

County of Calhoun,
Michigan



Year Ended
December 31, 2013

Comprehensive
Annual Financial
Report

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COUNTY OF CALHOUN, MICHIGAN COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2013

Board of Commissioners:

Art Kale, Chairperson

Steve Frisbie, Vice Chairperson

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Kathy-Sue Dunn

Prepared by:

Finance Department

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Kelli Scott

Assistant County Administrator:

Bradley Wilcox

County of Calhoun, Michigan

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INTRODUCTORY SECTION

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Calhoun County

Office of the Administrator/Controller

"Building A Better County Through Responsive Leadership"

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June 26, 2014

**To the Honorable Chairman, Members of the Board of Commissioners
and the Citizens of the County of Calhoun, Michigan:**

The comprehensive annual financial report of the County of Calhoun, Michigan (the "County") for the year ended December 31, 2013, is hereby submitted in accordance with Michigan Act 2 of the Public Acts of 1968, as amended. This Act requires that the County issue an annual report on its financial position and activity, and that this report be audited by an independent firm of certified public accountants.

This report consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, our framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As Management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The County's financial statements have been audited by Rehmann Robson, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended December 31, 2013, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statements presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the County's financial statements for the fiscal year ended December 31, 2013, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The County is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. The auditors' report related specifically to the single audit is not included in this document, but is issued under separate cover.

PROFILE OF CALHOUN COUNTY GOVERNMENT

Calhoun County was incorporated on October 29, 1829. It covers an area of approximately 720 square miles. The County Seat is located in the City of Marshall, mid-way between Chicago and Detroit near the junction of two major interstate highways - I-94 (east-west) and I-69 (north-south). The City of Battle Creek is the largest metropolitan area in the County. The population of the County per the 2010 U.S. Census estimate is 136,146.

The County is governed by a seven-member elected Board of Commissioners. Members of the Board of Commissioners are elected on a partisan basis for two-year terms from within their respective districts that are approximately equal in population. The Board elects from its ranks a Chairperson and a Vice Chairperson by majority vote. The administration of the County, other than as delegated to elected officials, is guided by the County Administrator/Controller who is appointed by a two-thirds vote of the Board of Commissioners and serves at its pleasure. The Board is responsible for determining the type and level of County services, adoption of the County Budget, equalization of County property values, legislative oversight of County services and the appointment of various boards, commissions and County officials. In turn, the County Administrator/Controller is responsible for carrying out the Board's policies and resolutions, and managing the day-to-day operations of the County.

Judges of the 37th Judicial Circuit and the Probate Court and the 10th District Court are elected at large for six-year terms. Operation of the court system is under the auspices of the Michigan Supreme Court and the respective presiding Judges, while the County government primarily provides financial support.

Administration of the County is divided by the Michigan Constitution among various statutory County officials, including the County Treasurer, County Clerk/Register of Deeds, Prosecuting Attorney, Water Resources Commissioner and Sheriff, who are elected at-large for four-year terms. The County Treasurer is the custodian of all funds, administers the collection of delinquent property taxes, and performs other duties concerned with the interrelated fiscal affairs of County departments and agencies. The duties of the County Clerk include keeping and maintaining records of births, deaths, marriages and discharges of military personnel, and serving as Clerk of the Board of Commissioners. The duties of the Register of Deeds include the recording of deeds, mortgages, surveys, plats, notices of liens and bills of sales. The Prosecuting Attorney prosecutes violations of State criminal law within the County and may represent the County in appropriate Courts. The County Water Resources Commissioner administers the location, construction and maintenance of drains in the County. The Sheriff's duties involve the charge and custody of the County Jail, the serving of processes and primary law enforcement response in areas of the County without local police functions.

In addition, the Board of Commissioners appoints several County officials, including the Administrator/Controller, Corporation Counsel, Health Officer, Medical Examiner and the Equalization Director with responsibilities as defined by statute, County ordinance or resolution. The Administrator/Controller's responsibilities include direction of central administrative functions of the County government and acting as a liaison on behalf of the Board of Commissioners between County offices, appointed officials and the general public. The Office of Corporation Counsel is responsible for legal advice, counsel or court action in all cases involving an official act or duty of a county officer, elected official or county department. The Health Officer directs the operation of the County Health Department in accordance with Board of Commissioner's directions and as authorized by State law. The Equalization Director oversees the equalization process of the County as prescribed by law.

The Board of Commissioners also appoints various boards and commissions to oversee specific County services and to advise the Board on certain matters of interest. Appointments to boards overseeing specific County functions include the Parks & Recreation Commission, Board of Health, Senior Millage Allocation Committee, Summit Pointe Board of Directors, and Veterans Affairs Committee. The Board also appoints members to various advisory committees and to regional bodies overseeing other programs providing services to the residents of the County.

The business of the County is carried out on a daily basis by approximately 613 employees located on several different campuses throughout the County. The primary locations are Marshall, the County seat, Battle Creek and Albion.

This report includes all funds of the County and its component units. The County provides a full range of services to County residents. Services are provided in the areas of public safety (law enforcement, prosecution, jail administration), judicial (administration of the courts and probation departments), elections, public works, health services, social services, cultural (MSU cooperative extension services), road repair and maintenance services, parks and recreation, and general administrative services. In any one day, hundreds of people access County services:

- They may be utilizing one of the many public health, sanitation or disease control services provided by the Health Department, the support services of County Veteran Affairs or Senior Services, or the residential services of the Medical Care Facility. They may be utilizing one of the many other human service programs supported by County funds in the area of mental health, substance abuse, aging, special transportation, or youth violence prevention.
- They may be utilizing the services of the County Prosecutor, the Sheriff, or the Courts.
- They may be obtaining birth, death, tax or property information from the Offices of the County Clerk, Register of Deeds or the Treasurer; participating in elections; or getting assistance in drainage-related problems from the Water Resources Commissioner.
- They may be attending educational events sponsored by MSU Cooperative Extension or enjoying one of the County Parks.

The annual budget serves as the foundation for the County's financial planning and control. The County maintains real-time budgetary controls using an integrated financial management software package. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the County Board of Commissioners. The appropriated budget is prepared by function and activity for the General Fund and by fund and function for the special revenue funds. Budgetary transfers are permitted in accordance with Board-adopted budget policies. Transfers of appropriations less than or equal to \$20,000 between major account classifications within the General Fund and special revenue fund(s) may be approved by the County Administrator/Controller; transfers greater than \$20,000 require the approval of the Board of Commissioners. The level of budgetary control is the business unit level for the General Fund and the special revenue funds. As demonstrated by the statements and schedules included in the financial section of this report, the government continues to meet its responsibility for sound financial management.

The County's strategic plan is intended to provide the foundation for budgetary decisions by establishing a vision, mission and long-range objectives. In addition to the strategic plan, the Board of Commissioners, at least annually, strive to establish a set of priorities for the development of the budget. The intent of these is to remain consistent with the overall objectives in the strategic plan but yet develop specific priorities that reflect current issues while keeping in mind the County's long-term objectives and financial limitations.

The following are recent priorities/accomplishments as identified by the Board of Commissioners:

- **Shared Services and Collaboration:** In 2013 the County Board renewed agreements to provide Assessing services to the City of Albion and the City of Marshall, which were initiated in 2011 to increase the level of service provided to the public while reducing the cost of government.

Calhoun County entered into a collaborative public/private partnership in October 2013 with the City of Battle Creek and Toyota Tsusho to create an employee health and wellness clinic to be administered by CareHere, LLC and staffed by local medical professionals. The Board of Commissioners unanimously supported this project, which will be the first of its kind in Michigan. The new clinic, which opened in February 2014, provides coordinated and convenient access to care and medical records, and will create savings estimated to reach over \$1 million per year in healthcare costs for both the County's and employees' budgets collectively.

- **Technology Improvements:** The County Board of Commissioners went paperless in 2013, using Apple iPads and an online Agenda Quick software to standardize board agenda item information, cut printing and copying costs, and streamline workflow. Anyone can now easily keep up with county business through our website, www.calhouncountymi.gov , by viewing and searching our agendas and board meeting minutes for items they are interested in. Board meetings continue to be aired on the Battle Creek Access Vision channel, and videos of the meetings are posted on our website for later viewing.
- **New Road Department:** In November 2012, Calhoun County became the 2nd county in Michigan to dissolve its Road Commission in accordance with Public Acts 14 and 15 of 2012. After just 12 months under the direct governance of the County Board of Commissioners, our new Road Department operates with more cash and reserve balances; reduced overhead costs; new labor contracts that will provide better accountability and measures to address unfunded long-term liabilities; better fleet maintenance; and over \$200,000 already in savings the first year just from competitive bids, efficiencies and consolidated services.
- **Parks and Recreation Commission:** The Board of Commissioners created a new Parks and Recreation Commission in early 2013 as authorized by PA 261 of 1965, MCL 1965, to replace the former Parks Trustee Board that was dissolved as a result of the Road Commission dissolution. This ten member board is charged with setting direction for the county parks. During 2013 the County plans to construct using grant proceeds and private donations a new non-motorized trailway connecting the three county parks, and will begin updating long-term parks master plans, park rules and parks management programs.

- **Energy Savings:** Honeywell International reported during 2013 that after the first two years following the implementation of over \$7 million in facility improvements, actual energy and operational cost savings continue to exceed the projected savings. Under a Guaranteed Energy Savings Performance Contract approved by the Board of Commissioners in 2010, Honeywell promised to ensure over \$100,000 per year for the next 20 years in savings just in utilities costs. Additional savings are guaranteed to come from operational cost avoidance. Based on an independent audit of measured savings, the County has saved more than \$500,000 in utility costs since 2010 strictly because of these energy savings improvements. Over the last 12 months, in our Justice Center/Jail Complex alone the County used over one million kilowatt hours less of electricity than was used prior to this Honeywell project.
- **Public Safety Enhancements:** In April 2013 the County Board of Commissioners approved a new Calhoun Public Safety Information Alliance that any local police agency can join to share law enforcement data through a new records management system (RMS). This collaborative project, led by a team from the City of Battle Creek, Calhoun County and the Calhoun County Consolidated Dispatch Authority, was of historic significance because it will allow for the first time sharing of public safety information within and between public safety agencies in Calhoun County. The software went live in May 2014, and now our Sheriff's deputies and other public safety officers have immediate access to shared crime data and criminal activity wherever they are, increasing citizen and officer safety.

In September 2013 the County Board of Commissioners approved a new Law Enforcement Services Agreement between the Office of the County Sheriff and the City of Springfield, calling for continued dedicated officers, specified response times and a higher level of public safety services at a significantly lower cost to Springfield taxpayers.

- **Health and Wellbeing:** The Calhoun County Board of Commissioners approved in October 2013 a new agreement for the coordination of substance abuse services within our region, which also includes seven other nearby counties. Pursuant to 2012 legislative amendments to the Michigan Mental Health Code, the Southwest Michigan Behavioral Health Regional Entity PIHP (SWMBH) will become in 2014 the new regional Coordinating Agency for substance abuse services provided partially by our local Public Act 2 (PA2) alcohol tax dollars. The new agreement includes a new Substance Use Disorder Oversight Policy Board to ensure local decision-making over local PA 2 budgets that provide over half a million dollars each year toward substance use disorder prevention and treatment.

The Calhoun County Public Health Department released in 2013 a new Color of Health report developed through the leadership of the Health Equity Alliance. The report used many data sources, including vital statistics, crime statistics, census data, public health surveys, and geographic data to provide a holistic picture of health disparities in Calhoun County. The focus was on health among people of color, and the impact health disparities have on the whole community. It should serve as a springboard for those working to promote health equity in a spirit of togetherness.

- **Economic and Community Development:** Calhoun County received a grant award of over \$150,000 in 2013 from the Michigan State Housing and Development Authority (MSHDA) providing for the removal of fifteen blighted structures in Albion, and help to create safer, healthier neighborhoods for residents. The project was developed in cooperation with the City of Albion.

In 2013 the County joined the newly formed Southcentral Michigan Planning Council (SMPC). This five-county regional planning organization is essential to economic development for Calhoun County, as it is now the authorized entity to help secure federal economic development funding for future business expansion. The SMPC is now developing the required new multi-county Regional Comprehensive Economic Development Strategy (CEDS) document that will provide the much needed coordination of plans to ensure regional prosperity.

- **FireKeepers Local Revenue Sharing Board:** The FireKeepers Casino opened in 2009, creating at least 1,200 jobs and bringing an estimated 3.8 million tourists annually. Its first full year of operations was 2010. The FireKeepers Local Revenue Sharing Board (FLRSB) was formed in accordance with a Compact between the Huron Potawatomi Band of the Nottawaseppi Tribe and consists of representatives from the Tribe, the Cities of Battle Creek and Marshall, Emmett and Athens Townships, and Calhoun County. The FLRSB adopted its By Laws in 2010 and distributed over \$1.9 million dollars that year and over \$4.7 million each year in 2011 and 2012 to local units of government within Calhoun County. The funds represented a 2% payment by the Tribe of its net win from electronic gambling machines each year. During 2013, the FireKeepers Local Revenue Sharing Board (FLRSB) distributed more than \$5 million to local governments, and created a new grant program that provided \$187,875 to nine school programs and government projects last year. This two percent revenue is expected to continue to generate millions of dollars annually to offset actual cost increases related to the casino and nearby Tribal reservation, reimburse for foregone property taxes on the tax exempt Tribal properties, and offer additional funding for any lawful governmental use by various local units of government.
- **New Veterans Millage:** Championed by the County's Veterans Affairs Committee and the Board of Commissioners, a new millage to support our veterans was overwhelmingly approved by voters in November 2012. Starting with the 2013 tax levy, this new 0.10 mill increases taxes by \$5.00 per year for an owner of a \$100,000 home with taxable value of \$50,000. It will generate over \$350,000 per year for our Veterans Affairs Office, which will now be able to increase their capacity to help the nearly 12,000 veterans living in our community get the benefits they well deserve.
- **Senior Services Strategic Plan:** During 2013 the County's Office of Senior Services and Senior Millage Allocation Committee (SMAC) continued to implement a new strategic plan created in 2011 to ensure the best use of the \$2.6 million in revenues dedicated entirely to services for senior citizens within Calhoun County. In 2013 the county conducted a Senior Needs Assessment and redirected funding to better match the identified needs, while also reducing administrative burden and collaborating with other agencies that offer services for seniors. During 2013, the County's senior millage provided almost \$500,000 for home delivered and group meals for seniors, over \$400,000 for senior transportation, \$270,000 for dental services, and many other services for our seniors.

- **Long-Term Financial Stability:** The Board of Commissioners approved an Early Retirement Incentive (ERI) Plan during 2012 for employees within the Office of the Sheriff, and another county-wide ERI Plan during 2013, both of which will create long-term budgetary savings. The County continues to implement many structural cost saving measures specifically focused on compensation, including encouraging increased employee enrollment in the high deductible health insurance plan option, which is coupled with Health Savings Accounts, and the continued annual compliance with the State's Public Act 152 of 2011 (Publicly Funded Health Insurance Contribution Act), limiting the County's contribution toward employee health insurance costs to 80%. As of January 1, 2013, the County changed administration of our employee defined benefit pension plan from an in-house administered plan to the Municipal Employee Retirement System (MERS). Budget policies, teams and controls align with strategic objectives and are directed by the County's five year operating forecast and seven year Capital Needs Forecast, updated during 2012 and included in 2013 adopted budget resolutions.

At December 31, 2013 the unassigned general fund balance was 9.5% (total general fund balance was 11%) of the total previous year's general fund expenditures plus transfers out, thereby meeting the Board of Commissioners adopted policy range of 8% - 12%, as well as the Government Finance Officers Association recommended practices.

Calhoun County again in 2013 received a reaffirmed 'AA-' bond credit rating with a stable outlook, and continues to employ a 5-year operating forecast to keep us focused on long-term financial stability. We provide a Citizens' Guide to County Finances and other financial transparency and accountability information regarding our County with access on our website at <http://www.calhouncountymi.gov/finance/dashboard/>.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the County operates.

Local Economy. Through a varied industrial, commercial and agricultural base, the County enjoys a relatively stable economic environment and indicators point to a continuation of this trend. The Fort Custer Industrial Park has become Michigan's largest industrial park. Located in the City of Battle Creek, the park, which is a customs free trade zone, encompasses 3,000 acres and contains 85 companies employing more than 9,000 people. The City of Battle Creek is host to the world headquarters of Kellogg Corporation and the cereal manufacturing industry. Also, Battle Creek is a U.S. Customs Port of Entry and contains a Foreign Trade Zone. A commercial shopping corridor in the Battle Creek/Emmett Township area serves a regional market. Automotive and plastic parts manufacturers, insurance companies, iron foundries, farms (approximately 1,200) and related agricultural businesses provide a variety of employment opportunities. A major U. S. Veterans Hospital in Battle Creek and community/regional hospitals in Battle Creek and Marshall provide health care services as well as additional employment opportunities. Higher education is available to County residents and others at several public and private colleges located in Albion and Battle Creek, including Kellogg Community College (KCC), Albion College, Western Michigan University's Kendall Center and the newly established Miller College. Finally, in addition to established industrial parks in Albion, Battle Creek, Marshall, Tekonsha, and Springfield, the County possesses three significant recreational parks: Kimball Pines Park, Historic Bridge Park at Riverside Park, and the Ott Preserve.

Real Estate Developments. Almost half of the County's operating budget is funded with property tax revenues. There has been a broad-based decline in the market prices of residential real estate in the United States since the beginning of calendar year 2006, resulting in a slowing in appreciation and declines in residential and other real property assessed valuations. The County is aware of the consequences of this trend in real estate valuations and has made changes to the County's current and future fiscal year budgets to adjust County's expenditures as property tax receipts are reduced as a result of the downturn in the real estate market. To address this revenue reduction, various operational expenses have been reduced, labor agreements aggressively negotiated and in some cases, positions have been eliminated.

State Funding. The State's ability to make revenue sharing payments to the County in the amounts and at the times specified in the Revenue Sharing Act is subject to the State's overall financial condition and its ability to finance any temporary cash flow deficiencies. Act 357, Public Acts of Michigan, 2004 ("Act 357") amended the General Property Tax Act to temporarily eliminate statutory revenue sharing payments to counties by creating a reserve fund, against which counties could draw in lieu of annual revenue sharing payments, paid for by the permanent advancement of the counties' property tax levy from December to July each year, beginning in 2005. Under Act 357, a county would resume receiving state revenue sharing payments in the first year in which the county's property tax revenue reserve was less than the amount the county would have otherwise received in state revenue sharing payments. Under the fiscal year 2014 budget, signed into law on June 13, 2013 by Governor Snyder, 80% of county revenue sharing payment distributions are made pursuant to the Revenue Sharing Act and 20% are distributed through an incentive based program similar to the Economic Vitality Incentive Program established in fiscal year 2012 for cities, villages and townships. The county program is known as the County Incentive Program ("CIP"), under which eligible counties may receive distributions for complying with "best practices" such as increasing transparency and consolidating services. Eligible counties are those that would be eligible to resume receiving state revenue sharing payments under Act 357. The County anticipates meeting the requirements of the clauses to receive fiscal year 2014 payments

Labor Force. The County has 10 employee bargaining units which have negotiated comprehensive salary, wage, fringe benefit and working conditions contracts with the County. There are also seven non-represented employee groups for which the Board of Commissioners sets the compensation annually. Substantially all of the County's full time employees are eligible to participate in one of two defined contribution pension plans, as established by Board policy and labor agreements. Required government contributions to the pension plans are at various rates based on Board policy and labor agreements with various bargaining units. The Calhoun County Board of Commissioners established both plans and may amend them and the related contribution requirements, subject to the County's various bargaining agreements. During 2013 all required employer contributions to the plans were made. In accordance with labor agreements and Board action, the County also provides post-retirement health care benefits to full-time employees. Retirees are required to contribute 100% of the illustrated rate less any discount, which is offered only to retirees who have completed at least 20 years of service and the sum of their age and years of service totals at least 85.

Debt Administration. At December 31, 2013 the County's outstanding net direct debt was \$12.4 million, a net decrease of \$1.2 million from the prior year-end. Our overall bond rating was reaffirmed during 2013 by Standard & Poor's at "AA-" with a stable outlook.

AWARDS AND ACKNOWLEDGMENTS

Certificate of Achievement. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Calhoun County, Michigan for its comprehensive annual financial report for the fiscal year ended December 31, 2012. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local governmental financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. Calhoun County has received a Certificate of Achievement for the last seventeen consecutive years. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments. The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance and operating departments throughout the County. We would like to express our appreciation to members of those departments who assisted and contributed to the preparation of this report. Due credit also should be given to the Board of Commissioners for its interest and support in planning and conducting the operations of the government in a responsible and progressive manner.

Respectively Submitted,



Kelli Scott, County
Administrator/Controller

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Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

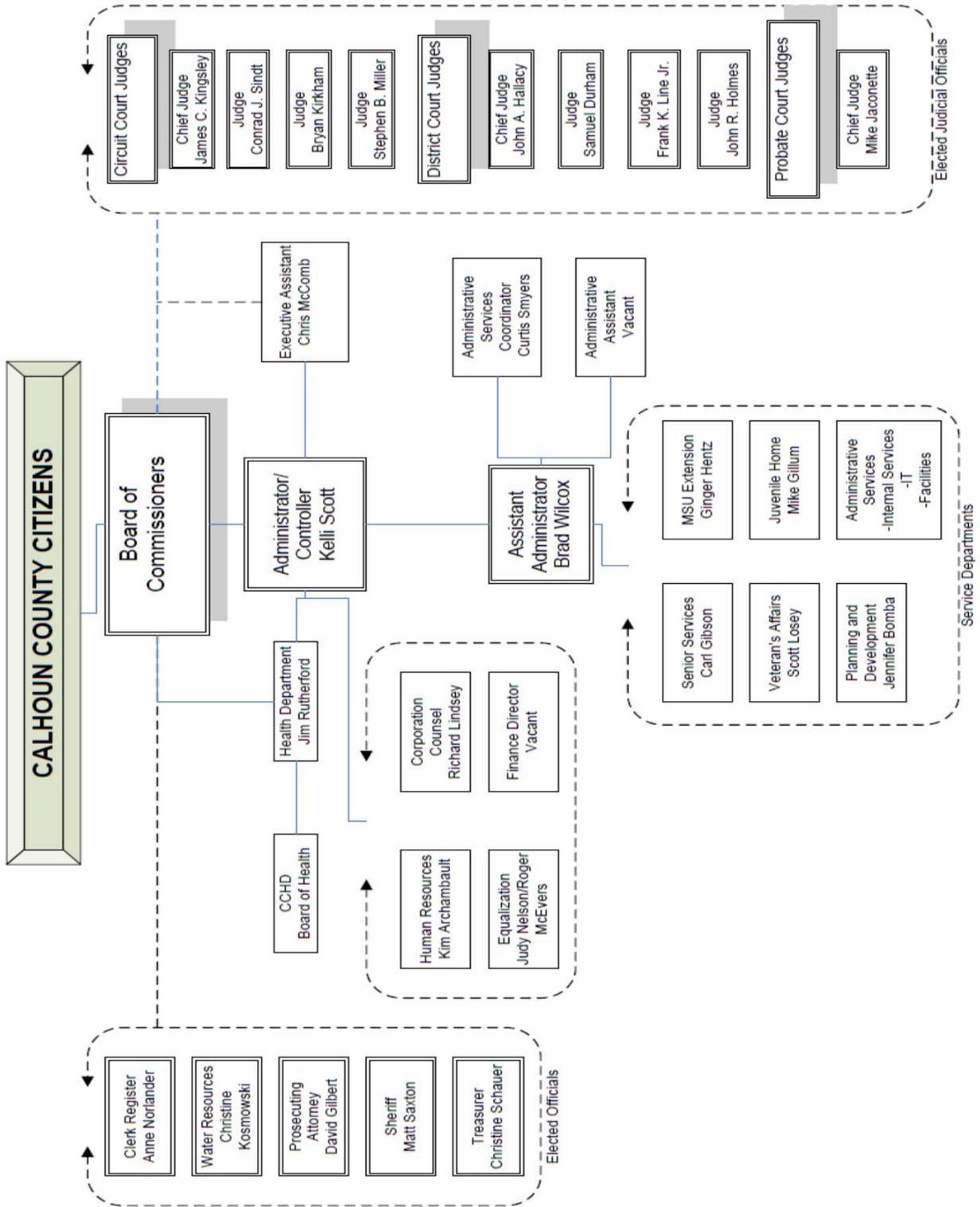
**County of Calhoun
Michigan**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2012

Executive Director/CEO

CALHOUN COUNTY ADMINISTRATIVE ORGANIZATIONAL CHART



FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

June 26, 2014

Board of Commissioners
County of Calhoun, Michigan
Marshall, 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 *County of Calhoun, Michigan* (the "County"), as of and for the year ended December 31, 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 Medical Care Facility and Delinquent Tax Enterprise Funds, which are both major funds and separate opinion units. Also, we did not audit the financial statements of the Calhoun County Land Bank Authority, which represents 10%, 5% and 54%, 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 Medical Care Facility and Delinquent Tax Enterprise Funds, and the Land Bank Authority Component Unit, 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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, 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 Calhoun, Michigan, as of December 31, 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 conformity 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, other postemployment benefit plans, and the municipal employees retirement system 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 and the other auditors 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's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The introductory section and statistical tables have 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 them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2014, on our consideration of the County of Calhoun, Michigan's internal control over financial reporting and 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 the 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's internal control over financial reporting and compliance.

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MANAGEMENT'S DISCUSSION AND ANALYSIS

COUNTY OF CALHOUN, MICHIGAN

Management's Discussion and Analysis

As management of the County of Calhoun, 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 December 31, 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 on pages 1-6 of this report, and the accompanying basic financial statements.

Financial Highlights

- . The assets and deferred outflows of resources of the County, as presented in the Government-wide financial statements, exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$111 million (*net position*), an increase of \$.4 million in 2013. Of this amount, \$17.0 million (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors. The majority of unrestricted net position is contained within the Medical Care Facility and Delinquent Tax Revolving Funds, which are proprietary or business-type, and not governmental funds.
- . As of the close of the current fiscal year, the County's governmental funds (this includes the general fund, special revenue, capital projects, and debt service funds) reported combined ending fund balances of \$11.2 million, a decrease of approximately \$47 thousand in comparison with the prior year. Of the fund balance amount, \$3.7 million is *available for spending* at the government's discretion (*unassigned fund balance*).
- . Total fund balance for the general fund was \$4,296,453, an increase of \$13,858 for 2013. At the end of the year, the unassigned portion of the fund balance in the general fund was \$3,745,470, or approximately 9.5 percent of total general fund expenses and transfers out for the prior year, thereby adhering to the policy range of 8 - 12 percent as adopted by the Board of Commissioners. The total general fund balance equals approximately 11% of total general fund expenses and transfer out for the prior year.
- . The County's net investment in capital assets was \$78.3 million at the end of 2013, which compares to \$78.2 million at the end of 2012.
- . The County's total bonded debt, excluding delinquent tax notes, equaled \$23.2 million at the close of 2013, decreasing by \$1.6 million during the current fiscal year.

Overview of the Financial Statements

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

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

The *statement of net position* presents information on all of the County's assets and liabilities, with the difference between the two 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 County'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 vacations 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 general government, public safety, legislative, judicial, public works, health and welfare, and recreation and cultural. The business-type activities of the County include the Medical Care Facility that provides long-term skilled nursing care and the Delinquent Tax Revolving Fund.

COUNTY OF CALHOUN, MICHIGAN

Management's Discussion and Analysis

The government-wide financial statements include not only the County itself (known as the *primary government*), but also a legally separate Drain Commission, for which the County is financially accountable. Financial information for this *component unit* is reported separately from the financial information presented for the primary government itself. The Medical Care Facility, although also legally separate, functions for all practical purposes as a department of the County, and therefore has been included as an integral part of the primary government.

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. Governmental fund financial statements focus on a *short-term view of spendable resources and the balance of those spendable resources* 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 *government funds* with similar information presented for *government 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 fund balance sheet and the governmental fund 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 33 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, health department fund, senior millage fund, road department fund, and the child care fund which are considered to be major funds. Data from the other 28 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The County adopts an annual appropriated budget for its General Fund and special revenue funds. A budgetary comparison statement has been provided for all applicable funds to demonstrate compliance with this budget.

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 four enterprise funds to account for its business-type activities. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for building and grounds, administrative services, insurance, employee benefits, workers' compensation, and sick and accident administrative expenses. Because these services predominantly 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 Medical Care Facility and the Delinquent Tax Revolving Fund, which are considered to be major funds of the County. Data from the other two enterprise funds are combined into a single aggregated presentation. Detailed financial information for each of the non-major enterprise funds is provided in the form of *combining statements* elsewhere in this report. Conversely, all internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* elsewhere in this report.

COUNTY OF CALHOUN, MICHIGAN

Management's Discussion and Analysis

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 County's fiduciary activities are reported in separate Statements of Fiduciary Net Assets and Changes in Fiduciary Net Assets. The accounting used for fiduciary funds is much like that used for proprietary funds. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

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 *required supplementary information* concerning the County's progress in funding its obligation to provide pension benefits to its employees and its obligation to provide healthcare benefits to retirees.

The combining statements referred to earlier in connection with non-major governmental funds, non-major enterprise funds and internal service funds are presented immediately following the required supplementary information on pensions.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. For Calhoun County, assets exceeded liabilities by \$111.0 million at the close of the most recent fiscal year. The following schedule shows the County's assets by category.

	Net Position (in Millions)					
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Current and other assets	\$ 29.5	\$ 29.0	\$ 28.6	\$ 30.5	\$ 58.1	\$ 59.5
Capital assets	82.2	82.6	15.5	16.1	97.7	98.7
Total assets	111.7	111.6	44.1	46.6	155.8	158.2
Deferred outflows of resources	-	-	0.2	-	0.2	-
Long-term liabilities outstanding	26.1	26.4	8.4	11.3	34.5	37.7
Other liabilities	5.4	5.3	1.2	1.9	6.6	7.2
Total liabilities	31.5	31.7	9.6	13.2	41.1	44.9
Deferred inflows of resources	3.0	2.7	0.9	-	3.9	2.7
Net position:						
Net investment in capital assets	69.7	68.9	8.6	9.3	78.3	78.2
Restricted	6.9	7.0	8.8	10.7	15.7	17.7
Unrestricted	0.6	1.3	16.4	13.4	17.0	14.7
Total net position	\$ 77.2	\$ 77.2	\$ 33.8	\$ 33.4	\$ 111.0	\$ 110.6

By far, the largest portion of the County's net position, \$78.3 million (71%) represent its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The County uses capital assets to provide services to citizens; consequently, these assets are not cash and not available for future spending. Although the County's investment in 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.

COUNTY OF CALHOUN, MICHIGAN

Management's Discussion and Analysis

An additional portion of the County's net position \$15.7 million (14%) represents resources that are subject to external restrictions on how they may be used. The County's unrestricted net position is \$17.0 million (15%) as of December 31, 2013. These assets may be used to meet the County's ongoing obligations to citizens and creditors.

At the end of the 2013 fiscal year, the County is able to report positive balances in all three net position categories (net investment in capital assets, restricted and unrestricted) both for the government as a whole, as well as for its separate governmental and business-type activities.

	Changes in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program revenue:						
Charges for services	\$ 15.1	\$ 15.0	\$ 17.5	\$ 17.0	\$ 32.6	\$ 32.0
Operating grants and contributions	27.2	25.7	0.1	0.1	27.3	25.8
General revenues:						
Property taxes	21.6	21.6	0.8	0.9	22.4	22.5
Other	0.5	0.6	-	0.0	0.5	0.6
Total revenues	64.4	62.9	18.4	18.0	82.8	80.9
Expenses:						
Legislative	0.1	0.2	-	-	0.1	0.2
Judicial	11.5	11.8	-	-	11.5	11.8
General government	7.0	7.5	-	-	7.0	7.5
Public safety	19.5	20.4	-	-	19.5	20.4
Public works	12.6	11.7	-	-	12.6	11.7
Health and welfare	13.3	13.7	-	-	13.3	13.7
Recreation and cultural	1.6	1.6	-	-	1.6	1.6
Interest on long-term debt	0.7	0.5	-	-	0.7	0.5
Medical Care Facility	-	-	14.6	14.3	14.6	14.3
Delinquent tax collections	-	-	1.2	1.1	1.2	1.1
Inmate concessions	-	-	0.3	0.3	0.3	0.3
Total expenses	66.3	67.4	16.1	15.7	82.4	83.1
Change in net position before transfers	(1.9)	(4.5)	2.3	2.3	0.4	(2.2)
Transfers	1.9	2.3	(1.9)	(2.2)	-	0.1
Change in net position	0.0	(2.2)	0.4	0.1	0.4	(2.1)
Net position, beginning of year	77.2	79.4	33.4	33.3	110.6	112.7
Net position, end of year	\$ 77.2	\$ 77.2	\$ 33.8	\$ 33.4	\$ 111.0	\$ 110.6

COUNTY OF CALHOUN, MICHIGAN

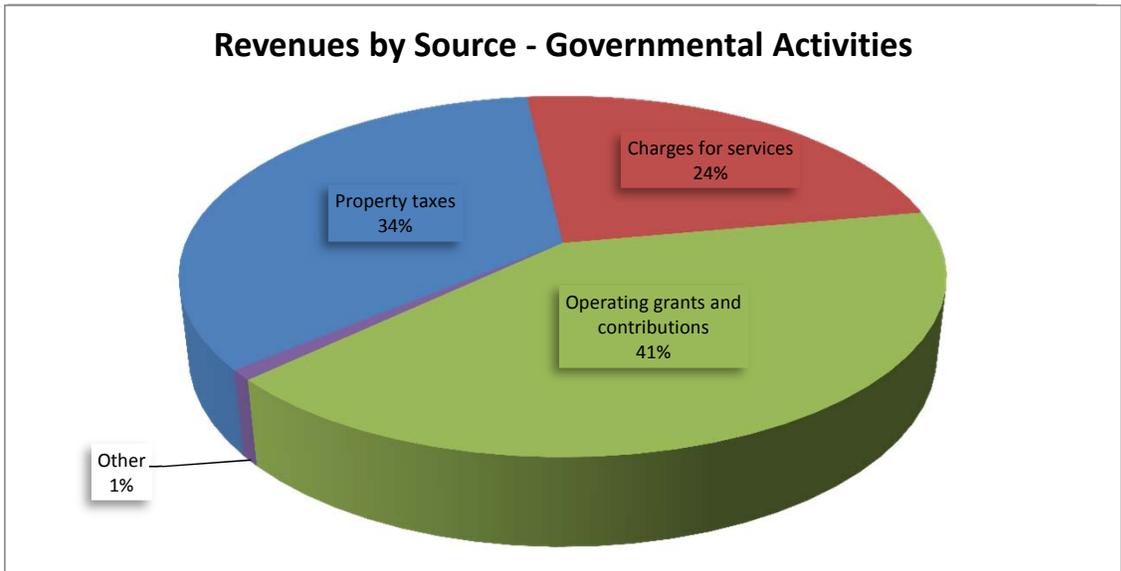
Management's Discussion and Analysis

The County's total net position increased by \$0.4 million during the current fiscal year. Business-type activities accounted for most of this increase.

Governmental activities. No change to net position occurred in 2013, mainly because unrestricted transfers were used to cover declining revenues.

Items of note include the following:

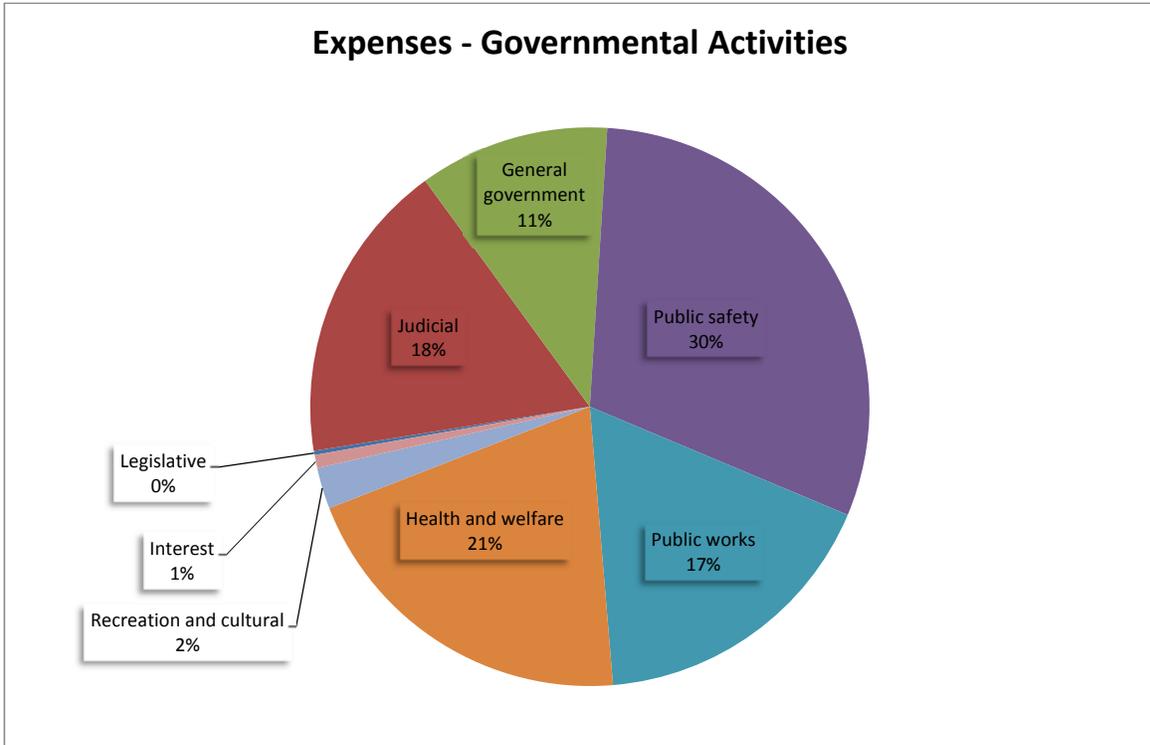
- Property tax revenues remained relatively unchanged from 2012 to 2013, despite a 1% decrease in assessed and taxable property values. This decrease was offset by increases in property tax transfer revenue and interest and penalties on delinquent tax collections.
- Operating grants and contributions revenues increased by \$1.5 million in 2013, due primarily to increased state and federal funding within the road department.
- In total, revenues from governmental activities increased by \$1.5 million from 2012 to 2013, mainly due to increased charges for services and operating grants and contributions from the road department. Since the inclusion of the road department, the latter category has now become the largest source of governmental activity revenue, at 41%.



COUNTY OF CALHOUN, MICHIGAN

Management's Discussion and Analysis

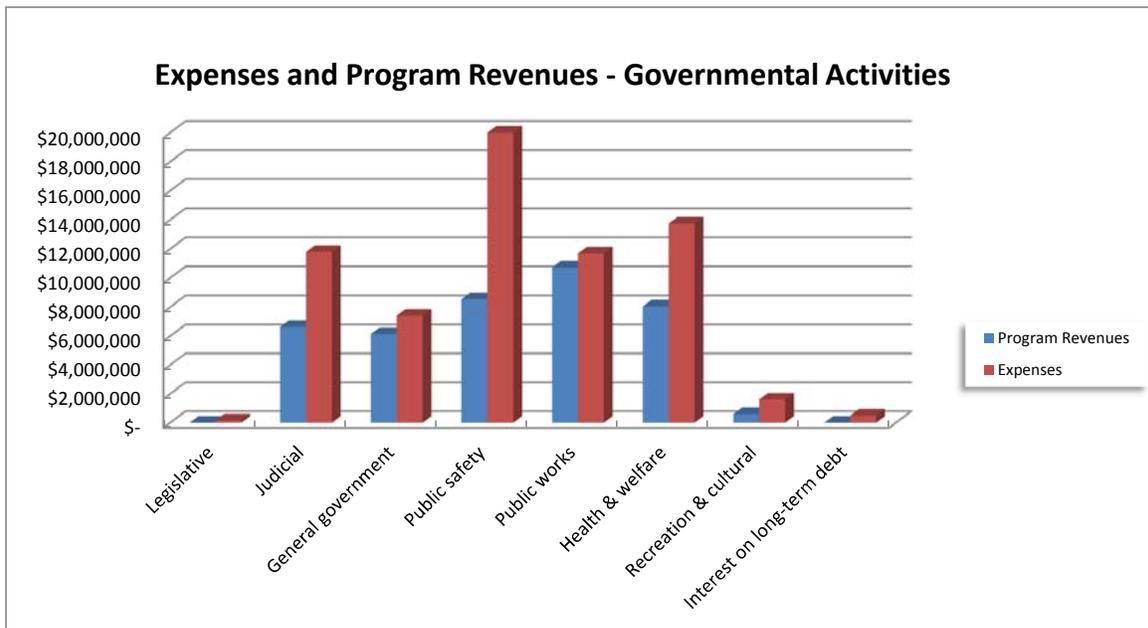
Total Governmental Activity expenses decreased by \$1.2 million (1.7%) from 2012 to 2013, due to necessary spending reductions county-wide. The County's general fund expenses decreased by 1.3% from 2012 to 2013, due to continued strategies to control compensation costs and, in general, reduce departmental spending in order to maintain adequate reserves and strong bond credit ratings. This necessary cost control was due to the ongoing, collective and determined efforts of the County Board of Commissioners, department heads, elected officials, judiciary and all county staff to recognize our financial limitations and function effectively within those parameters. As a result, there continues to be no significant compromise to the level of service to the citizens of Calhoun County.



The Public Safety, Health and Welfare, Judicial, and Public Works categories represent the majority of spending on Governmental Activities, with 86% of total expenses in these categories.

COUNTY OF CALHOUN, MICHIGAN

Management's Discussion and Analysis



- Program Revenues fall \$24 million short of covering Governmental Activity expenses in total, with the gap being filled by General Revenues—mainly property taxes—as a crucial funding source for these activities.

Business-type activities. Business-type activities increased the County's net position by only approximately \$400,000 during 2013. The key elements of the revenue and expense activity for the current year are as follows:

- The Medical Care Facility had a decrease in net position of \$128,500 from 2012 to 2013, with an operating loss of \$0.7 million being partially offset by \$0.6 million in nonoperating revenues.
- The Delinquent Tax Revolving Fund contributed \$2.3 million to the increase in net position before transfers, and after a \$1.7 million transfer to the General Fund, the net contribution totaled \$0.6 million. This net contribution was \$0.4 million higher than the previous year, mainly due to slightly higher revenues from interest, fees and penalties on delinquent taxes and less in transfers to the General Fund.

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.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$11,223,076, a decrease of \$47,148 in comparison with the prior year, with some factors that led to this decrease of fund balance listed below. Of the fund balance amount, \$3,745,470 constitutes unassigned fund balance, which is available for spending at the government's discretion.

The general fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the general fund was \$3,745,470, while total fund balance was \$4,296,453. As a measure of the general fund's liquidity, it may be useful to compare unreserved fund balance to prior year expenditures. Unassigned fund balance represents 9.5 percent of total general fund expenditures and transfers out for the prior year thereby meeting the Board of Commissioners adopted policy, as well as the Government Finance Officer's Association recommended practices.

COUNTY OF CALHOUN, MICHIGAN

Management's Discussion and Analysis

Since the County continues to face fiscal constraints due to limitations of major revenue sources, the fund balance in the general fund increased only \$13,858 during the 2013 fiscal year. There continues to be ongoing expenditure savings implemented through prudent fiscal management by the Judiciary, Elected Officials, and Department Heads to ensure that contributions to fund balance will occur.

The health department experienced a decrease to fund balance during 2013. Operating revenue increased by \$0.12 million (3%), mainly due to increases in federal and state grants received. Expenses increased by \$0.48 million (8%), which was primarily related to the costs of implementing the Federal and State grant programs and the planned use of fund balance to implement strategic initiatives.

The senior millage fund decreased their fund balance by \$27,253 during 2013 primarily due to the Senior Millage Allocation Committee's recommendation to allocate a portion of previously accumulated fund balance toward providing needed senior services to the community. Total fund balance at the end of the year is \$823,202, representing 31% of annual revenues.

The road department fund balance increased during 2013 by \$406,666 primarily due to measures taken to create ongoing cost savings, including reorganization of staffing, consolidation of functions with the County's central administrative services, and a collaborative resource sharing agreement with neighboring Jackson County and their department of transportation.

The child care fund has a fund balance of \$278,523, an increase of \$51,592 in 2013 that, along with accumulated prior years' excess contributions from the general fund, will be used to fund future year child care fund expenses.

Nonmajor governmental funds contributed and approximate negative \$397,000 to the total net decrease in governmental funds' balances for 2013.

Proprietary funds. The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Delinquent Tax Revolving Fund and the Medical Care Facility at the end of the year amounted to \$13 million and \$3.15 million, respectively. Factors concerning the finances of these funds have already been addressed in the discussion of the County's business-type activities.

General Fund Budgetary Highlights

Revenues in the general fund (including transfers in) increased \$0.6 million from the original to the amended budget. Transfers in from other funds exceeded budgeted amounts in order to cover the \$1.3 million of total shortfalls in revenues, mainly in charges for services within the Office of the Sheriff.

Because the above mentioned revenue shortfalls were predicted early in the year, the County was able to balance the General Fund budget at the end of 2013 without the use of fund balance.

Capital Asset and Debt Administration

Capital assets. The County's investment in capital assets (net of accumulated depreciation) as of December 31, 2013 for its governmental and business-type activities amounted to \$82,236,848 and \$15,510,234 respectively. These capital assets include land, buildings and improvements, equipment and furniture, vehicles, and road and bridge infrastructure.

COUNTY OF CALHOUN, MICHIGAN

Management's Discussion and Analysis

The total decrease in the primary government's investment in capital assets for the 2013 fiscal year was \$1 million and is primarily the result of depreciation expense exceeding capital asset additions.

	Capital Assets (Net of Depreciation)		
	Governmental Activities	Business-type Activities	Total
Land	\$ 1,505,275	\$ -	\$ 1,505,275
Land improvement/infrastructure	28,219,999	147,879	28,367,878
Construction in process	-	-	-
Buildings and improvements	32,839,923	14,924,943	47,764,866
Equipment and furniture	2,557,590	437,412	2,995,002
Vehicles	481,044	-	481,044
Depletable assets	35,123	-	35,123
Infrastructure - road and signals	12,070,736	-	12,070,736
Infrastructure - bridges	4,527,158	-	4,527,158
	<u>\$ 82,236,848</u>	<u>\$ 15,510,234</u>	<u>\$ 97,747,082</u>

Additional information on the County's capital assets can be found in Note 5.

Long-term debt. At the end of the 2013, the County had total bonded debt outstanding of \$23,240,000, a decrease of \$1,575,000 from 2012. The entire balance comprises debt backed by the full faith and credit of the County. Tax notes payable decreased approximately \$3.0 million in 2013.

	Outstanding Debt General Obligation					
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
General obligation bonds	\$ 16,585,000	\$ 18,015,000	\$ 6,655,000	\$ 6,800,000	\$ 23,240,000	\$ 24,815,000
Delinquent tax notes	-	-	1,549,000	4,500,000	1,549,000	4,500,000
	<u>\$ 16,585,000</u>	<u>\$ 18,015,000</u>	<u>\$ 8,204,000</u>	<u>\$ 11,300,000</u>	<u>\$ 24,789,000</u>	<u>\$ 29,315,000</u>

The County has an "AA-" rating for both general obligation bonds and tax anticipation notes from Standard & Poor's.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total assessed valuation (i.e., State Equalized Value). The current debt limitation for the County is \$405.8 million, which is significantly higher than the County's total outstanding general obligation debt, resulting in the County maintaining significant available debt capacity.

Additional information on the County's long-term debt can be found in Note 9.

COUNTY OF CALHOUN, MICHIGAN

Management's Discussion and Analysis

Economic Factors and Next Year's Budgets

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

The economic downturn, stock market decline, declining housing sales, and foreclosures continued to impact the budget for 2014. From 2005 to 2009, property tax revenues increased by an average of 4.5% per year. Beginning with 2010, equalized property values declined by 5%, with continued declines of 4%, 1%, and 1% in 2011, 2012, and 2013, respectively. An additional 1% decrease of property values is budgeted for 2014, reflecting the leveling off in real property values and new legislation in Michigan that phases out personal property tax revenues starting in 2014. The long-term forecast predicts property tax revenues to continue to increase slowly through 2018, when they are expected to fully recover to the 2010 level.

State Revenue Sharing for counties is dictated by the Legislature through the General Government Appropriations Bill that gets enacted each year. The currently enacted 2014 State Revenue Sharing for Calhoun County is approximately \$2.4 million, which reflects an ongoing 23% cut to counties, and a loss of \$0.6 million to the County's general fund revenues. As of the date of this report, 2015 State Revenue Sharing is expected to be increased by \$0.6 million, fully restoring it to a baseline level of \$3.0 million experienced before several years of cuts. The County's long-term operating forecast will continue to be updated to reflect the annual uncertainty counties face with State Revenue Sharing.

Charges for services revenues have been stabilized for 2014, mainly due to new intergovernmental agreements in place within the Office of the Sheriff. Some revenue vulnerability due to economic factors still exist and are factored into the 2014 budget in the inclusion of contingency funds.

Interest rates are at historically low levels which negatively affect interest earnings.

The County has reduced staffing significantly over the past three years, with budgeted and authorized positions in 2014 at 35 fewer than were included in the budget in 2010.

The 2014 budget also includes the County's continued compliance with Section 4 of the State of Michigan's Public Act 152 of 2011 (Publicly Funded Health Insurance Contribution Act), limiting to 80% the portion the County will contribute toward employee health care costs. This decision by the Board of Commissioners partially offsets the expectation for continued escalating healthcare costs, with the 2014 budget reflecting an expected 5% net increase in employee health insurance costs. Nearly half of this increase is attributable to new taxes and fees associated with the Affordable Care Act.

Total general fund expenditures of \$40.3 million are budgeted for 2014, representing a decrease of \$1.5 million from 2010 actual expenditures of \$41.8 million, even after the budgeted addition of a new Law Enforcement Services contract totaling nearly \$800,000. Also included in the 2014 budget is a \$200,000 contingency line item, as well as a baseline commitment level of \$500,000 per year toward Capital Improvement Funding.

The County policy is to maintain a general fund unassigned balance that is 8% - 12% of operating expenditures of the previous year. The 2014 budget was developed to include a small increase in fund balance in order to keep the balance at its current level of approximately 9.5% (11% in total fund balance) and within these policy guidelines.

County management and the Board of Commissioners are committed to long-term financial planning that maintains adequate reserves and contingencies, a commitment to our Capital Improvement Plan, moderates debt and provides for effective budget controls, in order to help keep at least our current solid Standard & Poor's 'AA-' bond credit rating and stable outlook, even during economic downturns.

Contacting the County's Financial Management

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 financial information should be addressed to The County Finance Department, 315 West Green Street, Marshall, Michigan 49068.

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BASIC FINANCIAL STATEMENTS

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COUNTY OF CALHOUN, MICHIGAN

Statement of Net Position December 31, 2013

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and cash equivalents	\$ 10,994,899	\$ 12,764,228	\$ 23,759,127	\$ 925,281
Investments	-	997,543	997,543	-
Receivables, net	16,768,451	14,142,962	30,911,413	3,104,706
Internal balances	(434,755)	434,755	-	-
Prepaid items and other assets	2,104,962	281,601	2,386,563	977,705
Capital assets not being depreciated	29,725,274	-	29,725,274	-
Capital assets being depreciated, net	52,511,574	15,510,234	68,021,808	8,868,671
Total assets	111,670,405	44,131,323	155,801,728	13,876,363
Deferred outflows of resources				
Deferred charge on refunding	-	193,589	193,589	-
Liabilities				
Accounts payable and accrued liabilities	4,967,770	1,201,179	6,168,949	533,855
Unearned revenue	417,236	-	417,236	-
Long-term liabilities:				
Due within one year	3,258,518	1,997,762	5,256,280	1,776,500
Due in more than one year	16,672,017	6,450,150	23,122,167	3,331,005
Other noncurrent liability - net other postemployment benefit liability	6,141,589	-	6,141,589	-
Total liabilities	31,457,130	9,649,091	41,106,221	5,641,360
Deferred inflows of resources				
Taxes levied for a subsequent period	2,994,934	869,031	3,863,965	-
Net position				
Net investment in capital assets	69,702,069	8,611,322	78,313,391	4,626,651
Restricted for:				
Debt service	8,153	5,610,068	5,618,221	-
Foreclosures	-	2,516,160	2,516,160	-
Judicial programs	461,559	-	461,559	-
General government	16,283	-	16,283	-
Public safety programs	417,040	-	417,040	-
Public works programs	2,855,293	-	2,855,293	-
Health and welfare programs	2,040,607	-	2,040,607	-
Recreation and cultural programs	355,516	-	355,516	-
Capital projects	734,486	-	734,486	-
Specific operating activities	-	641,422	641,422	-
Perpetual care - nonexpendable	37,686	-	37,686	-
Unrestricted	589,649	16,427,818	17,017,467	3,608,352
Total net position	\$ 77,218,341	\$ 33,806,790	\$ 111,025,131	\$ 8,235,003

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

COUNTY OF CALHOUN, MICHIGAN

Statement of Activities

For the Year Ended December 31, 2013

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government					
Governmental activities:					
Legislative	\$ 148,616	\$ -	\$ -	\$ -	\$ (148,616)
Judicial	11,522,672	3,387,980	3,013,270	-	(5,121,422)
General government	6,814,371	1,377,763	4,690,228	-	(746,380)
Public safety	19,438,820	7,278,728	1,269,397	-	(10,890,695)
Public works	12,793,820	1,928,436	11,209,766	-	344,382
Health and welfare	13,269,163	952,129	6,710,290	-	(5,606,744)
Recreation and cultural	1,555,510	143,185	264,518	-	(1,147,807)
Interest on long-term debt	730,998	-	-	-	(730,998)
Total governmental activities	66,273,970	15,068,221	27,157,469	-	(24,048,280)
Business-type activities:					
Medical Care Facility	14,620,762	13,620,184	74,704	-	(925,874)
Delinquent tax collections/forfeitures	1,224,763	3,491,669	-	-	2,266,906
Inmate concessions	245,891	381,843	-	-	135,952
Total business-type activities	16,091,416	17,493,696	74,704	-	1,476,984
Total primary government	\$ 82,365,386	\$ 32,561,917	\$ 27,232,173	\$ -	\$ (22,571,296)
Component units					
Water Resources	\$ 545,074	\$ -	\$ 14,468	\$ 254,354	\$ (276,252)
Land Bank	397,023	319,205	-	-	(77,818)
Total component units	\$ 942,097	\$ 319,205	\$ 14,468	\$ 254,354	\$ (354,070)

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COUNTY OF CALHOUN, MICHIGAN

Statement of Activities

For the Year Ended December 31, 2013

Functions/Programs	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Changes in net position				
Net (expense) revenue	\$ (24,048,280)	\$ 1,476,984	\$ (22,571,296)	\$ (354,070)
General revenues:				
Property taxes	21,620,992	797,346	22,418,338	-
Grants and contributions not restricted to specific programs	527,828	-	527,828	-
Unrestricted investment earnings	(4,568)	20,130	15,562	-
Transfers - internal activities	1,942,032	(1,940,000)	2,032	-
Total general revenues and transfers	24,086,284	(1,122,524)	22,963,760	-
Change in net position	38,004	354,460	392,464	(354,070)
Net position, beginning of year	77,180,337	33,452,330	110,632,667	8,589,073
Net position, end of year	\$ 77,218,341	\$ 33,806,790	\$ 111,025,131	\$ 8,235,003

concluded.

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

COUNTY OF CALHOUN, MICHIGAN

Balance Sheet
 Governmental Funds
 December 31, 2013

	General Fund	Health Department	Senior Millage	Road Department	Child Care
Assets					
Cash and cash equivalents	\$ 2,365,235	\$ 1,243,673	\$ 1,159,009	\$ 759,130	\$ -
Receivables:					
Accounts	608,586	52,185	-	1,716,531	-
Current taxes	1,856,734	-	2,613,457	-	-
Delinquent taxes	316,821	-	50,797	-	-
Due from other governments	1,490,757	207,243	-	-	451,349
Interfund receivable	382,590	-	-	-	-
Due from other funds	81,091	-	-	-	-
Advances to component unit	210,600	-	-	-	-
Prepaid items	340,383	-	-	-	-
Inventory	-	-	-	746,722	-
Total assets	\$ 7,652,797	\$ 1,503,101	\$ 3,823,263	\$ 3,222,383	\$ 451,349
Liabilities					
Accounts payable	\$ 375,332	\$ 86,546	\$ 306,679	\$ 531,259	\$ 45,516
Accrued liabilities	583,749	103,176	2,717	94,922	65,078
Due to other governments	313,747	156,986	-	485,371	-
Due to other funds	-	-	-	169,247	-
Advance from other funds	332,096	-	-	-	-
Interfund payables	-	-	-	-	62,232
Unearned revenue	4,300	400,230	-	-	-
Total liabilities	1,609,224	746,938	309,396	1,280,799	172,826
Deferred inflows of resources					
Unavailable revenue:					
Personnel property taxes	1,747,120	-	50,088	-	-
Due from other governments	-	-	-	71,879	-
Taxes levied for a subsequent period	-	-	2,640,577	-	-
Total deferred inflows of resources	1,747,120	-	2,690,665	71,879	-
Fund balances					
Nonspendable	550,983	-	-	746,722	-
Restricted for:					
Judicial	-	-	-	-	-
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	1,122,983	-
Health and welfare	-	756,163	823,202	-	278,523
Recreation and cultural	-	-	-	-	-
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
Perpetual care	-	-	-	-	-
Unassigned	3,745,470	-	-	-	-
Total fund balances	4,296,453	756,163	823,202	1,869,705	278,523
Total liabilities, deferred inflows of resources and fund balances	\$ 7,652,797	\$ 1,503,101	\$ 3,823,263	\$ 3,222,383	\$ 451,349

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

Other Governmental Funds	Total
\$ 2,570,296	\$ 8,097,343
299,877	2,677,179
350,817	4,821,008
13,367	380,985
1,031,417	3,180,766
-	382,590
88,156	169,247
-	210,600
10,902	351,285
-	746,722
<u>\$ 4,364,832</u>	<u>\$ 21,017,725</u>
\$ 278,989	\$ 1,624,321
145,033	994,675
41,000	997,104
-	169,247
-	332,096
320,358	382,590
12,706	417,236
<u>798,086</u>	<u>4,917,269</u>
13,359	1,810,567
-	71,879
354,357	2,994,934
<u>367,716</u>	<u>4,877,380</u>
10,902	1,308,607
461,559	461,559
16,283	16,283
417,040	417,040
985,588	2,108,571
182,719	2,040,607
344,614	344,614
8,153	8,153
734,486	734,486
37,686	37,686
-	3,745,470
<u>3,199,030</u>	<u>11,223,076</u>
<u>\$ 4,364,832</u>	<u>\$ 21,017,725</u>

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COUNTY OF CALHOUN, MICHIGAN

Reconciliation

Fund Balances for Governmental Funds
to Net Position of Governmental Activities
December 31, 2013

Fund balances - total governmental funds	\$ 11,223,076
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 not reported in the funds.	
Capital assets not being depreciated	29,725,274
Capital assets being depreciated	131,680,328
Accumulated depreciation	(80,814,252)
Long-term assets are not available to pay for current-period expenditures. Bonds payable and interest of various municipalities are to be repaid by the municipality.	
Accounts receivable	5,255,000
Because the focus of governmental funds is on short-term financing, some assets will not be available to pay for current-period expenditures. Those assets (such as certain receivables) are offset by deferred inflows in the governmental funds, and thus are not included in fund balance.	
Unavailable property taxes	1,810,567
Unavailable receivable amounts	71,879
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 internal service funds are included in governmental activities in the statement of net position.	
Net position of governmental activities accounted for in internal service funds	4,493,972
Certain liabilities, such as bonds and capital leases payable, are not due and payable in the current period, and therefore are not reported in the funds.	
Bonds and capital leases payable, long-term portion	(16,051,250)
Bonds and capital leases payable, current portion	(1,822,536)
Unamortized bond discount	90,642
Unamortized gain on bond refunding	(6,635)
Other postemployment benefit obligation	(6,141,589)
Compensated absences	(2,140,756)
Accrued interest on long-term liabilities	(155,379)
Net position of governmental activities	<u>\$ 77,218,341</u>

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

COUNTY OF CALHOUN, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the Year Ended December 31, 2013

	General Fund	Health Department	Senior Millage	Road Department	Child Care
Revenues					
Taxes	\$ 17,678,401	\$ -	\$ 2,605,122	\$ -	\$ -
Contributions	-	-	-	-	-
Licenses and permits	111,088	368,087	-	98,862	-
Intergovernmental	5,101,221	4,225,752	-	10,940,695	1,800,036
Charges for services	10,485,422	325,662	-	1,571,579	234,193
Fines and forfeitures	826,656	-	-	-	-
Interest income (loss) and rents	(14,361)	-	822	-	-
Other	1,587,992	20,178	58,129	165,863	-
Total revenues	35,776,419	4,939,679	2,664,073	12,776,999	2,034,229
Expenditures					
Current:					
Legislative	121,733	-	-	-	-
Judicial	6,921,710	-	-	-	-
General government	6,257,486	-	-	-	-
Public safety	16,004,747	-	-	-	-
Public works	395,693	-	-	11,874,190	-
Health and welfare	934,830	5,901,483	2,691,326	-	3,873,214
Recreation and cultural	-	-	-	-	-
Other	8,229	-	-	-	-
Debt service:					
Principal	-	-	-	459,716	-
Interest and fiscal charges	-	-	-	36,427	-
Capital outlay	-	-	-	-	-
Total expenditures	30,644,428	5,901,483	2,691,326	12,370,333	3,873,214
Revenues over (under) expenditures	5,131,991	(961,804)	(27,253)	406,666	(1,838,985)
Other financing sources (uses)					
Transfers in	3,279,039	867,035	-	-	1,890,577
Transfers out	(8,397,172)	-	-	-	-
Issuance of long-term debt	-	-	-	-	-
Total other financing sources (uses)	(5,118,133)	867,035	-	-	1,890,577
Net change in fund balances	13,858	(94,769)	(27,253)	406,666	51,592
Fund balances, beginning of year	4,282,595	850,932	850,455	1,463,039	226,931
Fund balances, end of year	\$ 4,296,453	\$ 756,163	\$ 823,202	\$ 1,869,705	\$ 278,523

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

Other Governmental Funds	Total
\$ 1,294,860	\$ 21,578,383
816,138	816,138
60,815	638,852
3,622,247	25,689,951
804,983	13,421,839
99,584	926,240
1,507	(12,032)
141,810	1,973,972
<u>6,841,944</u>	<u>65,033,343</u>
-	121,733
3,907,122	10,828,832
211,231	6,468,717
1,874,141	17,878,888
283,496	12,553,379
138,340	13,539,193
1,540,317	1,540,317
220	8,449
1,463,691	1,923,407
675,310	711,737
815,769	815,769
<u>10,909,637</u>	<u>66,390,421</u>
<u>(4,067,693)</u>	<u>(1,357,078)</u>
4,156,134	10,192,785
(641,565)	(9,038,737)
155,882	155,882
<u>3,670,451</u>	<u>1,309,930</u>
(397,242)	(47,148)
<u>3,596,272</u>	<u>11,270,224</u>
<u>\$ 3,199,030</u>	<u>\$ 11,223,076</u>

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COUNTY OF CALHOUN, MICHIGAN

Reconciliation

Net Changes in Fund Balances of Governmental Funds
to Change in Net Position of Governmental Activities
For the Year Ended December 31, 2013

Net change in fund balances - total governmental funds \$ (47,148)

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

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

Capital outlay	4,232,899
Depreciation expense	(4,341,944)
Net book value of capital assets sold	(46,223)

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 fiscal year.

Change in deferred property taxes and special assessments	42,609
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Bond proceeds provide current financial resources to governmental funds, but issuing debt 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.

Principal payments on long-term liabilities	1,923,407
Proceeds from capital leases	(155,882)
Amortization of bond discount	(10,328)
Amortization of gain on refunding	1,328

Governmental funds report payments received by other municipalities for principal debt service as revenue, and other , but the statement of activities does not.

	(498,121)
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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 on bonds	(10,261)
Change in the accrual for net other postemployment benefit obligations	(1,209,580)
Change in the accrual of compensated absences	(200,104)

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 net revenue (expense) of internal service funds is reported with governmental activities.

Interest revenue from governmental internal service funds	9,793
Net operating loss from governmental activities accounted for in internal service funds	(440,425)
Internal activities (transfers) accounted for in internal service funds	787,984

Change in net position of governmental activities

\$	<u>38,004</u>
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The accompanying notes are an integral part of these financial statements.

COUNTY OF CALHOUN, MICHIGAN

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual - General Fund

For the Year Ended December 31, 2013

(With Comparative Actual Amounts for the Year Ended December 31, 2012)

	Original Budget	Amended Budget	Actual	Over (Under) Budget	2012
Revenues					
Taxes:					
Property taxes	\$ 17,620,391	\$ 17,620,391	\$ 17,396,338	\$ (224,053)	\$ 17,494,923
Industrial/commercial facilities tax	200,000	200,000	132,988	(67,012)	212,249
Payment in lieu of taxes	30,000	30,000	55,984	25,984	25,749
Trailer fees	14,000	14,000	15,279	1,279	13,220
Interest and fees	25,000	25,000	77,812	52,812	47,020
Total taxes	17,889,391	17,889,391	17,678,401	(210,990)	17,793,161
Licenses and permits:					
Dog licenses	56,000	56,000	49,547	(6,453)	51,769
Concealed weapons licenses	37,000	62,777	56,576	(6,201)	38,116
Marriage licenses	5,000	5,000	4,965	(35)	4,670
Total licenses and permits	98,000	123,777	111,088	(12,689)	94,555
Intergovernmental:					
Revenue sharing	2,357,550	2,357,550	2,320,651	(36,899)	2,290,311
Emergency services	26,000	37,247	42,474	5,227	28,918
Circuit judges' salary	182,900	182,900	177,967	(4,933)	181,996
District judges' salary	182,900	182,900	183,796	896	181,996
Probate judges' salary	148,500	148,500	148,523	23	148,541
Sheriff	10,000	10,000	6,273	(3,727)	5,634
Prosecuting Attorney	51,161	71,661	51,161	(20,500)	53,560
Juvenile officer grant	52,776	52,776	52,776	-	52,776
Marine safety	35,000	35,000	55,944	20,944	35,000
Liquor law enforcement	9,300	9,300	9,221	(79)	9,025
Liquor taxes	908,386	1,014,086	1,013,630	(456)	896,748
Cigarette taxes	-	-	5,419	5,419	7,202
Court equity program	840,000	840,000	739,092	(100,908)	783,343
ADC incentive	260,000	260,000	252,396	(7,604)	247,255
Juror fee reimbursement	55,000	55,000	41,898	(13,102)	56,825
Total intergovernmental	5,119,473	5,256,920	5,101,221	(155,699)	4,979,130
Charges for services:					
Circuit court fees	324,900	324,900	298,051	(26,849)	298,071
District court fees	2,192,000	2,192,000	1,855,722	(336,278)	2,052,723
Friend of the court fees	143,000	143,000	191,910	48,910	203,340
Probate court fees	71,486	71,486	75,559	4,073	61,915
Public defender fees	144,000	144,000	97,348	(46,652)	103,305
Election fees	11,000	17,000	24,784	7,784	37,174
Clerk/register fees	935,526	935,526	915,065	(20,461)	772,355
Prosecuting attorney fees	6,900	18,081	16,902	(1,179)	29,413
Equalization fees	145,400	150,976	156,768	5,792	153,317
Treasurer fees	12,000	20,000	21,857	1,857	23,303
Survey and remonumentation	1,000	6,100	7,152	1,052	1,000
Sheriff service fees	7,780,746	8,071,314	6,747,493	(1,323,821)	6,674,103
Chemical waste	-	-	670	670	1,064

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COUNTY OF CALHOUN, MICHIGAN

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual - General Fund

For the Year Ended December 31, 2013

(With Comparative Actual Amounts for the Year Ended December 31, 2012)

	Original Budget	Amended Budget	Actual	Over (Under) Budget	2012
Revenues (continued)					
Charges for services (concluded)					
IRS enforcement	\$ 68,000	\$ 68,000	\$ 51,497	\$ (16,503)	\$ 71,748
Collection fees	15,000	15,000	24,644	9,644	18,176
Total charges for services	<u>11,850,958</u>	<u>12,177,383</u>	<u>10,485,422</u>	<u>(1,691,961)</u>	<u>10,501,007</u>
Fines and forfeitures:					
Bond forfeitures	80,000	80,000	86,721	6,721	69,046
Ordinance fines and costs	780,000	780,000	739,935	(40,065)	790,905
Total fines and forfeitures	<u>860,000</u>	<u>860,000</u>	<u>826,656</u>	<u>(33,344)</u>	<u>859,951</u>
Interest and rents -					
Interest income (loss) on investments	<u>50,000</u>	<u>50,000</u>	<u>(14,361)</u>	<u>(64,361)</u>	<u>51,725</u>
Other:					
Indirect cost reimbursements	393,792	393,792	361,956	(31,836)	437,660
Miscellaneous	1,134,397	1,231,976	1,226,036	(5,940)	1,205,954
Total other	<u>1,528,189</u>	<u>1,625,768</u>	<u>1,587,992</u>	<u>(37,776)</u>	<u>1,643,614</u>
Total revenues	<u>37,396,011</u>	<u>37,983,239</u>	<u>35,776,419</u>	<u>(2,206,820)</u>	<u>35,923,143</u>
Expenditures					
Legislative -					
Board of commissioners	<u>125,587</u>	<u>125,587</u>	<u>121,733</u>	<u>(3,854)</u>	<u>132,815</u>
Judicial:					
Circuit court	910,497	910,497	860,890	(49,607)	860,233
Circuit court - family	810,554	810,554	647,360	(163,194)	785,540
Indigent public defender	1,544,264	1,605,964	1,612,736	6,772	1,672,367
District court	3,120,899	3,126,499	3,073,803	(52,696)	3,243,405
Probate court	628,540	628,540	619,374	(9,166)	612,159
Circuit court probation	26,616	26,616	23,463	(3,153)	24,028
Court services	97,452	97,452	84,084	(13,368)	85,306
Total judicial	<u>7,138,822</u>	<u>7,206,122</u>	<u>6,921,710</u>	<u>(284,412)</u>	<u>7,283,038</u>
General government:					
Elections	138,919	138,919	116,153	(22,766)	230,977
Civil counsel	143,296	143,296	139,227	(4,069)	132,466
Clerk of the circuit court	649,642	654,642	653,926	(716)	558,221
Clerk/register	578,114	578,114	562,271	(15,843)	542,348
Administrator	377,338	379,838	376,302	(3,536)	365,320
Finance	402,519	351,369	348,152	(3,217)	350,122
Equalization	562,357	567,933	536,491	(31,442)	525,457
Personnel	307,541	304,541	296,871	(7,670)	284,235
Purchasing	68,676	70,051	69,718	(333)	69,875
Prosecuting attorney	2,133,553	2,178,134	2,182,836	4,702	2,211,524
Treasurer	427,713	435,713	440,476	4,763	427,772

continued...

COUNTY OF CALHOUN, MICHIGAN

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual - General Fund

For the Year Ended December 31, 2013

(With Comparative Actual Amounts for the Year Ended December 31, 2012)

	Original Budget	Amended Budget	Actual	Over (Under) Budget	2012
Expenditures (continued)					
General government (concluded)					
Cooperative extension	\$ 156,342	\$ 156,342	\$ 149,115	\$ (7,227)	\$ 153,244
Water Resources commissioner	146,385	183,985	187,904	3,919	174,338
Administrative services	3,741	21,916	19,213	(2,703)	35,710
Planning department	30,445	37,195	33,743	(3,452)	28,580
Emergency services	112,870	124,756	115,569	(9,187)	110,616
Oil spill services	-	20,000	7,175	(12,825)	27,617
Early retirement incentive payments	-	14,000	13,564	(436)	25,836
Soil conservation district	8,000	8,000	8,000	-	8,260
Chemical waste services	3,000	3,000	780	(2,220)	1,064
Potawatomi RC&D	500	500	-	(500)	-
Total general government	6,250,951	6,372,244	6,257,486	(114,758)	6,263,582
Public safety:					
Sheriff - administration	571,119	644,119	590,587	(53,532)	581,113
Support service	418,878	418,878	395,185	(23,693)	410,350
Detective division	175,652	181,777	183,093	1,316	174,149
Road patrol	1,665,907	1,643,692	1,587,398	(56,294)	1,355,944
Pennfield contract	879,976	845,289	772,960	(72,329)	790,198
Traffic safety	344,676	356,462	356,866	404	313,779
Sheriff training	93,326	93,326	87,070	(6,256)	88,208
Convis Township contract	75,225	77,852	79,770	1,918	75,278
Civil process	170,830	181,330	173,759	(7,571)	164,837
T.E.A.M.	45,666	51,355	47,003	(4,352)	51,576
CISD	74,628	75,613	61,792	(13,821)	60,960
Marine safety	66,047	65,937	65,400	(537)	48,330
Corrections/jail	11,272,601	11,232,601	10,948,917	(283,684)	11,452,815
Community corrections - administration	239,988	245,699	244,773	(926)	223,100
Drug enforcement	-	275	274	(1)	872
IRS Enforcement	71,990	71,990	53,190	(18,800)	67,049
Animal control	132,654	141,829	143,966	2,137	167,825
Springfield	-	250,459	212,744	(37,715)	-
Total public safety	16,299,163	16,578,483	16,004,747	(573,736)	16,026,383
Public works:					
Drain assessments	274,633	389,330	389,328	(2)	268,077
Board of public works	6,365	6,365	6,365	-	6,572
Total public works	280,998	395,695	395,693	(2)	274,649

continued...

COUNTY OF CALHOUN, MICHIGAN

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual - General Fund

For the Year Ended December 31, 2013

(With Comparative Actual Amounts for the Year Ended December 31, 2012)

	Original Budget	Amended Budget	Actual	Over (Under) Budget	2012
Expenditures (concluded)					
Health and welfare:					
Substance abuse	\$ 454,193	\$ 506,893	\$ 506,815	\$ (78)	\$ 448,374
Mental health	265,000	265,000	265,000	-	265,000
Medical examiner	-	-	-	-	151,144
Veteran's burials	3,685	3,685	3,675	(10)	7,950
Veteran's services	155,358	160,858	159,340	(1,518)	152,921
Total health and welfare	878,236	936,436	934,830	(1,606)	1,025,389
Other - intergovernmental services	50,000	16,450	8,229	(8,221)	29,536
Debt Service:					
Principal	-	-	-	-	7,040
Interest and fiscal charges	-	-	-	-	436
Total debt service	-	-	-	-	7,476
Total expenditures	31,023,757	31,631,017	30,644,428	(986,589)	31,042,868
Revenue over expenditures	6,372,254	6,352,222	5,131,991	(1,220,231)	4,880,275
Other financing sources (uses)					
Transfers in	2,406,919	2,428,219	3,279,039	850,820	3,524,350
Transfers out	(8,613,631)	(8,602,856)	(8,397,172)	205,684	(8,389,668)
Total other financing uses	(6,206,712)	(6,174,637)	(5,118,133)	1,056,504	(4,865,318)
Net change in fund balance	165,542	177,585	13,858	(163,727)	14,957
Fund balance, beginning of year	4,282,595	4,282,595	4,282,595	-	4,267,638
Fund balance, end of year	\$ 4,448,137	\$ 4,460,180	\$ 4,296,453	\$ (163,727)	\$ 4,282,595

concluded.

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

COUNTY OF CALHOUN, MICHIGAN

Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual - Health Department
 For the Year Ended September 30, 2013
 (With Comparative Actual Amounts for the Year Ended September 30, 2012)

	Original Budget	Amended Budget	Actual	Over (Under) Budget	2012
Revenues					
Licenses and permits	\$ 310,000	\$ 310,000	\$ 368,087	\$ 58,087	\$ 330,517
Intergovernmental	4,303,089	4,469,624	4,225,752	(243,872)	4,153,918
Charges for services	244,644	343,197	325,662	(17,535)	300,137
Other	20,000	33,800	20,178	(13,622)	31,437
Total revenues	4,877,733	5,156,621	4,939,679	(216,942)	4,816,009
Expenditures					
Current -					
Health and welfare	6,090,485	6,397,614	5,901,483	(496,131)	5,415,792
Revenues under expenditures	(1,212,752)	(1,240,993)	(961,804)	279,189	(599,783)
Other financing sources					
Transfers in	868,930	870,930	867,035	(3,895)	763,336
Net change in fund balance	(343,822)	(370,063)	(94,769)	275,294	163,553
Fund balance, beginning of year	850,932	850,932	850,932	-	687,379
Fund balance, end of year	\$ 507,110	\$ 480,869	\$ 756,163	\$ 275,294	\$ 850,932

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

COUNTY OF CALHOUN, MICHIGAN

Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual - Senior Millage
 For the Year Ended December 31, 2013
 (With Comparative Actual Amounts for the Year Ended December 31, 2012)

	Original Budget	Amended Budget	Actual	Over (Under) Budget	2012
Revenues					
Taxes	\$ 2,679,045	\$ 2,679,045	\$ 2,605,122	\$ (73,923)	2,586,571
Interest and rents	-	-	822	822	-
Other	19,500	19,500	58,129	38,629	19,230
Total revenues	2,698,545	2,698,545	2,664,073	(34,472)	2,605,801
Expenditures					
Current -					
Health and welfare	2,815,267	2,834,267	2,691,326	(142,941)	2,648,610
Revenues under expenditures	(116,722)	(135,722)	(27,253)	108,469	(42,809)
Fund balance, beginning of year	850,455	850,455	850,455	-	893,264
Fund balance, end of year	\$ 733,733	\$ 714,733	\$ 823,202	\$ 108,469	\$ 850,455

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

COUNTY OF CALHOUN, MICHIGAN

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual - Road Department

For the Year Ended December 31, 2013

(With Comparative Actual Amounts for the Year Ended December 31, 2012)

	Original Budget	Amended Budget	Actual	Over (Under) Budget	2012
Revenues					
Licenses and permits	\$ 75,000	\$ 75,000	\$ 98,862	\$ 23,862	\$ 87,374
Intergovernmental	12,136,127	12,136,127	10,940,695	(1,195,432)	8,734,215
Charges for services	1,482,000	1,482,000	1,571,579	89,579	1,692,984
Other	60,000	60,000	165,863	105,863	214,503
Total revenues	13,753,127	13,753,127	12,776,999	(976,128)	10,729,076
Expenditures					
Public works	13,256,334	13,256,334	11,874,190	(1,382,144)	9,041,083
Debt service:					
Principal	459,261	459,261	459,716	455	628,222
Interest and fiscal charges	37,532	37,532	36,427	(1,105)	49,022
Total expenditures	13,753,127	13,753,127	12,370,333	(1,382,794)	9,718,327
Revenues over (under) expenditures	-	-	406,666	406,666	1,010,749
Fund balance, beginning of year	1,463,039	1,463,039	1,463,039	-	452,290
Fund balance, end of year	\$ 1,463,039	\$ 1,463,039	\$ 1,869,705	\$ 406,666	\$ 1,463,039

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

COUNTY OF CALHOUN, MICHIGAN

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual - Child Care

For the Year Ended December 31, 2013

(With Comparative Actual Amounts for the Year Ended December 31, 2012)

	Original Budget	Amended Budget	Actual	Over (Under) Budget	2012
Revenues					
Intergovernmental	\$ 2,039,727	\$ 2,065,727	\$ 1,800,036	\$ (265,691)	2,143,086
Charges for services	167,500	167,500	234,193	66,693	152,884
Total revenues	2,207,227	2,233,227	2,034,229	(198,998)	2,295,970
Expenditures					
Current -					
Health and welfare	4,272,167	4,298,167	3,873,214	(424,953)	4,160,176
Revenues under expenditures	(2,064,940)	(2,064,940)	(1,838,985)	225,955	(1,864,206)
Other financing sources					
Transfers in	2,023,561	2,023,561	1,890,577	(132,984)	1,905,587
Net change in fund balance	(41,379)	(41,379)	51,592	92,971	41,381
Fund balance, beginning of year	226,931	226,931	226,931	-	185,550
Fund balance, end of year	\$ 185,552	\$ 185,552	\$ 278,523	\$ 92,971	\$ 226,931

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

COUNTY OF CALHOUN, MICHIGAN

Statement of Net Position

Proprietary Funds
December 31, 2013

	Business-type Activities				Governmental Activities
	Medical Care Facility	Delinquent Tax Revolving Fund	Other Enterprise Funds	Total	Internal Service Funds
Assets					
Current assets:					
Cash and cash equivalents	\$ 1,428,264	\$ 11,107,134	\$ 228,830	\$ 12,764,228	\$ 2,897,556
Investments	-	997,543	-	997,543	-
Receivables:					
Accounts, net	2,273,203	-	50,519	2,323,722	224,799
Property taxes	859,991	-	-	859,991	-
Property taxes-delinquent	-	8,022,861	-	8,022,861	-
Accrued interest	-	2,298,484	-	2,298,484	-
Due from other governments	-	597,270	-	597,270	18,114
Advance to other funds	-	434,755	-	434,755	-
Advances to component units	-	40,634	-	40,634	-
Inventory	-	-	-	-	5,470
Prepaid items	281,601	-	-	281,601	1,001,485
Total current assets	4,843,059	23,498,681	279,349	28,621,089	4,147,424
Capital assets, net	15,494,076	16,158	-	15,510,234	1,645,498
Total assets	20,337,135	23,514,839	279,349	44,131,323	5,792,922
Deferred outflows of resources					
Deferred charge on refunding	193,589	-	-	193,589	-
Liabilities					
Current liabilities:					
Accounts payable	189,954	-	12,710	202,664	339,533
Accrued liabilities	786,909	41,743	-	828,652	21,583
Claims payable	-	-	-	-	835,175
Due to other governments	-	169,863	-	169,863	-
Advance to other funds	-	-	-	-	102,659
Tax notes payable	-	1,549,000	-	1,549,000	-
Current portion of bonds payable	448,762	-	-	448,762	-
Total current liabilities	1,425,625	1,760,606	12,710	3,198,941	1,298,950
Long-term liabilities -					
Bonds payable	6,450,150	-	-	6,450,150	-
Total liabilities	7,875,775	1,760,606	12,710	9,649,091	1,298,950
Deferred inflows of resources					
Taxes levied for a subsequent period	869,031	-	-	869,031	-
Net position					
Net investment in capital assets	8,595,164	16,158	-	8,611,322	1,645,498
Restricted for debt service	-	5,610,068	-	5,610,068	-
Restricted for foreclosures	-	2,516,160	-	2,516,160	-
Restricted for specific operating activities	42,464	598,958	-	641,422	-
Unrestricted	3,148,290	13,012,889	266,639	16,427,818	2,848,474
Total net position	\$ 11,785,918	\$ 21,754,233	\$ 266,639	\$ 33,806,790	\$ 4,493,972

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

COUNTY OF CALHOUN, MICHIGAN

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

Proprietary Funds

For the Year Ended December 31, 2013

	Business-type Activities				Governmental Activities
	Medical Care Facility	Delinquent Tax Revolving Fund	Other Enterprise Funds	Total	Internal Service Funds
Operating revenues					
Charges for services	\$ 13,620,184	\$ -	\$ 381,843	\$ 14,002,027	\$ 10,651,577
Interest on taxes	-	1,586,339	-	1,586,339	-
Administrative fees and penalties	-	1,905,330	-	1,905,330	-
Other revenue	74,704	-	-	74,704	39,521
Total operating revenues	13,694,888	3,491,669	381,843	17,568,400	10,691,098
Operating expenses					
Personnel services / administration	7,429,869	1,182,498	-	8,612,367	591,488
Cost of services	-	-	-	-	10,308,161
Depreciation	738,616	9,947	-	748,563	231,874
Other	6,216,646	-	245,891	6,462,537	-
Total operating expenses	14,385,131	1,192,445	245,891	15,823,467	11,131,523
Operating income (loss)	(690,243)	2,299,224	135,952	1,744,933	(440,425)
Nonoperating revenues (expense)					
Property taxes	797,346	-	-	797,346	-
Interest revenue	-	20,130	-	20,130	9,793
Interest and fiscal charges	(235,631)	(32,318)	-	(267,949)	-
Total nonoperating revenues (expense)	561,715	(12,188)	-	549,527	9,793
Income (loss) before transfers	(128,528)	2,287,036	135,952	2,294,460	(430,632)
Transfers					
Transfers in	-	-	-	-	2,012,263
Transfers out	-	(1,740,000)	(200,000)	(1,940,000)	(1,224,279)
Total transfers	-	(1,740,000)	(200,000)	(1,940,000)	787,984
Change in net position	(128,528)	547,036	(64,048)	354,460	357,352
Net position, beginning of year	11,914,446	21,207,197	330,687	33,452,330	4,136,620
Net position, end of year	\$ 11,785,918	\$ 21,754,233	\$ 266,639	\$ 33,806,790	\$ 4,493,972

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

COUNTY OF CALHOUN, MICHIGAN

Statement of Cash Flows
 Proprietary Funds
 For the Year Ended December 31, 2013

	Business-type Activities				Governmental Activities
	Medical Care Facility	Delinquent Tax Revolving Fund	Other Enterprise Funds	Total	Internal Service Funds
Cash flows from operating activities					
Cash received from customers	\$ 13,832,854	\$ 18,024,318	\$ 369,595	\$ 32,226,767	\$ -
Cash received from interfund services	-	-	-	-	10,634,506
Cash payments to suppliers	(6,234,307)	(13,063,206)	(240,198)	(19,537,711)	(9,743,470)
Cash payments to employees	(7,429,869)	-	-	(7,429,869)	(917,134)
Net cash provided by (used in) operating activities	168,678	4,961,112	129,397	5,259,187	(26,098)
Cash flows from noncapital financing activities					
Property taxes	789,840	-	-	789,840	-
Cash received/paid on advances to other funds	-	139,695	-	139,695	-
Advance to component unit	-	(30,000)	-	(30,000)	-
Transfers in	-	-	-	-	2,012,263
Transfers (out)	-	(1,740,000)	(200,000)	(1,940,000)	(1,224,279)
Tax notes issued	-	7,500,000	-	7,500,000	-
Tax notes redeemed	-	(10,451,000)	-	(10,451,000)	-
Net cash provided by (used in) noncapital financing activities	789,840	(4,581,305)	(200,000)	(3,991,465)	787,984
Cash flows from capital and related financing activities					
Purchase of capital assets	(136,722)	(17,000)	-	(153,722)	-
Bond and capital lease payments	(6,450,000)	-	-	(6,450,000)	(3,283)
Interest on long-term debt	(235,631)	(32,318)	-	(267,949)	-
Deferred charges of refunding	(193,589)	-	-	(193,589)	-
Proceeds and premium from issuance of bonds	6,548,912	-	-	6,548,912	-
Net cash used in capital and related financing activities	(467,030)	(49,318)	-	(516,348)	(3,283)
Cash flows from investing activities					
Purchase of investments	-	(997,543)	-	(997,543)	-
Sale of investments	-	1,000,000	-	1,000,000	-
Interest received	701	20,130	-	20,831	9,793
Net cash provided by investing activities	701	22,587	-	23,288	9,793
Net change in cash and cash equivalents	492,189	353,076	(70,603)	774,662	768,396
Cash and cash equivalents, beginning of year	936,075	10,754,058	299,433	11,989,566	2,129,160
Cash and cash equivalents, end of year	\$ 1,428,264	\$ 11,107,134	\$ 228,830	\$ 12,764,228	\$ 2,897,556

continued...

COUNTY OF CALHOUN, MICHIGAN

Statement of Cash Flows
 Proprietary Funds
 For the Year Ended December 31, 2013

	Business-type Activities				Governmental Activities
	Medical Care Facility	Delinquent Tax Revolving Fund	Other Enterprise Funds	Total	Internal Service Funds
Cash flows from operating activities					
Operating income (loss)	\$ (690,243)	\$ 2,299,224	\$ 135,952	\$ 1,744,933	\$ (440,425)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) Operations:					
Depreciation	738,616	9,947	-	748,563	231,874
Changes in assets and liabilities:					
Accounts receivable	132,654	-	(12,248)	120,406	(44,780)
Due from other governments	-	1,045,613	-	1,045,613	(10,003)
Property taxes receivable	(6,013)	1,148,902	-	1,142,889	-
Accrued interest receivable	-	395,975	-	395,975	-
Inventory	-	-	-	-	(1,673)
Prepaid items	(93,697)	-	-	(93,697)	41,267
Accounts payable	(56,920)	-	5,693	(51,227)	109,068
Accrued liabilities	138,969	(1,321)	-	137,648	3,310
Claims payable	-	-	-	-	116,278
Due to other governments	-	62,852	-	62,852	-
Due to other funds	-	(80)	-	(80)	(31,014)
Unearned revenue	5,312	-	-	5,312	-
Net cash provided by (used in) operating activities	<u>\$ 168,678</u>	<u>\$ 4,961,112</u>	<u>\$ 129,397</u>	<u>\$ 5,259,187</u>	<u>\$ (26,098)</u>

concluded.

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

COUNTY OF CALHOUN, MICHIGAN

Statement of Fiduciary Net Position

Fiduciary Funds
December 31, 2013

	Pension Trust Funds	Agency Funds
Assets		
Cash and cash equivalents	\$ 43,921	\$ 2,062,688
Accounts receivable	-	237,087
	<hr/>	<hr/>
Total assets	43,921	\$ 2,299,775
	<hr/>	<hr/>
Liabilities		
Accounts payable	-	\$ 690,283
Due to individuals and agencies	-	702,267
Due to other governments	-	907,225
	<hr/>	<hr/>
Total liabilities	-	\$ 2,299,775
	<hr/>	<hr/>
Net position held in trust for		
Retirement benefits	88	
Employee benefits	43,833	
	<hr/>	
Total net position	\$ 43,921	
	<hr/>	

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

COUNTY OF CALHOUN, MICHIGAN

Statement of Changes in Fiduciary Net Position

Pension Trust Funds

For the Year Ended December 31, 2013

Additions

Investment income:

Change in fair value of investments	\$ 139,880
Interest	213,111
Total investment income	<u>352,991</u>

Contributions:

Plan members	<u>112,288</u>
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Total additions

465,279

Deductions

Pension benefits paid to participants	80,415
Actuarial fees	22,575
Transfer to MERS retirement system	17,748,442
Employee reimbursements	<u>109,236</u>

Total deductions

17,960,668

Net decrease

(17,495,389)

Net position in trust for pension and employee benefits

Beginning of year	<u>17,539,310</u>
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End of year

\$ 43,921

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

COUNTY OF CALHOUN, MICHIGAN

Combining Statement of Net Position

Component Units
December 31, 2013

	Water Resources Commission	Land Bank Authority	Total
Assets			
Cash and cash equivalents	\$ 597,730	\$ 327,551	\$ 925,281
Receivables, net	3,069,507	29,393	3,098,900
Due from other governments	-	5,806	5,806
Property inventory	-	977,705	977,705
Capital assets being depreciated, net	8,853,371	15,300	8,868,671
Total assets	12,520,608	1,355,755	13,876,363
Liabilities			
Accounts payable and accrued liabilities	208,487	74,134	282,621
Advances from primary government	240,600	10,634	251,234
Long-term liabilities:			
Due within one year	1,776,500	-	1,776,500
Due in more than one year	2,465,520	865,485	3,331,005
Total liabilities	4,691,107	950,253	5,641,360
Net position			
Net investment in capital assets	4,611,351	15,300	4,626,651
Unrestricted	3,218,150	390,202	3,608,352
Total net position	\$ 7,829,501	\$ 405,502	\$ 8,235,003

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

COUNTY OF CALHOUN, MICHIGAN

Combining Statement of Activities

Component Units

For the Year Ended December 31, 2013

	Water Resources Commission	Land Bank Authority	Total
Expenses			
County Drains	\$ 545,074	\$ -	\$ 545,074
Land Bank	-	397,023	397,023
Total expenses	<u>545,074</u>	<u>397,023</u>	<u>942,097</u>
Program revenues			
Charges for services	-	319,205	319,205
Operating grants and contributions	14,468	-	14,468
Capital grants and contributions	254,354	-	254,354
Total program revenues	<u>268,822</u>	<u>319,205</u>	<u>588,027</u>
Net expense	(276,252)	(77,818)	(354,070)
Net position, beginning of year	<u>8,105,753</u>	<u>483,320</u>	<u>8,589,073</u>
Net position, end of year	<u>\$ 7,829,501</u>	<u>\$ 405,502</u>	<u>\$ 8,235,003</u>

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

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NOTES TO FINANCIAL STATEMENTS

County of Calhoun, Michigan

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COUNTY OF CALHOUN, MICHIGAN

Notes To Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Calhoun, Michigan (the “County” or “government”) was incorporated in 1829 and covers an area of approximately 710 square miles in southern lower Michigan. The County operates under a 7-member elected Board of Commissioners and an appointed County Administrator/Controller. The County seat is located in the City of Marshall.

The financial statements of the County have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government 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 government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government’s operations and so 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

Calhoun County Building Authority (the "Building Authority") - is governed by a three-member board appointed by the Calhoun County Board of Commissioners. Its sole function is to oversee the financing and construction, if any, of the County’s public buildings; therefore, it is reported as if it were part of the primary government. It has been reported as a debt service fund.

Discretely Presented Component Units

Calhoun County Water Resources Commission (the “Water Resources Commission”) - All drainage districts established pursuant to the Michigan Drain Code of 1956, as amended, 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 20 drainage districts consists of the Water Resources Commissioner, the Chair of the County Board of Commissioners and one other member of the County Board of Commissioners.

The County Water Resources Commission has sole responsibility to administer Chapter 3 and 4 drainage districts. A drainage board or Water Resources Commissioner, 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 a drainage district, which results in potential financial burden to the County.

COUNTY OF CALHOUN, MICHIGAN

Notes To Financial Statements

Also, pursuant to the Inland Lake Level Act of 1961, after the Circuit Court of the County establishes a lake level, the Water Resources Commissioner has the responsibility to maintain that level with control structures and/or pumps. The Water Resources Commission may issue debt and levy special assessments to defray the expenses required to maintain the Court ordered lake levels.

Calhoun County Land Bank Authority (the "Land Bank Authority") - The Land Bank Authority is a public corporation, organized pursuant to Michigan Land Bank Fast Track Public Act 258 and an Intergovernmental Agreement entered into between the Michigan Land Bank Fast Track Authority and the Calhoun County Treasurer. The Land Bank Authority is governed by a seven-member board including the Calhoun County Treasurer, who is, by law, its Chairperson, and six other members appointed by the County Board of Commissioners. The Land Bank Authority was created to acquire, hold, manage and develop tax-foreclosed properties, as well as other vacant and abandoned properties. The County Board of Commissioners can significantly influence the operations of the Land Bank Authority.

Complete financial statements for the discretely presented component unit may be obtained at the entity's administrative offices.

Calhoun County Land Bank Authority
315 W. Green Street
Marshall, Michigan 49068

A separate, stand-alone report is not issued for the Calhoun County Water Resources Commission.

Funds With Other Year Ends - The financial statements of the Health Department special revenue fund are presented in the accompanying financial statements using its fiscal year end of September 30, 2013.

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.

COUNTY OF CALHOUN, MICHIGAN

Notes To Financial Statements

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 reimbursement based grants. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, state revenue, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so 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 accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *health department fund* accounts for the activities of delivering health services to residents, funded by federal, state and local grants and contributions.

COUNTY OF CALHOUN, MICHIGAN

Notes To Financial Statements

The *senior millage special revenue fund* accounts for the activities of providing senior citizen services where financing is provided by a County tax levy.

The *road department special revenue fund* accounts for the activities of providing local and primary road construction and maintenance in the County. Funding is provided primarily from state and federal distributions and grants.

The *child care special revenue fund* accounts for the in-home-care programs and out-of-home child care of children where the financing is provided by state grants and County appropriations.

The County reports the following major proprietary funds:

The *medical care facility fund* is used to account for the operation of the Calhoun County Medical Care Facility. Financing is provided through charges for services, and Medicare and Medicaid reimbursements.

The *delinquent tax revolving fund* accounts for the County's annual purchase of delinquent real property taxes from each of the local taxing units within the County, and the ultimate collection from the property owners of the delinquent taxes with penalty and interest. The fund also accounts for the County's issuance of debt (to provide cash flow for the purchase of the taxes) and for the resulting debt service payments.

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 are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

The *capital projects fund* is used to 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.

Permanent funds account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the County's cemetery.

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.

The *internal service funds* account for those operations including, building and grounds, data processing, copy machine, mailing department, and insurance services provided to other departments or agencies of the government on a cost reimbursement basis.

COUNTY OF CALHOUN, MICHIGAN

Notes To Financial Statements

The *pension trust funds* are accounted for in essentially the same manner as proprietary funds, using the same measurement focus and basis of accounting. The pension trust funds account for the assets of the County's defined benefit pension plan and the Flexible Benefit Plan.

Agency funds are custodial in nature and do not present results of operations or have a measurement focus. 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.

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity

Deposits and Investments

The government's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are stated at fair value, which is determined as follows: a) short-term investments are reported at cost, which approximates fair value; b) securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates; c) investments that do not have established market values are reported at estimated fair value; and d) cash deposits are reported at carrying amount, which reasonably approximates fair value.

State statutes authorize the County to deposit in the accounts of federally insured banks, credit unions and savings and loan associations and to invest in obligations of the U.S. Treasury, certain commercial paper, repurchase agreements, bankers' acceptances, and mutual funds composed of otherwise legal investments.

COUNTY OF CALHOUN, MICHIGAN

Notes To Financial Statements

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 or component units are offset by a fund balance reserve account 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.

Inventories and Prepaid Items

All inventories are accounted for utilizing the consumption method and are valued at the lower of cost (first-in, first-out) or market.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements using the consumption method.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), 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 \$5,000 and an estimated useful life in excess of two years. 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 assets 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 assets constructed. No such interest expense was incurred during the current fiscal year.

In the case of the initial capitalization of general infrastructure assets (i.e. - those reported in the Primary Government and the Water Resources Commission component units), each chose to include all items retroactively to 1980.

COUNTY OF CALHOUN, MICHIGAN

Notes To Financial Statements

Capital assets of the primary government and Water Resources Commission component unit are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	40-50
Drain and lake level infrastructure	50
Vehicles	3-20
Equipment	5-10
Road infrastructure	8-50

Road equipment is depreciated primarily by the sum of years-digits method over periods ranging from 5 to 8 years.

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 future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government only has one item that qualifies for reporting in this category, which is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Compensated Absences

It is the government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. No liability is reported for unpaid accumulated sick leave as it does not vest. Vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-term Obligations

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

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

COUNTY OF CALHOUN, MICHIGAN

Notes To Financial Statements

Deferred Inflows of Resources

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The governmental funds report unavailable revenues, which arises only under a modified accrual basis of accounting, from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In addition, deferred inflows of resources are reported in the government-wide and governmental fund financial statements for property taxes levied during the year that were intended to finance future periods.

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 require to be maintained intact. Restricted fund balance is reported when externally imposed constraints are placed on the use of the resources by grantors, contributors, or laws or regulations of other governments. Committed fund balance is reported for amounts that can be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision making authority, the Board of Commissioners. A formal resolution of the Board of Commissioners is required to establish, modify or rescind a fund balance commitment. Assigned fund balance is reported for amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. Unassigned fund balance is the residual classification used for a general fund.

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

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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. Prior to December 31, the proposed budget is presented to the County Board of Commissioners for review, public hearings and eventual adoption through passage of an annual budget ordinance.

The appropriated budget is prepared by fund, function and activity for the general fund and by fund and function for the special revenue funds. The government's administrator may make transfers of appropriations less than or equal to \$20,000 between general fund activities and between special revenue fund functions. Transfers of appropriations between general fund activities or special revenue fund functions greater than \$20,000 require the approval of the Board of Commissioners. The legal level of budgetary control is the activity level for the general fund and the function level for the special revenue funds. The Board of Commissioners made several supplemental budgetary appropriations during the year which were not considered material.

COUNTY OF CALHOUN, MICHIGAN

Notes To Financial Statements

Excess of Expenditures Over Appropriations

State statutes provide that a local unit shall not incur expenditures in excess of the amount appropriated. During the year ended December 31, 2013, the following activities of certain funds had expenditures in excess of appropriations as follows:

	Amended Budget	Actual	Variance
General fund:			
Judicial -			
Indigent public defender	\$ 1,605,964	\$ 1,612,736	\$ 6,772
General government:			
Prosecuting attorney	2,178,134	2,182,836	4,702
Treasurer	435,713	440,476	4,763
Water resources commissioner	183,985	187,904	3,919
Public safety:			
Detective division	181,777	183,093	1,316
Traffic safety	356,462	356,866	404
Convis township contract	77,852	79,770	1,918
Animal control	141,829	143,966	2,137
Special Revenue:			
Road Department Fund -			
Principal	459,261	459,716	455
Accommodations tax - recreation and culture	1,132,000	1,169,153	37,153
Local emergency planning - public safety	1,000	1,690	690
Soldier's relief - health and welfare	17,139	19,891	2,752
Public works department	-	19,163	19,163

These over expenditures were covered by available fund balance.

Fund Deficit

The County Drain and Lake Level Capital Projects Funds of the Water Resources Commission component unit have fund balance deficits of \$31,666 and \$29,704, respectively, as of December 31, 2013. The Water Resources Commission plans to eliminate these deficits in 2014 through special assessment levies.

COUNTY OF CALHOUN, MICHIGAN

Notes To Financial Statements

3. DEPOSITS AND INVESTMENTS

Following is a reconciliation of deposit and investments balances (including both pooled cash and investments) as of December 31, 2013:

	Primary Government	Component Units	Total
Statement of Net Position:			
Cash and cash equivalents	\$ 23,759,127	\$ 925,281	\$ 24,684,408
Investments	997,543	-	997,543
Statement of Fiduciary Net Position			
Cash and cash equivalents	2,106,609	-	2,106,609
Total	\$ 26,863,279	\$ 925,281	\$ 27,788,560
Deposits and Investments:			
Bank deposits			\$ 23,660,184
Investments			4,102,302
Cash on hand			26,074
Total			\$ 27,788,560

The County chooses to disclose its investments by specifically identifying each. As of year end, the County had the following investments.

	Maturity	Carrying Amount (Fair Value)	Credit Rating
Certificates of deposit	1/26/2014	\$ 500,000	Not rated
Certificates of deposit	4/30/2014	37,686	Not rated
Certificates of deposit	8/6/2014	250,000	Not rated
Certificates of deposit	6/27/2015	250,000	Not rated
Federal national mortgage association	7/5/2016	496,535	Moody AAA
Federal national mortgage association	9/21/2018	485,435	Moody AAA
Municipal bonds	11/15/2019	235,103	S&P AA-
Municipal bonds	10/1/2015	500,000	S&P A-2
Commercial paper	4/25/2014	997,543	S&P A1
Money market	N/A	350,000	Not rated
		<u>\$ 4,102,302</u>	

COUNTY OF CALHOUN, MICHIGAN

Notes To Financial Statements

Interest Rate Risk. 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 limits investment maturities of commercial paper to 270 days as a means of managing its exposure to fair value losses arising from increasing interest rates.

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, have been identified above for the County's investments.

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned. State law does not require and the County does not have a policy for deposit custodial credit risk. At year end, the carrying amount of the County's deposits was \$23,660,184. As of year end, \$22,967,536 of the combined bank balance of \$24,467,536 was exposed to custodial credit risk because it was uninsured and uncollateralized.

The County's investment policy does not specifically address this risk, although the County believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, 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. State law does not require and the County does not have a policy for investment custodial credit risk. On the investments listed above, there is no custodial credit risk. Short-term investments in money market funds and open end mutual funds are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book form.

Concentration of Credit Risk. 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 does not have specific limits in excess of state law on concentration of credit risk. All investments held at year end are reported above.

COUNTY OF CALHOUN, MICHIGAN

Notes To Financial Statements

4. RECEIVABLES

Receivables in the primary government are as follows:

	Governmental Activities	Business-type Activities
Taxes	\$ 5,201,993	\$ 8,882,852
Accounts receivable	8,156,978	2,323,722
Due from other governments	3,198,880	597,270
Advance to component unit	210,600	40,634
Accrued interest	-	2,298,484
	<u>\$ 16,768,451</u>	<u>\$ 14,142,962</u>

Governmental funds report deferred inflow of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not earned. At the end of the current fiscal year, the various components of deferred inflows and unearned revenue reported in the governmental funds were as follows:

	Unavailable	Deferred Inflows	Total
Property taxes receivable (current)	\$ 1,435,345	\$ 2,994,934	\$ 4,430,279
Property taxes receivable (delinquent)	375,222	-	375,222
Revenue from other governments	71,879	-	71,879
	<u>\$ 1,882,446</u>	<u>\$ 2,994,934</u>	<u>\$ 4,877,380</u>

COUNTY OF CALHOUN, MICHIGAN

Notes To Financial Statements

5. CAPITAL ASSETS

Primary government

Capital asset activity for the primary government for the year ended December 31, 2013, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 1,550,556	\$ -	\$ (45,281)	\$ 1,505,275
Land improvements - infrastructure	27,141,357	1,078,642	-	28,219,999
Construction in process	569,835	87,888	(657,723)	-
	<u>29,261,748</u>	<u>1,166,530</u>	<u>(703,004)</u>	<u>29,725,274</u>
Capital assets, being depreciated:				
Buildings and improvements	58,439,672	1,115,563	-	59,555,235
Equipment and furniture	27,987,863	526,220	(138,668)	28,375,415
Vehicles	1,966,415	181,271	-	2,147,686
Depletable assets	146,962	-	-	146,962
Infrastructure - road and signals	39,134,835	1,901,038	-	41,035,873
Infrastructure - bridges	8,699,695	-	-	8,699,695
	<u>136,375,442</u>	<u>3,724,092</u>	<u>(138,668)</u>	<u>139,960,866</u>
Less accumulated depreciation for:				
Buildings and improvements	(25,496,529)	(1,218,783)	-	(26,715,312)
Equipment and furniture	(24,684,995)	(1,270,556)	137,726	(25,817,825)
Vehicles	(1,497,808)	(168,834)	-	(1,666,642)
Depletable assets	(111,839)	-	-	(111,839)
Infrastructure - road and signals	(27,049,492)	(1,915,645)	-	(28,965,137)
Infrastructure - bridges	(4,172,537)	-	-	(4,172,537)
	<u>(83,013,200)</u>	<u>(4,573,818)</u>	<u>137,726</u>	<u>(87,449,292)</u>
Total capital assets being depreciated, net	<u>53,362,242</u>	<u>(849,726)</u>	<u>(942)</u>	<u>52,511,574</u>
Governmental activities capital assets, net	<u>\$ 82,623,990</u>	<u>\$ 316,804</u>	<u>\$ (703,946)</u>	<u>\$ 82,236,848</u>

COUNTY OF CALHOUN, MICHIGAN

Notes To Financial Statements

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities				
Capital assets, being depreciated:				
Land improvements	\$ 285,047	\$ -	\$ -	\$ 285,047
Buildings and improvements	21,492,927	47,392	-	21,540,319
Equipment and furniture	2,927,232	106,330	-	3,033,562
	<u>24,705,206</u>	<u>153,722</u>	<u>-</u>	<u>24,858,928</u>
Less accumulated depreciation for:				
Land improvements	(126,032)	(11,136)	-	(137,168)
Buildings and improvements	(6,078,317)	(537,059)	-	(6,615,376)
Equipment and furniture	(2,395,782)	(200,368)	-	(2,596,150)
	<u>(8,600,131)</u>	<u>(748,563)</u>	<u>-</u>	<u>(9,348,694)</u>
Total capital assets being depreciated, net	<u>16,105,075</u>	<u>(594,841)</u>	<u>-</u>	<u>15,510,234</u>
Business-type activities capital assets, net	<u>\$ 16,105,075</u>	<u>\$ (594,841)</u>	<u>\$ -</u>	<u>\$ 15,510,234</u>

Discretely presented component units

Water Resources Commission. Capital asset activity for the Water Resources Commission for the year ended December 31, 2013 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Component Unit - Water Resources Commission				
Capital assets being depreciated -				
Infrastructure	\$ 9,405,269	\$ 921,795	\$ -	\$ 10,327,064
Less accumulated depreciation for -				
Infrastructure	<u>(1,285,587)</u>	<u>(188,106)</u>	<u>-</u>	<u>(1,473,693)</u>
Water Resource Commission capital assets, net	<u>\$ 8,119,682</u>	<u>\$ 733,689</u>	<u>\$ -</u>	<u>\$ 8,853,371</u>

COUNTY OF CALHOUN, MICHIGAN

Notes To Financial Statements

Land Bank Authority. Capital asset activity for the Land Bank Authority for the year ended December 31, 2013 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Component Unit - Land Bank Authority				
Capital assets being depreciated - Equipment	\$ -	\$ 17,000	\$ -	\$ 17,000
Less accumulated depreciation for - Equipment	-	(1,700)	-	(1,700)
Land Bank Authority capital assets, net	<u>\$ -</u>	<u>\$ 15,300</u>	<u>\$ -</u>	<u>\$ 15,300</u>

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

Governmental activities:

Legislative	\$ 7,094
Judicial	292,951
General government	243,668
Public safety	708,677
Public works	2,887,658
Health and welfare	184,364
Recreation and culture	17,532
Capital assets held by the government's internal service funds are charged to the various functions bases on usage of the assets	<u>231,874</u>

Total depreciation expense - governmental activities \$ 4,573,818

Business-type activities:

Medical Care Facility	\$ 738,616
Delinquent Tax Collection	<u>9,947</u>

Total depreciation expense - business-type activities \$ 748,563

Depreciation expense was charged to the public works function in the year 2013 for the Water Resources Commission component unit.

COUNTY OF CALHOUN, MICHIGAN

Notes To Financial Statements

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Payables are comprised of the following at year-end:

	Governmental Activities	Business-type Activities
Accounts payable	\$ 1,963,854	\$ 202,664
Other accrued liabilities	1,016,258	828,652
Claims incurred but not reported	835,175	-
Due to other governments	997,104	169,863
Accrued interest on long-term debt	155,379	-
	<u>\$ 4,967,770</u>	<u>\$ 1,201,179</u>

7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Certain governmental funds with negative balances in the County's pooled cash accounts of \$382,590 reported interfund payables, which are equal to the interfund receivable of \$382,590 reported in the general fund.

Interfund balances resulted primarily 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. At December 31, 2013, due to/due from other funds consisted of the following:

	Due from Other Funds	Due to Other Funds
General Fund	\$ 81,091	\$ -
Nonmajor Governmental Funds	88,156	169,247
	<u>\$ 169,247</u>	<u>\$ 169,247</u>

For the year ended December 31, 2013, interfund transfers consisted of the following:

Transfers out	Transfers In					
	General Fund	Health Department	Child Care	Nonmajor Governmental Funds	Internal Service Funds	Total
General Fund	\$ -	\$ 865,003	\$ 1,890,577	\$ 3,629,329	\$ 2,012,263	\$ 8,397,172
Nonmajor governmental funds	339,039	-	-	302,526	-	641,565
Internal Service Funds	1,000,000	-	-	224,279	-	1,224,279
Delinquent tax revolving	1,740,000	-	-	-	-	1,740,000
Nonmajor enterprise fund	200,000	-	-	-	-	200,000
Timing differences	-	2,032	-	-	-	2,032
	<u>\$ 3,279,039</u>	<u>\$ 867,035</u>	<u>\$ 1,890,577</u>	<u>\$ 4,156,134</u>	<u>\$ 2,012,263</u>	<u>\$ 12,205,048</u>

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 CALHOUN, MICHIGAN

Notes To Financial Statements

8. CAPITAL LEASES

The government has entered into twenty two lease agreements for financing the acquisition of phone equipment, computer equipment, and vehicles. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

	Governmental Activities	Business-type Activities
Capital assets:		
Equipment and furniture	\$ 423,840	\$ -
Vehicles	925,263	22,504
Less accumulated depreciation for:		
Equipment and furniture	(408,763)	
Vehicles	(484,050)	(22,504)
	<u>\$ 456,290</u>	<u>\$ -</u>
Total		

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2013, were as follows:

Year Ending December 31,	Governmental Activities
2014	\$ 144,262
2015	79,355
2016	45,659
2017	13,661
	<u>282,937</u>
Total minimum lease payments	282,937
Less - amount representing interest	(28,688)
	<u>\$ 254,249</u>
Present value of minimum lease payments	

COUNTY OF CALHOUN, MICHIGAN

Notes To Financial Statements

9. LONG-TERM DEBT

Primary Government

Governmental Activities

General obligation bonds. The government issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for governmental activities.

General obligation bonds are direct obligations and pledge the full faith and credit of the County. These bonds are typically issued as 10-20 year serial bonds with varying amounts of principal maturing each year. General obligation bonds currently outstanding are as follows:

Purpose	Installment	Interest Rates	Amount
County Building Authority refunding bonds of \$6,855,000	\$425,000 to \$580,000	3.00 to 4.125%	\$ 4,940,000
Recovery zone economic development bonds of \$7,000,000	\$280,000 to 455,000	1.500 to 6.550%	<u>6,225,000</u>
			<u>\$ 11,165,000</u>

Annual debt service requirements to maturity for governmental activities general obligation and Michigan Department of Transportation bonds are as follows:

Year Ending December 31,	Principal	Interest	Total
2014	\$ 705,000	\$ 531,465	\$ 1,236,465
2015	720,000	508,410	1,228,410
2016	740,000	482,798	1,222,798
2017	760,000	454,322	1,214,322
2018	730,000	424,763	1,154,763
2019-2023	4,285,000	1,577,764	5,862,764
2024-2028	1,905,000	752,704	2,657,704
2029-2032	1,320,000	131,655	1,451,655
	<u>\$ 11,165,000</u>	<u>\$ 4,863,881</u>	<u>\$ 16,028,881</u>

COUNTY OF CALHOUN, MICHIGAN

Notes To Financial Statements

Installment Obligations. The government entered into one long-term installment payment agreement during the year in the amount of \$657,000 for an energy conservation project.

Purpose	Installment	Interest Rates	Amount
2012 energy conservation project	\$ 65,700	2.17%	<u>\$ 591,300</u>

Year Ending December 31,	Principal	Interest	Total
2014	\$ 65,700	\$ 12,831	\$ 78,531
2015	65,700	11,406	77,106
2016	65,700	9,980	75,680
2017	65,700	8,554	74,254
2018	65,700	7,128	72,828
2019-2022	<u>262,800</u>	<u>14,257</u>	<u>277,057</u>
	<u>\$ 591,300</u>	<u>\$ 64,156</u>	<u>\$ 655,456</u>

Michigan Department of Transportation bonds. The County through its Road Department borrows from the Michigan Transportation Bond Fund to finance various capital projects.

Series	Due	Interest Rate	Amount
2005 Series	2015	3.75% to 4.05%	<u>\$ 165,000</u>

The County, through its Road Department, entered into an installment purchase agreement for six dump trucks, which was secured by the related freightliner dump truck equipment. The agreement calls for monthly installments of \$24,614 through July 2015, with an additional amount of \$25,269 to be paid in August 2015, which includes interest at 4.3%. The balance of this loan is \$443,237 at December 31, 2013.

COUNTY OF CALHOUN, MICHIGAN

Notes To Financial Statements

Annual debt service requirements to maturity for Michigan Department of Transportation bonds and are as follows:

Year Ending December 31,	Principal	Interest	Total
2014	\$ 80,000	\$ 5,042	\$ 85,042
2015	85,000	1,721	86,721
	<u>\$ 165,000</u>	<u>\$ 6,763</u>	<u>\$ 171,763</u>

Annual debt service for the six dump trucks is as follows:

Year Ending December 31,	Principal	Interest	Total
2014	278,760	15,155	293,915
2015	164,477	3,196	167,673
	<u>\$ 443,237</u>	<u>\$ 18,351</u>	<u>\$ 461,588</u>

The County, through its Public Works Department, issues general obligation bonds to finance water and sewer infrastructure projects, which are administered by the Department. These bonds are direct obligations and pledge the full faith and credit of the County and the benefiting municipalities.

Annual debt service requirements to maturity for BPW bonds are as follows:

Year Ending December 31,	Principal	Interest	Total
2014	\$ 565,000	\$ 181,792	\$ 746,792
2015	565,000	164,211	729,211
2016	585,000	145,912	730,912
2017	590,000	125,803	715,803
2018	645,000	103,387	748,387
2019-2023	1,320,000	291,022	1,611,022
2024-2028	515,000	156,984	671,984
2029-2032	470,000	40,689	510,689
	<u>\$ 5,255,000</u>	<u>\$ 1,209,800</u>	<u>\$ 6,464,800</u>

The County, on behalf of Emmett Township refunded \$1,725,000 in direct obligation bonds of the Township in 2012, by the issuance of \$1,725,000 2012 sewage disposal refunding bonds. The balance of the defeased bonds outstanding is \$1,555,000 at December 31, 2013. The deferred loss on refunding is not shown for the County since the Township is directly responsible for this debt service.

COUNTY OF CALHOUN, MICHIGAN

Notes To Financial Statements

Business-type Activities

Delinquent tax notes. The government issues delinquent tax notes to finance the purchase of delinquent real property taxes receivable from each taxing district in the County. These notes are reported in the proprietary funds (i.e., Delinquent Tax Revolving Enterprise Fund) as they are expected to be repaid from proprietary fund revenues. Each series of delinquent tax notes are subject to variable interest rates which are determined on a weekly basis by the County's remarketing agent using established criteria and legal limitations. Principal and interest payments are predicated upon actual collections of delinquent property taxes, which are subject to collection over a period not to exceed three years. Delinquent tax notes outstanding at December 31, 2013, are as follows:

Series	Amount
2013 - \$7,500,000 G.O. Limited Tax Notes payable dated May 22, 2013, due March 15, 2014.	<u>\$ 1,549,000</u>

General obligation bonds. The government issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for business-type activities.

General obligation bonds are direct obligations and pledge the full faith and credit of the County. These bonds are typically issued as 10-20 year serial bonds with varying amounts of principal maturing each year. General obligation bonds currently outstanding are as follows:

Purpose	Installment	Interest Rates	Amount
County Building Authority - \$8,000,000 issue for Medical Care Facility improvements	\$350,000	3.70 to 4.00%	\$ 350,000
County Building Authority - \$6,305,000 Advance bond refunding for Medical Care Facility Improvements	\$80,000 to \$680,000	2.00 to 3.125%	<u>6,305,000</u>
			<u>\$ 6,655,000</u>

COUNTY OF CALHOUN, MICHIGAN

Notes To Financial Statements

Annual debt service requirements to maturity for business type activities general obligation bonds are as follows:

Year Ending December 31,	Principal	Interest	Total
2014	\$ 430,000	\$ 191,500	\$ 621,500
2015	375,000	179,163	554,163
2016	425,000	166,788	591,788
2017	420,000	154,150	574,150
2018	465,000	140,538	605,538
2019-2023	2,635,000	477,313	3,112,313
2024-2026	1,905,000	76,050	1,981,050
	<u>\$ 6,655,000</u>	<u>\$ 1,385,502</u>	<u>\$ 8,040,502</u>

Component Unit - Water Resources Commission

Bonds payable. The Water Resources Commission issues bonds for the construction or major maintenance of drainage and lake level districts. Such bonds are repaid from special assessments to local property owners.

Purpose	Due	Installments	Interest Rate	Amount
Drain bonds payable	2013 - 2026	\$30,000 to \$35,000	3.00% - 3.65%	<u>\$ 420,000</u>

Year Ending December 31,	Principal	Interest	Total
2014	\$ 30,000	\$ 12,850	\$ 42,850
2015	30,000	11,950	41,950
2016	30,000	11,050	41,050
2017	30,000	10,150	40,150
2018	30,000	9,250	39,250
2019-2023	165,000	31,944	196,944
2024-2026	105,000	5,626	110,626
	<u>\$ 420,000</u>	<u>\$ 92,820</u>	<u>\$ 512,820</u>

COUNTY OF CALHOUN, MICHIGAN

Notes To Financial Statements

Notes payable. The Water Resources Commission issues notes payable for the construction or major maintenance of drainage and lake level districts. Such notes are repaid from special assessments to local property owners.

Purpose	Due	Installments	Interest Rate	Amount
Various drain and lake level notes payable	2014 - 2023	\$13,250 to \$1,730,274	Various	<u>\$ 3,827,756</u>

Annual debt service requirements to maturity for drain notes are as follows:

Year Ending December 31,	Principal	Interest	Total
2014	\$ 1,746,941	\$ 112,101	\$ 1,859,042
2015	512,683	78,896	591,579
2016	464,285	56,085	520,370
2017	447,618	42,177	489,795
2018	197,293	19,682	216,975
2019-2023	458,936	33,072	492,008
	<u>\$ 3,827,756</u>	<u>\$ 342,013</u>	<u>\$ 4,169,769</u>

Component Unit - Land Bank Authority

The Authority enters into mortgages to acquire properties for the purpose of demolishing and preparing the site for rehabilitation. The mortgage is interest free and is due upon sale of the underlying properties. As of year-end, the Authority has properties totaling an amount due of \$767,398.

The Authority was transferred properties by the Neighborhoods, Inc. of Battle Creek (NIBC) during the year, which the Authority is holding. The amount of the mortgage is NIBC's costs basis of \$98,087. The mortgage is interest free and due January 1, 2016 at such time the title of all properties revert back to NIBC.

COUNTY OF CALHOUN, MICHIGAN

Notes To Financial Statements

Changes in long-term debt

Long-term debt liability activity for the year ended December 31, 2013, was as follows:

	Balance January 1, 2013	Additions	Deletions	Balance December 31, 2013	Due in One Year
Governmental activities - General					
General obligation Bonds	\$ 11,835,000	\$ -	\$ (670,000)	\$ 11,165,000	\$ 705,000
Installment purchase agreement	657,000	-	(65,700)	591,300	65,700
Unamortized bond discount	(100,970)	-	10,328	(90,642)	(10,328)
Unamortized gain on bond refunding	7,963	-	(1,328)	6,635	1,328
Lease purchase agreements	259,641	155,882	(161,274)	254,249	128,076
Compensated absences	1,820,550	2,655,748	(2,447,753)	2,028,545	1,419,982
	<u>\$ 14,479,184</u>	<u>\$ 2,811,630</u>	<u>\$ (3,335,727)</u>	<u>\$ 13,955,087</u>	<u>\$ 2,309,758</u>
Governmental activities - Road Department					
Michigan Transportation fund bonds	\$ 355,000	\$ -	\$ (190,000)	\$ 165,000	\$ 80,000
Installment purchase agreement	712,953	-	(269,716)	443,237	278,760
Compensated absences	120,102	-	(7,891)	112,211	25,000
	<u>\$ 1,188,055</u>	<u>\$ -</u>	<u>\$ (467,607)</u>	<u>\$ 720,448</u>	<u>\$ 383,760</u>
Governmental activities - Public Works Department					
Bonds payable	<u>\$ 5,825,000</u>	<u>\$ -</u>	<u>\$ (570,000)</u>	<u>\$ 5,255,000</u>	<u>\$ 565,000</u>
Governmental activities - Total					
General obligation Bonds	\$ 17,660,000	\$ -	\$ (1,240,000)	\$ 16,420,000	\$ 1,270,000
Unamortized bond discount	(100,970)	-	10,328	(90,642)	(10,328)
Unamortized gain on bond refunding	7,963	-	(1,328)	6,635	1,328
Michigan Transportation fund bonds	355,000	-	(190,000)	165,000	80,000
Installment purchase agreement	1,369,953	-	(335,416)	1,034,537	344,460
Lease purchase agreements	259,641	155,882	(161,274)	254,249	128,076
Compensated absences	1,940,652	2,655,748	(2,455,644)	2,140,756	1,444,982
	<u>\$ 21,492,239</u>	<u>\$ 2,811,630</u>	<u>\$ (4,373,334)</u>	<u>\$ 19,930,535</u>	<u>\$ 3,258,518</u>
Business-type activities					
General obligation limited tax notes payable	\$ 4,500,000	\$ 7,500,000	\$ (10,451,000)	\$ 1,549,000	\$ 1,549,000
General obligation bonds	6,800,000	6,305,000	(6,450,000)	6,655,000	430,000
Unamortized bond premium	-	243,912	-	243,912	18,762
	<u>\$ 11,300,000</u>	<u>\$ 14,048,912</u>	<u>\$ (16,901,000)</u>	<u>\$ 8,447,912</u>	<u>\$ 1,997,762</u>

COUNTY OF CALHOUN, MICHIGAN

Notes To Financial Statements

	Balance January 1, 2013	Additions	Deletions	Balance December 31, 2013	Due in One Year
<u>Component units</u>					
Water Resources Commission					
Drain bonds payable	\$ 450,000	\$ -	\$ (30,000)	\$ 420,000	\$ 30,000
Bonds discount	(6,177)	-	441	(5,736)	(441)
Drain notes payable	3,839,091	1,552,636	(1,613,971)	3,777,756	1,730,274
Lake level notes payable	50,000	-	-	50,000	16,667
	<u>\$ 4,332,914</u>	<u>\$ 1,552,636</u>	<u>\$ (1,643,530)</u>	<u>\$ 4,242,020</u>	<u>\$ 1,776,500</u>
Land Bank Authority					
Mortgage payable	\$ 1,349,176	\$ 15,878	\$ (499,569)	\$ 865,485	\$ -

For the governmental activities, compensated absences are generally liquidated by the general fund.

COUNTY OF CALHOUN, MICHIGAN

Notes To Financial Statements

10. OTHER INFORMATION

Risk management / self-insurance programs

The government manages its risk exposures and provides certain employee benefits through a combination of self-insurance programs, risk management pools and commercial insurance and excess coverage policies. On risks that are commercially insured, settlements have not exceeded insurance coverage in any of the past three years. Following is a summary of the self-insurance programs and risk management pool participation.

Liability. The County participates in the Michigan Municipal Risk Management Authority (MMRMA) for general and automobile liability, motor vehicle physical damage and property damage coverages. The MMRMA provides risk management, underwriting, reinsurance and claim review and processing services for all member governments pursuant to its charter.

The government makes annual contributions to MMRMA based on actuarial studies using historical data and insurance industry statistics. These contributions are paid from an internal service fund (i.e., the Insurance fund) using premiums paid into it by the general fund of the government. Such contributions as received by MMRMA are allocated between the 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.

Under most circumstances, the County's maximum loss retention per occurrence was as follows:

Type of Risk	Maximum Retention Per Occurrence
General liability	\$200,000
Motor vehicle physical damage	\$15,000 per vehicle \$30,000 per occurrence

The County had estimated claims payable of \$673,021 at December 31, 2013. At December 31, 2013, the balance of the County's member retention fund was \$203,789.

Changes in the balances of the County's estimated claims payable during the past two years are as follows:

	2013	2012
Unpaid claims, beginning of year	\$ 531,238	\$ 428,702
Incurred claims (including IBNR's)	1,020,677	940,128
Claim payments	<u>(878,894)</u>	<u>(837,592)</u>
Unpaid claims, end of year	<u>\$ 673,021</u>	<u>\$ 531,238</u>

COUNTY OF CALHOUN, MICHIGAN

Notes To Financial Statements

Employee Benefits. The government maintains a self-insurance program for employee health care coverage which is accounted for in an internal service fund (i.e., the Employee Benefits fund). The program is administered by a third party administrator who provides claims review and processing services. Premiums are paid into the internal service fund by all other funds based on actuarial and management estimates. These premiums are available to pay health care claims, claim reserves, excess coverage and administrative costs as well as to purchase dental, life, and long-term disability insurance coverage from commercial carriers.

Health care liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. An excess coverage insurance policy covers annual individual claims in excess of \$170,000. Liabilities include an amount for claims that have been incurred but not reported (IBNR). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs and other economic and social factors.

Changes in the balances of health care claims liabilities during the past two years are as follows:

	2013	2012
(Prepaid) Unpaid claims, beginning of year	\$ (559,392)	\$ 692,099
Incurred claims (including IBNR's)	6,044,872	6,246,318
Claim payments	<u>(5,474,221)</u>	<u>(7,497,809)</u>
(Prepaid) unpaid claims, end of year	<u>\$ 11,259</u>	<u>\$ (559,392)</u>

Workers' Compensation. The government maintains a self-insurance program for workers' compensation coverage which is accounted for in an internal service fund (i.e., the Workers' Compensation fund). The program is administered by a third party administrator who conducts safety inspections and provides claims review and processing services. Premiums are paid into the internal service fund by all other funds based on payrolls and job classifications and are available to pay claims, claim reserves, excess coverage and administrative costs.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. An excess coverage insurance policy covers individual claims in excess of \$500,000 subject to an annual aggregate limit of \$1 million. Liabilities include an amount for claims that have been incurred but not reported (IBNR). Changes in the balances of claims liabilities during the past two years are as follows:

	2013	2012
Unpaid claims, beginning of year	\$ 187,659	\$ 128,498
Incurred claims (including IBNR's)	163,569	245,324
Claim payments	<u>(200,333)</u>	<u>(186,163)</u>
Unpaid claims, end of year	<u>\$ 150,895</u>	<u>\$ 187,659</u>

COUNTY OF CALHOUN, MICHIGAN

Notes To Financial Statements

11. PROPERTY TAXES

County operating property taxes are levied annually on July 1 (the lien date) to fund operations for the current year. The property taxes are due in full within nine months (prior to March 1), at which time uncollected taxes became delinquent.

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% of the current estimated market value. The assessed and taxable value of real and personal property for the 2013 levies was \$3,568,430,371. The general operating tax rate for this levy was 5.3779 mills with an additional 0.7452 mills, 0.2482 mills, and .1000 mills assessed for Senior Services, Medical Care Facility operations, and Veterans Services, respectively.

By agreement with the various taxing authorities, the County purchases at face value the real property taxes returned delinquent each March 1 and records a corresponding delinquent taxes receivable.

12. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

Defined Contribution Pension Plan - Primary Government

Substantially all of the government’s full-time employees are eligible to participate in one of two defined contribution pension plans, as established by Board policy and labor agreements. Required government contributions to the pension plans are at various rates based on Board policy and labor agreements with the various bargaining units. The Calhoun County Board of Commissioners established both plans and may amend them and the related contribution requirements, subject to the County’s various collective bargaining agreements. The plans are administered and the assets are in the custody of third-party insurance companies.

The government’s contributions for each employee, and interest allocated to an employee’s account, are fully vested after five years of service, except for Sheriff Department employees who are fully vested after ten years. Employee contributions are fully vested at the time of contribution. Employer contributions and allocated interest for employees who leave employment before full vesting are used to reduce the employer current-period contribution requirement. All required employer contributions were made as disclosed below:

	General County	Medical Care Facility	
	Merrill Lynch	Kemper/Pert	Total
Required and actual employer contributions	\$ 255,402	\$ 146,288	\$ 401,690
Required and actual employee contributions	521,677	183,959	705,636

COUNTY OF CALHOUN, MICHIGAN

Notes To Financial Statements

Defined Benefit Pension Plans - Primary Government

Calhoun County Defined Benefit Plan

Plan Description. Substantially all of the government's full-time employees, other than Sheriff Supervisory and Non-Supervisory Unions, are eligible to participate in a defined benefit plan, as established by the Board during 2001. The Calhoun County Defined Benefit Plan provides retirement and death benefits to plan members and beneficiaries. The plan is administered by the County and is a single-employer plan. The plan financial statements are part of this report. A separate, stand-alone report is not issued.

Basis of Accounting. The Plan's financial statements are prepared on the accrual basis of accounting. Member contributions are recognized in the period in which they are due. The County's contributions are recognized when due and the employer has made a formal commitment to provide them. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Valuation of Investments. The Plan's investments are stated at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments for which market quotations are not readily available are valued at their fair values as determined by the custodian under the direction of the Board of Commissioners, with the assistance of a valuation service.

Funding Policy. The County is required to contribute at an actuarially determined rate; the current rate for the County is 7.00% of annual covered payroll. All participating employees are required to contribute 10.05% of their annual salary. Administrative costs of the plan are financed through investment earnings. The benefit provisions and contribution requirements of the County and of plan members are established by and may be amended by the Board of Commissioners.

For the year ended December 31, 2013, the annual pension cost of \$679,584 was equal to the required and actual contributions of the County. The required contributions were determined as part of the December 31, 2011 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%, (b) projected salary increase of 4.5% per year compounded annually, attributable to inflation, plus a percentage based on an age-related scale to reflect merit, longevity and promotional pay increases. The actuarial value of plan 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 a period of 30 years as a level percentage of projected payroll on an open basis. The latest actuarial valuation was performed as of December 31, 2011.

The County changed the administrator of the Plan at the beginning of 2013 and no revised actuarial was available for the December 31, 2013 audit. The actuarial information provided for the Plan in this footnote was obtained from the December 31, 2011 actuarial valuation.

Calculated rates of contributions for 2013 are 5.83% and 8.5% of covered payroll for employer and employee, respectively.

COUNTY OF CALHOUN, MICHIGAN

Notes To Financial Statements

Funded Status and Funding Progress. The funded status of the Plan as of December 31, 2011, the date of the most recent valuation, is as follows:

Actuarial Accrued Liability (AAL)	\$ 31,840,216
Actuarial Value of Assets	15,052,543
Unfunded Actuarial Accrued Liability	<u>\$ 16,787,673</u>
Funding ratio	47.28%
Covered payroll (active plan members)	\$ 12,152,539
UAAL as a percentage of covered payroll	138%

The schedule of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Membership of the plan consisted of the following at December 31, 2011, the date of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	73
Terminated plan members entitled to but not yet receiving benefits	23
Active plan members	280
Total	<u><u>376</u></u>

Fiscal Year Ending	Annual Pension Cost	Annual Required Contribution	Percentage Contributed	Net Pension Obligation
12/31/2011	\$ 847,080	\$ 847,080	100	\$ -
12/31/2012	862,201	862,201	100	-
12/31/2013	679,584	679,584	100	-

Municipal Employees Retirement System of Michigan

Plan Description. Both the Sheriff Supervisory and Non-Supervisory Unions are eligible to participate in the Municipal Employees Retirement System of Michigan (MERS), an agent multiple-employer, defined benefit pension plan. The System is administered by the MERS retirement board. MERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. 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, MI 48917, or by calling (800) 767-6377.

COUNTY OF CALHOUN, MICHIGAN

Notes To Financial Statements

Funding Policy. The County is required to contribute at an actuarially determined rate; the current rate for the County is between 7.00% and 74.16% of annual covered payroll, depending on employee group. All participating employees are required to contribute between 12.00% and 14.32% percent of their annual salary. 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 December 31, 2013, the annual pension cost of \$884,566 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 salary increases of 4.5% per year compounded annually, attributable to inflation, (c) additional projected salary increases of 0.0% to 8.40% per year, depending on age, attributable to seniority/merit, and (d) the assumption that benefits will increase 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 a period of 30 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				
Fiscal Year Ending	Annual Pension Cost	Annual Required Contribution	Percentage Contributed	Net Pension Obligation
12/31/2011	\$ 824,485	\$ 824,485	100%	\$ -
12/31/2012	902,481	902,481	100%	-
12/31/2013	884,566	884,566	100%	-

Schedule of Funding Progress						
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) - Entry Age	Unfunded Actuarial Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
12/31/2012	\$ 18,476,167	\$ 33,403,356	\$ 14,927,189	55%	\$ 9,034,026	165%

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.

Flexible Benefit Plan - Primary Government

Plan Description. Calhoun County offers both health care and dependent care flexible spending accounts (FSAs). Eligible employees may contribute to an FSA through pre-tax payroll deductions. Eligible out-of-pocket health care or dependent care expenses are reimbursed to the employee through a third party administrator.

COUNTY OF CALHOUN, MICHIGAN

Notes To Financial Statements

Financial statements for the individual pension and employee benefits plans follows.

Statement of Plan Net Position - December 31, 2013

	Employees Defined Benefit	Flexible Benefits	Total
Assets			
Cash and cash equivalents	\$ 88	\$ 43,833	\$ 43,921
Investments	-	-	-
Total assets	88	43,833	43,921
Net position held in trust for			
Retirement benefits	88	-	88
Employee benefits	-	43,833	43,833
Total net position	\$ 88	\$ 43,833	\$ 43,921

Statement of Changes in Plan Net Position - year ended December 31, 2013

Additions			
Investment income:			
Change in value of investments	\$ 139,870	\$ 10	\$ 139,880
Interest	213,111	-	213,111
Net investment income	352,981	10	352,991
Contributions			
Employee	-	112,288	112,288
Total additions	352,981	112,298	465,279
Deductions			
Pension benefits paid	80,415		80,415
Other	17,771,017	109,236	17,880,253
Total deductions	17,851,432	109,236	17,960,668
Net increase (decrease)	(17,498,451)	3,062	(17,495,389)
Net position held in trust			
Beginning of year	17,498,539	40,771	17,539,310
End of year	\$ 88	\$ 43,833	\$ 43,921

COUNTY OF CALHOUN, MICHIGAN

Notes To Financial Statements

Defined Benefit Pension Plan - Road Department

Plan Description. The County Road Department unit defined benefit pension plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The Road Department participates in the Municipal Employees Retirement System of Michigan (MERS), an agent multiple-employer plan administered by the Retirement Board of MERS. Act No. 427 of the Public Acts of 1984, as amended, establishes and amends the benefit provisions of the participants in MERS. The Municipal Employees Retirement System of Michigan issues a publicly available financial report that includes financial statements and required supplementary information for MERS. That report 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; the current rate is 21.47% to 38.29% of annual covered payroll. Certain employees are required to contribute to the Plan. The contribution requirements of the County are established by Act No. 427 of the Public Acts of 1984, as amended, and may be amended by the Retirement Board of MERS. The contribution requirements of plan members, if any, are established and may be amended by the Road Department.

Annual Pension Cost. For the year ended December 31, 2013, the County - Road Component annual pension cost of \$550,195 for MERS was equal to the Road Department's required and actual contributions. The required contribution was determined as part of the December 31, 2012 actuarial valuation using the entry age 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 salary increases of 4.5% per year compounded annually, attributable to inflation, and (c) additional projected salary increases of 0.0% to 8.4% per year, depending on age, attributable to seniority/merit. 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 market value. The County - Road Component unfunded actuarial accrued liability as of December 31, 2012, the date of the latest actuarial valuation, is being amortized as a level percentage of projected payroll on an open basis over 30 years.

Three-Year Trend Information				
Fiscal Year Ending	Annual Pension Cost	Annual Required Contribution	Percentage Contributed	Net Pension Obligation
12/31/2011	\$ 629,331	\$ 629,331	100%	\$ -
12/31/2012	566,398	566,398	100%	-
12/31/2013	550,195	550,195	100%	-

Schedule of Funding Progress						
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) - Entry Age	Unfunded Actuarial Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
12/31/2010	\$ 8,302,992	\$ 14,248,618	\$ 5,945,626	58%	\$ 2,709,992	219%
12/31/2011	8,453,250	15,135,270	6,682,020	56%	2,708,780	247%
12/31/2012	8,478,802	15,483,469	7,004,667	55%	2,537,631	276%

COUNTY OF CALHOUN, MICHIGAN

Notes To Financial Statements

Other Postemployment Benefits

Primary Government

Plan Description. In accordance with labor agreements and board action, the County provides post-retirement healthcare benefits to full-time employees. The plans offered consist of an 80/20 Traditional Indemnity plan with prescription coverage, a Community Blue Preferred Provider Organization Plan 3 with prescription coverage, and a Medicare Advantage plan. To be eligible for coverage, a retiree must have a minimum of 10 years of service and attained the age of 50, with the sum of the age and years of service totaling at least 75. In 2013, 85 retirees met these requirements. Retirees are required to contribute 100% of the illustrated rate less any discount. A retiree who has completed at least 20 years of service and the sum of their age and years of service totals at least 85, are eligible for a discount as follows:

Age at Retirement	Monthly Discount
At least 60	\$8 x years of service
At least 61	\$9 x years of service
At least 62	\$10 x years of service

In 2013, Retirees in the self-funded Blue Cross/Blue Shield plans, were billed and paid \$116,860 based on illustrated rates established at the beginning of 2013, adjusted for the applicable service credit. Actual Claims/Rx costs for these plans totaled \$171,955, thereby resulting in net County payment of \$55,095.

In 2013, Retirees over 65 enrolled in the fully-funded Blue Care Network and Medicare Advantage PPO plans. Retirees were billed and paid \$95,431 based on rates established at the beginning of 2013, adjusted for applicable service credit. Premium billings for these plans totaled \$228,801 thereby resulting in a net County payment of \$133,370.

In summary, retiree payments received totaled \$212,291, which is offset by claim costs and premium billings totaling \$400,756, netting a County payment of \$188,465.

Plan Membership. Plan membership consisted of the following at December 31, 2013:

Retirees and beneficiaries currently receiving benefits	85
Active plan members (excluding dependents)	<u>409</u>
Total	<u><u>494</u></u>

Funding Policy. The County is required to contribute at an amount actuarially determined in accordance with the parameters of GASB Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The annual required contribution (ARC) represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

COUNTY OF CALHOUN, MICHIGAN

Notes To Financial Statements

Annual OPEB Cost and Net OPEB Obligation. For 2013, the components of the County's annual OPEB (other postemployment benefit) cost for the year, the amount actually contributed to the Plan, and changes in the County's net OPEB obligation to the Plan are as follows:

Annual required contribution	\$ 742,840
Interest on net OPEB obligation	141,843
Adjustment to annual required contribution	(218,219)
Annual OPEB cost (expense)	<u>666,464</u>
Contributions credit	<u>(188,465)</u>
Increase in net OPEB obligation	477,999
Net OPEB obligation, beginning of year	<u>3,584,039</u>
Net OPEB obligation, end of year	<u><u>\$ 4,062,038</u></u>

Fiscal Year Ending	Annual OPEB Cost	Actual Contribution	Percentage of AOC Contributed	Net OPEB Obligation
12/31/11	\$ 692,281	\$ 3,091	0.45%	\$ 3,106,505
12/31/12	652,832	175,298	27%	3,584,039
12/31/13	666,464	188,465	28%	4,062,038

Funded Status and Funding Progress. The funded status of the Plan as of December 31, 2012, the date of the latest actuarial valuation, was as follows:

Actuarial accrued liabilities (AAL)	\$ 8,504,632
Actuarial value of plan assets	<u>-</u>
Unfunded actuarial accrued liability (UAAL)	8,504,632
Funded ratio	-
Covered payroll (active plan members)	\$ 26,540,035
UAAL as a percentage of covered payroll	32.0%

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 to past expectations and new estimates are made about the future.

The schedule of funding progress, presented as required supplementary information (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 liabilities for benefits.

COUNTY OF CALHOUN, MICHIGAN

Notes To Financial Statements

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing 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. Significant methods and assumptions were as follows:

Actuarial valuation date	12/31/2012
Actuarial cost method	Projected unit credit
Amortization method	Level dollar, closed
Remaining amortization period	26 years
Actuarial assumptions:	
Investment rate of return	4.0%
Projected salary increases	Not applicable
Healthcare cost trend rate	7.0% downgraded to 5% over 2 years
Dental and vision cost trend rate	3.0%

Road Department

Plan Description. The Road Department through the County provides health insurance benefits for its retired employees, as established by County Board Resolution. The Road Department pays 90% of medical premiums for employees at various ages and years of service depending on classification upon retirement. Spouses are covered to the earlier of death or death of participant.

Plan Membership. Plan membership consisted of the following at December 31, 2011 (the date of the latest actuarial valuation):

Retirees and beneficiaries currently receiving benefits	61
Active plan members	60

Funding Policy. The Road Department Component is required to contribute at an amount actuarially determined in accordance with the parameters of GASB Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The annual required contribution (ARC) represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The current combined ARC is 12.8% of annual covered payroll.

COUNTY OF CALHOUN, MICHIGAN

Notes To Financial Statements

Annual OPEB Cost and Net OPEB Obligation. For 2012, the components of the Road Department Component annual OPEB (other postemployment benefit) cost for the year, the amount actually contributed to the Plan, and changes in the Road Department Component net OPEB obligation to the Plan are as follows:

Annual required contribution	\$ 1,054,045
Interest on net OPEB obligation	53,919
Adjustment to annual required contribution	<u>(82,952)</u>
Annual OPEB cost (expense)	1,025,012
Contributions made	<u>(293,431)</u>
Increase in net OPEB obligation	731,581
Net OPEB obligation, beginning of year	<u>1,347,970</u>
Net OPEB obligation, end of year	<u><u>\$ 2,079,551</u></u>

Fiscal Year Ending	Annual OPEB Cost	Actual Contribution	Percentage of ARC	Net OPEB Obligation
12/31/2011	\$ 1,029,053	\$ 436,707	42.5%	\$ 758,870
12/31/2012	1,007,409	418,309	41.5%	1,347,970
12/31/2013	1,025,012	293,431	28.6%	2,079,551

Funded Status and Funding Progress. The funded status of the Plan as of December 31, 2011, the date of the latest actuarial valuation, was as follows:

Actuarial accrued liabilities (AAL)	\$ 10,807,728
Actuarial value of plan assets	<u>-</u>
Unfunded actuarial accrued liability (UAAL)	10,807,728
Funded ratio	-
Covered payroll (active plan members)	not provided
UAAL as a percentage of covered payroll	n/a

COUNTY OF CALHOUN, MICHIGAN

Notes To Financial Statements

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 to past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements of the Road Department, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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 plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing 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. Significant methods and assumptions were as follows:

Actuarial valuation date	12/31/2011
Actuarial cost method	Projected unit credit
Amortization method	Level dollar, closed
Remaining amortization period	27 years
Actuarial assumptions:	
Investment rate of return	4.0%
Projected salary increases	5.0%
Healthcare inflation rate	6.0% downgraded to 5% over 1 year

13. COMMITMENTS AND CONTINGENCIES

Amounts received or receivable from grantor agencies and health care intermediaries including Medicare and Medicaid are subject to audit and adjustment by the grantor agencies or intermediaries. 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 grantors or intermediaries cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

The government and its component units, individually or jointly, are a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the government and component unit's counsel that resolution of these matters will not have a material adverse effect on the financial condition of the government.

COUNTY OF CALHOUN, MICHIGAN

Notes To Financial Statements

14. NET INVESTMENT IN CAPITAL ASSETS

Governmental Activities, excluding internal service funds:	
Capital assets, net of accumulated depreciation	\$ 80,591,350
Long-term debt related to capital assets	<u>(12,534,779)</u>
Net investment in capital assets, excluding internal service funds	68,056,571
Internal service funds:	
Building and grounds -	
Capital assets, net of accumulated depreciation	1,622,162
Administration services -	
Capital assets, net of accumulated depreciation	<u>23,336</u>
Net investment in capital assets	<u><u>\$ 69,702,069</u></u>

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REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF CALHOUN, MICHIGAN

Required Supplementary Information
 Employees Retirement System/Other Postemployment Benefit Plan

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a % of Covered Payroll ((B-A)/C)
12/31/2003	\$ 2,249,674	\$ 10,902,589	\$ 8,652,915	21%	\$ 8,566,899	101%
12/31/2004	3,311,607	11,507,084	8,195,477	29%	9,358,934	88%
12/31/2005	4,370,131	16,258,413	11,888,282	27%	10,614,989	112%
12/31/2006	6,479,448	18,105,294	11,625,846	36%	10,368,517	112%
12/31/2007	8,275,209	19,488,001	11,212,792	42%	10,557,094	106%
12/31/2008	8,894,590	20,809,808	11,915,218	43%	10,769,141	111%
12/31/2009	10,904,993	23,022,661	12,117,668	47%	11,573,629	105%
12/31/2010	12,675,394	25,760,897	13,085,503	49%	11,378,929	115%
12/31/2011	15,052,543	31,840,216	16,787,673	47%	12,152,539	138%

Schedule of Employer Contributions

Year Ended December 31	Annual Required Contributions	Percentage Contributed
2004	\$ 532,818	100%
2005	519,753	100%
2006	740,089	100%
2007	751,800	100%
2008	762,920	100%
2009	835,013	100%
2010	883,337	100%
2011	847,080	100%
2012	862,201	100%
2013	679,584	100%

Other Postemployment Benefit Plan
 Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a % of Covered Payroll ((B-A)/C)
12/31/2007	\$ -	\$ 11,145,479	\$ 11,145,479	0%	\$ 25,020,978	45%
12/31/2009	-	8,534,203	8,534,203	0%	25,782,100	34%
12/31/2012	-	8,504,632	8,504,632	0%	26,540,035	32%

Schedule of Employer Contributions

Year Ended December 31	Annual Required Contributions	Percentage Contributed
2011	\$ 733,947	6%
2012	715,462	27%
2013	742,840	27%

COUNTY OF CALHOUN, MICHIGAN

Required Supplementary Information
Municipal Employees Retirement System

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a % of Covered Payroll ((B-A)/C)
12/31/2004	\$ 6,373,913	\$ 16,395,271	\$ 10,021,358	39%	\$ 6,713,373	149%
12/31/2005	7,704,029	19,944,123	12,240,094	39%	7,412,939	165%
12/31/2006	9,078,283	21,865,716	12,787,433	42%	7,358,040	174%
12/31/2007	10,558,816	23,646,999	13,088,183	45%	8,025,218	163%
12/31/2008	11,961,039	26,368,738	14,407,699	45%	8,216,643	175%
12/31/2009	13,637,782	27,162,367	13,524,585	50%	8,103,491	167%
12/31/2010	15,388,120	29,308,601	13,920,481	53%	8,181,844	170%
12/31/2011	16,847,105	31,265,135	14,418,030	54%	8,320,441	173%
12/31/2013	18,476,167	33,403,356	14,927,189	55%	9,034,026	165%

Schedule of Employer Contributions

Year Ended December 31	Annual Required Contributions	Percentage Contributed
2004	\$ 466,928	100%
2005	586,510	100%
2006	609,154	100%
2007	683,559	100%
2008	699,556	100%
2009	803,268	100%
2010	831,123	100%
2011	824,485	100%
2012	902,481	100%
2013	884,566	100%

COUNTY OF CALHOUN, MICHIGAN

Required Supplementary Information

Municipal Employees Retirement System - Road Department

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a % of Covered Payroll ((B-A)/C)
12/31/2006	\$ 7,179,600	\$ 12,014,764	\$ 4,835,164	59.8%	\$ 2,948,271	164.0%
12/31/2007	7,689,116	12,717,735	5,028,619	60.5%	2,732,945	184.0%
12/31/2008	7,886,661	13,611,870	5,725,209	57.9%	2,576,262	222.2%
12/31/2009	8,024,910	13,528,995	5,504,085	59.3%	2,739,935	200.9%
12/31/2010	8,302,992	14,248,618	5,945,626	58.3%	2,709,992	219.4%
12/31/2011	8,453,250	15,135,270	6,682,020	55.9%	2,708,780	246.7%
12/31/2012	8,478,802	15,483,469	7,004,667	54.8%	2,537,631	276.0%

Schedule of Employer Contributions

Year Ended December 31	Annual Required Contributions	Percentage Contributed
2007	\$ 497,365	100%
2008	517,141	100%
2009	535,483	100%
2010	606,067	100%
2011	629,331	100%
2012	566,398	100%
2013	550,195	100%

COUNTY OF CALHOUN, MICHIGAN

Required Supplementary Information

Other Postemployment Benefit Plan - Road Department

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a % of Covered Payroll ((B-A)/C)
12/31/2008	\$ -	\$ 4,079,394	\$ 4,079,394	0%	\$ 2,576,262	158%
12/31/2011	-	10,807,728	10,807,728	0%	Not available	n/a

Schedule of Employer Contributions

Year Ended December 31	Annual Required Contributions	Percentage Contributed
2008	\$ 320,261	70.6%
2009	328,001	82.9%
2010	331,647	94.0%
2011	1,031,216	42.0%
2012	1,022,713	41.5%
2013	1,054,045	28.6%

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**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

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CALHOUN COUNTY

Detail Schedule of Revenues

General Operating Fund - Road Department
For the Year Ended December 31, 2013

Revenues	
Licenses and permits	<u>\$ 98,862</u>
Federal sources:	
Surface transportation program	1,657,027
Congestion/air quality	107,334
Total Federal sources	<u>1,764,361</u>
State sources:	
Motor Vehicle Highway Funds - Act 51:	
Engineering	10,000
Local roads	847,805
Primary urban roads	5,265,527
Local urban roads	1,970,583
Critical Bridge	650,794
Other	84,920
Total State sources	<u>8,829,629</u>
Local sources	
Township contributions	239,045
Other contributions	107,660
Total Local sources	<u>346,705</u>
Charges for services	
State maintenance contract	1,510,445
Other services	53,168
Salvage sales	7,966
Total Charges for services	<u>1,571,579</u>
Other revenue	
Net gain on equipment disposal	44,340
Other	121,523
Total other revenues	<u>165,863</u>
Total revenues	<u><u>\$ 12,776,999</u></u>

CALHOUN COUNTY

Detail Schedule of Expenditures

General Operating Fund - Road Department
For the Year Ended December 31, 2013

Expenditures

Preservation - structural improvements	
Primary roads and structures	\$ 2,686,658
Local roads and structures	293,016
Total preservation - structural improvements	<u>2,979,674</u>
Maintenance:	
Primary roads and structures, winter and traffic control	2,501,734
Local roads and structures, winter and traffic control	3,648,449
Total maintenance	<u>6,150,183</u>
Equipment:	
Direct	1,794,979
Indirect	633,779
Operating	415,675
Less - equipment rental	(2,056,287)
Total equipment	<u>788,146</u>
Administrative	<u>735,610</u>
Other - trunkline maintenance, non-maintenance and other	<u>1,800,643</u>
Capital outlay - net	<u>(580,067)</u>
Debt Service:	
Principal retirement	459,716
Interest	36,427
Total debt service	<u>496,143</u>
Total expenditures	<u>\$ 12,370,332</u>

CALHOUN COUNTY

Detail Schedule of Revenues, Expenditures and Changes in Fund Balances

General Operating Fund - Road Department

For the Year Ended December 31, 2013

	Primary Road Fund	Local Road Fund	County Road Fund	Total
Revenues				
Licenses and permits	\$ -	\$ -	\$ 98,862	\$ 98,862
Intergovernmental:				
Federal sources	1,756,361	-	8,000	1,764,361
State sources	6,609,823	2,219,806	-	8,829,629
Local sources	-	239,045	107,660	346,705
Charges for services	1,515,160	-	56,419	1,571,579
Other	-	(37,637)	203,500	165,863
Total revenues	9,881,344	2,421,214	474,441	12,776,999
Expenditures				
Preservation -				
structural improvements	2,686,658	293,016	-	2,979,674
Maintenance:				
Road and structures	1,816,005	3,149,421	-	4,965,426
Winter	563,075	446,394	-	1,009,469
Traffic control	122,654	52,634	-	175,288
Equipment - net	412,966	332,215	42,965	788,146
Administrative	292,770	442,840	-	735,610
Trunkline maintenance	1,457,202	-	-	1,457,202
Trunkline non-maintenance	5,461	-	-	5,461
Other	121,293	65,312	151,375	337,980
Capital outlay-net	-	-	(580,067)	(580,067)
Debt service-principal	-	-	459,716	459,716
Debt service-interest	-	-	36,427	36,427
Total expenditures	7,478,084	4,781,832	110,416	12,370,332
Revenue over (under) expenditures before other financing sources (uses)	2,403,260	(2,360,618)	364,025	406,667
Other financing sources (uses)				
Optional transfers	(2,390,000)	2,390,000	-	-
Net change in fund balance	13,260	29,382	364,025	406,667
Fund Balance, beginning of year	1,193,594	-	269,444	1,463,038
Fund Balance, end of year	\$ 1,206,854	\$ 29,382	\$ 633,469	\$ 1,869,705

COUNTY OF CALHOUN, MICHIGAN

Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2013

	Special Revenue Funds	Debt Service Funds	Capital Projects Fund	Permanent Fund Cemetery Perpetual Care	Total
Assets					
Cash and cash equivalents	\$ 1,783,176	\$ 10,048	\$ 739,386	\$ 37,686	\$ 2,570,296
Receivables:					
Accounts, net	299,877	-	-	-	299,877
Taxes receivable current	350,817	-	-	-	350,817
Delinquent taxes	209	13,158	-	-	13,367
Due from other governments	1,031,417	-	-	-	1,031,417
Due from other funds	88,156	-	-	-	88,156
Prepaid items	10,902	-	-	-	10,902
Total assets	\$ 3,564,554	\$ 23,206	\$ 739,386	\$ 37,686	\$ 4,364,832
Liabilities					
Accounts payable	\$ 272,186	\$ 1,903	\$ 4,900	\$ -	\$ 278,989
Accrued liabilities	145,033	-	-	-	145,033
Due to other governments	41,000	-	-	-	41,000
Interfund payables	320,358	-	-	-	320,358
Unearned revenue	12,706	-	-	-	12,706
Total liabilities	791,283	1,903	4,900	-	798,086
Deferred inflows of resources					
Unavailable revenue -					
Personnel property taxes	209	13,150	-	-	13,359
Taxes levied for a subsequent period	354,357	-	-	-	354,357
Total deferred inflows of resources	354,566	13,150	-	-	367,716
Fund balances					
Nonspendable	10,902	-	-	-	10,902
Restricted for:					
Judicial	461,559	-	-	-	461,559
General government	16,283	-	-	-	16,283
Public safety	417,040	-	-	-	417,040
Public works	985,588	-	-	-	985,588
Health and welfare	182,719	-	-	-	182,719
Recreation and cultural	344,614	-	-	-	344,614
Debt service	-	8,153	-	-	8,153
Capital projects	-	-	734,486	-	734,486
Perpetual care	-	-	-	37,686	37,686
Total fund balances	2,418,705	8,153	734,486	37,686	3,199,030
Total liabilities, deferred inflows of resources and fund balances	\$ 3,564,554	\$ 23,206	\$ 739,386	\$ 37,686	\$ 4,364,832

COUNTY OF CALHOUN, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended December 31, 2013

	Special Revenue Funds	Debt Service Funds	Capital Projects Fund	Permanent Fund Cemetery Perpetual Care	Total
Revenues					
Taxes	\$ 1,294,653	\$ 207	\$ -	\$ -	\$ 1,294,860
Contributions	-	816,138	-	-	816,138
Licenses and permits	60,815	-	-	-	60,815
Intergovernmental	3,622,247	-	-	-	3,622,247
Charges for services	804,983	-	-	-	804,983
Fines and forfeitures	99,584	-	-	-	99,584
Interest and rents	1,399	-	-	108	1,507
Other	109,519	-	32,291	-	141,810
Total revenues	5,993,200	816,345	32,291	108	6,841,944
Expenditures					
Current:					
Judicial	3,907,122	-	-	-	3,907,122
General government	1,170	-	210,061	-	211,231
Public safety	1,874,141	-	-	-	1,874,141
Public works	283,496	-	-	-	283,496
Health and welfare	138,340	-	-	-	138,340
Recreation and cultural	1,540,317	-	-	-	1,540,317
Other	-	-	-	220	220
Debt service:					
Principal	-	1,305,700	157,991	-	1,463,691
Interest and fiscal charges	-	658,981	16,329	-	675,310
Capital outlay	65,997	-	749,772	-	815,769
Total expenditures	7,810,583	1,964,681	1,134,153	220	10,909,637
Revenues under expenditures	(1,817,383)	(1,148,336)	(1,101,862)	(112)	(4,067,693)
Other financing sources (uses)					
Transfers in	2,059,211	1,148,661	948,262	-	4,156,134
Transfers out	(237,929)	-	(403,636)	-	(641,565)
Proceeds from capital leases	-	-	155,882	-	155,882
Total other financing sources (uses)	1,821,282	1,148,661	700,508	-	3,670,451
Net change in fund balance	3,899	325	(401,354)	(112)	(397,242)
Fund balance, beginning of year	2,414,806	7,828	1,135,840	37,798	3,596,272
Fund balance, end of year	\$ 2,418,705	\$ 8,153	\$ 734,486	\$ 37,686	\$ 3,199,030

COUNTY OF CALHOUN, MICHIGAN

Nonmajor Special Revenue Funds

Description of Funds

Friend of the Court - This fund is used to account for mediation services regarding custody or visitation rights to parties involved in divorce. This fund is also used to account for grant revenues that are specifically restricted to the provision of Child Support Services. Financing is provided by State and Federal sources and a County appropriation.

Family Counseling - This fund is used to account for the operations of a family counseling service. Financing is provided by marriage license fees.

County Special Projects - This fund is used to account for the costs of special projects and is funded by transfers from the General fund.

Accommodations Tax - This fund is used to account for a collection of a five percent hotel/motel room tax. The Board of Commissioner's resolutions allocate a portion of these revenues to promote tourism and convention business. State law limits the use of hotel/motel accommodation tax revenue to the development and promotion of convention and entertainment facilities.

Solid Waste Management - This fund is used to account for costs related to a planning grant for solid waste and recycling management.

Circuit Court Grants - This fund is used to account for costs related to grants received by the Circuit Court.

Parks - This fund is used to account for certain operations and maintenance of County owned parks and facilities.

Remonumentation - This fund is used to account for the operations of the State-funded remonumentation grant and Board designated fees for enhancement of the County's remonumentation initiative.

Register of Deeds Automation - This fund is used to account for fees collected that are restricted by law to be used for technology upgrades with the Register of Deeds Department.

Clerk - This fund is used to account for the operations of the County Clerk's Byrne Memorial grant.

Local Emergency Planning - This fund is used to account for various local emergency planning committees.

Sheriff - This fund is used to account for the office of the Sheriff special operations and related grant funds.

Emergency Management - This fund is used to account for various Homeland Security Grants.

COUNTY OF CALHOUN, MICHIGAN

Nonmajor Special Revenue Funds

Description of Funds

Community Corrections - This fund is used to account for the County's community corrections program. This program is State funded.

Prosecutor - This fund is used to account for the Prosecutor's special operations and related grant funds.

Housing Rehabilitation - This fund is used to account for Community Development Block Grant Funds, which are under the administration of the Michigan State Housing Development Authority (MSHDA), as they are used for Housing Rehabilitation Program activities.

Federal and State Grant - This fund is used to account for the operations of Federal and State grant programs.

Human Services - This fund is used to account for funds which are provided by County, State, and Federal governments to administer the human services department, assist eligible recipients, and to administer various State and Federal human services programs.

Soldiers' Relief - This fund is used to account for funds provided by a tax levy for indigent veterans.

Veterans' Trust - This fund is used to account for revenue set aside for aid to veterans. Funding is provided by the State of Michigan.

Employee Benefits - This fund is used to account for the administrative costs of operating the County's 401(k) Pension Plan.

Calhoun County Trailway - This fund is used to account for costs relating to the planning of the Calhoun County Trailway project.

Public Works Department - This fund is used to account for various infrastructure projects in Calhoun County.

COUNTY OF CALHOUN, MICHIGAN

Combining Balance Sheet
 Nonmajor Special Revenue Funds
 December 31, 2013

	(215) Friend of the Court	(216) Family Counseling	(228) County Special Projects	(229) Accommodations Tax
Assets				
Cash and cash equivalents	\$ -	\$ 76,360	\$ 35,664	\$ 89,683
Receivables:				
Accounts, net	-	-	-	113,444
Taxes receivable current	-	-	-	-
Delinquent taxes	-	-	-	-
Due from other governments	651,871	-	-	-
Due from other funds	-	-	-	-
Prepaid items	-	-	-	-
Total assets	\$ 651,871	\$ 76,360	\$ 35,664	\$ 203,127
Liabilities				
Accounts payable	\$ 4,469	\$ -	\$ -	\$ 203,127
Accrued liabilities	100,254	-	-	-
Due to other governments	-	-	-	-
Interfund payables	161,949	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	266,672	-	-	203,127
Deferred inflows of resources				
Unavailable revenue -				
Personnel property taxes	-	-	-	-
Taxes levied for a subsequent period	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund balances				
Nonspendable	-	-	-	-
Restricted for:				
Judicial	385,199	76,360	-	-
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Health and welfare	-	-	-	-
Recreation and cultural	-	-	35,664	-
Total fund balances	385,199	76,360	35,664	-
Total liabilities, deferred inflows of resources and fund balances	\$ 651,871	\$ 76,360	\$ 35,664	\$ 203,127

(230) Solid Waste Management	(236) Circuit Court Grants	(243) Parks	(245) Remon- umentation	(256) Register of Deeds Automation
\$ 779,452	\$ 157,271	\$ 38,591	\$ 110,708	\$ 21,027
103,860	20,994	27,418	-	-
-	-	-	-	-
-	-	-	-	-
-	43,500	667	-	-
-	-	88,156	-	-
-	-	10,902	-	-
<u>\$ 883,312</u>	<u>\$ 221,765</u>	<u>\$ 165,734</u>	<u>\$ 110,708</u>	<u>\$ 21,027</u>
\$ 5,701	\$ 7,002	\$ 1,444	\$ 30,968	\$ 3,576
2,899	5,705	-	-	861
-	-	-	-	-
-	-	-	-	-
-	189	-	-	-
<u>8,600</u>	<u>12,896</u>	<u>1,444</u>	<u>30,968</u>	<u>4,437</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	10,902	-	-
-	-	-	-	-
-	-	-	-	-
-	208,869	-	-	-
874,712	-	-	-	-
-	-	-	-	-
-	-	153,388	79,740	16,590
<u>874,712</u>	<u>208,869</u>	<u>164,290</u>	<u>79,740</u>	<u>16,590</u>
<u>\$ 883,312</u>	<u>\$ 221,765</u>	<u>\$ 165,734</u>	<u>\$ 110,708</u>	<u>\$ 21,027</u>

continued...

COUNTY OF CALHOUN, MICHIGAN

Combining Balance Sheet
 Nonmajor Special Revenue Funds
 December 31, 2013

	(260) Clerk	(263) Local Emergency Planning	(265) Sheriff	(266) Emergency Management
Assets				
Cash and cash equivalents	\$ 3,500	\$ 3,750	\$ 65,124	\$ -
Receivables:				
Accounts, net	-	-	3,700	-
Taxes receivable current	-	-	-	-
Delinquent taxes	-	-	-	-
Due from other governments	-	-	119,506	24,760
Due from other funds	-	-	-	-
Prepaid items	-	-	-	-
Total assets	\$ 3,500	\$ 3,750	\$ 188,330	\$ 24,760
Liabilities				
Accounts payable	\$ -	\$ 1,690	\$ 664	\$ 505
Accrued liabilities	-	-	5,979	1,070
Due to other governments	-	-	-	-
Interfund payables	-	-	-	21,959
Unearned revenue	-	548	11,969	-
Total liabilities	-	2,238	18,612	23,534
Deferred inflows of resources				
Unavailable revenue -				
Personnel property taxes	-	-	-	-
Taxes levied for a subsequent period	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund balances				
Nonspendable	-	-	-	-
Restricted for:				
Judicial	-	-	-	-
General government	3,500	-	-	-
Public safety	-	1,512	169,718	1,226
Public works	-	-	-	-
Health and welfare	-	-	-	-
Recreation and cultural	-	-	-	-
Total fund balances	3,500	1,512	169,718	1,226
Total liabilities, deferred inflows of resources and fund balances	\$ 3,500	\$ 3,750	\$ 188,330	\$ 24,760



(273) Community Corrections	(281) Prosecutor	(285) Housing Rehabilitation	(287) Federal and State Grant	(290) Human Services
\$ -	\$ -	\$ 455	\$ -	\$ 172,551
-	-	-	12,896	-
-	-	-	-	-
-	-	-	-	-
50,894	97,211	-	43,008	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 50,894</u>	<u>\$ 97,211</u>	<u>\$ 455</u>	<u>\$ 55,904</u>	<u>\$ 172,551</u>
\$ 2,501	\$ 1,078	\$ -	\$ -	\$ -
3,393	14,951	-	9,921	-
-	-	-	-	41,000
45,000	55,408	-	36,042	-
-	-	-	-	-
<u>50,894</u>	<u>71,437</u>	<u>-</u>	<u>45,963</u>	<u>41,000</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	25,774	-	9,941	-
-	-	-	-	-
-	-	455	-	131,551
-	-	-	-	-
-	<u>25,774</u>	<u>455</u>	<u>9,941</u>	<u>131,551</u>
<u>\$ 50,894</u>	<u>\$ 97,211</u>	<u>\$ 455</u>	<u>\$ 55,904</u>	<u>\$ 172,551</u>

continued...

COUNTY OF CALHOUN, MICHIGAN

Combining Balance Sheet Nonmajor Special Revenue Funds December 31, 2013

	(293) Soldiers' Relief	(294) Veterans' Trust	(258) Employee Benefits	(208) Calhoun County Trailway
Assets				
Cash and cash equivalents	\$ 58,193	\$ 5,360	\$ 12,783	\$ 59,232
Receivables:				
Accounts, net	-	-	-	-
Taxes receivable current	350,817	-	-	-
Delinquent taxes	209	-	-	-
Due from other governments	-	-	-	-
Due from other funds	-	-	-	-
Prepaid items	-	-	-	-
Total assets	\$ 409,219	\$ 5,360	\$ 12,783	\$ 59,232
Liabilities				
Accounts payable	\$ 9,011	\$ 289	\$ -	\$ -
Accrued liabilities	-	-	-	-
Due to other governments	-	-	-	-
Interfund payables	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	9,011	289	-	-
Deferred inflows of resources				
Unavailable revenue -				
Personnel property taxes	209	-	-	-
Taxes levied for a subsequent period	354,357	-	-	-
Total deferred inflows of resources	354,566	-	-	-
Fund balances				
Nonspendable	-	-	-	-
Restricted for:				
Judicial	-	-	-	-
General government	-	-	12,783	-
Public safety	-	-	-	-
Public works	-	-	-	-
Health and welfare	45,642	5,071	-	-
Recreation and cultural	-	-	-	59,232
Total fund balances	45,642	5,071	12,783	59,232
Total liabilities, deferred inflows of resources and fund balances	\$ 409,219	\$ 5,360	\$ 12,783	\$ 59,232



(520) Public Works Department	Totals
\$ 93,472	\$ 1,783,176
17,565	299,877
-	350,817
-	209
-	1,031,417
-	88,156
-	10,902
<u>\$ 111,037</u>	<u>\$ 3,564,554</u>
\$ 161	\$ 272,186
-	145,033
-	41,000
-	320,358
-	12,706
<u>161</u>	<u>791,283</u>
-	209
-	354,357
<u>-</u>	<u>354,566</u>
-	10,902
-	461,559
-	16,283
-	417,040
110,876	985,588
-	182,719
-	344,614
<u>110,876</u>	<u>2,418,705</u>
<u>\$ 111,037</u>	<u>\$ 3,564,554</u>

concluded.

COUNTY OF CALHOUN, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds

For the Year Ended December 31, 2013

	(215) Friend of the Court	(216) Family Counseling	(228) County Special Projects	(229) Accommodations Tax
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ 1,294,653
Licenses and permits	-	14,615	-	-
Intergovernmental	2,155,914	-	-	-
Charges for services	67,334	-	-	-
Fines and forfeitures	-	-	-	-
Interest and rents	-	-	-	-
Other	-	-	-	-
Total revenues	2,223,248	14,615	-	1,294,653
Expenditures				
Current:				
Judicial	3,906,623	499	-	-
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Health and welfare	-	-	-	-
Recreation and cultural	-	-	25,360	1,169,153
Capital outlay	11,819	-	-	-
Total expenditures	3,918,442	499	25,360	1,169,153
Revenues over (under) expenditures	(1,695,194)	14,116	(25,360)	125,500
Other financing sources (uses)				
Transfers in	1,695,194	-	50,200	-
Transfers out	-	(10,000)	-	(125,500)
Total other financing sources (uses)	1,695,194	(10,000)	50,200	(125,500)
Net change in fund balance	-	4,116	24,840	-
Fund balance, beginning of year	385,199	72,244	10,824	-
Fund balance, end of year	\$ 385,199	\$ 76,360	\$ 35,664	\$ -

(230) Solid Waste Management	(236) Circuit Court Grants	(243) Parks	(245) Remon- umentation	(256) Register of Deeds Automation
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	207,387	667	67,599	-
284,978	-	-	-	143,185
-	-	-	-	-
817	-	502	-	18
3,529	14,094	28,528	57,204	-
<u>289,324</u>	<u>221,481</u>	<u>29,697</u>	<u>124,803</u>	<u>143,203</u>
-	-	-	-	-
-	-	-	-	-
-	351,461	-	-	-
264,333	-	-	-	-
-	-	-	-	-
-	-	41,242	106,506	147,195
-	-	-	-	-
<u>264,333</u>	<u>351,461</u>	<u>41,242</u>	<u>106,506</u>	<u>147,195</u>
<u>24,991</u>	<u>(129,980)</u>	<u>(11,545)</u>	<u>18,297</u>	<u>(3,992)</u>
-	-	86,279	-	-
(50,110)	-	-	-	(20,000)
<u>(50,110)</u>	<u>-</u>	<u>86,279</u>	<u>-</u>	<u>(20,000)</u>
(25,119)	(129,980)	74,734	18,297	(23,992)
<u>899,831</u>	<u>338,849</u>	<u>89,556</u>	<u>61,443</u>	<u>40,582</u>
<u>\$ 874,712</u>	<u>\$ 208,869</u>	<u>\$ 164,290</u>	<u>\$ 79,740</u>	<u>\$ 16,590</u>

continued...

COUNTY OF CALHOUN, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Special Revenue Funds For the Year Ended December 31, 2013

	(260) Clerk	(263) Local Emergency Planning	(265) Sheriff	(266) Emergency Management
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	2,505	171,582	82,193
Charges for services	-	-	67,382	-
Fines and forfeitures	-	-	99,584	-
Interest and rents	-	-	-	-
Other	-	-	2,181	-
Total revenues	-	2,505	340,729	82,193
Expenditures				
Current:				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	-	1,690	273,452	87,959
Public works	-	-	-	-
Health and welfare	-	-	-	-
Recreation and cultural	-	-	-	-
Capital outlay	-	-	54,178	-
Total expenditures	-	1,690	327,630	87,959
Revenues over (under) expenditures	-	815	13,099	(5,766)
Other financing sources (uses)				
Transfers in	-	-	32,128	-
Transfers out	-	-	(32,319)	-
Total other financing sources (uses)	-	-	(191)	-
Net change in fund balance	-	815	12,908	(5,766)
Fund balance, beginning of year	3,500	697	156,810	6,992
Fund balance, end of year	\$ 3,500	\$ 1,512	\$ 169,718	\$ 1,226

(273) Community Corrections	(281) Prosecutor	(285) Housing Rehabilitation	(287) Federal and State Grant	(290) Human Services
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
174,615	415,473	33,697	136,843	38,504
-	-	-	233,954	8,150
-	-	-	-	-
-	-	-	-	-
-	3,983	-	-	-
<u>174,615</u>	<u>419,456</u>	<u>33,697</u>	<u>370,797</u>	<u>46,654</u>
-	-	-	-	-
-	-	-	-	-
196,288	602,185	-	361,106	-
-	-	-	-	-
-	-	38,676	-	58,582
-	-	-	-	-
-	-	-	-	-
<u>196,288</u>	<u>602,185</u>	<u>38,676</u>	<u>361,106</u>	<u>58,582</u>
<u>(21,673)</u>	<u>(182,729)</u>	<u>(4,979)</u>	<u>9,691</u>	<u>(11,928)</u>
21,673	173,737	-	-	-
-	-	-	-	-
<u>21,673</u>	<u>173,737</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	(8,992)	(4,979)	9,691	(11,928)
-	34,766	5,434	250	143,479
<u>\$ -</u>	<u>\$ 25,774</u>	<u>\$ 455</u>	<u>\$ 9,941</u>	<u>\$ 131,551</u>

continued...

COUNTY OF CALHOUN, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds

For the Year Ended December 31, 2013

	(293) Soldiers' Relief	(294) Veterans' Trust	(258) Employee Benefits	(208) Calhoun County Trailway
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	19,681	-	110,000
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest and rents	-	-	-	-
Other	-	-	-	-
Total revenues	-	19,681	-	110,000
Expenditures				
Current:				
Judicial	-	-	-	-
General government	-	-	1,170	-
Public safety	-	-	-	-
Public works	-	-	-	-
Health and welfare	19,891	21,191	-	-
Recreation and cultural	-	-	-	50,861
Capital outlay	-	-	-	-
Total expenditures	19,891	21,191	1,170	50,861
Revenues over (under) expenditures	(19,891)	(1,510)	(1,170)	59,139
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	(19,891)	(1,510)	(1,170)	59,139
Fund balance, beginning of year	65,533	6,581	13,953	93
Fund balance, end of year	\$ 45,642	\$ 5,071	\$ 12,783	\$ 59,232

(520) Board of Public Works	Totals
\$ -	\$ 1,294,653
46,200	60,815
5,587	3,622,247
-	804,983
-	99,584
62	1,399
-	109,519
<u>51,849</u>	<u>5,993,200</u>
-	3,907,122
-	1,170
-	1,874,141
19,163	283,496
-	138,340
-	1,540,317
-	65,997
<u>19,163</u>	<u>7,810,583</u>
<u>32,686</u>	<u>(1,817,383)</u>
-	2,059,211
-	(237,929)
-	1,821,282
32,686	3,899
<u>78,190</u>	<u>2,414,806</u>
<u>\$ 110,876</u>	<u>\$ 2,418,705</u>

concluded.

COUNTY OF CALHOUN, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Friend of the Court

For the Year Ended December 31, 2013

	Amended Budget	Actual	Over (Under) Budget	2012
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	2,298,253	2,155,914	(142,339)	2,118,262
Charges for services	66,500	67,334	834	70,235
Fines and forfeitures	-	-	-	-
Interest and rents	-	-	-	-
Other	-	-	-	-
Total revenues	2,364,753	2,223,248	(141,505)	2,188,497
Expenditures				
Current:				
Judicial	4,171,362	3,906,623	(264,739)	3,686,313
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Health and welfare	-	-	-	-
Recreation and cultural	-	-	-	-
Capital outlay	-	11,819	11,819	-
Total expenditures	4,171,362	3,918,442	(252,920)	3,686,313
Revenues over (under) expenditures	(1,806,609)	(1,695,194)	111,415	(1,497,816)
Other financing sources (uses)				
Transfers in	1,740,866	1,695,194	(45,672)	1,670,583
Transfers out	-	-	-	-
Total other financing sources (uses)	1,740,866	1,695,194	(45,672)	1,670,583
Net change in fund balance	(65,743)	-	65,743	172,767
Fund balance, beginning of year	385,199	385,199	-	212,432
Fund balance, end of year	\$ 319,456	\$ 385,199	\$ 65,743	\$ 385,199

COUNTY OF CALHOUN, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Family Counseling

For the Year Ended December 31, 2013

	Amended Budget	Actual	Over (Under) Budget	2012
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	13,500	14,615	1,115	13,730
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest and rents	-	-	-	-
Other	-	-	-	-
Total revenues	13,500	14,615	1,115	13,730
Expenditures				
Current:				
Judicial	3,500	499	(3,001)	-
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Health and welfare	-	-	-	-
Recreation and cultural	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	3,500	499	(3,001)	-
Revenues over (under) expenditures	10,000	14,116	4,116	13,730
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	(10,000)	(10,000)	-	(10,000)
Total other financing sources (uses)	(10,000)	(10,000)	-	(10,000)
Net change in fund balance	-	4,116	4,116	3,730
Fund balance, beginning of year	72,244	72,244	-	68,514
Fund balance, end of year	\$ 72,244	\$ 76,360	\$ 4,116	\$ 72,244

COUNTY OF CALHOUN, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - County Special Projects

For the Year Ended December 31, 2013

	Amended Budget	Actual	Over (Under) Budget	2012
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest and rents	-	-	-	-
Other	-	-	-	-
Total revenues	-	-	-	-
Expenditures				
Current:				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Health and welfare	-	-	-	-
Recreation and cultural	38,200	25,360	(12,840)	25,360
Capital outlay	-	-	-	-
Total expenditures	38,200	25,360	(12,840)	25,360
Revenues over (under) expenditures	(38,200)	(25,360)	12,840	(25,360)
Other financing sources (uses)				
Transfers in	49,200	50,200	1,000	47,833
Transfers out	(40,000)	-	40,000	(40,000)
Total other financing sources (uses)	9,200	50,200	41,000	7,833
Net change in fund balance	(29,000)	24,840	53,840	(17,527)
Fund balance, beginning of year	10,824	10,824	-	28,351
Fund balance, end of year	\$ (18,176)	\$ 35,664	\$ 53,840	\$ 10,824

COUNTY OF CALHOUN, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Accommodations Tax

For the Year Ended December 31, 2013

	Amended Budget	Actual	Over (Under) Budget	2012
Revenues				
Taxes	\$ 1,255,000	\$ 1,294,653	\$ 39,653	\$ 1,195,830
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest and rents	-	-	-	-
Other	-	-	-	-
Total revenues	1,255,000	1,294,653	39,653	1,195,830
Expenditures				
Current:				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Health and welfare	-	-	-	-
Recreation and cultural	1,132,000	1,169,153	37,153	1,076,247
Capital outlay	-	-	-	-
Total expenditures	1,132,000	1,169,153	37,153	1,076,247
Revenues over (under) expenditures	123,000	125,500	2,500	119,583
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	(123,000)	(125,500)	(2,500)	(119,583)
Total other financing sources (uses)	(123,000)	(125,500)	(2,500)	(119,583)
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

COUNTY OF CALHOUN, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Solid Waste Management

For the Year Ended December 31, 2013

	Amended Budget	Actual	Over (Under) Budget	2012
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	250,000	284,978	34,978	295,035
Fines and forfeitures	-	-	-	-
Interest and rents	2,000	817	(1,183)	2,027
Other	4,000	3,529	(471)	3,833
Total revenues	256,000	289,324	33,324	300,895
Expenditures				
Current:				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	-	-	-	-
Public works	330,029	264,333	(65,696)	-
Health and welfare	-	-	-	-
Recreation and cultural	-	-	-	247,423
Capital outlay	-	-	-	-
Total expenditures	330,029	264,333	(65,696)	247,423
Revenues over (under) expenditures	(74,029)	24,991	99,020	53,472
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	(50,000)	(50,110)	(110)	-
Total other financing sources (uses)	(50,000)	(50,110)	(110)	-
Net change in fund balance	(124,029)	(25,119)	98,910	53,472
Fund balance, beginning of year	899,831	899,831	-	846,359
Fund balance, end of year	\$ 775,802	\$ 874,712	\$ 98,910	\$ 899,831

COUNTY OF CALHOUN, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Circuit Court Grants

For the Year Ended December 31, 2013

	Amended Budget	Actual	Over (Under) Budget	2012
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	368,959	207,387	(161,572)	388,954
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest and rents	-	-	-	-
Other	16,550	14,094	(2,456)	14,302
Total revenues	385,509	221,481	(164,028)	403,256
Expenditures				
Current:				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	385,509	351,461	(34,048)	341,717
Public works	-	-	-	-
Health and welfare	-	-	-	-
Recreation and cultural	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	385,509	351,461	(34,048)	341,717
Revenues over (under) expenditures	-	(129,980)	(129,980)	61,539
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	-	(129,980)	(129,980)	61,539
Fund balance, beginning of year	338,849	338,849	-	277,310
Fund balance, end of year	<u>\$ 338,849</u>	<u>\$ 208,869</u>	<u>\$ (129,980)</u>	<u>\$ 338,849</u>

COUNTY OF CALHOUN, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Parks

For the Year Ended December 31, 2013

	Amended Budget	Actual	Over (Under) Budget	2012
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	667	667	-
Charges for services	-	-	-	120,844
Fines and forfeitures	-	-	-	-
Interest and rents	-	502	502	8
Other	-	28,528	28,528	-
Total revenues	-	29,697	29,697	120,852
Expenditures				
Current:				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Health and welfare	-	-	-	-
Recreation and cultural	86,300	41,242	(45,058)	124,790
Capital outlay	-	-	-	-
Total expenditures	86,300	41,242	(45,058)	124,790
Revenues over (under) expenditures	(86,300)	(11,545)	74,755	(3,938)
Other financing sources (uses)				
Transfers in	86,300	86,279	(21)	-
Transfers out	-	-	-	-
Total other financing sources (uses)	86,300	86,279	(21)	-
Net change in fund balance	-	74,734	74,734	(3,938)
Fund balance, beginning of year	89,556	89,556	-	93,494
Fund balance, end of year	\$ 89,556	\$ 164,290	\$ 74,734	\$ 89,556

COUNTY OF CALHOUN, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Remonumentation

For the Year Ended December 31, 2013

	Amended Budget	Actual	Over (Under) Budget	2012
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	72,190	67,599	(4,591)	81,328
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest and rents	-	-	-	-
Other	39,500	57,204	17,704	43,862
Total revenues	111,690	124,803	13,113	125,190
Expenditures				
Current:				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Health and welfare	-	-	-	-
Recreation and cultural	110,990	106,506	(4,484)	109,122
Capital outlay	-	-	-	-
Total expenditures	110,990	106,506	(4,484)	109,122
Revenues over (under) expenditures	700	18,297	17,597	16,068
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	700	18,297	17,597	16,068
Fund balance, beginning of year	61,443	61,443	-	45,375
Fund balance, end of year	<u>\$ 62,143</u>	<u>\$ 79,740</u>	<u>\$ 17,597</u>	<u>\$ 61,443</u>

COUNTY OF CALHOUN, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Register of Deeds Automation

For the Year Ended December 31, 2013

	Amended Budget	Actual	Over (Under) Budget	2012
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	128,000	143,185	15,185	138,495
Fines and forfeitures	-	-	-	-
Interest and rents	-	18	18	-
Other	-	-	-	-
Total revenues	128,000	143,203	15,203	138,495
Expenditures				
Current:				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Health and welfare	-	-	-	-
Recreation and cultural	157,485	147,195	(10,290)	140,427
Capital outlay	-	-	-	-
Total expenditures	157,485	147,195	(10,290)	140,427
Revenues over (under) expenditures	(29,485)	(3,992)	25,493	(1,932)
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	(20,000)	(20,000)	-	(20,000)
Total other financing sources (uses)	(20,000)	(20,000)	-	(20,000)
Net change in fund balance	(49,485)	(23,992)	25,493	(21,932)
Fund balance, beginning of year	40,582	40,582	-	62,514
Fund balance, end of year	\$ (8,903)	\$ 16,590	\$ 25,493	\$ 40,582

COUNTY OF CALHOUN, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Clerk

For the Year Ended December 31, 2013

	Amended Budget	Actual	Over (Under) Budget	2012
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest and rents	-	-	-	-
Other	-	-	-	-
Total revenues	-	-	-	-
Expenditures				
Current:				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Health and welfare	-	-	-	-
Recreation and cultural	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Revenues over (under) expenditures	-	-	-	-
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	3,500	3,500	-	3,500
Fund balance, end of year	\$ 3,500	\$ 3,500	\$ -	\$ 3,500

COUNTY OF CALHOUN, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Local Emergency Planning

For the Year Ended December 31, 2013

	Amended Budget	Actual	Over (Under) Budget	2012
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	1,000	2,505	1,505	1,690
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest and rents	-	-	-	-
Other	-	-	-	-
Total revenues	1,000	2,505	1,505	1,690
Expenditures				
Current:				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	1,000	1,690	690	1,690
Public works	-	-	-	-
Health and welfare	-	-	-	-
Recreation and cultural	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	1,000	1,690	690	1,690
Revenues over (under) expenditures	-	815	815	-
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	-	815	815	-
Fund balance, beginning of year	697	697	-	697
Fund balance, end of year	\$ 697	\$ 1,512	\$ 815	\$ 697

COUNTY OF CALHOUN, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Sheriff

For the Year Ended December 31, 2013

	Amended Budget	Actual	Over (Under) Budget	2012
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	230,249	171,582	(58,667)	200,972
Charges for services	74,000	67,382	(6,618)	63,144
Fines and forfeitures	39,400	99,584	60,184	26,159
Interest and rents	-	-	-	-
Other	7,100	2,181	(4,919)	14,101
Total revenues	350,749	340,729	(10,020)	304,376
Expenditures				
Current:				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	322,944	273,452	(49,492)	380,868
Public works	-	-	-	-
Health and welfare	-	-	-	-
Recreation and cultural	-	-	-	-
Capital outlay	61,072	54,178	(6,894)	-
Total expenditures	384,016	327,630	(56,386)	380,868
Revenues over (under) expenditures	(33,267)	13,099	46,366	(76,492)
Other financing sources (uses)				
Transfers in	32,226	32,128	(98)	79,624
Transfers out	(32,319)	(32,319)	-	(50,000)
Total other financing sources (uses)	(93)	(191)	(98)	29,624
Net change in fund balance	(33,360)	12,908	46,268	(46,868)
Fund balance, beginning of year	156,810	156,810	-	203,678
Fund balance, end of year	\$ 123,450	\$ 169,718	\$ 46,268	\$ 156,810

COUNTY OF CALHOUN, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Emergency Management

For the Year Ended December 31, 2013

	Amended Budget	Actual	Over (Under) Budget	2012
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	139,357	82,193	(57,164)	116,100
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest and rents	-	-	-	-
Other	-	-	-	-
Total revenues	139,357	82,193	(57,164)	116,100
Expenditures				
Current:				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	139,827	87,959	(51,868)	109,422
Public works	-	-	-	-
Health and welfare	-	-	-	-
Recreation and cultural	-	-	-	-
Capital outlay	5,000	-	(5,000)	9,000
Total expenditures	144,827	87,959	(56,868)	118,422
Revenues over (under) expenditures	(5,470)	(5,766)	(296)	(2,322)
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	(5,470)	(5,766)	(296)	(2,322)
Fund balance, beginning of year	6,992	6,992	-	9,314
Fund balance, end of year	\$ 1,522	\$ 1,226	\$ (296)	\$ 6,992

COUNTY OF CALHOUN, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Community Corrections

For the Year Ended December 31, 2013

	Amended Budget	Actual	Over (Under) Budget	2012
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	224,593	174,615	(49,978)	199,955
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest and rents	-	-	-	-
Other	-	-	-	-
Total revenues	224,593	174,615	(49,978)	199,955
Expenditures				
Current:				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	240,904	196,288	(44,616)	210,169
Public works	-	-	-	-
Health and welfare	-	-	-	-
Recreation and cultural	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	240,904	196,288	(44,616)	210,169
Revenues over (under) expenditures	(16,311)	(21,673)	(5,362)	(10,214)
Other financing sources (uses)				
Transfers in	16,311	21,673	5,362	10,214
Transfers out	-	-	-	-
Total other financing sources (uses)	16,311	21,673	5,362	10,214
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

COUNTY OF CALHOUN, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Prosecutor

For the Year Ended December 31, 2013

	Amended Budget	Actual	Over (Under) Budget	2012
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	427,208	415,473	(11,735)	422,526
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest and rents	-	-	-	-
Other	14,000	3,983	(10,017)	3,050
Total revenues	441,208	419,456	(21,752)	425,576
Expenditures				
Current:				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	635,928	602,185	(33,743)	587,945
Public works	-	-	-	-
Health and welfare	-	-	-	-
Recreation and cultural	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	635,928	602,185	(33,743)	587,945
Revenues over (under) expenditures	(194,720)	(182,729)	11,991	(162,369)
Other financing sources (uses)				
Transfers in	194,720	173,737	(20,983)	151,119
Transfers out	-	-	-	-
Total other financing sources (uses)	194,720	173,737	(20,983)	151,119
Net change in fund balance	-	(8,992)	(8,992)	(11,250)
Fund balance, beginning of year	34,766	34,766	-	46,016
Fund balance, end of year	\$ 34,766	\$ 25,774	\$ (8,992)	\$ 34,766

COUNTY OF CALHOUN, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Housing Rehabilitation

For the Year Ended December 31, 2013

	Amended Budget	Actual	Over (Under) Budget	2012
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	150,000	33,697	(116,303)	171,063
Charges for services	20,000	-	(20,000)	3,804
Fines and forfeitures	-	-	-	-
Interest and rents	-	-	-	-
Other	-	-	-	-
Total revenues	170,000	33,697	(136,303)	174,867
Expenditures				
Current:				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Health and welfare	170,000	38,676	(131,324)	174,135
Recreation and cultural	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	170,000	38,676	(131,324)	174,135
Revenues over (under) expenditures	-	(4,979)	(4,979)	732
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	-	(4,979)	(4,979)	732
Fund balance, beginning of year	5,434	5,434	-	4,702
Fund balance, end of year	<u>\$ 5,434</u>	<u>\$ 455</u>	<u>\$ (4,979)</u>	<u>\$ 5,434</u>

COUNTY OF CALHOUN, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Federal and State Grant

For the Year Ended December 31, 2013

	Amended Budget	Actual	Over (Under) Budget	2012
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	143,522	136,843	(6,679)	112,049
Charges for services	242,253	233,954	(8,299)	124,254
Fines and forfeitures	-	-	-	-
Interest and rents	-	-	-	-
Other	-	-	-	-
Total revenues	385,775	370,797	(14,978)	236,303
Expenditures				
Current:				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	385,775	361,106	(24,669)	228,479
Public works	-	-	-	-
Health and welfare	-	-	-	7,824
Recreation and cultural	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	385,775	361,106	(24,669)	236,303
Revenues over (under) expenditures	-	9,691	9,691	-
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	-	9,691	9,691	-
Fund balance, beginning of year	250	250	-	250
Fund balance, end of year	<u>\$ 250</u>	<u>\$ 9,941</u>	<u>\$ 9,691</u>	<u>\$ 250</u>

COUNTY OF CALHOUN, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Human Services

For the Year Ended December 31, 2013

	Amended Budget	Actual	Over (Under) Budget	2012
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	357,358	38,504	(318,854)	204,161
Charges for services	51,568	8,150	(43,418)	54,082
Fines and forfeitures	-	-	-	-
Interest and rents	-	-	-	-
Other	-	-	-	-
Total revenues	408,926	46,654	(362,272)	258,243
Expenditures				
Current:				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Health and welfare	408,926	58,582	(350,344)	242,135
Recreation and cultural	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	408,926	58,582	(350,344)	242,135
Revenues over (under) expenditures	-	(11,928)	(11,928)	16,108
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	-	(11,928)	(11,928)	16,108
Fund balance, beginning of year	143,479	143,479	-	127,371
Fund balance, end of year	\$ 143,479	\$ 131,551	\$ (11,928)	\$ 143,479

COUNTY OF CALHOUN, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Soldiers' Relief
For the Year Ended December 31, 2013

	Amended Budget	Actual	Over (Under) Budget	2012
Revenues				
Taxes	\$ 11,639	\$ -	\$ (11,639)	\$ 11,525
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest and rents	-	-	-	-
Other	-	-	-	-
Total revenues	11,639	-	(11,639)	11,525
Expenditures				
Current:				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Health and welfare	17,139	19,891	2,752	2,733
Recreation and cultural	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	17,139	19,891	2,752	2,733
Revenues over (under) expenditures	(5,500)	(19,891)	(14,391)	8,792
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	(5,500)	(19,891)	(14,391)	8,792
Fund balance, beginning of year	65,533	65,533	-	56,741
Fund balance, end of year	\$ 60,033	\$ 45,642	\$ (14,391)	\$ 65,533

COUNTY OF CALHOUN, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Veterans' Trust

For the Year Ended December 31, 2013

	Amended Budget	Actual	Over (Under) Budget	2012
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	27,800	19,681	(8,119)	18,500
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest and rents	-	-	-	-
Other	-	-	-	-
Total revenues	27,800	19,681	(8,119)	18,500
Expenditures				
Current:				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Health and welfare	27,800	21,191	(6,609)	16,420
Recreation and cultural	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	27,800	21,191	(6,609)	16,420
Revenues over (under) expenditures	-	(1,510)	(1,510)	2,080
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	-	(1,510)	(1,510)	2,080
Fund balance, beginning of year	6,581	6,581	-	4,501
Fund balance, end of year	<u>\$ 6,581</u>	<u>\$ 5,071</u>	<u>\$ (1,510)</u>	<u>\$ 6,581</u>

COUNTY OF CALHOUN, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Employee Benefits

For the Year Ended December 31, 2013

	Amended Budget	Actual	Over (Under) Budget	2012
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	6,000	-	(6,000)	5,000
Interest and rents	-	-	-	-
Other	-	-	-	-
Total revenues	6,000	-	(6,000)	5,000
Expenditures				
Current:				
Judicial	-	-	-	-
General government	6,000	1,170	(4,830)	8,135
Public safety	-	-	-	-
Public works	-	-	-	-
Health and welfare	-	-	-	-
Recreation and cultural	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	6,000	1,170	(4,830)	8,135
Revenues over (under) expenditures	-	(1,170)	(1,170)	(3,135)
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	-	(1,170)	(1,170)	(3,135)
Fund balance, beginning of year	13,953	13,953	-	17,088
Fund balance, end of year	\$ 13,953	\$ 12,783	\$ (1,170)	\$ 13,953

COUNTY OF CALHOUN, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Calhoun County Trailway

For the Year Ended December 31, 2013

	Amended Budget	Actual	Over (Under) Budget	2012
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	275,000	110,000	(165,000)	15,257
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest and rents	-	-	-	-
Other	-	-	-	-
Total revenues	275,000	110,000	(165,000)	15,257
Expenditures				
Current:				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Health and welfare	-	-	-	-
Recreation and cultural	275,000	50,861	(224,139)	95,568
Capital outlay	-	-	-	-
Total expenditures	275,000	50,861	(224,139)	95,568
Revenues over (under) expenditures	-	59,139	59,139	(80,311)
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	-	59,139	59,139	(80,311)
Fund balance, beginning of year	93	93	-	80,404
Fund balance, end of year	\$ 93	\$ 59,232	\$ 59,139	\$ 93

COUNTY OF CALHOUN, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Public Works Department

For the Year Ended December 31, 2013

	Amended Budget	Actual	Over (Under) Budget	2012
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	46,200	46,200	25,798
Intergovernmental	-	5,587	5,587	28,183
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest and rents	-	62	62	1,644
Other	-	-	-	8,558
Total revenues	-	51,849	51,849	64,183
Expenditures				
Current:				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	19,163	19,163	58,255
Health and welfare	-	-	-	-
Recreation and cultural	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	19,163	19,163	58,255
Revenues over (under) expenditures	-	32,686	32,686	5,928
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	-	32,686	32,686	5,928
Fund balance, beginning of year	78,190	78,190	-	72,262
Fund balance, end of year	\$ 78,190	\$ 110,876	\$ 32,686	\$ 78,190

COUNTY OF CALHOUN, MICHIGAN

Nonmajor Debt Service Funds

Description of Funds

Jail Series III Refunding - This fund is used to account for the retirement of refunding bonds issued in 1997. Funding is provided by a property tax levy.

Building Improvement - This fund is used to account for the payment of principal and interest of an economic development bond and an installment purchase related to an energy conservation project in all County buildings. Funding is provided through appropriations from the general fund and capital improvement fund.

Justice Center Refunding - This fund is used to account for payment of principal and interest of bonds related to the Justice Center Complex project. Funding is provided through General Fund appropriations.

Public Works Debt Service Fund - This fund is used to account for the accumulation of resources for, and the payment of, interest and principal on bonded debt.

COUNTY OF CALHOUN, MICHIGAN

Combining Balance Sheet
 Nonmajor Debt Service Funds
 December 31, 2013

	(368) Jail Series III Refunding	(369) Building Improvement	(370) Justice Center Refunding	(365) Public Works Debt Service	Total
Assets					
Cash and cash equivalents	\$ 6,859	\$ -	\$ 1,168	\$ 2,021	\$ 10,048
Delinquent taxes receivable	13,158	-	-	-	13,158
Total assets	\$ 20,017	\$ -	\$ 1,168	\$ 2,021	\$ 23,206
Liabilities					
Accounts payable	-	-	-	1,903	1,903
Deferred inflows of resources					
Unavailable revenue - Personnel property taxes	13,150	-	-	-	13,150
Fund balances					
Restricted	6,867	-	1,168	118	8,153
Total deferred inflows of resources and fund balances	\$ 20,017	\$ -	\$ 1,168	\$ 2,021	\$ 23,206

COUNTY OF CALHOUN, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Debt Service Funds
 For the Year Ended December 31, 2013

	(368) Jail Series III Refunding	(369) Building Improvement	(370) Justice Center Refunding	(365) Public Works Debt Service	Total
Revenues					
Taxes	\$ 207	\$ -	\$ -	\$ -	\$ 207
Contributions	-	-	-	816,138	816,138
Total revenues	207	-	-	816,138	816,345
Expenditures					
Debt service:					
Principal	-	325,700	410,000	570,000	1,305,700
Interest and fiscal charges	-	229,936	183,025	246,020	658,981
Total expenditures	-	555,636	593,025	816,020	1,964,681
Revenues over (under) expenditures	207	(555,636)	(593,025)	118	(1,148,336)
Other financing sources					
Transfers in	-	555,636	593,025	-	1,148,661
Net change in fund balance	207	-	-	118	325
Fund balance, beginning of year	6,660	-	1,168	-	7,828
Fund balance, end of year	<u>\$ 6,867</u>	<u>\$ -</u>	<u>\$ 1,168</u>	<u>\$ 118</u>	<u>\$ 8,153</u>

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COUNTY OF CALHOUN, MICHIGAN

■ Nonmajor Enterprise Funds

Description of Funds

Property Description - This fund is used to account for the sale of property descriptions and aerial maps to the general public.

Sheriff Inmate Concession - This fund is used to account for the operations of a store for Calhoun County Jail inmates. Funding is provided through sales of merchandise.

COUNTY OF CALHOUN, MICHIGAN

Combining Statement of Net Position

Nonmajor Enterprise Funds

December 31, 2013

	(503) Property Description	(595) Sheriff Inmate Concession	Total
Assets			
Current assets -			
Cash and cash equivalents	\$ 5,914	\$ 222,916	\$ 228,830
Accounts receivable	-	50,519	50,519
Total current assets	5,914	273,435	279,349
Current liabilities			
Accounts payable	-	12,710	12,710
Net position			
Unrestricted	\$ 5,914	\$ 260,725	\$ 266,639

COUNTY OF CALHOUN, MICHIGAN

Combining Statement of Revenues, Expenses and Changes in Fund Net Position Nonmajor Enterprise Funds For the Year Ended December 31, 2013

	(503) Property Description	(595) Sheriff Inmate Concession	Total
Operating revenues			
Charges for services	\$ -	\$ 381,843	\$ 381,843
Operating expenses			
Other	-	245,891	245,891
Income before transfers	-	135,952	135,952
Transfers			
Transfers out	-	(200,000)	(200,000)
Change in fund net position	-	(64,048)	(64,048)
Net position, beginning of year	5,914	324,773	330,687
Net position, end of year	\$ 5,914	\$ 260,725	\$ 266,639

COUNTY OF CALHOUN, MICHIGAN

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

For the Year Ended December 31, 2013

	(503) Property Description	(595) Sheriff Inmate Concession	Total
Cash flows from operating activities			
Cash received from customers	\$ -	\$ 369,595	\$ 369,595
Cash payments to suppliers	-	(240,198)	(240,198)
Net cash provided by operating activities	-	129,397	129,397
Cash flows from noncapital financing activities			
Transfers out	-	(200,000)	(200,000)
Net change in cash and cash equivalents	-	(70,603)	(70,603)
Cash and cash equivalents, beginning of year	5,914	293,519	299,433
Cash and cash equivalents, end of year	\$ 5,914	\$ 222,916	\$ 228,830
Cash flows from operating activities			
Operating income	\$ -	\$ 135,952	\$ 135,952
Adjustments to reconcile operating income to net cash provided by (used in) operations:			
Changes in assets and liabilities:			
Accounts receivable	-	(12,248)	(12,248)
Accounts payable	-	5,693	5,693
Net cash provided by operating activities	\$ -	\$ 129,397	\$ 129,397

COUNTY OF CALHOUN, MICHIGAN

Internal Service Funds

Description of Funds

Combining Financial Statements

Building & Grounds - This fund is used to record the operation and maintenance of County buildings. Revenue is derived from rental agreements and a general fund appropriation.

Administrative Services - This fund is used to account for the operations of printing, mailing and telephone services, and data processing. Funding is provided through departmental user charges and contractual agreements.

Insurance - This fund is used to account for the liability insurance coverage to the County. Funds are provided by a General Fund appropriation.

Employee Benefits - This fund is used to account for various employee benefits which include health, dental, life, and disability insurance. Funding is provided by charges to user departments.

Workers' Compensation - This fund is used to record worker's compensation expenses and premium coverage from catastrophic loss. Financing for this fund is provided by departmental user charges.

Sick & Accident - This fund is used to account for third party short-term disability administrative costs. Funding is provided by past charges to user departments.

COUNTY OF CALHOUN, MICHIGAN

Combining Statement of Net Position

Internal Service Funds

December 31, 2013

	(631) Building & Grounds	(636) Administrative Services	(677) Insurance
Assets			
Current assets:			
Cash and cash equivalents	\$ 558,195	\$ 111,879	\$ 876,777
Accounts receivable	9,429	16,935	54,194
Due from other governments	18,114	-	-
Inventory	-	5,470	-
Prepaid items	-	23,024	203,789
Total current assets	585,738	157,308	1,134,760
Capital assets, net	1,622,162	23,336	-
Total assets	2,207,900	180,644	1,134,760
Liabilities			
Current liabilities:			
Accounts payable	156,907	57,269	17,518
Accrued liabilities	12,364	9,219	-
Claims payable	-	-	673,021
Advance from other funds	102,659	-	-
Total current liabilities	271,930	66,488	690,539
Net position			
Net investment in capital assets	1,622,162	23,336	-
Unrestricted	313,808	90,820	444,221
Total net position	\$ 1,935,970	\$ 114,156	\$ 444,221



(694) Employee Benefits	(695) Workers' Compensation	(696) Sick & Accident	Total
\$ 757,849	\$ 585,127	\$ 7,729	\$ 2,897,556
144,241	-	-	224,799
-	-	-	18,114
-	-	-	5,470
774,672	-	-	1,001,485
<hr/>			
1,676,762	585,127	7,729	4,147,424
<hr/>			
-	-	-	1,645,498
<hr/>			
1,676,762	585,127	7,729	5,792,922
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106,989	850	-	339,533
-	-	-	21,583
11,259	150,895	-	835,175
-	-	-	102,659
<hr/>			
118,248	151,745	-	1,298,950
<hr/>			
-	-	-	1,645,498
1,558,514	433,382	7,729	2,848,474
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\$ 1,558,514	\$ 433,382	\$ 7,729	\$ 4,493,972

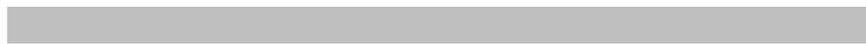
COUNTY OF CALHOUN, MICHIGAN

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

Internal Service Funds

For the Year Ended December 31, 2013

	(631) Building & Grounds	(636) Administrative Services	(677) Insurance
Operating revenues			
Charges for services	\$ 992,107	\$ 1,100,679	\$ 951,519
Other	39,521	-	-
Total operating revenues	<u>1,031,628</u>	<u>1,100,679</u>	<u>951,519</u>
Operating expenses			
Administration	-	-	-
Cost of services	1,868,917	1,023,042	1,207,761
Depreciation	203,787	28,087	-
Total operating expenses	<u>2,072,704</u>	<u>1,051,129</u>	<u>1,207,761</u>
Operating income (loss)	(1,041,076)	49,550	(256,242)
Nonoperating revenues			
Interest revenue	-	-	9,793
Income (loss) before transfers	<u>(1,041,076)</u>	<u>49,550</u>	<u>(246,449)</u>
Transfers			
Transfers in	1,459,248	-	553,015
Transfers out	(813,000)	(375,000)	(36,279)
Total transfers	<u>646,248</u>	<u>(375,000)</u>	<u>516,736</u>
Change in net position	(394,828)	(325,450)	270,287
Net position, beginning of year	<u>2,330,798</u>	<u>439,606</u>	<u>173,934</u>
Net position, end of year	<u>\$ 1,935,970</u>	<u>\$ 114,156</u>	<u>\$ 444,221</u>



(694) Employee Benefits	(695) Workers' Compensation	(696) Sick & Accident	Total
\$ 7,193,033	\$ 414,239	\$ -	\$ 10,651,577
-	-	-	39,521
<hr/>	<hr/>	<hr/>	<hr/>
7,193,033	414,239	-	10,691,098
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565,111	-	26,377	591,488
6,044,872	163,569	-	10,308,161
-	-	-	231,874
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6,609,983	163,569	26,377	11,131,523
<hr/>	<hr/>	<hr/>	<hr/>
583,050	250,670	(26,377)	(440,425)
<hr/>	<hr/>	<hr/>	<hr/>
-	-	-	9,793
<hr/>	<hr/>	<hr/>	<hr/>
583,050	250,670	(26,377)	(430,632)
<hr/>	<hr/>	<hr/>	<hr/>
-	-	-	2,012,263
-	-	-	(1,224,279)
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-	-	-	787,984
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583,050	250,670	(26,377)	357,352
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975,464	182,712	34,106	4,136,620
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\$ 1,558,514	\$ 433,382	\$ 7,729	\$ 4,493,972
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COUNTY OF CALHOUN, MICHIGAN

Combining Statement of Cash Flows

Internal Service Funds

For the Year Ended December 31, 2013

	(631) Building & Grounds	(636) Administrative Services	(677) Insurance
Cash flows from operating activities			
Cash received from interfund services	\$ 1,016,672	\$ 1,105,435	\$ 915,096
Cash payments to suppliers	(1,327,074)	(603,473)	(1,072,091)
Cash payments to employees	(531,580)	(385,554)	-
Net cash provided by (used in) operating activities	(841,982)	116,408	(156,995)
Cash flows from noncapital financing activities			
Transfers in	1,459,248	-	553,015
Transfers out	(813,000)	(375,000)	(36,279)
Net cash provided by (used in) noncapital financing activities	646,248	(375,000)	516,736
Cash flows from capital and related financing activities			
Capital lease payments	-	(3,283)	-
Cash flows from investing activities			
Interest earned	-	-	9,793
Net change in cash and cash equivalents	(195,734)	(261,875)	369,534
Cash and cash equivalents, beginning of year	753,929	373,754	507,243
Cash and cash equivalents, end of year	\$ 558,195	\$ 111,879	\$ 876,777



(694) Employee Benefits	(695) Workers' Compensation	(696) Sick & Accident	Total
\$ 7,183,064 (6,516,455) -	\$ 414,239 (198,000) -	\$ - (26,377) -	\$ 10,634,506 (9,743,470) (917,134)
666,609	216,239	(26,377)	(26,098)
-	-	-	2,012,263
-	-	-	(1,224,279)
-	-	-	787,984
-	-	-	(3,283)
-	-	-	9,793
666,609	216,239	(26,377)	768,396
91,240	368,888	34,106	2,129,160
<u>\$ 757,849</u>	<u>\$ 585,127</u>	<u>\$ 7,729</u>	<u>\$ 2,897,556</u>

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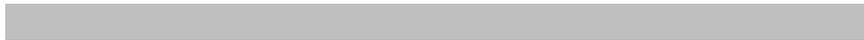
COUNTY OF CALHOUN, MICHIGAN

Combining Statement of Cash Flows

Internal Service Funds

For the Year Ended December 31, 2013

	(631) Building & Grounds	(636) Administrative Services	(677) Insurance
Cash flows from operating activities			
Operating income (loss)	\$ (1,041,076)	\$ 49,550	\$ (256,242)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operations:			
Depreciation	203,787	28,087	-
Changes in assets and liabilities:			
Accounts receivable	3,158	4,756	(44,534)
Due from other governments	(18,114)	-	8,111
Inventory	-	(1,673)	-
Prepaid items	-	(7,416)	(13,848)
Accounts payable	39,321	41,750	7,735
Accrued liabilities	1,956	1,354	-
Advances from other funds	(31,014)	-	-
Claims payable	-	-	141,783
Net cash provided by (used in) operating activities	<u>\$ (841,982)</u>	<u>\$ 116,408</u>	<u>\$ (156,995)</u>



(694) Employee Benefits	(695) Workers' Compensation	(696) Sick & Accident	Total
\$ 583,050	\$ 250,670	\$ (26,377)	\$ (440,425)
-	-	-	231,874
(9,969)	1,809	-	(44,780)
-	-	-	(10,003)
-	-	-	(1,673)
62,531	-	-	41,267
19,738	524	-	109,068
-	-	-	3,310
-	-	-	(31,014)
11,259	(36,764)	-	116,278
<u>\$ 666,609</u>	<u>\$ 216,239</u>	<u>\$ (26,377)</u>	<u>\$ (26,098)</u>

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COUNTY OF CALHOUN, MICHIGAN

Fiduciary Funds

Description of Funds Combining Financial Statements

Pension Trust Funds

Employees Defined Benefit - This fund is used to account for the operations of the Defined Benefit Pension Plan.

Flexible Benefits - This fund is used to account for flexible spending accounts for dependent care and health care reimbursement.

Agency Funds

Trust and Agency - This fund is used to account for assets held by Calhoun County acting as an agent for individuals, private organizations, other governmental units, and other funds.

Penal Fines - This fund is used to account for money that is received from the courts for fines imposed as a result of State law violations.

Inmate Trust - This fund is used to account for inmate monies held by the County while incarcerated.

Friend of the Court - This fund is used to account for monies collected from non-custodial parents for distribution to custodial parents and/or other governmental units.

District Court - This fund is used to account for various fines and bonds collected and subsequently distributed.

COUNTY OF CALHOUN, MICHIGAN

Combining Statement of Fiduciary Net Position

Pension and Other Employee Benefit Trust Funds

December 31, 2013

	(735) Employees Defined Benefit	(734) Flexible Benefits	Total
Assets			
Cash and cash equivalents	\$ 88	\$ 43,833	\$ 43,921
Net position held in trust for			
Retirement benefits	88	-	88
Employee benefits	-	43,833	43,833
Total net position	<u>\$ 88</u>	<u>\$ 43,833</u>	<u>\$ 43,921</u>

COUNTY OF CALHOUN, MICHIGAN

Combining Statement of Changes in Fiduciary Net Position

Pension and Other Employee Benefit Trust Funds

For the Year Ended December 31, 2013

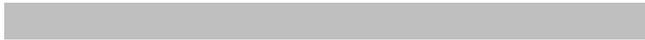
	(735) Employees Defined Benefit	(734) Flexible Benefits	Total
Additions:			
Investment income:			
Change in fair value of investments	\$ 139,870	\$ 10	\$ 139,880
Interest	213,111	-	213,111
Total investment income	352,981	10	352,991
Contributions -			
Employee	-	112,288	112,288
Deductions:			
Pension benefits paid to participants	80,415	-	80,415
Actuarial fees	22,575	-	22,575
Transfer to MERS retirement system	17,748,442	-	17,748,442
Employee reimbursements	-	109,236	109,236
Total deductions	17,851,432	109,236	17,960,668
Net increase (decrease)	(17,498,451)	3,062	(17,495,389)
Net position held in trust for pension and employee benefits			
Beginning of year	17,498,539	40,771	17,539,310
End of year	\$ 88	\$ 43,833	\$ 43,921

COUNTY OF CALHOUN, MICHIGAN

Combining Statement of Assets and Liabilities

Agency Funds
December 31, 2013

	Trust and Agency	Penal Fines	Inmate Trust
Assets			
Cash and cash equivalents	\$ 1,242,444	\$ 217,106	\$ 141,879
Accounts receivable	237,087	-	-
Total assets	\$ 1,479,531	\$ 217,106	\$ 141,879
Liabilities			
Accounts payable	\$ 690,283	\$ -	\$ -
Due to individuals and agencies	103,481	-	141,879
Due to other governments	685,767	217,106	-
Total liabilities	\$ 1,479,531	\$ 217,106	\$ 141,879



Friend of the Court	District Court	Total
\$ 4,352	\$ 456,907	\$ 2,062,688
-	-	237,087
<u>\$ 4,352</u>	<u>\$ 456,907</u>	<u>\$ 2,299,775</u>
\$ -	\$ -	\$ 690,283
-	456,907	702,267
4,352	-	907,225
<u>\$ 4,352</u>	<u>\$ 456,907</u>	<u>\$ 2,299,775</u>

COUNTY OF CALHOUN, MICHIGAN

Agency Funds

Combining Statement of Changes in Assets and Liabilities

For the Year Ended December 31, 2013

	Beginning Balance	Additions	Reductions	Ending Balance
<i>Trust and Agency Fund</i>				
Assets				
Cash	\$ 369,615	\$ 34,104,130	\$ 33,231,301	\$ 1,242,444
Accounts receivable	621,563	692,524	1,077,000	237,087
Total assets	\$ 991,178	\$ 34,796,654	\$ 34,308,301	\$ 1,479,531
Liabilities				
Accounts payable	\$ 270,292	\$ 23,161,808	\$ 22,741,817	\$ 690,283
Due to individuals and agencies	253,760	2,338,906	2,489,185	103,481
Due to other governments	467,126	30,892,395	30,673,754	685,767
Total liabilities	\$ 991,178	\$ 56,393,109	\$ 55,904,756	\$ 1,479,531
<i>Penal Fines</i>				
Assets				
Cash	\$ 167,466	\$ 382,662	\$ 333,022	\$ 217,106
Accounts receivable	22,133	-	22,133	-
Total assets	\$ 189,599	\$ 382,662	\$ 355,155	\$ 217,106
Liabilities				
Accounts payable	\$ -	\$ 326,522	\$ 326,522	\$ -
Due to other governments	189,599	395,890	368,383	217,106
Total liabilities	\$ 189,599	\$ 722,412	\$ 694,905	\$ 217,106
<i>Sheriff Inmate Trust Fund</i>				
Assets				
Cash and cash equivalents	\$ 131,196	\$ 215,874	\$ 205,191	\$ 141,879
Liabilities				
Due to individuals and agencies	\$ 131,196	\$ 2,359,825	\$ 2,349,142	\$ 141,879

continued...

COUNTY OF CALHOUN, MICHIGAN

Agency Funds

Combining Statement of Changes in Assets and Liabilities

For the Year Ended December 31, 2013

	Beginning Balance	Additions	Reductions	Ending Balance
<i>Friend of the Court Fund</i>				
Assets				
Cash and cash equivalents	\$ 4,707	\$ 1,111,229	\$ 1,111,584	\$ 4,352
Liabilities				
Due to individuals and agencies	\$ 4,707	\$ 1,111,229	\$ 1,111,584	\$ 4,352
<i>District Court Fund</i>				
Assets				
Cash and cash equivalents	\$ 440,554	\$ 5,963,513	\$ 5,947,160	\$ 456,907
Liabilities				
Due to individuals and agencies	\$ 440,554	\$ 5,963,513	\$ 5,947,160	\$ 456,907
<i>Total All Agency Funds</i>				
Assets				
Cash and cash equivalents	\$ 1,113,538	\$ 41,777,408	\$ 40,828,258	\$ 2,062,688
Accounts receivable	643,696	692,524	1,099,133	237,087
Total assets	\$ 1,757,234	\$ 42,469,932	\$ 41,927,391	\$ 2,299,775
Liabilities				
Accounts payable	\$ 270,292	\$ 23,488,330	\$ 23,068,339	\$ 690,283
Due to individuals and agencies	830,217	11,773,473	11,897,071	706,619
Due to other governments	656,725	31,288,285	31,042,137	902,873
Total liabilities	\$ 1,757,234	\$ 66,550,088	\$ 66,007,547	\$ 2,299,775

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COUNTY OF CALHOUN, MICHIGAN

Water Resources Commission Component Unit

Description of Funds

Combining Component Unit Financial Statements

County Drain -- This fund is used to record construction, maintenance and storm repair expenditures for all drains which are not accounted for in other drain capital projects funds.

Lake Level -- This fund is used to account for revenues and expenditures related to the control of lake levels.

Drain Revolving -- This fund is used to account for monies advanced for engineering, surveys, and other preliminary costs of new drains. Monies for the operation of this fund are supplied by an advance from the County General Fund and reimbursements from drain funds as special assessments are collected.

Lake Level Revolving -- This fund is used to account for money advanced for engineering and other preliminary costs of a lake level project.

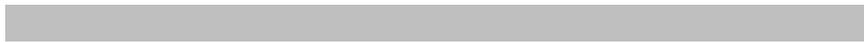
COUNTY OF CALHOUN, MICHIGAN

Water Resources Commission Component Unit

Statement of Net Position and Governmental Funds Balance Sheet

December 31, 2013

	Capital Projects Funds		
	County Drain	Lake Level	Drain Revolving
Assets			
Cash and cash equivalents	\$ 374,199	\$ 12,931	\$ 200,000
Receivables:			
Special assessments	2,915,748	153,759	-
Capital assets, net	-	-	-
Total assets	\$ 3,289,947	\$ 166,690	\$ 200,000
Liabilities			
Accounts payable	\$ 122,333	\$ 644	\$ -
Accrued liabilities	2,442	173	-
Advance from primary government	-	30,000	200,000
Long-term debt:			
Due in one year	-	-	-
Due in more than one year	-	-	-
Total liabilities	124,775	30,817	200,000
Deferred inflows of resources			
Unavailable revenue - special assessments	3,196,838	165,577	-
Fund balances			
Unreserved, undesignated (deficit)	(31,666)	(29,704)	-
Total liabilities, deferred inflows of resources and fund balances	\$ 3,289,947	\$ 166,690	\$ 200,000
Net position			
Net investment in capital assets			
Unrestricted			
Total net position			



Capital Projects Funds				
Lake Level Revolving	Total	Adjustments	Statement of Net Position	
\$ 10,600	\$ 597,730	\$ -	\$ 597,730	
-	3,069,507	-	3,069,507	
-	-	8,853,371	8,853,371	
<u>\$ 10,600</u>	<u>\$ 3,667,237</u>	<u>8,853,371</u>	<u>12,520,608</u>	
\$ -	\$ 122,977	\$ -	\$ 122,977	
-	2,615	82,895	85,510	
10,600	240,600	-	240,600	
-	-	1,776,500	1,776,500	
-	-	2,465,520	2,465,520	
10,600	366,192	4,324,915	4,691,107	
-	3,362,415	(3,362,415)	-	
-	(61,370)	61,370	-	
<u>\$ 10,600</u>	<u>\$ 3,667,237</u>			
		4,611,351	4,611,351	
		3,218,150	3,218,150	
		<u>\$ 7,829,501</u>	<u>\$ 7,829,501</u>	

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COUNTY OF CALHOUN, MICHIGAN

Water Resources Commission Component Unit

Reconciliation of Fund Balances of
Governmental Funds to Net Position
December 31, 2013

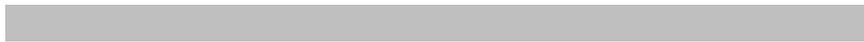
Fund balances - total capital projects funds	\$ (61,370)
Amounts reported in the statement of net position are different because:	
Capital assets are not financial resources, and therefore not reported in the funds. Capital assets being depreciated, net	8,853,371
Because the focus of capital project funds is on a short-term financing, 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 capital projects funds, and thus are not included in fund balance. Unavailable special assessments receivable	3,362,415
Certain liabilities, such as bonds payable, are not due and payable in the current period, and therefore are not reported in the funds. Bonds and notes payable, long-term portion Bonds and notes payable, current portion Accrued interest on long-term liabilities	(2,465,520) (1,776,500) <u>(82,895)</u>
Net position of capital project funds	<u>\$ 7,829,501</u>

COUNTY OF CALHOUN, MICHIGAN

Water Resources Commission Component Unit

Statement of Activities and Governmental Funds Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended December 31, 2013

	Capital Projects Funds		
	County Drain	Lake Level	Drain Revolving
Revenues			
Special assessments	\$ 1,426,442	\$ 116,804	\$ -
Interest and rentals	11,932	2,536	-
Total revenues	<u>1,438,374</u>	<u>119,340</u>	<u>-</u>
Expenditures/Expense			
Public works	1,110,897	38,236	-
Debt service:			
Principal	1,643,971	-	-
Interest and fiscal charges	135,170	2,871	-
Total expenditures/expenses	<u>2,890,038</u>	<u>41,107</u>	<u>-</u>
Revenue over (under) expenditures	(1,451,664)	78,233	-
Other financing sources (uses)			
Proceeds from issuance of long-term debt	1,552,636	-	-
Change in net position / fund balance	100,972	78,233	-
Net position / fund balances (deficit) -			
Beginning of year	<u>(132,638)</u>	<u>(107,937)</u>	<u>-</u>
End of year	<u>\$ (31,666)</u>	<u>\$ (29,704)</u>	<u>\$ -</u>



Capital Projects Funds			
Lake Level Revolving	Total	Adjustments	Statement of Activities
\$ -	\$ 1,543,246	\$ (1,288,892)	\$ 254,354
-	14,468	-	14,468
-	1,557,714	(1,288,892)	268,822
-	1,149,133	(733,689)	415,444
-	1,643,971	(1,643,971)	-
-	138,041	(8,411)	129,630
-	2,931,145	(2,386,071)	545,074
-	(1,373,431)	1,097,179	(276,252)
-	1,552,636	(1,552,636)	-
-	179,205	(455,457)	(276,252)
-	(240,575)	8,346,328	8,105,753
\$ -	\$ (61,370)	\$ 7,890,871	\$ 7,829,501

COUNTY OF CALHOUN, MICHIGAN

Water Resources Commission Component Unit

Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended December 31, 2013

Net change in fund balances - total capital projects funds	\$ 179,205
Amounts reported in the statement of activities are different because:	
Capital projects funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlay	921,795
Depreciation expense	(188,106)
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 fiscal year.	
Change in unavailable special assessments	(1,288,892)
Bond proceeds provided current financial resources to capital projects funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the capital projects funds, but the repayment reduces long term-liabilities.	
Principal payments on long-term liabilities	1,643,971
Proceeds from the issuance of notes payable	(1,552,636)
Amortization of bond discount	(441)
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 capital projects funds.	
Change in accrued interest on bonds	<u>8,852</u>
Change in net position of capital projects funds	<u>\$ (276,252)</u>

STATISTICAL SECTION

This part of Calhoun County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents	Page
Financial Trends - <i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	
Schedule 1 - Net Assets by Component	188
Schedule 2 - Changes in Net Assets	190
Schedule 3 - Fund Balances - Governmental Funds	194
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Schedule 5 - Changes in Fund Balances - General Fund	198
Revenue Capacity - <i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	
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Debt Capacity - <i>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>	
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Schedule 11 - Computation of Net Direct and Overlapping Debt	205
Schedule 12 - Legal Debt Margin	206
Demographic and Economic Information - <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>	
Schedule 13 - Demographic and Economic Statistics	207
Schedule 14 - Principal Employers	208
Schedule 15 - Full-Time Equivalent County Government Employees by Function/Program	209
Operating Information - <i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>	
Schedule 16 - Operating Indicators by Function/Program	210
Schedule 17 - Capital Asset Statistics by Function/Program	211
Schedule 18 - Schedule of Insurance	212

CALHOUN COUNTY
Net Assets by Component
Last Ten Years

(accrual basis of accounting)

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Governmental activities				
Invested in capital assets, net of related debt	\$ 26,187,657	\$ 26,169,587	\$ 26,820,780	\$ 26,678,844
Restricted	7,352,100	9,761,506	12,578,097	10,339,244
Unrestricted	3,095,329	2,485,207	3,163,653	5,480,540
Total governmental activities net assets	<u>\$ 36,635,086</u>	<u>\$ 38,416,300</u>	<u>\$ 42,562,530</u>	<u>\$ 42,498,628</u>
Business-type activities				
Invested in capital assets, net of related debt	\$ 2,368,673	\$ 2,383,023	\$ 2,088,376	\$ 6,786,181
Restricted	8,150,319	6,473,620	16,933,437	11,789,273
Unrestricted	15,396,070	18,010,841	10,079,667	12,230,406
Total business-type activities net assets	<u>\$ 25,915,062</u>	<u>\$ 26,867,484</u>	<u>\$ 29,101,480</u>	<u>\$ 30,805,860</u>
Primary government				
Invested in capital assets, net of related debt	\$ 28,556,330	\$ 28,552,610	\$ 28,909,156	\$ 33,465,025
Restricted	15,502,419	16,235,126	29,511,534	22,128,517
Unrestricted	18,491,399	20,496,048	13,243,320	17,710,946
Total primary government net assets	<u>\$ 62,550,148</u>	<u>\$ 65,283,784</u>	<u>\$ 71,664,010</u>	<u>\$ 73,304,488</u>

Source: Calhoun County Finance Department

Schedule 1
UNAUDITED

<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$ 26,076,987	\$ 25,589,514	\$ 25,936,451	\$ 25,919,449	\$ 68,894,120	\$ 69,702,069
8,086,613	5,547,217	4,056,625	2,212,301	6,990,405	6,926,623
5,222,655	4,471,520	4,556,514	5,441,502	1,295,813	589,649
<u>\$ 39,386,255</u>	<u>\$ 35,608,251</u>	<u>\$ 34,549,590</u>	<u>\$ 33,573,252</u>	<u>\$ 77,180,338</u>	<u>\$ 77,218,341</u>
\$ 9,959,362	\$ 10,210,371	\$ 9,857,671	\$ 9,834,395	\$ 9,305,075	\$ 8,611,322
12,100,292	12,210,002	11,845,954	11,305,632	10,742,471	8,767,650
9,166,103	9,023,351	10,420,761	12,319,547	13,404,784	16,427,818
<u>\$ 31,225,757</u>	<u>\$ 31,443,724</u>	<u>\$ 32,124,386</u>	<u>\$ 33,459,574</u>	<u>\$ 33,452,330</u>	<u>\$ 33,806,790</u>
\$ 36,036,349	\$ 35,799,885	\$ 35,794,122	\$ 35,753,844	\$ 78,199,195	\$ 78,313,391
20,186,905	17,757,219	15,902,579	13,517,933	17,732,876	15,694,273
14,388,758	13,494,871	14,977,275	17,761,049	14,700,597	17,017,467
<u>\$ 70,612,012</u>	<u>\$ 67,051,975</u>	<u>\$ 66,673,976</u>	<u>\$ 67,032,826</u>	<u>\$ 110,632,668</u>	<u>\$ 111,025,131</u>

CALHOUN COUNTY
Changes in Net Assets
Last Ten Years

(accrual basis of accounting)

	2004	2005	2006	2007	2008
Expenses					
Governmental activities:					
Legislative	\$ 230,854	\$ 235,010	\$ 230,620	\$ 259,468	\$ 264,497
Judicial	11,569,900	12,423,746	12,482,683	12,838,999	13,101,700
General government	6,532,765	6,684,366	6,577,864	6,663,685	7,155,740
Public safety	17,320,180	18,481,346	18,139,312	19,222,310	20,020,438
Public works	81,496	105,166	104,239	98,130	120,455
Health and welfare	14,241,240	14,834,373	14,017,558	12,282,729	12,661,937
Recreation and cultural	1,285,261	1,286,701	1,489,081	1,349,696	1,395,784
Other activities	211,442	2,174	-	-	-
Interest on long-term debt	416,703	349,726	317,147	574,504	272,244
Total governmental activities expenses	<u>51,889,841</u>	<u>54,402,608</u>	<u>53,358,504</u>	<u>53,289,521</u>	<u>54,992,795</u>
Business-type activities:					
Medical Care Facility	9,163,132	9,183,020	10,493,607	10,619,996	12,145,234
Delinquent tax collection	238,944	299,849	279,085	478,706	484,567
Inmate concessions	620,706	697,820	664,950	628,914	603,588
Property description	52,116	51,299	2,136	1,911	1,253
Interest on long-term debt	-	-	-	-	-
Total business-type activities expenses	<u>10,074,898</u>	<u>10,231,988</u>	<u>11,439,778</u>	<u>11,729,527</u>	<u>13,234,642</u>
Total primary government expenses	<u>61,964,739</u>	<u>64,634,596</u>	<u>64,798,282</u>	<u>65,019,048</u>	<u>68,227,437</u>
Program revenues					
Governmental activities:					
Charges for services:					
Legislative	-	60	2,647	845	-
Judicial	3,971,477	4,093,128	4,252,948	4,132,091	3,901,000
General government	1,608,462	1,628,439	1,508,235	1,409,489	1,297,654
Public safety	5,462,496	5,594,938	6,501,626	6,862,744	7,971,988
Public works	-	-	-	-	-
Health and welfare	799,523	812,865	786,829	784,818	715,933
Recreation and cultural	438,780	439,650	412,788	353,095	353,486
Other activities	-	-	-	-	-
Operating grants and contributions	16,455,320	15,863,153	15,807,506	14,451,313	12,847,689
Capital grants and contributions	31,424	-	-	-	-
Total governmental activities program revenues	<u>28,767,482</u>	<u>28,432,233</u>	<u>29,272,579</u>	<u>27,994,395</u>	<u>27,087,750</u>
Business-type activities:					
Charges for services:					
Medical Care Facility	8,883,836	8,906,789	10,356,094	9,875,996	10,423,707
Delinquent tax collection	1,306,302	1,596,744	2,143,574	2,156,518	2,555,513
Inmate concession	707,365	786,296	789,694	738,156	754,476
Property description	1,857	1,976	-	-	-
Operating grants and contributions	631,816	1,001,194	1,330,785	1,196,474	453,690
Total business-type activities program revenues	<u>11,531,176</u>	<u>12,292,999</u>	<u>14,620,147</u>	<u>13,967,144</u>	<u>14,187,386</u>
Total primary government program revenues	<u>40,298,658</u>	<u>40,725,232</u>	<u>43,892,726</u>	<u>41,961,539</u>	<u>41,275,136</u>
Net (Expense)/Revenue					
Government activities	(23,122,359)	(25,970,375)	(24,085,925)	(25,295,126)	(27,905,045)
Business-type activities	<u>1,456,278</u>	<u>2,061,011</u>	<u>3,180,179</u>	<u>2,237,617</u>	<u>952,744</u>
Total primary government net expense	<u>(21,666,081)</u>	<u>(23,909,364)</u>	<u>(20,905,746)</u>	<u>(23,057,509)</u>	<u>(26,952,301)</u>

**Schedule 2
UNAUDITED**

2009	2010	2011	2012	2013
\$ 278,218	\$ 250,890	\$ 191,652	\$ 165,978	\$ 148,616
13,276,476	12,833,338	12,086,136	11,796,789	11,522,672
7,301,080	8,532,341	7,328,175	7,413,505	6,814,371
20,025,881	20,117,862	20,027,705	20,428,079	19,438,820
102,313	127,581	190,315	11,687,016	12,793,820
12,721,317	13,427,197	13,424,228	13,751,997	13,269,163
1,212,391	1,654,434	1,722,165	1,610,466	1,555,510
-	-	-	-	-
256,847	240,443	329,792	499,608	730,998
<u>55,174,523</u>	<u>57,184,086</u>	<u>55,300,168</u>	<u>67,353,438</u>	<u>66,273,970</u>
12,339,701	12,930,706	13,558,494	14,350,468	14,620,762
616,862	705,342	1,078,310	1,125,875	1,224,763
627,488	673,988	479,629	270,282	245,891
876	930	930	465	-
292,920	301,231	283,975	-	-
<u>13,877,847</u>	<u>14,612,197</u>	<u>15,401,338</u>	<u>15,747,090</u>	<u>16,091,416</u>
<u>69,052,370</u>	<u>71,796,283</u>	<u>70,701,506</u>	<u>83,100,528</u>	<u>82,365,386</u>
46	-	-	-	-
3,988,700	3,985,650	3,762,583	3,653,392	3,387,980
1,067,510	1,616,231	1,174,305	1,234,112	1,377,763
7,180,480	7,177,247	7,053,569	7,040,941	7,278,728
-	-	-	1,692,984	1,928,436
759,116	727,069	788,957	853,612	952,129
375,826	448,453	424,084	554,374	143,185
-	-	-	-	-
12,946,254	16,831,288	16,052,118	25,697,819	27,157,469
-	-	-	-	-
<u>26,317,932</u>	<u>30,785,938</u>	<u>29,255,616</u>	<u>40,727,234</u>	<u>42,225,690</u>
11,427,560	12,269,852	13,744,393	13,193,361	13,620,184
2,579,770	3,072,755	3,318,350	3,262,174	3,491,669
814,302	744,102	826,509	505,778	381,843
-	-	-	-	-
72,060	103,277	79,383	75,760	74,704
<u>14,893,692</u>	<u>16,189,986</u>	<u>17,968,635</u>	<u>17,037,073</u>	<u>17,568,400</u>
<u>41,211,624</u>	<u>46,975,924</u>	<u>47,224,251</u>	<u>57,764,307</u>	<u>59,794,090</u>
(28,856,591)	(26,398,148)	(26,044,552)	(26,626,214)	(24,048,280)
<u>1,015,845</u>	<u>1,577,789</u>	<u>2,567,297</u>	<u>1,289,983</u>	<u>1,476,984</u>
<u>(27,840,746)</u>	<u>(24,820,359)</u>	<u>(23,477,255)</u>	<u>(25,336,231)</u>	<u>(22,571,296)</u>

CALHOUN COUNTY
Changes in Net Assets (Concluded)
Last Ten Fiscal Years
(accrual basis of accounting)

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General Revenues					
Governmental activities:					
Property taxes	\$ 25,299,765	\$ 24,740,374	\$ 25,284,240	\$ 22,437,356	\$ 22,440,230
Unrestricted grants and contributions	486,212	469,410	486,774	512,072	541,822
Investment earnings	200,159	400,343	636,463	622,787	289,912
Gain on sale of capital assets	150	49,119	5,900	676	-
Transfers	1,604,755	1,989,009	1,863,778	1,658,333	1,520,708
Total governmental activities	<u>27,591,041</u>	<u>27,648,255</u>	<u>28,277,155</u>	<u>25,231,224</u>	<u>24,792,672</u>
Business-type activities:					
Property taxes	786,221	880,423	917,934	929,771	995,653
Investment earnings	-	-	-	-	-
Transfers	(1,604,755)	(1,989,009)	(1,864,117)	(1,658,333)	(1,528,500)
Total business-type activities	<u>(818,534)</u>	<u>(1,108,586)</u>	<u>(946,183)</u>	<u>(728,562)</u>	<u>(532,847)</u>
Total primary government	<u>26,772,507</u>	<u>26,539,669</u>	<u>27,330,972</u>	<u>24,502,662</u>	<u>24,259,825</u>
Change in Net Assets					
Government activities	4,468,682	1,677,880	4,191,230	(63,902)	(3,112,373)
Business-type activities	637,744	952,425	2,233,996	1,509,055	419,897
Total primary government	<u>\$ 5,106,426</u>	<u>\$ 2,630,305</u>	<u>\$ 6,425,226</u>	<u>\$ 1,445,153</u>	<u>\$ (2,692,476)</u>

Source: Calhoun County Finance Department

**Schedule 2
UNAUDITED**

	2009	2010	2011	2012	2013
\$	22,759,037	\$ 22,893,128	\$ 22,249,038	\$ 21,577,185	\$ 21,620,992
	554,629	561,128	591,065	513,502	527,828
	49,710	1,400	27,591	62,900	(4,568)
	-	-	-	-	-
	1,714,633	1,883,831	2,200,520	2,255,646	1,942,032
	<u>25,078,009</u>	<u>25,339,487</u>	<u>25,068,214</u>	<u>24,409,233</u>	<u>24,086,284</u>
	919,795	976,111	946,455	928,968	797,346
	-	16,762	11,436	13,805	20,130
	<u>(1,717,673)</u>	<u>(1,890,000)</u>	<u>(2,190,000)</u>	<u>(2,240,000)</u>	<u>(1,940,000)</u>
	<u>(797,878)</u>	<u>(897,127)</u>	<u>(1,232,109)</u>	<u>(1,297,227)</u>	<u>(1,122,524)</u>
	<u>24,280,131</u>	<u>24,442,360</u>	<u>23,836,105</u>	<u>23,112,006</u>	<u>22,963,760</u>
	(3,778,582)	(1,058,661)	(976,338)	(2,216,981)	38,004
	<u>217,967</u>	<u>680,662</u>	<u>1,335,188</u>	<u>(7,244)</u>	<u>354,460</u>
\$	<u><u>(3,560,615)</u></u>	<u><u>(377,999)</u></u>	<u><u>358,850</u></u>	<u><u>(2,224,225)</u></u>	<u><u>392,464</u></u>

CALHOUN COUNTY
Fund Balances - Governmental Funds
Last Ten Years
(modified accrual basis of accounting)

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
General Fund				
Reserved	\$ 76,600	\$ 76,600	\$ 77,520	\$ 77,180
Unreserved	2,281,002	1,952,034	2,912,949	3,458,805
Nonspendable	-	-	-	-
Unassigned	-	-	-	-
Total general fund	<u>\$ 2,357,602</u>	<u>\$ 2,028,634</u>	<u>\$ 2,990,469</u>	<u>\$ 3,535,985</u>
All Other Governmental Funds				
Reserved	\$ 9,659	\$ 5,312	\$ 38,503	\$ 64,050
Unreserved, reported in:				
Special revenue funds	7,226,693	9,624,240	12,375,818	10,297,586
Debt service funds	12,167	129,783	123,662	4,691
Capital project funds	-	-	-	-
Permanent funds	38,002	38,453	2,304	1,456
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Unassigned	-	-	-	-
Total all other governmental funds	<u>\$ 7,286,521</u>	<u>\$ 9,797,788</u>	<u>\$ 12,540,287</u>	<u>\$ 10,367,783</u>

Source: Calhoun County Finance Department

**Schedule 3
UNAUDITED**

<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$ 77,225	\$ 79,536	\$ 86,261	\$ -	\$ -	\$ -
3,846,820	3,779,909	3,935,468	-	-	-
-	-	-	89,534	537,040	550,983
-	-	-	4,178,104	3,745,555	3,745,470
<u>\$ 3,924,045</u>	<u>\$ 3,859,445</u>	<u>\$ 4,021,729</u>	<u>\$ 4,267,638</u>	<u>\$ 4,282,595</u>	<u>\$ 4,296,453</u>
\$ 55,518	\$ 60,101	\$ 57,658	\$ -	\$ -	\$ -
7,984,985	5,437,098	3,998,967	-	-	-
7,580	7,881	8,079	-	-	-
-	276,476	1,451,863	-	-	-
1,806	1,332	1,184	-	-	-
-	-	-	24,367	718,545	757,624
-	-	-	5,594,647	6,271,860	6,168,999
-	-	-	-	(2,776)	-
<u>\$ 8,049,889</u>	<u>\$ 5,782,888</u>	<u>\$ 5,517,751</u>	<u>\$ 5,619,014</u>	<u>\$ 6,987,629</u>	<u>\$ 6,926,623</u>

CALHOUN COUNTY
Changes in Fund Balances - Governmental Funds
Last Ten Years
(modified accrual basis of accounting)

	2004	2005	2006	2007	2008	2009
Revenues						
Taxes and Special Assessments	\$ 25,559,576	\$ 24,734,469	\$ 25,168,976	\$ 21,400,223	\$ 22,478,088	\$ 22,657,267
Contributions	-	-	-	-	-	-
Licenses and permits	3,591,686	4,347,485	397,905	392,035	394,030	395,878
Intergovernmental	11,889,121	10,787,120	14,150,759	12,568,945	11,530,118	11,842,963
Charges for services	10,662,423	10,677,921	11,885,817	11,946,966	12,717,043	11,902,986
Fines and forfeits	810,869	1,149,638	1,066,578	988,473	964,055	908,873
Interest income (loss) and rents	674,843	596,957	1,016,798	765,357	353,734	56,608
Other revenues	1,482,186	1,804,723	2,104,470	2,417,036	2,042,352	1,867,276
Total revenues	54,670,704	54,098,313	55,791,303	50,479,035	50,479,420	49,631,851
Expenditures						
Legislative	187,300	185,610	188,974	219,096	216,517	225,825
Judicial	10,892,938	11,571,595	11,538,869	12,107,452	12,184,736	12,210,472
General government	5,999,219	6,161,596	6,074,052	6,332,872	6,648,296	6,550,295
Public safety	15,584,368	16,129,522	15,940,259	17,032,519	17,574,031	17,485,169
Public works	81,496	105,166	104,239	98,130	120,455	102,313
Health and Welfare	14,398,696	14,815,786	14,123,808	12,937,365	12,694,322	12,693,853
Recreation and cultural	1,104,299	1,200,254	1,430,257	1,213,583	1,229,966	1,038,774
Other activities	2,537,423	2,390,705	2,339,609	2,435,509	2,384,940	2,477,713
Debt service:						
Principal	2,085,571	624,042	676,077	710,349	564,963	353,845
Interest and fiscal charges	422,985	356,827	324,464	293,036	138,127	379,277
Bond issuance costs	-	-	-	-	172,464	-
Capital outlay	695,465	839,730	1,082,921	439,715	416,476	404,020
Less: Reimbursements	-	-	-	-	-	-
Total expenditures	53,989,760	54,380,833	53,823,529	53,819,626	54,345,293	53,921,556
Revenues over (under) expenditures	680,944	(282,520)	1,967,774	(3,340,591)	(3,865,873)	(4,289,705)
Other financing sources (uses)						
Issuance of refunding bonds	-	-	-	-	6,855,000	-
Discount on refunding bonds	-	-	-	-	(73,282)	-
Payment to refunding bond escrow agent	-	-	-	-	(6,609,254)	-
Capital lease proceeds	67,000	45,000	28,860	16,445	33,759	-
Sale of capital assets	-	-	-	-	-	-
Proceeds from issuance of long-term debt	-	-	-	-	-	-
Discount on issuance of long-term debt	-	-	-	-	-	-
Proceeds from installment debt	-	-	-	-	-	-
Issuance of long-term debt	-	-	-	-	-	-
Premium on refunding bonds	-	-	-	-	-	-
Transfers in	10,117,868	10,820,769	10,492,532	10,817,012	10,689,617	11,144,291
Transfers out	(7,670,606)	(8,504,284)	(8,739,832)	(9,119,854)	(8,959,801)	(9,186,766)
Transfer to comp unit	-	-	-	-	-	-
Total other financing sources (uses)	2,514,262	2,361,485	1,781,560	1,713,603	1,936,039	1,957,525
Net changes in fund balances	\$ 3,195,206	\$ 2,078,965	\$ 3,749,334	\$ (1,626,988)	\$ (1,929,834)	\$ (2,332,180)
Debt services as a percentage of noncapital expenditures	4.7%	1.8%	1.9%	1.9%	1.3%	1.4%

Source: Calhoun County Finance Department

**Schedule 4
UNAUDITED**

2010	2011	2012	2013
\$ 22,979,378	\$ 22,268,995	\$ 21,587,107	\$ 21,578,383
-	-	1,026,440	816,138
402,664	438,729	551,974	638,852
15,968,120	15,191,543	24,089,349	25,689,951
11,945,702	11,731,043	13,516,905	13,421,839
913,638	845,384	886,110	926,240
10,735	26,652	55,667	(12,032)
2,319,747	1,825,650	2,001,490	1,973,972
<u>54,539,984</u>	<u>52,327,996</u>	<u>63,715,042</u>	<u>65,033,343</u>
211,400	153,165	132,815	121,733
11,935,289	11,101,631	10,969,351	10,828,832
7,880,304	6,541,598	6,526,311	6,468,717
17,860,378	17,604,936	17,886,673	17,878,888
127,581	190,315	9,373,987	12,553,379
13,666,404	13,286,643	13,693,214	13,539,193
1,515,904	1,791,413	1,818,938	1,540,317
113,599	53,923	217,016	8,449
464,594	748,920	2,022,532	1,923,407
280,954	427,469	705,758	711,737
84,761	-	-	-
7,818,968	860,695	1,052,217	815,769
-	-	-	-
<u>61,960,136</u>	<u>52,760,708</u>	<u>64,398,812</u>	<u>66,390,421</u>
<u>(7,420,152)</u>	<u>(432,712)</u>	<u>(683,770)</u>	<u>(1,357,078)</u>
-	-	-	-
-	-	-	-
-	-	(1,834,446)	-
259,960	110,971	-	-
22,203	20,590	15,013	-
7,000,000	-	1,750,000	-
(63,000)	-	-	-
-	-	657,000	-
-	-	237,012	155,882
-	-	50,761	-
11,326,588	9,773,863	10,087,079	10,192,785
(11,228,452)	(9,125,540)	(9,420,251)	(9,038,737)
-	-	-	-
<u>7,317,299</u>	<u>779,884</u>	<u>1,542,168</u>	<u>1,309,930</u>
<u>\$ (102,853)</u>	<u>\$ 347,172</u>	<u>\$ 858,398</u>	<u>\$ (47,148)</u>
<u>1.4%</u>	<u>2.3%</u>	<u>4.3%</u>	<u>4.0%</u>

CALHOUN COUNTY
Changes in Fund Balances - General Fund
Last Ten Years

(modified accrual basis of accounting)

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Revenues				
Taxes	\$ 15,585,141	\$ 15,933,547	\$ 16,449,007	\$ 17,941,376
Licenses and permits	84,729	93,439	76,368	69,367
Intergovernmental	4,323,001	3,009,127	2,972,748	3,026,542
Charges for services	9,887,270	9,876,911	10,884,532	11,073,182
Fines and forfeits	800,899	1,117,372	1,039,297	959,290
Interest income (loss) and rents	199,462	316,649	378,759	310,609
Other revenues	603,932	966,515	1,033,703	1,153,374
Total revenues	<u>31,484,434</u>	<u>31,313,560</u>	<u>32,834,414</u>	<u>34,533,740</u>
Expenditures				
Legislative	187,300	185,610	188,974	219,096
Judicial	7,880,352	8,156,960	8,072,594	8,426,653
General government	5,999,219	6,161,596	6,074,052	6,332,872
Public safety	12,677,734	12,926,533	12,935,873	14,130,604
Public works	81,496	105,166	104,239	98,130
Health and welfare	885,481	909,717	943,284	689,356
Other activities	2,406,961	2,385,234	2,321,051	2,433,524
Debt service:				
Principal	-	-	-	16,409
Interest	-	-	-	1,351
Capital Outlay	223,758	139,064	161,241	185,904
Less: reimbursements	-	-	9,261	-
Total expenditures	<u>30,342,301</u>	<u>30,969,880</u>	<u>30,810,569</u>	<u>32,533,899</u>
Revenues over (under) expenditures	<u>1,142,133</u>	<u>343,680</u>	<u>2,023,845</u>	<u>1,999,841</u>
Other financing sources (uses)				
Proceeds from capital leases	-	-	28,860	16,445
Transfers in	3,978,007	4,974,613	4,720,992	4,704,474
Transfers out	(6,005,268)	(5,647,261)	(5,811,862)	(6,175,244)
Transfers to component unit	-	-	-	-
Total other financing sources (uses)	<u>(2,027,261)</u>	<u>(672,648)</u>	<u>(1,062,010)</u>	<u>(1,454,325)</u>
Net changes in fund balances	<u>\$ (885,128)</u>	<u>\$ (328,968)</u>	<u>\$ 961,835</u>	<u>\$ 545,516</u>

Source: Calhoun County Finance Department

Schedule 5
UNAUDITED

<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$ 18,778,923	\$ 18,967,117	\$ 18,812,426	\$ 18,211,018	\$ 17,793,161	\$ 17,678,401
82,026	92,305	93,879	92,058	94,555	111,088
2,323,593	2,709,617	4,952,000	5,401,082	4,979,130	5,101,221
11,875,775	10,988,413	11,001,832	10,581,689	10,501,007	10,485,422
944,600	839,661	886,690	840,519	859,951	826,656
176,391	36,131	369	22,023	51,725	(14,361)
972,166	956,538	1,969,788	1,675,482	1,643,614	1,587,992
<u>35,153,474</u>	<u>34,589,782</u>	<u>37,716,984</u>	<u>36,823,871</u>	<u>35,923,143</u>	<u>35,776,419</u>
216,517	225,825	211,400	153,165	132,815	121,733
8,307,102	8,244,694	8,038,744	7,445,094	7,283,038	6,921,710
6,648,296	6,541,615	7,298,645	6,294,129	6,263,582	6,257,486
15,159,727	14,875,384	15,631,942	15,739,866	16,026,383	16,004,747
120,455	102,313	127,581	190,315	274,649	395,693
656,654	985,895	922,021	968,405	1,025,389	934,830
2,383,042	2,459,207	113,294	53,815	29,536	8,229
28,308	13,845	18,717	6,629	7,040	-
1,359	1,527	669	848	436	-
180,316	148,159	40,694	-	-	-
-	-	-	-	-	-
<u>33,701,776</u>	<u>33,598,464</u>	<u>32,403,707</u>	<u>30,852,266</u>	<u>31,042,868</u>	<u>30,644,428</u>
<u>1,451,698</u>	<u>991,318</u>	<u>5,313,277</u>	<u>5,971,605</u>	<u>4,880,275</u>	<u>5,131,991</u>
33,759	-	21,147	-	-	-
4,833,977	4,987,276	4,259,797	3,138,198	3,524,350	3,279,039
(5,931,374)	(6,043,194)	(9,431,937)	(8,863,894)	(8,389,668)	(8,397,172)
-	-	-	-	-	-
<u>(1,063,638)</u>	<u>(1,055,918)</u>	<u>(5,150,993)</u>	<u>(5,725,696)</u>	<u>(4,865,318)</u>	<u>(5,118,133)</u>
<u>\$ 388,060</u>	<u>\$ (64,600)</u>	<u>\$ 162,284</u>	<u>\$ 245,909</u>	<u>\$ 14,957</u>	<u>\$ 13,858</u>

CALHOUN COUNTY
Assessed and Actual Value of Taxable Property
Last Ten Years
(in thousands of dollars)

Year	Residential Property	Commercial Property	Industrial Property	Agriculture Property	Development Property	Personal Property	Total Assessed and Actual Value	Total Direct Tax Rate
2004	\$ 2,365,271	\$ 529,554	\$ 198,177	\$ 317,677	\$ 6,004	\$ 537,287	\$ 3,953,970	6.3713
2005	2,505,126	543,400	199,588	349,739	5,595	509,030	4,112,478	6.3713
2006	2,643,132	547,919	201,824	381,904	5,378	524,870	4,305,027	6.3713
2007	2,785,334	556,065	201,919	360,498	3,565	521,368	4,428,749	6.3713
2008	2,876,423	577,470	208,095	379,918	3,732	507,541	4,553,179	6.3713
2009	2,811,259	601,437	221,113	388,939	3,886	552,079	4,578,713	6.3713
2010	2,562,052	618,616	189,424	421,493	3,155	542,057	4,336,797	6.3713
2011	2,424,586	591,242	181,849	426,136	2,550	549,665	4,176,028	6.3713
2012	2,350,331	581,225	183,404	438,286	2,452	561,232	4,116,930	6.3713
2013	2,302,349	555,667	180,921	446,956	2,356	569,523	4,057,772	6.4713

Note: Residential, commercial and industrial values are calculated without tax-exempt values.

Source: County Equalization Department figures, exclusive of Industrial and Commercial Facility Tax and prior to any Board of Review actions.

CALHOUN COUNTY
Direct and Overlapping Property Tax Rates
Last Ten Years
(rate per \$1,000 of taxable value)

		2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
County direct rates											
Operation		5.37	5.37	5.38	5.38	5.38	5.38	5.38	5.38	5.38	5.38
Special voted		0.99	0.99	0.99	0.99	0.99	0.99	0.99	0.99	0.99	1.09
Total direct rate		6.36	6.36	6.37	6.37	6.37	6.37	6.37	6.37	6.37	6.47
Overlapping rates											
Cities:											
Albion		20.07	19.97	19.97	19.67	17.87	17.87	17.87	17.88	18.08	19.58
Albion - RZ		-	-	1.20	1.20	7.49	1.00	1.00	-	-	-
Battle Creek		13.00	13.92	14.48	14.48	14.48	14.48	14.48	14.74	14.74	14.74
Battle Creek - RZ		2.55	2.69	3.25	5.95	5.95	5.95	-	-	-	-
Battle Creek - DNR PILT		-	-	-	-	-	-	-	-	-	-
Marshall		16.73	16.76	16.76	16.76	16.76	16.76	16.89	16.89	16.89	19.09
Marshall - DDA		1.67	1.61	2.11	2.11	2.11	2.10	16.89	16.89	16.89	1.61
Springfield		15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00
Townships (average)	(A)	1.70	1.69	1.93	1.75	1.69	1.69	1.56	1.73	1.71	1.82
Villages (average)	(B)	12.88	12.50	12.80	12.67	12.67	10.47	12.67	14.85	14.85	12.67
School districts (average)	(C)	23.60	23.46	23.33	23.56	23.53	22.05	23.75	29.71	29.71	30.15
Intermediate school district (average)	(D)	4.65	4.94	4.93	4.93	4.99	5.00	5.06	4.86	4.86	5.36
Community college (average)	(E)	3.26	3.26	3.26	3.26	3.26	3.26	3.26	3.26	3.26	3.21
Library (average)	(F)	1.38	1.37	1.34	2.09	2.11	2.1	2.11	2.11	2.11	2.11
(A) - Rates range from:											
Low		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
High		3.86	3.94	4.38	4.38	4.38	4.38	4.35	4.35	4.35	5.44
(B) - Rates range from:											
Low		9.85	9.85	9.85	9.86	9.85	-	9.85	11.72	11.72	9.85
High		16.47	17.10	16.65	15.97	15.97	15.97	15.97	17.89	17.89	15.97
(C) - Rates range from:											
Low		20.00	20.00	20.00	20.95	20.85	-	21.25	23.30	23.50	27.30
High		28.21	27.35	27.05	27.05	27.05	27.05	27.05	36.10	36.10	35.17
(D) - Rates range from:											
Low		1.99	1.97	1.96	1.96	1.95	1.95	1.95	1.95	1.95	1.95
High		8.17	8.13	8.11	8.10	8.11	8.11	8.11	8.11	8.11	8.76
(E) - Rates range from:											
Low		2.81	2.81	2.81	2.81	2.81	2.81	2.81	2.81	2.81	2.81
High		3.71	3.71	3.71	3.71	3.71	3.71	3.71	3.71	3.71	3.61
(F) - Rates range from:											
Low		2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
High		2.14	2.12	2.03	2.25	2.25	2.25	2.25	2.25	2.25	2.25

Source: Calhoun County Equalization Department - Apportionment Report.

CALHOUN COUNTY
Principal Property Tax Payers
Current Year and Nine Years Ago

Taxpayer	2013			2004		
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
Kellogg Company	\$ 135,187,311	1	3.79%	\$ 155,485,568	1	4.82%
Consumers Energy	80,276,792	2	2.25%	45,107,708	4	1.40%
Post Foods	56,210,895	3	1.58%	55,083,745	3	1.71%
Denso Manufacturing MI Inc.	39,096,726	4	1.10%	98,921,592	2	3.06%
Semco Energy	24,537,861	5	0.69%	18,537,912	7	0.57%
Vector Pipeline, L. P.	22,979,200	6	0.64%			
Andersons Ethanol/Grain	21,789,898	7	0.61%			
Edward Rose Development	17,143,447	8	0.48%			
Enbridge Energy	13,500,976	9	0.38%			
Graphic Packaging	10,476,285	10	0.29%			
Musashi Auto Parts - Michigan, Inc.				27,917,432	5	0.86%
II Stanley Co Inc.				23,160,843	6	0.72%
Ralcorp Holdings, Inc.				15,531,455	8	0.48%
Hayes Lemmerz International				13,657,819	9	0.42%
Yorozu Automotive North America, Inc.				12,720,641	10	0.39%
	<u>\$ 421,199,391</u>		<u>11.80%</u>	<u>\$ 466,124,715</u>		<u>14.44%</u>

Source: Calhoun County Equalization Department.

CALHOUN COUNTY
Property Tax Levies and Collections
Last Ten Years

(1)

Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Subsequent Years Collections	Total Collections to Date	
		Amount	% of Levy		Amount	% of Levy
2004	\$ 16,196,573	\$ 14,874,267	91.84%	\$ 1,273,366	\$ 16,147,633	99.70%
2005	16,649,367	15,365,609	92.29%	1,279,535	16,645,144	99.97%
2006	17,472,152	16,264,916	93.09%	1,206,610	17,471,526	99.99%
2007	18,165,735	16,697,148	91.92%	1,435,439	18,132,587	99.82%
2008	18,669,055	17,205,622	92.16%	1,438,066	18,643,688	99.86%
2009	19,084,890	17,538,727	91.90%	1,534,198	19,072,925	99.94%
2010	18,624,477	17,169,537	92.19%	1,437,616	18,607,153	99.91%
2011	18,200,085	16,749,071	92.03%	1,433,487	18,182,558	99.90%
2012	17,963,929	16,566,976	92.22%	1,372,365	17,939,341	99.86%
2013	17,892,242	16,445,005	91.91%	-	16,445,005	91.91%

Source: Calhoun County Treasurer's Office

(1) Personal property taxes recorded at 80%

CALHOUN COUNTY
Ratios of Net General Bonded Debt Outstanding
Last Ten Years

Year	Governmental Activities			Business-Type Activities			Total Primary Government	% of Personal Income	Per Capita
	General Obligation & Michigan Transportation Bonds	Capital Lease & Installment Purchase Agreements	Less: Amounts Restricted to Repaying Principal	General Obligation Bonds	General Obligation Tax Notes	Capital Leases			
2004	\$ 9,089,270	\$ 366,231	\$ 12,168	\$ -	\$ 450,000	\$ -	\$ 9,893,333	0.26%	71.14
2005	8,481,241	309,330	13,118	-	500,000	-	9,277,453	0.23%	66.65
2006	7,831,155	269,599	123,662	8,000,000	350,000	-	16,327,092	0.40%	118.32
2007	7,154,693	251,364	4,691	8,000,000	750,000	14,497	16,165,863	0.40%	118.33
2008	6,855,000	240,666	7,580	7,800,000	250,000	7,490	15,145,576	0.35%	111.48
2009	6,515,000	162,209	7,881	7,600,000	200,000	-	14,469,328	0.33%	106.69
2010	13,140,000	253,660	8,079	7,350,000	900,000	-	21,635,581	0.48%	158.99
2011	12,495,000	204,748	7,806	7,100,000	749,834	143,007	20,684,783	0.45%	152.62
2012	17,921,993	1,629,594	7,828	6,800,000	4,500,000	-	30,843,759	0.64%	228.30
2013	16,500,993	1,288,786	8,034	6,898,912	1,549,000	-	26,229,657	0.55%	194.28

Year	Governmental Activities			Total	Taxable Value of Property	% of Actual Taxable Value of Property	Per Capita
	General Obligation & Michigan Transportation Bonds	Capital Lease & Installment Purchase Agreements	Less: Amounts Restricted to Repaying Principal				
2004	\$ 9,089,270	\$ 366,231	\$ 12,168	\$ 8,710,871	\$ 3,228,412,954	0.27%	318.26
2005	8,481,241	309,330	13,118	8,158,793	3,318,085,093	0.25%	285.39
2006	7,831,155	269,599	123,662	7,437,894	3,470,883,407	0.21%	249.08
2007	7,154,693	251,364	4,691	6,898,638	3,611,665,400	0.19%	230.75
2008	6,855,000	240,666	7,580	6,606,754	3,724,578,452	0.18%	208.73
2009	6,515,000	162,209	7,881	6,344,910	3,849,508,652	0.16%	196.88
2010	13,140,000	253,660	8,079	12,878,261	3,710,386,490	0.35%	391.26
2011	12,495,000	204,748	7,806	12,282,446	3,629,245,779	0.34%	358.43
2012	17,921,993	1,629,594	7,828	16,284,571	3,604,972,221	0.45%	457.14
2013	16,500,993	1,288,786	8,034	15,204,173	3,568,430,371	0.43%	426.81

Source: Calhoun County Finance Department

CALHOUN COUNTY
Computation of Net Direct and Overlapping Debt
As of December 31, 2013

	Gross Amount Outstanding	Self-Supporting or Paid by Benefited Entity	Net Amount Outstanding
Direct debt			
Building authority bonds	\$ 4,940,000	\$ -	\$ 4,940,000
Recovery zone economic development bonds	6,225,000	-	6,225,000
Energy Conservation Project	591,300	-	591,300
Michigan Transportation Fund bonds	165,000	-	165,000
Installment purchase agreement	443,237	-	443,237
Public Works - water and sewer debt	5,255,000	# 5,255,000	-
Lease purchase agreement	254,249	-	254,249
	<hr/>	<hr/>	<hr/>
Net direct debt	\$ 17,873,786	\$ 5,255,000	\$ 12,618,786
	<hr/>	<hr/>	<hr/>
	Debt Outstanding	Percentage Applicable	Government's Share of Overlapping Debt
Overlapping debt			
School districts			
Albion	4,255,000	93.97	3,998,424
Athens	2,185,000	89.39	1,953,172
Battle Creek	59,800,000	100.00	59,800,000
Bellevue	25,184,467	16.67	4,198,251
Climax Scotts	4,868,877	12.82	624,190
Gull Lake	39,410,000	7.06	2,782,346
Harper Creek	68,792,474	100.00	68,792,474
Hastings	21,289,955	0.70	149,030
Homer	20,891,165	97.57	20,383,510
Lakeview Calhoun	44,755,000	100.00	44,755,000
Litchfield	950,000	3.63	34,485
Mar Lee	1,660,000	100.00	1,660,000
Marshall	54,210,000	100.00	54,210,000
Olivet	35,592,268	30.75	10,944,622
Pennfield	36,596,229	97.67	35,743,537
Springport	15,531,124	35.49	5,511,996
Tekonsha	725,000	85.84	622,340
Union City	1,895,000	42.32	801,964
	<hr/>	<hr/>	<hr/>
Intermediate school district	18,990,000	1.08	205,702
Library			
Marshall District Library	535,000	100.00	535,000
City	98,840,000	100.00	98,840,000
Township	6,013,000	100.00	6,013,000
Village	566,000	100.00	566,000
	<hr/>	<hr/>	<hr/>
Net overlapping debt			423,125,043
	<hr/>	<hr/>	<hr/>
Net direct and overlapping debt			\$ 435,743,829
	<hr/>	<hr/>	<hr/>

Source: Calhoun County Finance Department and Bendzinski & Co Municipal Finance Advisors

Note: Percentage of overlap based on state equalized values.

CALHOUN COUNTY
Legal Debt Margin
Last Ten Years

Legal Debt Margin Calculation for 2013

Total assessed value	\$ 4,057,772,361
Debt limit (10% of assessed value)	\$ 405,777,236
Debt applicable to limit	12,618,786
Legal debt margin	\$ 393,158,450

	<u>Debt Limit</u>	<u>Total Net Debt Applicable to Limit</u>	<u>Legal Debt Margin</u>	<u>Total Net Debt Applicable to Limit as a Percentage of Debt Limit</u>
2004	395,397,056	24,384,270	371,012,786	6.17%
2005	411,102,610	22,996,241	388,106,369	5.59%
2006	430,437,237	19,495,000	410,942,237	4.53%
2007	442,874,896	18,800,000	424,074,896	4.24%
2008	455,317,890	17,230,000	438,087,890	3.78%
2009	457,871,289	15,615,000	442,256,289	3.41%
2010	433,679,621	22,370,000	411,309,621	5.16%
2011	417,602,873	21,014,834	396,588,039	5.03%
2012	411,693,014	13,559,953	398,133,061	3.29%
2013	405,777,236	12,618,786	393,158,450	3.11%

Source: Calhoun County Finance Department and Bendzinski & Co Municipal Finance Advisors

CALHOUN COUNTY
Demographic and Economic Statistics
Last Ten Years

<u>Year</u>	<u>Population</u>	<u>Personal Income (thousands of dollars)</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>	<u>School Enrollment</u>
2004	139,067	3,800,925	27,370	6.8%	25,962
2005	139,191	3,950,965	28,588	6.4%	25,709
2006	137,991	4,107,089	29,862	6.9%	26,703
2007	136,615	4,075,917	29,897	6.8%	25,941
2008	135,861	4,317,471	31,652	9.6%	23,805
2009	135,616	4,370,436	32,227	12.50%	22,885
2010	136,084	4,479,152	32,915	9.40%	25,020
2011	135,529	4,644,128	34,267	7.60%	22,166
2012	135,099	4,812,597	35,623	7.40%	20,688
2013	135,012	4,812,597 (a)	35,623 (a)	7.60%	24,012

(a) Data not available at the time of publication.

Sources: U.S. Census Bureau
Bureau of Economic Analysis, U.S. Department of Commerce
Calhoun Intermediate School District

CALHOUN COUNTY
Principal Employers
Current Year and Nine Years Ago

Employer	2013			2004		
	Employees	Rank	% of Total County Employment	Employees	Rank	% of Total County Employment
Denso International America, Inc.	2,300	1	3.84%	2,400	1	3.60%
Kellogg Company	2,000	2	3.34%	1,750	2	2.63%
Hart - Dole - Inouye Federal Center	1,586	3	2.65%	1,600	3	2.40%
Battle Creek Health System	1,554	4	2.59%	1,422	4	2.13%
Kraft Foods, Post Division	1,550	5	2.59%	830	7	1.25%
Battle Creek Public Schools	1,300	6	2.17%	1,411	5	2.12%
Dept of Veterans Affairs Medical Center	1,150	7	1.92%	1,315	6	1.97%
Michigan Air National Guard	1,127	8	1.88%			
I.I. Stanley	750	9	1.25%	750	10	1.13%
City of Battle Creek	650	10	1.08%			
State Farm Insurance Company				826	8	1.24%
Tokai Rika				750	9	1.13%
	<u>13,967</u>		<u>23.30%</u>	<u>13,054</u>		<u>19.59%</u>

Source: Calhoun County Finance Department.

CALHOUN COUNTY
Full-Time Equivalent County Government Employees by Function/Program
Last Ten Years

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Legislative										
Board of Commissioners	8.00	8.00	8.00	8.00	8.00	8.00	7.00	7.00	7.00	7.00
Judicial										
Circuit Court	14.00	14.75	14.80	14.80	13.80	14.80	14.80	13.75	13.00	13.00
Circuit Court - Family	10.00	10.00	10.00	9.00	8.00	8.00	7.00	11.50	7.00	8.50
District Court	54.23	55.58	56.33	56.60	57.25	58.25	54.03	52.93	47.60	45.10
Friend of the Court	58.83	59.06	59.60	60.00	60.00	60.00	54.00	54.00	55.00	56.00
Probate Court	8.88	9.00	10.00	10.00	10.00	10.00	9.00	7.00	8.00	8.00
Court Services	3.00	3.00	3.00	2.00	2.00	2.00	1.00	1.00	1.00	1.00
General Government										
County Administrator	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Administrative Services	5.00	5.34	4.00	4.00	4.00	4.00	4.00	3.50	2.50	4.00
Information & Tech Systems	4.00	4.00	3.00	4.00	4.00	3.00	3.00	3.00	4.00	4.00
Facilities Management	10.00	12.00	11.00	12.00	12.00	12.00	12.00	11.00	10.00	9.00
Corporation Counsel	0.00	0.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Finance	5.00	5.00	4.00	5.00	5.00	5.00	5.00	4.00	4.00	4.00
Equalization	6.00	5.00	5.00	3.00	4.50	4.50	5.00	6.00	5.00	5.00
Human Resources	4.00	4.00	4.00	2.00	4.00	4.00	4.00	4.00	4.00	3.00
Clerk - Elections	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Clerk of the Circuit Court	9.00	9.00	9.00	8.00	9.00	9.00	8.00	8.00	12.00	12.00
Clerk/Register	11.50	11.50	11.50	12.50	12.50	12.50	12.50	11.50	10.00	10.50
Prosecuting Attorney	32.50	31.50	29.50	28.50	27.50	28.50	26.50	24.50	22.75	22.75
Treasurer	8.00	8.00	8.00	8.00	8.00	8.00	7.00	8.00	8.00	8.00
MSU Extension	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	1.75	1.75
Water Resources Commissioner	2.97	3.06	3.00	3.00	3.00	3.50	3.70	3.75	3.75	3.75
Public Safety										
Sheriff	171.22	172.40	166.78	171.97	171.75	171.10	165.50	162.50	160.40	172.40
Community Corrections	8.00	8.00	7.00	8.00	8.00	8.00	7.00	7.00	7.50	7.00
Emergency Management	2.00	1.00	2.00	3.00	2.00	2.00	2.00	2.60	2.60	1.60
Drug Court	3.32	4.00	3.50	3.50	3.00	3.50	3.50	3.00	3.50	3.50
Sobriety/Veterans Court	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.38	4.55	5.38
Prosecuting Attorney	15.00	12.00	12.00	11.00	11.00	11.00	8.00	10.00	9.75	9.75
Public Works										
Road Department									58.00	50.00
Health & Welfare										
Health Department	70.44	64.55	53.48	45.57	44.02	46.32	48.59	60.40	62.14	62.00
Child Care Fund	53.68	49.94	42.90	49.10	46.70	47.70	43.40	36.60	29.80	33.30
Senior Millage	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Veterans Services	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Total	589.31	580.42	553.13	554.29	550.77	556.42	527.27	530.66	573.59	580.28

Source: Calhoun County Finance Department

CALHOUN COUNTY
Operating Indicators by Function/Program
Last Ten Years

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Judicial										
Circuit Court:										
Number of petitions opened	1,931	1,932	1,873	1,762	1,750	1,543	1,471	1,416	1,451	1,344
Number of dispositions	2,003	1,955	2,021	1,940	1,780	1,500	1,437	1,411	1,506	1,444
Circuit Court - Family Division:										
Number of petitions opened	3,951	4,091	3,984	4,161	3,810	3,730	3,670	3,357	3,187	2,938
Number of dispositions	3,555	4,048	4,233	4,252	3,929	3,751	3,626	3,468	3,139	3,054
District Court:										
New felony cases	1,957	2,021	1,933	1,874	1,973	1,901	1,771	1,559	1,618	1,534
New misdemeanor cases	3,763	4,348	4,039	4,166	3,989	3,986	3,538	3,664	7,270	3,832
New traffic & civil infractions	32,644	42,773	35,145	33,294	30,785	32,809	31,652	27,555	21,158	20,946
New civil cases	9,960	10,363	10,270	11,257	11,787	10,864	10,383	10,032	10,031	9,477
New OWI/OWVI	731	886	883	733	816	764	820	775	694	688
Probate Court:										
Number of active estate and trust cases	474	461	433	448	474	467	456	448	437	438
Number of wills filed for safekeeping	1,065	1,161	335	421	614	500	310	341	316	327
Number of guardianships/conservatorships	2,119	2,090	2,036	1,936	1,908	1,937	1,952	1,935	1,899	1,874
Public Safety (Sheriff):										
Number of incidents	11,912	13,868	12,074	11,857	12,636	12,478	12,683	13,945	12,790	14,008
Number of bookings	11,020	11,574	10,810	11,104	11,575	11,679	12,565	10,702	10,605	10,639
Number of traffic crashes	1,722	1,771	1,604	1,811	1,878	1,661	1,465	1,433	1,191	2,277
Number of fatal crashes	1	6	6	8	12	9	4	5	11	2
Number of animal control calls	--*	--*	--*	--*	--*	987	1,017	661	1,277	1,289
Health										
Public Health:										
Vaccines administered	9,456	9,966	6,884	2,848	4,160	13,753	10,457	9,157	10,471	10,581
Number of STD clients	2,492	2,804	2,523	2,298	2,376	2,604	2,079	1,811	1,449	1,564
Water Resources										
Drain & Lake Level control structure maintenance projects	60	46	51	61	69	77	67	76	82	71
Seniors										
Number of seniors served										
Health services:	4,898	4,613	3,698	3,255	2,834	2,972	2,444	1,535	1,328	1,048
Access services:	1,843	2,322	2,722	3,212	3,286	3,792	5,771	4,567	5,038	4,980
Home and Community Based Services	-	-	-	-	-	-	-	1,559	1,762	2,088

Source: Calhoun County Circuit Court, Calhoun County District Court, Calhoun County Probate Court, Calhoun County Sheriff's Department, Calhoun County Health Department, Calhoun County Water Resources Department, Calhoun County Senior Services Department

--* Information not available

CALHOUN COUNTY
Capital Asset Statistics by Function/Program
Last Ten Years

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Police										
Corrections facility maximum capacity	620	620	620	620	620	620	620	620	620	620
Vehicle patrol units:										
Police service automobiles	31	33	31	34	38	35	43	40	40	45
Animal control	2	2	2	2	2	2	2	2	2	3
Jail	5	5	5	7	9	8	8	4	4	4
Public works										
Miles of county maintained roads:										
Primary	483	483	483	483	483	483	483	483	483	483
Local	827	827	827	827	827	827	827	827	827	827
State Trunkline	205	205	205	205	205	205	205	205	205	205
Parks and Recreation										
County Parks	3	3	3	3	3	3	3	3	3	3
Custer Greens Golf Course	1	1	1	-	-	-	-	-	-	-

Source: Calhoun County Finance Department

CALHOUN COUNTY
Schedule of Insurance
As of December 31, 2013

Type of Coverage Name of Company	Policy Period	Premium	Description
Michigan Municipal Risk Management Authority (MMRMA)	01/01/13-12/31/13	\$ 796,599	Auto, general and police legal liability of the County for bodily injury, property damage and personal injury. Limit \$15,000,000 per occurrence; self insured retention (SIR) is \$200K for general liability, \$16K per vehicle/\$31K per vehicle damage.
Buildings and Contents: Michigan Municipal Risk Management Authority (MMRMA)	01/01/13-12/31/13	Included	All risk coverage on buildings and contents at replacement cost of \$125,366,774 with a \$2,500 maximum deductible per occurrence. Includes burglary as well as perils from flood and earthquake.
Michigan Municipal Risk Management Authority (MMRMA)	01/01/13-12/31/13	Included	Covers loss to the County caused by dishonesty or fraudulent act of an employee or failure to faithfully perform the duties or the position. Limit \$1,000,000. All County employees are covered under this Blanket Faithful Performance Bond with Elected Officials protected under individual Performance Bonds at the same dollar limit.
Marine Property Coverage	01/01/13-12/31/13	Included	Covers scheduled portable equipment consisting of boats, motors, trailers, jet skis, hovercraft, etc. Coverage limited to \$250K per occurrence.
Short-Term Bond Burnham & Flower Insurance Group	01/01/13-12/31/13	24,502	Bond is based on 40% of the tax levy for the County, schools and SET (State Education Tax). County is partially reimbursed for the cost of the bond.
Workers' Compensation Citizens Management Inc.	01/01/13-12/31/14	26,625	TPA for Claims Service.
Citizens Insurance Company of America	01/01/13-12/31/13	37,563	Statutory specific excess insurance above a \$500,000 retention subject to an annual aggregate limit of payment of \$1 million.
Sick & Accident UNUM Life Insurance Company of America	01/01/13-12/31/13	26,377	TPA for Claims Service.
Long-Term Disability UNUM Life Insurance Company of America	01/01/13-12/31/13	Varies	Covers all full-time MNA eligible employees. Coverage is 66 and 2/3% of monthly salary up to a maximum of \$4,200.
Life Insurance UNUM Life Insurance Company of America	01/01/13-12/31/13	Varies	Covers death of employee and/or AD&D. All full-time employees with coverage equal to 1 X annual salary, rounded down to the nearest \$1,000, up to a maximum of \$50K. IUOE members receive a flat \$50K.
Dental Delta Dental Premier Plan	01/01/13-12/31/13	Varies	100% basic dental, 50% other services (incl Orthodontics), \$1,000 annual limit.
Community Blue Preferred Provider Organization (PPO) Plan 1 Blue Cross/Blue Shield	01/01/13-12/31/13	Varies	A cost-sharing medical care plan including preventive care services (in network only), coinsurance, prescription co-pay, with an annual deductible on covered in-network benefits of \$100 individual/\$200 family. Out of network benefits have an annual deductible of \$250 individual/\$500 family.

Continued.....

CALHOUN COUNTY
Schedule of Insurance
As of December 31, 2013

Type of Coverage Name of Company	Policy Period	Premium	Description
Community Blue Preferred Provider Organization (PPO) Plan 3 Blue Cross/Blue Shield	01/01/13-12/31/13	Varies	A cost-sharing medical care plan including preventive care services (in network only), coinsurance, prescription co-pay, with an annual deductible on covered in-network benefits of \$250 individual/\$500 family. Out of network benefits have an annual deductible of \$500 individual/\$1,000 family.
Flexible Blue Preferred Provider Organization (PPO) Plan 3 Blue Cross/Blue Shield	01/01/13-12/31/13	Varies	A medical care plan including preventive care services (in network only), coinsurance, prescription co-pay, with an annual deductible on covered in-network benefits of \$2,000 individual/\$4,000 family. Out of network benefits have an annual deductible of \$4,000 individual/\$8,000 family.
First Dollar Plan w/Master Medical Option 1 (80/20) Blue Cross/Blue Shield	01/01/13-12/31/13	Varies	Basic and Master Medical Comprehensive medical care coverage including emergency care, and office visits. Annual deductible of \$250 individual/\$500 family on Major Medical Benefits.
Medicare Advantage Blue Care Network	01/01/13-12/31/13	283.80	A cost-sharing medical care plan requiring a Primary Care Physician choice. The plan includes preventive care services (in network only), coinsurance, prescription co-pay, with no deductible on covered in-network benefits.
Medicare Advantage Preferred Provider Organization (PPO) Blue Cross Blue Shield	01/01/13-12/31/13	463.63	A medical care plan including preventive care services, coinsurance, prescription co-pay, with an annual deductible on covered in-network benefits of \$250 individual/\$1,000 maximum. Out of network benefits have a annual deductible of \$500 individual/\$2,000 maximum.
Vision Care Blue Cross/Blue Shield/ Vision Service Plan (VSP)	01/01/13-12/31/13	Varies	Vision Care option pays for certain vision care tests and supplies, when obtained from a participating provider, after County employee pays the provider the required co-payment amount.

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