 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 |

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 losses on advance 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.

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

Compensated absences

Eligible employees are permitted to accumulate earned but unused vacation pay benefits in varying amounts based on length of service and certain other established criteria. Sick pay and vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary 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 Commissions 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, 2013, unassigned fund balance of the general fund was equal to 16.2 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.

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. 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.

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

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

| | Budgetary Basis | Accounting Basis Difference | GAAP Basis |
|---------------------------------|-----------------|-----------------------------|------------|
| General fund | | | |
| Deferred inflows of resources | \$ - | \$ 740,563 | \$ 740,563 |
| Property tax revenue | 7,159,456 | (64,365) | 7,095,091 |
| Fund balance, beginning of year | 3,021,690 | (676,198) | 2,345,492 |
| Fund balance, end of year | 3,185,486 | (740,563) | 2,444,923 |

3. DEFICIT FUND EQUITY

At September 30, 2013, the Drain fund of the Drain Commissioner component unit reported a fund balance deficit of \$60,015. This deficit is planned to be eliminated in future periods through special assessment levies.

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

4. 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, 2013, 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: | | | |
| Judicial - Jury board | \$ 13,493 | \$ 13,496 | \$ 3 |
| General government - Cooperative extension | 143,535 | 143,673 | 138 |
| General government - Surveyor | 87,878 | 90,565 | 2,687 |
| Other - Capital grants | 175,659 | 206,104 | 30,445 |
| Transfers out | 3,293,115 | 3,294,844 | 1,729 |
| Child care: | | | |
| Health and welfare | 1,148,768 | 1,305,931 | 157,163 |
| Veteran's Trust: | | | |
| Health and welfare | 6,200 | 6,720 | 520 |

5. 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.

Following is a reconciliation of deposit and investment balances as of September 30, 2013:

| | Primary Government | Component Units | Totals |
|---|-----------------------|--------------------|----------------------|
| Statement of net position | | | |
| Cash and cash equivalents | \$ 13,423,622 | \$ 6,818,743 | \$ 20,242,365 |
| Restricted cash and cash equivalents | 298,481 | - | 298,481 |
| Investments | 11,201,282 | - | 11,201,282 |
| Statement of fiduciary assets and liabilities | | | |
| Cash and cash equivalents | 3,252,336 | - | 3,252,336 |
| Total deposits and investments | 28,175,721 | 6,818,743 | 34,994,464 |
| Less component units separately audited | | | |
| Road Commission | - | (1,209,409) | (1,209,409) |
| Medical Care Facility | - | (5,143,079) | (5,143,079) |
| Deposits and Investments Managed by the County Treasurer | <u>\$ 28,175,721</u> | <u>\$ 466,255</u> | <u>\$ 28,641,976</u> |

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

| | |
|-------------------------------|--------------------------|
| Deposits and investments | |
| Checking and savings accounts | \$ 13,141,883 |
| Certificates of deposit | 5,504,959 |
| Investments | 9,994,498 |
| Cash on hand | <u>636</u> |
| Total | <u>\$ 28,641,976</u> |

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, \$14,239,432 of the County’s bank balance of \$19,939,889 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.

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, 2013, 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, 2013:

| | |
|--------------------|-------------------------|
| U.S. agencies | \$ 5,325,537 |
| Municipal bonds | 508,799 |
| Money market funds | <u>4,160,162</u> |
| Total | <u>\$ 9,994,498</u> |

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+ | \$ 5,041,970 |
| S&P AA- | 792,366 |
| S&P AAAm | <u>4,160,162</u> |
| Total | <u>\$ 9,994,498</u> |

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

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 | \$ - | \$ 4,160,162 |
| Due within one year | 1,391,953 | 101,327 |
| Due in 1-5 years | 2,918,837 | 976,672 |
| Due in 6-10 years | 1,194,169 | 4,569,692 |
| Due in 11-15 years | - | 186,645 |
| Total | <u>\$ 5,504,959</u> | <u>\$ 9,994,498</u> |

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.

6. RECEIVABLES AND DEFERRED INFLOWS OF RESOURCES

Receivables are comprised of the following at year-end:

| | Governmental Activities | Business-type Activities | Component Units |
|------------------------------------|-------------------------|--------------------------|---------------------|
| Accounts | \$ 1,331,408 | \$ 89,771 | \$ 1,265,280 |
| Less: allowance for uncollectibles | - | - | (30,000) |
| Taxes (current) | 1,717,536 | - | - |
| Taxes (delinquent) | - | 3,208,502 | - |
| Due from other governments | 787,306 | 95,454 | 1,174,246 |
| Special assessments | - | - | 338,792 |
| Leases | - | 4,431,002 | - |
| Total receivables | <u>\$ 3,836,250</u> | <u>\$ 7,824,729</u> | <u>\$ 2,748,318</u> |

Of the amounts reported for receivables above, accounts receivable in the amount of \$1,107,356 and leases receivable in the amount of \$3,885,649 are not expected to be collected within one year.

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

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 various components of deferred inflows of resources reported in governmental funds were as follows:

| | Governmental Activities | Component Units |
|--------------------------------|----------------------------|--------------------|
| Property taxes receivable | \$ 740,563 | \$ - |
| Special assessments receivable | - | 338,792 |
| | <u>740,563</u> | <u>338,792</u> |
| Totals | <u>\$ 740,563</u> | <u>\$ 338,792</u> |

7. OTHER ASSETS

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

| | Governmental Activities | Component Units |
|--------------|----------------------------|---------------------|
| Inventories | \$ - | \$ 947,518 |
| Prepays | 273,405 | - |
| Other | - | 102,593 |
| | <u>273,405</u> | <u>1,050,111</u> |
| Other assets | <u>\$ 273,405</u> | <u>\$ 1,050,111</u> |

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Payables are comprised of the following at year-end:

| | Governmental Activities | Business-type Activities | Component Units |
|------------------------------------|----------------------------|-----------------------------|---------------------|
| Accounts | \$ 684,119 | \$ 56,936 | \$ 662,452 |
| Accrued liabilities | 468,955 | - | 513,918 |
| Due to other governments | 657,363 | 1 | 400,295 |
| Accrued interest on long-term debt | 107,152 | 55,355 | - |
| | <u>1,917,589</u> | <u>112,292</u> | <u>1,576,665</u> |
| Total payables | <u>\$ 1,917,589</u> | <u>\$ 112,292</u> | <u>\$ 1,576,665</u> |

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

9. INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS

The composition of interfund balances as of September 30, 2013, was as follows:

Due to and from primary government funds

| | Due from Other Funds | Due to Other Funds |
|-------------------------------|-------------------------|-----------------------|
| General fund | \$ 93,293 | \$ 25,745 |
| Nonmajor governmental funds | 1,432 | 1,626 |
| 2010 and prior delinquent tax | 1,320,000 | - |
| 2012 delinquent tax | - | 1,070,000 |
| Nonmajor enterprise funds | - | 250,000 |
| Internal service funds | 35,770 | 103,124 |
| | <u>\$ 1,450,495</u> | <u>\$ 1,450,495</u> |
| Totals | <u>\$ 1,450,495</u> | <u>\$ 1,450,495</u> |

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

Interfund receivables and payables

| | Interfund Receivable | Interfund Payable |
|-------------------------------|-------------------------|----------------------|
| General fund | \$ - | \$ 1,176,052 |
| County jail | - | 78,531 |
| Nonmajor governmental funds | - | 27,728 |
| 2010 and prior delinquent tax | 1,282,311 | - |
| | <u>\$ 1,282,311</u> | <u>\$ 1,282,311</u> |
| Totals | <u>\$ 1,282,311</u> | <u>\$ 1,282,311</u> |

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

Due to and from component units

| | Advance to Component Unit | Due to Primary Government |
|-------------------------------|---------------------------------|---------------------------------|
| General fund | \$ 300,000 | \$ - |
| 2010 and prior delinquent tax | 15,076 | - |
| Drain commissioner | - | 315,076 |
| | <u>\$ 315,076</u> | <u>\$ 315,076</u> |
| Totals | <u>\$ 315,076</u> | <u>\$ 315,076</u> |

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

For the year ended September 30, 2013, interfund transfers consisted of the following:

| Transfers Out | Transfers in | | | | | Totals |
|-----------------------------|-------------------|---------------------|-----------------------------|------------------------|-------------------------------|---------------------|
| | General Fund | County Jail | Nonmajor Governmental Funds | Internal Service Funds | 2010 and Prior Delinquent Tax | |
| General fund | \$ - | \$ 950,754 | \$ 1,685,699 | \$ 416,320 | \$ - | \$ 3,052,773 |
| County jail | - | - | 1,120 | 14,467 | - | 15,587 |
| Nonmajor governmental funds | 48,179 | 201,303 | 295,886 | - | - | 545,368 |
| Internal service funds | 425,193 | 121,116 | 220,213 | 268,489 | - | 1,035,011 |
| P.A. 123 | 56,766 | - | - | - | - | 56,766 |
| Nonmajor enterprise funds | 30,000 | - | - | - | 4,489 | 34,489 |
| Totals | \$ 560,138 | \$ 1,273,173 | \$ 2,202,918 | \$ 699,276 | \$ 4,489 | \$ 4,739,994 |

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

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

10. CAPITAL ASSETS

Primary government

Capital asset activity for the primary government for the year ended September 30, 2013, was as follows:

| | Beginning Balance | Additions | Disposals | Transfers | Ending Balance |
|---|----------------------|---------------------|------------------|-------------|----------------------|
| Governmental activities | | | | | |
| Capital assets, not being depreciated: | | | | | |
| Land | \$ 2,233,586 | \$ - | \$ - | \$ - | \$ 2,233,586 |
| Capital assets, being depreciated: | | | | | |
| Buildings | 22,833,871 | 174,872 | - | - | 23,008,743 |
| Land improvements | 926,208 | - | - | - | 926,208 |
| Office equipment | 3,439,488 | 148,488 | (22,100) | - | 3,565,876 |
| Vehicles | 1,776,003 | 190,210 | (200,459) | - | 1,765,754 |
| | <u>28,975,570</u> | <u>513,570</u> | <u>(222,559)</u> | <u>-</u> | <u>29,266,581</u> |
| Less accumulated depreciation for: | | | | | |
| Buildings | (7,636,974) | (660,488) | - | - | (8,297,462) |
| Land improvements | (555,040) | (32,651) | - | - | (587,691) |
| Office equipment | (2,718,542) | (195,948) | 22,100 | - | (2,892,390) |
| Vehicles | (1,492,512) | (178,948) | 200,459 | - | (1,471,001) |
| | <u>(12,403,068)</u> | <u>(1,068,035)</u> | <u>222,559</u> | <u>-</u> | <u>(13,248,544)</u> |
| Total capital assets being depreciated, net | <u>16,572,502</u> | <u>(554,465)</u> | <u>-</u> | <u>-</u> | <u>16,018,037</u> |
| Governmental activities capital assets, net | <u>\$ 18,806,088</u> | <u>\$ (554,465)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 18,251,623</u> |
| Business-type activities | | | | | |
| Capital assets, being depreciated: | | | | | |
| Equipment | \$ 23,990 | \$ 14,351 | \$ - | \$ - | \$ 38,341 |
| Less accumulated depreciation for: | | | | | |
| Equipment | <u>(5,998)</u> | <u>(5,919)</u> | <u>-</u> | <u>-</u> | <u>(11,917)</u> |
| Business-type activities capital assets, net | <u>\$ 17,992</u> | <u>\$ 8,432</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 26,424</u> |

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

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

| | |
|---|----------------------------|
| Depreciation of governmental activities by function | |
| General government | \$ 535,115 |
| Public safety | 349,845 |
| Health and welfare | 32,762 |
| Cultural and recreation | 18,149 |
| Judicial | 506 |
| Internal service funds * | <u>131,658</u> |
| Total governmental activities | <u>\$ 1,068,035</u> |

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

| | |
|--|------------------------|
| Depreciation of business-type activities by function | |
| 2010 and prior delinquent tax | \$ 3,039 |
| P.A. 123 | 1,759 |
| Nonmajor enterprise funds | <u>1,121</u> |
| Total business-type activities | <u>\$ 5,919</u> |

Discretely presented component units

Capital assets activity for the Central Dispatch Authority component unit for the year ended September 30, 2013, was as follows:

| | Beginning Balance | Additions | Disposals | Transfers | Ending Balance |
|---|-------------------------|---------------------------|--------------------|--------------------|-------------------------|
| Central Dispatch Authority | | | | | |
| Capital assets, being depreciated: | | | | | |
| Equipment | \$ 312,534 | \$ 4,655 | \$ - | \$ - | \$ 317,189 |
| Less accumulated depreciation for: | | | | | |
| Equipment | <u>(281,959)</u> | <u>(14,741)</u> | - | - | <u>(296,700)</u> |
| Central Dispatch Authority capital assets, net | <u>\$ 30,575</u> | <u>\$ (10,086)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 20,489</u> |

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

Capital assets activity for the Drain Commissioner component unit for the year ended September 30, 2013, was as follows:

| | Beginning Balance | Additions | Disposals | Transfers | Ending Balance |
|---|-------------------|--------------------|-------------|-------------|-------------------|
| Drain Commissioner | | | | | |
| Capital assets, being depreciated: | | | | | |
| Infrastructure | \$ 578,481 | \$ - | \$ - | \$ - | \$ 578,481 |
| Less accumulated depreciation for: | | | | | |
| Infrastructure | (447,025) | (19,786) | - | - | (466,811) |
| Drain Commissioner capital assets, net | \$ 131,456 | \$ (19,786) | \$ - | \$ - | \$ 111,670 |

11. LONG-TERM DEBT

The following is a summary of long-term debt transactions for the year ended September 30, 2013:

| | Beginning Balance | Additions | Deductions | Ending Balance | Due Within One Year |
|---------------------------------------|----------------------|---------------------|-----------------------|----------------------|---------------------|
| Governmental activities | | | | | |
| General obligation bonds | \$ 14,750,000 | \$ 6,930,000 | \$ (7,760,000) | \$ 13,920,000 | \$ 1,150,000 |
| Premium on bonds payable | 13,141 | - | (1,031) | 12,110 | 1,031 |
| Compensated absences | 400,411 | 108,223 | (78,102) | 430,532 | 37,862 |
| Total governmental activities | \$ 15,163,552 | \$ 7,038,223 | \$ (7,839,133) | \$ 14,362,642 | \$ 1,188,893 |
| Business-type activities | | | | | |
| General obligation bonds | \$ 4,644,180 | \$ - | \$ (460,000) | \$ 4,184,180 | \$ 500,000 |
| Premium on bonds payable | 309,631 | - | (32,309) | 277,322 | 32,309 |
| Notes payable | 1,650,000 | 2,000,000 | (2,575,000) | 1,075,000 | - |
| Total business-type activities | \$ 6,603,811 | \$ 2,000,000 | \$ (3,067,309) | \$ 5,536,502 | \$ 532,309 |
| Discretely Presented Component Units | | | | | |
| Central Dispatch Authority | | | | | |
| Compensated absences | \$ 24,322 | \$ 3,055 | \$ (6,844) | \$ 20,533 | \$ 5,586 |

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

| | |
|--|----------------------|
| \$750,000 1999 ISD Building Authority Bonds, due in annual installments of \$30,000 to \$75,000 plus interest ranging from 4.60% to 4.65% through 2014. | \$ 75,000 |
| \$1,300,000 2006 Medical Health Care Building Bonds, due in annual installments of \$25,000 to \$100,000 plus interest at 5.00% through 2030. | 1,150,000 |
| \$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. | 5,375,000 |
| \$950,000 2009 Jail Improvement Bonds (Series B), due in annual installments of \$185,000 to \$195,000 plus interest at 3.85% through 2015. | 390,000 |
| \$6,930,000 2013 Medical Care Facility Refunding Bonds, due in annual installments of \$545,000 to \$625,000 plus interest at 0.45% to 1.95% through 2025. | <u>6,930,000</u> |
| Total governmental activities | <u>\$ 13,920,000</u> |

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

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. | \$ 3,420,000 |
| \$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. | 249,180 |
| \$750,000 1978 Hesperia Wastewater Project Bonds, due in annual installments of \$5,000 to \$25,000 plus interest at 5.00% through 2018. | 125,000 |
| \$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>390,000</u> |
| Total business-type activities | <u><u>\$ 4,184,180</u></u> |

Notes Payable. The 2012 delinquent tax fund issued notes payable for the 2012 property tax settlements. The tax notes payable are backed by the limited tax, full faith and credit of the County. Current debt service requirements are funded by the collection of delinquent tax revenues and are maintained in an enterprise fund. The County makes payments on delinquent tax notes as resources become available. Notes payable outstanding at September 30, 2013, were as follows:

Notes Payable

| | |
|--|----------------------------|
| \$2,000,000 2013 Delinquent Tax Fund Note Payable, interest at a variable rate, due on or before November 1, 2014 (repayment to be made as funds become available) | <u><u>\$ 1,075,000</u></u> |
|--|----------------------------|

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 |
| 2014 | \$ 1,150,000 | \$ 377,065 | \$ 500,000 | \$ 145,298 |
| 2015 | 1,150,000 | 353,067 | 490,000 | 132,974 |
| 2016 | 980,000 | 329,109 | 485,000 | 116,948 |
| 2017 | 1,005,000 | 309,184 | 480,000 | 101,074 |
| 2018 | 1,035,000 | 287,689 | 475,000 | 85,348 |
| 2019-2023 | 5,670,000 | 1,001,006 | 1,705,000 | 163,468 |
| 2024-2028 | 2,730,000 | 218,705 | 49,180 | 1,190 |
| 2029-2030 | 200,000 | 15,000 | - | - |
| Totals | <u>\$ 13,920,000</u> | <u>\$ 2,890,825</u> | <u>\$ 4,184,180</u> | <u>\$ 746,300</u> |

The compensated absences liability attributable to the governmental activities is expected to be liquidated by the general fund and internal service funds.

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

Advance Refunding. In March 2013, the County issued \$6,930,000 of Medical Care Facility Refunding Bonds, to advance refund the County's 2005 Medical Care Facility Bonds of \$6,850,000. The proceeds of the bonds were used to purchase U.S. government securities that were placed in an escrow fund for the purpose of generating resources for all future debt service payments on the refunded debt. As a result, the bonds are considered defeased and the liability has been removed from the statement of net position. The bonds were called on June 1, 2013. Accordingly, no amount of defeased debt remains outstanding at year-end. The refunding of resulted in a cash savings of \$1,123,249 and an economic gain of \$1,004,685.

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 not considered to be a component unit of the County) 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, 2013 of \$483,688. Rental income for the year ended September 30, 2013 amounted to \$127,773, recorded in the Mental Health Facility Bonds debt service fund.

State of Michigan Department of Human Services

The County leases property to the State of Michigan Department of Human Services (DHS) under an agreement through June 30, 2026. Lease payments are due in monthly installments and increase every five years. 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, 2013 of \$937,795. Rental income for the year ended September 30, 2013 amounted to \$119,683.

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

| Year Ended September 30, | Community Mental Health | Department of Human Services | Total |
|-----------------------------|----------------------------|------------------------------------|---------------------|
| 2014 | \$ 126,936 | \$ 103,848 | \$ 230,784 |
| 2015 | 125,828 | 103,848 | 229,676 |
| 2016 | 123,600 | 104,412 | 228,012 |
| 2017 | 121,200 | 106,104 | 227,304 |
| 2018 | 118,800 | 106,104 | 224,904 |
| 2019-2023 | 554,400 | 539,808 | 1,094,208 |
| 2024-2028 | 468,000 | 303,138 | 771,138 |
| 2029-2032 | 266,400 | - | 266,400 |
| Totals | \$ 1,905,164 | \$ 1,367,262 | \$ 3,272,426 |

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

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, | |
|--|--------------------------|------------------|
| | 2013 | 2012 |
| Estimated liability, beginning of year | \$ 73,665 | \$ 142,462 |
| Estimated claims incurred | 34,354 | 19,750 |
| Claim payments | <u>(33,657)</u> | <u>(88,547)</u> |
| Estimated liability, end of year | <u>\$ 74,362</u> | <u>\$ 73,665</u> |

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.

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

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, | |
|--|--------------------------|--------------------|
| | 2013 | 2012 |
| Estimated liability, beginning of year | \$ 192,371 | \$ 117,559 |
| Estimated claims incurred | 2,673,976 | 3,129,667 |
| Claim payments | <u>(2,812,372)</u> | <u>(3,054,855)</u> |
| Estimated liability, end of year | <u>\$ 53,975</u> | <u>\$ 192,371</u> |

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 2013, for which revenue was recognized in the general fund, was \$1,396,959,789. The general operating tax rate for this levy was 5.3685 mills. The County assessed an additional 0.9968 mills sheriff road patrol operations, .1000 mills for veterans' affairs, .4983 mills for commission on aging, and 0.5961 mills to fund debt service payments on the medical care facility bonds. These additional levies were based on the 2012 taxable value of \$1,371,552,869.

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.

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

16. BENEFIT PLANS

Defined Benefit Pension Plan

Plan description. Based on hire date, some of the primary government’s full-time employees are eligible to participate in the Municipal Employees Retirement System of Michigan (MERS, the "System"), an agent multiple-employer, defined benefit pension plan. The System is administered by the MERS retirement board. MERS provides retirement and disability benefits, as well as death benefits to plan members and beneficiaries. The plan is currently closed to all employees who are currently offered participation in the defined contribution plan instead.

Act No. 427 of the Public Acts of 1984, as amended, establishes and amends the benefit provisions of the participants in MERS. A publicly available financial report that includes financial statements and required supplementary information for MERS may be obtained by writing to the Municipal Employees Retirement System of Michigan, 1134 Municipal Way, Lansing, Michigan 48917, or by calling (800) 767-6377.

Funding policy. The County is required to contribute at an actuarially determined rate; as the County's defined benefit plan is closed to new hires, the contributions are expressed in terms of dollars. The current rate for the County is \$0 - \$15,771 per month, depending on the employee group. Participating employees are required to contribute 0% to 4.49% of their annual salary, depending on their assigned department. The contribution requirements of the County are established and may be amended by the Retirement Board of MERS. The contribution requirements of plan members are established and may be amended by the County Board of Commissioners, depending on the MERS contribution program adopted by the County.

For the year ended September 30, 2013, the annual pension cost of \$1,008,601 was equal to the required and actual contributions of the County. The required contributions were determined as part of the December 31, 2012 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 8.0%, (b) projected long-term salary increases of 4.5% per year compounded annually, attributable to inflation (1.0% for years 2013-2014, 2.0% for 2015 and 3.0% for 2016), (c) additional projected salary increases of 0.0% to 13.0% per year, depending on age, attributable to seniority/merit, and (d) the assumption that benefits will increase from 1.0% to 2.5% per year after retirement for certain retirees depending on the benefit option selected. The actuarial value of MERS assets was determined on the basis of a valuation method that assumes the fund earns the expected rate of return, and includes an adjustment to reflect fair value. The County’s unfunded actuarial accrued liability is being amortized over 5 years as a level percentage of projected payroll on an open basis. The latest actuarial valuation was performed as of December 31, 2012.

| Three-Year Trend Information | | | |
|------------------------------|------------------------------|---------------------------|---------------------------|
| Years Ended September 30, | Annual Pension Cost (APC) | Percentage Contributed | Net Pension Obligation |
| 2011 | \$ 534,328 | 100% | \$ - |
| 2012 | 894,880 | 100% | - |
| 2013 | 1,008,601 | 100% | - |

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

Funded status and funding progress. As of December 31, 2012, the most recent actuarial valuation date, the plan was 81.4 percent funded. The actuarial accrued liability for benefits was \$24,344,199 and the actuarial value of assets was \$19,811,966, resulting in an unfunded actuarial accrued liability (UAAL) of \$4,532,233. The covered payroll (annual payroll of active employees covered by the plan) was \$2,117,521, and the ratio of the UAAL to the covered payroll was 214.0 percent. The schedule of funding progress, presented as RSI 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 liability for benefits.

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.

Contributions to the plan by the County and employees for the year ended September 30, 2013 amounted to \$453,895 and \$173,005, respectively. Employer contributions included \$55,358 of participant forfeited accounts.

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 December 31, 2011, the date of the most recent actuarial valuation, the Plan included 203 members (40 retirees and 163 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, 2013, the County contributed \$749,447 to the Plan, which included \$84,408 normal cost for current benefits and \$665,039 to amortize the unfunded actuarial accrued liability. Retirees receiving benefits are not currently required to contribute to the Plan.

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

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

Funded Status and Funding Progress. As of December 31, 2011, the date of the most recent actuarial valuation, the Plan was 11.1% funded. The actuarial accrued liability for benefits was \$9,623,170, and the actuarial value of assets was \$1,067,702, resulting in an unfunded actuarial accrued liability (UAAL) of \$8,555,468. Covered payroll (annual payroll for active employees covered by the plan) was \$6,431,327 and the ratio of unfunded actuarial accrued liability to covered payroll was 133.0%. 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 2013 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 |
| 2011 | \$ 558,627 | 100% | \$ - |
| 2012 | 768,339 | 100% | - |
| 2013 | 749,447 | 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 2011 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included (a) a rate of return on investments of 7.0%; (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 4.6% to 8.5%. 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 percentage of projected payroll over 30 years on an open basis.

COUNTY OF NEWAYGO, MICHIGAN

Notes to Financial Statements

18. FUND BALANCES - GOVERNMENTAL FUNDS

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

| | General Fund | Special Investigative Unit | Jail | Capital Improvement | Nonmajor Funds | Total |
|--|---------------------|----------------------------|------------------|---------------------|---------------------|---------------------|
| Nonspendable: | | | | | | |
| Prepays | \$ 11,874 | \$ - | \$ - | \$ - | \$ - | \$ 11,874 |
| Long-term advances | 300,000 | - | - | - | - | 300,000 |
| Long-term loans | - | - | - | - | 1,107,356 | 1,107,356 |
| Total nonspendable | 311,874 | - | - | - | 1,107,356 | 1,419,230 |
| Restricted for: | | | | | | |
| Central Michigan enforcement team | - | 55,227 | - | - | - | 55,227 |
| Sheriff mounted division | - | - | - | - | 102 | 102 |
| Building and safety permits | - | - | - | - | 274,419 | 274,419 |
| Register of deeds | - | - | - | - | 59,286 | 59,286 |
| Law library | - | - | - | - | 23,976 | 23,976 |
| Commission on aging programs | - | - | - | - | 123,388 | 123,388 |
| Veterans' services | - | - | - | - | 543 | 543 |
| Debt service | - | - | - | - | 637,634 | 637,634 |
| Total restricted | - | 55,227 | - | - | 1,119,348 | 1,174,575 |
| Committed for: | | | | | | |
| Law enforcement | - | - | - | - | 519,125 | 519,125 |
| Jail operations | - | - | 27,326 | - | 56,405 | 83,731 |
| General capital improvements | - | - | - | 2,274,310 | - | 2,274,310 |
| Debt service | - | - | - | - | 876,560 | 876,560 |
| Total committed | - | - | 27,326 | 2,274,310 | 1,452,090 | 3,753,726 |
| Assigned for: | | | | | | |
| Emergency services | - | - | - | - | 17,810 | 17,810 |
| Community development | - | - | - | - | 65,487 | 65,487 |
| Animal control | 15,606 | - | - | - | - | 15,606 |
| Elections | 20,386 | - | - | - | - | 20,386 |
| Building repair and maintenance | 92,071 | - | - | - | - | 92,071 |
| Sheriff mounted division | - | - | - | - | 12,000 | 12,000 |
| Crime victim rights | - | - | - | - | 7,577 | 7,577 |
| Law enforcement | - | - | - | - | 212,637 | 212,637 |
| County parks | - | - | - | - | 76,947 | 76,947 |
| Friend of court | - | - | - | - | 21,592 | 21,592 |
| Social services | - | - | - | - | 115,583 | 115,583 |
| Child care | - | - | - | - | 63,377 | 63,377 |
| Soldiers' relief | - | - | - | - | 107,873 | 107,873 |
| Commission on aging programs | - | - | - | - | 194,693 | 194,693 |
| Total assigned | 128,063 | - | - | - | 895,576 | 1,023,639 |
| Unassigned | 2,004,986 | - | - | - | - | 2,004,986 |
| Total fund balances, governmental funds | \$ 2,444,923 | \$ 55,227 | \$ 27,326 | \$ 2,274,310 | \$ 4,574,370 | \$ 9,376,156 |

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, 2013, was as follows:

| | Governmental Activities | Business-type Activities | Component Units |
|---------------------------------------|-------------------------|--------------------------|----------------------|
| Capital assets: | | | |
| Capital assets not being depreciated | \$ 2,233,586 | \$ - | \$ 2,151,451 |
| Capital assets being depreciated, net | 16,018,037 | 26,424 | 50,472,963 |
| | <u>18,251,623</u> | <u>26,424</u> | <u>52,624,414</u> |
| Related debt: | | | |
| Bonds payable | 13,920,000 | 4,184,180 | - |
| Premium on bonds payable | 12,110 | 277,322 | - |
| Deferred loss on refunding | (159,836) | (85,855) | - |
| Amounts related to capital leases | - | (4,375,647) | - |
| Installment purchase agreements | - | - | 1,122,454 |
| | <u>13,772,274</u> | <u>-</u> | <u>1,122,454</u> |
| Net investment in capital assets | <u>\$ 4,479,349</u> | <u>\$ 26,424</u> | <u>\$ 51,501,960</u> |

20. RELATED PARTY TRANSACTIONS

During the year, the County conducted business with two of its elected officials. These transactions were for automobile repairs and maintenance and equipment rental and were in the amounts of \$21,627 and \$1,998, respectively. At September 30, 2013, accounts payable included amounts due to related parties in the amount of \$1,577.

21. RESTATEMENTS

The County adopted the provisions of GASB Statements No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. In addition, the County, excluding the separately issued Medical Care Facility component unit, adopted *GASB Statement No. 65, Items Previously Reported as Assets and Liabilities*, in the current year. In addition to the revised classification of certain financial elements in the financial statements, the implementation of GASB Statement No. 65 resulted in the elimination of bond issuance costs as an asset. As a result of this change, beginning net position of governmental activities decreased by \$111,254.



REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF NEWAYGO, MICHIGAN

Required Supplementary Information

MERS Agent Multiple-employer Defined Benefit Pension Plan

Schedule of Funding Progress

| Actuarial Valuation Date December 31, | 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) |
|--|----------------------------------|--|------------------------------|-------------------------|------------------------|--|
| 2007 | \$ 18,748,766 | \$ 20,839,568 | \$ 2,090,802 | 90.0% | \$ 2,956,258 | 70.7% |
| 2008 | 18,868,113 | 21,479,837 | 2,611,724 | 87.8% | 2,783,766 | 93.8% |
| 2009 | 18,965,509 | 22,385,298 | 3,419,789 | 84.7% | 2,915,501 | 117.3% |
| 2010 | 19,163,556 | 23,023,254 | 3,859,698 | 83.2% | 2,542,210 | 151.8% |
| 2011 | 19,331,637 | 23,803,330 | 4,471,693 | 81.2% | 2,249,710 | 198.8% |
| 2012 | 19,811,966 | 24,344,199 | 4,532,233 | 81.4% | 2,117,521 | 214.0% |

Schedule of Employer Contributions

| Year Ended September 30, | Annual Required Contributions | Percentage Contributed |
|-----------------------------|-------------------------------|------------------------|
| 2008 | \$ 457,375 | 100% |
| 2009 | 418,104 | 100% |
| 2010 | 487,059 | 100% |
| 2011 | 534,328 | 100% |
| 2012 | 894,880 | 100% |
| 2013 | 1,008,601 | 100% |

COUNTY OF NEWAYGO, MICHIGAN

Required Supplementary Information

Single Employer Other Postemployment Benefits Plan

Schedule of Funding Progress

| Actuarial Valuation Date December 31, | 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) |
|--|----------------------------------|--|------------------------------|-------------------------|------------------------|--|
| 2007 | \$ - | \$ 5,681,993 | \$ 5,681,993 | 0.0% | \$ 6,650,808 | 85.4% |
| 2008 | - | 5,952,886 | 5,952,886 | 0.0% | 7,131,085 | 83.5% |
| 2011 | 1,067,702 | 9,623,170 | 8,555,468 | 11.1% | 6,431,327 | 133.0% |

Schedule of Employer Contributions

| Year Ended September 30, | Annual Required Contributions | Percentage Contributed |
|-----------------------------|-------------------------------|------------------------|
| 2011 | \$ 558,627 | 100% |
| 2012 | 768,339 | 100% |
| 2013 | 749,447 | 100% |

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

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GENERAL FUND

COUNTY OF NEWAYGO, MICHIGAN

Combining Schedule of Balance Sheet Accounts

By Activity - General Fund

September 30, 2013

| | General Fund (101) | Animal Control (2052) | Elections (214) | Budget Stabilization (257) |
|---|--------------------------|-----------------------------|--------------------|----------------------------------|
| Assets | | | | |
| Cash and cash equivalents | \$ - | \$ 16,680 | \$ 21,813 | \$ 33,394 |
| Investments | 2,459,746 | - | - | - |
| Receivables: | | | | |
| Accounts | 28,729 | - | 199 | - |
| Taxes | 1,717,023 | - | - | - |
| Due from other governments | 134,359 | 5,275 | - | - |
| Due from other funds | 93,293 | - | - | - |
| Advance to component unit | 300,000 | - | - | - |
| Prepays | 11,874 | - | - | - |
| Total assets | \$ 4,745,024 | \$ 21,955 | \$ 22,012 | \$ 33,394 |
| Liabilities | | | | |
| Interfund payable | \$ 1,176,052 | \$ - | \$ - | \$ - |
| Accounts payable | 195,728 | 1,803 | - | - |
| Accrued expenditures | 166,021 | 4,546 | 1,041 | - |
| Due to other funds | 25,160 | - | 585 | - |
| Unearned revenue | 65,963 | - | - | - |
| Total liabilities | 1,628,924 | 6,349 | 1,626 | - |
| Deferred inflows of resources | | | | |
| Unavailable revenues - property taxes | - | - | - | - |
| Fund balances | | | | |
| Nonspendable | 311,874 | - | - | - |
| Assigned | 92,071 | 15,606 | 20,386 | - |
| Unassigned | 2,712,155 | - | - | 33,394 |
| Total fund balances | 3,116,100 | 15,606 | 20,386 | 33,394 |
| Total liabilities, deferred inflows of resources and fund balances | \$ 4,745,024 | \$ 21,955 | \$ 22,012 | \$ 33,394 |



| Budget vs. GAAP Adjustment | Eliminations | Total |
|----------------------------------|--------------|---------------------|
| \$ - | \$ - | \$ 71,887 |
| - | - | 2,459,746 |
| - | - | 28,928 |
| - | - | 1,717,023 |
| - | - | 139,634 |
| - | - | 93,293 |
| - | - | 300,000 |
| - | - | 11,874 |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ 4,822,385</u> |
| \$ - | \$ - | \$ 1,176,052 |
| - | - | 197,531 |
| - | - | 171,608 |
| - | - | 25,745 |
| - | - | 65,963 |
| <u>-</u> | <u>-</u> | <u>1,636,899</u> |
| <u>740,563</u> | <u>-</u> | <u>740,563</u> |
| - | - | 311,874 |
| - | - | 128,063 |
| <u>(740,563)</u> | <u>-</u> | <u>2,004,986</u> |
| <u>(740,563)</u> | <u>-</u> | <u>2,444,923</u> |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ 4,822,385</u> |

COUNTY OF NEWAYGO, MICHIGAN

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances

By Activity - General Fund

For the Year Ended September 30, 2013

| | General Fund (101) | Animal Control (2052) | Elections (214) | Budget Stabilization (257) |
|---|--------------------------|-----------------------------|--------------------|----------------------------------|
| Revenues | | | | |
| Taxes | \$ 7,159,456 | \$ - | \$ - | \$ - |
| Intergovernmental: | | | | |
| Federal | 381,246 | 721 | - | - |
| State | 1,636,046 | 5,275 | - | - |
| Local | 142,844 | - | - | - |
| Licenses and permits | 57,746 | - | - | - |
| Fines and forfeitures | 68,619 | - | - | - |
| Charges for services | 2,196,174 | 43,958 | 36,785 | - |
| Interest and rentals | 88,066 | - | - | - |
| Contributions from private sources | 27,601 | 8,210 | - | - |
| Other revenues/reimbursements | 143,767 | - | 658 | - |
| Total revenues | 11,901,565 | 58,164 | 37,443 | - |
| Expenditures | | | | |
| Current: | | | | |
| Legislative | 324,167 | - | - | - |
| Judicial | 2,621,480 | - | - | - |
| General government | 3,680,774 | - | 119,785 | - |
| Public safety | 886,747 | 217,220 | - | - |
| Public works | 46,052 | - | - | - |
| Health and welfare | 813,264 | - | - | - |
| Community and economic development | 127,873 | - | - | - |
| Other | 213,269 | - | - | - |
| Capital outlay | 290,884 | - | - | - |
| Total expenditures | 9,004,510 | 217,220 | 119,785 | - |
| Revenues over (under) expenditures | 2,897,055 | (159,056) | (82,342) | - |
| Other financing sources (uses) | | | | |
| Proceeds from sale of capital assets | 774 | - | - | - |
| Transfers in | 560,138 | 167,071 | 75,000 | - |
| Transfers out | (3,294,844) | - | - | - |
| Total other financing sources (uses) | (2,733,932) | 167,071 | 75,000 | - |
| Net changes in fund balances | 163,123 | 8,015 | (7,342) | - |
| Fund balances, beginning of year | 2,952,977 | 7,591 | 27,728 | 33,394 |
| Fund balances, end of year | \$ 3,116,100 | \$ 15,606 | \$ 20,386 | \$ 33,394 |



| Budget vs. GAAP Adjustment | Eliminations | Total |
|----------------------------------|----------------|---------------------|
| \$ (64,365) | \$ - | \$ 7,095,091 |
| - | - | 381,967 |
| - | - | 1,641,321 |
| - | - | 142,844 |
| - | - | 57,746 |
| - | - | 68,619 |
| - | - | 2,276,917 |
| - | - | 88,066 |
| - | - | 35,811 |
| - | - | 144,425 |
| <u>(64,365)</u> | <u>-</u> | <u>11,932,807</u> |
| - | - | 324,167 |
| - | - | 2,621,480 |
| - | - | 3,800,559 |
| - | - | 1,103,967 |
| - | - | 46,052 |
| - | - | 813,264 |
| - | - | 127,873 |
| - | - | 213,269 |
| - | - | 290,884 |
| <u>-</u> | <u>-</u> | <u>9,341,515</u> |
| <u>(64,365)</u> | <u>-</u> | <u>2,591,292</u> |
| - | - | 774 |
| - | (242,071) | 560,138 |
| - | <u>242,071</u> | <u>(3,052,773)</u> |
| <u>-</u> | <u>-</u> | <u>(2,491,861)</u> |
| (64,365) | - | 99,431 |
| <u>(676,198)</u> | <u>-</u> | <u>2,345,492</u> |
| <u>\$ (740,563)</u> | <u>\$ -</u> | <u>\$ 2,444,923</u> |

COUNTY OF NEWAYGO, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Budgetary Basis) and Actual - General Fund - By Activity For the Year Ended September 30, 2013

| | Original Budget | Final Budget | Actual | Actual Over (Under) Final Budget |
|-------------------------------------|-------------------|-------------------|-------------------|----------------------------------|
| Revenues | | | | |
| General fund (fund 101) | | | | |
| Taxes: | | | | |
| Real and personal property taxes | \$ 6,861,361 | \$ 6,932,161 | \$ 7,131,146 | \$ 198,985 |
| Other taxes | 11,000 | 29,620 | 28,310 | (1,310) |
| Total taxes | <u>6,872,361</u> | <u>6,961,781</u> | <u>7,159,456</u> | <u>197,675</u> |
| Intergovernmental: | | | | |
| Federal | 206,907 | 351,964 | 381,246 | 29,282 |
| State | 1,593,628 | 1,625,815 | 1,636,046 | 10,231 |
| Local | 90,854 | 98,957 | 142,844 | 43,887 |
| Total intergovernmental | <u>1,891,389</u> | <u>2,076,736</u> | <u>2,160,136</u> | <u>83,400</u> |
| Licenses and permits | <u>49,000</u> | <u>57,135</u> | <u>57,746</u> | <u>611</u> |
| Fines and forfeitures | <u>74,000</u> | <u>69,470</u> | <u>68,619</u> | <u>(851)</u> |
| Charges for services | <u>2,124,950</u> | <u>2,178,750</u> | <u>2,196,174</u> | <u>17,424</u> |
| Interest and rentals: | | | | |
| Interest revenue | 57,330 | 52,330 | (29,597) | (81,927) |
| Rentals | 100,579 | 116,813 | 117,663 | 850 |
| Total interest and rentals | <u>157,909</u> | <u>169,143</u> | <u>88,066</u> | <u>(81,077)</u> |
| Contributions from private sources | <u>300</u> | <u>27,600</u> | <u>27,601</u> | <u>1</u> |
| Other revenues/reimbursements: | | | | |
| Reimbursements | 11,087 | 77,024 | 77,311 | 287 |
| Other revenue | 68,500 | 66,456 | 66,456 | - |
| Total other revenues/reimbursements | <u>79,587</u> | <u>143,480</u> | <u>143,767</u> | <u>287</u> |
| Total general fund (101) | <u>11,249,496</u> | <u>11,684,095</u> | <u>11,901,565</u> | <u>217,470</u> |
| Animal control (fund 2052) | | | | |
| Intergovernmental - Federal | - | - | 721 | 721 |
| Intergovernmental - State | - | 5,260 | 5,275 | 15 |
| Charges for services | 55,422 | 44,237 | 43,958 | (279) |
| Contributions from private sources | 1,200 | 8,210 | 8,210 | - |
| Total animal control (fund 2052) | <u>56,622</u> | <u>57,707</u> | <u>58,164</u> | <u>457</u> |

continued...

COUNTY OF NEWAYGO, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Budgetary Basis) and Actual - General Fund - By Activity For the Year Ended September 30, 2013

| | Original Budget | Final Budget | Actual | Actual Over (Under) Final Budget |
|------------------------------------|-----------------|--------------|------------|----------------------------------|
| Revenues (concluded) | | | | |
| Elections (fund 214) | | | | |
| Charges for services | \$ 30,000 | \$ 36,785 | \$ 36,785 | \$ - |
| Other revenue and reimbursements | 600 | 308 | 658 | 350 |
| Total elections (fund 214) | 30,600 | 37,093 | 37,443 | 350 |
| Total revenues | 11,336,718 | 11,778,895 | 11,997,172 | 218,277 |
| Expenditures | | | | |
| General fund (fund 101) | | | | |
| Legislative: | | | | |
| Board of Commissioners | 340,640 | 339,594 | 324,167 | (15,427) |
| Judicial: | | | | |
| 27th Circuit Court - Newaygo | 604,800 | 600,002 | 593,988 | (6,014) |
| 27th Circuit Court - Oceana | 35,110 | 35,713 | 35,411 | (302) |
| Circuit Court Probation | 18,556 | 17,726 | 17,373 | (353) |
| Circuit Court Clerk | 233,974 | 224,080 | 223,149 | (931) |
| Circuit Court - Juvenile Division | 224,105 | 229,989 | 227,234 | (2,755) |
| District Court | 1,082,849 | 1,046,060 | 1,037,924 | (8,136) |
| Jury Board | 12,843 | 13,493 | 13,496 | 3 |
| Probate Court | 418,866 | 424,470 | 418,243 | (6,227) |
| Court Guardian | 54,062 | 54,662 | 54,662 | - |
| Total judicial | 2,685,165 | 2,646,195 | 2,621,480 | (24,715) |
| General government: | | | | |
| Administrator | 259,146 | 249,767 | 243,846 | (5,921) |
| Accounting | 253,151 | 258,182 | 257,689 | (493) |
| Clerk | 333,285 | 333,285 | 322,888 | (10,397) |
| Tax allocation | 1,143 | 953 | 903 | (50) |
| Treasurer | 453,020 | 453,020 | 441,692 | (11,328) |
| Equalization | 572,648 | 561,217 | 551,583 | (9,634) |
| Cooperative extension | 143,184 | 143,535 | 143,673 | 138 |
| Civil counsel | 15,021 | 10,021 | 8,302 | (1,719) |
| Prosecutor | 661,564 | 665,414 | 651,579 | (13,835) |
| Register of deeds | 381,574 | 383,405 | 369,901 | (13,504) |
| Personnel | 86,364 | 85,969 | 84,764 | (1,205) |
| Surveyor | 87,878 | 87,878 | 90,565 | 2,687 |
| Drain Commissioner | 296,047 | 257,760 | 255,367 | (2,393) |
| Payroll | 60,248 | 50,894 | 49,099 | (1,795) |
| Courtesy desk/mail | 36,440 | 34,673 | 34,155 | (518) |
| Drain maintenance and construction | 143,118 | 169,304 | 165,399 | (3,905) |
| Soil erosion/conservation | 9,470 | 9,670 | 9,369 | (301) |
| Total general government | 3,793,301 | 3,754,947 | 3,680,774 | (74,173) |

continued...

COUNTY OF NEWAYGO, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Budgetary Basis) and Actual - General Fund - By Activity For the Year Ended September 30, 2013

| | Original Budget | Final Budget | Actual | Actual Over (Under) Final Budget |
|---|-----------------|----------------|----------------|----------------------------------|
| Expenditures (continued) | | | | |
| Public safety: | | | | |
| Sheriff's department | \$ 747,048 | \$ 745,353 | \$ 744,659 | \$ (694) |
| Courthouse security | 38,304 | 43,249 | 43,162 | (87) |
| Regional drug force contract | 116 | 116 | 116 | - |
| Marine law enforcement | 49,237 | 63,370 | 58,286 | (5,084) |
| Junk law enforcement | 116 | 116 | 116 | - |
| Spay and neuter grant | 3,045 | 635 | 634 | (1) |
| Crisis management | 33,448 | 20,421 | 17,996 | (2,425) |
| Truancy program | - | 8,000 | 8,000 | - |
| Other public safety | 14,078 | 13,778 | 13,778 | - |
| Total public safety | 885,392 | 895,038 | 886,747 | (8,291) |
| Public works: | | | | |
| Board of public works | 28,440 | 37,940 | 34,151 | (3,789) |
| Drain tax at large | 15,000 | 11,901 | 11,901 | - |
| Total public works | 43,440 | 49,841 | 46,052 | (3,789) |
| Health and welfare: | | | | |
| Health department | 305,837 | 307,435 | 307,435 | - |
| Contagious disease | 440 | 440 | 419 | (21) |
| Mental health | 220,000 | 220,000 | 220,000 | - |
| Family counseling services | 6,876 | 5,876 | 5,876 | - |
| Medical Care Facility maintenance of effort | 88,213 | 92,673 | 92,672 | (1) |
| Substance abuse | 102,573 | 134,147 | 102,074 | (32,073) |
| Medical examiner | 78,298 | 86,898 | 84,788 | (2,110) |
| Total health and welfare | 802,237 | 847,469 | 813,264 | (34,205) |
| Community and economic development: | | | | |
| Land use educator | 71,947 | 71,947 | 71,947 | - |
| Economic development (NCEDO) | 43,000 | 43,000 | 43,000 | - |
| West Michigan regional planning | 13,000 | 12,926 | 12,926 | - |
| Total community and economic development | 127,947 | 127,873 | 127,873 | - |
| Other: | | | | |
| National Forest grant distributions | - | 175,659 | 206,104 | 30,445 |
| Non-departmental expenditures | 6,941 | 47,498 | 7,165 | (40,333) |
| Total other | 6,941 | 223,157 | 213,269 | (9,888) |

continued...

COUNTY OF NEWAYGO, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Budgetary Basis) and Actual - General Fund - By Activity For the Year Ended September 30, 2013

| | Original Budget | Final Budget | Actual | Actual Over (Under) Final Budget |
|--|--------------------|-----------------|--------------|--|
| Expenditures (concluded) | | | | |
| Capital outlay | \$ 10,635 | \$ 300,443 | \$ 290,884 | \$ (9,559) |
| Total general fund (fund 101) | 8,695,698 | 9,184,557 | 9,004,510 | (180,047) |
| Animal control (fund 2052) | | | | |
| Public safety | 197,976 | 225,019 | 217,220 | (7,799) |
| Elections (fund 214) | | | | |
| General government | 129,379 | 135,872 | 119,785 | (16,087) |
| Total expenditures | 9,023,053 | 9,545,448 | 9,341,515 | (203,933) |
| Revenues over expenditures | 2,313,665 | 2,233,447 | 2,655,657 | 422,210 |
| Other financing sources (uses) | | | | |
| General fund (fund 101) | | | | |
| Proceeds from sale of capital assets | - | 512 | 774 | 262 |
| Transfers in | 682,208 | 564,044 | 560,138 | (3,906) |
| Transfers out | (3,243,588) | (3,293,115) | (3,294,844) | (1,729) |
| Total general fund (fund 101) | (2,561,380) | (2,728,559) | (2,733,932) | (5,373) |
| Animal control (fund 2052) | | | | |
| Transfers in | 141,354 | 167,071 | 167,071 | - |
| Elections (fund 214) | | | | |
| Transfers in | 75,000 | 75,000 | 75,000 | - |
| Total other financing sources (uses) | (2,345,026) | (2,486,488) | (2,491,861) | (5,373) |
| Net change in fund balance | (31,361) | (253,041) | 163,796 | 416,837 |
| Fund balance, beginning of year | 3,021,690 | 3,021,690 | 3,021,690 | - |
| Fund balance, end of year (budgetary basis) | \$ 2,990,329 | \$ 2,768,649 | 3,185,486 | \$ 416,837 |
| Accounting basis difference | | | (740,563) | |
| Fund balance, end of year (GAAP basis) | | | \$ 2,444,923 | |

concluded

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

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NONMAJOR GOVERNMENTAL FUNDS

COUNTY OF NEWAYGO, MICHIGAN

Combining Balance Sheet
 Nonmajor Governmental Funds
 September 30, 2013

| | Special Revenue | Debt Service | Capital Projects Jail Construction (467) | Totals |
|--|---------------------|---------------------|--|---------------------|
| Assets | | | | |
| Cash and cash equivalents | \$ 2,124,516 | \$ 1,462,636 | \$ - | \$ 3,587,152 |
| Receivables: | | | | |
| Accounts | 1,137,351 | - | - | 1,137,351 |
| Taxes | 405 | 108 | - | 513 |
| Due from other governments | 350,911 | 51,450 | - | 402,361 |
| Due from other funds | 1,432 | - | - | 1,432 |
| Total assets | \$ 3,614,615 | \$ 1,514,194 | \$ - | \$ 5,128,809 |
| Liabilities | | | | |
| Interfund payable | \$ 27,728 | \$ - | \$ - | \$ 27,728 |
| Accounts payable | 147,486 | - | - | 147,486 |
| Accrued expenditures | 179,566 | - | - | 179,566 |
| Due to other governments | 134,783 | - | - | 134,783 |
| Due to other funds | 1,626 | - | - | 1,626 |
| Unearned revenue | 63,250 | - | - | 63,250 |
| Total liabilities | 554,439 | - | - | 554,439 |
| Fund balances | | | | |
| Nonspendable | 1,107,356 | - | - | 1,107,356 |
| Restricted | 481,714 | 637,634 | - | 1,119,348 |
| Committed | 575,530 | 876,560 | - | 1,452,090 |
| Assigned | 895,576 | - | - | 895,576 |
| Total fund balances | 3,060,176 | 1,514,194 | - | 4,574,370 |
| Total liabilities and fund balances | \$ 3,614,615 | \$ 1,514,194 | \$ - | \$ 5,128,809 |

COUNTY OF NEWAYGO, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds For the Year Ended September 30, 2013

| | Special Revenue | Debt Service | Capital Projects | Totals |
|---|--------------------|------------------|-------------------------------|------------------|
| | | | Jail Construction (467) | |
| Revenues | | | | |
| Taxes | \$ 2,074,500 | \$ 816,961 | \$ - | \$ 2,891,461 |
| Intergovernmental: | | | | |
| Federal | 898,742 | - | - | 898,742 |
| State | 922,030 | - | - | 922,030 |
| Local | 38,836 | 210,119 | - | 248,955 |
| Fines and forfeitures | 10,723 | - | - | 10,723 |
| Charges for services | 2,045,614 | 592,040 | - | 2,637,654 |
| Interest and rentals | 1,437 | 1,209 | - | 2,646 |
| Contributions from private sources | 688,240 | - | - | 688,240 |
| Other revenues/reimbursements | 46,587 | 3,978 | - | 50,565 |
| Total revenues | 6,726,709 | 1,624,307 | - | 8,351,016 |
| Expenditures | | | | |
| Current: | | | | |
| Judicial | 854,281 | - | - | 854,281 |
| General government | 83,516 | - | - | 83,516 |
| Public safety | 3,074,987 | - | - | 3,074,987 |
| Health and welfare | 3,313,337 | - | - | 3,313,337 |
| Community and economic development | 143,404 | - | - | 143,404 |
| Recreation and cultural | 418,950 | - | - | 418,950 |
| Debt service: | | | | |
| Principal | - | 910,000 | - | 910,000 |
| Interest | - | 478,780 | - | 478,780 |
| Bond issuance costs | - | 47,601 | - | 47,601 |
| Capital outlay | 161,204 | - | - | 161,204 |
| Total expenditures | 8,049,679 | 1,436,381 | - | 9,486,060 |
| Revenue (under) over expenditures | (1,322,970) | 187,926 | - | (1,135,044) |
| Other financing sources (uses) | | | | |
| Issuance of refunding bonds | - | 6,930,000 | - | 6,930,000 |
| Transfers in | 2,202,918 | - | - | 2,202,918 |
| Transfers out | (525,828) | - | (19,540) | (545,368) |
| Payments to refunded bond escrow agent | - | (7,018,399) | - | (7,018,399) |
| Total other financing sources (uses) | 1,677,090 | (88,399) | (19,540) | 1,569,151 |
| Net changes in fund balances | 354,120 | 99,527 | (19,540) | 434,107 |
| Fund balances, beginning of year | 2,706,056 | 1,414,667 | 19,540 | 4,140,263 |
| Fund balances, end of year | \$ 3,060,176 | \$ 1,514,194 | \$ - | \$ 4,574,370 |

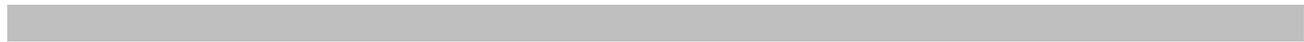
COUNTY OF NEWAYGO, MICHIGAN

Combining Balance Sheet

Nonmajor Special Revenue Funds

September 30, 2013

| | Deputy Sheriff Reserves Program (205) | Emergency Services (2053) | Crime Victim Rights (2055) |
|--|--|---------------------------------|-------------------------------------|
| Assets | | | |
| Cash and cash equivalents | \$ 12,102 | \$ - | \$ - |
| Receivables: | | | |
| Accounts | - | - | 25 |
| Taxes | - | - | - |
| Due from other governments | - | 24,108 | 10,138 |
| Due from other funds | - | - | - |
| Total assets | \$ 12,102 | \$ 24,108 | \$ 10,163 |
| Liabilities | | | |
| Interfund payable | \$ - | \$ 3,387 | \$ 999 |
| Accounts payable | - | 839 | - |
| Accrued expenditures | - | 2,072 | 1,587 |
| Due to other governments | - | - | - |
| Due to other funds | - | - | - |
| Unearned revenue | - | - | - |
| Total liabilities | - | 6,298 | 2,586 |
| Fund balances | | | |
| Nonspendable | - | - | - |
| Restricted | 102 | - | - |
| Committed | - | - | - |
| Assigned | 12,000 | 17,810 | 7,577 |
| Total fund balances | 12,102 | 17,810 | 7,577 |
| Total liabilities and fund balances | \$ 12,102 | \$ 24,108 | \$ 10,163 |



| Sheriff Road Patrol (207) | Law Enforcement (2072) | Temporary Sheriff (2074) | County Parks (208) | County Jail Trustees Management (2131) | Transport Fund (2132) |
|---------------------------|------------------------|--------------------------|--------------------|--|-----------------------|
| \$ 184,400 | \$ 35,249 | \$ 476,730 | \$ 109,030 | \$ 8,718 | \$ 22,840 |
| 420 | - | - | 3,328 | - | 79 |
| 253 | - | - | - | - | - |
| 7,258 | - | 42,395 | - | 12,054 | 12,903 |
| 200 | 1,232 | - | - | - | - |
| <u>\$ 192,531</u> | <u>\$ 36,481</u> | <u>\$ 519,125</u> | <u>\$ 112,358</u> | <u>\$ 20,772</u> | <u>\$ 35,822</u> |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 10,477 | 425 | - | 23,287 | - | 462 |
| 64,703 | 2,869 | - | 11,874 | 4,500 | 4,859 |
| - | - | - | - | - | - |
| - | - | - | 250 | - | - |
| - | - | - | - | - | - |
| <u>75,180</u> | <u>3,294</u> | <u>-</u> | <u>35,411</u> | <u>4,500</u> | <u>5,321</u> |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | 519,125 | - | 16,272 | 30,501 |
| <u>117,351</u> | <u>33,187</u> | <u>-</u> | <u>76,947</u> | <u>-</u> | <u>-</u> |
| <u>117,351</u> | <u>33,187</u> | <u>519,125</u> | <u>76,947</u> | <u>16,272</u> | <u>30,501</u> |
| <u>\$ 192,531</u> | <u>\$ 36,481</u> | <u>\$ 519,125</u> | <u>\$ 112,358</u> | <u>\$ 20,772</u> | <u>\$ 35,822</u> |

continued...

COUNTY OF NEWAYGO, MICHIGAN

Combining Balance Sheet

Nonmajor Special Revenue Funds

September 30, 2013

| | Friend of the Court (215) | Community Development (2441-2443) | Building Safety and Permits (249) |
|--|------------------------------------|---|--|
| Assets | | | |
| Cash and cash equivalents | \$ - | \$ 62,880 | \$ 282,587 |
| Receivables: | | | |
| Accounts | 1,235 | 1,107,356 | 40 |
| Taxes | - | - | - |
| Due from other governments | 68,956 | 5,012 | - |
| Due from other funds | - | - | - |
| | <u>70,191</u> | <u>1,175,248</u> | <u>282,627</u> |
| Total assets | \$ 70,191 | \$ 1,175,248 | \$ 282,627 |
| Liabilities | | | |
| Interfund payable | \$ 23,342 | \$ - | \$ - |
| Accounts payable | 2,077 | 385 | 2,851 |
| Accrued expenditures | 23,180 | 2,020 | 4,231 |
| Due to other governments | - | - | - |
| Due to other funds | - | - | 1,126 |
| Unearned revenue | - | - | - |
| | <u>48,599</u> | <u>2,405</u> | <u>8,208</u> |
| Total liabilities | 48,599 | 2,405 | 8,208 |
| Fund balances | | | |
| Nonspendable | - | 1,107,356 | - |
| Restricted | - | - | 274,419 |
| Committed | - | - | - |
| Assigned | 21,592 | 65,487 | - |
| | <u>21,592</u> | <u>1,172,843</u> | <u>274,419</u> |
| Total fund balances | 21,592 | 1,172,843 | 274,419 |
| Total liabilities and fund balances | \$ 70,191 | \$ 1,175,248 | \$ 282,627 |



| Register of Deeds Automation (256) | Law Enforcement Technical Fund (2567) | Drug Law Enforcement (265) | County Law Library (269) | Social Services (290) | Child Care (292) |
|------------------------------------|---------------------------------------|----------------------------|--------------------------|-----------------------|-------------------|
| \$ 62,798 | \$ 42,187 | \$ 30,583 | \$ 23,976 | \$ 117,578 | \$ 123,749 |
| - | 195 | - | - | - | 3,897 |
| - | - | - | - | - | - |
| - | - | 1,570 | - | - | 148,148 |
| - | - | - | - | - | - |
| <u>\$ 62,798</u> | <u>\$ 42,382</u> | <u>\$ 32,153</u> | <u>\$ 23,976</u> | <u>\$ 117,578</u> | <u>\$ 275,794</u> |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 2,834 | - | - | - | 1,995 | 65,036 |
| 678 | - | 2,804 | - | - | 12,598 |
| - | - | - | - | - | 134,783 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>3,512</u> | <u>-</u> | <u>2,804</u> | <u>-</u> | <u>1,995</u> | <u>212,417</u> |
| - | - | - | - | - | - |
| 59,286 | - | - | 23,976 | - | - |
| - | 9,632 | - | - | - | - |
| - | 32,750 | 29,349 | - | 115,583 | 63,377 |
| <u>59,286</u> | <u>42,382</u> | <u>29,349</u> | <u>23,976</u> | <u>115,583</u> | <u>63,377</u> |
| <u>\$ 62,798</u> | <u>\$ 42,382</u> | <u>\$ 32,153</u> | <u>\$ 23,976</u> | <u>\$ 117,578</u> | <u>\$ 275,794</u> |

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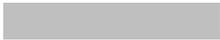
COUNTY OF NEWAYGO, MICHIGAN

Combining Balance Sheet

Nonmajor Special Revenue Funds

September 30, 2013

| | Soldiers' Relief (293) | Veterans' Trust (294) | Commission on Aging (295-2952) |
|--|------------------------------|-----------------------------|--------------------------------------|
| Assets | | | |
| Cash and cash equivalents | \$ 113,422 | \$ 7,263 | \$ 408,424 |
| Receivables: | | | |
| Accounts | - | - | 20,776 |
| Taxes | 25 | - | 127 |
| Due from other governments | 954 | - | 17,415 |
| Due from other funds | - | - | - |
| Total assets | \$ 114,401 | \$ 7,263 | \$ 446,742 |
| Liabilities | | | |
| Interfund payable | \$ - | \$ - | \$ - |
| Accounts payable | 4,039 | 6,720 | 26,059 |
| Accrued expenditures | 2,489 | - | 39,102 |
| Due to other governments | - | - | - |
| Due to other funds | - | - | 250 |
| Unearned revenue | - | - | 63,250 |
| Total liabilities | 6,528 | 6,720 | 128,661 |
| Fund balances | | | |
| Nonspendable | - | - | - |
| Restricted | - | 543 | 123,388 |
| Committed | - | - | - |
| Assigned | 107,873 | - | 194,693 |
| Total fund balances | 107,873 | 543 | 318,081 |
| Total liabilities and fund balances | \$ 114,401 | \$ 7,263 | \$ 446,742 |



Total

\$ 2,124,516

1,137,351

405

350,911

1,432

\$ 3,614,615

\$ 27,728

147,486

179,566

134,783

1,626

63,250

554,439

1,107,356

481,714

575,530

895,576

3,060,176

\$ 3,614,615

concluded

COUNTY OF NEWAYGO, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds For the Year Ended September 30, 2013

| | Deputy Sheriff Reserves Program (205) | Emergency Services (2053) | Crime Victim Rights (2055) |
|---|--|---------------------------------|-------------------------------------|
| Revenues | | | |
| Taxes | \$ - | \$ - | \$ - |
| Intergovernmental: | | | |
| Federal | - | 69,229 | - |
| State | - | - | 40,564 |
| Local | - | 5,840 | - |
| Charges for services | - | - | 197 |
| Fines and forfeitures | - | - | - |
| Interest and rentals | - | - | - |
| Contributions from private sources | 110 | - | - |
| Other revenue/reimbursements | - | - | - |
| Total revenues | 110 | 75,069 | 40,761 |
| Expenditures | | | |
| Current: | | | |
| Judicial | - | - | - |
| General government | - | - | - |
| Public safety | 1,040 | 163,012 | 57,605 |
| Health and welfare | - | - | - |
| Community and economic development | - | - | - |
| Recreation and cultural | - | - | - |
| Capital outlay | - | - | - |
| Total expenditures | 1,040 | 163,012 | 57,605 |
| Revenue over (under) expenditures | (930) | (87,943) | (16,844) |
| Other financing sources (uses) | | | |
| Transfers in | 12,000 | 93,051 | 17,989 |
| Transfers out | - | - | - |
| Total other financing sources (uses) | 12,000 | 93,051 | 17,989 |
| Net changes in fund balances | 11,070 | 5,108 | 1,145 |
| Fund balances, beginning of year | 1,032 | 12,702 | 6,432 |
| Fund balances, end of year | \$ 12,102 | \$ 17,810 | \$ 7,577 |

| Sheriff Road Patrol (207) | Law Enforcement (2072) | Temporary Sheriff (2074) | County Parks (208) | County Jail Trustees Management (2131) | Transport Fund (2132) |
|------------------------------------|------------------------------|--------------------------------|--------------------------|---|-----------------------------|
| \$ 1,296,360 | \$ - | \$ - | \$ - | \$ - | \$ - |
| 5,782 | - | - | - | - | - |
| - | 74,577 | - | - | - | - |
| 8,868 | - | - | - | - | - |
| 31,024 | - | 563,360 | 471,480 | 146,657 | 176,557 |
| - | - | - | - | - | - |
| 765 | - | - | - | - | - |
| - | - | - | 9,250 | - | - |
| 3,770 | - | - | 2,350 | - | - |
| <u>1,346,569</u> | <u>74,577</u> | <u>563,360</u> | <u>483,080</u> | <u>146,657</u> | <u>176,557</u> |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 2,067,462 | 107,213 | - | - | 150,735 | 186,030 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | 418,950 | - | - |
| - | - | - | 28,948 | - | - |
| <u>2,067,462</u> | <u>107,213</u> | <u>-</u> | <u>447,898</u> | <u>150,735</u> | <u>186,030</u> |
| <u>(720,893)</u> | <u>(32,636)</u> | <u>563,360</u> | <u>35,182</u> | <u>(4,078)</u> | <u>(9,473)</u> |
| 884,115 | 32,573 | - | 42,000 | 1,120 | - |
| (107,886) | - | (378,010) | (28,639) | - | (11,293) |
| <u>776,229</u> | <u>32,573</u> | <u>(378,010)</u> | <u>13,361</u> | <u>1,120</u> | <u>(11,293)</u> |
| 55,336 | (63) | 185,350 | 48,543 | (2,958) | (20,766) |
| <u>62,015</u> | <u>33,250</u> | <u>333,775</u> | <u>28,404</u> | <u>19,230</u> | <u>51,267</u> |
| <u>\$ 117,351</u> | <u>\$ 33,187</u> | <u>\$ 519,125</u> | <u>\$ 76,947</u> | <u>\$ 16,272</u> | <u>\$ 30,501</u> |

continued...

COUNTY OF NEWAYGO, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds For the Year Ended September 30, 2013

| | Friend of the Court (215) | Community Development (2441-2443) | Building Safety and Permits (249) |
|---|------------------------------------|---|--|
| Revenues | | | |
| Taxes | \$ - | \$ - | \$ - |
| Intergovernmental: | | | |
| Federal | 466,660 | 49,948 | - |
| State | 48,346 | - | - |
| Local | - | - | - |
| Charges for services | 65,423 | 1,370 | 323,919 |
| Fines and forfeitures | - | - | - |
| Interest and rentals | - | 403 | - |
| Contributions from private sources | - | 6,266 | - |
| Other revenue/reimbursements | - | 29,259 | 705 |
| Total revenues | 580,429 | 87,246 | 324,624 |
| Expenditures | | | |
| Current: | | | |
| Judicial | 841,818 | - | - |
| General government | - | - | - |
| Public safety | - | - | 211,688 |
| Health and welfare | - | - | - |
| Community and economic development | - | 143,404 | - |
| Recreation and cultural | - | - | - |
| Capital outlay | - | 1,000 | - |
| Total expenditures | 841,818 | 144,404 | 211,688 |
| Revenue over (under) expenditures | (261,389) | (57,158) | 112,936 |
| Other financing sources (uses) | | | |
| Transfers in | 268,889 | 78,288 | - |
| Transfers out | - | - | - |
| Total other financing sources (uses) | 268,889 | 78,288 | - |
| Net changes in fund balances | 7,500 | 21,130 | 112,936 |
| Fund balances, beginning of year | 14,092 | 1,151,713 | 161,483 |
| Fund balances, end of year | \$ 21,592 | \$ 1,172,843 | \$ 274,419 |



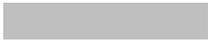
| Register of Deeds Automation (256) | Law Enforcement Technical Fund (2567) | Drug Law Enforcement (265) | County Law Library (269) | Social Services (290) | Child Care (292) |
|------------------------------------|---------------------------------------|----------------------------|--------------------------|-----------------------|------------------|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | 18,997 | - | - | 12,981 |
| - | - | - | - | 99,308 | 593,791 |
| - | 846 | - | - | - | 17,959 |
| 64,420 | 11,371 | - | - | 71,475 | 21,789 |
| - | 4,015 | 2,208 | 4,500 | - | - |
| 101 | - | - | - | 168 | - |
| - | - | - | - | - | 10,703 |
| 183 | - | - | - | - | 480 |
| <u>64,704</u> | <u>16,232</u> | <u>21,205</u> | <u>4,500</u> | <u>170,951</u> | <u>657,703</u> |
| - | - | - | 12,463 | - | - |
| 83,516 | - | - | - | - | - |
| - | 17,888 | 112,314 | - | - | - |
| - | - | - | - | 147,295 | 1,305,931 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>83,516</u> | <u>17,888</u> | <u>112,314</u> | <u>12,463</u> | <u>147,295</u> | <u>1,305,931</u> |
| <u>(18,812)</u> | <u>(1,656)</u> | <u>(91,109)</u> | <u>(7,963)</u> | <u>23,656</u> | <u>(648,228)</u> |
| - | - | 91,313 | - | 37,588 | 587,604 |
| - | - | - | - | - | - |
| - | - | 91,313 | - | 37,588 | 587,604 |
| (18,812) | (1,656) | 204 | (7,963) | 61,244 | (60,624) |
| <u>78,098</u> | <u>44,038</u> | <u>29,145</u> | <u>31,939</u> | <u>54,339</u> | <u>124,001</u> |
| <u>\$ 59,286</u> | <u>\$ 42,382</u> | <u>\$ 29,349</u> | <u>\$ 23,976</u> | <u>\$ 115,583</u> | <u>\$ 63,377</u> |

continued...

COUNTY OF NEWAYGO, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds For the Year Ended September 30, 2013

| | Soldiers' Relief (293) | Veterans' Trust (294) | Commission on Aging (295-2952) |
|---|------------------------------|-----------------------------|--------------------------------------|
| Revenues | | | |
| Taxes | \$ 130,114 | \$ - | \$ 648,026 |
| Intergovernmental: | | | |
| Federal | - | - | 275,145 |
| State | 954 | 6,200 | 58,290 |
| Local | 890 | - | 4,433 |
| Charges for services | - | - | 96,572 |
| Fines and forfeitures | - | - | - |
| Interest and rentals | - | - | - |
| Contributions from private sources | 644 | - | 661,267 |
| Other revenue/reimbursements | - | - | 9,840 |
| Total revenues | 132,602 | 6,200 | 1,753,573 |
| Expenditures | | | |
| Current: | | | |
| Judicial | - | - | - |
| General government | - | - | - |
| Public safety | - | - | - |
| Health and welfare | 184,158 | 6,720 | 1,669,233 |
| Community and economic development | - | - | - |
| Recreation and cultural | - | - | - |
| Capital outlay | - | - | 131,256 |
| Total expenditures | 184,158 | 6,720 | 1,800,489 |
| Revenue over (under) expenditures | (51,556) | (520) | (46,916) |
| Other financing sources (uses) | | | |
| Transfers in | 13,392 | - | 42,996 |
| Transfers out | - | - | - |
| Total other financing sources (uses) | 13,392 | - | 42,996 |
| Net changes in fund balances | (38,164) | (520) | (3,920) |
| Fund balances, beginning of year | 146,037 | 1,063 | 322,001 |
| Fund balances, end of year | \$ 107,873 | \$ 543 | \$ 318,081 |



Total

\$ 2,074,500
898,742
922,030
38,836
2,045,614
10,723
1,437
688,240
46,587

6,726,709

854,281
83,516
3,074,987
3,313,337
143,404
418,950
161,204

8,049,679

(1,322,970)

2,202,918

(525,828)

1,677,090

354,120

2,706,056

\$ 3,060,176

concluded

COUNTY OF NEWAYGO, MICHIGAN

Schedule of Revenues, Expenditures, and Changes in Fund Balances

Budget and Actual - Nonmajor Special Revenue Funds

For the Year Ended September 30, 2013

| | Deputy Sheriff Reserves Program (205) | | |
|---|---------------------------------------|---------------|----------------------------------|
| | Final Budget | Actual | Actual Over (Under) Final Budget |
| Revenues | | | |
| Taxes | \$ - | \$ - | \$ - |
| Intergovernmental: | | | |
| Federal | - | - | - |
| State | - | - | - |
| Local | - | - | - |
| Charges for services | - | - | - |
| Fines and forfeitures | - | - | - |
| Contributions from private sources | 110 | 110 | - |
| Interest and rentals | - | - | - |
| Other revenue/reimbursements | - | - | - |
| Total revenues | 110 | 110 | - |
| Expenditures | | | |
| Current: | | | |
| Judicial | - | - | - |
| General government | - | - | - |
| Public safety | 13,141 | 1,040 | (12,101) |
| Health and welfare | - | - | - |
| Community and economic development | - | - | - |
| Recreation and cultural | - | - | - |
| Capital outlay | - | - | - |
| Total expenditures | 13,141 | 1,040 | (12,101) |
| Revenues over (under) expenditures | (13,031) | (930) | 12,101 |
| Other financing sources (uses) | | | |
| Transfers in | 12,000 | 12,000 | - |
| Transfers out | - | - | - |
| Total other financing sources (uses) | 12,000 | 12,000 | - |
| Net changes in fund balances | (1,031) | 11,070 | 12,101 |
| Fund balances, beginning of year | 1,032 | 1,032 | - |
| Fund balances, end of year | \$ 1 | \$ 12,102 | \$ 12,101 |

| Emergency Services (2053) | | | Crime Victim Rights (2055) | | |
|---------------------------|------------------|----------------------------------|----------------------------|-----------------|----------------------------------|
| Final Budget | Actual | Actual Over (Under) Final Budget | Final Budget | Actual | Actual Over (Under) Final Budget |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 82,276 | 69,229 | (13,047) | - | - | - |
| - | - | - | 40,564 | 40,564 | - |
| 5,839 | 5,840 | 1 | - | - | - |
| - | - | - | 400 | 197 | (203) |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>88,115</u> | <u>75,069</u> | <u>(13,046)</u> | <u>40,964</u> | <u>40,761</u> | <u>(203)</u> |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 188,760 | 163,012 | (25,748) | 58,953 | 57,605 | (1,348) |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>188,760</u> | <u>163,012</u> | <u>(25,748)</u> | <u>58,953</u> | <u>57,605</u> | <u>(1,348)</u> |
| <u>(100,645)</u> | <u>(87,943)</u> | <u>12,702</u> | <u>(17,989)</u> | <u>(16,844)</u> | <u>1,145</u> |
| 93,051 | 93,051 | - | 17,989 | 17,989 | - |
| - | - | - | - | - | - |
| <u>93,051</u> | <u>93,051</u> | <u>-</u> | <u>17,989</u> | <u>17,989</u> | <u>-</u> |
| (7,594) | 5,108 | 12,702 | - | 1,145 | 1,145 |
| <u>12,702</u> | <u>12,702</u> | <u>-</u> | <u>6,432</u> | <u>6,432</u> | <u>-</u> |
| <u>\$ 5,108</u> | <u>\$ 17,810</u> | <u>\$ 12,702</u> | <u>\$ 6,432</u> | <u>\$ 7,577</u> | <u>\$ 1,145</u> |

continued...

COUNTY OF NEWAYGO, MICHIGAN

Schedule of Revenues, Expenditures, and Changes in Fund Balances

Budget and Actual - Nonmajor Special Revenue Funds

For the Year Ended September 30, 2013

| | Sheriff Road Patrol (207) | | |
|---|---------------------------|-------------------|----------------------------------|
| | Final Budget | Actual | Actual Over (Under) Final Budget |
| Revenues | | | |
| Taxes | \$ 1,305,412 | \$ 1,296,360 | \$ (9,052) |
| Intergovernmental: | | | |
| Federal | 2,294 | 5,782 | 3,488 |
| State | - | - | - |
| Local | - | 8,868 | 8,868 |
| Charges for services | 29,965 | 31,024 | 1,059 |
| Fines and forfeitures | - | - | - |
| Contributions from private sources | - | - | - |
| Interest and rentals | 772 | 765 | (7) |
| Other revenue/reimbursements | - | 3,770 | 3,770 |
| Total revenues | <u>1,338,443</u> | <u>1,346,569</u> | <u>8,126</u> |
| Expenditures | | | |
| Current: | | | |
| Judicial | - | - | - |
| General government | - | - | - |
| Public safety | 2,116,994 | 2,067,462 | (49,532) |
| Health and welfare | - | - | - |
| Community and economic development | - | - | - |
| Recreation and cultural | - | - | - |
| Capital outlay | - | - | - |
| Total expenditures | <u>2,116,994</u> | <u>2,067,462</u> | <u>(49,532)</u> |
| Revenues over (under) expenditures | <u>(778,551)</u> | <u>(720,893)</u> | <u>57,658</u> |
| Other financing sources (uses) | | | |
| Transfers in | 884,115 | 884,115 | - |
| Transfers out | (107,886) | (107,886) | - |
| Total other financing sources (uses) | <u>776,229</u> | <u>776,229</u> | <u>-</u> |
| Net changes in fund balances | (2,322) | 55,336 | 57,658 |
| Fund balances, beginning of year | 62,015 | 62,015 | - |
| Fund balances, end of year | <u>\$ 59,693</u> | <u>\$ 117,351</u> | <u>\$ 57,658</u> |

| Law Enforcement (2072) | | | Temporary Sheriff (2074) | | |
|------------------------|------------------|----------------------------------|--------------------------|-------------------|----------------------------------|
| Final Budget | Actual | Actual Over (Under) Final Budget | Final Budget | Actual | Actual Over (Under) Final Budget |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | - |
| 74,577 | 74,577 | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | 576,032 | 563,360 | (12,672) |
| - | - | - | - | - | - |
| 2,500 | - | (2,500) | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>77,077</u> | <u>74,577</u> | <u>(2,500)</u> | <u>576,032</u> | <u>563,360</u> | <u>(12,672)</u> |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 111,033 | 107,213 | (3,820) | 531,797 | - | (531,797) |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>111,033</u> | <u>107,213</u> | <u>(3,820)</u> | <u>531,797</u> | <u>-</u> | <u>(531,797)</u> |
| <u>(33,956)</u> | <u>(32,636)</u> | <u>1,320</u> | <u>44,235</u> | <u>563,360</u> | <u>519,125</u> |
| 32,573 | 32,573 | - | - | - | - |
| - | - | - | (378,010) | (378,010) | - |
| <u>32,573</u> | <u>32,573</u> | <u>-</u> | <u>(378,010)</u> | <u>(378,010)</u> | <u>-</u> |
| (1,383) | (63) | 1,320 | (333,775) | 185,350 | 519,125 |
| <u>33,250</u> | <u>33,250</u> | <u>-</u> | <u>333,775</u> | <u>333,775</u> | <u>-</u> |
| <u>\$ 31,867</u> | <u>\$ 33,187</u> | <u>\$ 1,320</u> | <u>\$ -</u> | <u>\$ 519,125</u> | <u>\$ 519,125</u> |

continued...

COUNTY OF NEWAYGO, MICHIGAN

Schedule of Revenues, Expenditures, and Changes in Fund Balances

Budget and Actual - Nonmajor Special Revenue Funds

For the Year Ended September 30, 2013

| | County Parks (208) | | |
|---|--------------------|----------------|----------------------------------|
| | Final Budget | Actual | Actual Over (Under) Final Budget |
| Revenues | | | |
| Taxes | \$ - | \$ - | \$ - |
| Intergovernmental: | | | |
| Federal | - | - | - |
| State | - | - | - |
| Local | - | - | - |
| Charges for services | 454,738 | 471,480 | 16,742 |
| Fines and forfeitures | - | - | - |
| Contributions from private sources | 9,250 | 9,250 | - |
| Interest and rentals | - | - | - |
| Other revenue/reimbursements | 1,831 | 2,350 | 519 |
| Total revenues | 465,819 | 483,080 | 17,261 |
| Expenditures | | | |
| Current: | | | |
| Judicial | - | - | - |
| General government | - | - | - |
| Public safety | - | - | - |
| Health and welfare | - | - | - |
| Community and economic development | - | - | - |
| Recreation and cultural | 436,419 | 418,950 | (17,469) |
| Capital outlay | 42,761 | 28,948 | (13,813) |
| Total expenditures | 479,180 | 447,898 | (31,282) |
| Revenues over (under) expenditures | (13,361) | 35,182 | 48,543 |
| Other financing sources (uses) | | | |
| Transfers in | 42,000 | 42,000 | - |
| Transfers out | (28,639) | (28,639) | - |
| Total other financing sources (uses) | 13,361 | 13,361 | - |
| Net changes in fund balances | - | 48,543 | 48,543 |
| Fund balances, beginning of year | 28,404 | 28,404 | - |
| Fund balances, end of year | \$ 28,404 | \$ 76,947 | \$ 48,543 |



| County Jail Trustees Management (2131) | | | Transport Fund (2132) | | |
|--|------------------|----------------------------------|-----------------------|------------------|----------------------------------|
| Final Budget | Actual | Actual Over (Under) Final Budget | Final Budget | Actual | Actual Over (Under) Final Budget |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 146,657 | 146,657 | - | 177,737 | 176,557 | (1,180) |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>146,657</u> | <u>146,657</u> | <u>-</u> | <u>177,737</u> | <u>176,557</u> | <u>(1,180)</u> |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 151,828 | 150,735 | (1,093) | 188,130 | 186,030 | (2,100) |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>151,828</u> | <u>150,735</u> | <u>(1,093)</u> | <u>188,130</u> | <u>186,030</u> | <u>(2,100)</u> |
| <u>(5,171)</u> | <u>(4,078)</u> | <u>1,093</u> | <u>(10,393)</u> | <u>(9,473)</u> | <u>920</u> |
| 1,120 | 1,120 | - | - | - | - |
| - | - | - | (11,293) | (11,293) | - |
| <u>1,120</u> | <u>1,120</u> | <u>-</u> | <u>(11,293)</u> | <u>(11,293)</u> | <u>-</u> |
| (4,051) | (2,958) | 1,093 | (21,686) | (20,766) | 920 |
| <u>19,230</u> | <u>19,230</u> | <u>-</u> | <u>51,267</u> | <u>51,267</u> | <u>-</u> |
| <u>\$ 15,179</u> | <u>\$ 16,272</u> | <u>\$ 1,093</u> | <u>\$ 29,581</u> | <u>\$ 30,501</u> | <u>\$ 920</u> |

continued...

COUNTY OF NEWAYGO, MICHIGAN

Schedule of Revenues, Expenditures, and Changes in Fund Balances

Budget and Actual - Nonmajor Special Revenue Funds

For the Year Ended September 30, 2013

| | Friend of the Court (215) | | |
|---|---------------------------|----------------|----------------------------------|
| | Final Budget | Actual | Actual Over (Under) Final Budget |
| Revenues | | | |
| Taxes | \$ - | \$ - | \$ - |
| Intergovernmental: | | | |
| Federal | 476,479 | 466,660 | (9,819) |
| State | 47,500 | 48,346 | 846 |
| Local | - | - | - |
| Charges for services | 60,477 | 65,423 | 4,946 |
| Fines and forfeitures | - | - | - |
| Contributions from private sources | - | - | - |
| Interest and rentals | - | - | - |
| Other revenue/reimbursements | - | - | - |
| Total revenues | 584,456 | 580,429 | (4,027) |
| Expenditures | | | |
| Current: | | | |
| Judicial | 853,345 | 841,818 | (11,527) |
| General government | - | - | - |
| Public safety | - | - | - |
| Health and welfare | - | - | - |
| Community and economic development | - | - | - |
| Recreation and cultural | - | - | - |
| Capital outlay | - | - | - |
| Total expenditures | 853,345 | 841,818 | (11,527) |
| Revenues over (under) expenditures | (268,889) | (261,389) | 7,500 |
| Other financing sources (uses) | | | |
| Transfers in | 268,889 | 268,889 | - |
| Transfers out | - | - | - |
| Total other financing sources (uses) | 268,889 | 268,889 | - |
| Net changes in fund balances | - | 7,500 | 7,500 |
| Fund balances, beginning of year | 14,092 | 14,092 | - |
| Fund balances, end of year | \$ 14,092 | \$ 21,592 | \$ 7,500 |

| Community Development (2441-2443) | | | Building Safety and Permits (249) | | |
|-----------------------------------|---------------------|----------------------------------|-----------------------------------|-------------------|----------------------------------|
| Final Budget | Actual | Actual Over (Under) Final Budget | Final Budget | Actual | Actual Over (Under) Final Budget |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 115,785 | 49,948 | (65,837) | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 100 | 1,370 | 1,270 | 299,466 | 323,919 | 24,453 |
| - | - | - | - | - | - |
| 35,000 | 6,266 | (28,734) | - | - | - |
| 1,150 | 403 | (747) | - | - | - |
| 15,242 | 29,259 | 14,017 | 180 | 705 | 525 |
| <u>167,277</u> | <u>87,246</u> | <u>(80,031)</u> | <u>299,646</u> | <u>324,624</u> | <u>24,978</u> |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | 299,646 | 211,688 | (87,958) |
| - | - | - | - | - | - |
| 244,565 | 143,404 | (101,161) | - | - | - |
| - | - | - | - | - | - |
| 1,000 | 1,000 | - | - | - | - |
| <u>245,565</u> | <u>144,404</u> | <u>(101,161)</u> | <u>299,646</u> | <u>211,688</u> | <u>(87,958)</u> |
| <u>(78,288)</u> | <u>(57,158)</u> | <u>21,130</u> | <u>-</u> | <u>112,936</u> | <u>112,936</u> |
| 78,288 | 78,288 | - | - | - | - |
| - | - | - | - | - | - |
| <u>78,288</u> | <u>78,288</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| - | 21,130 | 21,130 | - | 112,936 | 112,936 |
| <u>1,151,713</u> | <u>1,151,713</u> | <u>-</u> | <u>161,483</u> | <u>161,483</u> | <u>-</u> |
| <u>\$ 1,151,713</u> | <u>\$ 1,172,843</u> | <u>\$ 21,130</u> | <u>\$ 161,483</u> | <u>\$ 274,419</u> | <u>\$ 112,936</u> |

continued...

COUNTY OF NEWAYGO, MICHIGAN

Schedule of Revenues, Expenditures, and Changes in Fund Balances

Budget and Actual - Nonmajor Special Revenue Funds

For the Year Ended September 30, 2013

| | Register of Deeds Automation (256) | | |
|---|------------------------------------|---------------|----------------------------------|
| | Final Budget | Actual | Actual Over (Under) Final Budget |
| Revenues | | | |
| Taxes | \$ - | \$ - | \$ - |
| Intergovernmental: | | | |
| Federal | - | - | - |
| State | - | - | - |
| Local | - | - | - |
| Charges for services | 67,020 | 64,420 | (2,600) |
| Fines and forfeitures | - | - | - |
| Contributions from private sources | - | - | - |
| Interest and rentals | 85 | 101 | 16 |
| Other revenue/reimbursements | - | 183 | 183 |
| Total revenues | 67,105 | 64,704 | (2,401) |
| Expenditures | | | |
| Current: | | | |
| Judicial | - | - | - |
| General government | 83,941 | 83,516 | (425) |
| Public safety | - | - | - |
| Health and welfare | - | - | - |
| Community and economic development | - | - | - |
| Recreation and cultural | - | - | - |
| Capital outlay | - | - | - |
| Total expenditures | 83,941 | 83,516 | (425) |
| Revenues over (under) expenditures | (16,836) | (18,812) | (1,976) |
| Other financing sources (uses) | | | |
| Transfers in | - | - | - |
| Transfers out | - | - | - |
| Total other financing sources (uses) | - | - | - |
| Net changes in fund balances | (16,836) | (18,812) | (1,976) |
| Fund balances, beginning of year | 78,098 | 78,098 | - |
| Fund balances, end of year | \$ 61,262 | \$ 59,286 | \$ (1,976) |



| Law Enforcement Technical Fund (2567) | | | Drug Law Enforcement (265) | | |
|---------------------------------------|------------------|----------------------------------|----------------------------|------------------|----------------------------------|
| Final Budget | Actual | Actual Over (Under) Final Budget | Final Budget | Actual | Actual Over (Under) Final Budget |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | 18,997 | 18,997 | - |
| - | - | - | - | - | - |
| 651 | 846 | 195 | - | - | - |
| 11,250 | 11,371 | 121 | - | - | - |
| 4,000 | 4,015 | 15 | 2,764 | 2,208 | (556) |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>15,901</u> | <u>16,232</u> | <u>331</u> | <u>21,761</u> | <u>21,205</u> | <u>(556)</u> |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 20,400 | 17,888 | (2,512) | 115,151 | 112,314 | (2,837) |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>20,400</u> | <u>17,888</u> | <u>(2,512)</u> | <u>115,151</u> | <u>112,314</u> | <u>(2,837)</u> |
| <u>(4,499)</u> | <u>(1,656)</u> | <u>2,843</u> | <u>(93,390)</u> | <u>(91,109)</u> | <u>2,281</u> |
| - | - | - | 91,313 | 91,313 | - |
| - | - | - | - | - | - |
| - | - | - | 91,313 | 91,313 | - |
| (4,499) | (1,656) | 2,843 | (2,077) | 204 | 2,281 |
| 44,038 | 44,038 | - | 29,145 | 29,145 | - |
| <u>\$ 39,539</u> | <u>\$ 42,382</u> | <u>\$ 2,843</u> | <u>\$ 27,068</u> | <u>\$ 29,349</u> | <u>\$ 2,281</u> |

continued...

COUNTY OF NEWAYGO, MICHIGAN

Schedule of Revenues, Expenditures, and Changes in Fund Balances

Budget and Actual - Nonmajor Special Revenue Funds

For the Year Ended September 30, 2013

| | County Law Library (269) | | |
|---|--------------------------|---------------|----------------------------------|
| | Final Budget | Actual | Actual Over (Under) Final Budget |
| Revenues | | | |
| Taxes | \$ - | \$ - | \$ - |
| Intergovernmental: | | | |
| Federal | - | - | - |
| State | - | - | - |
| Local | - | - | - |
| Charges for services | - | - | - |
| Fines and forfeitures | 4,500 | 4,500 | - |
| Contributions from private sources | - | - | - |
| Interest and rentals | - | - | - |
| Other revenue/reimbursements | - | - | - |
| Total revenues | 4,500 | 4,500 | - |
| Expenditures | | | |
| Current: | | | |
| Judicial | 13,496 | 12,463 | (1,033) |
| General government | - | - | - |
| Public safety | - | - | - |
| Health and welfare | - | - | - |
| Community and economic development | - | - | - |
| Recreation and cultural | - | - | - |
| Capital outlay | - | - | - |
| Total expenditures | 13,496 | 12,463 | (1,033) |
| Revenues over (under) expenditures | (8,996) | (7,963) | 1,033 |
| Other financing sources (uses) | | | |
| Transfers in | - | - | - |
| Transfers out | - | - | - |
| Total other financing sources (uses) | - | - | - |
| Net changes in fund balances | (8,996) | (7,963) | 1,033 |
| Fund balances, beginning of year | 31,939 | 31,939 | - |
| Fund balances, end of year | \$ 22,943 | \$ 23,976 | \$ 1,033 |

| Social Services (290) | | | Child Care (292) | | |
|-----------------------|-------------------|----------------------------------|------------------|------------------|----------------------------------|
| Final Budget | Actual | Actual Over (Under) Final Budget | Final Budget | Actual | Actual Over (Under) Final Budget |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | 26,751 | 12,981 | (13,770) |
| 338,000 | 99,308 | (238,692) | 437,169 | 593,791 | 156,622 |
| - | - | - | 20,130 | 17,959 | (2,171) |
| 100,254 | 71,475 | (28,779) | 21,371 | 21,789 | 418 |
| - | - | - | - | - | - |
| - | - | - | 12,650 | 10,703 | (1,947) |
| 151 | 168 | 17 | - | - | - |
| - | - | - | - | 480 | 480 |
| <u>438,405</u> | <u>170,951</u> | <u>(267,454)</u> | <u>518,071</u> | <u>657,703</u> | <u>139,632</u> |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 475,993 | 147,295 | (328,698) | 1,148,768 | 1,305,931 | 157,163 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>475,993</u> | <u>147,295</u> | <u>(328,698)</u> | <u>1,148,768</u> | <u>1,305,931</u> | <u>157,163</u> |
| <u>(37,588)</u> | <u>23,656</u> | <u>61,244</u> | <u>(630,697)</u> | <u>(648,228)</u> | <u>(17,531)</u> |
| 37,588 | 37,588 | - | 587,604 | 587,604 | - |
| - | - | - | - | - | - |
| <u>37,588</u> | <u>37,588</u> | <u>-</u> | <u>587,604</u> | <u>587,604</u> | <u>-</u> |
| - | 61,244 | 61,244 | (43,093) | (60,624) | (17,531) |
| <u>54,339</u> | <u>54,339</u> | <u>-</u> | <u>124,001</u> | <u>124,001</u> | <u>-</u> |
| <u>\$ 54,339</u> | <u>\$ 115,583</u> | <u>\$ 61,244</u> | <u>\$ 80,908</u> | <u>\$ 63,377</u> | <u>\$ (17,531)</u> |

continued...

COUNTY OF NEWAYGO, MICHIGAN

Schedule of Revenues, Expenditures, and Changes in Fund Balances

Budget and Actual - Nonmajor Special Revenue Funds

For the Year Ended September 30, 2013

| | Soldiers' Relief (293) | | |
|---|------------------------|----------------|----------------------------------|
| | Final Budget | Actual | Actual Over (Under) Final Budget |
| Revenues | | | |
| Taxes | \$ 131,021 | \$ 130,114 | \$ (907) |
| Intergovernmental: | | | |
| Federal | - | - | - |
| State | - | 954 | 954 |
| Local | - | 890 | 890 |
| Charges for services | - | - | - |
| Fines and forfeitures | - | - | - |
| Contributions from private sources | 644 | 644 | - |
| Interest and rentals | - | - | - |
| Other revenue/reimbursements | - | - | - |
| Total revenues | 131,665 | 132,602 | 937 |
| Expenditures | | | |
| Current: | | | |
| Judicial | - | - | - |
| General government | - | - | - |
| Public safety | - | - | - |
| Health and welfare | 196,309 | 184,158 | (12,151) |
| Community and economic development | - | - | - |
| Recreation and cultural | - | - | - |
| Capital outlay | - | - | - |
| Total expenditures | 196,309 | 184,158 | (12,151) |
| Revenues over (under) expenditures | (64,644) | (51,556) | 13,088 |
| Other financing sources (uses) | | | |
| Transfers in | 13,392 | 13,392 | - |
| Transfers out | - | - | - |
| Total other financing sources (uses) | 13,392 | 13,392 | - |
| Net changes in fund balances | (51,252) | (38,164) | 13,088 |
| Fund balances, beginning of year | 146,037 | 146,037 | - |
| Fund balances, end of year | \$ 94,785 | \$ 107,873 | \$ 13,088 |

| Veterans' Trust (294) | | | Commission on Aging (295-2952) | | |
|-----------------------|---------------|----------------------------------|--------------------------------|-------------------|----------------------------------|
| Final Budget | Actual | Actual Over (Under) Final Budget | Final Budget | Actual | Actual Over (Under) Final Budget |
| \$ - | \$ - | \$ - | \$ 653,743 | \$ 648,026 | \$ (5,717) |
| - | - | - | 285,292 | 275,145 | (10,147) |
| 6,200 | 6,200 | - | 58,290 | 58,290 | - |
| - | - | - | - | 4,433 | 4,433 |
| - | - | - | 100,760 | 96,572 | (4,188) |
| - | - | - | - | - | - |
| - | - | - | 678,536 | 661,267 | (17,269) |
| - | - | - | - | - | - |
| - | - | - | 7,140 | 9,840 | 2,700 |
| <u>6,200</u> | <u>6,200</u> | <u>-</u> | <u>1,783,761</u> | <u>1,753,573</u> | <u>(30,188)</u> |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 6,200 | 6,720 | 520 | 1,743,941 | 1,669,233 | (74,708) |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | 131,258 | 131,256 | (2) |
| <u>6,200</u> | <u>6,720</u> | <u>520</u> | <u>1,875,199</u> | <u>1,800,489</u> | <u>(74,710)</u> |
| - | (520) | (520) | (91,438) | (46,916) | 44,522 |
| - | - | - | 41,267 | 42,996 | 1,729 |
| - | - | - | - | - | - |
| - | - | - | 41,267 | 42,996 | 1,729 |
| - | (520) | (520) | (50,171) | (3,920) | 46,251 |
| <u>1,063</u> | <u>1,063</u> | <u>-</u> | <u>322,001</u> | <u>322,001</u> | <u>-</u> |
| <u>\$ 1,063</u> | <u>\$ 543</u> | <u>\$ (520)</u> | <u>\$ 271,830</u> | <u>\$ 318,081</u> | <u>\$ 46,251</u> |

continued...

COUNTY OF NEWAYGO, MICHIGAN

Schedule of Revenues, Expenditures, and Changes in Fund Balances

Budget and Actual - Nonmajor Special Revenue Funds

For the Year Ended September 30, 2013

| | Total | | |
|---|---------------------|---------------------|----------------------------------|
| | Final Budget | Actual | Actual Over (Under) Final Budget |
| Revenues | | | |
| Taxes | \$ 2,090,176 | \$ 2,074,500 | \$ (15,676) |
| Intergovernmental: | | | |
| Federal | 1,007,874 | 898,742 | (109,132) |
| State | 1,002,300 | 922,030 | (80,270) |
| Local | 26,620 | 38,836 | 12,216 |
| Charges for services | 2,046,227 | 2,045,614 | (613) |
| Fines and forfeitures | 11,264 | 10,723 | (541) |
| Contributions from private sources | 738,690 | 688,240 | (50,450) |
| Interest and rentals | 2,158 | 1,437 | (721) |
| Other revenue/reimbursements | 24,393 | 46,587 | 22,194 |
| Total revenues | <u>6,949,702</u> | <u>6,726,709</u> | <u>(222,993)</u> |
| Expenditures | | | |
| Current: | | | |
| Judicial | 866,841 | 854,281 | (12,560) |
| General government | 83,941 | 83,516 | (425) |
| Public safety | 3,795,833 | 3,074,987 | (720,846) |
| Health and welfare | 3,571,211 | 3,313,337 | (257,874) |
| Community and economic development | 244,565 | 143,404 | (101,161) |
| Recreation and cultural | 436,419 | 418,950 | (17,469) |
| Capital outlay | 175,019 | 161,204 | (13,815) |
| Total expenditures | <u>9,173,829</u> | <u>8,049,679</u> | <u>(1,124,150)</u> |
| Revenues over (under) expenditures | <u>(2,224,127)</u> | <u>(1,322,970)</u> | <u>901,157</u> |
| Other financing sources (uses) | | | |
| Transfers in | 2,201,189 | 2,202,918 | 1,729 |
| Transfers out | (525,828) | (525,828) | - |
| Total other financing sources (uses) | <u>1,675,361</u> | <u>1,677,090</u> | <u>1,729</u> |
| Net changes in fund balances | <u>(548,766)</u> | <u>354,120</u> | <u>902,886</u> |
| Fund balances, beginning of year | <u>2,706,056</u> | <u>2,706,056</u> | <u>-</u> |
| Fund balances, end of year | <u>\$ 2,157,290</u> | <u>\$ 3,060,176</u> | <u>\$ 902,886</u> |

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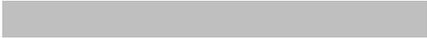
COUNTY OF NEWAYGO, MICHIGAN

Combining Balance Sheet

Nonmajor Debt Service Funds

September 30, 2013

| | Jail Bonds (367) | Medical Care Facility Bonds (305) | Mental Health Building Bonds (392) |
|----------------------------|------------------------|---|--|
| Assets | | | |
| Cash and cash equivalents | \$ 825,110 | \$ 319,801 | \$ 317,725 |
| Taxes receivable | - | 108 | - |
| Due from other governments | 51,450 | - | - |
| Total assets | <u>\$ 876,560</u> | <u>\$ 319,909</u> | <u>\$ 317,725</u> |
| Fund balances | | | |
| Restricted | \$ - | \$ 319,909 | 317,725 |
| Committed | 876,560 | - | - |
| Total fund balances | <u>\$ 876,560</u> | <u>\$ 319,909</u> | <u>\$ 317,725</u> |



| ISD Bonds (395) | Total |
|-----------------------|---------------------|
| \$ - | \$ 1,462,636 |
| - | 108 |
| - | 51,450 |
| <u>\$ -</u> | <u>\$ 1,514,194</u> |
| \$ - | \$ 637,634 |
| - | 876,560 |
| <u>\$ -</u> | <u>\$ 1,514,194</u> |

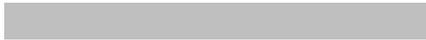
COUNTY OF NEWAYGO, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Debt Service Funds

For the Year Ended September 30, 2013

| | Jail Bonds (367) | Medical Care Facility Bonds (305) | Mental Health Building Bonds (392) |
|---|------------------------|---|--|
| Revenues | | | |
| Taxes | \$ - | \$ 816,961 | \$ - |
| Intergovernmental - local | - | 5,303 | 127,773 |
| Charges for services | 592,040 | - | - |
| Interest | 588 | 621 | - |
| Other revenue/reimbursements | - | 3,978 | - |
| Total revenues | 592,628 | 826,863 | 127,773 |
| Expenditures | | | |
| Debt service: | | | |
| Principal | 365,000 | 450,000 | 25,000 |
| Interest | 237,814 | 177,873 | 56,050 |
| Bond issuance costs | - | 47,601 | - |
| Total expenditures | 602,814 | 675,474 | 81,050 |
| Revenues (under) over expenditures | (10,186) | 151,389 | 46,723 |
| Other financing sources (uses) | | | |
| Issuance of refunding bonds | - | 6,930,000 | - |
| Payments to refunded bond escrow agent | - | (7,018,399) | - |
| Total other financing sources (uses) | - | (88,399) | - |
| Net change in fund balances | (10,186) | 62,990 | 46,723 |
| Fund balances, beginning of year | 886,746 | 256,919 | 271,002 |
| Fund balances, end of year | \$ 876,560 | \$ 319,909 | \$ 317,725 |



| ISD Bonds (395) | Total |
|-----------------------|---------------------|
| \$ - | \$ 816,961 |
| 77,043 | 210,119 |
| - | 592,040 |
| - | 1,209 |
| - | 3,978 |
| <u>77,043</u> | <u>1,624,307</u> |
| 70,000 | 910,000 |
| 7,043 | 478,780 |
| - | 47,601 |
| <u>77,043</u> | <u>1,436,381</u> |
| - | 187,926 |
| - | 6,930,000 |
| - | (7,018,399) |
| <u>-</u> | <u>(88,399)</u> |
| - | 99,527 |
| <u>-</u> | <u>1,414,667</u> |
| <u>\$ -</u> | <u>\$ 1,514,194</u> |

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NONMAJOR ENTERPRISE FUNDS

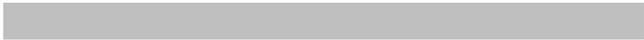
COUNTY OF NEWAYGO, MICHIGAN

Combining Statement of Net Position

Nonmajor Enterprise Funds

September 30, 2013

| | 2011 Delinquent Tax (516112) | 2013 Delinquent Tax (516132) | PRE Audit (530) |
|---------------------------------------|---------------------------------------|---------------------------------------|-----------------------|
| Assets | | | |
| Current assets: | | | |
| Cash and cash equivalents | \$ 47,416 | \$ 1,568 | \$ 9,622 |
| Accounts receivable | - | - | - |
| Delinquent taxes receivable | 823,373 | (1) | - |
| Due from other governments | - | - | - |
| Total current assets | <u>870,789</u> | <u>1,567</u> | <u>9,622</u> |
| Noncurrent assets: | | | |
| Capital assets being depreciated, net | - | - | - |
| Total assets | <u>870,789</u> | <u>1,567</u> | <u>9,622</u> |
| Liabilities (all current) | | | |
| Accounts payable | - | 1,567 | 738 |
| Due to other governments | - | - | 1 |
| Due to other funds | 250,000 | - | - |
| Total liabilities (all current) | <u>250,000</u> | <u>1,567</u> | <u>739</u> |
| Net position | | | |
| Net investment in capital assets | - | - | - |
| Unrestricted | 620,789 | - | 8,883 |
| Total net position | <u>\$ 620,789</u> | <u>\$ -</u> | <u>\$ 8,883</u> |



| Building Authority (569) | Jail Commissary (595) | Total |
|-----------------------------|--------------------------|---------------------|
| \$ 335,207 | \$ 53,256 | \$ 447,069 |
| - | 10,479 | 10,479 |
| - | - | 823,372 |
| 28,503 | - | 28,503 |
| <u>363,710</u> | <u>63,735</u> | <u>1,309,423</u> |
| - | 13,230 | 13,230 |
| <u>363,710</u> | <u>76,965</u> | <u>1,322,653</u> |
| 1,425 | 4,342 | 8,072 |
| - | - | 1 |
| - | - | 250,000 |
| <u>1,425</u> | <u>4,342</u> | <u>258,073</u> |
| - | 13,230 | 13,230 |
| <u>362,285</u> | <u>59,393</u> | <u>1,051,350</u> |
| <u>\$ 362,285</u> | <u>\$ 72,623</u> | <u>\$ 1,064,580</u> |

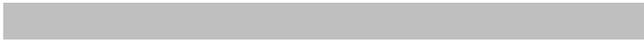
COUNTY OF NEWAYGO, MICHIGAN

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

Nonmajor Enterprise Funds

For the Year Ended September 30, 2013

| | 2011 Delinquent Tax (516112) | 2013 Delinquent Tax (516132) | PRE Audit (530) |
|--|---------------------------------------|---------------------------------------|-----------------------|
| Operating revenues | | | |
| Charges for services | \$ - | \$ - | \$ - |
| Rentals | - | - | - |
| Interest and penalties on delinquent taxes | 247,736 | - | - |
| Reimbursements | - | - | - |
| | <hr/> | <hr/> | <hr/> |
| Total operating revenues | 247,736 | - | - |
| Operating expense | | | |
| Supplies and operating expenses | 6,120 | - | 2,736 |
| Depreciation | - | - | - |
| | <hr/> | <hr/> | <hr/> |
| Total operating expense | 6,120 | - | 2,736 |
| Operating income (loss) | <hr/> 241,616 | <hr/> - | <hr/> (2,736) |
| Nonoperating revenues (expenses) | | | |
| Interest revenue | 168 | - | 12,595 |
| Interest expense | (7,404) | - | - |
| | <hr/> | <hr/> | <hr/> |
| Total nonoperating revenues (expenses) | (7,236) | - | 12,595 |
| Income before transfers | 234,380 | - | 9,859 |
| Transfers | | | |
| Transfers out | (4,489) | - | (30,000) |
| Change in net position | 229,891 | - | (20,141) |
| Net position, beginning of year | <hr/> 390,898 | <hr/> - | <hr/> 29,024 |
| Net position, end of year | <hr/> <u>\$ 620,789</u> | <hr/> <u>\$ -</u> | <hr/> <u>\$ 8,883</u> |



| Building Authority (569) | Jail Commissary (595) | Total |
|-----------------------------|--------------------------|---------------------|
| \$ - | \$ 68,142 | \$ 68,142 |
| 119,683 | - | 119,683 |
| - | - | 247,736 |
| - | 72,811 | 72,811 |
| <u>119,683</u> | <u>140,953</u> | <u>508,372</u> |
| 57,735 | 94,124 | 160,715 |
| - | 1,121 | 1,121 |
| <u>57,735</u> | <u>95,245</u> | <u>161,836</u> |
| <u>61,948</u> | <u>45,708</u> | <u>346,536</u> |
| - | 61 | 12,824 |
| - | - | (7,404) |
| - | 61 | 5,420 |
| 61,948 | 45,769 | 351,956 |
| - | - | (34,489) |
| 61,948 | 45,769 | 317,467 |
| <u>300,337</u> | <u>26,854</u> | <u>747,113</u> |
| <u>\$ 362,285</u> | <u>\$ 72,623</u> | <u>\$ 1,064,580</u> |

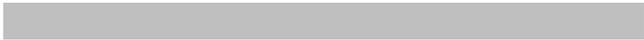
COUNTY OF NEWAYGO, MICHIGAN

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

For the Year Ended September 30, 2013

| | 2011 Delinquent Tax (516112) | 2013 Delinquent Tax (516132) | PRE Audit (530) |
|---|---------------------------------------|---------------------------------------|-----------------------|
| Cash flows from operating activities | | | |
| Receipts from customers and users | \$ 1,937,073 | \$ 1,568 | \$ - |
| Payments to vendors | (6,120) | - | (1,997) |
| Receipts from interfund services | - | - | - |
| Net cash provided (used in) by operating activities | 1,930,953 | 1,568 | (1,997) |
| Cash flows from noncapital financing activities | | | |
| Repayment of interfund loan | (525,000) | - | - |
| Principal paid on long-term debt | (1,650,000) | - | - |
| Interest paid on long-term debt | (7,404) | - | - |
| Transfers out | (4,489) | - | (30,000) |
| Net cash used in noncapital financing activities | (2,186,893) | - | (30,000) |
| Cash flows from capital and related financing activities | | | |
| Purchases of capital assets | - | - | - |
| Cash flows from investing activities | | | |
| Interest received | 168 | - | 12,595 |
| Net increase (decrease) in cash and cash equivalents | (255,772) | 1,568 | (19,402) |
| Cash and cash equivalents, beginning of year | 303,188 | - | 29,024 |
| Cash and cash equivalents, end of year | \$ 47,416 | \$ 1,568 | \$ 9,622 |
| Cash and cash equivalents as reported on the statement of net position | | | |
| Cash and cash equivalents | \$ 47,416 | \$ 1,568 | \$ 9,622 |



| Building Authority (569) | Jail Commissary (595) | Total |
|-----------------------------|--------------------------|--------------|
| \$ 91,180 | \$ 130,682 | \$ 2,160,503 |
| (61,869) | (98,007) | (167,993) |
| - | 8 | 8 |
| <hr/> | <hr/> | <hr/> |
| 29,311 | 32,683 | 1,992,518 |
| <hr/> | <hr/> | <hr/> |
| - | - | (525,000) |
| - | - | (1,650,000) |
| - | - | (7,404) |
| - | - | (34,489) |
| <hr/> | <hr/> | <hr/> |
| - | - | (2,216,893) |
| <hr/> | <hr/> | <hr/> |
| - | (14,351) | (14,351) |
| <hr/> | <hr/> | <hr/> |
| - | 61 | 12,824 |
| <hr/> | <hr/> | <hr/> |
| 29,311 | 32,744 | (211,551) |
| <hr/> | <hr/> | <hr/> |
| 305,896 | 34,863 | 672,971 |
| <hr/> | <hr/> | <hr/> |
| \$ 335,207 | \$ 53,256 | \$ 447,069 |
| <hr/> | <hr/> | <hr/> |
| <hr/> | <hr/> | <hr/> |
| \$ 335,207 | \$ 53,256 | \$ 447,069 |
| <hr/> | <hr/> | <hr/> |

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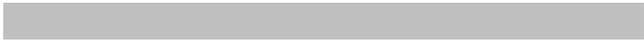
COUNTY OF NEWAYGO, MICHIGAN

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

For the Year Ended September 30, 2013

| | 2011 Delinquent Tax (516112) | 2013 Delinquent Tax (516132) | PRE Audit (530) |
|---|---------------------------------------|---------------------------------------|-----------------------------|
| Cash flows from operating activities | | | |
| Operating income (loss) | \$ 241,616 | \$ - | \$ (2,736) |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: | | | |
| Depreciation expense | - | - | - |
| Change in: | | | |
| Accounts receivable | - | - | - |
| Due from other governments | - | - | - |
| Delinquent taxes receivable | 1,689,337 | 1 | - |
| Due from other funds | - | - | - |
| Accounts payable | - | 1,567 | 738 |
| Due to other governments | - | - | 1 |
| | <u> </u> | <u> </u> | <u> </u> |
| Net cash provided by (used in) operating activities | <u><u>\$ 1,930,953</u></u> | <u><u>\$ 1,568</u></u> | <u><u>\$ (1,997)</u></u> |



| Building Authority (569) | Jail Commissary (595) | Total |
|-----------------------------|--------------------------|---------------------|
| \$ 61,948 | \$ 45,708 | \$ 346,536 |
| - | 1,121 | 1,121 |
| - | (10,271) | (10,271) |
| (28,503) | - | (28,503) |
| - | - | 1,689,338 |
| - | 8 | 8 |
| (4,134) | (3,883) | (5,712) |
| - | - | 1 |
| <u>\$ 29,311</u> | <u>\$ 32,683</u> | <u>\$ 1,992,518</u> |

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INTERNAL SERVICE FUNDS

COUNTY OF NEWAYGO, MICHIGAN

Combining Statement of Net Position Internal Service Funds September 30, 2013

| | Building Grounds Maintenance (631) | Campus Security (632) | Central Stores (633) |
|---------------------------------------|---|-----------------------------|----------------------------|
| Assets | | | |
| Current assets: | | | |
| Cash and cash equivalents | \$ 43,820 | \$ 8,727 | \$ 130,021 |
| Accounts receivable | - | - | 113 |
| Due from other governments | - | - | - |
| Due from other funds | - | 11,457 | - |
| Prepays | - | - | - |
| Total current assets | 43,820 | 20,184 | 130,134 |
| Noncurrent assets – | | | |
| Capital assets being depreciated, net | 20,704 | - | 2,937 |
| Total assets | 64,524 | 20,184 | 133,071 |
| Liabilities | | | |
| Current liabilities: | | | |
| Accounts payable | 16,210 | - | 192 |
| Accrued expenses | 8,281 | 7,309 | 825 |
| Due to other funds | - | - | - |
| Current portion of long-term debt | 1,522 | 1,199 | 93 |
| Total current liabilities | 26,013 | 8,508 | 1,110 |
| Noncurrent liabilities – | | | |
| Long-term debt | 13,023 | 10,258 | 800 |
| Total liabilities | 39,036 | 18,766 | 1,910 |
| Net position | | | |
| Net investment in capital assets | 20,704 | - | 2,937 |
| Unrestricted | 4,784 | 1,418 | 128,224 |
| Total net position | \$ 25,488 | \$ 1,418 | \$ 131,161 |

| Information Services (636) | Drain Computer (637) | Drain Maintenance / Construction (638) | Duplicating (645) | Food Service (652) | Telephone System (656) |
|----------------------------|----------------------|--|-------------------|--------------------|------------------------|
| \$ 105,530 | \$ 6,373 | \$ 105,980 | \$ 307,803 | \$ 44,387 | \$ 315,133 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>105,530</u> | <u>6,373</u> | <u>105,980</u> | <u>307,803</u> | <u>44,387</u> | <u>315,133</u> |
| <u>60,369</u> | <u>4,931</u> | <u>11,242</u> | <u>29,211</u> | - | - |
| <u>165,899</u> | <u>11,304</u> | <u>117,222</u> | <u>337,014</u> | <u>44,387</u> | <u>315,133</u> |
| 4,011 | 65 | 638 | 7,785 | 37,750 | 2,700 |
| 6,511 | - | - | - | 470 | - |
| - | - | 91,667 | - | - | - |
| 135 | - | - | - | 23 | - |
| <u>10,657</u> | <u>65</u> | <u>92,305</u> | <u>7,785</u> | <u>38,243</u> | <u>2,700</u> |
| <u>1,158</u> | - | - | - | 192 | - |
| <u>11,815</u> | <u>65</u> | <u>92,305</u> | <u>7,785</u> | <u>38,435</u> | <u>2,700</u> |
| 60,369 | 4,931 | 11,242 | 29,211 | - | - |
| 93,715 | 6,308 | 13,675 | 300,018 | 5,952 | 312,433 |
| <u>\$ 154,084</u> | <u>\$ 11,239</u> | <u>\$ 24,917</u> | <u>\$ 329,229</u> | <u>\$ 5,952</u> | <u>\$ 312,433</u> |

continued...

COUNTY OF NEWAYGO, MICHIGAN

Combining Statement of Net Position Internal Service Funds September 30, 2013

| | Motor Pool (661) | Unemployment (676) | Health and Wellness (677) |
|---------------------------------------|------------------------|-----------------------|---------------------------------|
| Assets | | | |
| Current assets: | | | |
| Cash and cash equivalents | \$ 56,367 | \$ 169,329 | \$ 789,909 |
| Accounts receivable | 4,800 | - | 152,287 |
| Due from other governments | - | - | - |
| Due from other funds | - | - | 6,263 |
| Prepays | - | - | - |
| Total current assets | 61,167 | 169,329 | 948,459 |
| Noncurrent assets – | | | |
| Capital assets being depreciated, net | 108,457 | - | - |
| Total assets | 169,624 | 169,329 | 948,459 |
| Liabilities | | | |
| Current liabilities: | | | |
| Accounts payable | 572 | 9 | 62,590 |
| Accrued expenses | - | - | 3,524 |
| Due to other funds | - | - | - |
| Current portion of long-term debt | - | - | 297 |
| Total current liabilities | 572 | 9 | 66,411 |
| Noncurrent liabilities – | | | |
| Long-term debt | - | - | 2,546 |
| Total liabilities | 572 | 9 | 68,957 |
| Net position | | | |
| Net investment in capital assets | 108,457 | - | - |
| Unrestricted | 60,595 | 169,320 | 879,502 |
| Total net position | \$ 169,052 | \$ 169,320 | \$ 879,502 |

| Liability Insurance (678) | Revolving Loan (691) | Equipment Pool (692) | Building Renovation (694) | Reserve for Operational Contingencies (695) | Workers' Compensation (696) |
|------------------------------|-------------------------|-------------------------|------------------------------|--|--------------------------------|
| \$ 374,462 | \$ - | \$ 50,305 | \$ 5,836 | \$ - | \$ 707,199 |
| - | - | - | - | - | - |
| - | - | - | 6,342 | - | - |
| 211 | - | - | - | - | - |
| 261,531 | - | - | - | - | - |
| <u>636,204</u> | <u>-</u> | <u>50,305</u> | <u>12,178</u> | <u>-</u> | <u>707,199</u> |
| - | - | 1,031 | - | - | - |
| <u>636,204</u> | <u>-</u> | <u>51,336</u> | <u>12,178</u> | <u>-</u> | <u>707,199</u> |
| 74,362 | - | 12,564 | 3,300 | - | 45,105 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>74,362</u> | <u>-</u> | <u>12,564</u> | <u>3,300</u> | <u>-</u> | <u>45,105</u> |
| - | - | - | - | - | - |
| <u>74,362</u> | <u>-</u> | <u>12,564</u> | <u>3,300</u> | <u>-</u> | <u>45,105</u> |
| - | - | 1,031 | - | - | - |
| 561,842 | - | 37,741 | 8,878 | - | 662,094 |
| <u>\$ 561,842</u> | <u>\$ -</u> | <u>\$ 38,772</u> | <u>\$ 8,878</u> | <u>\$ -</u> | <u>\$ 662,094</u> |

continued...

COUNTY OF NEWAYGO, MICHIGAN

Combining Statement of Net Position

Internal Service Funds

September 30, 2013

| | Retiree Health Insurance (7311) | Retirement (731) | Unused Sick and Vacation (730) | Total |
|---------------------------------------|--|---------------------|---|---------------------|
| Assets | | | | |
| Current assets: | | | | |
| Cash and cash equivalents | \$ 568 | \$ 1,588,236 | \$ 712,325 | \$ 5,522,310 |
| Accounts receivable | - | - | 65 | 157,265 |
| Due from other governments | - | - | - | 6,342 |
| Due from other funds | - | - | 17,839 | 35,770 |
| Prepays | - | - | - | 261,531 |
| Total current assets | 568 | 1,588,236 | 730,229 | 5,983,218 |
| Noncurrent assets – | | | | |
| Capital assets being depreciated, net | - | - | - | 238,882 |
| Total assets | 568 | 1,588,236 | 730,229 | 6,222,100 |
| Liabilities | | | | |
| Current liabilities: | | | | |
| Accounts payable | - | - | - | 267,853 |
| Accrued expenses | - | - | 798 | 27,718 |
| Due to other funds | - | - | 11,457 | 103,124 |
| Current portion of long-term debt | - | - | - | 3,269 |
| Total current liabilities | - | - | 12,255 | 401,964 |
| Noncurrent liabilities – | | | | |
| Long-term debt | - | - | - | 27,977 |
| Total liabilities | - | - | 12,255 | 429,941 |
| Net position | | | | |
| Net investment in capital assets | - | - | - | 238,882 |
| Unrestricted | 568 | 1,588,236 | 717,974 | 5,553,277 |
| Total net position | \$ 568 | \$ 1,588,236 | \$ 717,974 | \$ 5,792,159 |

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COUNTY OF NEWAYGO, MICHIGAN

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

Internal Service Funds

For the Year Ended September 30, 2013

| | Building Grounds Maintenance (631) | Campus Security (632) | Central Stores (633) |
|---|---|-----------------------------|----------------------------|
| Operating revenues | | | |
| Charges for services | \$ 440,502 | \$ 118,236 | \$ 4,133 |
| Reimbursements | - | - | - |
| Total operating revenues | 440,502 | 118,236 | 4,133 |
| Operating expense | | | |
| Supplies and operating expenses | 531,869 | 196,833 | 38,134 |
| Depreciation | 6,584 | - | 2,518 |
| Total operating expense | 538,453 | 196,833 | 40,652 |
| Operating income (loss) | (97,951) | (78,597) | (36,519) |
| Nonoperating revenues | | | |
| Interest revenue | - | - | - |
| Gain on sale of capital assets | - | - | - |
| Insurance pool distribution | - | - | - |
| Total nonoperating revenues | - | - | - |
| Income (loss) before transfers | (97,951) | (78,597) | (36,519) |
| Other financing sources (uses) | | | |
| Transfers in | 77,828 | 101,293 | 25,000 |
| Transfers out | - | (23,452) | - |
| Total other financing sources (uses) | 77,828 | 77,841 | 25,000 |
| Change in net position | (20,123) | (756) | (11,519) |
| Net position, beginning of year | 45,611 | 2,174 | 142,680 |
| Net position, end of year | \$ 25,488 | \$ 1,418 | \$ 131,161 |

| Information Services (636) | Drain Computer (637) | Drain Maintenance / Construction (638) | Duplicating (645) | Food Service (652) | Telephone System (656) |
|----------------------------|----------------------|--|-------------------|--------------------|------------------------|
| \$ 17,264 | \$ - | \$ 117,031 | \$ 74,705 | \$ 560,328 | \$ 94,026 |
| 290 | - | - | - | - | - |
| 17,554 | - | 117,031 | 74,705 | 560,328 | 94,026 |
| 310,941 | 478 | 16,701 | 31,378 | 501,033 | 70,810 |
| 19,923 | 1,259 | 2,867 | 11,932 | - | - |
| 330,864 | 1,737 | 19,568 | 43,310 | 501,033 | 70,810 |
| (313,310) | (1,737) | 97,463 | 31,395 | 59,295 | 23,216 |
| - | - | 177 | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | 177 | - | - | - |
| (313,310) | (1,737) | 97,640 | 31,395 | 59,295 | 23,216 |
| 313,067 | - | - | - | 4,318 | - |
| - | - | (127,447) | (45,000) | (57,706) | (50,000) |
| 313,067 | - | (127,447) | (45,000) | (53,388) | (50,000) |
| (243) | (1,737) | (29,807) | (13,605) | 5,907 | (26,784) |
| 154,327 | 12,976 | 54,724 | 342,834 | 45 | 339,217 |
| \$ 154,084 | \$ 11,239 | \$ 24,917 | \$ 329,229 | \$ 5,952 | \$ 312,433 |

continued...

COUNTY OF NEWAYGO, MICHIGAN

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

Internal Service Funds

For the Year Ended September 30, 2013

| | Motor Pool (661) | Unemployment (676) | Health and Wellness (677) |
|---|------------------------|-----------------------|---------------------------------|
| Operating revenues | | | |
| Charges for services | \$ 36,752 | \$ - | \$ - |
| Reimbursements | - | 41,225 | 3,399,325 |
| Total operating revenues | 36,752 | 41,225 | 3,399,325 |
| Operating expense | | | |
| Supplies and operating expenses | 11,708 | 22,727 | 2,715,652 |
| Depreciation | 84,525 | - | - |
| Total operating expense | 96,233 | 22,727 | 2,715,652 |
| Operating income (loss) | (59,481) | 18,498 | 683,673 |
| Nonoperating revenues | | | |
| Interest revenue | - | - | - |
| Gain on sale of capital assets | 7,840 | - | - |
| Insurance pool distribution | - | - | - |
| Total nonoperating revenues | 7,840 | - | - |
| Income (loss) before transfers | (51,641) | 18,498 | 683,673 |
| Other financing sources (uses) | | | |
| Transfers in | 14,467 | - | - |
| Transfers out | - | (10,000) | (6,685) |
| Total other financing sources (uses) | 14,467 | (10,000) | (6,685) |
| Change in net position | (37,174) | 8,498 | 676,988 |
| Net position, beginning of year | 206,226 | 160,822 | 202,514 |
| Net position, end of year | \$ 169,052 | \$ 169,320 | \$ 879,502 |

| Liability Insurance (678) | Revolving Loan (691) | Equipment Pool (692) | Building Renovation (694) | Reserve for Operational Contingencies (695) | Workers' Compensation (696) |
|------------------------------|-------------------------|-------------------------|------------------------------|--|--------------------------------|
| \$ - | \$ - | \$ 630 | \$ 77,161 | \$ - | \$ - |
| 267,004 | - | - | - | - | 185,995 |
| 267,004 | - | 630 | 77,161 | - | 185,995 |
| 284,151 | 5,000 | 15,436 | 30,764 | - | 185,924 |
| - | - | 1,031 | 1,019 | - | - |
| 284,151 | 5,000 | 16,467 | 31,783 | - | 185,924 |
| (17,147) | (5,000) | (15,837) | 45,378 | - | 71 |
| - | - | - | - | - | 66,637 |
| - | - | - | - | - | - |
| 201,394 | - | - | - | - | - |
| 201,394 | - | - | - | - | 66,637 |
| 184,247 | (5,000) | (15,837) | 45,378 | - | 66,708 |
| - | - | - | - | - | - |
| (188,303) | - | (4,535) | (45,411) | (58,060) | (35,000) |
| (188,303) | - | (4,535) | (45,411) | (58,060) | (35,000) |
| (4,056) | (5,000) | (20,372) | (33) | (58,060) | 31,708 |
| 565,898 | 5,000 | 59,144 | 8,911 | 58,060 | 630,386 |
| \$ 561,842 | \$ - | \$ 38,772 | \$ 8,878 | \$ - | \$ 662,094 |

continued...

COUNTY OF NEWAYGO, MICHIGAN

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

Internal Service Funds

For the Year Ended September 30, 2013

| | Retiree Health Insurance (7311) | Retirement (731) | Unused Sick and Vacation (730) | Total |
|---|--|---------------------|---|------------------|
| Operating revenues | | | | |
| Charges for services | \$ - | \$ 36,984 | \$ 179,710 | \$ 1,757,462 |
| Reimbursements | 430,367 | - | 73,475 | 4,397,681 |
| Total operating revenues | 430,367 | 36,984 | 253,185 | 6,155,143 |
| Operating expense | | | | |
| Supplies and operating expenses | 756,247 | 38,413 | 199,451 | 5,963,650 |
| Depreciation | - | - | - | 131,658 |
| Total operating expense | 756,247 | 38,413 | 199,451 | 6,095,308 |
| Operating income (loss) | (325,880) | (1,429) | 53,734 | 59,835 |
| Nonoperating revenues | | | | |
| Interest revenue | - | - | - | 66,814 |
| Gain on sale of capital assets | - | - | - | 7,840 |
| Insurance pool distribution | - | - | - | 201,394 |
| Total nonoperating revenues | - | - | - | 276,048 |
| Income (loss) before transfers | (325,880) | (1,429) | 53,734 | 335,883 |
| Other financing sources (uses) | | | | |
| Transfers in | 163,303 | - | - | 699,276 |
| Transfers out | - | (316,955) | (66,457) | (1,035,011) |
| Total other financing sources (uses) | 163,303 | (316,955) | (66,457) | (335,735) |
| Change in net position | (162,577) | (318,384) | (12,723) | 148 |
| Net position, beginning of year | 163,145 | 1,906,620 | 730,697 | 5,792,011 |
| Net position, end of year | \$ 568 | \$ 1,588,236 | \$ 717,974 | \$ 5,792,159 |

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COUNTY OF NEWAYGO, MICHIGAN

Combining Statement of Cash Flows Internal Service Funds For the Year Ended September 30, 2013

| | Building Grounds Maintenance (631) | Campus Security (632) | Central Stores (633) |
|---|---|-----------------------------|----------------------------|
| Cash flows from operating activities | | | |
| Receipts from interfund services | \$ 440,502 | \$ 106,779 | \$ 4,020 |
| Receipts from other sources | - | - | - |
| Payments to vendors | (263,851) | (377) | (15,229) |
| Payments for personnel services | (261,976) | (184,068) | (26,823) |
| Net cash provided by (used in) operating activities | (85,325) | (77,666) | (38,032) |
| Cash flows from noncapital financing activities | | | |
| Transfers in | 77,828 | 101,293 | 25,000 |
| Transfers out | - | (23,452) | - |
| Net cash provided by (used in) noncapital financing activities | 77,828 | 77,841 | 25,000 |
| Cash flows from capital and related financing activities | | | |
| Proceeds from sale of capital assets | - | - | - |
| Purchase of capital assets | - | - | - |
| Net cash used in capital and related financing activities | - | - | - |
| Cash flows from investing activities | | | |
| Interest received on investments | - | - | - |
| Net increase (decrease) in cash and cash equivalents | (7,497) | 175 | (13,032) |
| Cash and cash equivalents, beginning of year | 51,317 | 8,552 | 143,053 |
| Cash and cash equivalents, end of year | \$ 43,820 | \$ 8,727 | \$ 130,021 |

| Information Services (636) | Drain Computer (637) | Drain Maintenance / Construction (638) | Duplicating (645) | Food Service (652) | Telephone System (656) |
|-------------------------------|-------------------------|--|----------------------|-----------------------|---------------------------|
| \$ 17,554 | \$ - | \$ 206,001 | \$ 74,705 | \$ 560,678 | \$ 94,026 |
| - | - | - | - | - | - |
| (116,286) | (413) | (16,206) | (24,940) | (490,350) | (69,238) |
| (202,257) | - | - | - | (13,283) | - |
| (300,989) | (413) | 189,795 | 49,765 | 57,045 | 24,788 |
| 313,067 | - | - | - | 4,318 | - |
| - | - | (127,447) | (45,000) | (57,706) | (50,000) |
| 313,067 | - | (127,447) | (45,000) | (53,388) | (50,000) |
| - | - | - | - | - | - |
| - | - | - | (7,427) | - | - |
| - | - | - | (7,427) | - | - |
| - | - | 177 | - | - | - |
| 12,078 | (413) | 62,525 | (2,662) | 3,657 | (25,212) |
| 93,452 | 6,786 | 43,455 | 310,465 | 40,730 | 340,345 |
| \$ 105,530 | \$ 6,373 | \$ 105,980 | \$ 307,803 | \$ 44,387 | \$ 315,133 |

continued...

COUNTY OF NEWAYGO, MICHIGAN

Combining Statement of Cash Flows Internal Service Funds For the Year Ended September 30, 2013

| | Motor Pool (661) | Unemployment (676) | Health and Wellness (677) |
|--|------------------------|-----------------------|---------------------------------|
| Cash flows from operating activities | | | |
| Receipts from interfund services | \$ 34,142 | \$ 41,225 | \$ 3,247,038 |
| Receipts from other sources | - | - | - |
| Payments to vendors | (11,573) | (22,718) | (2,758,975) |
| Payments for personnel services | - | - | (96,771) |
| Net cash provided by (used in) operating activities | <u>22,569</u> | <u>18,507</u> | <u>391,292</u> |
| Cash flows from noncapital financing activities | | | |
| Transfers in | 14,467 | - | - |
| Transfers out | - | (10,000) | (6,685) |
| Net cash provided by (used in) noncapital financing activities | <u>14,467</u> | <u>(10,000)</u> | <u>(6,685)</u> |
| Cash flows from capital and related financing activities | | | |
| Proceeds from sale of capital assets | 7,840 | - | - |
| Purchase of capital assets | (25,345) | - | - |
| Net cash used in capital and related financing activities | <u>(17,505)</u> | <u>-</u> | <u>-</u> |
| Cash flows from investing activities | | | |
| Interest received on investments | - | - | - |
| Net increase (decrease) in cash and cash equivalents | 19,531 | 8,507 | 384,607 |
| Cash and cash equivalents, beginning of year | <u>36,836</u> | <u>160,822</u> | <u>405,302</u> |
| Cash and cash equivalents, end of year | <u>\$ 56,367</u> | <u>\$ 169,329</u> | <u>\$ 789,909</u> |

| Liability Insurance (678) | Revolving Loan (691) | Equipment Pool (692) | Building Renovation (694) | Reserve for Operational Contingencies (695) | Workers' Compensation (696) |
|------------------------------|-------------------------|-------------------------|------------------------------|--|--------------------------------|
| \$ 267,020 | \$ - | \$ 630 | \$ 76,783 | \$ - | \$ 185,995 |
| 201,394 | - | - | - | - | - |
| (257,398) | (5,000) | (3,207) | (23,218) | (750) | (187,068) |
| - | - | - | (6,246) | - | - |
| 211,016 | (5,000) | (2,577) | 47,319 | (750) | (1,073) |
| - | - | - | - | - | - |
| (188,303) | - | (4,535) | (45,411) | (58,060) | (35,000) |
| (188,303) | - | (4,535) | (45,411) | (58,060) | (35,000) |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | 66,637 |
| 22,713 | (5,000) | (7,112) | 1,908 | (58,810) | 30,564 |
| 351,749 | 5,000 | 57,417 | 3,928 | 58,810 | 676,635 |
| \$ 374,462 | \$ - | \$ 50,305 | \$ 5,836 | \$ - | \$ 707,199 |

continued...

COUNTY OF NEWAYGO, MICHIGAN

Combining Statement of Cash Flows
 Internal Service Funds
 For the Year Ended September 30, 2013

| | Retiree Health Insurance (7311) | Retirement (731) | Unused Sick and Vacation (730) | Total |
|---|--|---------------------|---|---------------------|
| Cash flows from operating activities | | | | |
| Receipts from interfund services | \$ 603,797 | \$ 36,984 | \$ 235,291 | \$ 6,233,170 |
| Receipts from other sources | - | - | - | 201,394 |
| Payments to vendors | (1,524,586) | (38,413) | (71,553) | (5,901,349) |
| Payments for personnel services | - | - | (117,023) | (908,447) |
| Net cash provided by (used in) operating activities | (920,789) | (1,429) | 46,715 | (375,232) |
| Cash flows from noncapital financing activities | | | | |
| Transfers in | 163,303 | - | - | 699,276 |
| Transfers out | - | (316,955) | (66,457) | (1,035,011) |
| Net cash provided by (used in) noncapital financing activities | 163,303 | (316,955) | (66,457) | (335,735) |
| Cash flows from capital and related financing activities | | | | |
| Proceeds from sale of capital assets | - | - | - | 7,840 |
| Purchase of capital assets | - | - | - | (32,772) |
| Net cash used in capital and related financing activities | - | - | - | (24,932) |
| Cash flows from investing activities | | | | |
| Interest received on investments | - | - | - | 66,814 |
| Net increase (decrease) in cash and cash equivalents | (757,486) | (318,384) | (19,742) | (669,085) |
| Cash and cash equivalents, beginning of year | 758,054 | 1,906,620 | 732,067 | 6,191,395 |
| Cash and cash equivalents, end of year | \$ 568 | \$ 1,588,236 | \$ 712,325 | \$ 5,522,310 |

continued...

COUNTY OF NEWAYGO, MICHIGAN

Combining Statement of Cash Flows
 Internal Service Funds
 For the Year Ended September 30, 2013

| | Building Grounds Maintenance (631) | Campus Security (632) | Central Stores (633) |
|---|---|-----------------------------|----------------------------|
| Cash flows from operating activities | | | |
| Operating income (loss) | \$ (97,951) | \$ (78,597) | \$ (36,519) |
| Adjustments to reconcile operating income (loss) to net cash provided by operating activities: | | | |
| Depreciation expense | 6,584 | - | 2,518 |
| Insurance pool distribution | - | - | - |
| Change in assets/liabilities: | | | |
| Accounts receivable | - | - | (113) |
| Due from other governments | - | - | - |
| Due from other funds | - | (11,457) | - |
| Prepays | - | - | - |
| Accounts payable | 876 | (175) | (4,947) |
| Accrued expenses | 2,249 | 1,106 | 136 |
| Due to other funds | - | - | - |
| Compensated absences | 2,917 | 11,457 | 893 |
| | 2,917 | 11,457 | 893 |
| Net cash provided by (used in) operating activities | \$ (85,325) | \$ (77,666) | \$ (38,032) |



| Information Services (636) | Drain Computer (637) | Drain Maintenance / Construction (638) | Duplicating (645) | Food Service (652) | Telephone System (656) |
|----------------------------|----------------------|--|-------------------|--------------------|------------------------|
| \$ (313,310) | \$ (1,737) | \$ 97,463 | \$ 31,395 | \$ 59,295 | \$ 23,216 |
| 19,923 | 1,259 | 2,867 | 11,932 | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | 350 | - |
| - | - | - | - | - | - |
| (8,483) | 65 | 495 | 6,438 | (38) | 1,572 |
| 1,101 | - | - | - | 40 | - |
| - | - | 88,970 | - | - | - |
| (220) | - | - | - | (2,602) | - |
| <u>\$ (300,989)</u> | <u>\$ (413)</u> | <u>\$ 189,795</u> | <u>\$ 49,765</u> | <u>\$ 57,045</u> | <u>\$ 24,788</u> |

continued...

COUNTY OF NEWAYGO, MICHIGAN

Combining Statement of Cash Flows
 Internal Service Funds
 For the Year Ended September 30, 2013

| | Motor Pool (661) | Unemployment (676) | Health and Wellness (677) |
|---|------------------------|-----------------------|---------------------------------|
| Cash flows from operating activities | | | |
| Operating income (loss) | \$ (59,481) | \$ 18,498 | \$ 683,673 |
| Adjustments to reconcile operating income (loss) to net cash provided by operating activities: | | | |
| Depreciation expense | 84,525 | - | - |
| Insurance pool distribution | - | - | - |
| Change in assets/liabilities: | | | |
| Accounts receivable | (4,800) | - | (152,287) |
| Due from other governments | - | - | - |
| Due from other funds | 2,190 | - | - |
| Prepays | - | - | - |
| Accounts payable | 135 | 9 | (143,617) |
| Accrued expenses | - | - | 680 |
| Due to other funds | - | - | - |
| Compensated absences | - | - | 2,843 |
| Net cash provided by (used in) operating activities | <u>\$ 22,569</u> | <u>\$ 18,507</u> | <u>\$ 391,292</u> |

| Liability Insurance (678) | Revolving Loan (691) | Equipment Pool (692) | Building Renovation (694) | Reserve for Operational Contingencies (695) | Workers' Compensation (696) |
|------------------------------|-------------------------|-------------------------|------------------------------|--|--------------------------------|
| \$ (17,147) | \$ (5,000) | \$ (15,837) | \$ 45,378 | \$ - | \$ 71 |
| - | - | 1,031 | 1,019 | - | - |
| 201,394 | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | (378) | - | - |
| 16 | - | - | - | - | - |
| 26,056 | - | - | - | - | - |
| 697 | - | 12,229 | 3,300 | (750) | (1,144) |
| - | - | - | (1,449) | - | - |
| - | - | - | - | - | - |
| - | - | - | (551) | - | - |
| <u>\$ 211,016</u> | <u>\$ (5,000)</u> | <u>\$ (2,577)</u> | <u>\$ 47,319</u> | <u>\$ (750)</u> | <u>\$ (1,073)</u> |

continued...

COUNTY OF NEWAYGO, MICHIGAN

Combining Statement of Cash Flows
 Internal Service Funds
 For the Year Ended September 30, 2013

| | Retiree Health Insurance (7311) | Retirement (731) | Unused Sick and Vacation (730) | Total |
|---|--|---------------------|---|---------------------|
| Cash flows from operating activities | | | | |
| Operating income (loss) | \$ (325,880) | \$ (1,429) | \$ 53,734 | \$ 59,835 |
| Adjustments to reconcile operating income (loss) to net cash provided by operating activities: | | | | |
| Depreciation expense | - | - | - | 131,658 |
| Insurance pool distribution | - | - | - | 201,394 |
| Change in assets/liabilities: | | | | |
| Accounts receivable | 173,430 | - | (55) | 16,175 |
| Due from other governments | - | - | - | (378) |
| Due from other funds | - | - | (17,839) | (26,740) |
| Prepays | - | - | - | 26,056 |
| Accounts payable | (768,339) | - | (312) | (901,989) |
| Accrued expenses | - | - | (270) | 3,593 |
| Due to other funds | - | - | 11,457 | 100,427 |
| Compensated absences | - | - | - | 14,737 |
| Net cash provided by (used in) operating activities | <u>\$ (920,789)</u> | <u>\$ (1,429)</u> | <u>\$ 46,715</u> | <u>\$ (375,232)</u> |

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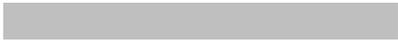
AGENCY FUNDS

COUNTY OF NEWAYGO, MICHIGAN

Combining Statement of Fiduciary Assets and Liabilities

Agency Funds
September 30, 2013

| | Central Payroll Processing (115) | Central Accounts Payable (125) | Trust and Agency (701) | Trust and Agency Outside Accounts (702) |
|----------------------------|---|---|------------------------------|---|
| Assets | | | | |
| Cash and cash equivalents | \$ 5,733 | \$ - | \$ 3,144,202 | \$ 35,579 |
| Accounts receivable | - | - | 95 | - |
| Due from other governments | - | - | 579 | - |
| Total assets | <u>\$ 5,733</u> | <u>\$ -</u> | <u>\$ 3,144,876</u> | <u>\$ 35,579</u> |
| Liabilities | | | | |
| Accounts payable | \$ - | \$ - | \$ 211,501 | \$ 35,579 |
| Due to other governments | - | - | 2,933,375 | - |
| Undistributed receipts | 5,733 | - | - | - |
| Total liabilities | <u>\$ 5,733</u> | <u>\$ -</u> | <u>\$ 3,144,876</u> | <u>\$ 35,579</u> |



| Library Penal (721) | Total |
|---------------------|---------------------|
| \$ 66,822 | \$ 3,252,336 |
| 933 | 1,028 |
| - | 579 |
| <u>\$ 67,755</u> | <u>\$ 3,253,943</u> |
| | |
| \$ - | \$ 247,080 |
| - | 2,933,375 |
| 67,755 | 73,488 |
| <u>\$ 67,755</u> | <u>\$ 3,253,943</u> |

COUNTY OF NEWAYGO, MICHIGAN

Combining Statement of Changes in Fiduciary Assets and Liabilities

Agency Funds

For the Year Ended September 30, 2013

| | Beginning Balance | Additions | Deductions | Ending Balance |
|--|----------------------|-----------------------|-----------------------|---------------------|
| <u>Central Payroll Processing</u> | | | | |
| Assets | | | | |
| Cash and cash equivalents | \$ 5,742 | \$ 10,691,356 | \$ 10,691,365 | \$ 5,733 |
| Liabilities | | | | |
| Accounts payable | \$ - | \$ 5,817,708 | \$ 5,817,708 | \$ - |
| Due to other governments | - | 2,572,048 | 2,572,048 | - |
| Undistributed receipts | 5,742 | 2,301,600 | 2,301,609 | 5,733 |
| Total liabilities | \$ 5,742 | \$ 10,691,356 | \$ 10,691,365 | \$ 5,733 |
| <u>Central Accounts Payable</u> | | | | |
| Assets | | | | |
| Cash and cash equivalents | \$ - | \$ 47,930,481 | \$ 47,930,481 | \$ - |
| Accounts receivable | - | 62,829,135 | 62,829,135 | - |
| Total assets | \$ - | \$ 110,759,616 | \$ 110,759,616 | \$ - |
| Liabilities | | | | |
| Accounts payable | \$ - | \$ 110,759,616 | \$ 110,759,616 | \$ - |
| <u>Trust and Agency</u> | | | | |
| Assets | | | | |
| Cash and cash equivalents | \$ 3,450,872 | \$ 26,828,018 | \$ 27,134,688 | \$ 3,144,202 |
| Accounts receivable | - | 95 | - | 95 |
| Due from other governments | 922 | 3,171 | 3,514 | 579 |
| Total assets | \$ 3,451,794 | \$ 26,831,284 | \$ 27,138,202 | \$ 3,144,876 |
| Liabilities | | | | |
| Accounts payable | \$ 199,828 | \$ 10,842,560 | \$ 10,830,887 | \$ 211,501 |
| Due to other governments | 3,251,966 | 15,988,724 | 16,307,315 | 2,933,375 |
| Total liabilities | \$ 3,451,794 | \$ 26,831,284 | \$ 27,138,202 | \$ 3,144,876 |

continued...

COUNTY OF NEWAYGO, MICHIGAN

Combining Statement of Changes in Fiduciary Assets and Liabilities

Agency Funds

For the Year Ended September 30, 2013

| | Beginning Balance | Additions | Deductions | Ending Balance |
|---|----------------------|-----------------------|-----------------------|---------------------|
| <u>Trust and Agency Outside Accounts</u> | | | | |
| Assets | | | | |
| Cash and cash equivalents | \$ 39,348 | \$ 3,769 | \$ 7,538 | \$ 35,579 |
| Liabilities | | | | |
| Accounts payable | \$ 39,348 | \$ 3,769 | \$ 7,538 | \$ 35,579 |
| <u>Library Penal Fine</u> | | | | |
| Assets | | | | |
| Cash and cash equivalents | \$ 61,696 | \$ 326,071 | \$ 320,945 | \$ 66,822 |
| Accounts receivable | - | 173,445 | 172,512 | 933 |
| Total assets | \$ 61,696 | \$ 499,516 | \$ 493,457 | \$ 67,755 |
| Liabilities | | | | |
| Accounts payable | \$ - | \$ 325,951 | \$ 325,951 | \$ - |
| Undistributed receipts | 61,696 | 173,565 | 167,506 | 67,755 |
| Total liabilities | \$ 61,696 | \$ 499,516 | \$ 493,457 | \$ 67,755 |
| <u>Total All Agency Funds</u> | | | | |
| Assets | | | | |
| Cash and cash equivalents | \$ 3,557,658 | \$ 85,779,695 | \$ 86,085,017 | \$ 3,252,336 |
| Accounts receivable | - | 63,002,675 | 63,001,647 | 1,028 |
| Due from other governments | 922 | 3,171 | 3,514 | 579 |
| Total assets | \$ 3,558,580 | \$ 148,785,541 | \$ 149,090,178 | \$ 3,253,943 |
| Liabilities | | | | |
| Accounts payable | \$ 239,176 | \$ 127,749,604 | \$ 127,741,700 | \$ 247,080 |
| Due to other governments | 3,251,966 | 18,560,772 | 18,879,363 | 2,933,375 |
| Undistributed receipts | 67,438 | 2,475,165 | 2,469,115 | 73,488 |
| Total liabilities | \$ 3,558,580 | \$ 148,785,541 | \$ 149,090,178 | \$ 3,253,943 |

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COMPONENT UNITS

COUNTY OF NEWAYGO, MICHIGAN

Combining Balance Sheet

Drain Commissioner Component Unit

September 30, 2013

| | Drain (801xxx) | Drain Revolving (802xxx) | Brooks Lake Board (845) |
|---|-------------------|--------------------------------|----------------------------------|
| Assets | | | |
| Cash and cash equivalents | \$ 67,092 | \$ 187,969 | \$ 17,716 |
| Special assessments receivable | 133,876 | - | 30,219 |
| Due from other funds | - | 112,031 | - |
| Total assets | \$ 200,968 | \$ 300,000 | \$ 47,935 |
| Liabilities | | | |
| Due to other funds | \$ 112,031 | \$ - | \$ - |
| Advance from primary government | 15,076 | 300,000 | - |
| Total liabilities | 127,107 | 300,000 | - |
| Deferred inflows of resources | | | |
| Unavailable revenues - special assessments | 133,876 | - | 30,219 |
| Fund balances | | | |
| Restricted | - | - | 17,716 |
| Unassigned (deficit) | (60,015) | - | - |
| Total fund balances | (60,015) | - | 17,716 |
| Total liabilities, deferred inflows of resources and fund balances | \$ 200,968 | \$ 300,000 | \$ 47,935 |



| Hess Lake Improvement (846) | Diamond Lake Board (847) | Pickeral and Kimball Lakes Board (848) | Ryerson Lake Board (849) | Engel Wright Lake Board (850) | Total |
|-----------------------------|--------------------------|--|--------------------------|-------------------------------|-------------------|
| \$ 35,315 | \$ 5,566 | \$ 17,499 | \$ 21,697 | \$ 379 | \$ 353,233 |
| 32,092 | 32,067 | 60,800 | 30,000 | 19,738 | 338,792 |
| - | - | - | - | - | 112,031 |
| <u>\$ 67,407</u> | <u>\$ 37,633</u> | <u>\$ 78,299</u> | <u>\$ 51,697</u> | <u>\$ 20,117</u> | <u>\$ 804,056</u> |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ 112,031 |
| - | - | - | - | - | 315,076 |
| - | - | - | - | - | 427,107 |
| 32,092 | 32,067 | 60,800 | 30,000 | 19,738 | 338,792 |
| 35,315 | 5,566 | 17,499 | 21,697 | 379 | 98,172 |
| - | - | - | - | - | (60,015) |
| <u>35,315</u> | <u>5,566</u> | <u>17,499</u> | <u>21,697</u> | <u>379</u> | <u>38,157</u> |
| <u>\$ 67,407</u> | <u>\$ 37,633</u> | <u>\$ 78,299</u> | <u>\$ 51,697</u> | <u>\$ 20,117</u> | <u>\$ 804,056</u> |

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COUNTY OF NEWAYGO, MICHIGAN

Reconciliation

Fund Balances for Governmental Funds
to Net Position of Governmental Activities
Drain Commissioner Component Unit
September 30, 2013

| | | |
|--|----|--------|
| Fund balances - total governmental funds | \$ | 38,157 |
|--|----|--------|

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 being depreciated, net | 111,670 |
|---------------------------------------|---------|

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

| | |
|--|----------------|
| Deferred inflows of resources for special assessments receivable | <u>338,792</u> |
|--|----------------|

| | | |
|---|------------------|----------------|
| Net position of governmental activities | <u><u>\$</u></u> | <u>488,619</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, 2013

| | Drain (801xxx) | Drain Revolving (802xxx) | Brooks Lake Board (845) |
|--|--------------------|--------------------------------|----------------------------------|
| Revenues | | | |
| Special assessments | \$ 187,541 | \$ - | \$ 9,366 |
| Expenditures | | | |
| Current - public works | 139,459 | - | 27,407 |
| Net change in fund balances | 48,082 | - | (18,041) |
| Fund balances (deficit), beginning of year | (108,097) | - | 35,757 |
| Fund balances (deficit), end of year | <u>\$ (60,015)</u> | <u>\$ -</u> | <u>\$ 17,716</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 |
|-----------------------------|--------------------------|--|--------------------------|-------------------------------|------------------|
| \$ 6,000 | \$ 15,000 | \$ 63,629 | \$ 12,500 | \$ 10,000 | \$ 304,036 |
| <u>29,149</u> | <u>29,131</u> | <u>48,952</u> | <u>22,826</u> | <u>10,036</u> | <u>306,960</u> |
| (23,149) | (14,131) | 14,677 | (10,326) | (36) | (2,924) |
| <u>58,464</u> | <u>19,697</u> | <u>2,822</u> | <u>32,023</u> | <u>415</u> | <u>41,081</u> |
| <u>\$ 35,315</u> | <u>\$ 5,566</u> | <u>\$ 17,499</u> | <u>\$ 21,697</u> | <u>\$ 379</u> | <u>\$ 38,157</u> |

COUNTY OF NEWAYGO, MICHIGAN

Reconciliation

Net Changes in Fund Balances of Governmental Funds
to Change in Net Position of Governmental Activities
Drain Commissioner Component Unit
For the Year Ended September 30, 2013

| | |
|--|------------|
| Net change in fund balances - total governmental funds | \$ (2,924) |
|--|------------|

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.

| | |
|----------------------|----------|
| Depreciation expense | (19,786) |
|----------------------|----------|

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

| | |
|--|---------------|
| Change in deferred inflows of resources for special assessments receivable | <u>37,539</u> |
|--|---------------|

| | |
|---|-------------------------|
| Change in net position of governmental activities | <u><u>\$ 14,829</u></u> |
|---|-------------------------|

COUNTY OF NEWAYGO, MICHIGAN

Balance Sheet / Statement of Net Position

Brownfield Redevelopment Authority Component Unit

September 30, 2013

| | Governmental Fund (243) | Adjustments | Statement of Net Position |
|--|-------------------------------|-------------|------------------------------|
| Assets | | | |
| Cash and cash equivalents | \$ 146,559 | \$ - | \$ 146,559 |
| Liabilities | | | |
| Accounts payable | \$ 21,536 | - | 21,536 |
| Fund balance | | | |
| Unassigned | 125,023 | (125,023) | |
| Total liabilities and fund balances | \$ 146,559 | | |
| Net position | | | |
| Unrestricted | | \$ 125,023 | \$ 125,023 |

COUNTY OF NEWAYGO, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance /

Statement of Activities

Brownfield Redevelopment Authority Component Unit

For the Year Ended September 30, 2013

| | Governmental Fund (243) | Adjustments | Statement of Net Position |
|--|-------------------------------|-------------|------------------------------|
| Revenues | | | |
| Property taxes | \$ 29,771 | \$ - | \$ 29,771 |
| Contributions | 6,000 | - | 6,000 |
| Fees | - | - | - |
| Total revenues | 35,771 | - | 35,771 |
| Expenditures / expenses | | | |
| Community and economic development | 35,474 | - | 35,474 |
| Net changes in fund balance / net position | 297 | - | 297 |
| Fund balance/net position, beginning of year | 124,726 | - | 124,726 |
| Fund balance/net position, end of year | \$ 125,023 | \$ - | \$ 125,023 |