

**CALHOUN COUNTY, MICHIGAN  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
YEAR ENDED DECEMBER 31, 2014**



# **CALHOUN COUNTY, MICHIGAN**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

FOR THE YEAR ENDED DECEMBER 31, 2014

### **Board of Commissioners**

Art Kale, Chairperson

Kathy-Sue Dunn

Derek King

Jim Haadsma

Steve Frisbie

Blaine VanSickle

Terrace Todd

Prepared by: Finance Department

### **Administrator / Controller**

Kelli Scott

### **Assistant County Administrator**

Brad Wilcox

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## **Introductory Section**



# Calhoun County

## Office of the Administrator/Controller

*"Building A Better County Through Responsive Leadership"*

315 West Green Street  
Marshall, MI 49068

Office (269)-781-0966  
Fax (269)-781-0140

June 18, 2015

**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, 2014, 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 Gabridge & Company, 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, 2014, 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 unmodified opinion that the County's financial statements for the fiscal year ended December 31, 2014, 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.

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

## **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 37<sup>th</sup> Judicial Circuit and the Probate Court and the 10<sup>th</sup> 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 640 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 2014 the County entered into a partnership with the City of Albion to provide a free recycling center for residents in a way that drastically reduced the costs for both governments and our taxpayers. The new model includes a staffed center and the requirement that materials are sorted to avoid waste and contamination, benefitting the environment and creating much greater operating efficiencies.
- **Public Participation with County Government:** The County Board of Commissioners offers online Board agendas, minutes, and videos, as well as television airings through our local public access stations. Commissioners highlight on local talk radio current events and key actions taken by the County Board. The County also posts contact information, policies, dashboard indicators and financial information on our website, [www.calhouncountymi.gov](http://www.calhouncountymi.gov) . The public can subscribe to free emergency and weather notifications through the county's website, which was switched to the Nixle application at the end of 2014. Major technology initiatives are planned for 2015-2016 with a focus on streamlining government processes and more public access to services and records. We encourage everyone to find Calhoun County Government on Facebook, where frequent updates and information are sent out.

- **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. Our new Road Department continues to operate more effectively and efficiently under the direct governance of the County Board of Commissioners. The County also partners with adjacent Jackson County’s Department of Transportation with a shared Managing Director, sharing of equipment and staff, and a joint purchasing system. In 2014 the Road Department increased its cash on hand, total assets, and fund balance over previous levels, and greatly reduced its overhead costs as a percentage of total operations. The County’s borrowing power was also leveraged in 2014, issuing \$500,000 in bonds on behalf of the Road Department for equipment purchases.
- **Parks and Recreation Opportunities Expanding:** In 2014 the first segment of our new Calhoun County Trail way opened for free public use. Five miles of hiking and biking trails now connect our three primary County Parks—Ott Biological Preserve, Kimball Pines Park and Historic Bridge Park. Funded entirely with grants and private dollars, this project is a collaboration between the Calhoun County Trailway Alliance, the Friends of the Ott Preserve, and the County, which manages the parks through our new Community Development office. Our Parks & Recreation Master Plan was updated for 2015-2019 planning purposes.
- **Energy Savings:** Honeywell International reported during 2014 that after the first three 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 \$1.9 million in utility costs and operational cost avoidance since 2010 strictly because of these energy savings improvements. The County also earned during 2014 for two of our buildings the U.S. Environmental Protection Agency’s (EPA’s) ENERGY STAR certification, which signifies that the buildings performs in the top 25 percent of similar facilities nationwide for energy efficiency, and use an average of 35 percent less energy than typical buildings and also release 35 percent less carbon dioxide into the atmosphere.
- **Public Safety Enhancements:** A new law enforcement and jail records management system went live in 2014, allowing for the County Sheriff, Prosecutor and Courts along with the Battle Creek Police Department to share crime records, and thus increase citizen and officer safety. Through the Calhoun County Public Safety Alliance, any other local law enforcement agency can now participate with our shared system. A police to citizen “P2C” application will be launched soon, to provide convenient online access to public records regarding police incidents and jail inmates. Construction began during 2014 on the Marshall Regional Law Enforcement Center, which will open in 2015 and house law enforcement personnel from the Michigan State Police, Marshall Police Department and Calhoun County Sheriff’s Office. And in 2014, the County Sheriff began providing contracted law enforcement services for Homer Village.

- **Public/Private Health & Wellness Collaboration:** Our Care Here Employee Health & Wellness Center—Calhoun County’s partnership with the City of Battle Creek and Toyota Tsusho of Battle Creek—opened in 2014 and continues to see tremendous success. Employee utilization has exceeded benchmarks and is increasing, saving hundreds of thousands of dollars per year in health care costs for the county and our employees. Efforts began in 2014 to expand the partnership, with two more local private employers joining the center and nearly doubling the number of employees and their dependents eligible to access care there.
- **Regional Alignment:** The newly formed Southcentral Michigan Planning Council (SMPC) completed a new five-county Regional Comprehensive Economic Development Strategy (CEDS) during 2014. We also regionalized our Workforce Development efforts this past year, forming a new Michigan Works! service area covering St. Joseph, Kalamazoo, Calhoun and Branch counties.
- **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 2014, the FireKeepers Local Revenue Sharing Board (FLRSB) distributed more than \$5 million to local governments, including \$185,000 through a discretionary grant program 875 to school programs, scholarships and government projects last year. The 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.
- **Veterans Affairs Strategic Plan:** Starting with the 2013 tax levy, a new 0.10 mill voter-approved Veterans millage began generating over \$300,000 per year for the County’s Veterans Affairs Office to increase its capacity to serve the nearly 21,000 veterans living in our community. The Veterans Affairs Committee began an update of their strategic plan in 2014, outlining our focus on increasing outreach and education about benefits and relief funds, as well as expanded programs and resources for veterans. The 10<sup>th</sup> District Court recently started up a new Veterans Treatment Court, designed to better help veterans within the justice system who also possess substance use disorders.
- **Leveraging Resources for Senior Services:** During 2014 the County’s Office of Senior Services and Senior Millage Allocation Committee (SMAC) continued to operate under a 2011 strategic plan to ensure the best use of the \$2.6 million in revenues dedicated entirely to services for senior citizens within Calhoun County. During 2014 the millage

dollars were leveraged with a new \$45,000 per year United Way grant to provide additional dental services to older adults over the next three years.

- **Long-Term Financial Stability:** The County's 2015 General Fund budget is balanced at \$40 million and includes decreasing debt and slowly increasing operating reserves. Because property taxes provide 45% of our operating revenues, we are most optimistic about seeing a rebound in real property values after five straight years of decline. Next year is expected to bring back fully funded state revenue sharing for counties—the first in a decade, and the stabilization of public safety revenues. Our budget does not require a millage rate increase to taxpayers for 2015 because of the structural budget balancing steps we've taken.

At December 31, 2014 the unassigned general fund balance was 10% (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 received an upgrade in 2014 by Standard & Poor's, from our 'AA-' to a new 'AA' bond credit rating, now only slightly below the highest 'AAA' rating. We also continue to employ a 5-year operating forecast and 7-year Capital Improvement Plan to keep us focused on long-term financial stability. We provide a Citizens' Guide to County Finances and other financial transparency and accountability information 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 2015 budget, 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 2015 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 2014 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, 2014 the County's outstanding net direct debt was \$20.6 million, a net increase of \$8 million from the prior year-end, primarily due to the issuance of capital improvement bonds to finance long-term facilities and technology improvements, as well as our new shared law enforcement center. Our overall bond rating was increased during 2014 by Standard & Poor's to "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, 2013. 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 eighteen 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,

A handwritten signature in black ink, appearing to read "Kelli Scott". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Kelli Scott, County  
Administrator /Controller



Government Finance Officers Association

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

Presented to

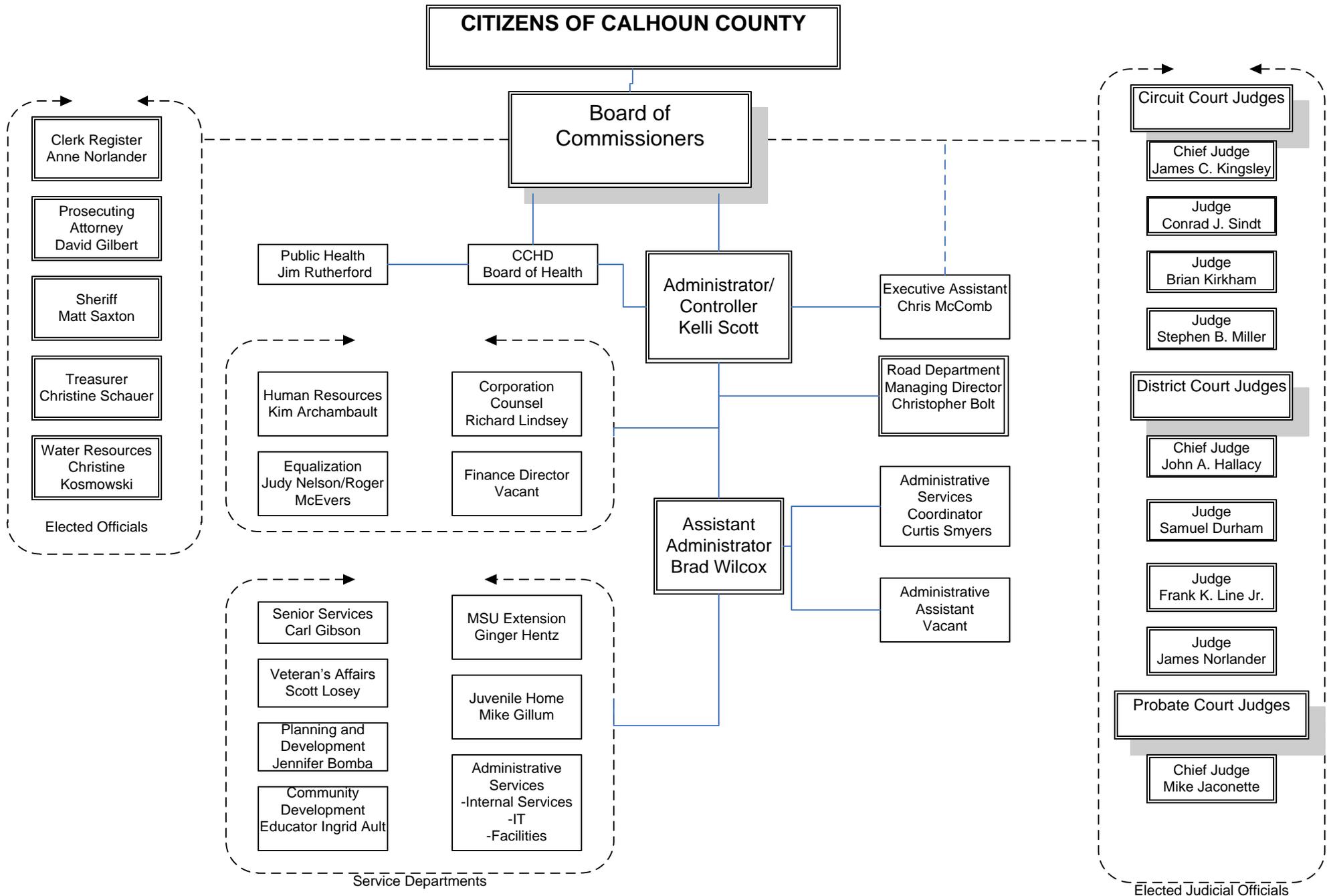
**County of Calhoun  
Michigan**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2013**

Executive Director/CEO

# CALHOUN COUNTY ADMINISTRATIVE ORGANIZATIONAL CHART



## **Financial Section**

## INDEPENDENT AUDITOR'S REPORT

Board of Commissioners  
Calhoun County, 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 Calhoun County, Michigan (the "County"), as of and for the year ended December 31, 2014, 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 Auditor's 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 8%, 3%, and 20%, respectively, of the assets, net position, and revenues of the discretely presented component units. Those statements were audited by other auditors whose report has 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 report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Calhoun County, as of December 31, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of funding progress and employer contributions for the pension plan and other postemployment plans, and budgetary comparison schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We 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 18, 2015, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Gabridge & Company". The signature is written in dark ink and is positioned above the typed name of the firm.

Gabridge & Company, PLC  
Grand Rapids, MI  
June 18, 2015

## **Management's Discussion and Analysis**

## **Calhoun County Management's Discussion and Analysis**

As management of Calhoun County, 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, 2014. 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 - 10 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 \$108,889,658 (*net position*), a decrease of \$1,998,186 in 2014. Of this amount, \$17,481,142 (*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 the Delinquent Tax Revolving Fund, 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 \$16,076,361, an increase of approximately \$4,853,287 in comparison with the prior year. Of the fund balance amount, \$3,919,125 is *available for spending* at the government's discretion (*unassigned fund balance*).
- Total fund balance for the General Fund was \$4,361,909, an increase of \$65,456 for 2014. At the end of the year, the unassigned portion of the fund balance in the General Fund was \$3,919,125, or approximately 10 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 County's net investment in capital assets was \$70,991,631 at the end of 2014, which compares to \$78,313,391 at the end of 2013.
- The County's total bonded debt, excluding delinquent tax notes, equaled \$31,018,000 million at the close of 2014, a net increase of \$7,285,000 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, deferred outflows, liabilities, and deferred inflows, with the difference between them 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 vacation leave).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include 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.

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 37 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, Senior Millage, Health Department Fund, Road Department Fund, and the Capital Improvement Plan which are considered to be major funds. Data from the other 32 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The County adopts an annual appropriated budget for its General Fund and special revenue funds. Budgetary comparison schedules have been provided for all applicable funds to demonstrate compliance with their budgets.

**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 nonmajor 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.

**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 position and changes in fiduciary net position. 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 nonmajor governmental funds, nonmajor 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 \$108,889,658 at the close of the most recent fiscal year. The schedule on the following page shows the County's assets by category.

**Calhoun County**  
**Statement of Net Position for Fiscal Years Ended December 31, 2014 and December 31, 2013**

	Governmental		Business-type		Total Primary	
	Activities		Activities		Government	
	2014	2013	2014	2013	2014	2013
<b>ASSETS</b>						
<i>Current Assets</i>						
Cash & Equivalents	\$ 17,091,163	\$ 10,994,899	\$ 15,988,849	\$ 13,761,771	\$ 33,080,012	\$ 24,756,670
Accounts Receivable	8,526,876	8,175,092	1,255,594	2,323,722	9,782,470	10,498,814
Current Taxes Receivable	4,612,722	4,821,008	829,690	859,991	5,442,412	5,680,999
Delinquent Taxes Receivable	358,607	380,985	9,781,711	10,321,345	10,140,318	10,702,330
Due from Other Governments	3,935,131	3,180,766	569,830	597,270	4,504,961	3,778,036
Advance to Component Unit	210,600	210,600	10,634	40,634	221,234	251,234
Prepaid Items	1,200,376	1,358,240	243,526	281,601	1,443,902	1,639,841
Inventories	822,532	746,720	-	-	822,532	746,720
<b>Total Current Assets</b>	<b>36,758,007</b>	<b>29,868,310</b>	<b>28,679,834</b>	<b>28,186,334</b>	<b>65,437,841</b>	<b>58,054,644</b>
<i>Noncurrent Assets</i>						
Capital Assets not Being Depreciated	33,135,855	29,725,274	-	-	33,135,855	29,725,274
Capital Assets Being Depreciated	52,080,866	52,511,572	14,883,752	15,510,234	66,964,618	68,021,806
<b>Total Assets</b>	<b>121,974,728</b>	<b>112,105,156</b>	<b>43,563,586</b>	<b>43,696,568</b>	<b>165,538,314</b>	<b>155,801,724</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred Charge on Refunding	-	-	178,697	193,589	178,697	193,589
<b>Total Deferred Outflows of Resources</b>	<b>-</b>	<b>-</b>	<b>178,697</b>	<b>193,589</b>	<b>178,697</b>	<b>193,589</b>
<b>LIABILITIES</b>						
<i>Current Liabilities</i>						
Accounts Payable	5,894,840	2,820,610	214,847	202,664	6,109,687	3,023,274
Accrued Liabilities	564,797	994,675	483,275	503,955	1,048,072	1,498,630
Due to Other Governments	577,540	997,104	177,120	169,863	754,660	1,166,967
Unearned Revenue	1,155,450	417,236	-	-	1,155,450	417,236
Accrued Interest	169,260	155,379	-	-	169,260	155,379
Current Portion of Long-term Debt	1,918,764	1,813,536	2,193,762	1,997,762	4,112,526	3,811,298
Current Portion of Compensated Absences	1,490,121	1,444,982	304,498	324,697	1,794,619	1,769,679
Internal Balances	293,148	434,755	(293,148)	(434,755)	-	-
<b>Total Current Liabilities</b>	<b>12,063,920</b>	<b>9,078,277</b>	<b>3,080,354</b>	<b>2,764,186</b>	<b>15,144,274</b>	<b>11,842,463</b>
<i>Noncurrent Liabilities</i>						
Long-term Debt	24,219,517	15,976,243	6,056,388	6,450,150	30,275,905	22,426,393
Compensated Absences	638,623	695,774	-	-	638,623	695,774
Other Post-employment Benefit Obligation	6,804,748	6,141,589	-	-	6,804,748	6,141,589
<b>Total Liabilities</b>	<b>43,726,808</b>	<b>31,891,883</b>	<b>9,136,742</b>	<b>9,214,336</b>	<b>52,863,550</b>	<b>41,106,219</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unamortized Gain on Bond Refunding	5,307	-	-	-	5,307	-
Revenues Intended to Finance a Subsequent Year	3,090,782	2,994,934	867,714	869,031	3,958,496	3,863,965
<b>Total Deferred Inflows of Resources</b>	<b>3,096,089</b>	<b>2,994,934</b>	<b>867,714</b>	<b>869,031</b>	<b>3,963,803</b>	<b>3,863,965</b>
<b>NET POSITION</b>						
Net Investment in Capital Assets	62,558,028	69,702,069	8,433,603	8,611,322	70,991,631	78,313,391
Restricted	11,714,452	6,926,623	8,702,433	8,767,650	20,416,885	15,694,273
Unrestricted	879,351	589,647	16,601,791	16,427,818	17,481,142	17,017,465
<b>Total Net Position</b>	<b>\$ 75,151,831</b>	<b>\$ 77,218,339</b>	<b>\$ 33,737,827</b>	<b>\$ 33,806,790</b>	<b>\$108,889,658</b>	<b>\$111,025,129</b>

By far, the largest portion of the County's net position, \$70,991,631 (65%) represents 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.

An additional portion of the County's net position \$20,416,885 (19%) represents resources that are subject to external restrictions on how they may be used. The County's unrestricted net position is \$17,481,142 (16%) as of December 31, 2014. These assets may be used to meet the County's ongoing obligations to citizens and creditors.

At the end of the 2014 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.

**Calhoun County**  
**Change in Net Position for Fiscal Years Ended December 31, 2014 and December 31, 2013**

	Governmental		Business-type		Total	
	Activities		Activities		Government	
	2014	2013	2014	2013	2014	2013
<b>Revenue</b>						
<b>Program Revenues</b>						
Charges for Services	\$ 15,696,155	\$ 15,068,221	\$ 18,314,642	\$ 17,493,696	\$ 34,010,797	\$ 32,561,917
Operating Grants & Contributions	27,316,943	25,364,646	71,595	74,704	27,388,538	25,439,350
<b>Total Program Revenues</b>	43,013,098	40,432,867	18,386,237	17,568,400	61,399,335	58,001,267
<b>General Revenues</b>						
Property Taxes	22,182,886	21,620,992	890,041	799,378	23,072,927	22,420,370
State Revenue Sharing	2,582,893	2,320,651	-	-	2,582,893	2,320,651
Interest Income	51,270	(4,568)	27,784	20,130	79,054	15,562
<b>Total General Revenues</b>	24,817,049	23,937,075	917,825	819,508	25,734,874	24,756,583
<b>Total Revenues</b>	67,830,147	64,369,942	19,304,062	18,387,908	87,134,209	82,757,850
<b>Expenses</b>						
Legislative	120,751	148,616	-	-	120,751	148,616
Judicial	11,621,486	11,522,672	-	-	11,621,486	11,522,672
General Government	6,962,089	6,814,371	-	-	6,962,089	6,814,371
Public Safety	21,503,694	19,438,820	-	-	21,503,694	19,438,820
Public Works	15,107,382	12,793,820	-	-	15,107,382	12,793,820
Health and Welfare	13,975,583	13,269,163	-	-	13,975,583	13,269,163
Recreation and Culture	1,891,980	1,555,510	-	-	1,891,980	1,555,510
Community and Economic Development	182,238	-	-	-	182,238	-
Interest on Long-term Debt	721,232	730,998	-	-	721,232	730,998
Sheriff Inmate Concession	-	-	212,903	245,891	212,903	245,891
Medical Care Facility	-	-	15,122,581	14,620,762	15,122,581	14,620,762
Delinquent Tax Revolving Fund	-	-	1,710,476	1,224,763	1,710,476	1,224,763
<b>Total Expenses</b>	72,086,435	66,273,970	17,045,960	16,091,416	89,132,395	82,365,386
<b>Change in Net Position Before Transfers</b>	(4,256,288)	(1,904,028)	2,258,102	2,296,492	(1,998,186)	392,464
Transfers	2,327,065	1,942,032	(2,327,065)	(1,942,032)	-	-
<b>Change in Net Position</b>	(1,929,223)	38,004	(68,963)	354,460	(1,998,186)	392,464
<i>Net Position at the Beginning of Period</i>	77,218,339	77,180,335	33,806,790	33,452,330	111,025,129	110,632,665
<i>Prior Period Adjustment (See Note 14)</i>	(137,285)	-	-	-	(137,285)	-
<i>Net Position at the Beginning of Period - Restated</i>	77,081,054	77,180,335	33,806,790	33,452,330	110,887,844	110,632,665
<b>Net Position at the End of Period</b>	\$ 75,151,831	\$ 77,218,339	\$ 33,737,827	\$ 33,806,790	\$108,889,658	\$111,025,129

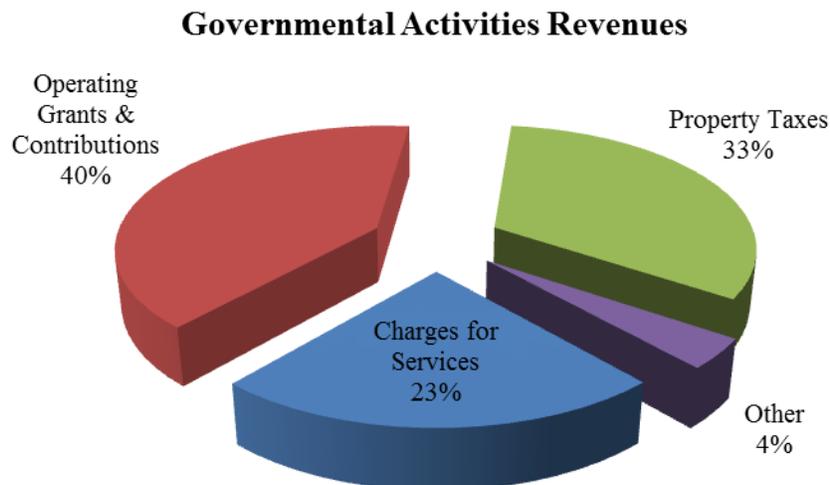
The County's total net position decreased by \$1,998,186 during the current fiscal year. Governmental activities accounted for most of this decrease.

**Governmental activities.** Net position within Governmental activities showed an overall decrease of \$1,929,223 during the year.

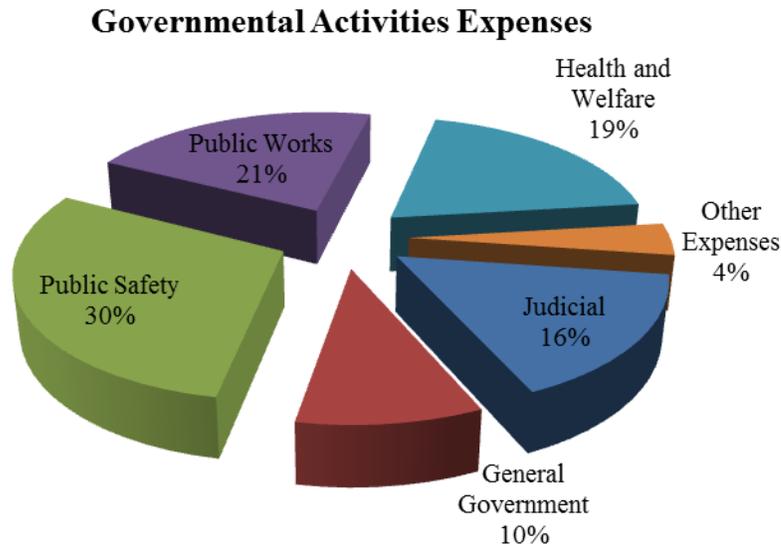
Items of note include the following:

- In total, Governmental Activity Program Revenues increased by \$2.5M, primarily due to increases in state and federal grant funding within the Health Department, and increases in charges for services within Public Safety, including the addition of a new law enforcement services contract with a village within the county.
- Total Governmental Activity Expenses increased \$5.8M (8.8%) from 2013 to 2014:
  - General Fund expenses increased only \$438,000, with approximately \$1.0M increase in Public Safety costs associated with the additional contracted services mentioned above. This increase was partially offset by \$600,000 in reduced employee benefits and other departmental costs enacted through county-wide strategies to manage available resources in order to maintain adequate reserves and strong bond credit ratings.
  - The remainder of the increase is attributed to a \$2.3M investment in Public Works capital equipment and infrastructure by the County’s Road Department; the completion of a new five mile Trailway segment funded through grants and private sources (shown within Recreation & Culture); the creation of a new Community Development Department of Calhoun County, with operating costs of approx. \$200,000 in 2014; \$500,000 of increased grant-related expenses within the Health Department; and bond issuance costs within Public Safety for the financing of a new Regional Law Enforcement Center that will open in 2015 and house personnel from the County Sheriff’s Office, the Marshall City Police Department, and the Michigan State Police.

The following chart summarizes the revenue sources for the Governmental Activities of the County for 2014:



The following chart summarizes the expenses for the Governmental Activities of the County for 2014:



### **Business-type Activities.**

The County's net position from Business-type Activities decreased by \$68,963 in 2014 compared to an increase of \$354,460 for 2013. The decrease in net position is primarily due to an increase in excess revenues available within the Sheriff's Inmate Concession Fund to transfer to the General Fund. The key elements of the revenue and expense activity for the current year are as follows:

- The Medical Care Facility's net position increased by \$50,940, or 0.4%, during the year, due largely to increased Medicaid settlement reimbursements.
- The Delinquent Tax Revolving Fund contributed \$2,046,246 to the increase in net position before transfers and after a \$2,027,065 transfer to the General Fund, the net contribution totaled \$19,181. This net contribution was \$2,007,884 less than the previous year, mainly due to the increase in personnel services and an increase in the transfer to the Capital Improvement Fund and Land Bank Authority.

### **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 \$16,076,361, an increase of \$4,853,287 in comparison with the prior year, with some factors that led to this increase of fund balance listed below. Of the fund balance amount, \$3,919,125 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 \$3,919,125, while total fund balance was \$4,361,909. 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 10 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.

Since the County continues to face fiscal constraints due to limitations of major revenue sources, the fund balance in the General Fund increased only \$65,456 during the 2014 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 an increase to fund balance during 2014 of \$183,164, leading to an ending fund balance of \$939,327. Operating revenue increased by \$726,935 (15%), mainly due to increases in federal and state grants received. Expenses increased by \$468,516 (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 increased its fund balance by \$266,315 during 2014. Total fund balance at the end of the year is \$1,089,517, representing 39% of annual revenues.

The Road Department fund balance decreased during 2014 by \$457,831, largely related to \$2,713,440 of improvement projects during the year. The Road Department has taken measures intended 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 its Department of Transportation, with the intent of reinvesting the savings to improve the condition of the roads in Calhoun County.

The Capital Improvement Plan Fund has a fund balance of \$5,480,334, an increase of \$4,475,848 in 2014. The large increase in fund balance is due the issuance of general obligation bonds of \$8,875,000 for the regional law enforcement center and other county-wide facilities and equipment projects. The law enforcement center construction project was only partially complete as of the end of 2014, accounting for the large increase in fund balance.

Nonmajor governmental funds contributed \$50,335 to the total net increase in governmental funds' balances for 2014.

**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 positions of the Delinquent Tax Revolving Fund and the Medical Care Facility at the end of the year amounted to \$13,106,301 and \$3,367,935, 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

**Original budget compared to final budget.** During the year the County did not need to significantly amend its budget. However, there was an amendment made to reallocate appropriations among departments based on differences between initial estimates and actual expense allocations for certain expenditures, including employee benefits costs. Generally, the movement of the appropriations between departments was *not* significant.

**Final budget compared to actual results.** During the current fiscal year the County had the following significant expenditures in excess of the appropriated amounts in the General Fund.

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>General Fund</b>			
<i>Public Safety</i>			
Road Patrol	\$ 1,845,425	\$ 1,869,018	\$ (23,593)
<i>Public Works</i>			
Drain Assessments	497,450	515,373	(17,923)
<i>Community and Economic Development</i>			
Planning	35,119	35,860	(741)
<i>Capital Outlay</i>	16,400	26,841	(10,441)
<i>Debt Service - Principal</i>	-	9,473	(9,473)

### Capital Asset and Debt Administration

**Capital Assets.** The County's investment in capital assets (net of accumulated depreciation) as of December 31, 2014 for its Governmental and Business-type Activities amounted to \$85,216,721 and \$14,883,752, respectively. These capital assets include land, buildings and improvements, equipment and furniture, vehicles, and road and bridge infrastructure.

The total increase in the primary government's investment in capital assets for the 2014 fiscal year was \$2,353,393, reflecting that its capital asset additions exceeded depreciation expense.

Additional information on the County's capital assets can be found in Note 4 of the Notes to the Financial Statements.

**Long-term debt.** At the end of the 2014, the County had total bonded debt outstanding of \$31,018,000, an increase of \$7,285,000 from 2013 due to the issuance of capital improvement bonds within 2014. The entire balance comprises debt backed by the full faith and credit of the County. Tax notes payable increased \$251,000 in 2014.

The County's credit rating was increased by Standard & Poor's during 2014 from "AA-" to "AA" rating for both general obligation bonds and tax anticipation notes.

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 \$409,215,347, 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 7.

### **Economic Factors and Next Year's Budgets**

The following factors were considered in preparing the County's budget for the 2015 fiscal year:

Property tax revenues provide 45% of the County's General Fund revenues. The economic downturn, stock market decline, declining housing sales, and foreclosures negatively impacted the County's budgets from 2010-2014. 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%, 1%, and 1% in 2011, 2012, 2013, and 2014 respectively. The 2015 budget includes an increase of 2% in property tax revenues, with the estimated revenue amount still \$600,000 less than that received in 2010. The long-term forecast predicts property tax revenues to continue to increase slowly through 2019, when they are expected to rebound to the 2010 level. Michigan legislation passed in 2012 eliminates personal property taxes in a phased approach starting with 2014. The legislation includes a reimbursement mechanism for local governments for losses beginning in 2016. The estimated losses and reimbursements are also factored into the County's long-term forecast. The County's operating millage rate of 5.3779 has not changed in several years.

State Revenue Sharing provides 6% of Calhoun County's General Fund revenues, and is dictated by the Legislature through the annual General Government Appropriations Budget that gets adopted each year. In 2014 State Revenue Sharing for Calhoun County was approximately \$2.6 million, which reflected an ongoing 23% cut to counties, and a loss of \$0.6 million per year to the County's General Fund revenues. As of the date of this report, 2015 and 2016 State Revenue Sharing is expected to be restored to \$3.0 million, representing an amount the State of Michigan considers at a fully funded status—level with the amount appropriated in 2009. 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 and Other Revenues provide significant sources of funding for the County's operations, including contracts for services within Public Safety that offset more than 50% of the operational costs for the correctional facility. The 2015 General Fund budget includes a new Law Enforcement Services Agreement with the Village of Homer,

secured by the Calhoun County Sheriff during 2014. Court fines & fees, as well as many other departmental fee revenues, are projected to remain at lower levels than in past years based on lower court caseloads and slowly improving economic conditions.

Interest rates continue to remain low, suppressing the County's interest earnings from cash and investments.

The County's 2015 budget includes expenditures of \$40.5 million, which is a 0.63% increase from the 2014 budget, and still \$1.3 million less than 2010 actual spending. The County has reduced staffing significantly over the past several years, with budgeted and authorized positions in 2015 at 31 fewer full-time equivalents than were included in the budget in 2010.

The 2015 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 State-determined "hard caps" the portion the County will contribute toward employee health care costs. This decision by the Board of Commissioners and other strategies employed through collective bargaining has resulted in a projected 5% reduction in employee benefits costs for 2015 budget.

Management estimates that there will be \$40.6 million of revenues available to cover appropriated expenses for 2015. The County expects to require nearly all vacant unfunded positions to remain vacant for 2015, and continues to review all budget line items for opportunities to reduce expenditures when possible. The budget will be monitored during the year to identify any necessary amendments. In 2015, the County plans again to use current revenues to provide essential services and to maintain the County's financial reserves at similar levels. The ongoing costs of providing essential services for the citizens of the County will again need to be monitored in order to maintain the financial condition of the County.

The County policy is to maintain a General Fund unassigned balance that is 8% - 12% of operating expenditures of the previous year. The 2015 budget was developed to include a small increase in fund balance in order to keep the balance at its current level of approximately 10% (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, while continuing to build a better county through responsive leadership.

### **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.

## **Basic Financial Statements**

**Calhoun County**  
**Statement of Net Position**  
**December 31, 2014**

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS</b>				
<i>Current Assets</i>				
Cash and Cash Equivalents	\$ 17,091,163	\$ 15,988,849	\$ 33,080,012	\$ 866,375
Accounts Receivable	8,526,876	1,255,594	9,782,470	3,485,354
Current Taxes Receivable	4,612,722	829,690	5,442,412	--
Delinquent Taxes Receivable	358,607	9,781,711	10,140,318	--
Due from Other Governments	3,935,131	569,830	4,504,961	120,837
Advances to Component Unit	210,600	10,634	221,234	--
Prepaid Items	1,200,376	243,526	1,443,902	5,212
Inventory	822,532	--	822,532	183,258
<b>Total Current Assets</b>	<b>36,758,007</b>	<b>28,679,834</b>	<b>65,437,841</b>	<b>4,661,036</b>
<i>Noncurrent Assets</i>				
Other Assets	--	--	--	767,398
Capital Assets not Being Depreciated	33,135,855	--	33,135,855	--
Capital Assets Being Depreciated	52,080,866	14,883,752	66,964,618	10,089,785
<b>Total Assets</b>	<b>121,974,728</b>	<b>43,563,586</b>	<b>165,538,314</b>	<b>15,518,219</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred Charge on Refunding	--	178,697	178,697	--
<b>Total Deferred Outflows of Resources</b>	<b>--</b>	<b>178,697</b>	<b>178,697</b>	<b>--</b>
<b>LIABILITIES</b>				
<i>Current Liabilities</i>				
Accounts Payable	4,711,981	214,847	4,926,828	326,735
Claims Payable	1,182,859	--	1,182,859	--
Accrued Liabilities	564,797	483,275	1,048,072	80,881
Due to Other Governments	577,540	177,120	754,660	235,153
Unearned Revenue	1,155,450	--	1,155,450	--
Accrued Interest	169,260	--	169,260	--
Current Portion of Long-term Debt	1,918,764	2,193,762	4,112,526	1,966,525
Current Portion of Compensated Absences	1,490,121	304,498	1,794,619	--
Internal Balances	293,148	(293,148)	--	--
<b>Total Current Liabilities</b>	<b>12,063,920</b>	<b>3,080,354</b>	<b>15,144,274</b>	<b>2,609,294</b>
<i>Noncurrent Liabilities</i>				
Long-term Debt	24,219,517	6,056,388	30,275,905	3,774,775
Compensated Absences	638,623	--	638,623	--
Other Post-employment Benefit	6,804,748	--	6,804,748	--
<b>Total Liabilities</b>	<b>43,726,808</b>	<b>9,136,742</b>	<b>52,863,550</b>	<b>6,384,069</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unamortized Gain on Bond Refunding	5,307	--	5,307	--
Taxes Levied for a Subsequent Period	3,090,782	867,714	3,958,496	--
<b>Total Deferred Inflows of Resources</b>	<b>3,096,089</b>	<b>867,714</b>	<b>3,963,803</b>	<b>--</b>
<b>NET POSITION</b>				
Net Investment in Capital Assets	62,558,028	8,433,603	70,991,631	5,196,153
Restricted	11,714,452	8,702,433	20,416,885	--
Unrestricted	879,351	16,601,791	17,481,142	3,937,997
<b>Total Net Position</b>	<b>\$ 75,151,831</b>	<b>\$ 33,737,827</b>	<b>\$ 108,889,658</b>	<b>\$ 9,134,150</b>

The Notes to the Financial Statements are an integral part of these Financial Statements

**Calhoun County**  
**Statement of Activities**  
**For the Year Ended December 31, 2014**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue			Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
<b>Primary Government</b>								
<b>Governmental Activities:</b>								
Legislative	\$ 120,751	\$ -	\$ -	\$ -	\$ (120,751)	\$ -	\$ (120,751)	\$ -
Judicial	11,621,486	3,034,152	3,243,152	-	(5,344,182)	-	(5,344,182)	-
General Government	6,962,089	2,178,443	1,491,245	-	(3,292,401)	-	(3,292,401)	-
Public Safety	21,503,694	6,965,696	3,050,489	-	(11,487,509)	-	(11,487,509)	-
Public Works	15,107,382	2,488,266	11,342,033	-	(1,277,083)	-	(1,277,083)	-
Health and Welfare	13,975,583	1,026,172	7,454,752	-	(5,494,659)	-	(5,494,659)	-
Recreation and Culture	1,891,980	3,426	648,829	-	(1,239,725)	-	(1,239,725)	-
Community and Economic Development	182,238	-	86,443	-	(95,795)	-	(95,795)	-
Interest on Long-term Debt	721,232	-	-	-	(721,232)	-	(721,232)	-
<b>Total Governmental Activities</b>	<b>72,086,435</b>	<b>15,696,155</b>	<b>27,316,943</b>	<b>-</b>	<b>(29,073,337)</b>	<b>-</b>	<b>(29,073,337)</b>	<b>-</b>
<b>Business-type Activities:</b>								
Property Description	-	-	-	-	-	-	-	-
Sheriff Inmate Concession	212,903	373,819	-	-	-	160,916	160,916	-
Medical Care Facility	15,122,581	14,209,258	71,595	-	-	(841,728)	(841,728)	-
Delinquent Tax Revolving Fund	1,710,476	3,731,565	-	-	-	2,021,089	2,021,089	-
<b>Total Business-type Activities</b>	<b>17,045,960</b>	<b>18,314,642</b>	<b>71,595</b>	<b>-</b>	<b>-</b>	<b>1,340,277</b>	<b>1,340,277</b>	<b>-</b>
<b>Total Primary Government</b>	<b>\$ 89,132,395</b>	<b>\$ 34,010,797</b>	<b>\$ 27,388,538</b>	<b>\$ -</b>	<b>\$ (29,073,337)</b>	<b>\$ 1,340,277</b>	<b>\$ (27,733,060)</b>	<b>-</b>
<b>Component Units</b>								
Land Bank	\$ 579,133	\$ 433,122	\$ -	\$ -	-	-	-	(146,011)
Water Resources	685,179	-	18,606	1,711,343	-	-	-	1,044,770
<b>Total Component Units</b>	<b>\$ 1,264,312</b>	<b>\$ 433,122</b>	<b>\$ 18,606</b>	<b>\$ 1,711,343</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>898,759</b>
<b>General Purpose Revenues and Transfers:</b>								
<b>Revenues</b>								
Property Taxes					22,182,886	890,041	23,072,927	-
State Revenue Sharing					2,582,893	-	2,582,893	-
Interest Income					51,270	27,784	79,054	388
<b>Transfers</b>					2,327,065	(2,327,065)	-	-
<b>Total General Revenues and Transfers</b>					<b>27,144,114</b>	<b>(1,409,240)</b>	<b>25,734,874</b>	<b>388</b>
<b>Change in Net Position</b>					<b>(1,929,223)</b>	<b>(68,963)</b>	<b>(1,998,186)</b>	<b>899,147</b>
<i>Net Position at Beginning of Period</i>					77,218,339	33,806,790	11,025,129	8,235,003
<i>Prior Period Adjustment (See Note 14)</i>					(137,285)	-	(137,285)	-
<i>Net Position at Beginning of Period - Restated</i>					77,081,054	33,806,790	11,087,844	8,235,003
<b>Net Position at End of Period</b>					<b>\$ 75,151,831</b>	<b>\$ 33,737,827</b>	<b>\$ 108,889,658</b>	<b>\$ 9,134,150</b>

The Notes to the Financial Statements are an integral part of these Financial Statements

**Calhoun County  
Balance Sheet  
Governmental Funds  
December 31, 2014**

	Special Revenue			Capital Projects		Other Governmental Funds	Total Governmental Funds
	General	Senior Millage	Road Department	Health Department	Capital Improvement Plan		
<b>ASSETS</b>							
Cash and Cash Equivalents	\$ 1,341,645	\$ 1,647,517	\$ 479,249	\$ 1,746,820	\$ 7,202,711	\$ 2,131,445	\$ 14,549,387
Accounts Receivable	136,898	--	2,168,597	56,555	37,500	231,028	2,630,578
Current Taxes Receivable	1,716,434	2,553,245	--	--	--	343,043	4,612,722
Delinquent Taxes Receivable	296,626	48,422	--	--	--	13,559	358,607
Due from Other Governments	1,483,365	--	--	157,777	--	2,281,427	3,922,569
Advances to Component Unit	210,600	--	--	--	--	--	210,600
Prepaid Items	232,184	--	117,000	6,964	--	163,152	519,300
Inventory	--	--	817,340	--	--	--	817,340
Due from Other Funds	1,410,356	--	--	--	--	--	1,410,356
<i>Total Assets</i>	<b><u>\$ 6,828,108</u></b>	<b><u>\$ 4,249,184</u></b>	<b><u>\$ 3,582,186</u></b>	<b><u>\$ 1,968,116</u></b>	<b><u>\$ 7,240,211</u></b>	<b><u>\$ 5,163,654</u></b>	<b><u>\$ 29,031,459</u></b>
<b>LIABILITIES</b>							
Accounts Payable	\$ 518,885	\$ 377,586	\$ 1,191,172	\$ 116,329	\$ 1,759,877	\$ 447,050	\$ 4,410,899
Accrued Liabilities	249,154	1,318	103,211	128,098	--	72,067	553,848
Due to Other Governments	3,817	--	396,167	177,556	--	--	577,540
Unearned Revenue	--	--	479,762	606,806	--	68,782	1,155,350
Due to Other Funds	223,053	--	--	--	--	1,410,356	1,633,409
<i>Total Liabilities</i>	994,909	378,904	2,170,312	1,028,789	1,759,877	1,998,255	8,331,046
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable Revenue - Property Taxes	1,471,290	48,421	--	--	--	13,559	1,533,270
Taxes Levied for a Subsequent Period	--	2,732,342	--	--	--	358,440	3,090,782
<i>Total Liabilities and Deferred Inflows of Resources</i>	2,466,199	3,159,667	2,170,312	1,028,789	1,759,877	2,370,254	12,955,098
<b>FUND BALANCE</b>							
Nonspendable	442,784	--	934,340	6,964	--	163,152	1,547,240
Restricted	--	1,089,517	477,534	932,363	5,480,334	2,630,248	10,609,996
Unassigned	3,919,125	--	--	--	--	--	3,919,125
<i>Total Fund Balance</i>	4,361,909	1,089,517	1,411,874	939,327	5,480,334	2,793,400	16,076,361
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balance</i>	<b><u>\$ 6,828,108</u></b>	<b><u>\$ 4,249,184</u></b>	<b><u>\$ 3,582,186</u></b>	<b><u>\$ 1,968,116</u></b>	<b><u>\$ 7,240,211</u></b>	<b><u>\$ 5,163,654</u></b>	<b><u>\$ 29,031,459</u></b>

The Notes to the Financial Statements are an integral part of these Financial Statements

**Calhoun County**  
**Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position**  
**December 31, 2014**

Total Fund Balance - Governmental Funds	\$	16,076,361
Net position of internal service funds that are treated as proprietary in the fund level statements are treated as governmental in the entity-wide statements		3,648,395
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, the interest expenditure is reported when due.		(169,260)
General government capital assets of \$167,868,292, net of accumulated depreciation of \$82,651,571 and internal service funds net capital assets of \$1,449,576, are not financial resources, and accordingly are not reported in the funds.		83,767,145
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		(26,143,588)
Other post-employment benefits are not due and payable in the current period and, therefore, are not reported in the funds.		(6,804,748)
Unavailable revenues are not available to pay current period expenditures and, therefore, are deferred inflows of resources in the funds.		1,533,270
Compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.		(2,128,744)
Long-term receivables are not available to pay for current period expenditures and, therefore, are excluded from the funds.		5,373,000
<b>Total Net Position - Governmental Activities</b>	<b>\$</b>	<b><u>75,151,831</u></b>

**Calhoun County**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended December 31, 2014**

	Special Revenue				Capital Projects	Other Governmental Funds	Total Governmental Funds
	General	Senior Millage	Road Department	Health Department	Capital Improvement Plan		
<b>Revenues</b>							
Property Taxes	\$ 18,266,410	\$ 2,608,732	\$ --	\$ --	\$ --	\$ 1,585,041	\$ 22,460,183
Contributions	--	5,970	--	--	45,000	1,266,904	1,317,874
Licenses and Permits	121,479	--	213,689	282,019	--	45,155	662,342
Intergovernmental	7,455,548	--	11,202,843	5,049,473	--	5,771,740	29,479,604
Charges for Services	9,429,074	--	1,704,144	247,249	--	987,105	12,367,572
Fines and Forfeitures	641,306	--	--	--	--	84,740	726,046
Interest and Rents	43,628	2,896	--	--	3,114	1,632	51,270
Other	1,395,627	152,849	83,104	87,873	32,143	42,836	1,794,432
<b>Total Revenues</b>	<b>37,353,072</b>	<b>2,770,447</b>	<b>13,203,780</b>	<b>5,666,614</b>	<b>80,257</b>	<b>9,785,153</b>	<b>68,859,323</b>
<b>Expenditures</b>							
Legislative	113,084	--	--	--	--	--	113,084
Judicial	6,504,859	--	--	--	--	4,003,330	10,508,189
General Government	5,987,754	--	--	--	251,696	263,260	6,502,710
Public Safety	16,979,216	--	--	--	--	1,537,243	18,516,459
Public Works	515,373	--	11,272,272	--	--	549,139	12,336,784
Health and Welfare	850,630	2,501,068	--	6,369,999	--	4,167,295	13,888,992
Community and Economic Development	95,650	--	--	--	--	86,588	182,238
Recreation and Culture	--	--	--	--	--	1,877,000	1,877,000
Capital Outlay	26,841	--	2,713,440	--	4,327,219	139,961	7,207,461
Debt Service - Principal	9,473	--	411,187	--	177,262	1,450,700	2,048,622
Debt Service - Interest and Fiscal Charges	--	--	25,712	--	16,185	656,454	698,351
Debt Service - Bond Issuance Costs	--	--	--	--	198,000	--	198,000
<b>Total Expenditures</b>	<b>31,082,880</b>	<b>2,501,068</b>	<b>14,422,611</b>	<b>6,369,999</b>	<b>4,970,362</b>	<b>14,730,970</b>	<b>74,077,890</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>6,270,192</b>	<b>269,379</b>	<b>(1,218,831)</b>	<b>(703,385)</b>	<b>(4,890,105)</b>	<b>(4,945,817)</b>	<b>(5,218,567)</b>
<b>Other Financing Sources (Uses)</b>							
Capital Leases	26,841	--	261,000	--	154,478	--	442,319
General Obligation Bonds Issued	--	--	--	--	8,875,000	--	8,875,000
Premium on General Obligation Bonds Issued	--	--	--	--	278,112	--	278,112
Discount on General Obligation Bonds Issued	--	--	--	--	(44,375)	--	(44,375)
Transfers In	2,568,670	--	500,000	905,349	1,469,279	5,284,350	10,727,648
Transfers Out	(8,800,247)	(3,064)	--	(18,800)	(1,096,541)	(288,198)	(10,206,850)
<b>Net Other Financing Sources (Uses)</b>	<b>(6,204,736)</b>	<b>(3,064)</b>	<b>761,000</b>	<b>886,549</b>	<b>9,635,953</b>	<b>4,996,152</b>	<b>10,071,854</b>
<b>Net Change in Fund Balance</b>	<b>65,456</b>	<b>266,315</b>	<b>(457,831)</b>	<b>183,164</b>	<b>4,745,848</b>	<b>50,335</b>	<b>4,853,287</b>
<i>Fund Balance at Beginning of Period</i>	4,296,453	823,202	1,869,705	756,163	734,486	2,743,065	11,223,074
<b>Fund Balance at End of Period</b>	<b>\$ 4,361,909</b>	<b>\$ 1,089,517</b>	<b>\$ 1,411,874</b>	<b>\$ 939,327</b>	<b>\$ 5,480,334</b>	<b>\$ 2,793,400</b>	<b>\$ 16,076,361</b>

The Notes to the Financial Statements are an integral part of these Financial Statements

**Calhoun County**  
**Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and**  
**Changes in Fund Balance with Statement of Activities**  
**For the Year Ended December 31, 2014**

Total Net Change in Fund Balances - Governmental Funds	\$	4,853,287
Changes in net position of internal service funds that are treated as enterprise fund changes in net position in the fund level statements are treated as governmental fund changes in net position in the entity-wide statements		(845,577)
Proceeds from debt issuance are reported as an other financing source in the fund statements, but reported as liabilities in the Statement of Net Position.		(9,595,431)
Governmental fund report capital outlay as expenditures; however, in the Statement of Activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense. This is the amount by which capital outlay expenditures of \$7,207,461 exceeds depreciation expense of \$3,849,336 and disposals of \$45,044.		3,313,081
Changes to accrued interest are not shown in the fund financial statements. The net effect of the current year increase is to decrease net position.		(13,881)
Change to compensated absences are not shown in the fund financial statements. The net effect of the current year decrease is to increase net position.		12,012
In the Statement of Activities, an expense is recorded for other post-employment benefits (OPEB) to adjust net OPEB obligation to the actuarial determined amount less any contributions to fund the obligation. This is the difference between the prior year and the current year net OPEB obligation.		(663,158)
Some receivables are long-term in nature and are collectible over several years. However, the current receipts are reflected as revenues on the fund statements.		(349,178)
Current year long-term debt principal payments on contractual obligations, bonds payable, and capital leases are expenditures in the fund financial statements but are reductions in long-term debt in the government-wide financial statements. This is the amount by which principal payments on long-term debt of \$2,048,622 less the net amortization of bond premiums and discounts of \$9,000		2,039,622
Governmental funds report payments received by other municipalities for principal debt service as revenue, and other, but the statement of activities does not.		(680,000)
<b>Changes in Net Position - Governmental Funds</b>	<b>\$</b>	<b><u>(1,929,223)</u></b>

The Notes to the Financial Statements are an integral part of these Financial Statements

**Calhoun County  
Statement of Net Position  
Proprietary Funds  
December 31, 2014**

	<u>Business-type Activities - Enterprise Funds</u>				<u>Governmental Activities Internal Service Funds</u>
	<u>Medical Care Facility</u>	<u>Delinquent Tax Revolving Fund</u>	<u>Other Enterprise Funds</u>	<u>Total Enterprise Funds</u>	
<b>ASSETS</b>					
<i>Current Assets</i>					
Cash and Cash Equivalents	\$ 2,639,432	\$ 13,212,536	\$ 136,881	\$ 15,988,849	\$ 2,541,776
Accounts Receivable	1,255,594	--	--	1,255,594	523,298
Current Taxes Receivable	829,690	--	--	829,690	--
Delinquent Taxes Receivable	--	9,781,711	--	9,781,711	--
Due from Other Governments	--	569,830	--	569,830	12,562
Advances to Component Unit	--	10,634	--	10,634	--
Prepaid Items	243,526	--	--	243,526	681,076
Inventory	--	--	--	--	5,192
Due from Other Funds	--	293,148	--	293,148	--
<b>Total Current Assets</b>	<u>4,968,242</u>	<u>23,867,859</u>	<u>136,881</u>	<u>28,972,982</u>	<u>3,763,904</u>
<i>Noncurrent Assets</i>					
Capital Assets Being Depreciated	14,871,852	11,900	--	14,883,752	1,449,576
<b>Total Assets</b>	<u>19,840,094</u>	<u>23,879,759</u>	<u>136,881</u>	<u>43,856,734</u>	<u>5,213,480</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred Charge on Refunding	178,697	--	--	178,697	--
<b>Total Deferred Outflows of Resources</b>	<u>178,697</u>	<u>--</u>	<u>--</u>	<u>178,697</u>	<u>--</u>
<b>LIABILITIES</b>					
<i>Current Liabilities</i>					
Accounts Payable	205,521	--	9,326	214,847	301,082
Claims Payable	--	--	--	--	1,182,859
Accrued Liabilities	354,050	129,225	--	483,275	10,949
Due to Other Governments	--	177,120	--	177,120	--
Unearned Revenue	--	--	--	--	100
Current Portion of Long-term Debt	393,762	1,800,000	--	2,193,762	--
Current Portion of Compensated Absences	304,498	--	--	304,498	--
Due to Other Funds	--	--	--	--	70,095
<b>Total Current Liabilities</b>	<u>1,257,831</u>	<u>2,106,345</u>	<u>9,326</u>	<u>3,373,502</u>	<u>1,565,085</u>
<i>Noncurrent Liabilities</i>					
Long-term Debt	6,056,388	--	--	6,056,388	--
<b>Total Liabilities</b>	<u>7,314,219</u>	<u>2,106,345</u>	<u>9,326</u>	<u>9,429,890</u>	<u>1,565,085</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Taxes Levied for a Subsequent Period	867,714	--	--	867,714	--
<b>Total Deferred Inflows of Resources</b>	<u>867,714</u>	<u>--</u>	<u>--</u>	<u>867,714</u>	<u>--</u>
<b>NET POSITION</b>					
Net Investment in Capital Assets	8,421,703	11,900	--	8,433,603	1,449,576
Restricted	47,220	8,655,213	--	8,702,433	--
Unrestricted	3,367,935	13,106,301	127,555	16,601,791	2,198,819
<b>Total Net Position</b>	<u>\$ 11,836,858</u>	<u>\$ 21,773,414</u>	<u>\$ 127,555</u>	<u>\$ 33,737,827</u>	<u>\$ 3,648,395</u>

The Notes to the Financial Statements are an integral part of these Financial Statements

**Calhoun County**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended December 31, 2014**

	<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental</b>
	<b>Medical Care Facility</b>	<b>Delinquent Tax Revolving Fund</b>	<b>Other Enterprise Funds</b>	<b>Total Enterprise Funds</b>	<b>Activities Internal Service Funds</b>
<b>Operating Revenues</b>					
Charges for Services	\$ 14,209,258	\$ --	\$ 373,819	\$ 14,583,077	\$ 9,764,834
Fines and Forfeitures	--	1,892,291	--	1,892,291	--
Interest and Rents	--	1,839,274	--	1,839,274	--
Other	71,595	--	--	71,595	22,058
<b>Total Operating Revenues</b>	<b>14,280,853</b>	<b>3,731,565</b>	<b>373,819</b>	<b>18,386,237</b>	<b>9,786,892</b>
<b>Operating Expenses</b>					
Other	--	--	212,903	212,903	--
Personnel Services	7,590,243	--	--	7,590,243	--
Administration	--	1,693,502	--	1,693,502	599,037
Cost of Services	--	--	--	--	11,651,882
Depreciation	732,916	4,258	--	737,174	195,923
Other	6,611,835	--	--	6,611,835	--
<b>Total Operating Expenses</b>	<b>14,934,994</b>	<b>1,697,760</b>	<b>212,903</b>	<b>16,845,657</b>	<b>12,446,842</b>
<b>Operating Income (Loss)</b>	<b>(654,141)</b>	<b>2,033,805</b>	<b>160,916</b>	<b>1,540,580</b>	<b>(2,659,950)</b>
<b>Non-Operating Revenues (Expenses)</b>					
Interest Income	2,627	25,157	--	27,784	8,106
Property Taxes	890,041	--	--	890,041	--
Interest Expense	(187,587)	(12,716)	--	(200,303)	--
<b>Net Non-Operating Revenues (Expenses)</b>	<b>705,081</b>	<b>12,441</b>	<b>--</b>	<b>717,522</b>	<b>8,106</b>
<b>Income Before Contributions and Transfers</b>	<b>50,940</b>	<b>2,046,246</b>	<b>160,916</b>	<b>2,258,102</b>	<b>(2,651,844)</b>
Transfers In	--	150,000	--	150,000	2,131,267
Transfers Out	--	(2,177,065)	(300,000)	(2,477,065)	(325,000)
<b>Change In Net Position</b>	<b>50,940</b>	<b>19,181</b>	<b>(139,084)</b>	<b>(68,963)</b>	<b>(845,577)</b>
<i>Net Position at Beginning of Period</i>	11,785,918	21,754,233	266,639	33,806,790	4,493,972
<b>Net Position at End of Period</b>	<b>\$ 11,836,858</b>	<b>\$ 21,773,414</b>	<b>\$ 127,555</b>	<b>\$ 33,737,827</b>	<b>\$ 3,648,395</b>

The Notes to the Financial Statements are an integral part of these Financial Statements

**Calhoun County**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2014**

	<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental Activities</b>
	<b>Medical Care Facility</b>	<b>Delinquent Tax Revolving Fund</b>	<b>Other Enterprise Funds</b>	<b>Total Enterprise Funds</b>	<b>Internal Service Funds</b>
<b>Cash flows from operating activities</b>					
Cash received from customers	\$ 15,298,462	\$ 15,859,161	\$ 424,338	\$ 31,581,961	\$ -
Cash received from interfund services	-	-	-	-	9,493,945
Cash payments to suppliers	(6,686,554)	(13,159,285)	(216,287)	(20,062,126)	(10,996,557)
Cash payments to employees	(7,590,243)	-	-	(7,590,243)	(667,540)
<b>Total cash provided by operating activities</b>	<u>1,021,665</u>	<u>2,699,876</u>	<u>208,051</u>	<u>3,929,592</u>	<u>(2,170,152)</u>
<b>Cash flows from noncapital financing activities</b>					
Property taxes	919,025	-	-	919,025	-
Cash received/paid on advances to other funds	-	141,607	-	141,607	-
Advance to component unit	-	30,000	-	30,000	-
Transfers in/out	-	(2,027,065)	(300,000)	(2,327,065)	1,806,267
Interest on tax notes	-	(12,716)	-	(12,716)	-
Tax notes issued	-	7,000,000	-	7,000,000	-
Tax notes redeemed	-	(6,749,000)	-	(6,749,000)	-
<b>Total cash flows from noncapital financing activities</b>	<u>919,025</u>	<u>(1,617,174)</u>	<u>(300,000)</u>	<u>(998,149)</u>	<u>1,806,267</u>
<b>Cash flows from related capital and related financing activities</b>					
Purchase of capital assets	(110,692)	-	-	(110,692)	-
Bond and capital assets	(430,000)	-	-	(430,000)	-
Interest on long-term debt	(191,457)	-	-	(191,457)	-
<b>Total cash flows from capital and related financing activities</b>	<u>(732,149)</u>	<u>-</u>	<u>-</u>	<u>(732,149)</u>	<u>-</u>
<b>Cash flows from investing activities</b>					
Interest received	2,627	25,157	-	27,784	8,106
<b>Total cash flows from investing activities</b>	<u>2,627</u>	<u>25,157</u>	<u>-</u>	<u>27,784</u>	<u>8,106</u>
<b>Net increase in cash and cash equivalents</b>	1,211,168	1,107,859	(91,949)	2,227,078	(355,779)
<i>Cash and cash equivalents - beginning of the year</i>	1,428,264	12,104,677	228,830	13,761,771	2,897,555
<b><i>Cash and cash equivalents - end of the year</i></b>	<u>\$ 2,639,432</u>	<u>\$ 13,212,536</u>	<u>\$ 136,881</u>	<u>\$ 15,988,849</u>	<u>\$ 2,541,776</u>

The Notes to the Financial Statements are an integral part of these Financial Statements

**Calhoun County**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2014**

	<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental Activities</b>
	<b>Medical Care Facility</b>	<b>Delinquent Tax Revolving Fund</b>	<b>Other Enterprise Funds</b>	<b>Total Enterprise Funds</b>	<b>Internal Service Funds</b>
<b>Cash flows from operating activities</b>					
Operating income	\$ (654,141)	\$ 2,033,805	\$ 160,916	\$ 1,540,580	\$ (2,659,950)
Adjustments to reconcile operating income to net cash provided by (used in) operations:					
Depreciation	732,916	4,258	-	737,174	195,923
Provision for bad debt (recovery) expense	(101,276)	-	-	(101,276)	-
Changes in assets and liabilities:					
Accounts Receivable	1,156,960	539,634	50,519	1,747,113	(298,499)
Prepays	-		-	-	320,409
Inventory	-		-	-	278
Due from Other Governments	-	27,440	-	27,440	5,552
Accounts Payable	15,567		(3,384)	12,183	309,233
Accrued Liabilities	(128,361)	87,482	-	(40,879)	(10,534)
Due to Other Governmental Units	-	7,399	-	7,399	-
Advance from Other Funds	-	(142)	-	(142)	(32,564)
<b>Net cash provided by operating activities</b>	<b>\$ 1,021,665</b>	<b>\$ 2,699,876</b>	<b>\$ 208,051</b>	<b>\$ 3,929,592</b>	<b>\$ (2,170,152)</b>

The Notes to the Financial Statements are an integral part of these Financial Statements

**Calhoun County**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**December 31, 2014**

	<b>Pension and Benefit Trust</b>	<b>Agency Funds</b>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 33,902	\$ 2,145,010
Accounts Receivable	--	105,919
<i>Total Assets</i>	33,902	2,250,929
<b>LIABILITIES</b>		
Accounts Payable	--	647,619
Due to Individuals and Agencies	--	753,084
Due to Other Governments	--	850,226
<i>Total Liabilities</i>	--	2,250,929
<b>NET POSITION</b>		
Held in Trust	\$ 33,902	\$ --

The Notes to the Financial Statements are an integral part of these Financial Statements

**Calhoun County**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended December 31, 2014**

	<b>Flexible Benefits Trust</b>
<b>Additions</b>	
Contributions:	
Employee	\$ 91,816
Investment earnings:	
Interest	19
<b><i>Total Additions</i></b>	<b>91,835</b>
<b>Deductions</b>	
Refunds of Contributions	88
Employee Reimbursements	101,766
<b><i>Total Deductions</i></b>	<b>101,854</b>
<b><i>Change in Net Position</i></b>	<b>(10,019)</b>
<i>Net Position at Beginning of Period</i>	43,921
<b><i>Net Position at End of Period</i></b>	<b>\$ 33,902</b>

The Notes to the Financial Statements are an integral part of these Financial Statements

**Calhoun County**  
**Combining Statement of Net Position**  
**Component Units**  
**December 31, 2014**

	<u>Land Bank</u>	<u>Water Resources</u>	<u>Total Component Units</u>
<b>ASSETS</b>			
<i>Current Assets</i>			
Cash and Cash Equivalents	\$ 165,919	\$ 700,456	\$ 866,375
Accounts Receivable	59,927	3,425,427	3,485,354
Due from Other Governments	119	120,718	120,837
Prepaid Items	5,212	-	5,212
Inventory	183,258	-	183,258
<b>Total Current Assets</b>	<u>414,435</u>	<u>4,246,601</u>	<u>4,661,036</u>
<i>Noncurrent Assets</i>			
Other Assets	767,398	-	767,398
Capital Assets Being Depreciated	35,175	10,054,610	10,089,785
<b>Total Assets</b>	<u>1,217,008</u>	<u>14,301,211</u>	<u>15,518,219</u>
<b>LIABILITIES</b>			
<i>Current Liabilities</i>			
Accounts Payable	76,607	250,128	326,735
Accrued Liabilities	2,197	78,684	80,881
Due to Other Governments	10,634	224,519	235,153
Current Portion of Long-term Debt	4,547	1,961,978	1,966,525
<b>Total Current Liabilities</b>	<u>93,985</u>	<u>2,515,309</u>	<u>2,609,294</u>
<i>Noncurrent Liabilities</i>			
Long-term Debt	863,144	2,911,631	3,774,775
<b>Total Liabilities</b>	<u>957,129</u>	<u>5,426,940</u>	<u>6,384,069</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	15,152	5,181,001	5,196,153
Unrestricted	244,727	3,693,270	3,937,997
<b>Total Net Position</b>	<u>\$ 259,879</u>	<u>\$ 8,874,271</u>	<u>\$ 9,134,150</u>

The Notes to the Financial Statements are an integral part of these Financial Statements

**Calhoun County**  
**Combining Statement of Activities**  
**Component Units**  
**For the Year Ended December 31, 2014**

	<u>Land Bank</u>	<u>Water Resources</u>	<u>Total Component Units</u>
<b>Expenses</b>			
County Drains	\$ --	\$ 685,179	\$ 685,179
Land Bank	579,133	--	579,133
<b>Total Expenses</b>	<u>579,133</u>	<u>685,179</u>	<u>1,264,312</u>
<b>Program Revenues</b>			
Charges for Services	433,122	--	433,122
Operating Grants and Contributions	--	18,606	18,606
Capital Grants and Contributions	--	1,711,343	1,711,343
<b>Total Program Revenues</b>	<u>433,122</u>	<u>1,729,949</u>	<u>2,163,071</u>
<b>Net Program Revenues (Expenses)</b>	<u>(146,011)</u>	<u>1,044,770</u>	<u>898,759</u>
<b>General Revenue</b>			
Interest Income	388	--	388
<b>Total General Revenues</b>	<u>388</u>	<u>--</u>	<u>388</u>
<b>Change in Net Position</b>	<u>(145,623)</u>	<u>1,044,770</u>	<u>899,147</u>
<i>Net Position at Beginning of Period</i>	<u>405,502</u>	<u>7,829,501</u>	<u>8,235,003</u>
<b>Net Position at End of Period</b>	<u>\$ 259,879</u>	<u>\$ 8,874,271</u>	<u>\$ 9,134,150</u>

The Notes to the Financial Statements are an integral part of these Financial Statements

## **Notes to the Financial Statements**

## Calhoun County

### Notes to the Financial Statements

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#### **Note 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 718 square miles in southern 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***

The *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.

## Calhoun County

### Notes to the Financial Statements

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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.

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, 2014.

### **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.

## Calhoun County

### Notes to the Financial Statements

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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.

## Calhoun County

### Notes to the Financial Statements

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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.

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

The **road department 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 **capital improvement fund** accounts for the capital projects and improvements of the County.

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.

## Calhoun County

### Notes to the Financial Statements

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***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.

The ***pension trust fund*** is accounted for in essentially the same manner as proprietary funds, using the same measurement focus and basis of accounting. The pension trust fund accounts for the assets of the County's 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.

## Calhoun County

### Notes to the Financial Statements

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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.

#### ***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***

Inventories are valued at cost using the first-in/first-out (FIFO) method and consist of expendable supplies and vehicle repair parts. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

#### ***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

## Calhoun County

### Notes to the Financial Statements

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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.

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:

<u>Assets</u>	<u>Years</u>
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.

## Calhoun County

### Notes to the Financial Statements

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#### ***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.

#### ***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. Lastly, the government-wide financial statements report a deferred inflow for the unamortized gain on bond refunding, which will be amortized over the life of the refunded bond against interest expense.

#### ***Net Position Flow Assumption***

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and

## Calhoun County

### Notes to the Financial Statements

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proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

#### ***Fund Balance Flow Assumptions***

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

#### ***Fund Balance Policies***

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. Governmental funds report *nonspendable fund balance* for amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Nonspendable fund balance would be equal to inventory, prepaid items, interfund advances, and the nonspendable portion of endowments. *Restricted fund balance* is reported when externally imposed constraints are placed on the use of resources by grantors, contributors, or laws or regulations of other governments. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The *committed fund balance* classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The County Board of Commissioners is the highest level of decision-making authority for the government that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Amounts in the *assigned fund balance* classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The County Board of Commissioners, or its designee, may assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent

## Calhoun County

### Notes to the Financial Statements

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year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

*Unassigned fund balance* is the residual classification for the County's general fund and includes all spendable amounts not contained in the other classifications and is therefore available to be spent as determined by the County Board of Commissioners.

#### **Note 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.

**Calhoun County**

Notes to the 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, 2014, the following activities of certain funds had expenditures in excess of appropriations as follows:

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>General Fund</b>			
<i>Public Safety</i>			
Road Patrol	\$ 1,845,425	\$ 1,869,018	\$ (23,593)
<i>Public Works</i>			
Drain Assessments	497,450	515,373	(17,923)
<i>Community and Economic Development</i>			
Planning	35,119	35,860	(741)
<i>Capital Outlay</i>	16,400	26,841	(10,441)
<i>Debt Service - Principal</i>	-	9,473	(9,473)
<i>Transfers Out</i>	8,472,521	8,800,247	(327,726)
<b>Road Department - Debt Service - Interest</b>	24,000	25,712	(1,712)
<b>Friend of the Court - Capital Outlay</b>	100,000	101,660	(1,660)
<b>Family Counseling - Judicial</b>	3,500	4,234	(734)
<b>Solid Waste Management - Public Works</b>	398,505	409,729	(11,224)
<b>Local Emergency Planning - Public Safety</b>	1,000	1,660	(660)
<b>Board of Public Works - Public Works</b>	-	6,988	(6,988)

These expenditures over appropriations were covered by available fund balance.

**Calhoun County**

Notes to the Financial Statements

**Note 3 – Deposits and Investments**

Following is a reconciliation of deposit and investments balances (including both pooled cash and investments) as of December 31, 2014:

	<u>Primary Government</u>	<u>Component Units</u>	<u>Totals</u>
<b>Statement of Net Position</b>			
Cash & Cash Equivalents	\$ 33,080,012	\$ 866,375	\$ 33,946,387
<b>Statement of Fiduciary Net Position</b>			
Cash & Cash Equivalents	2,178,912	-	2,178,912
<b>Total Deposits and Investments</b>	<u>\$ 35,258,924</u>	<u>\$ 866,375</u>	<u>\$ 36,125,299</u>

**Deposits and Investments**

Bank Deposits	\$ 31,125,294
Investments	4,996,210
Cash on hand	3,795
<b>Total</b>	<u>\$ 36,125,299</u>

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

	<u>Maturity</u>	<u>Carrying Amount</u>	<u>Rating</u>
Certificate of Deposit	5/1/2015	\$ 37,649	Not Rated
Certificate of Deposit	2/13/2015	248,710	Not Rated
Certificate of Deposit	1/14/2015	250,000	Not Rated
Certificate of Deposit	6/27/2015	253,231	Not Rated
Certificate of Deposit	6/5/2017	250,000	Not Rated
Municipal Bonds	10/1/2015	500,000	A-2
Municipal Bonds	8/1/2024	905,000	A-2
Municipal Bonds	12/1/2015	462,789	BB-
Municipal Bonds	5/1/2017	204,406	AA+
Municipal Bonds	11/15/2019	238,203	AA
Federal National Mortgage Association	9/21/2018	495,725	AA+
Federal National Mortgage Association	7/5/2016	498,625	AA+
Federal Farm Credit Bank	12/16/2017	248,073	AA+
Money Market	N/A	403,799	Not Rated
		<u>\$ 4,996,210</u>	

## Calhoun County

### Notes to the Financial Statements

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*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 \$31,125,294. As of year end, \$29,363,637 of the combined bank balance of \$30,863,637 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.

**Calhoun County**  
Notes to the Financial Statements

**Note 4 – Capital Assets**

**Primary government**

Capital asset activity for the primary government for the year ended December 31, 2014, was as follows:

	<b>Balance December 31, 2013</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance December 31, 2014</b>
<b>Governmental Activities</b>				
<b>Capital Assets not Being Depreciated</b>				
Land	\$ 1,505,275	\$ -	\$ 29,540	\$ 1,475,735
Land Improvements - Infrastructure	28,219,999	-	-	28,219,999
Construction in Process	-	3,440,121	-	3,440,121
<b>Total Capital Assets not Being Depreciated</b>	<b>29,725,274</b>	<b>3,440,121</b>	<b>29,540</b>	<b>33,135,855</b>
<b>Capital Assets Being Depreciated</b>				
Land Improvements	72,387	-	41,850	30,537
Buildings and Improvements	55,089,126	481,504	304,034	55,266,596
Equipment and Furniture	12,886,892	391,393	-	13,278,285
Vehicles	1,519,470	181,319	-	1,700,789
Road Equipment	10,276,940	961,197	1,044,277	10,193,860
Shop Equipment	311,712	19,871	61,912	269,671
Office Equipment	603,113	38,863	292,764	349,212
Engineers' Equipment	76,115	-	44,194	31,921
Yard and Storage	965,040	-	213,824	751,216
Depleteable Assets	146,962	-	-	146,962
Infrastructure - Roads and Signals	40,311,448	1,157,120	-	41,468,568
Infrastructure - Bridges	9,259,171	536,073	-	9,795,244
<b>Total Capital Assets Being Depreciated</b>	<b>131,518,376</b>	<b>3,767,340</b>	<b>2,002,855</b>	<b>133,282,861</b>
<b>Less Accumulated Depreciation</b>				
Land Improvements	72,387	-	41,850	30,537
Buildings and Improvements	23,866,931	1,029,815	303,006	24,593,740
Equipment and Furniture	11,994,560	239,220	-	12,233,780
Vehicles	1,048,250	193,957	-	1,242,207
Road Equipment	8,905,933	386,739	1,044,277	8,248,395
Shop Equipment	282,758	8,493	61,894	229,357
Office Equipment	536,275	11,974	284,547	263,702
Engineers' Equipment	76,114	-	44,194	31,920
Yard and Storage	781,530	20,714	207,583	594,661
Depleteable Assets	111,839	-	-	111,839
Infrastructure - Roads and Signals	28,647,758	1,644,268	-	30,292,026
Infrastructure - Bridges	4,465,251	314,157	-	4,779,408
<b>Total Accumulated Depreciation</b>	<b>80,789,586</b>	<b>3,849,336</b>	<b>1,987,351</b>	<b>82,651,571</b>
<b>Total Net Capital Assets Being Depreciated</b>	<b>50,728,790</b>	<b>(81,996)</b>	<b>15,504</b>	<b>50,631,290</b>
<b>Internal Service Funds</b>				
Administrative Services	23,337	(17,138)	-	6,199
Building & Grounds	1,622,162	(178,785)	-	1,443,377
<b>Total Internal Service Funds</b>	<b>1,645,499</b>	<b>(195,923)</b>	<b>-</b>	<b>1,449,576</b>
<b>Total Governmental Capital Assets</b>	<b>\$ 82,099,563</b>	<b>\$ 3,358,125</b>	<b>\$ 45,044</b>	<b>\$ 85,216,721</b>

**Calhoun County**  
Notes to the Financial Statements

	Balance December 31, 2013	Additions	Reductions	Balance December 31, 2014
<b>Business-type Activities</b>				
<b>Capital Assets not Being Depreciated</b>				
Construction in Process	\$ -	\$ 51,445	\$ -	\$ 51,445
<b>Capital Assets Being Depreciated</b>				
Land Improvements	285,047	-	-	285,047
Buildings and Improvements	21,540,319	11,747	-	21,552,066
Equipment and Furniture	2,983,484	47,500	-	3,030,984
<b>Total Capital Assets Being Depreciated</b>	<b>24,808,850</b>	<b>59,247</b>	<b>-</b>	<b>24,868,097</b>
<b>Less Accumulated Depreciation</b>				
Land Improvements	137,168	11,050	-	148,218
Buildings and Improvements	6,615,376	532,914	-	7,148,290
Equipment and Furniture	2,546,072	193,210	-	2,739,282
<b>Total Accumulated Depreciation</b>	<b>9,298,616</b>	<b>737,174</b>	<b>-</b>	<b>10,035,790</b>
<b>Total Net Capital Assets Being Depreciated</b>	<b>15,510,234</b>	<b>(677,927)</b>	<b>-</b>	<b>14,832,307</b>
<b>Total Business-type Capital Assets</b>	<b>\$ 15,510,234</b>	<b>\$ (626,482)</b>	<b>\$ -</b>	<b>\$ 14,883,752</b>

**Discretely presented component units**

*Water Resources Commission.* Capital asset activity for the Water Resources Commission for the year ended December 31, 2014 was as follows:

	Balance December 31, 2013	Additions	Reductions	Balance December 31, 2014
<b>Component Unit - Water Resources Commission</b>				
<b>Capital assets being depreciated</b>				
Infrastructure	\$ 10,327,064	\$ 1,407,780	\$ -	\$ 11,734,844
<b>Less accumulated depreciation for</b>				
Infrastructure	(1,473,693)	(206,541)	-	(1,680,234)
Water Resource Commission capital assets, net	<b>\$ 8,853,371</b>	<b>\$ 1,201,239</b>	<b>\$ -</b>	<b>\$ 10,054,610</b>

*Land Bank Authority.* Capital asset activity for the Land Bank Authority for the year ended December 31, 2014 was as follows:

	Balance December 31, 2013	Additions	Reductions	Balance December 31, 2014
<b>Component Unit - Land Bank Authority</b>				
<b>Capital assets being depreciated</b>				
Vehicles & Equipment	\$ 17,000	\$ 25,861	\$ -	\$ 42,861
<b>Less accumulated depreciation for</b>				
Vehicles & Equipment	(1,700)	(5,986)	-	(7,686)
Land Bank Authority capital assets, net	<b>\$ 15,300</b>	<b>\$ 19,875</b>	<b>\$ -</b>	<b>\$ 35,175</b>

**Calhoun County**

Notes to the Financial Statements

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

<b>Governmental activities</b>	
Legislative	\$ 7,667
Judicial	293,059
General Government	236,085
Public Safety	720,554
Public Works	2,400,328
Health and Welfare	176,663
Recreation and Culture	14,980
<i>Total Governmental Activities</i>	<u>\$ 3,849,336</u>
<b>Business-type activities</b>	
Medical Care Facility	\$ 732,916
Delinquent Tax Collection	4,258
<b>Total Business-type Activities</b>	<u>\$ 737,174</u>

Depreciation expense was charged to the public works function in the year 2014 for the Water Resources Commission component unit.

**Note 5 – Interfund Receivables, Payables and Transfers**

Certain governmental funds with negative balances in the County’s pooled cash accounts of \$1,410,356 reported interfund payables, which are equal to the interfund receivable of \$1,410,356 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, 2014, due to/due from other funds consisted of the following:

	<b>Due from Other Funds</b>	<b>Due to Other Funds</b>
General Fund	\$ -	\$ 223,053
Internal Service Fund	-	70,095
Delinquent Tax Revolving	293,148	-
	<u>\$ 293,148</u>	<u>\$ 293,148</u>

**Calhoun County**  
Notes to the Financial Statements

For the year ended December 31, 2014, interfund transfers consisted of the following:

<b>Transfers out</b>	<b>Transfers In</b>						<b>Total</b>
	<b>General Fund</b>	<b>Health Department</b>	<b>Road Dept</b>	<b>Capital Improvement Plan</b>	<b>Nonmajor Governmental Funds</b>	<b>Internal Service Funds</b>	
General Fund	\$ -	\$ 905,349	\$ -	\$ 1,160,350	\$ 4,603,281	\$ 2,131,267	\$ 8,800,247
Health Department	-	-	-	18,800	-	-	18,800
Senior Millage	-	-	-	3,064	-	-	3,064
Capital Improvement Plan	-	-	500,000	-	596,541	-	1,096,541
Nonmajor governmental Funds	203,670	-	-	-	84,528	-	288,198
Internal Service Funds	325,000	-	-	-	-	-	325,000
Delinquent tax revolving	1,740,000	-	-	287,065	-	-	2,027,065
Nonmajor enterprise fund	300,000	-	-	-	-	-	300,000
Timing differences	-	10,330	-	-	-	-	10,330
	<u>\$ 2,568,670</u>	<u>\$ 915,679</u>	<u>\$ 500,000</u>	<u>\$ 1,469,279</u>	<u>\$ 5,284,350</u>	<u>\$ 2,131,267</u>	<u>\$ 12,869,245</u>

The timing differences are the result of different fiscal year end between the general fund and the health department.

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.

**Note 6 – Capital Leases**

The government has entered into twenty-seven 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:

	<b>Governmental Activities</b>	<b>Business-type Activities</b>
<b>Capital assets</b>		
Equipment and furniture	\$ 423,840	\$ -
Vehicles	1,039,582	22,504
<b>Less accumulated depreciation for</b>		
Equipment and furniture	419,957	-
Vehicles	598,776	22,504
<b>Total</b>	<u>\$ 444,689</u>	<u>\$ -</u>

**Calhoun County**

Notes to the Financial Statements

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2014, were as follows:

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>
2015	\$ 138,013
2016	104,318
2017	23,130
2018	9,470
<i>Total minimum lease payments</i>	274,931
<i>Less - amount representing interest</i>	(26,098)
<i>Present value of minimum lease payments</i>	<u>\$ 248,833</u>

**Note 7 – 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:

<u>Purpose</u>	<u>Installment</u>	<u>Interest Rates</u>	<u>Amount</u>
County Building Authority Refunding Bonds of \$6,855,000	\$425,000 to \$580,000	3.00 to 4.125%	\$ 4,515,000
Recovery Zone Economic Development Bonds of \$7,000,000	\$280,000 to 455,000	1.50 to 6.55%	5,945,000
Regional Law Enforcement Center Bonds of \$8,875,000	\$255,000 to \$565,000	2.00 to 4.00 %	8,875,000
			<u>\$ 19,335,000</u>

**Calhoun County**

Notes to the Financial Statements

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

<b>Year Ending December 31,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2015	\$ 720,000	\$ 833,904	\$ 1,553,904
2016	740,000	808,292	1,548,292
2017	1,015,000	777,266	1,792,266
2018	995,000	742,507	1,737,507
2019	1,065,000	704,494	1,769,494
2020-2024	5,320,000	2,804,410	8,124,410
2025-2029	3,765,000	1,735,464	5,500,464
2030-2034	3,075,000	773,034	3,848,034
2035-2039	2,640,000	252,797	2,892,797
	<u>\$ 19,335,000</u>	<u>\$ 9,432,168</u>	<u>\$ 28,767,168</u>

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

<b>Purpose</b>	<b>Installment</b>	<b>Interest Rates</b>	<b>Amount</b>
2012 Energy Conservation Project	\$ 65,700	2.17%	<u>\$ 525,600</u>

Annual debt service requirements to maturity for installment obligations and are as follows:

<b>Year Ending December 31,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
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	65,700	5,703	71,403
2020-2022	197,100	8,554	205,654
	<u>\$ 525,600</u>	<u>\$ 51,325</u>	<u>\$ 576,925</u>

**Calhoun County**

Notes to the Financial Statements

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

<u>Series</u>	<u>Due</u>	<u>Interest Rate</u>	<u>Amount</u>
2005 Series	2015	3.75% to 4.05%	\$ <u>85,000</u>

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

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<u>December 31,</u> 2015	\$ <u>85,000</u>	\$ <u>1,721</u>	\$ <u>86,721</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 \$161,516 at December 31, 2014.

The County, also through its Road Department, entered into an installment purchase agreement during 2014 for a grader / roller. The agreement calls for annual installments of \$56,487 through January 2018, which includes interest at 2.69%. The balance of this loan is \$211,534 at December 31, 2014.

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

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<u>December 31,</u> 2015	\$ 212,313	\$ 8,886	\$ 221,199
2016	52,163	4,324	56,487
2017	53,566	2,921	56,487
2018	55,008	1,479	56,487
	\$ <u>373,050</u>	\$ <u>17,610</u>	\$ <u>390,660</u>

**Calhoun County**

Notes to the Financial Statements

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:

<b>Year Ending December 31,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2015	\$ 725,000	\$ 169,236	\$ 894,236
2016	743,000	148,738	891,738
2017	740,000	126,178	866,178
2018	685,000	103,388	788,388
2019	565,000	79,698	644,698
2020 - 2024	1,030,000	250,900	1,280,900
2025 - 2029	535,000	135,345	670,345
2030 - 2032	350,000	22,750	372,750
	<u>\$ 5,373,000</u>	<u>\$ 1,036,233</u>	<u>\$ 6,409,233</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 \$1,365,000 at December 31, 2014. The deferred loss on refunding is not shown for the County since the Township is directly responsible for this debt service.

***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, 2014, are as follows:

<b>Series</b>	<b>Amount</b>
2014 - \$7,000,000 G.O. Limited Tax Notes payable dated May 15, 2014, due February 15, 2015.	<u>\$ 1,800,000</u>

**Calhoun County**

Notes to the Financial Statements

**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:

<u>Purpose</u>	<u>Installment</u>	<u>Interest Rates</u>	<u>Amount</u>
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>\$ 6,225,000</u>

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

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	465,000	126,588	860,450
2020 - 2024	2,760,000	395,450	2,791,325
2025 - 2026	1,315,000	31,325	2,509,002
	<u>\$ 6,225,000</u>	<u>\$ 1,194,002</u>	<u>\$ 8,486,416</u>

**Calhoun County**

Notes to the Financial Statements

***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.

<u>Purpose</u>	<u>Due</u>	<u>Installments</u>	<u>Interest Rate</u>	<u>Amount</u>
Drain Bonds Payable	2013 - 2026	\$30,000 to \$35,000	3.00% - 3.65%	\$ 390,000
Drain Bonds Payable	2015 - 2026	\$70,000 to \$75,000	2.79%	860,000
				<u>\$ 1,250,000</u>

Annual debt service requirements to maturity for Water Resource Commission bonds are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 100,000	\$ 34,968	\$ 134,968
2016	100,000	33,115	133,115
2017	100,000	29,262	129,262
2018	100,000	26,409	126,409
2019	100,000	23,556	123,556
2020 - 2024	530,000	73,145	603,145
2025 - 2026	220,000	6,714	226,714
	<u>\$ 1,250,000</u>	<u>\$ 227,166</u>	<u>\$ 1,477,166</u>

***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.

<u>Purpose</u>	<u>Due</u>	<u>Installments</u>	<u>Interest Rate</u>	<u>Amount</u>
Various Drain & Lake Level Notes Payable	2014 - 2024	\$4,000 to \$602,000	Various	<u>\$ 3,623,609</u>

**Calhoun County**

Notes to the Financial Statements

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Annual debt service requirements to maturity for Water Resource Commission notes are as follows:

<b>Year Ending December 31,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2015	\$ 1,861,978	\$ 94,955	\$ 1,956,933
2016	485,785	60,574	546,359
2017	469,118	46,178	515,296
2018	218,793	23,174	241,967
2019	170,936	17,056	187,992
2020 - 2024	417,000	26,495	443,495
	<u>\$ 3,623,609</u>	<u>\$ 268,433</u>	<u>\$ 3,892,042</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 \$80,270. The mortgage is interest free and due January 1, 2016 at such time the title of all properties revert back to NIBC.

The Authority also has a capital lease payable of \$20,023 for a vehicle as of year-end. The vehicle was purchased for an initial cost of \$25,861 and has accumulated depreciation of \$2,586.

**Calhoun County**  
Notes to the Financial Statements

**Changes in Long-term Debt**

Long-term debt liability activity for the year ended December 31, 2014, was as follows:

	Balance December 31, 2013	Additions	Deletions	Balance December 31, 2014	Due in One Year
<b>Governmental Activities - General</b>					
2010 Honeywell bonds	\$ 6,225,000	\$ -	\$ (280,000)	\$ 5,945,000	\$ 440,000
2008 Justice Center refunding bonds	4,940,000	-	(425,000)	4,515,000	280,000
2014 Capital improvement bonds	-	8,875,000	-	8,875,000	-
2012 Installment purchase agreement	591,300	-	(65,700)	525,600	65,700
Unamortized bond premium	-	278,112	-	278,112	-
Unamortized bond discount	(90,642)	-	10,328	(80,314)	(10,328)
Lease purchase agreements	254,249	181,319	(186,735)	248,833	122,410
Compensated absences	2,028,545	2,460,252	(2,550,754)	1,938,043	1,356,630
<b>Total Governmental Activities</b>	<b>\$ 13,948,452</b>	<b>\$ 11,794,683</b>	<b>\$ (3,497,861)</b>	<b>\$ 22,245,274</b>	<b>\$ 2,254,412</b>
<b>Governmental Activities - Road Department</b>					
Michigan Transportation Fund bonds	\$ 165,000	\$ -	\$ (80,000)	\$ 85,000	\$ 85,000
Installment purchase agreement - Freightliners	443,237	-	(281,721)	161,516	161,516
2014 Installment purchase agreement - Grader	-	261,000	(49,466)	211,534	49,466
Compensated absences	112,211	319,905	(241,415)	190,701	133,491
<b>Total Road Department</b>	<b>\$ 720,448</b>	<b>\$ 580,905</b>	<b>\$ (652,602)</b>	<b>\$ 648,751</b>	<b>\$ 429,473</b>
<b>Governmental Activities - Public Works Department</b>					
Bonds payable	\$ 6,053,000	\$ -	\$ (680,000)	\$ 5,373,000	\$ 725,000
<b>Governmental Activities - Total</b>					
General obligation bonds	\$ 17,218,000	\$ 8,875,000	\$ (1,385,000)	\$ 24,708,000	\$ 1,445,000
Unamortized bond discount	(90,642)	-	10,328	(80,314)	(10,328)
Unamortized bond premium	-	278,112	-	278,112	-
Michigan Transportation fund bonds	165,000	-	(80,000)	85,000	85,000
Installment purchase agreement	1,034,537	261,000	(396,887)	898,650	276,682
Lease purchase agreements	254,249	181,319	(186,735)	248,833	122,410
Compensated absences	2,140,756	2,780,157	(2,792,169)	2,128,744	1,490,121
	<b>\$ 20,721,900</b>	<b>\$ 12,375,588</b>	<b>\$ (4,830,463)</b>	<b>\$ 28,267,025</b>	<b>\$ 3,408,885</b>
<b>Business-type Activities</b>					
General obligation limited tax notes payable					
Series 2013	\$ 1,549,000	\$ -	\$ (1,549,000)	\$ -	\$ -
Series 2014	-	7,000,000	(5,200,000)	1,800,000	1,800,000
2013 General obligation limited tax bonds	6,305,000	-	(80,000)	6,225,000	375,000
2007 General obligation limited tax bonds	350,000	-	(350,000)	-	-
Unamortized bond premium	243,912	-	(18,762)	225,150	18,762
Compensated absences	324,697	304,498	(324,697)	304,498	304,498
<b>Total Business-type Activities</b>	<b>\$ 8,772,609</b>	<b>\$ 7,304,498</b>	<b>\$ (7,522,459)</b>	<b>\$ 8,554,648</b>	<b>\$ 2,498,260</b>

**Calhoun County**  
Notes to the Financial Statements

**Component units**

**Water Resources Commission**

Drain bonds payable	\$ 420,000	\$ 860,000	\$ (30,000)	\$ 1,250,000	\$ 100,000
Bonds discount	(5,736)	-	441	(5,295)	(441)
Drain notes payable	3,777,756	1,908,529	(2,096,009)	3,590,276	1,845,311
Lake level notes payable	50,000	-	(16,667)	33,333	16,667
<b>Total Water Resources Commission</b>	<u>\$ 4,242,020</u>	<u>\$ 2,768,529</u>	<u>\$ (2,142,235)</u>	<u>\$ 4,868,314</u>	<u>\$ 1,961,537</u>

**Land Bank Authority**

Mortgage payable	<u>\$ 865,485</u>	<u>\$ 501,775</u>	<u>\$ (499,569)</u>	<u>\$ 867,691</u>	<u>\$ 4,547</u>
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For the governmental activities, compensated absences are generally liquidated by the general fund.

**Note 8 – 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/Insurance.* 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.

**Calhoun County**

Notes to the Financial Statements

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

<u>Type of Risk</u>	<u>Maximum Retention Per Occurrence</u>
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, 2014. At December 31, 2014, the balance of the County’s member retention fund was \$35,359.

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

	<u>2014</u>	<u>2013</u>
Unpaid claims, beginning of year	\$ 673,021	\$ 531,238
Incurred claims (including IBNR's)	1,263,541	1,020,677
Claim payments	<u>(1,263,541)</u>	<u>(878,894)</u>
Unpaid claims, end of year	<u>\$ 673,021</u>	<u>\$ 673,021</u>

*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 and life 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.

**Calhoun County**

Notes to the Financial Statements

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

	<u>2014</u>	<u>2013</u>
Prepaid/Unpaid claims, beginning of year	\$ 11,259	\$ (559,392)
Incurred claims (including IBNR's)	7,150,546	6,044,872
Claim payments	<u>(6,766,031)</u>	<u>(5,474,221)</u>
Unpaid claims, end of year	<u>\$ 395,774</u>	<u>\$ 11,259</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:

	<u>2014</u>	<u>2013</u>
Unpaid claims, beginning of year	\$ 150,895	\$ 187,659
Incurred claims (including IBNR's)	101,184	163,569
Claim payments	<u>(138,015)</u>	<u>(200,333)</u>
Unpaid claims, end of year	<u>\$ 114,064</u>	<u>\$ 150,895</u>

**Note 9 – 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 2014 levies was \$3,564,236,566. 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.

**Calhoun County**

Notes to the Financial Statements

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.

**Note 10 – 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:

	<u>General County</u>	<u>Medical Care</u>	
	<u>Merill Lynch</u>	<u>Facility</u>	
		<u>Kemper/Pert</u>	<u>Total</u>
Required and actual employer contributions	\$ 195,663	\$ 177,598	\$ 373,261
Required and actual employee contributions	482,141	216,172	698,313

***Municipal Employees Retirement System of Michigan***

*Plan description.* Substantially all of the government’s full-time employees 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.

## Calhoun County

### Notes to the Financial Statements

*Funding Policy.* The County is required to contribute at an actuarially determined rate; the current rate for the County is between 3.41% and 74.16% of annual covered payroll, depending on employee group. All participating employees are required to contribute between 5.00% and 13.32% 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.

*Annual Pension Cost.* For the year ended December 31, 2014, the annual pension cost of \$5,045,426 was equal to the required and actual contributions of the County. The required contributions were determined as part of the December 31, 2013 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, 2013.

Following is the County's annual pension cost three-year trend information:

<b>Three-Year Trend Information</b>				
<b>Fiscal Year</b>	<b>Annual</b>	<b>Annual</b>	<b>Percentage</b>	<b>Net Pension</b>
<b>Ending</b>	<b>Pension Cost</b>	<b>Required Contribution</b>	<b>Contributed</b>	<b>Obligation</b>
12/31/2012	\$ 902,481	\$ 902,481	100%	\$ -
12/31/2013	884,566	884,566	100%	-
12/31/2014	5,045,426	5,045,426	100%	-

The information presented above was determined as part of the actuarial valuations at the dates indicated.

*Funded Status and Funding Progress.* As of December 31, 2013, the most recent actuarial valuation date, the plan was 80 percent funded. The actuarial accrued liability for benefits was \$79,135,102 and the actuarial value of assets was \$50,738,394, resulting in an unfunded actuarial accrued liability (UAAL) of \$28,396,708. The covered payroll (annual payroll of active employees covered by the plan) was \$23,275,990, and the ratio of the UAAL to the covered payroll was 122 percent. The schedule of funding progress, presented as RSI following the notes

## Calhoun County

### Notes to the Financial Statements

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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.

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.

#### **Other Postemployment Benefits**

##### *General County (Road Department Separate)*

*Plan Description.* In accordance with labor agreements and board action, the County provides postretirement 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 2014, 80 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:

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

*Plan Membership.* Plan membership consisted of the following at December 31, 2014:

Retirees and beneficiaries currently receiving benefits	98
Active plan members (excluding dependents)	<u>429</u>
Total	<u>527</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*

**Calhoun County**

Notes to the Financial Statements

*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.

*Annual OPEB Cost and Net OPEB Obligation.* For 2014, 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	\$ 782,658
Interest on net OPEB obligation	162,482
Adjustment to annual required contribution	<u>(256,169)</u>
<b>Annual OPEB cost (expense)</b>	688,971
Contributions credit	<u>(272,546)</u>
<b>Increase in net OPEB obligation</b>	416,425
<i>Net OPEB obligation, beginning of year</i>	<u>4,062,038</u>
<b>Net OPEB obligation, end of year</b>	<u>\$ 4,478,463</u>

Three-year trend information was as follows:

<b>Fiscal Year Ending</b>	<b>Annual OPEB Cost</b>	<b>Actual Contribution</b>	<b>Percentage Contributed</b>	<b>Net OPEB Obligation</b>
12/31/2012	\$ 652,832	\$ 175,298	27%	\$ 3,584,039
12/31/2013	666,464	188,465	28%	4,062,038
12/31/2014	688,971	272,546	40%	4,478,463

*Funded Status and Funding Progress.* As of December 31, 2014, the most recent actuarial valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits was \$9,234,421 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$9,234,421. The covered payroll (annual payroll of active employees covered by the plan) was \$26,343,131, and the ratio of the UAAL to the covered payroll was 35 percent. The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

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.

**Calhoun County**

Notes to the Financial Statements

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*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 are as follows:

Actuarial valuation date	12/31/2014
Actuarial cost method	Projected unit credit
Amortization method	Level dollar, closed
Remaining amortization period	24 Years
Actuarial assumptions:	
Investment rate of return	4.0%
Projected salary increases	Not applicable
Healthcare cost trend rate	9.0% downgraded to 5% over 4 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, 2014 (the date of the latest actuarial valuation):

Retirees and beneficiaries currently receiving benefits	71
Active plan members (excluding dependents)	<u>54</u>
Total	<u>125</u>

*Funding Policy.* The Road Department 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.

**Calhoun County**

Notes to the Financial Statements

*Annual OPEB Cost and Net OPEB Obligation.* For 2014, 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	\$ 799,537
Interest on net OPEB obligation	83,182
Adjustment to annual required contribution	<u>(131,145)</u>
<b>Annual OPEB cost (expense)</b>	<b>751,574</b>
Contributions made	<u>(504,840)</u>
<b>Increase in net OPEB obligation</b>	<b>246,734</b>
<i>Net OPEB obligation, beginning of year</i>	<u>2,079,551</u>
<b>Net OPEB obligation, end of year</b>	<b><u>\$ 2,326,285</u></b>

Three-year trend information was as follows:

<b>Fiscal Year Ending</b>	<b>Annual OPEB Cost</b>	<b>Annual Required Contribution</b>	<b>Percentage Contributed</b>	<b>Net OPEB Obligation</b>
12/31/2012	\$ 1,007,409	\$ 418,309	42%	\$ 1,347,970
12/31/2013	1,025,012	293,431	29%	2,079,551
12/31/2014	751,574	504,840	67%	2,326,285

*Funded Status and Funding Progress.* As of December 31, 2014, the most recent actuarial valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits was \$10,611,102 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$10,611,102. The covered payroll (annual payroll of active employees covered by the plan) was unavailable and the ratio of the UAAL to the covered payroll was not applicable due to the plan being closed. 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.

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.

*Actuarial Methods and Assumptions.* Projections of benefits for financial reporting purposes are

## Calhoun County

### Notes to the Financial Statements

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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	12/31/2014
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

#### **Note 11 – 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.

**Calhoun County**  
Notes to the Financial Statements

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**Note 12 – Net Investment in Capital Assets**

Net Investment in Capital Assets was as follows:

Governmental Activities, excluding internal service funds:	
Capital assets, net of accumulated depreciation	\$ 85,216,721
Long-term debt related to capital assets	<u>(24,108,269)</u>
Net investment in capital assets, excluding internal service funds	61,108,452
Internal service funds:	
Building and grounds -	
Capital assets, net of accumulated depreciation	1,443,377
Administration services -	
Capital assets, net of accumulated depreciation	<u>6,199</u>
Net investment in capital assets	<u>\$ 62,558,028</u>

**Note 13 – Restricted Net Position / Fund Balances - Governmental Funds**

The County reports fund balance in governmental funds based on the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. GASB 54 establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

Restricted net position is composed of the same components of restricted fund balance, as shown in the tables on the following page:

**Calhoun County**  
Notes to the Financial Statements

	<b>General Fund</b>	<b>Senior Millage</b>	<b>Road Department</b>	<b>Health Department</b>	<b>Capital Improvement Plan</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<i>Primary Government</i>							
<b>Nonspendable</b>							
Long-term advances	\$ 210,600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 210,600
Prepays	232,184	-	117,000	6,964	-	163,152	519,300
Inventory	-	-	817,340	-	-	-	817,340
<i>Total Nonspendable</i>	<u>442,784</u>	<u>-</u>	<u>934,340</u>	<u>6,964</u>	<u>-</u>	<u>163,152</u>	<u>1,547,240</u>
<b>Restricted</b>							
Senior Citizens	-	1,089,517	-	-	-	-	1,089,517
Roads	-	-	477,534	-	-	-	477,534
Health Department	-	-	-	932,363	-	-	932,363
County Improvements	-	-	-	-	5,480,334	-	5,480,334
Friend of the Court	-	-	-	-	-	360,685	360,685
Family Counseling	-	-	-	-	-	68,230	68,230
Special Projects	-	-	-	-	-	59,332	59,332
Solid Waste Management	-	-	-	-	-	690,895	690,895
Circuit Court Grants	-	-	-	-	-	182,531	182,531
Parks	-	-	-	-	-	154,242	154,242
Remonumentation	-	-	-	-	-	63,606	63,606
Register of Deeds Automation	-	-	-	-	-	18,606	18,606
Employee Benefits	-	-	-	-	-	18,273	18,273
Clerk	-	-	-	-	-	3,500	3,500
Local Emergency Planning	-	-	-	-	-	1,512	1,512
Sheriff	-	-	-	-	-	128,764	128,764
Emergency Management	-	-	-	-	-	155	155
Prosecutor	-	-	-	-	-	13,929	13,929
Housing Rehab	-	-	-	-	-	310	310
Federal and State Grant	-	-	-	-	-	26,695	26,695
Human Services	-	-	-	-	-	5,157	5,157
Child Care	-	-	-	-	-	140,998	140,998
Veterans' Services	-	-	-	-	-	158,131	158,131
Veterans' Trust	-	-	-	-	-	2,340	2,340
Board of Public Works	-	-	-	-	-	140,928	140,928
Debt Service	-	-	-	-	-	353,780	353,780
Cemetery Trust	-	-	-	-	-	37,649	37,649
<i>Total Restricted</i>	<u>-</u>	<u>1,089,517</u>	<u>477,534</u>	<u>932,363</u>	<u>5,480,334</u>	<u>2,630,248</u>	<u>10,609,996</u>
<b>Unassigned</b>	<u>3,919,125</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,919,125</u>
<b>Total fund balances - governmental funds</b>	<u>\$ 4,361,909</u>	<u>\$ 1,089,517</u>	<u>\$ 1,411,874</u>	<u>\$ 939,327</u>	<u>5,480,334</u>	<u>\$ 2,793,400</u>	<u>\$ 16,076,361</u>

<b>Reconciliation of Restricted Fund Balance to Net Position</b>	
Total Restricted Fund Balance	\$ 10,609,996
Add Back Nonspendable	
Road Department	934,340
Health Department	6,964
Other Governmental Funds	163,152
<i>Total Nonspendable</i>	<u>1,104,456</u>
<b>Total Restricted Net Position</b>	<u>\$ 11,714,452</u>

**Calhoun County**  
Notes to the Financial Statements

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**Note 14 – Restatements**

The County restated beginning net position as of January 1, 2014 as follows:

The beginning net position of the governmental activities was decreased by \$137,285 to account for prior vehicle depreciation not reflected in prior periods.

## **Required Supplementary Information**

**Calhoun County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**General Fund**  
**For the Year Ended December 31, 2014**

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative) Final to Actual
<b>Revenues</b>				
Taxes	\$ 17,965,460	\$ 17,980,838	\$ 18,266,410	\$ 285,572
Licenses and Permits	160,500	160,500	121,479	(39,021)
Intergovernmental	7,135,216	7,448,176	7,455,548	7,372
Charges for Services	10,631,802	10,685,320	9,429,074	(1,256,246)
Fines and Forfeitures	831,500	831,500	641,306	(190,194)
Interest and Rents	12,000	25,000	43,628	18,628
Other	1,413,600	1,765,037	1,395,627	(369,410)
<b>Total Revenues</b>	<u>38,150,078</u>	<u>38,896,371</u>	<u>37,353,072</u>	<u>(1,543,299)</u>
<b>Other Financing Sources</b>				
Capital Lease	--	--	26,841	26,841
Transfers In	2,595,509	2,632,309	2,568,670	(63,639)
<b>Total Revenues and Other Financing Sources</b>	<u>40,745,587</u>	<u>41,528,680</u>	<u>39,948,583</u>	<u>(1,580,097)</u>
<b>Expenditures</b>				
<b>Legislative</b>				
Board of Commissioners	126,994	126,994	113,084	13,910
<b>Judicial</b>				
Circuit Court	929,180	929,180	832,681	96,499
Circuit Court - Family	736,459	736,459	592,495	143,964
Indigent Public Defender	1,488,386	1,595,386	1,557,962	37,424
District Court	3,014,590	3,002,590	2,839,880	162,710
Probate Court	630,978	630,978	578,721	52,257
Circuit Court - Probation	25,870	25,870	22,972	2,898
Court Services	93,929	93,929	80,148	13,781
<b>Total Judicial</b>	<u>6,919,392</u>	<u>7,014,392</u>	<u>6,504,859</u>	<u>509,533</u>
<b>General Government</b>				
Elections	191,749	191,749	182,465	9,284
Civil Counsel	144,372	144,372	137,126	7,246
Clerk of the Circuit Court	677,076	686,576	677,143	9,433
Clerk / Register of Deeds	581,789	572,289	553,731	18,558
Administrator	376,772	376,772	374,467	2,305
Finance	413,321	359,271	342,549	16,722
Equalization	541,169	541,169	479,064	62,105
Human Resources	307,620	307,620	272,942	34,678
Purchasing	71,235	71,235	68,324	2,911
Prosecuting Attorney	2,187,025	2,187,025	1,909,756	277,269
Treasurer	435,119	463,497	368,020	95,477
Cooperative Extension	152,819	152,819	141,422	11,397
Water Resources Commissioner	196,879	196,879	161,439	35,440
Homer Lake Management Board	--	10,000	10,000	--
Administrative Services	81,603	83,603	79,945	3,658
Oil Spill Services	--	3,100	1,701	1,399
Early Retirement Incentive Payments	--	219,700	219,660	40
Soil Conservation District	8,000	8,000	8,000	--
Potawatomi RC&D	500	500	--	500
<b>Total General Government</b>	<u>6,367,048</u>	<u>6,576,176</u>	<u>5,987,754</u>	<u>588,422</u>

**Calhoun County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**General Fund**  
**For the Year Ended December 31, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance</b>
	<u>Original</u>	<u>Final</u>		<b>Positive (Negative) Final to Actual</b>
<b>Expenditures</b>				
<b>Public Safety</b>				
Sheriff - Administration	624,365	624,365	585,336	39,029
Support Service	409,131	409,131	384,311	24,820
Detective Division	182,682	184,682	181,398	3,284
Emergency Services	116,914	132,214	126,747	5,467
Road Patrol	1,673,688	1,845,425	1,869,018	(23,593)
Chemical Waste	3,000	3,000	793	2,207
Pennfield Contract	881,293	894,293	812,288	82,005
Traffic Safety	370,049	388,049	376,137	11,912
Sheriff Training	88,877	92,377	91,919	458
Convis Township Contract	67,636	74,886	73,138	1,748
Civil Process	194,092	194,837	161,019	33,818
T.E.A.M.	50,158	50,158	45,021	5,137
CISD	82,682	84,355	60,056	24,299
Marine Safety	68,198	68,198	66,070	2,128
Corrections / Jail	11,374,576	11,384,756	10,872,523	512,233
Community Corrections - Administration	257,818	258,498	238,283	20,215
IRS Enforcement	29,750	29,950	27,551	2,399
Animal Control	143,449	143,449	135,082	8,367
Springfield	789,477	789,477	759,819	29,658
Homer	--	132,648	112,707	19,941
<b>Total Public Safety</b>	<u>17,407,835</u>	<u>17,784,748</u>	<u>16,979,216</u>	<u>805,532</u>
<b>Public Works</b>				
Drain Assessments	411,000	497,450	515,373	(17,923)
<b>Health and Welfare</b>				
Substance Abuse	465,548	585,648	585,630	18
Mental Health	265,000	265,000	265,000	--
<b>Total Health and Welfare</b>	<u>730,548</u>	<u>850,648</u>	<u>850,630</u>	<u>18</u>
<b>Community and Economic Development</b>				
Community Development	104,509	102,509	59,790	42,719
Planning	30,619	35,119	35,860	(741)
<b>Total Community and Economic Development</b>	<u>135,128</u>	<u>137,628</u>	<u>95,650</u>	<u>41,978</u>
<b>Other - Intergovernmental Services</b>	200,000	--	--	--
<b>Capital Outlay</b>	16,400	16,400	26,841	(10,441)
<b>Debt Service - Principal</b>	--	--	9,473	(9,473)
<b>Total Expenditures</b>	<u>32,314,345</u>	<u>33,004,436</u>	<u>31,082,880</u>	<u>1,921,556</u>
<b>Other Financing Uses</b>				
Transfers Out	8,385,801	8,472,521	8,800,247	(327,726)
<b>Total Expenditures and Other Financing Uses</b>	<u>40,700,146</u>	<u>41,476,957</u>	<u>39,883,127</u>	<u>1,593,830</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<u>45,441</u>	<u>51,723</u>	<u>65,456</u>	<u>13,733</u>
<b>Net Change in Fund Balance</b>	<b>45,441</b>	<b>51,723</b>	<b>65,456</b>	<b>13,733</b>
<i>Fund Balance at Beginning of Period</i>	4,296,453	4,296,453	4,296,453	--
<b>Fund Balance at End of Period</b>	<b>\$ 4,341,894</b>	<b>\$ 4,348,176</b>	<b>\$ 4,361,909</b>	<b>\$ 13,733</b>

**Calhoun County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Senior Millage**  
**For the Year Ended December 31, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance</b>
	<u>Original</u>	<u>Final</u>		<b>Positive (Negative) Final to Actual</b>
<b>Revenues</b>				
Taxes	\$ 2,640,577	\$ 2,640,577	\$ 2,608,732	\$ (31,845)
Contributions	--	--	5,970	5,970
Interest and Rents	--	--	2,896	2,896
Other	58,500	58,500	152,849	94,349
<b>Total Revenues</b>	<u>2,699,077</u>	<u>2,699,077</u>	<u>2,770,447</u>	<u>71,370</u>
<b>Other Financing Sources</b>				
<b>Total Revenues and Other Financing Sources</b>	<u>2,699,077</u>	<u>2,699,077</u>	<u>2,770,447</u>	<u>71,370</u>
<b>Expenditures</b>				
Health and Welfare	2,852,923	2,869,823	2,501,068	368,755
<b>Total Expenditures</b>	<u>2,852,923</u>	<u>2,869,823</u>	<u>2,501,068</u>	<u>368,755</u>
<b>Other Financing Uses</b>				
Transfers Out	--	3,100	3,064	36
<b>Total Expenditures and Other Financing Uses</b>	<u>2,852,923</u>	<u>2,872,923</u>	<u>2,504,132</u>	<u>368,791</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<u>(153,846)</u>	<u>(173,846)</u>	<u>266,315</u>	<u>440,161</u>
<b>Net Change in Fund Balance</b>	<u>(153,846)</u>	<u>(173,846)</u>	<u>266,315</u>	<u>440,161</u>
<i>Fund Balance at Beginning of Period</i>	823,202	823,202	823,202	--
<b>Fund Balance at End of Period</b>	<u>\$ 669,356</u>	<u>\$ 649,356</u>	<u>\$ 1,089,517</u>	<u>\$ 440,161</u>

**Calhoun County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Road Department**  
**For the Year Ended December 31, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance</b>
	<u>Original</u>	<u>Final</u>		<b>Positive (Negative) Final to Actual</b>
<b>Revenues</b>				
Licenses and Permits	\$ 70,000	\$ 213,700	\$ 213,689	\$ (11)
Intergovernmental	10,470,368	14,391,900	11,202,843	(3,189,057)
Charges for Services	1,557,000	1,621,600	1,704,144	82,544
Other	258,000	148,600	83,104	(65,496)
<b>Total Revenues</b>	<u>12,355,368</u>	<u>16,375,800</u>	<u>13,203,780</u>	<u>(3,172,020)</u>
<b>Other Financing Sources</b>				
Capital Leases	--	261,000	261,000	--
Transfers In	--	500,000	500,000	--
<b>Total Revenues and Other Financing Sources</b>	<u>12,355,368</u>	<u>17,136,800</u>	<u>13,964,780</u>	<u>(3,172,020)</u>
<b>Expenditures</b>				
Public Works	8,881,525	13,610,500	11,272,272	2,338,228
Capital Outlay	2,962,875	3,547,200	2,713,440	833,760
Debt Service - Principal	380,412	413,300	411,187	2,113
Debt Service - Interest	105,536	24,000	25,712	(1,712)
<b>Total Expenditures</b>	<u>12,330,348</u>	<u>17,595,000</u>	<u>14,422,611</u>	<u>3,172,389</u>
<b>Other Financing Uses</b>				
<b>Total Expenditures and Other Financing Uses</b>	<u>12,330,348</u>	<u>17,595,000</u>	<u>14,422,611</u>	<u>3,172,389</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<u>25,020</u>	<u>(458,200)</u>	<u>(457,831)</u>	<u>369</u>
<b>Net Change in Fund Balance</b>	<u>25,020</u>	<u>(458,200)</u>	<u>(457,831)</u>	<u>369</u>
<i>Fund Balance at Beginning of Period</i>	1,869,705	1,869,705	1,869,705	--
<b>Fund Balance at End of Period</b>	<u>\$ 1,894,725</u>	<u>\$ 1,411,505</u>	<u>\$ 1,411,874</u>	<u>\$ 369</u>

**Calhoun County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Health Department**  
**For the Year Ended December 31, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance</b>
	<u>Original</u>	<u>Final</u>		<b>Positive (Negative) Final to Actual</b>
<b>Revenues</b>				
Licenses and Permits	\$ 263,000	\$ 263,000	\$ 282,019	\$ 19,019
Intergovernmental	5,219,162	5,279,629	5,049,473	(230,156)
Charges for Services	216,286	224,786	247,249	22,463
Other	47,000	59,056	87,873	28,817
<b>Total Revenues</b>	<u>5,745,448</u>	<u>5,826,471</u>	<u>5,666,614</u>	<u>(159,857)</u>
<b>Other Financing Sources</b>				
Transfers In	923,829	923,829	905,349	(18,480)
<b>Total Revenues and Other Financing Sources</b>	<u>6,669,277</u>	<u>6,750,300</u>	<u>6,571,963</u>	<u>(178,337)</u>
<b>Expenditures</b>				
Health and Welfare	6,684,277	6,746,500	6,369,999	376,501
<b>Total Expenditures</b>	<u>6,684,277</u>	<u>6,746,500</u>	<u>6,369,999</u>	<u>376,501</u>
<b>Other Financing Uses</b>				
Transfers Out	--	18,800	18,800	--
<b>Total Expenditures and Other Financing Uses</b>	<u>6,684,277</u>	<u>6,765,300</u>	<u>6,388,799</u>	<u>376,501</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<u>(15,000)</u>	<u>(15,000)</u>	<u>183,164</u>	<u>198,164</u>
<b>Net Change in Fund Balance</b>	<u>(15,000)</u>	<u>(15,000)</u>	<u>183,164</u>	<u>198,164</u>
<i>Fund Balance at Beginning of Period</i>	756,163	756,163	756,163	--
<b>Fund Balance at End of Period</b>	<u>\$ 741,163</u>	<u>\$ 741,163</u>	<u>\$ 939,327</u>	<u>\$ 198,164</u>

**Calhoun County**  
**MERS Agent Multiple-Employer Defined Benefit Pension Plan**  
**Schedule of Funding Progress**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (A)</b>	<b>Actuarial Accrued Liability (AAL) (B)</b>	<b>Unfunded AAL (UAAL) (B-A)</b>	<b>Funded Ratio (A/B)</b>	<b>Covered Payroll (C)</b>	<b>UAAL as a % of Covered Payroll ((B-A)/C)</b>
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%
12/31/2012	18,476,167	33,403,356	14,927,189	55%	9,034,026	165%
12/31/2013	50,738,394	79,135,102	28,396,708	64%	23,275,990	122%

**Schedule of Employer Contributions**

<b>Year Ended December 31</b>	<b>Annual Required and Actual Contributions</b>	<b>Percentage Contributed</b>
2005	\$ 586,510	100%
2006	609,154	100%
2007	1,180,924	100%
2008	1,216,697	100%
2009	1,338,751	100%
2010	1,437,190	100%
2011	1,453,816	100%
2012	1,468,879	100%
2013	1,434,761	100%
2014	5,045,426	100%

**Calhoun County  
Other Post Employment Benefits  
Schedule of Funding Progress**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (A)</b>	<b>Actuarial Accrued Liability (AAL) (B)</b>	<b>Unfunded AAL (UAAL) (B-A)</b>	<b>Funded Ratio (A/B)</b>	<b>Covered Payroll (C)</b>	<b>UAAL as a % of Covered Payroll ((B-A)/C)</b>
12/31/2007	\$ -	\$ 11,145,479	\$ 11,145,479	0%	\$ 25,020,978	45%
12/31/2010	-	8,534,203	8,534,203	0%	25,782,100	33%
12/31/2012	-	8,504,632	8,504,632	0%	26,540,035	32%
12/31/2014	-	9,234,421	9,234,421	0%	26,343,131	35%

**Schedule of Employer Contributions**

<b>Year Ended December 31</b>	<b>Annual Required Contributions</b>	<b>Actual Contributions</b>	<b>Percentage Contributed</b>	<b>Net OPEB Obligation</b>
2009	\$ 1,035,944	\$ 94,818	9%	\$ 1,784,918
2010	671,922	39,525	6%	2,417,315
2011	692,281	3,091	0%	3,106,505
2012	652,832	175,298	27%	3,584,039
2013	666,464	188,465	28%	4,062,038
2014	688,970	272,546	40%	4,478,463

**Calhoun County Road Department  
Other Post Employment Benefits  
Schedule of Funding Progress**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (A)</b>	<b>Actuarial Accrued Liability (AAL) (B)</b>	<b>Unfunded AAL (UAAL) (B-A)</b>	<b>Funded Ratio (A/B)</b>	<b>Covered Payroll (C)</b>	<b>UAAL as a % of Covered Payroll ((B-A)/C)</b>
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
12/31/2014	-	10,611,102	10,611,102	0%	Not available	N/A

**Schedule of Employer Contributions**

<b>Year Ended December 31</b>	<b>Annual Required Contributions</b>	<b>Actual Contributions</b>	<b>Percentage Contributed</b>	<b>Net OPEB Obligation</b>
2009	\$ 328,001	\$ 271,941	83%	\$ 150,132
2010	328,989	311,597	95%	167,524
2011	1,028,053	436,707	42%	758,870
2012	1,007,409	418,309	42%	1,347,970
2013	1,025,012	293,431	29%	2,079,551
2014	751,574	504,840	67%	2,326,285

## **Combining and Individual Fund Statements and Schedules**

**Calhoun County**  
**Detail Schedule of Revenues**  
**General Operating Fund - Road Department**  
**For the Year Ended December 31, 2014**

**Revenues**

Licenses and Permits		\$	<u>213,689</u>
Federal sources:			
Surface transportation program			894,088
Bridge			629,653
Other			<u>1,333,988</u>
Total Federal sources			<u><u>2,857,729</u></u>
State sources:			
Motor Vehicle Highway funds - Act 51:			
Engineering			10,000
Local roads			2,011,250
Primary urban roads			6,327,962
Local urban roads			251,011
Critical Bridge			127,782
Other			<u>1,037,187</u>
Total State sources			<u><u>9,765,192</u></u>
Local Sources			
Township contributions			1,011,183
Other contributions			<u>757,491</u>
Total Local sources			<u><u>1,768,674</u></u>
Charges for services			
State maintenance contract			1,610,105
Other services			141,735
Salvage sales			<u>11,358</u>
Total Charges for services			<u><u>1,763,198</u></u>
Other revenue			
Net gain on equipment disposal			(9,845)
Interest and Rents			1,654
Other revenue			<u>15,000</u>
Total other revenues			<u><u>6,809</u></u>
<b>Total Revenues</b>		<b>\$</b>	<b><u><u>16,375,291</u></u></b>

**Calhoun County**  
**Detail Schedule of Expenditures**  
**General Operating Fund - Road Department**  
**For the Year Ended December 31, 2014**

**Expenditures**

Construction - capacity improvement	
Roads	\$ 3,158
Local roadside parks	1,816,184
Total construction - capacity improvement	<u>1,819,342</u>
Preservation - structural improvements	
Primary roads and structures	1,522,529
Local roads and structures	1,455,836
Total preservation - structural improvements	<u>2,978,365</u>
Maintenance:	
Primary roads and structures, winter and traffic control	5,271,465
Local roads and structures, winter and traffic controls	2,831,688
Total maintenance	<u>8,103,153</u>
Equipment:	
Direct	1,778,784
Indirect	628,772
Operating	411,742
Less - equipment rental	<u>(2,235,406)</u>
Total equipment	<u>583,892</u>
Administrative	<u>1,067,625</u>
Other - trunkline maintenance, non-maintenance and other	<u>2,039,025</u>
Capital outlay - net	<u>565,522</u>
Debt Service:	
Principal retirement	413,267
Interest	23,932
Total debt service	<u>437,199</u>
<b>Total Expenditures</b>	<u>\$ 17,594,123</u>

**Calhoun County**  
**Detail Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**General Operating Fund - Road Department**  
**For the Year Ended December 31, 2014**

	<b>Primary Road Fund</b>	<b>Local Road Fund</b>	<b>County Road Fund</b>	<b>Total</b>
<b>Revenues</b>				
Licenses and permits	\$ -	\$ -	\$ 213,689	\$ 213,689
Intergovernmental				
Federal sources	1,523,742	1,333,987	-	2,857,729
State sources	6,603,285	3,161,907	-	9,765,192
Local sources	-	1,011,183	757,491	1,768,674
Charges for services	-	-	1,763,198	1,763,198
Interest and Rents	1,068	26	560	1,654
Other	-	-	5,155	5,155
<b>Total revenues</b>	<b>8,128,095</b>	<b>5,507,103</b>	<b>2,740,093</b>	<b>16,375,291</b>
<b>Expenditures</b>				
Construction				
Roads	3,158	-	-	3,158
Roadside parks	-	1,816,184	-	1,816,184
Preservation - structural improvements	1,522,529	1,455,836	-	2,978,365
Maintenance:				
Road and structures	4,363,282	2,156,495	-	6,519,777
Winter	726,531	630,047	-	1,356,578
Traffic control	181,652	45,146	-	226,798
Equipment - net	204,782	219,392	159,718	583,892
Administrative	562,506	505,119	-	1,067,625
Trunkline maintenance	-	-	1,594,317	1,594,317
Trunkline non-maintenance	-	-	15,788	15,788
Other	181,439	97,697	149,784	428,920
Capital outlay - net	-	-	565,522	565,522
Debt service - principal	-	-	413,267	413,267
Debt service - interest	-	-	23,932	23,932
<b>Total expenditures</b>	<b>7,745,879</b>	<b>6,925,916</b>	<b>2,922,328</b>	<b>17,594,123</b>
Revenue over (under) expenditures before other financing sources (uses)	382,216	(1,418,813)	(182,235)	(1,218,832)
Other financing sources (uses)				
Inst. Purch./Leases	-	-	261,000	261,000
Transfer in	-	-	500,000	500,000
Optional transfers	(1,389,431)	1,389,431	-	-
<b>Net Change in fund balance</b>	<b>(1,007,215)</b>	<b>(29,382)</b>	<b>578,765</b>	<b>(457,832)</b>
Fund Balance, beginning of year	1,207,496	29,382	632,828	1,869,706
<b>Fund Balance, end of year</b>	<b>\$ 200,281</b>	<b>\$ -</b>	<b>\$ 1,211,593</b>	<b>\$ 1,411,874</b>

## Calhoun County

### Description of Nonmajor Governmental Funds

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#### SPECIAL REVENUE FUNDS

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

***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.

***Water Resources Grants*** - This fund is used to account for the costs related to grants received by the Water Resources department.

***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 Voter Initiative Program.

***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.

## Calhoun County

### Description of Nonmajor Governmental Funds

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

***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.

***Child Care Fund*** - This fund is used to account for the costs associated with operating the Juvenile Home detention facility and administering programs that serve neglected, abused and delinquent youth in Calhoun County.

***Veterans' Services*** - 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.

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

### DEBT SERVICE 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.

## Calhoun County

### Description of Nonmajor Governmental Funds

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*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.

*Regional Law Enforcement Center* - This fund is used to account for the accumulation of resources for, and the payment of, interest and principal on bonded debt for the Regional Law Enforcement Center.

#### **PERMANENT FUND**

*Cemetery Trust* - This fund is used to account for donations and expenditures related to the County Cemetery for which only the interest on the corpus may be expended.

**Calhoun County  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2014**

	Special Revenue							
	Calhoun County Trailway	Friend of the Court	Family Counseling	County Special Projects	Accommodation Tax	Solid Waste Management	Circuit Court Grants	Water Resources Grants
<b>ASSETS</b>								
Cash and Cash Equivalents	\$ --	\$ 200	\$ 68,230	\$ 59,332	\$ 72,766	\$ 658,160	\$ 133,396	\$ --
Accounts Receivable	--	79	--	--	89,340	77,143	9,373	--
Current Taxes Receivable	--	--	--	--	--	--	--	--
Delinquent Taxes Receivable	--	--	--	--	--	--	--	--
Due from Other Governments	638,829	573,760	--	--	--	--	52,411	113,925
Prepaid Items	--	--	--	--	--	--	--	--
<b>Total Assets</b>	<b>\$ 638,829</b>	<b>\$ 574,039</b>	<b>\$ 68,230</b>	<b>\$ 59,332</b>	<b>\$ 162,106</b>	<b>\$ 735,303</b>	<b>\$ 195,180</b>	<b>\$ 113,925</b>
<b>LIABILITIES</b>								
Accounts Payable	\$ 82,501	\$ 6,271	\$ --	\$ --	\$ 162,106	\$ 43,452	\$ 10,349	\$ 20,393
Accrued Liabilities	--	26,557	--	--	--	956	2,111	--
Unearned Revenue	--	--	--	--	--	--	189	--
Due to Other Funds	556,328	180,526	--	--	--	--	--	93,532
<b>Total Liabilities</b>	<b>638,829</b>	<b>213,354</b>	<b>--</b>	<b>--</b>	<b>162,106</b>	<b>44,408</b>	<b>12,649</b>	<b>113,925</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Unavailable Revenue - Property Taxes	--	--	--	--	--	--	--	--
Taxes Levied for a Subsequent Period	--	--	--	--	--	--	--	--
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>638,829</b>	<b>213,354</b>	<b>--</b>	<b>--</b>	<b>162,106</b>	<b>44,408</b>	<b>12,649</b>	<b>113,925</b>
<b>FUND BALANCE</b>								
Nonspendable	--	--	--	--	--	--	--	--
Restricted	--	360,685	68,230	59,332	--	690,895	182,531	--
Unassigned	--	--	--	--	--	--	--	--
<b>Total Fund Balance</b>	<b>--</b>	<b>360,685</b>	<b>68,230</b>	<b>59,332</b>	<b>--</b>	<b>690,895</b>	<b>182,531</b>	<b>--</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<b>\$ 638,829</b>	<b>\$ 574,039</b>	<b>\$ 68,230</b>	<b>\$ 59,332</b>	<b>\$ 162,106</b>	<b>\$ 735,303</b>	<b>\$ 195,180</b>	<b>\$ 113,925</b>

Continued...

**Calhoun County  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2014**

	Special Revenue							
	Parks	Remonumentation	Register of Deeds Automation	Employee Benefits	Clerk	Local Emergency Planning	Sheriff	Emergency Management
<b>ASSETS</b>								
Cash and Cash Equivalents	\$ 154,314	\$ 120,217	\$ 22,042	\$ 9,998	\$ 3,500	\$ 3,720	\$ 121,950	\$ --
Accounts Receivable	--	--	--	9,000	--	--	--	--
Current Taxes Receivable	--	--	--	--	--	--	--	--
Delinquent Taxes Receivable	--	--	--	--	--	--	--	--
Due from Other Governments	667	--	--	--	--	--	64,343	17,200
Prepaid Items	10,687	--	--	--	--	--	--	--
<b>Total Assets</b>	<b>\$ 165,668</b>	<b>\$ 120,217</b>	<b>\$ 22,042</b>	<b>\$ 18,998</b>	<b>\$ 3,500</b>	<b>\$ 3,720</b>	<b>\$ 186,293</b>	<b>\$ 17,200</b>
<b>LIABILITIES</b>								
Accounts Payable	\$ 739	\$ 56,611	\$ 3,000	\$ 725	\$ --	\$ 1,660	\$ 5,841	\$ 667
Accrued Liabilities	--	--	436	--	--	--	111	657
Unearned Revenue	--	--	--	--	--	548	51,577	--
Due to Other Funds	--	--	--	--	--	--	--	15,721
<b>Total Liabilities</b>	<b>739</b>	<b>56,611</b>	<b>3,436</b>	<b>725</b>	<b>--</b>	<b>2,208</b>	<b>57,529</b>	<b>17,045</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Unavailable Revenue - Property Taxes	--	--	--	--	--	--	--	--
Taxes Levied for a Subsequent Period	--	--	--	--	--	--	--	--
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>739</b>	<b>56,611</b>	<b>3,436</b>	<b>725</b>	<b>--</b>	<b>2,208</b>	<b>57,529</b>	<b>17,045</b>
<b>FUND BALANCE</b>								
Nonspendable	10,687	--	--	--	--	--	--	--
Restricted	154,242	63,606	18,606	18,273	3,500	1,512	128,764	155
Unassigned	--	--	--	--	--	--	--	--
<b>Total Fund Balance</b>	<b>164,929</b>	<b>63,606</b>	<b>18,606</b>	<b>18,273</b>	<b>3,500</b>	<b>1,512</b>	<b>128,764</b>	<b>155</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<b>\$ 165,668</b>	<b>\$ 120,217</b>	<b>\$ 22,042</b>	<b>\$ 18,998</b>	<b>\$ 3,500</b>	<b>\$ 3,720</b>	<b>\$ 186,293</b>	<b>\$ 17,200</b>

Continued...

**Calhoun County**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**December 31, 2014**

	Special Revenue							
	Community Corrections	Prosecutor	Housing Rehab	Federal and State Grant	Human Services	Child Care	Veterans' Services	Veterans' Trust
<b>ASSETS</b>								
Cash and Cash Equivalents	\$ --	\$ --	\$ 310	\$ --	\$ 6,088	\$ --	\$ 178,954	\$ 3,834
Accounts Receivable	--	160	--	27,328	--	--	--	--
Current Taxes Receivable	--	--	--	--	--	--	343,043	--
Delinquent Taxes Receivable	--	--	--	--	--	--	415	--
Due from Other Governments	37,807	99,394	--	65,203	--	617,888	--	--
Prepaid Items	--	--	--	--	--	152,427	--	--
<b>Total Assets</b>	<b>\$ 37,807</b>	<b>\$ 99,554</b>	<b>\$ 310</b>	<b>\$ 92,531</b>	<b>\$ 6,088</b>	<b>\$ 770,315</b>	<b>\$ 522,412</b>	<b>\$ 3,834</b>
<b>LIABILITIES</b>								
Accounts Payable	\$ 2,820	\$ 1,268	\$ --	\$ 83	\$ 931	\$ 40,923	\$ 4,566	\$ 1,494
Accrued Liabilities	1,842	6,109	--	2,569	--	29,859	860	--
Unearned Revenue	--	--	--	16,468	--	--	--	--
Due to Other Funds	33,145	78,248	--	46,716	--	406,108	--	--
<b>Total Liabilities</b>	<b>37,807</b>	<b>85,625</b>	<b>--</b>	<b>65,836</b>	<b>931</b>	<b>476,890</b>	<b>5,426</b>	<b>1,494</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Unavailable Revenue - Property Taxes	--	--	--	--	--	--	415	--
Taxes Levied for a Subsequent Period	--	--	--	--	--	--	358,440	--
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>37,807</b>	<b>85,625</b>	<b>--</b>	<b>65,836</b>	<b>931</b>	<b>476,890</b>	<b>364,281</b>	<b>1,494</b>
<b>FUND BALANCE</b>								
Nonspendable	--	--	--	--	--	152,427	--	--
Restricted	--	13,929	310	26,695	5,157	140,998	158,131	2,340
Unassigned	--	--	--	--	--	--	--	--
<b>Total Fund Balance</b>	<b>--</b>	<b>13,929</b>	<b>310</b>	<b>26,695</b>	<b>5,157</b>	<b>293,425</b>	<b>158,131</b>	<b>2,340</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<b>\$ 37,807</b>	<b>\$ 99,554</b>	<b>\$ 310</b>	<b>\$ 92,531</b>	<b>\$ 6,088</b>	<b>\$ 770,315</b>	<b>\$ 522,412</b>	<b>\$ 3,834</b>

Continued...

**Calhoun County  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2014**

	Special Revenue		Debt Service				Permanent	Total Nonmajor Governmental Funds
	Board of Public Works	Jail Series III Refunding Bonds	Building Improvements - Honeywell	Justice Center Refunding	Regional Law Enforcement Center	Public Works Debt Service	Cemetery Trust	
<b>ASSETS</b>								
Cash and Cash Equivalents	\$ 123,123	\$ 6,891	\$ --	\$ 1,168	\$ 345,603	\$ --	\$ 37,649	\$ 2,131,445
Accounts Receivable	17,805	--	--	--	--	800	--	231,028
Current Taxes Receivable	--	--	--	--	--	--	--	343,043
Delinquent Taxes Receivable	--	13,144	--	--	--	--	--	13,559
Due from Other Governments	--	--	--	--	--	--	--	2,281,427
Prepaid Items	--	--	--	--	--	--	38	163,152
<b>Total Assets</b>	<b>\$ 140,928</b>	<b>\$ 20,035</b>	<b>\$ --</b>	<b>\$ 1,168</b>	<b>\$ 345,603</b>	<b>\$ 800</b>	<b>\$ 37,687</b>	<b>\$ 5,163,654</b>
<b>LIABILITIES</b>								
Accounts Payable	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 650	\$ --	\$ 447,050
Accrued Liabilities	--	--	--	--	--	--	--	72,067
Unearned Revenue	--	--	--	--	--	--	--	68,782
Due to Other Funds	--	--	--	--	--	32	--	1,410,356
<b>Total Liabilities</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>682</b>	<b>--</b>	<b>1,998,255</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Unavailable Revenue - Property Taxes	--	13,144	--	--	--	--	--	13,559
Taxes Levied for a Subsequent Period	--	--	--	--	--	--	--	358,440
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>--</b>	<b>13,144</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>682</b>	<b>--</b>	<b>2,370,254</b>
<b>FUND BALANCE</b>								
Nonspendable	--	--	--	--	--	--	38	163,152
Restricted	140,928	6,891	--	1,168	345,603	118	37,649	2,630,248
Unassigned	--	--	--	--	--	--	--	--
<b>Total Fund Balance</b>	<b>140,928</b>	<b>6,891</b>	<b>--</b>	<b>1,168</b>	<b>345,603</b>	<b>118</b>	<b>37,687</b>	<b>2,793,400</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<b>\$ 140,928</b>	<b>\$ 20,035</b>	<b>\$ --</b>	<b>\$ 1,168</b>	<b>\$ 345,603</b>	<b>\$ 800</b>	<b>\$ 37,687</b>	<b>\$ 5,163,654</b>

Concluded.

**Calhoun County**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2014**

	<b>Special Revenue</b>							
	<b>Calhoun County Trailway</b>	<b>Friend of the Court</b>	<b>Family Counseling</b>	<b>County Special Projects</b>	<b>Accommodation Tax</b>	<b>Solid Waste Management</b>	<b>Circuit Court Grants</b>	<b>Water Resources Grants</b>
<b>Revenues</b>								
Property Taxes	\$ --	\$ --	\$ --	\$ --	\$ 1,238,187	\$ --	\$ --	\$ --
Contributions	138,829	--	--	--	--	--	204,514	13,919
Licenses and Permits	--	--	14,080	--	--	--	--	--
Intergovernmental	500,000	1,997,326	--	--	--	--	97,692	125,271
Charges for Services	--	56,860	--	--	--	308,279	--	--
Fines and Forfeitures	--	--	--	--	--	--	--	--
Interest and Rents	--	--	--	--	--	--	--	--
Other	--	--	--	--	--	2,212	15,276	--
<b>Total Revenues</b>	<b>638,829</b>	<b>2,054,186</b>	<b>14,080</b>	<b>--</b>	<b>1,238,187</b>	<b>310,491</b>	<b>317,482</b>	<b>139,190</b>
<b>Expenditures</b>								
Judicial	--	3,655,276	4,234	--	--	--	343,820	--
General Government	--	--	--	--	--	--	--	--
Public Safety	--	--	--	--	--	--	--	--
Public Works	--	--	--	--	--	409,729	--	132,361
Health and Welfare	--	--	--	--	--	--	--	--
Community and Economic Development	--	--	--	--	--	--	--	--
Recreation and Culture	698,061	--	--	25,860	1,114,368	--	--	--
Capital Outlay	--	101,660	7,976	--	--	--	--	6,829
Debt Service - Principal	--	--	--	--	--	--	--	--
Debt Service - Interest and Fiscal Charges	--	--	--	--	--	--	--	--
<b>Total Expenditures</b>	<b>698,061</b>	<b>3,756,936</b>	<b>12,210</b>	<b>25,860</b>	<b>1,114,368</b>	<b>409,729</b>	<b>343,820</b>	<b>139,190</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(59,232)</b>	<b>(1,702,750)</b>	<b>1,870</b>	<b>(25,860)</b>	<b>123,819</b>	<b>(99,238)</b>	<b>(26,338)</b>	<b>--</b>
<b>Other Financing Sources (Uses)</b>								
Transfers In	--	1,678,236	--	49,528	--	--	--	--
Transfers Out	--	--	(10,000)	--	(123,819)	(84,579)	--	--
<b>Net Other Financing Sources (Uses)</b>	<b>--</b>	<b>1,678,236</b>	<b>(10,000)</b>	<b>49,528</b>	<b>(123,819)</b>	<b>(84,579)</b>	<b>--</b>	<b>--</b>
<b>Net Change in Fund Balance</b>	<b>(59,232)</b>	<b>(24,514)</b>	<b>(8,130)</b>	<b>23,668</b>	<b>--</b>	<b>(183,817)</b>	<b>(26,338)</b>	<b>--</b>
<i>Fund Balance at Beginning of Period</i>	59,232	385,199	76,360	35,664	--	874,712	208,869	--
<b>Fund Balance at End of Period</b>	<b>\$ --</b>	<b>\$ 360,685</b>	<b>\$ 68,230</b>	<b>\$ 59,332</b>	<b>\$ --</b>	<b>\$ 690,895</b>	<b>\$ 182,531</b>	<b>\$ --</b>

Continued...

**Calhoun County**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2014**

	<b>Special Revenue</b>							
	<b>Parks</b>	<b>Remonumentation</b>	<b>Register of Deeds Automation</b>	<b>Employee Benefits</b>	<b>Clerk</b>	<b>Local Emergency Planning</b>	<b>Sheriff</b>	<b>Emergency Management</b>
<b>Revenues</b>								
Property Taxes	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Contributions	10,000	--	--	--	--	--	--	2,000
Licenses and Permits	--	--	--	--	--	--	--	--
Intergovernmental	--	90,126	--	--	--	1,660	233,578	39,469
Charges for Services	--	34,884	127,860	--	--	--	67,164	--
Fines and Forfeitures	--	--	--	26,000	--	--	55,352	--
Interest and Rents	926	--	28	--	--	--	--	--
Other	3,426	4,334	--	--	--	--	1,118	--
<b>Total Revenues</b>	<b>14,352</b>	<b>129,344</b>	<b>127,888</b>	<b>26,000</b>	<b>--</b>	<b>1,660</b>	<b>357,212</b>	<b>41,469</b>
<b>Expenditures</b>								
Judicial	--	--	--	--	--	--	--	--
General Government	--	136,878	105,872	20,510	--	--	--	--
Public Safety	--	--	--	--	--	1,660	343,457	42,540
Public Works	--	--	--	--	--	--	--	--
Health and Welfare	--	--	--	--	--	--	--	--
Community and Economic Development	--	--	--	--	--	--	--	--
Recreation and Culture	38,711	--	--	--	--	--	--	--
Capital Outlay	--	8,600	--	--	--	--	6,499	--
Debt Service - Principal	--	--	--	--	--	--	--	--
Debt Service - Interest and Fiscal Charges	--	--	--	--	--	--	--	--
<b>Total Expenditures</b>	<b>38,711</b>	<b>145,478</b>	<b>105,872</b>	<b>20,510</b>	<b>--</b>	<b>1,660</b>	<b>349,956</b>	<b>42,540</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(24,359)</b>	<b>(16,134)</b>	<b>22,016</b>	<b>5,490</b>	<b>--</b>	<b>--</b>	<b>7,256</b>	<b>(1,071)</b>
<b>Other Financing Sources (Uses)</b>								
Transfers In	25,000	--	--	--	--	--	1,590	--
Transfers Out	--	--	(20,000)	--	--	--	(49,800)	--
<b>Net Other Financing Sources (Uses)</b>	<b>25,000</b>	<b>--</b>	<b>(20,000)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>(48,210)</b>	<b>--</b>
<b>Net Change in Fund Balance</b>	<b>641</b>	<b>(16,134)</b>	<b>2,016</b>	<b>5,490</b>	<b>--</b>	<b>--</b>	<b>(40,954)</b>	<b>(1,071)</b>
<i>Fund Balance at Beginning of Period</i>	164,288	79,740	16,590	12,783	3,500	1,512	169,718	1,226
<b>Fund Balance at End of Period</b>	<b>\$ 164,929</b>	<b>\$ 63,606</b>	<b>\$ 18,606</b>	<b>\$ 18,273</b>	<b>\$ 3,500</b>	<b>\$ 1,512</b>	<b>\$ 128,764</b>	<b>\$ 155</b>

Continued...

**Calhoun County**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2014**

	<b>Special Revenue</b>							
	<b>Community Corrections</b>	<b>Prosecutor</b>	<b>Housing Rehab</b>	<b>Federal and State Grant</b>	<b>Human Services</b>	<b>Child Care</b>	<b>Veterans' Services</b>	<b>Veterans' Trust</b>
<b>Revenues</b>								
Property Taxes	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 346,830	\$ --
Contributions	--	--	--	--	--	--	--	--
Licenses and Permits	--	--	--	--	--	--	--	--
Intergovernmental	168,420	435,278	86,443	177,211	--	1,795,055	--	18,624
Charges for Services	--	--	--	152,346	1,658	238,054	--	--
Fines and Forfeitures	--	3,388	--	--	--	--	--	--
Interest and Rents	--	--	--	--	--	--	238	--
Other	--	--	--	--	--	--	16,470	--
<b>Total Revenues</b>	<b>168,420</b>	<b>438,666</b>	<b>86,443</b>	<b>329,557</b>	<b>1,658</b>	<b>2,033,109</b>	<b>363,538</b>	<b>18,624</b>
<b>Expenditures</b>								
Judicial	--	--	--	--	--	--	--	--
General Government	--	--	--	--	--	--	--	--
Public Safety	183,683	636,611	--	329,292	--	--	--	--
Public Works	--	--	--	--	--	--	--	--
Health and Welfare	--	--	--	--	128,052	3,775,236	242,652	21,355
Community and Economic Development	--	--	86,588	--	--	--	--	--
Recreation and Culture	--	--	--	--	--	--	--	--
Capital Outlay	--	--	--	--	--	--	8,397	--
Debt Service - Principal	--	--	--	--	--	--	--	--
Debt Service - Interest and Fiscal Charges	--	--	--	--	--	--	--	--
<b>Total Expenditures</b>	<b>183,683</b>	<b>636,611</b>	<b>86,588</b>	<b>329,292</b>	<b>128,052</b>	<b>3,775,236</b>	<b>251,049</b>	<b>21,355</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(15,263)</b>	<b>(197,945)</b>	<b>(145)</b>	<b>265</b>	<b>(126,394)</b>	<b>(1,742,127)</b>	<b>112,489</b>	<b>(2,731)</b>
<b>Other Financing Sources (Uses)</b>								
Transfers In	15,263	186,100	--	16,489	--	1,757,029	--	--
Transfers Out	--	--	--	--	--	--	--	--
<b>Net Other Financing Sources (Uses)</b>	<b>15,263</b>	<b>186,100</b>	<b>--</b>	<b>16,489</b>	<b>--</b>	<b>1,757,029</b>	<b>--</b>	<b>--</b>
<b>Net Change in Fund Balance</b>	<b>--</b>	<b>(11,845)</b>	<b>(145)</b>	<b>16,754</b>	<b>(126,394)</b>	<b>14,902</b>	<b>112,489</b>	<b>(2,731)</b>
<i>Fund Balance at Beginning of Period</i>	--	25,774	455	9,941	131,551	278,523	45,642	5,071
<b>Fund Balance at End of Period</b>	<b>\$ --</b>	<b>\$ 13,929</b>	<b>\$ 310</b>	<b>\$ 26,695</b>	<b>\$ 5,157</b>	<b>\$ 293,425</b>	<b>\$ 158,131</b>	<b>\$ 2,340</b>

Continued...

**Calhoun County**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2014**

	<u>Special Revenue</u>	<u>Debt Service</u>				<u>Permanent</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Board of Public Works</u>	<u>Jail Series III Refunding Bonds</u>	<u>Building Improvements - Honeywell</u>	<u>Justice Center Refunding</u>	<u>Regional Law Enforcement Center</u>	<u>Public Works Debt Service</u>	
<b>Revenues</b>							
Property Taxes	\$ --	\$ 24	\$ --	\$ --	\$ --	\$ --	\$ 1,585,041
Contributions	--	--	--	--	--	897,642	1,266,904
Licenses and Permits	31,075	--	--	--	--	--	45,155
Intergovernmental	5,587	--	--	--	--	--	5,771,740
Charges for Services	--	--	--	--	--	--	987,105
Fines and Forfeitures	--	--	--	--	--	--	84,740
Interest and Rents	378	--	--	--	--	--	1,632
Other	--	--	--	--	--	--	42,836
<b>Total Revenues</b>	<u>37,040</u>	<u>24</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>897,642</u>	<u>9,785,153</u>
<b>Expenditures</b>							
Judicial	--	--	--	--	--	--	4,003,330
General Government	--	--	--	--	--	--	263,260
Public Safety	--	--	--	--	--	--	1,537,243
Public Works	6,988	--	--	--	--	--	549,139
Health and Welfare	--	--	--	--	--	--	4,167,295
Community and Economic Development	--	--	--	--	--	--	86,588
Recreation and Culture	--	--	--	--	--	--	1,877,000
Capital Outlay	--	--	--	--	--	--	139,961
Debt Service - Principal	--	--	345,700	425,000	--	680,000	1,450,700
Debt Service - Interest and Fiscal Charges	--	--	223,934	170,575	44,303	217,642	656,454
<b>Total Expenditures</b>	<u>6,988</u>	<u>--</u>	<u>569,634</u>	<u>595,575</u>	<u>44,303</u>	<u>897,642</u>	<u>14,730,970</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>30,052</u>	<u>24</u>	<u>(569,634)</u>	<u>(595,575)</u>	<u>(44,303)</u>	<u>--</u>	<u>(4,945,817)</u>
<b>Other Financing Sources (Uses)</b>							
Transfers In	--	--	569,634	595,575	389,906	--	5,284,350
Transfers Out	--	--	--	--	--	--	(288,198)
<b>Net Other Financing Sources (Uses)</b>	<u>--</u>	<u>--</u>	<u>569,634</u>	<u>595,575</u>	<u>389,906</u>	<u>--</u>	<u>4,996,152</u>
<b>Net Change in Fund Balance</b>	<u>30,052</u>	<u>24</u>	<u>--</u>	<u>--</u>	<u>345,603</u>	<u>--</u>	<u>50,335</u>
<b>Fund Balance at Beginning of Period</b>	<u>110,876</u>	<u>6,867</u>	<u>--</u>	<u>1,168</u>	<u>--</u>	<u>118</u>	<u>2,743,065</u>
<b>Fund Balance at End of Period</b>	<u>\$ 140,928</u>	<u>\$ 6,891</u>	<u>\$ --</u>	<u>\$ 1,168</u>	<u>\$ 345,603</u>	<u>\$ 118</u>	<u>\$ 2,793,400</u>

Concluded.

**Calhoun County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Calhoun County Trailway**  
**For the Year Ended December 31, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance</b>
	<u>Original</u>	<u>Final</u>		<b>Positive (Negative) Final to Actual</b>
<b>Revenues</b>				
Contributions	\$ --	\$ 215,800	\$ 138,829	\$ (76,971)
Intergovernmental	500,000	500,000	500,000	--
<b>Total Revenues</b>	<u>500,000</u>	<u>715,800</u>	<u>638,829</u>	<u>(76,971)</u>
<b>Other Financing Sources</b>				
<b>Total Revenues and Other Financing Sources</b>	<u>500,000</u>	<u>715,800</u>	<u>638,829</u>	<u>(76,971)</u>
<b>Expenditures</b>				
Health and Welfare	500,000	775,000	698,061	76,939
<b>Total Expenditures</b>	<u>500,000</u>	<u>775,000</u>	<u>698,061</u>	<u>76,939</u>
<b>Other Financing Uses</b>				
<b>Total Expenditures and Other Financing Uses</b>	<u>500,000</u>	<u>775,000</u>	<u>698,061</u>	<u>76,939</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	--	(59,200)	(59,232)	(32)
<b>Net Change in Fund Balance</b>	<u>--</u>	<u>(59,200)</u>	<u>(59,232)</u>	<u>(32)</u>
<b>Fund Balance at Beginning of Period</b>	59,232	59,232	59,232	--
<b>Fund Balance at End of Period</b>	<u>\$ 59,232</u>	<u>\$ 32</u>	<u>\$ --</u>	<u>\$ (32)</u>

**Calhoun County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Friend of the Court**  
**For the Year Ended December 31, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance</b>
	<u>Original</u>	<u>Final</u>		<b>Positive (Negative) Final to Actual</b>
<b>Revenues</b>				
Intergovernmental	\$ 2,348,156	\$ 2,348,156	\$ 1,997,326	\$ (350,830)
Charges for Services	66,500	66,500	56,860	(9,640)
<b>Total Revenues</b>	<u>2,414,656</u>	<u>2,414,656</u>	<u>2,054,186</u>	<u>(360,470)</u>
<b>Other Financing Sources</b>				
Transfers In	1,678,236	1,678,236	1,678,236	--
<b>Total Revenues and Other Financing Sources</b>	<u>4,092,892</u>	<u>4,092,892</u>	<u>3,732,422</u>	<u>(360,470)</u>
<b>Expenditures</b>				
Judicial	4,235,563	4,235,563	3,655,275	580,288
Capital Outlay	--	100,000	101,660	(1,660)
<b>Total Expenditures</b>	<u>4,235,563</u>	<u>4,335,563</u>	<u>3,756,935</u>	<u>578,628</u>
<b>Other Financing Uses</b>				
<b>Total Expenditures and Other Financing Uses</b>	<u>4,235,563</u>	<u>4,335,563</u>	<u>3,756,935</u>	<u>578,628</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<u>(142,671)</u>	<u>(242,671)</u>	<u>(24,513)</u>	<u>218,158</u>
<b>Net Change in Fund Balance</b>	<u>(142,671)</u>	<u>(242,671)</u>	<u>(24,513)</u>	<u>218,158</u>
<b>Fund Balance at Beginning of Period</b>	385,198	385,198	385,198	--
<b>Fund Balance at End of Period</b>	<u>\$ 242,527</u>	<u>\$ 142,527</u>	<u>\$ 360,685</u>	<u>\$ 218,158</u>

**Calhoun County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Family Counseling**  
**For the Year Ended December 31, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance</b>
	<u>Original</u>	<u>Final</u>		<b>Positive (Negative) Final to Actual</b>
<b>Revenues</b>				
Licenses and Permits	\$ 13,500	\$ 13,500	\$ 14,080	\$ 580
<i>Total Revenues</i>	<u>13,500</u>	<u>13,500</u>	<u>14,080</u>	<u>580</u>
<b>Other Financing Sources</b>				
<i>Total Revenues and Other Financing Sources</i>	<u>13,500</u>	<u>13,500</u>	<u>14,080</u>	<u>580</u>
<b>Expenditures</b>				
Judicial	3,500	3,500	4,234	(734)
Capital Outlay	--	9,000	7,976	1,024
<i>Total Expenditures</i>	<u>3,500</u>	<u>12,500</u>	<u>12,210</u>	<u>290</u>
<b>Other Financing Uses</b>				
Transfers Out	10,000	10,000	10,000	--
<i>Total Expenditures and Other Financing Uses</i>	<u>13,500</u>	<u>22,500</u>	<u>22,210</u>	<u>290</u>
<i>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</i>	<u>--</u>	<u>(9,000)</u>	<u>(8,130)</u>	<u>870</u>
<i>Net Change in Fund Balance</i>	<u>--</u>	<u>(9,000)</u>	<u>(8,130)</u>	<u>870</u>
<i>Fund Balance at Beginning of Period</i>	<u>76,360</u>	<u>76,360</u>	<u>76,360</u>	<u>--</u>
<i>Fund Balance at End of Period</i>	<u>\$ 76,360</u>	<u>\$ 67,360</u>	<u>\$ 68,230</u>	<u>\$ 870</u>

**Calhoun County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**County Special Projects**  
**For the Year Ended December 31, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance</b>
	<u>Original</u>	<u>Final</u>		<b>Positive (Negative) Final to Actual</b>
<b>Revenues</b>				
<i>Total Revenues</i>	--	--	--	--
<b>Other Financing Sources</b>				
Transfers In	\$ 44,000	\$ 60,000	\$ 49,528	\$ (10,472)
<i>Total Revenues and Other     Financing Sources</i>	<u>44,000</u>	<u>60,000</u>	<u>49,528</u>	<u>(10,472)</u>
<b>Expenditures</b>				
Recreation and Culture	24,000	40,000	25,860	14,140
<i>Total Expenditures</i>	<u>24,000</u>	<u>40,000</u>	<u>25,860</u>	<u>14,140</u>
<b>Other Financing Uses</b>				
Transfers Out	20,000	20,000	--	20,000
<i>Total Expenditures and Other     Financing Uses</i>	<u>44,000</u>	<u>60,000</u>	<u>25,860</u>	<u>34,140</u>
<i>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</i>	--	--	23,668	23,668
<i>Net Change in Fund Balance</i>	<u>--</u>	<u>--</u>	<u><b>23,668</b></u>	<u><b>23,668</b></u>
<i>Fund Balance at Beginning of Period</i>	35,664	35,664	35,664	--
<i>Fund Balance at End of Period</i>	<u><b>\$ 35,664</b></u>	<u><b>\$ 35,664</b></u>	<u><b>\$ 59,332</b></u>	<u><b>\$ 23,668</b></u>

**Calhoun County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Accommodation Tax**  
**For the Year Ended December 31, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance</b>
	<u>Original</u>	<u>Final</u>		<b>Positive (Negative) Final to Actual</b>
<b>Revenues</b>				
Taxes	\$ 1,100,000	\$ 1,500,000	\$ 1,238,187	\$ (261,813)
<i>Total Revenues</i>	<u>1,100,000</u>	<u>1,500,000</u>	<u>1,238,187</u>	<u>(261,813)</u>
<b>Other Financing Sources</b>				
<i>Total Revenues and Other Financing Sources</i>	<u>1,100,000</u>	<u>1,500,000</u>	<u>1,238,187</u>	<u>(261,813)</u>
<b>Expenditures</b>				
Recreation and Culture	990,000	1,350,000	1,114,368	235,632
<i>Total Expenditures</i>	<u>990,000</u>	<u>1,350,000</u>	<u>1,114,368</u>	<u>235,632</u>
<b>Other Financing Uses</b>				
Transfers Out	110,000	150,000	123,819	26,181
<i>Total Expenditures and Other Financing Uses</i>	<u>1,100,000</u>	<u>1,500,000</u>	<u>1,238,187</u>	<u>261,813</u>
<i>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</i>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<i>Net Change in Fund Balance</i>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<i>Fund Balance at Beginning of Period</i>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<i>Fund Balance at End of Period</i>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

**Calhoun County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Solid Waste Management**  
**For the Year Ended December 31, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance</b>
	<u>Original</u>	<u>Final</u>		<b>Positive (Negative) Final to Actual</b>
<b>Revenues</b>				
Charges for Services	\$ 326,605	\$ 326,605	\$ 308,279	\$ (18,326)
Other	--	--	2,212	2,212
<b>Total Revenues</b>	<u>326,605</u>	<u>326,605</u>	<u>310,491</u>	<u>(16,114)</u>
<b>Other Financing Sources</b>				
<b>Total Revenues and Other Financing Sources</b>	<u>326,605</u>	<u>326,605</u>	<u>310,491</u>	<u>(16,114)</u>
<b>Expenditures</b>				
Public Works	326,605	398,505	409,729	(11,224)
<b>Total Expenditures</b>	<u>326,605</u>	<u>398,505</u>	<u>409,729</u>	<u>(11,224)</u>
<b>Other Financing Uses</b>				
Transfers Out	110,000	110,000	84,579	25,421
<b>Total Expenditures and Other Financing Uses</b>	<u>436,605</u>	<u>508,505</u>	<u>494,308</u>	<u>14,197</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<u>(110,000)</u>	<u>(181,900)</u>	<u>(183,817)</u>	<u>(1,917)</u>
<b>Net Change in Fund Balance</b>	<u>(110,000)</u>	<u>(181,900)</u>	<u>(183,817)</u>	<u>(1,917)</u>
<i>Fund Balance at Beginning of Period</i>	874,712	874,712	874,712	--
<b>Fund Balance at End of Period</b>	<u>\$ 764,712</u>	<u>\$ 692,812</u>	<u>\$ 690,895</u>	<u>\$ (1,917)</u>

**Calhoun County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Circuit Court Grants**  
**For the Year Ended December 31, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance</b>
	<u>Original</u>	<u>Final</u>		<b>Positive (Negative) Final to Actual</b>
<b>Revenues</b>				
Contributions	\$ 255,826	\$ 255,826	\$ 204,514	\$ (51,312)
Intergovernmental	100,000	100,000	97,692	(2,308)
Other	16,550	16,550	15,276	(1,274)
<b>Total Revenues</b>	<u>372,376</u>	<u>372,376</u>	<u>317,482</u>	<u>(54,894)</u>
<b>Other Financing Sources</b>				
<b>Total Revenues and Other Financing Sources</b>	<u>372,376</u>	<u>372,376</u>	<u>317,482</u>	<u>(54,894)</u>
<b>Expenditures</b>				
Judicial	372,376	372,376	343,820	28,556
<b>Total Expenditures</b>	<u>372,376</u>	<u>372,376</u>	<u>343,820</u>	<u>28,556</u>
<b>Other Financing Uses</b>				
<b>Total Expenditures and Other Financing Uses</b>	<u>372,376</u>	<u>372,376</u>	<u>343,820</u>	<u>28,556</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<u>--</u>	<u>--</u>	<u>(26,338)</u>	<u>(26,338)</u>
<b>Net Change in Fund Balance</b>	<u>--</u>	<u>--</u>	<u>(26,338)</u>	<u>(26,338)</u>
<b>Fund Balance at Beginning of Period</b>	208,869	208,869	208,869	--
<b>Fund Balance at End of Period</b>	<u>\$ 208,869</u>	<u>\$ 208,869</u>	<u>\$ 182,531</u>	<u>\$ (26,338)</u>

**Calhoun County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Water Resources Grants**  
**For the Year Ended December 31, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance</b>
	<u>Original</u>	<u>Final</u>		<b>Positive (Negative) Final to Actual</b>
<b>Revenues</b>				
Contributions	\$ --	\$ 35,000	\$ 13,919	\$ (21,081)
Intergovernmental	--	345,000	125,271	(219,729)
<b>Total Revenues</b>	--	380,000	139,190	(240,810)
<b>Other Financing Sources</b>				
<b>Total Revenues and Other Financing Sources</b>	--	380,000	139,190	(240,810)
<b>Expenditures</b>				
Public Works	--	373,171	132,361	240,810
Capital Outlay	--	6,829	6,829	--
<b>Total Expenditures</b>	--	380,000	139,190	240,810
<b>Other Financing Uses</b>				
<b>Total Expenditures and Other Financing Uses</b>	--	380,000	139,190	240,810
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	--	--	--	--
<b>Net Change in Fund Balance</b>	--	--	--	--
<b>Fund Balance at Beginning of Period</b>	--	--	--	--
<b>Fund Balance at End of Period</b>	\$ --	\$ --	\$ --	\$ --

**Calhoun County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Parks**  
**For the Year Ended December 31, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance</b>
	<u>Original</u>	<u>Final</u>		<b>Positive (Negative) Final to Actual</b>
<b>Revenues</b>				
Contributions	\$ --	\$ --	\$ 10,000	\$ 10,000
Interest and Rents	750	750	926	176
Other	16,825	16,825	3,426	(13,399)
<b>Total Revenues</b>	<u>17,575</u>	<u>17,575</u>	<u>14,352</u>	<u>(3,223)</u>
<b>Other Financing Sources</b>				
Transfers In	25,000	25,000	25,000	--
<b>Total Revenues and Other Financing Sources</b>	<u>42,575</u>	<u>42,575</u>	<u>39,352</u>	<u>(3,223)</u>
<b>Expenditures</b>				
Recreation and Culture	78,661	78,871	38,711	40,160
<b>Total Expenditures</b>	<u>78,661</u>	<u>78,871</u>	<u>38,711</u>	<u>40,160</u>
<b>Other Financing Uses</b>				
<b>Total Expenditures and Other Financing Uses</b>	<u>78,661</u>	<u>78,871</u>	<u>38,711</u>	<u>40,160</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<u>(36,086)</u>	<u>(36,296)</u>	<u>641</u>	<u>36,937</u>
<b>Net Change in Fund Balance</b>	<u>(36,086)</u>	<u>(36,296)</u>	<u>641</u>	<u>36,937</u>
<i>Fund Balance at Beginning of Period</i>	164,288	164,288	164,288	--
<b>Fund Balance at End of Period</b>	<u>\$ 128,202</u>	<u>\$ 127,992</u>	<u>\$ 164,929</u>	<u>\$ 36,937</u>

**Calhoun County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Remonumentation**  
**For the Year Ended December 31, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance</b>
	<u>Original</u>	<u>Final</u>		<b>Positive (Negative) Final to Actual</b>
<b>Revenues</b>				
Intergovernmental	\$ 117,114	\$ 117,114	\$ 90,126	\$ (26,988)
Charges for Services	40,000	35,000	34,884	(116)
Other	5,000	5,000	4,334	(666)
<b>Total Revenues</b>	<u>162,114</u>	<u>157,114</u>	<u>129,344</u>	<u>(27,770)</u>
<b>Other Financing Sources</b>				
<b>Total Revenues and Other Financing Sources</b>	<u>162,114</u>	<u>157,114</u>	<u>129,344</u>	<u>(27,770)</u>
<b>Expenditures</b>				
General Government	146,514	141,514	136,878	4,636
Capital Outlay	--	9,000	8,600	400
<b>Total Expenditures</b>	<u>146,514</u>	<u>150,514</u>	<u>145,478</u>	<u>5,036</u>
<b>Other Financing Uses</b>				
<b>Total Expenditures and Other Financing Uses</b>	<u>146,514</u>	<u>150,514</u>	<u>145,478</u>	<u>5,036</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<u>15,600</u>	<u>6,600</u>	<u>(16,134)</u>	<u>(22,734)</u>
<b>Net Change in Fund Balance</b>	<u>15,600</u>	<u>6,600</u>	<u>(16,134)</u>	<u>(22,734)</u>
<b>Fund Balance at Beginning of Period</b>	<u>79,740</u>	<u>79,740</u>	<u>79,740</u>	<u>--</u>
<b>Fund Balance at End of Period</b>	<u>\$ 95,340</u>	<u>\$ 86,340</u>	<u>\$ 63,606</u>	<u>\$ (22,734)</u>

**Calhoun County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Register of Deeds Automation**  
**For the Year Ended December 31, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance</b>
	<u>Original</u>	<u>Final</u>		<b>Positive (Negative) Final to Actual</b>
<b>Revenues</b>				
Charges for Services	\$ 155,000	\$ 155,000	\$ 127,860	\$ (27,140)
Interest and Rents	--	--	28	28
<b>Total Revenues</b>	<u>155,000</u>	<u>155,000</u>	<u>127,888</u>	<u>(27,112)</u>
<b>Other Financing Sources</b>				
<b>Total Revenues and Other Financing Sources</b>	<u>155,000</u>	<u>155,000</u>	<u>127,888</u>	<u>(27,112)</u>
<b>Expenditures</b>				
General Government	169,159	169,159	105,872	63,287
<b>Total Expenditures</b>	<u>169,159</u>	<u>169,159</u>	<u>105,872</u>	<u>63,287</u>
<b>Other Financing Uses</b>				
Transfers Out	20,000	20,000	20,000	--
<b>Total Expenditures and Other Financing Uses</b>	<u>189,159</u>	<u>189,159</u>	<u>125,872</u>	<u>63,287</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<u>(34,159)</u>	<u>(34,159)</u>	<u>2,016</u>	<u>36,175</u>
<b>Net Change in Fund Balance</b>	<u>(34,159)</u>	<u>(34,159)</u>	<u>2,016</u>	<u>36,175</u>
<i>Fund Balance at Beginning of Period</i>	16,590	16,590	16,590	--
<b>Fund Balance at End of Period</b>	<u>\$ (17,569)</u>	<u>\$ (17,569)</u>	<u>\$ 18,606</u>	<u>\$ 36,175</u>

**Calhoun County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Employee Benefits**  
**For the Year Ended December 31, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance</b>
	<u>Original</u>	<u>Final</u>		<b>Positive (Negative) Final to Actual</b>
<b>Revenues</b>				
Fines and Forfeitures	\$ 2,000	\$ 35,000	\$ 26,000	\$ (9,000)
<i>Total Revenues</i>	<u>2,000</u>	<u>35,000</u>	<u>26,000</u>	<u>(9,000)</u>
<b>Other Financing Sources</b>				
<i>Total Revenues and Other Financing Sources</i>	<u>2,000</u>	<u>35,000</u>	<u>26,000</u>	<u>(9,000)</u>
<b>Expenditures</b>				
General Government	2,000	35,000	20,510	14,490
<i>Total Expenditures</i>	<u>2,000</u>	<u>35,000</u>	<u>20,510</u>	<u>14,490</u>
<b>Other Financing Uses</b>				
<i>Total Expenditures and Other Financing Uses</i>	<u>2,000</u>	<u>35,000</u>	<u>20,510</u>	<u>14,490</u>
<i>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</i>	<u>--</u>	<u>--</u>	<u>5,490</u>	<u>5,490</u>
<i>Net Change in Fund Balance</i>	<u>--</u>	<u>--</u>	<u>5,490</u>	<u>5,490</u>
<i>Fund Balance at Beginning of Period</i>	<u>12,783</u>	<u>12,783</u>	<u>12,783</u>	<u>--</u>
<i>Fund Balance at End of Period</i>	<u>\$ 12,783</u>	<u>\$ 12,783</u>	<u>\$ 18,273</u>	<u>\$ 5,490</u>

**Calhoun County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Clerk**  
**For the Year Ended December 31, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative) Final to Actual</u>
<b>Revenues</b>				
Charges for Services	\$ --	\$ --	\$ --	\$ --
<i>Total Revenues</i>	--	--	--	--
<b>Other Financing Sources</b>				
<i>Total Revenues and Other Financing Sources</i>	--	--	--	--
<b>Expenditures</b>				
General Government	--	--	--	--
<i>Total Expenditures</i>	--	--	--	--
<b>Other Financing Uses</b>				
<i>Total Expenditures and Other Financing Uses</i>	--	--	--	--
<i>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</i>	--	--	--	--
<i>Net Change in Fund Balance</i>	--	--	--	--
<i>Fund Balance at Beginning of Period</i>	3,500	3,500	3,500	--
<i>Fund Balance at End of Period</i>	<u>\$ 3,500</u>	<u>\$ 3,500</u>	<u>\$ 3,500</u>	<u>\$ --</u>

**Calhoun County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Local Emergency Planning**  
**For the Year Ended December 31, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance</b>
	<u>Original</u>	<u>Final</u>		<b>Positive (Negative) Final to Actual</b>
<b>Revenues</b>				
Intergovernmental	\$ 1,000	\$ 1,000	\$ 1,660	\$ 660
<i>Total Revenues</i>	<u>1,000</u>	<u>1,000</u>	<u>1,660</u>	<u>660</u>
<b>Other Financing Sources</b>				
<i>Total Revenues and Other Financing Sources</i>	<u>1,000</u>	<u>1,000</u>	<u>1,660</u>	<u>660</u>
<b>Expenditures</b>				
Public Safety	1,000	1,000	1,660	(660)
<i>Total Expenditures</i>	<u>1,000</u>	<u>1,000</u>	<u>1,660</u>	<u>(660)</u>
<b>Other Financing Uses</b>				
<i>Total Expenditures and Other Financing Uses</i>	<u>1,000</u>	<u>1,000</u>	<u>1,660</u>	<u>(660)</u>
<i>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</i>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<i>Net Change in Fund Balance</i>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<i>Fund Balance at Beginning of Period</i>	<u>1,512</u>	<u>1,512</u>	<u>1,512</u>	<u>--</u>
<i>Fund Balance at End of Period</i>	<u><u>\$ 1,512</u></u>	<u><u>\$ 1,512</u></u>	<u><u>\$ 1,512</u></u>	<u><u>\$ --</u></u>

**Calhoun County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Sheriff**  
**For the Year Ended December 31, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance</b>
	<u>Original</u>	<u>Final</u>		<b>Positive (Negative) Final to Actual</b>
<b>Revenues</b>				
Intergovernmental	\$ 231,635	\$ 262,655	\$ 233,578	\$ (29,077)
Charges for Services	67,000	67,000	67,164	164
Fines and Forfeitures	25,000	33,300	55,352	22,052
Other	1,000	1,000	1,118	118
<b>Total Revenues</b>	<u>324,635</u>	<u>363,955</u>	<u>357,212</u>	<u>(6,743)</u>
<b>Other Financing Sources</b>				
Transfers In	18,675	18,675	1,590	(17,085)
<b>Total Revenues and Other Financing Sources</b>	<u>343,310</u>	<u>382,630</u>	<u>358,802</u>	<u>(23,828)</u>
<b>Expenditures</b>				
Public Safety	306,179	402,676	343,457	59,219
Capital Outlay	13,491	16,982	6,499	10,483
<b>Total Expenditures</b>	<u>319,670</u>	<u>419,658</u>	<u>349,956</u>	<u>69,702</u>
<b>Other Financing Uses</b>				
Transfers Out	37,000	49,800	49,800	--
<b>Total Expenditures and Other Financing Uses</b>	<u>356,670</u>	<u>469,458</u>	<u>399,756</u>	<u>69,702</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<u>(13,360)</u>	<u>(86,828)</u>	<u>(40,954)</u>	<u>45,874</u>
<b>Net Change in Fund Balance</b>	<u>(13,360)</u>	<u>(86,828)</u>	<u>(40,954)</u>	<u>45,874</u>
<b>Fund Balance at Beginning of Period</b>	<u>169,718</u>	<u>169,718</u>	<u>169,718</u>	<u>--</u>
<b>Fund Balance at End of Period</b>	<u>\$ 156,358</u>	<u>\$ 82,890</u>	<u>\$ 128,764</u>	<u>\$ 45,874</u>

**Calhoun County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Emergency Management**  
**For the Year Ended December 31, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance</b>
	<u>Original</u>	<u>Final</u>		<b>Positive (Negative) Final to Actual</b>
<b>Revenues</b>				
Contributions	\$ 1,500	\$ 1,500	\$ 2,000	\$ 500
Intergovernmental	48,328	49,835	39,469	(10,366)
<b>Total Revenues</b>	<u>49,828</u>	<u>51,335</u>	<u>41,469</u>	<u>(9,866)</u>
<b>Other Financing Sources</b>				
<b>Total Revenues and Other Financing Sources</b>	<u>49,828</u>	<u>51,335</u>	<u>41,469</u>	<u>(9,866)</u>
<b>Expenditures</b>				
Public Safety	49,828	52,560	42,540	10,020
<b>Total Expenditures</b>	<u>49,828</u>	<u>52,560</u>	<u>42,540</u>	<u>10,020</u>
<b>Other Financing Uses</b>				
<b>Total Expenditures and Other Financing Uses</b>	<u>49,828</u>	<u>52,560</u>	<u>42,540</u>	<u>10,020</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<u>--</u>	<u>(1,225)</u>	<u>(1,071)</u>	<u>154</u>
<b>Net Change in Fund Balance</b>	<u>--</u>	<u>(1,225)</u>	<u>(1,071)</u>	<u>154</u>
<b>Fund Balance at Beginning of Period</b>	1,226	1,226	1,226	--
<b>Fund Balance at End of Period</b>	<u>\$ 1,226</u>	<u>\$ 1</u>	<u>\$ 155</u>	<u>\$ 154</u>

**Calhoun County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Community Corrections**  
**For the Year Ended December 31, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance</b>
	<u>Original</u>	<u>Final</u>		<b>Positive (Negative) Final to Actual</b>
<b>Revenues</b>				
Intergovernmental	\$ 181,234	\$ 181,234	\$ 168,420	\$ (12,814)
<i><b>Total Revenues</b></i>	<u>181,234</u>	<u>181,234</u>	<u>168,420</u>	<u>(12,814)</u>
<b>Other Financing Sources</b>				
Transfers In	21,942	21,262	15,263	(5,999)
<i><b>Total Revenues and Other Financing Sources</b></i>	<u>203,176</u>	<u>202,496</u>	<u>183,683</u>	<u>(18,813)</u>
<b>Expenditures</b>				
Public Safety	203,176	202,496	183,683	18,813
<i><b>Total Expenditures</b></i>	<u>203,176</u>	<u>202,496</u>	<u>183,683</u>	<u>18,813</u>
<b>Other Financing Uses</b>				
<i><b>Total Expenditures and Other Financing Uses</b></i>	<u>203,176</u>	<u>202,496</u>	<u>183,683</u>	<u>18,813</u>
<i><b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b></i>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<i><b>Net Change in Fund Balance</b></i>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<i><b>Fund Balance at Beginning of Period</b></i>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<i><b>Fund Balance at End of Period</b></i>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

**Calhoun County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Prosecutor**  
**For the Year Ended December 31, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance</b>
	<u>Original</u>	<u>Final</u>		<b>Positive (Negative) Final to Actual</b>
<b>Revenues</b>				
Intergovernmental	\$ 439,561	\$ 439,561	\$ 435,278	\$ (4,283)
Fines and Forfeitures	14,000	14,000	3,388	(10,612)
<b>Total Revenues</b>	<u>453,561</u>	<u>453,561</u>	<u>438,666</u>	<u>(14,895)</u>
<b>Other Financing Sources</b>				
Transfers In	240,692	240,692	186,100	(54,592)
<b>Total Revenues and Other Financing Sources</b>	<u>694,253</u>	<u>694,253</u>	<u>624,766</u>	<u>(69,487)</u>
<b>Expenditures</b>				
Judicial	694,253	694,253	636,611	57,642
<b>Total Expenditures</b>	<u>694,253</u>	<u>694,253</u>	<u>636,611</u>	<u>57,642</u>
<b>Other Financing Uses</b>				
<b>Total Expenditures and Other Financing Uses</b>	<u>694,253</u>	<u>694,253</u>	<u>636,611</u>	<u>57,642</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<u>--</u>	<u>--</u>	<u>(11,845)</u>	<u>(11,845)</u>
<b>Net Change in Fund Balance</b>	<u>--</u>	<u>--</u>	<u>(11,845)</u>	<u>(11,845)</u>
<b>Fund Balance at Beginning of Period</b>	<u>25,774</u>	<u>25,774</u>	<u>25,774</u>	<u>--</u>
<b>Fund Balance at End of Period</b>	<u>\$ 25,774</u>	<u>\$ 25,774</u>	<u>\$ 13,929</u>	<u>\$ (11,845)</u>

**Calhoun County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Housing Rehab**  
**For the Year Ended December 31, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance</b>
	<u>Original</u>	<u>Final</u>		<b>Positive (Negative) Final to Actual</b>
<b>Revenues</b>				
Intergovernmental	\$ 148,500	\$ 148,500	\$ 86,443	\$ (62,057)
Other	1,500	4,500	--	(4,500)
<b>Total Revenues</b>	<u>150,000</u>	<u>153,000</u>	<u>86,443</u>	<u>(66,557)</u>
<b>Other Financing Sources</b>				
<b>Total Revenues and Other Financing Sources</b>	<u>150,000</u>	<u>153,000</u>	<u>86,443</u>	<u>(66,557)</u>
<b>Expenditures</b>				
Community and Economic Development	150,000	153,000	86,588	66,412
<b>Total Expenditures</b>	<u>150,000</u>	<u>153,000</u>	<u>86,588</u>	<u>66,412</u>
<b>Other Financing Uses</b>				
<b>Total Expenditures and Other Financing Uses</b>	<u>150,000</u>	<u>153,000</u>	<u>86,588</u>	<u>66,412</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	--	--	(145)	(145)
<b>Net Change in Fund Balance</b>	<u>--</u>	<u>--</u>	<u>(145)</u>	<u>(145)</u>
<b>Fund Balance at Beginning of Period</b>	455	455	455	--
<b>Fund Balance at End of Period</b>	<u>\$ 455</u>	<u>\$ 455</u>	<u>\$ 310</u>	<u>\$ (145)</u>

**Calhoun County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Federal and State Grant**  
**For the Year Ended December 31, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance</b>
	<u>Original</u>	<u>Final</u>		<b>Positive (Negative) Final to Actual</b>
<b>Revenues</b>				
Intergovernmental	\$ 147,658	\$ 147,658	\$ 177,211	\$ 29,553
Charges for Services	215,884	215,884	152,346	(63,538)
<b>Total Revenues</b>	<u>363,542</u>	<u>363,542</u>	<u>329,557</u>	<u>(33,985)</u>
<b>Other Financing Sources</b>				
Transfers In	--	--	16,489	16,489
<b>Total Revenues and Other Financing Sources</b>	<u>363,542</u>	<u>363,542</u>	<u>346,046</u>	<u>(17,496)</u>
<b>Expenditures</b>				
Public Safety	363,542	363,542	329,292	34,250
<b>Total Expenditures</b>	<u>363,542</u>	<u>363,542</u>	<u>329,292</u>	<u>34,250</u>
<b>Other Financing Uses</b>				
<b>Total Expenditures and Other Financing Uses</b>	<u>363,542</u>	<u>363,542</u>	<u>329,292</u>	<u>34,250</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<u>--</u>	<u>--</u>	<u>16,754</u>	<u>16,754</u>
<b>Net Change in Fund Balance</b>	<u>--</u>	<u>--</u>	<u><b>16,754</b></u>	<u><b>16,754</b></u>
<b>Fund Balance at Beginning of Period</b>	9,941	9,941	9,941	--
<b>Fund Balance at End of Period</b>	<u><b>\$ 9,941</b></u>	<u><b>\$ 9,941</b></u>	<u><b>\$ 26,695</b></u>	<u><b>\$ 16,754</b></u>

**Calhoun County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Human Services**  
**For the Year Ended December 31, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance</b>
	<u>Original</u>	<u>Final</u>		<b>Positive (Negative) Final to Actual</b>
<b>Revenues</b>				
Intergovernmental	\$ 100,000	\$ 100,000	\$ --	\$ (100,000)
Charges for Services	50,000	50,000	1,658	(48,342)
<b>Total Revenues</b>	<u>150,000</u>	<u>150,000</u>	<u>1,658</u>	<u>(148,342)</u>
<b>Other Financing Sources</b>				
<b>Total Revenues and Other Financing Sources</b>	<u>150,000</u>	<u>150,000</u>	<u>1,658</u>	<u>(148,342)</u>
<b>Expenditures</b>				
Health and Welfare	150,000	150,000	128,052	21,948
<b>Total Expenditures</b>	<u>150,000</u>	<u>150,000</u>	<u>128,052</u>	<u>21,948</u>
<b>Other Financing Uses</b>				
<b>Total Expenditures and Other Financing Uses</b>	<u>150,000</u>	<u>150,000</u>	<u>128,052</u>	<u>21,948</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<u>--</u>	<u>--</u>	<u>(126,394)</u>	<u>(126,394)</u>
<b>Net Change in Fund Balance</b>	<u>--</u>	<u>--</u>	<u>(126,394)</u>	<u>(126,394)</u>
<b>Fund Balance at Beginning of Period</b>	131,551	131,551	131,551	--
<b>Fund Balance at End of Period</b>	<u>\$ 131,551</u>	<u>\$ 131,551</u>	<u>\$ 5,157</u>	<u>\$ (126,394)</u>

**Calhoun County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Child Care**  
**For the Year Ended December 31, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance</b>
	<u>Original</u>	<u>Final</u>		<b>Positive (Negative) Final to Actual</b>
<b>Revenues</b>				
Intergovernmental	\$ 2,070,808	\$ 2,070,808	\$ 1,795,055	\$ (275,753)
Charges for Services	100,000	100,000	238,054	138,054
Other	20,000	20,000	--	(20,000)
<b>Total Revenues</b>	<u>2,190,808</u>	<u>2,190,808</u>	<u>2,033,109</u>	<u>(157,699)</u>
<b>Other Financing Sources</b>				
Transfers In	1,950,341	1,950,341	1,757,029	(193,312)
<b>Total Revenues and Other Financing Sources</b>	<u>4,141,149</u>	<u>4,141,149</u>	<u>3,790,138</u>	<u>(351,011)</u>
<b>Expenditures</b>				
Health and Welfare	4,228,331	4,228,331	3,775,236	453,095
<b>Total Expenditures</b>	<u>4,228,331</u>	<u>4,228,331</u>	<u>3,775,236</u>	<u>453,095</u>
<b>Other Financing Uses</b>				
<b>Total Expenditures and Other Financing Uses</b>	<u>4,228,331</u>	<u>4,228,331</u>	<u>3,775,236</u>	<u>453,095</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<u>(87,182)</u>	<u>(87,182)</u>	<u>14,902</u>	<u>102,084</u>
<b>Net Change in Fund Balance</b>	<u>(87,182)</u>	<u>(87,182)</u>	<u>14,902</u>	<u>102,084</u>
<b>Fund Balance at Beginning of Period</b>	<u>278,523</u>	<u>278,523</u>	<u>278,523</u>	<u>--</u>
<b>Fund Balance at End of Period</b>	<u>\$ 191,341</u>	<u>\$ 191,341</u>	<u>\$ 293,425</u>	<u>\$ 102,084</u>

**Calhoun County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Veterans' Services**  
**For the Year Ended December 31, 2014**

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative) Final to Actual
<b>Revenues</b>				
Taxes	\$ 354,357	\$ 354,357	\$ 346,830	\$ (7,527)
Interest and Rents	--	--	238	238
Other	--	--	16,470	16,470
<b>Total Revenues</b>	<u>354,357</u>	<u>354,357</u>	<u>363,538</u>	<u>9,181</u>
<b>Other Financing Sources</b>				
<b>Total Revenues and Other Financing Sources</b>	<u>354,357</u>	<u>354,357</u>	<u>363,538</u>	<u>9,181</u>
<b>Expenditures</b>				
Health and Welfare	375,357	375,357	242,652	132,705
Capital Outlay	25,000	25,000	8,397	16,603
<b>Total Expenditures</b>	<u>400,357</u>	<u>400,357</u>	<u>251,049</u>	<u>149,308</u>
<b>Other Financing Uses</b>				
<b>Total Expenditures and Other Financing Uses</b>	<u>400,357</u>	<u>400,357</u>	<u>251,049</u>	<u>149,308</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<u>(46,000)</u>	<u>(46,000)</u>	<u>112,489</u>	<u>158,489</u>
<b>Net Change in Fund Balance</b>	<u>(46,000)</u>	<u>(46,000)</u>	<u>112,489</u>	<u>158,489</u>
<b>Fund Balance at Beginning of Period</b>	45,642	45,642	45,642	--
<b>Fund Balance at End of Period</b>	<u>\$ (358)</u>	<u>\$ (358)</u>	<u>\$ 158,131</u>	<u>\$ 158,489</u>

**Calhoun County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Veterans' Trust**  
**For the Year Ended December 31, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance</b>
	<u>Original</u>	<u>Final</u>		<b>Positive (Negative)</b>
				<u>Final to Actual</u>
<b>Revenues</b>				
Intergovernmental	\$ 27,800	\$ 27,800	\$ 18,624	\$ (9,176)
<i>Total Revenues</i>	<u>27,800</u>	<u>27,800</u>	<u>18,624</u>	<u>(9,176)</u>
<b>Other Financing Sources</b>				
<i>Total Revenues and Other Financing Sources</i>	<u>27,800</u>	<u>27,800</u>	<u>18,624</u>	<u>(9,176)</u>
<b>Expenditures</b>				
Health and Welfare	27,800	27,800	21,355	6,445
<i>Total Expenditures</i>	<u>27,800</u>	<u>27,800</u>	<u>21,355</u>	<u>6,445</u>
<b>Other Financing Uses</b>				
<i>Total Expenditures and Other Financing Uses</i>	<u>27,800</u>	<u>27,800</u>	<u>21,355</u>	<u>6,445</u>
<i>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</i>	<u>--</u>	<u>--</u>	<u>(2,731)</u>	<u>(2,731)</u>
<i>Net Change in Fund Balance</i>	<u>--</u>	<u>--</u>	<u>(2,731)</u>	<u>(2,731)</u>
<i>Fund Balance at Beginning of Period</i>	5,071	5,071	5,071	--
<i>Fund Balance at End of Period</i>	<u>\$ 5,071</u>	<u>\$ 5,071</u>	<u>\$ 2,340</u>	<u>\$ (2,731)</u>

**Calhoun County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Board of Public Works**  
**For the Year Ended December 31, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance</b>
	<u>Original</u>	<u>Final</u>		<b>Positive (Negative) Final to Actual</b>
<b>Revenues</b>				
Licenses and Permits	\$ --	\$ --	\$ 31,075	\$ 31,075
Intergovernmental	--	--	5,587	5,587
Interest and Rents	--	--	378	378
<b>Total Revenues</b>	<u>--</u>	<u>--</u>	<u>37,040</u>	<u>37,040</u>
<b>Other Financing Sources</b>				
<b>Total Revenues and Other Financing Sources</b>	<u>--</u>	<u>--</u>	<u>37,040</u>	<u>37,040</u>
<b>Expenditures</b>				
Public Works	--	--	6,988	(6,988)
<b>Total Expenditures</b>	<u>--</u>	<u>--</u>	<u>6,988</u>	<u>(6,988)</u>
<b>Other Financing Uses</b>				
<b>Total Expenditures and Other Financing Uses</b>	<u>--</u>	<u>--</u>	<u>6,988</u>	<u>(6,988)</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<u>--</u>	<u>--</u>	<u>30,052</u>	<u>30,052</u>
<b>Net Change in Fund Balance</b>	<u>--</u>	<u>--</u>	<u>30,052</u>	<u>30,052</u>
<b>Fund Balance at Beginning of Period</b>	110,876	110,876	110,876	--
<b>Fund Balance at End of Period</b>	<u>\$ 110,876</u>	<u>\$ 110,876</u>	<u>\$ 140,928</u>	<u>\$ 30,052</u>

## Calhoun County

### Description of Nonmajor Enterprise Funds

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#### **ENTERPRISE 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

**Calhoun County**  
**Combining Statement of Net Position**  
**Nonmajor Enterprise Funds**  
**December 31, 2014**

	<u>Enterprise</u>		<u>Total Enterprise Funds</u>
	<u>Property Description</u>	<u>Sheriff Inmate Concession</u>	
<b>ASSETS</b>			
<i>Current Assets</i>			
Cash and Cash Equivalents	\$ 5,914	\$ 130,967	\$ 136,881
<b>Total Current Assets</b>	<b>5,914</b>	<b>130,967</b>	<b>136,881</b>
<i>Noncurrent Assets</i>			
<b>Total Assets</b>	<b>5,914</b>	<b>130,967</b>	<b>136,881</b>
<b>LIABILITIES</b>			
<i>Current Liabilities</i>			
Accounts Payable	--	9,326	9,326
<b>Total Current Liabilities</b>	<b>--</b>	<b>9,326</b>	<b>9,326</b>
<i>Noncurrent Liabilities</i>			
<b>Total Liabilities</b>	<b>--</b>	<b>9,326</b>	<b>9,326</b>
<b>NET POSITION</b>			
<i>Unrestricted</i>	5,914	121,641	127,555
<b>Total Net Position</b>	<b>\$ 5,914</b>	<b>\$ 121,641</b>	<b>\$ 127,555</b>

**Calhoun County**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**Nonmajor Enterprise Funds**  
**For the Year Ended December 31, 2014**

	<u>Enterprise</u>		<u>Total Enterprise Funds</u>
	<u>Property Description</u>	<u>Sheriff Inmate Concession</u>	
<b>Operating Revenues</b>			
Charges for Services	\$ --	\$ 373,819	\$ 373,819
<b><i>Total Operating Revenues</i></b>	<u>--</u>	<u>373,819</u>	<u>373,819</u>
<b>Operating Expenses</b>			
Other	--	212,903	212,903
<b><i>Total Operating Expenses</i></b>	<u>--</u>	<u>212,903</u>	<u>212,903</u>
<b><i>Operating Income (Loss)</i></b>	<u>--</u>	<u>160,916</u>	<u>160,916</u>
<b>Non-Operating Revenues (Expenses)</b>			
<b><i>(Expenses)</i></b>	<u>--</u>	<u>--</u>	<u>--</u>
<b>Transfers</b>			
Transfers In	--	160,916	160,916
Transfers Out	--	(300,000)	(300,000)
<b><i>Change In Net Position</i></b>	<u>--</u>	<u>(139,084)</u>	<u>(139,084)</u>
<i>Net Position at Beginning of Period</i>	5,914	260,725	266,639
<b><i>Net Position at End of Period</i></b>	<u>\$ 5,914</u>	<u>\$ 121,641</u>	<u>\$ 127,555</u>

**Calhoun County**  
**Combining Statement of Cash Flows**  
**Nonmajor Enterprise Funds**  
**December 31, 2014**

	<u>Enterprise</u>		<u>Total Enterprise Funds</u>
	<u>Property Description</u>	<u>Sheriff Inmate Concession</u>	
<b>Cash flows from operating activities</b>			
Cash received from customers	\$ -	\$ 424,338	\$ 424,338
Cash received from interfund services	-	-	-
Cash payments to suppliers	-	(216,287)	(216,287)
Cash payments to employees	-	-	-
<b>Total cash provided by operating activities</b>	<u>-</u>	<u>208,051</u>	<u>208,051</u>
<b>Cash flows from noncapital financing activities</b>			
Transfers in/out	-	(300,000)	(300,000)
<b>Total cash flows from noncapital financing activities</b>	<u>-</u>	<u>(300,000)</u>	<u>(300,000)</u>
<i>Net increase in cash and cash equivalents</i>	-	(91,949)	(91,949)
<i>Cash and cash equivalents - beginning of the year</i>	5,914	222,916	228,830
<b><i>Cash and cash equivalents - end of the year</i></b>	<u>\$ 5,914</u>	<u>\$ 130,967</u>	<u>\$ 136,881</u>
<b>Cash flows from operating activities</b>			
Operating income	\$ -	\$ 160,916	\$ 160,916
Adjustments to reconcile operating income to net cash provided by (used in) operations:			
Changes in assets and liabilities:			
Accounts Receivable	-	50,519	50,519
Accounts Payable	-	(3,384)	(3,384)
<b><i>Net cash provided by operating activities</i></b>	<u>\$ -</u>	<u>\$ 208,051</u>	<u>\$ 208,051</u>

## Calhoun County

### Description of Internal Service Funds

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#### INTERNAL SERVICE FUNDS

***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.

**Calhoun County**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**December 31, 2014**

	<b>Internal Service</b>						
	<b>Building &amp; Grounds</b>	<b>Administrative Services</b>	<b>Insurance</b>	<b>Employee Benefits</b>	<b>Sick &amp; Accident</b>	<b>Workers Compensation</b>	<b>Total Internal Service Funds</b>
<b>ASSETS</b>							
<i>Current Assets</i>							
Cash and Cash Equivalents	\$ 664,850	\$ 188,357	\$ 768,506	\$ 41,361	\$ 2,390	\$ 876,312	\$ 2,541,776
Accounts Receivable	962	22,693	16,803	482,840	--	--	523,298
Due from Other Governments	--	--	12,562	--	--	--	12,562
Prepaid Items	--	14,270	35,360	631,446	--	--	681,076
Inventory	--	5,192	--	--	--	--	5,192
<b>Total Current Assets</b>	<b>665,812</b>	<b>230,512</b>	<b>833,231</b>	<b>1,155,647</b>	<b>2,390</b>	<b>876,312</b>	<b>3,763,904</b>
<i>Noncurrent Assets</i>							
Capital Assets Being Depreciated	1,443,377	6,199	--	--	--	--	1,449,576
<b>Total Assets</b>	<b>2,109,189</b>	<b>236,711</b>	<b>833,231</b>	<b>1,155,647</b>	<b>2,390</b>	<b>876,312</b>	<b>5,213,480</b>
<b>LIABILITIES</b>							
<i>Current Liabilities</i>							
Accounts Payable	122,730	35,345	--	140,617	2,390	--	301,082
Claims Payable	--	--	673,021	395,774	--	114,064	1,182,859
Accrued Liabilities	6,364	4,585	--	--	--	--	10,949
Unearned Revenue	100	--	--	--	--	--	100
Due to Other Funds	70,095	--	--	--	--	--	70,095
<b>Total Current Liabilities</b>	<b>199,289</b>	<b>39,930</b>	<b>673,021</b>	<b>536,391</b>	<b>2,390</b>	<b>114,064</b>	<b>1,565,085</b>
<i>Noncurrent Liabilities</i>							
<b>Total Liabilities</b>	<b>199,289</b>	<b>39,930</b>	<b>673,021</b>	<b>536,391</b>	<b>2,390</b>	<b>114,064</b>	<b>1,565,085</b>
<b>NET POSITION</b>							
Net Investment in Capital Assets	1,443,377	6,199	--	--	--	--	1,449,576
<i>Unrestricted</i>	466,523	190,582	160,210	619,256	--	762,248	2,198,819
<b>Total Net Position</b>	<b>\$ 1,909,900</b>	<b>\$ 196,781</b>	<b>\$ 160,210</b>	<b>\$ 619,256</b>	<b>\$ --</b>	<b>\$ 762,248</b>	<b>\$ 3,648,395</b>

**Calhoun County**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**Internal Service Funds**  
**For the Year Ended December 31, 2014**

	Internal Service						
	Building & Grounds	Administrative Services	Insurance	Employee Benefits	Sick & Accident	Workers Compensation	Total Internal Service Funds
<b>Operating Revenues</b>							
Charges for Services	\$ 988,502	\$ 1,093,977	\$ 449,708	\$ 6,802,596	\$ --	\$ 430,051	\$ 9,764,834
Other	22,058	--	--	--	--	--	22,058
<b>Total Operating Revenues</b>	<u>1,010,560</u>	<u>1,093,977</u>	<u>449,708</u>	<u>6,802,596</u>	<u>--</u>	<u>430,051</u>	<u>9,786,892</u>
<b>Operating Expenses</b>							
Administration	--	--	--	591,308	7,729	--	599,037
Cost of Services	1,937,112	994,214	1,468,825	7,150,546	--	101,185	11,651,882
Depreciation	178,785	17,138	--	--	--	--	195,923
<b>Total Operating Expenses</b>	<u>2,115,897</u>	<u>1,011,352</u>	<u>1,468,825</u>	<u>7,741,854</u>	<u>7,729</u>	<u>101,185</u>	<u>12,446,842</u>
<b>Operating Income (Loss)</b>	<u>(1,105,337)</u>	<u>82,625</u>	<u>(1,019,117)</u>	<u>(939,258)</u>	<u>(7,729)</u>	<u>328,866</u>	<u>(2,659,950)</u>
<b>Non-Operating Revenues (Expenses)</b>							
Interest Income	--	--	8,106	--	--	--	8,106
<b>Net Non-Operating Revenues (Expenses)</b>	<u>--</u>	<u>--</u>	<u>8,106</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>8,106</u>
<b>Transfers</b>	<u>(1,105,337)</u>	<u>82,625</u>	<u>(1,011,011)</u>	<u>(939,258)</u>	<u>(7,729)</u>	<u>328,866</u>	<u>(2,651,844)</u>
Transfers In	1,404,267	--	727,000	--	--	--	2,131,267
Transfers Out	(325,000)	--	--	--	--	--	(325,000)
<b>Change In Net Position</b>	<u><b>(26,070)</b></u>	<u><b>82,625</b></u>	<u><b>(284,011)</b></u>	<u><b>(939,258)</b></u>	<u><b>(7,729)</b></u>	<u><b>328,866</b></u>	<u><b>(845,577)</b></u>
<i>Net Position at Beginning of Period</i>	1,935,970	114,156	444,221	1,558,514	7,729	433,382	4,493,972
<b>Net Position at End of Period</b>	<u><b>\$ 1,909,900</b></u>	<u><b>\$ 196,781</b></u>	<u><b>\$ 160,210</b></u>	<u><b>\$ 619,256</b></u>	<u><b>\$ --</b></u>	<u><b>\$ 762,248</b></u>	<u><b>\$ 3,648,395</b></u>

**Calhoun County**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**December 31, 2014**

	<u>Internal Service</u>						
	<u>Building &amp; Grounds</u>	<u>Administrative Services</u>	<u>Insurance</u>	<u>Employee Benefits</u>	<u>Sick &amp; Accident</u>	<u>Workers Compensation</u>	<u>Total Internal Service Funds</u>
<b>Cash flows from operating activities</b>							
Cash received from interfund services	\$ 1,037,141	\$ 1,088,219	\$ 474,537	\$ 6,463,997	\$ -	\$ 430,051	\$ 9,493,945
Cash payments to suppliers	(1,674,099)	(679,854)	(1,317,914)	(7,180,485)	(5,339)	(138,866)	(10,996,557)
Cash payments to employees	(335,654)	(331,886)	-	-	-	-	(667,540)
<b>Total cash provided by operating activities</b>	<u>(972,612)</u>	<u>76,479</u>	<u>(843,377)</u>	<u>(716,488)</u>	<u>(5,339)</u>	<u>291,185</u>	<u>(2,170,152)</u>
<b>Cash flows from noncapital financing activities</b>							
Transfers in/out	<u>1,079,267</u>	<u>-</u>	<u>727,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,806,267</u>
<b>Total cash flows from noncapital financing activities</b>	<u>1,079,267</u>	<u>-</u>	<u>727,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,806,267</u>
<b>Cash flows from investing activities</b>							
Interest received	<u>-</u>	<u>-</u>	<u>8,106</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,106</u>
<b>Total cash flows from investing activities</b>	<u>-</u>	<u>-</u>	<u>8,106</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,106</u>
<b>Net increase in cash and cash equivalents</b>	106,655	76,479	(108,271)	(716,488)	(5,339)	291,185	(355,779)
<i>Cash and cash equivalents - beginning of the year</i>	558,195	111,878	876,777	757,849	7,729	585,127	2,897,555
<b><i>Cash and cash equivalents - end of the year</i></b>	<u>\$ 664,850</u>	<u>\$ 188,357</u>	<u>\$ 768,506</u>	<u>\$ 41,361</u>	<u>\$ 2,390</u>	<u>\$ 876,312</u>	<u>\$ 2,541,776</u>

**Calhoun County**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**December 31, 2014**

	<u>Internal Service</u>						<u>Total Internal Service Funds</u>
	<u>Building &amp; Grounds</u>	<u>Administrative Services</u>	<u>Insurance</u>	<u>Employee Benefits</u>	<u>Sick &amp; Accident</u>	<u>Workers Compensation</u>	
<b>Cash flows from operating activities</b>							
Operating income	\$ (1,105,337)	\$ 82,625	\$ (1,019,117)	\$ (939,258)	\$ (7,729)	\$ 328,866	\$ (2,659,950)
Adjustments to reconcile operating income to net cash provided by (used in) operations:							
Depreciation	178,785	17,138	-	-	-	-	195,923
Changes in assets and liabilities:							
Accounts Receivable	8,467	(5,758)	37,391	(338,599)	-	-	(298,499)
Prepays	-	8,754	168,429	143,226	-	-	320,409
Inventory	-	278	-	-	-	-	278
Due from Other Governments	18,114	-	(12,562)	-	-	-	5,552
Accounts Payable	(34,177)	(21,924)	(17,518)	418,143	2,390	(37,681)	309,233
Accrued Liabilities	(5,900)	(4,634)	-	-	-	-	(10,534)
Advance from Other Funds	(32,564)	-	-	-	-	-	(32,564)
<b><i>Net cash provided by operating activities</i></b>	<u>\$ (972,612)</u>	<u>\$ 76,479</u>	<u>\$ (843,377)</u>	<u>\$ (716,488)</u>	<u>\$ (5,339)</u>	<u>\$ 291,185</u>	<u>\$ (2,170,152)</u>

**Calhoun County**  
Description of Fiduciary Funds

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**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.

**Calhoun County**  
**Statement of Fiduciary Net Position**  
**Agency Funds**  
**December 31, 2014**

	<u>Inmate Trust</u>	<u>Trust &amp; Agency</u>	<u>Penal Fines</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 149,647	\$ 1,777,584	\$ 217,779
Accounts Receivable	--	105,919	--
<i><b>Total Assets</b></i>	<u>149,647</u>	<u>1,883,503</u>	<u>217,779</u>
<b>LIABILITIES</b>			
Accounts Payable	--	647,619	--
Due to Individuals and Agencies	149,647	603,437	--
Due to Other Governments	--	632,447	217,779
<i><b>Total Liabilities</b></i>	<u>149,647</u>	<u>1,883,503</u>	<u>217,779</u>
<b>NET POSITION</b>			
Held in Trust	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

**Calhoun County**  
**Combined Statement of Changes in Fiduciary Net Position**  
**Agency Funds**  
**For the Year Ended December 31, 2014**

	Trust & Agency			
	December 31, 2013	Additions	Deductions	December 31, 2014
<b>ASSETS</b>				
Cash	\$ 1,703,703	\$ 49,480,705	\$ 49,406,824	\$ 1,777,584
Accounts Receivable	237,087	1,431,218	1,562,386	105,919
<i>Total Assets</i>	<u>1,940,790</u>	<u>50,911,923</u>	<u>50,969,210</u>	<u>1,883,503</u>
<b>LIABILITIES</b>				
Accounts Payable	690,283	36,187,401	36,230,065	647,619
Due to Individuals and Agencies	564,740	8,832,319	8,793,622	603,437
Due to Other Governments	685,767	39,268,782	39,322,102	632,447
<i>Total Liabilities</i>	<u>\$ 1,940,790</u>	<u>\$ 84,288,502</u>	<u>\$ 84,345,789</u>	<u>\$ 1,883,503</u>

	Penal Fines			
	December 31, 2013	Additions	Deductions	December 31, 2014
<b>ASSETS</b>				
Cash	\$ 217,106	\$ 411,879	\$ 411,206	\$ 217,779
Accounts receivable	-	-	-	-
<i>Total Assets</i>	<u>217,106</u>	<u>411,879</u>	<u>411,206</u>	<u>217,779</u>
<b>LIABILITIES</b>				
Accounts Payable	-	404,706	404,706	-
Due to Other Governments	217,106	428,275	427,602	217,779
<i>Total Liabilities</i>	<u>\$ 217,106</u>	<u>\$ 832,981</u>	<u>\$ 832,308</u>	<u>\$ 217,779</u>

	Inmate Trust			
	December 31, 2013	Additions	Deductions	December 31, 2014
<b>ASSETS</b>				
Cash	\$ 141,879	\$ 33,825	\$ 26,057	\$ 149,647
Accounts Receivable	-	-	-	-
Prepaid	-	-	-	-
<i>Total Assets</i>	<u>141,879</u>	<u>33,825</u>	<u>26,057</u>	<u>149,647</u>
<b>LIABILITIES</b>				
Due to Individuals and Agencies	141,879	2,391,052	2,383,284	149,647
Advances from Other Funds	-	-	-	-
<i>Total Liabilities</i>	<u>\$ 141,879</u>	<u>\$ 2,391,052</u>	<u>\$ 2,383,284</u>	<u>\$ 149,647</u>

	Total Agency Funds			
	December 31, 2013	Additions	Deductions	December 31, 2014
<b>ASSETS</b>				
Cash	\$ 2,062,688	\$ 49,926,409	\$ 49,844,087	\$ 2,145,010
Accounts Receivable	237,087	1,431,218	1,562,386	105,919
Prepays	-	-	-	-
<i>Total Assets</i>	<u>2,299,775</u>	<u>51,357,627</u>	<u>51,406,473</u>	<u>2,250,929</u>
<b>LIABILITIES</b>				
Accounts Payable	690,283	36,592,107	36,634,771	647,619
Due to Individuals and Agencies	706,619	11,223,371	11,176,906	753,084
Due to Other Governments	902,873	39,697,057	39,749,704	850,226
<i>Total Liabilities</i>	<u>\$ 2,299,775</u>	<u>\$ 87,512,535</u>	<u>\$ 87,561,381</u>	<u>\$ 2,250,929</u>

## Calhoun County

### Description of Water Resources Component Unit Funds

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#### WATER RESOURCES COMPONENT UNIT FUNDS

***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.

**Water Resources Commission - Calhoun County**  
**Statement of Net Position**  
**December 31, 2014**

**ASSETS**

*Current Assets*

Cash and cash equivalents	\$ 700,456
Special assessments	3,425,427
Due from other units of government	120,718
<b>Total Current Assets</b>	<b>4,246,601</b>

*Noncurrent Assets*

Capital assets, net	10,054,610
<b>Total Assets</b>	<b>14,301,211</b>

**LIABILITIES**

*Current Liabilities*

Accounts payable	250,128
Accrued liabilities	78,684
Advance from primary government	224,519
Current portion of long-term debt	1,961,978
<b>Total Current Liabilities</b>	<b>2,515,309</b>

*Noncurrent Liabilities*

Long-term debt	2,911,631
<b>Total Liabilities</b>	<b>5,426,940</b>

**NET POSITION**

Net investment in capital assets	5,181,001
Unrestricted	3,693,270
<b>Total Net Position</b>	<b>\$ 8,874,271</b>

**Water Resources Commission - Calhoun County**  
**Statement of Activities**  
**For the Year Ended December 31, 2014**

<b>Expenses</b>	
Public works	\$ 529,134
Interest and fiscal charges	156,045
<b><i>Total Expenses</i></b>	<b><u>685,179</u></b>
<b>Program Revenues</b>	
Charges for services	--
Operating grants and contributions	18,606
Capital grants and contributions	1,711,343
<b><i>Total Program Revenues</i></b>	<b><u>1,729,949</u></b>
<b><i>Net Program Revenues (Expenses)</i></b>	<b><u>1,044,770</u></b>
<b>General Revenue</b>	
<b><i>Total General Revenues</i></b>	<b><u>--</u></b>
<b><i>Change in Net Position</i></b>	<b><u>1,044,770</u></b>
<i>Net Position at Beginning of Period</i>	7,829,501
<b><i>Net Position at End of Period</i></b>	<b><u>\$ 8,874,271</u></b>

**Water Resources Commission - Calhoun County**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2014**

	<u>Capital Projects</u>				<b>Total Governmental Funds</b>
	<u>County Drain</u>	<u>Drain Revolving</u>	<u>Lake Level</u>	<u>Lake Level Revolving</u>	
<b>ASSETS</b>					
Cash and cash equivalents	\$ 553,286	\$ 92,835	\$ 43,735	\$ 10,600	\$ 700,456
Special assessments	3,355,935	--	69,492	--	3,425,427
Due from other units of government	120,718	--	--	--	120,718
Current due from other funds	--	107,165	--	--	107,165
<i>Total Assets</i>	<b><u>\$ 4,029,939</u></b>	<b><u>\$ 200,000</u></b>	<b><u>\$ 113,227</u></b>	<b><u>\$ 10,600</u></b>	<b><u>\$ 4,353,766</u></b>
<b>LIABILITIES</b>					
Accounts payable	\$ 249,886	\$ --	\$ 242	\$ --	\$ 250,128
Accrued liabilities	568	--	34	--	602
Advance from primary government	13,919	200,000	--	10,600	224,519
Current due to other funds	107,165	--	--	--	107,165
<i>Total Liabilities</i>	371,538	200,000	276	10,600	582,414
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - special assessments	3,446,139	--	71,441	--	3,517,580
<i>Total Liabilities and Deferred Inflows of Resources</i>	<b><u>3,817,677</u></b>	<b><u>200,000</u></b>	<b><u>71,717</u></b>	<b><u>10,600</u></b>	<b><u>4,099,994</u></b>
<b>FUND BALANCE</b>					
Unassigned	212,262	--	41,510	--	253,772
<i>Total Fund Balance</i>	212,262	--	41,510	--	253,772
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balance</i>	<b><u>\$ 4,029,939</u></b>	<b><u>\$ 200,000</u></b>	<b><u>\$ 113,227</u></b>	<b><u>\$ 10,600</u></b>	<b><u>\$ 4,353,766</u></b>

**Water Resources Commission - Calhoun County**  
**Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position**  
**December 31, 2014**

Total Fund Balance - Governmental Funds	\$	253,772
In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, the interest expenditure is reported when due		(78,082)
Unavailable revenues are not available to to pay current period expenditures and, therefore, are deferred inflows of resources in the funds		3,517,580
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		10,054,610
Certain liabilities are not due and payable in the current period and are not reported in the funds.		(4,873,609)
<b>Total Net Position - Governmental Funds</b>	<b>\$</b>	<b><u>8,874,271</u></b>

**Water Resources Commission - Calhoun County**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended December 31, 2014**

**Capital Projects**

	<u>County Drain</u>	<u>Drain Revolving</u>	<u>Lake Level</u>	<u>Lake Level Revolving</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>					
Special assessments	\$ 1,442,511	\$ --	\$ 113,667	\$ --	\$ 1,556,178
Interest and rentals	18,606	--	--	--	18,606
<b>Total Revenues</b>	<u>1,461,117</u>	<u>--</u>	<u>113,667</u>	<u>--</u>	<u>1,574,784</u>
<b>Expenditures</b>					
Public works	299,682	--	22,911	--	322,593
Capital Outlay	1,407,780	--	--	--	1,407,780
Principal	2,126,009	--	16,667	--	2,142,676
Interest and fiscal charges	152,247	--	2,875	--	155,122
<b>Total Expenditures</b>	<u>3,985,718</u>	<u>--</u>	<u>42,453</u>	<u>--</u>	<u>4,028,171</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(2,524,601)</u>	<u>--</u>	<u>71,214</u>	<u>--</u>	<u>(2,453,387)</u>
<b>Other Financing Sources (Uses)</b>					
Notes Payable Issued	1,908,529	--	--	--	1,908,529
General Obligation Bonds Issued	860,000	--	--	--	860,000
<b>Net Other Financing Sources (Uses)</b>	<u>2,768,529</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>2,768,529</u>
<b>Net Change in Fund Balance</b>	<b>243,928</b>	<b>--</b>	<b>71,214</b>	<b>--</b>	<b>315,142</b>
<i>Fund Balance at Beginning of Period</i>	<i>(31,666)</i>	<i>--</i>	<i>(29,704)</i>	<i>--</i>	<i>(61,370)</i>
<b>Fund Balance at End of Period</b>	<b>\$ 212,262</b>	<b>\$ --</b>	<b>\$ 41,510</b>	<b>\$ --</b>	<b>\$ 253,772</b>

**Water Resources Commission - Calhoun County**  
**Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and**  
**Changes in Fund Balance with Statement of Activities**  
**For the Year Ended December 31, 2014**

Total Net Change in Fund Balances - Governmental Funds	\$	315,142
Changes to accrued interest are not shown in the fund financial statements. The net effect of the current year decrease is to increase net position		4,813
Revenues in the Statement of Activities that do not provide current financial resources are reported as deferred inflows of resources		155,165
Long-term debt payments are reported as financing uses in the governmental funds and thus contribute to the change in fund balance. However, long-term debt payments reduce long-term liabilities on the Statement of Net Position. This represents the amount of long-term debt principal payments made during the year		(631,589)
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.		1,201,239
<b>Changes in Net Position - Governmental Funds</b>	<b>\$</b>	<b><u>1,044,770</u></b>

## **Statistical Section**

## 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.

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**Financial Trends** - *These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.*

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**Revenue Capacity** - *These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.*

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**Demographic and Economic Information** - *These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.*

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**Operating Information** - *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.*

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**CALHOUN COUNTY**  
**Net Position by Component**  
**Last Ten Years**  
*(accrual basis of accounting)*

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<b>Governmental activities</b>										
Invested in capital assets, net of related debt	\$ 26,169,587	\$ 26,820,780	\$ 26,678,844	\$ 26,076,987	\$ 25,589,514	\$ 25,936,451	\$ 25,919,449	\$ 68,894,120	\$ 69,702,069	\$ 62,558,028
Restricted	9,761,506	12,578,097	10,339,244	8,086,613	5,547,217	4,056,625	2,212,301	6,990,405	6,926,623	11,714,452
Unrestricted	2,485,207	3,163,653	5,480,540	5,222,655	4,471,520	4,556,514	5,441,502	1,295,813	589,649	879,351
Total governmental activities net assets	<u>\$ 38,416,300</u>	<u>\$ 42,562,530</u>	<u>\$ 42,498,628</u>	<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>	<u>\$ 75,151,831</u>
<b>Business-type activities</b>										
Invested in capital assets, net of related debt	\$ 2,383,023	\$ 2,088,376	\$ 6,786,181	\$ 9,959,362	\$ 10,210,371	\$ 9,857,671	\$ 9,834,395	\$ 9,305,075	\$ 8,611,322	\$ 8,433,603
Restricted	6,473,620	16,933,437	11,789,273	12,100,292	12,210,002	11,845,954	11,305,632	10,742,471	8,767,650	8,702,433
Unrestricted	18,010,841	10,079,667	12,230,406	9,166,103	9,023,351	10,420,761	12,319,547	13,404,784	16,427,818	16,601,791
Total business-type activities net assets	<u>\$ 26,867,484</u>	<u>\$ 29,101,480</u>	<u>\$ 30,805,860</u>	<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>	<u>\$ 33,737,827</u>
<b>Primary government</b>										
Invested in capital assets, net of related debt	\$ 28,552,610	\$ 28,909,156	\$ 33,465,025	\$ 36,036,349	\$ 35,799,885	\$ 35,794,122	\$ 35,753,844	\$ 78,199,195	\$ 78,313,391	\$ 70,991,631
Restricted	16,235,126	29,511,534	22,128,517	20,186,905	17,757,219	15,902,579	13,517,933	17,732,876	15,694,273	20,416,885
Unrestricted	20,496,048	13,243,320	17,710,946	14,388,758	13,494,871	14,977,275	17,761,049	14,700,597	17,017,467	17,481,142
Total primary government net assets	<u>\$ 65,283,784</u>	<u>\$ 71,664,010</u>	<u>\$ 73,304,488</u>	<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>	<u>\$ 108,889,658</u>

**CALHOUN COUNTY**  
**Changes in Net Position**  
**Last Ten Years**  
*(accrual basis of accounting)*

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Expenses</b>										
<b>Governmental activities:</b>										
Legislative	\$ 235,010	\$ 230,620	\$ 259,468	\$ 264,497	\$ 278,218	\$ 250,890	\$ 191,652	\$ 165,978	\$ 148,616	\$ 120,751
Judicial	12,423,746	12,482,683	12,838,999	13,101,700	13,276,476	12,833,338	12,086,136	11,796,789	11,522,672	11,621,486
General government	6,684,366	6,577,864	6,663,685	7,155,740	7,301,080	8,532,341	7,328,175	7,413,505	6,814,371	6,962,089
Public safety	18,481,346	18,139,312	19,222,310	20,020,438	20,025,881	20,117,862	20,027,705	20,428,079	19,438,820	21,503,694
Public works	105,166	104,239	98,130	120,455	102,313	127,581	190,315	11,687,016	12,793,820	15,107,382
Health and welfare	14,834,373	14,017,558	12,282,729	12,661,937	12,721,317	13,427,197	13,424,228	13,751,997	13,269,163	13,975,583
Recreation and cultural	1,286,701	1,489,081	1,349,696	1,395,784	1,212,391	1,654,434	1,722,165	1,610,466	1,555,510	1,891,980
Community and economic development	-	-	-	-	-	-	-	-	-	182,238
Other activities	2,174	-	-	-	-	-	-	-	-	-
Interest on long-term debt	349,726	317,147	574,504	272,244	256,847	240,443	329,792	499,608	730,998	721,232
<b>Total governmental activities expenses</b>	<b>54,402,608</b>	<b>53,358,504</b>	<b>53,289,521</b>	<b>54,992,795</b>	<b>55,174,523</b>	<b>57,184,086</b>	<b>55,300,168</b>	<b>67,353,438</b>	<b>66,273,970</b>	<b>72,086,435</b>
<b>Business-type activities:</b>										
Medical Care Facility	9,183,020	10,493,607	10,619,996	12,145,234	12,339,701	12,930,706	13,558,494	14,350,468	14,620,762	15,122,581
Delinquent tax collection	299,849	279,085	478,706	484,567	616,862	705,342	1,078,310	1,125,875	1,224,763	1,710,476
Inmate concessions	697,820	664,950	628,914	603,588	627,488	673,988	479,629	270,282	245,891	212,903
Property description	51,299	2,136	1,911	1,253	876	930	930	465	-	-
Interest on long-term debt	-	-	-	-	292,920	301,231	283,975	-	-	-
<b>Total business-type activities expenses</b>	<b>10,231,988</b>	<b>11,439,778</b>	<b>11,729,527</b>	<b>13,234,642</b>	<b>13,877,847</b>	<b>14,612,197</b>	<b>15,401,338</b>	<b>15,747,090</b>	<b>16,091,416</b>	<b>17,045,960</b>
<b>Total primary government expenses</b>	<b>64,634,596</b>	<b>64,798,282</b>	<b>65,019,048</b>	<b>68,227,437</b>	<b>69,052,370</b>	<b>71,796,283</b>	<b>70,701,506</b>	<b>83,100,528</b>	<b>82,365,386</b>	<b>89,132,395</b>
<b>Program revenues</b>										
<b>Governmental activities:</b>										
<b>Charges for services:</b>										
Legislative	60	2,647	845	-	46	-	-	-	-	-
Judicial	4,093,128	4,252,948	4,132,091	3,901,000	3,988,700	3,985,650	3,762,583	3,653,392	3,387,980	3,034,152
General government	1,628,439	1,508,235	1,409,489	1,297,654	1,067,510	1,616,231	1,174,305	1,234,112	1,377,763	2,178,443
Public safety	5,594,938	6,501,626	6,862,744	7,971,988	7,180,480	7,177,247	7,053,569	7,040,941	7,278,728	6,965,696
Public works	-	-	-	-	-	-	-	1,692,984	2,539,865	2,488,266
Health and welfare	812,865	786,829	784,818	715,933	759,116	727,069	788,957	853,612	952,129	1,026,172
Recreation and cultural	439,650	412,788	353,095	353,486	375,826	448,453	424,084	554,374	143,185	3,426
Other activities	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	15,863,153	15,807,506	14,451,313	12,847,689	12,946,254	16,831,288	16,052,118	25,697,819	26,546,040	27,316,943
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
<b>Total governmental activities program revenues</b>	<b>28,432,233</b>	<b>29,272,579</b>	<b>27,994,395</b>	<b>27,087,750</b>	<b>26,317,932</b>	<b>30,785,938</b>	<b>29,255,616</b>	<b>40,727,234</b>	<b>42,225,690</b>	<b>43,013,098</b>
<b>Business-type activities:</b>										
<b>Charges for services:</b>										
Medical Care Facility	8,906,789	10,356,094	9,875,996	10,423,707	11,427,560	12,269,852	13,744,393	13,193,361	13,620,184	14,209,258
Delinquent tax collection	1,596,744	2,143,574	2,156,518	2,555,513	2,579,770	3,072,755	3,318,350	3,262,174	3,491,669	3,731,565
Inmate concession	786,296	789,694	738,156	754,476	814,302	744,102	826,509	505,778	381,843	373,819
Property description	1,976	-	-	-	-	-	-	-	-	-
Operating grants and contributions	1,001,194	1,330,785	1,196,474	453,690	72,060	103,277	79,383	75,760	74,704	71,595
<b>Total business-type activities program revenues</b>	<b>12,292,999</b>	<b>14,620,147</b>	<b>13,967,144</b>	<b>14,187,386</b>	<b>14,893,692</b>	<b>16,189,986</b>	<b>17,968,635</b>	<b>17,037,073</b>	<b>17,568,400</b>	<b>18,386,237</b>
<b>Total primary government program revenues</b>	<b>40,725,232</b>	<b>43,892,726</b>	<b>41,961,539</b>	<b>41,275,136</b>	<b>41,211,624</b>	<b>46,975,924</b>	<b>47,224,251</b>	<b>57,764,307</b>	<b>59,794,090</b>	<b>61,399,335</b>
<b>Net (Expense)/Revenue</b>										
Governmental activities	(25,970,375)	(24,085,925)	(25,295,126)	(27,905,045)	(28,856,591)	(26,398,148)	(26,044,552)	(26,626,214)	(24,048,280)	(29,073,337)
Business-type activities	2,061,011	3,180,179	2,237,617	952,744	1,015,845	1,577,789	2,567,297	1,289,983	1,476,984	1,340,277
<b>Total primary government net expense</b>	<b>(23,909,364)</b>	<b>(20,905,746)</b>	<b>(23,057,509)</b>	<b>(26,952,301)</b>	<b>(27,840,746)</b>	<b>(24,820,359)</b>	<b>(23,477,255)</b>	<b>(25,336,231)</b>	<b>(22,571,296)</b>	<b>(27,733,060)</b>

Continued...

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>General Revenues</b>										
Governmental activities:										
Property taxes	\$ 24,740,374	\$ 25,284,240	\$ 22,437,356	\$ 22,440,230	\$ 22,759,037	\$ 22,893,128	\$ 22,249,038	\$ 21,577,185	\$ 21,620,992	\$ 22,182,886
Unrestricted grants and contributions	469,410	486,774	512,072	541,822	554,629	561,128	591,065	513,502	527,828	-
State Revenue Sharing	-	-	-	-	-	-	-	-	-	2,582,893
Interest Income	400,343	636,463	622,787	289,912	49,710	1,400	27,591	62,900	(4,568)	51,270
Gain on sale of capital assets	49,119	5,900	676	-	-	-	-	-	-	-
Transfers	1,989,009	1,863,778	1,658,333	1,520,708	1,714,633	1,883,831	2,200,520	2,255,646	1,942,032	2,327,065
Total governmental activities	<u>27,648,255</u>	<u>28,277,155</u>	<u>25,231,224</u>	<u>24,792,672</u>	<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>	<u>27,144,114</u>
Business-type activities:										
Property taxes	880,423	917,934	929,771	995,653	919,795	976,111	946,455	928,968	797,346	890,041
Interest Income	-	-	-	-	-	16,762	11,436	13,805	20,130	27,784
Transfers	(1,989,009)	(1,864,117)	(1,658,333)	(1,528,500)	(1,717,673)	(1,890,000)	(2,190,000)	(2,240,000)	(1,940,000)	(2,327,065)
Total business-type activities	<u>(1,108,586)</u>	<u>(946,183)</u>	<u>(728,562)</u>	<u>(532,847)</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>(1,409,240)</u>
Total primary government	<u>26,539,669</u>	<u>27,330,972</u>	<u>24,502,662</u>	<u>24,259,825</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>	<u>25,734,874</u>
<b>Change in Net Assets</b>										
Governmental activities	1,677,880	4,191,230	(63,902)	(3,112,373)	(3,778,582)	(1,058,661)	(976,338)	(2,216,981)	38,004	(1,929,223)
Business-type activities	952,425	2,233,996	1,509,055	419,897	217,967	680,662	1,335,188	(7,244)	354,460	(68,963)
Total primary government	<u>\$ 2,630,305</u>	<u>\$ 6,425,226</u>	<u>\$ 1,445,153</u>	<u>\$ (2,692,476)</u>	<u>\$ (3,560,615)</u>	<u>\$ (377,999)</u>	<u>\$ 358,850</u>	<u>\$ (2,224,225)</u>	<u>\$ 392,464</u>	<u>\$ (1,998,186)</u>

Source: Calhoun County Finance Department

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

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<b>General Fund</b>										
Reserved	\$ 76,600	\$ 77,520	\$ 77,180	\$ 77,225	\$ 79,536	\$ 86,261	\$ -	\$ -	\$ -	\$ -
Unreserved	1,952,034	2,912,949	3,458,805	3,846,820	3,779,909	3,935,468	-	-	-	-
Nonspendable	-	-	-	-	-	-	89,534	537,040	550,983	442,784
Unassigned	-	-	-	-	-	-	4,178,104	3,745,555	3,745,470	3,919,125
Total general fund	<u>\$ 2,028,634</u>	<u>\$ 2,990,469</u>	<u>\$ 3,535,985</u>	<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>	<u>\$ 4,361,909</u>
<b>All Other Governmental Funds</b>										
Reserved	\$ 5,312	\$ 38,503	\$ 64,050	\$ 55,518	\$ 60,101	\$ 57,658	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	9,624,240	12,375,818	10,297,586	7,984,985	5,437,098	3,998,967	-	-	-	-
Debt service funds	129,783	123,662	4,691	7,580	7,881	8,079	-	-	-	-
Capital project funds	-	-	-	-	276,476	1,451,863	-	-	-	-
Permanent funds	38,453	2,304	1,456	1,806	1,332	1,184	-	-	-	-
Nonspendable	-	-	-	-	-	-	24,367	718,545	757,624	1,104,456
Restricted	-	-	-	-	-	-	5,594,647	6,271,860	6,168,999	10,609,996
Unassigned	-	-	-	-	-	-	-	(2,776)	-	-
Total all other governmental funds	<u>\$ 9,797,788</u>	<u>\$ 12,540,287</u>	<u>\$ 10,367,783</u>	<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>	<u>\$ 11,714,452</u>

Source: Calhoun County Finance Department

*Fund balance classification were changed in 2011 to comply with the requirements of GASB Statement Number 54.*

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Revenues</b>										
Taxes and special assessments	\$ 24,734,469	\$ 25,168,976	\$ 21,400,223	\$ 22,478,088	\$ 22,657,267	\$ 22,979,378	\$ 22,268,995	\$ 21,587,107	\$ 21,578,383	\$ 22,460,183
Contributions	-	-	-	-	-	-	-	1,026,440	816,138	1,317,874
Licenses and permits	4,347,485	397,905	392,035	394,030	395,878	402,664	438,729	551,974	638,852	662,342
Intergovernmental	10,787,120	14,150,759	12,568,945	11,530,118	11,842,963	15,968,120	15,191,543	24,089,349	25,689,951	29,479,604
Charges for services	10,677,921	11,885,817	11,946,966	12,717,043	11,902,986	11,945,702	11,731,043	13,516,905	13,421,839	12,367,572
Fines and forfeits	1,149,638	1,066,578	988,473	964,055	908,873	913,638	845,384	886,110	926,240	726,046
Interest and rents	596,957	1,016,798	765,357	353,734	56,608	10,735	26,652	55,667	(12,032)	51,270
Other revenues	1,804,723	2,104,470	2,417,036	2,042,352	1,867,276	2,319,747	1,825,650	2,001,490	1,973,972	1,794,432
<b>Total revenues</b>	<b>54,098,313</b>	<b>55,791,303</b>	<b>50,479,035</b>	<b>50,479,420</b>	<b>49,631,851</b>	<b>54,539,984</b>	<b>52,327,996</b>	<b>63,715,042</b>	<b>65,033,343</b>	<b>68,859,323</b>
<b>Expenditures</b>										
Legislative	185,610	188,974	219,096	216,517	225,825	211,400	153,165	132,815	121,733	113,084
Judicial	11,571,595	11,538,869	12,107,452	12,184,736	12,210,472	11,935,289	11,101,631	10,969,351	10,828,832	10,508,189
General government	6,161,596	6,074,052	6,332,872	6,648,296	6,550,295	7,880,304	6,541,598	6,526,311	6,468,717	6,502,710
Public safety	16,129,522	15,940,259	17,032,519	17,574,031	17,485,169	17,860,378	17,604,936	17,886,673	17,878,888	18,516,459
Public works	105,166	104,239	98,130	120,455	102,313	127,581	190,315	9,373,987	12,553,379	12,336,784
Health and welfare	14,815,786	14,123,808	12,937,365	12,694,322	12,693,853	13,666,404	13,286,643	13,693,214	13,539,193	13,888,992
Community and economic development	-	-	-	-	-	-	-	-	-	182,238
Recreation and cultural	1,200,254	1,430,257	1,213,583	1,229,966	1,038,774	1,515,904	1,791,413	1,818,938	1,540,317	1,877,000
Other activities	2,390,705	2,339,609	2,435,509	2,384,940	2,477,713	113,599	53,923	217,016	8,449	-
Debt service:										
Principal	624,042	676,077	710,349	564,963	353,845	464,594	748,920	2,022,532	1,923,407	2,048,622
Interest and fiscal charges	356,827	324,464	293,036	138,127	379,277	280,954	427,469	705,758	711,737	698,351
Bond issuance costs	-	-	-	172,464	-	84,761	-	-	-	198,000
Capital outlay	839,730	1,082,921	439,715	416,476	404,020	7,818,968	860,695	1,052,217	815,769	7,207,461
Less: Reimbursements	-	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>54,380,833</b>	<b>53,823,529</b>	<b>53,819,626</b>	<b>54,345,293</b>	<b>53,921,556</b>	<b>61,960,136</b>	<b>52,760,708</b>	<b>64,398,812</b>	<b>66,390,421</b>	<b>74,077,890</b>
Revenues over (under) expenditures	(282,520)	1,967,774	(3,340,591)	(3,865,873)	(4,289,705)	(7,420,152)	(432,712)	(683,770)	(1,357,078)	(5,218,567)
<b>Other financing sources (uses)</b>										
Issuance of refunding bonds	-	-	-	6,855,000	-	-	-	-	-	-
Discount on refunding bonds	-	-	-	(73,282)	-	-	-	-	-	-
Payment to refunding bond escrow agent	-	-	-	(6,609,254)	-	-	-	(1,834,446)	-	-
Capital lease proceeds	45,000	28,860	16,445	33,759	-	259,960	110,971	-	-	442,319
Sale of capital assets	-	-	-	-	-	22,203	20,590	15,013	-	-
Proceeds from issuance of long-term debt	-	-	-	-	-	7,000,000	-	1,750,000	-	8,875,000
Premium on issuance of long-term debt	-	-	-	-	-	-	-	-	-	278,112
Discount on issuance of long-term debt	-	-	-	-	-	(63,000)	-	-	-	(44,375)
Proceeds from installment debt	-	-	-	-	-	-	-	657,000	-	-
Issuance of long-term debt	-	-	-	-	-	-	-	237,012	155,882	-
Premium on refunding bonds	-	-	-	-	-	-	-	50,761	-	-
Transfers in	10,820,769	10,492,532	10,817,012	10,689,617	11,144,291	11,326,588	9,773,863	10,087,079	10,192,785	10,727,648
Transfers out	(8,504,284)	(8,739,832)	(9,119,854)	(8,959,801)	(9,186,766)	(11,228,452)	(9,125,540)	(9,420,251)	(9,038,737)	(10,206,850)
Transfer to comp unit	-	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>2,361,485</b>	<b>1,781,560</b>	<b>1,713,603</b>	<b>1,936,039</b>	<b>1,957,525</b>	<b>7,317,299</b>	<b>779,884</b>	<b>1,542,168</b>	<b>1,309,930</b>	<b>10,071,854</b>
<b>Net changes in fund balances</b>	<b>\$ 2,078,965</b>	<b>\$ 3,749,334</b>	<b>\$ (1,626,988)</b>	<b>\$ (1,929,834)</b>	<b>\$ (2,332,180)</b>	<b>\$ (102,853)</b>	<b>\$ 347,172</b>	<b>\$ 858,398</b>	<b>\$ (47,148)</b>	<b>\$ 4,853,287</b>
Debt services as a percentage of noncapital expenditures	1.8%	1.9%	1.9%	1.3%	1.4%	1.4%	2.3%	4.3%	4.0%	4.1%

Source: Calhoun County Finance Department

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

*(modified accrual basis of accounting)*

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Revenues</b>										
Taxes	\$ 15,933,547	\$ 16,449,007	\$ 17,941,376	\$ 18,778,923	\$ 18,967,117	\$ 18,812,426	\$ 18,211,018	\$ 17,793,161	\$ 17,678,401	\$ 18,266,410
Licenses and permits	93,439	76,368	69,367	82,026	92,305	93,879	92,058	94,555	111,088	121,479
Intergovernmental	3,009,127	2,972,748	3,026,542	2,323,593	2,709,617	4,952,000	5,401,082	4,979,130	5,101,221	7,455,548
Charges for services	9,876,911	10,884,532	11,073,182	11,875,775	10,988,413	11,001,832	10,581,689	10,501,007	10,485,422	9,429,074
Fines and forfeits	1,117,372	1,039,297	959,290	944,600	839,661	886,690	840,519	859,951	826,656	641,306
Interest and rents	316,649	378,759	310,609	176,391	36,131	369	22,023	51,725	(14,361)	43,628
Other revenues	966,515	1,033,703	1,153,374	972,166	956,538	1,969,788	1,675,482	1,643,614	1,587,992	1,395,627
<b>Total revenues</b>	<b>31,313,560</b>	<b>32,834,414</b>	<b>34,533,740</b>	<b>35,153,474</b>	<b>34,589,782</b>	<b>37,716,984</b>	<b>36,823,871</b>	<b>35,923,143</b>	<b>35,776,419</b>	<b>37,353,072</b>
<b>Expenditures</b>										
Legislative	185,610	188,974	219,096	216,517	225,825	211,400	153,165	132,815	121,733	113,084
Judicial	8,156,960	8,072,594	8,426,653	8,307,102	8,244,694	8,038,744	7,445,094	7,283,038	6,921,710	6,504,859
General government	6,161,596	6,074,052	6,332,872	6,648,296	6,541,615	7,298,645	6,294,129	6,263,582	6,257,486	5,987,754
Public safety	12,926,533	12,935,873	14,130,604	15,159,727	14,875,384	15,631,942	15,739,866	16,026,383	16,004,747	16,979,216
Public works	105,166	104,239	98,130	120,455	102,313	127,581	190,315	274,649	395,693	515,373
Health and welfare	909,717	943,284	689,356	656,654	985,895	922,021	968,405	1,025,389	934,830	850,630
Community and Economic Development	-	-	-	-	-	-	-	-	-	95,650
Other activities	2,385,234	2,321,051	2,433,524	2,383,042	2,459,207	113,294	53,815	29,536	8,229	-
Debt service:										
Principal	-	-	16,409	28,308	13,845	18,717	6,629	7,040	-	9,473
Interest	-	-	1,351	1,359	1,527	669	848	436	-	-
Capital Outlay	139,064	161,241	185,904	180,316	148,159	40,694	-	-	-	26,841
Less: reimbursements	-	9,261	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>30,969,880</b>	<b>30,810,569</b>	<b>32,533,899</b>	<b>33,701,776</b>	<b>33,598,464</b>	<b>32,403,707</b>	<b>30,852,266</b>	<b>31,042,868</b>	<b>30,644,428</b>	<b>31,082,880</b>
Revenues over (under) expenditures	343,680	2,023,845	1,999,841	1,451,698	991,318	5,313,277	5,971,605	4,880,275	5,131,991	6,270,192
<b>Other financing sources (uses)</b>										
Proceeds from capital leases	-	28,860	16,445	33,759	-	21,147	-	-	-	26,841
Transfers in	4,974,613	4,720,992	4,704,474	4,833,977	4,987,276	4,259,797	3,138,198	3,524,350	3,279,039	2,568,670
Transfers out	(5,647,261)	(5,811,862)	(6,175,244)	(5,931,374)	(6,043,194)	(9,431,937)	(8,863,894)	(8,389,668)	(8,397,172)	(8,800,247)
Transfers to component unit	-	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(672,648)</b>	<b>(1,062,010)</b>	<b>(1,454,325)</b>	<b>(1,063,638)</b>	<b>(1,055,918)</b>	<b>(5,150,993)</b>	<b>(5,725,696)</b>	<b>(4,865,318)</b>	<b>(5,118,133)</b>	<b>(6,204,736)</b>
<b>Net changes in fund balances</b>	<b>\$ (328,968)</b>	<b>\$ 961,835</b>	<b>\$ 545,516</b>	<b>\$ 388,060</b>	<b>\$ (64,600)</b>	<b>\$ 162,284</b>	<b>\$ 245,909</b>	<b>\$ 14,957</b>	<b>\$ 13,858</b>	<b>\$ 65,456</b>

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

<b>Year</b>	<b>Residential Property</b>	<b>Commercial Property</b>	<b>Industrial Property</b>	<b>Agriculture Property</b>	<b>Development Property</b>	<b>Personal Property</b>	<b>Total Assessed and Actual Value</b>	<b>Total Direct Tax Rate</b>
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
2014	2,276,801	548,558	191,493	475,116	2,118	598,067	4,092,153	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)*

		2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>County direct rates</b>											
Operation		5.37	5.38	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	1.09	1.09
Total direct rate		6.36	6.37	6.37	6.37	6.37	6.37	6.37	6.37	6.47	6.47
<b>Overlapping rates</b>											
Cities:											
Albion		19.97	19.97	19.67	17.87	17.87	17.87	17.88	18.08	19.58	19.77
Albion - RZ		-	1.20	1.20	7.49	1.00	1.00	-	-	-	-
Battle Creek		13.92	14.48	14.48	14.48	14.48	14.48	14.74	14.74	14.74	14.74
Battle Creek - RZ		2.69	3.25	5.95	5.95	5.95	-	-	-	-	-
Battle Creek - DNR PILT		-	-	-	-	-	-	-	-	-	-
Marshall		16.76	16.76	16.76	16.76	16.76	16.89	16.89	16.89	19.09	19.09
Marshall - DDA		1.61	2.11	2.11	2.11	2.10	16.89	16.89	16.89	1.61	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)	1.69	1.93	1.75	1.69	1.69	1.56	1.73	1.71	1.82	1.86
Villages (average)	(B)	12.50	12.80	12.67	12.67	10.47	12.67	14.85	14.85	12.67	12.07
School districts (average)	(C)	23.46	23.33	23.56	23.53	22.05	23.75	29.71	29.71	30.15	30.51
Intermediate school district (average)	(D)	4.94	4.93	4.93	4.99	5.00	5.06	4.86	4.86	5.36	5.19
Community college (average)	(E)	3.26	3.26	3.26	3.26	3.26	3.26	3.26	3.26	3.21	3.21
Library (average)	(F)	1.37	1.34	2.09	2.11	2.1	2.11	2.11	2.11	2.11	2.04
(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		3.94	4.38	4.38	4.38	4.38	4.35	4.35	4.35	5.44	5.44
(B) - Rates range from:											
Low		9.85	9.85	9.86	9.85	-	9.85	11.72	11.72	9.85	9.53
High		17.10	16.65	15.97	15.97	15.97	15.97	17.89	17.89	15.97	15.97
(C) - Rates range from:											
Low		20.00	20.00	20.95	20.85	-	21.25	23.30	23.50	27.30	27.72
High		27.35	27.05	27.05	27.05	27.05	27.05	36.10	36.10	35.17	36.07
(D) - Rates range from:											
Low		1.97	1.96	1.96	1.95	1.95	1.95	1.95	1.95	1.95	1.95
High		8.13	8.11	8.10	8.11	8.11	8.11	8.11	8.11	8.76	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	3.61	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		2.12	2.03	2.25	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**

<u>Taxpayer</u>	<u>2014</u>			<u>2005</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total County Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total County Taxable Assessed Value</u>
Kellogg Company	\$ 138,735,246	1	3.89%	\$ 118,391,865	1	3.57%
Consumers Energy	82,001,193	2	2.30%	46,188,065	4	1.39%
Post Foods	38,995,020	3	1.09%	55,686,341	3	1.68%
Enbridge Energy	28,674,640	4	0.80%			
Denso Manufacturing	27,500,344	5	0.77%	75,276,658	2	2.27%
Semco Energy	23,379,447	6	0.66%	18,364,168	6	0.55%
TRMI Inc	15,151,448	7	0.43%			
Andersons Ethanol/Gran	15,087,700	8	0.42%			
Tenneco	15,014,200	9	0.42%			
Musahi Auto Parts Michigan	14,757,086	10	0.41%			
Vector Pipeline LP				19,663,610	5	0.59%
Hayes - Lemmerz International, Inc				14,484,419	7	0.44%
Edward Rose Realty/Bldg.				13,761,410	8	0.41%
Lakeview Delaware				11,848,722	9	0.36%
Meijer, Inc.				11,825,430	10	0.36%
	<u>\$ 399,296,324</u>		<u>11.20%</u>	<u>\$ 385,490,688</u>		<u>11.62%</u>

Source: Calhoun County Equalization Department.

**CALHOUN COUNTY  
Property Tax Levies and Collections  
Last Ten Years**

(1)

<u>Year</u>	<u>Taxes Levied for the Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy</u>		<u>Subsequent Years Collections</u>	<u>Total Collections to Date</u>	
		<u>Amount</u>	<u>% of Levy</u>		<u>Amount</u>	<u>% of Levy</u>
2005	16,649,367	15,365,609	92.29%	1,279,612	16,645,221	99.98%
2006	17,472,152	16,264,916	93.09%	1,206,853	17,471,769	99.99%
2007	18,165,735	16,697,148	91.92%	1,436,452	18,133,600	99.82%
2008	18,669,055	17,205,622	92.16%	1,439,617	18,645,239	99.87%
2009	19,084,890	17,538,727	91.90%	1,535,484	19,074,211	99.94%
2010	18,624,477	17,169,537	92.19%	1,440,601	18,610,138	99.92%
2011	18,200,085	16,749,071	92.03%	1,437,293	18,186,364	99.92%
2012	17,963,929	16,566,976	92.22%	1,388,836	17,955,812	99.95%
2013	17,892,242	16,445,005	91.91%	1,439,912	17,884,917	99.96%
2014	18,058,413	16,556,165	91.68%	-	16,556,165	91.68%

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			
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%	228.56
2013	16,500,993	1,288,786	8,034	6,898,912	1,549,000	-	26,229,657	0.53%	194.28
2014	24,990,798	1,147,483	353,662	6,450,150	1,800,000	-	34,034,769	0.69%	252.34

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				
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%	457.68
2013	16,500,993	1,288,786	8,034	15,204,173	3,568,430,371	0.43%	416.92
2014	24,990,798	1,147,483	353,662	23,489,653	3,564,236,566	0.66%	644.12

Source: Calhoun County Finance Department

**CALHOUN COUNTY**  
**Computation of Net Direct and Overlapping Debt**  
**As of December 31, 2014**

	<b>Gross Amount Outstanding</b>	<b>Self-Supporting or Paid by Benefited Entity</b>	<b>Net Amount Outstanding</b>
<b>Direct debt</b>			
Building authority bonds	\$ 4,515,000	\$ -	\$ 4,515,000
Recovery zone economic development bonds	5,945,000	-	5,945,000
Capital Improvement bonds	8,875,000	-	8,875,000
Energy Conservation Project	525,600	-	525,600
Michigan Transportation Fund bonds	85,000	-	85,000
Installment purchase agreement	373,050	-	373,050
Public Works - water and sewer debt	5,373,000	5,373,000	-
Lease purchase agreement	248,833	-	248,833
	<u>\$ 25,940,483</u>	<u>\$ 5,373,000</u>	<u>\$ 20,567,483</u>
Net direct debt			
	<u>\$ 25,940,483</u>	<u>\$ 5,373,000</u>	<u>\$ 20,567,483</u>
<b>Overlapping debt</b>			
	<b>Debt Outstanding</b>	<b>Percentage Applicable</b>	<b>Government's Share of Overlapping Debt</b>
School districts			
Albion	4,750,000	93.57	4,444,575
Athens	1,570,000	88.65	1,391,805
Battle Creek	58,435,000	100.00	58,435,000
Bellevue	25,203,360	16.46	4,148,473
Climax Scotts	4,267,774	12.76	544,568
Gull Lake	37,075,000	6.97	2,584,128
Harper Creek	68,601,266	100.00	68,601,266
Hastings	19,389,822	0.67	129,912
Homer	20,597,038	97.64	20,110,948
Lakeview Calhoun	43,315,000	100.00	43,315,000
Litchfield	645,000	3.94	25,413
Mar Lee	360,000	100.00	360,000
Marshall	52,485,000	100.00	52,485,000
Olivet	35,528,088	30.10	10,693,955
Pennfield	32,338,727	97.53	31,539,961
Springport	14,642,873	32.72	4,791,148
Tekonsha	490,000	86.00	421,400
Union City	1,395,000	42.36	590,922
Intermediate school district	17,230,000	1.08	186,519
Community College	19,560,000	48.34	9,455,713
Library			
Marshall District Library	360,000	100.00	360,000
City	97,816,054	100.00	97,816,054
Township	5,717,000	100.00	5,717,000
Village	491,000	100.00	491,000
			<u>418,639,760</u>
Net overlapping debt			<u>418,639,760</u>
<b>Net direct and overlapping debt</b>			<u>\$ 439,207,243</u>

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 2014**

Total assessed value	\$ 4,092,153,466
Debt limit (10% of assessed value)	\$ 409,215,347
Debt applicable to limit	20,567,483
<b>Legal debt margin</b>	<b>\$ 388,647,864</b>

	<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>
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%
2014	409,215,347	20,567,483	388,647,864	5.03%

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>
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	134,949	4,801,558	35,581	7.40%	20,688
2013	135,012	4,923,591	36,468	7.60%	24,012
2014	134,878	4,923,591 (a)	36,468 (a)	6.30%	23,876

(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**

<b>Employer</b>	<b>2014</b>			<b>2005</b>		
	<b>Employees</b>	<b>Rank</b>	<b>% of Total County Employment</b>	<b>Employees</b>	<b>Rank</b>	<b>% of Total County Employment</b>
Denso International America, Inc.	2,762	1	4.60%	2,400	1	3.59%
Kellogg Company	2,000	2	3.33%	1,750	2	2.61%
Hart - Dole - Inouye Federal Center	1,586	3	2.64%	1,600	3	2.39%
Battle Creek Health System	1,554	4	2.59%	1,422	4	2.12%
Kraft Foods, Post Division	1,550	5	2.58%	830	7	1.24%
Battle Creek Public Schools	1,300	6	2.16%	1,411	5	2.11%
Dept. of Veterans Affairs Medical Center	1,150	7	1.91%	1,315	6	1.96%
Michigan Air National Guard	1,127	8	1.88%			
I.I. Stanley	850	9	1.41%	750	9	1.12%
City of Battle Creek	650	10	1.08%			
Tokai Rika				750	8	1.12%
Triple S Plastics				700	10	1.05%
	<b>14,529</b>		<b>24.18%</b>	<b>12,928</b>		<b>19.32%</b>

Source: Calhoun County Finance Department.

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

<b>Function/Program</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Legislative										
Board of Commissioners	8.00	8.00	8.00	8.00	8.00	7.00	7.00	7.00	7.00	7.00
Judicial										
Circuit Court	14.75	14.80	14.80	13.80	14.80	14.80	13.75	13.00	13.00	11.00
Circuit Court - Family	10.00	10.00	9.00	8.00	8.00	7.00	11.50	7.00	8.50	7.50
District Court	55.58	56.33	56.60	57.25	58.25	54.03	52.93	47.60	45.10	44.19
Friend of the Court	59.06	59.60	60.00	60.00	60.00	54.00	54.00	55.00	56.00	53.50
Probate Court	9.00	10.00	10.00	10.00	10.00	9.00	7.00	8.00	8.00	8.00
Court Services	3.00	3.00	2.00	2.00	2.00	1.00	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	5.34	4.00	4.00	4.00	4.00	4.00	3.50	2.50	4.00	4.00
Information & Tech Systems	4.00	3.00	4.00	4.00	3.00	3.00	3.00	4.00	4.00	4.50
Facilities Management	12.00	11.00	12.00	12.00	12.00	12.00	11.00	10.00	9.00	10.00
Corporation Counsel	0.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Finance	5.00	4.00	5.00	5.00	5.00	5.00	4.00	4.00	4.00	4.00
Equalization	5.00	5.00	3.00	4.50	4.50	5.00	6.00	5.00	5.00	4.00
Human Resources	4.00	4.00	2.00	4.00	4.00	4.00	4.00	4.00	3.00	4.00
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	8.00	9.00	9.00	8.00	8.00	12.00	12.00	11.00
Clerk/Register	11.50	11.50	12.50	12.50	12.50	12.50	11.50	10.00	10.50	9.50
Prosecuting Attorney	31.50	29.50	28.50	27.50	28.50	26.50	24.50	22.75	22.75	21.60
Treasurer	8.00	8.00	8.00	8.00	8.00	7.00	8.00	8.00	8.00	8.00
MSU Extension	2.75	2.75	2.75	2.75	2.75	2.75	2.75	1.75	1.75	2.00
Water Resources Commissioner	3.06	3.00	3.00	3.00	3.50	3.70	3.75	3.75	3.75	3.75
Public Safety										
Sheriff	172.40	166.78	171.97	171.75	171.10	165.50	162.50	160.40	172.40	179.50
Community Corrections	8.00	7.00	8.00	8.00	8.00	7.00	7.00	7.50	7.00	7.00
Emergency Management	1.00	2.00	3.00	2.00	2.00	2.00	2.60	2.60	1.60	1.60
Drug Court	4.00	3.50	3.50	3.00	3.50	3.50	3.00	3.50	3.50	3.50
Sobriety/Veterans Court	0.00	0.00	0.00	0.00	0.00	0.00	2.38	4.55	5.38	4.04
Prosecuting Attorney	12.00	12.00	11.00	11.00	11.00	8.00	10.00	9.75	9.75	10.00
Public Works										
Road Department								58.00	50.00	54.00
Solid Waste								1.00	1.00	1.00
Health & Welfare										
Health Department	64.55	53.48	45.57	44.02	46.32	48.59	60.40	61.14	61.00	67.71
Child Care Fund	49.94	42.90	49.10	46.70	47.70	43.40	36.60	29.80	33.30	32.80
Senior Millage	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00
Veterans Services	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
<b>Total</b>	<b>580.42</b>	<b>553.13</b>	<b>554.29</b>	<b>550.77</b>	<b>556.42</b>	<b>527.27</b>	<b>530.66</b>	<b>573.59</b>	<b>580.28</b>	<b>589.69</b>

Source: Calhoun County Finance Department

**CALHOUN COUNTY**  
**Operating Indicators by Function/Program**  
**Last Ten Years**

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Judicial</b>										
Circuit Court:										
Number of petitions opened	1,932	1,873	1,762	1,750	1,543	1,471	1,416	1,451	1,344	1,264
Number of dispositions	1,955	2,021	1,940	1,780	1,500	1,437	1,411	1,506	1,444	1,417
Circuit Court - Family Division:										
Number of petitions opened	4,091	3,984	4,161	3,810	3,730	3,670	3,357	3,187	2,938	2,968
Number of dispositions	4,048	4,233	4,252	3,929	3,751	3,626	3,468	3,139	3,054	3,097
District Court:										
New felony cases	2,021	1,933	1,874	1,973	1,901	1,771	1,559	1,618	1,534	1,457
New misdemeanor cases	4,348	4,039	4,166	3,989	3,986	3,538	3,664	7,270	3,832	3,407
New traffic & civil infractions	42,773	35,145	33,294	30,785	32,809	31,652	27,555	21,158	20,946	16,360
New civil cases	10,363	10,270	11,257	11,787	10,864	10,383	10,032	10,031	9,477	8,554
New OWI/OWVI	886	883	733	816	764	820	775	694	688	625
Probate Court:										
Number of active estate and trust cases	461	433	448	474	467	456	448	437	438	428
Number of wills filed for safekeeping	1,161	335	421	614	500	310	341	316	327	273
Number of guardianships/conservatorships	2,090	2,036	1,936	1,908	1,937	1,952	1,935	1,899	1,874	1,856
<b>Public Safety (Sheriff):</b>										
Number of incidents	13,868	12,074	11,857	12,636	12,478	12,683	13,945	12,790	14,008	--*
Number of bookings	11,574	10,810	11,104	11,575	11,679	12,565	10,702	10,605	10,639	11,825
Number of traffic crashes	1,771	1,604	1,811	1,878	1,661	1,465	1,433	1,191	2,277	4,774
Number of fatal crashes	6	6	8	12	9	4	5	11	2	14
Number of animal control calls	--*	--*	--*	--*	987	1,017	661	1,277	1,289	995
<b>Health</b>										
Public Health:										
Vaccines administered	9,966	6,884	2,848	4,160	13,753	10,457	9,157	10,471	10,581	8,459
Number of STD clients	2,804	2,523	2,298	2,376	2,604	2,079	1,811	1,449	1,564	1,314
<b>Water Resources</b>										
Drain & Lake Level control structure maintenance projects	46	51	61	69	77	67	76	82	71	138
<b>Seniors</b>										
Number of seniors served										8,691
Health services:	4,613	3,698	3,255	2,834	2,972	2,444	1,535	1,328	1,048	//*
Access services:	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  
//\* Information no longer tracked

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

<b>Function/Program</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>Police</b>										
Corrections facility maximum capacity	620	620	620	620	620	620	620	620	620	620
Vehicle patrol units:										
Police service automobiles	33	31	34	38	35	43	40	40	45	48
Animal control	2	2	2	2	2	2	2	2	3	3
Jail	5	5	7	9	8	8	4	4	4	6
<b>Public works</b>										
Miles of county maintained roads:										
Primary	483	483	483	483	483	483	483	483	483	490
Local	827	827	827	827	827	827	827	827	827	826
State Trunkline	205	205	205	205	205	205	205	205	205	458
<b>Parks and Recreation</b>										
County Parks	3	3	3	3	3	3	3	3	3	3
Custer Greens Golf Course	1	1	-	-	-	-	-	-	-	-
Calhoun County Trailway	-	-	-	-	-	-	-	-	-	1

Source: Calhoun County Finance Department

**CALHOUN COUNTY**  
**Schedule of Insurance**  
**As of December 31, 2014**

<b>Type of Coverage</b> <b>Name of Company</b>	<b>Policy Period</b>	<b>Premium</b>	<b>Description</b>
Michigan Municipal Risk Management Authority (MMRMA)	01/01/14-12/31/14	\$ 902,930	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)	01/01/14-12/31/14	Included	All risk coverage on buildings and contents at replacement cost of \$125,851,739 with a \$2,500 maximum deductible per occurrence. Includes burglary as well as perils from flood and earthquake.
Michigan Municipal Risk Management Authority (MMRMA)	01/01/14-12/31/14	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	01/01/14-12/31/14	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	01/01/14-12/31/14	23,224	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.
Midwest Employers Casualty Company	01/01/14-12/31/14	36,003	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	01/01/13-12/31/15	26,880	TPA for Claims Service.
Life Insurance UNUM Life Insurance Company of America	01/01/13-12/31/15	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	01/01/14-12/31/14	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	01/01/14-12/31/14	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, 2014**

<b>Type of Coverage</b> <b>Name of Company</b>	<b>Policy Period</b>	<b>Premium</b>	<b>Description</b>
Community Blue Preferred Provider Organization (PPO) Plan 3 Blue Cross/Blue Shield	01/01/14-12/31/14	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	01/01/14-12/31/14	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	01/01/14-12/31/14	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	01/01/14-12/31/14	299.77	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	01/01/14-12/31/14	501.08	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 \$250 individual/\$2,000 maximum.
Vision Care Blue Cross/Blue Shield/ Vision Service Plan (VSP)	01/01/14-12/31/14	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.

Concluded.