

**CALHOUN COUNTY, MICHIGAN  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
YEAR ENDED DECEMBER 31, 2015**



# **CALHOUN COUNTY, MICHIGAN**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

FOR THE YEAR ENDED DECEMBER 31, 2015

### **Board of Commissioners**

Derek King, Chairperson

Michael Bearman

Kathy-Sue Dunn

Jim Haadsma

Steve Frisbie

Carla Reynolds

Blaine VanSickle

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 15, 2016

### **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, 2015, 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, PLC, 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, 2015, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statements presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the County's financial statements for the fiscal year ended December 31, 2015, 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 Uniform Guidance, *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 Public Health, Senior Millage Allocation Committee, Solid Waste Advisory Committee, 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 650 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:

- **Enhancing Public Safety**

In September 2015 we celebrated the opening of the new Marshall Regional Law Enforcement Center. The Michigan State Police, Calhoun County Sheriff's Office and Marshall Police Department share certain staff, and over 70% of the space within the 35,000 square foot building, generating operational savings and increasing day-to-day collaboration. This \$11,000,000 investment was partly funded by state grants, and is good for everyone but the criminals!

Emmett Charter Township joined the Calhoun Public Safety Information Alliance during 2015, to share law enforcement data with the City of Battle Creek and the Office of the Calhoun County Sheriff. This jointly-purchased software system also includes the Consolidated Dispatch Authority, County Prosecutor's Office and 10<sup>th</sup> District Court, providing richer crime data and communications that enhance public safety.

- **Valuing Our Employees**

The County updated our harassment and workplace violence policies during 2015, and conducted employee training on these topics as well as advanced customer service and active shooter situations.

- **Encouraging Health and Wellbeing**

Our Care Here Employee Health & Wellness Center had its first anniversary in February 2015, and brought \$140,000 in cost savings to the County. Utilization is growing as more employees enjoy its patient-centered model and low cost, quality care. In 2015 Musashi Auto Parts and Systex Products, Inc. joined the City of Battle Creek, Toyota Tsusho and Calhoun County in our public-private partnership. In June our Health Department relocated its clinic in Albion to a more accessible, down town building. And among other noteworthy accomplishments in 2015, the Health Department implemented a "Drive-Through Flu Clinic" in partnership with Kellogg Community College.

- **Reaching Out to More Veterans and Seniors**

The County Veterans Affairs Office hired a new Director in 2015, implemented a new strategic plan and an online claims tracking system, and created a new meeting space for Veterans Affairs Committee meetings. All three staff became accredited service officers, a new credential for Calhoun County. The County's Senior Services Office and Senior Millage Allocation Committee held its 3<sup>rd</sup> annual Centenarian Lunch and 6<sup>th</sup> annual County Senior Fair during 2015 and continue to improve the lives of thousands of Calhoun County residents age 60 and older.

- **Partnering With Tribal Government**

In March 2015, officials from Calhoun County government met with the Nottawaseppi Huron Band of the Potawatomi (NHBP) Tribal Government and exchanged resolutions in support of our continued inter-governmental collaboration. We have posted each other's government flags as a sign of honor and respect. Since then, our County/Tribe relationship has produced many accomplishments facilitated by Tribal Government leadership and County Administration. A new Road Maintenance Agreement has resulted in road improvements surrounding the NHBP Reservation in Athens, and collaboration between the County Water Resources Commissioner and the Tribe on a recent drain project on Tribal Lands created cost savings and the protection of sensitive environmental areas. In the Fall of 2015 the County Board, our MSU Extension Office

and the NHBP partnered to offer our first Youth Leadership Program, providing high school students an opportunity to learn about local, state and Tribal governments. The FireKeepers Local Revenue Sharing Board, supported by County Administration through a services agreement, distributed nearly \$5,000,000 to local governments within Calhoun County.

- **Promoting Community and Economic Development**

County representatives actively serve on the Marshall Area Economic Development Alliance (MAEDA) Board, the Calhoun Visitors Bureau Board, and BC CAL/KAL Inland Port Development Board, and we have participated in the BC Vision project, encouraging broader definitions of community. A new agreement approved in October 2015 will allow the County's Community Development team to more formally assist with planning and development projects for local governments, in partnership with the Southcentral Michigan Planning Council. Commissioners serve on our four-county regional Workforce Development Board, Michigan Works! Southwest, and on the County's Planning Commission and Parks and Recreation Commission. The County partnered with Brembo North America, Inc. to secure a \$1.5 million state job training grant to support 254 new jobs at their new foundry, opening soon near its existing Homer manufacturing facility in Albion Township.

- **Reducing, Reusing and Recycling**

The County and the City of Albion collaborated to open a new Albion Recycling Center in February 2015, offering free and convenient residential drop off services. The County established during 2015 a Property Assessed Clean Energy (PACE) Program, allowing for long-term financing for energy efficiency improvements to privately-owned non-residential properties, with repayments from special property tax assessments. PACE generates immediate positive cash flow and guarantees long-term energy and operational savings as an economic development tool requiring no taxpayer money.

- **Gearing Up for Additional Road Funding**

The County Road Department budget for 2015 totaled \$25 million, which more than doubled the previous year's revenues and allowed for an unprecedented level of road and bridge improvements. County issued capital bonds are funding the purchase of over \$6 million in Road Department trucks and equipment as part of a new fleet replacement plan. Michigan's new road funding legislation will increase our state funding allocation by 68% in a phased approach from 2017 to 2021. Our shared services contract with Jackson County's Department of Transportation continued to grow, providing savings through joint purchasing, and efficiencies through leveraged staff expertise and equipment.

- **Streamlining Government Processes**

In October 2015 the Michigan State Supreme Court appointed the County's Probate Court Judge as Chief Judge of the Calhoun County Circuit, Probate and District Courts beginning January 1 of 2016. This state-wide initiative streamlines administrative functions of the courts, accelerates potential savings from cooperation and consolidation of services, and improves service to the public. In October 2015 the County's Clerk and Register of Deeds initiated an electronic recording (e-recording) service through an online application called Simplifile, allowing organizations to submit documents to our Register of Deeds office securely and more cost-effectively. The County Treasurer launched during 2015 Facebook and Twitter accounts for the Treasurer's Office and the Calhoun County Land Bank, which also created its own website. The public can find links to all county departments and their social media options from our website, [www.calhouncountymi.gov](http://www.calhouncountymi.gov).

- **Demonstrating Fiscal Stewardship**

Calhoun County maintained our ‘AA’ Standard & Poor’s bond credit rating with a stable outlook during 2015 due to moderate debt levels, adequate reserves and sound financial policies and budget management practices. At December 31, 2015 the unassigned general fund balance was 10.5% (total general fund balance was 11%) of the total previous year’s general fund expenditures plus transfers out, thereby meeting the Board of Commissioners adopted policy range of 8% - 12%, as well as the Government Finance Officers Association recommended practices.

An improving local economy and slowly rising property tax revenues helped us balance our 2016 budget of \$40 million with a reduction of only 1.5 staff positions. The Board of Commissioners Budget Committee ensures timely adoption of a balanced budget driven by our long-term forecast and supporting priority levels of service. The average homeowner (home valued at \$100,000) pays less than \$23 per month in property taxes toward County general operations, and about \$15 of that funds public safety, the prosecutor and courts (\$0 pays for road repairs—the Road Department is separately funded!).

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, and Western Michigan University’s Kendall Center. Finally, in addition to established industrial parks in Albion, Battle Creek, Marshall, Tekonsha, and Springfield, the County possesses four significant recreational parks: Kimball Pines Park, Historic Bridge Park at Riverside Park, the Ott Preserve and the Calhoun County Trailway.

**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. To address this revenue reduction, various operational expenses have been reduced, labor agreements aggressively negotiated and in some cases,

positions have been eliminated. Property values are beginning to increase and are expected to continue to rebound slowly for several years.

**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 proposed fiscal year 2016 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 2016 payments

**Labor Force.** The County has several employee bargaining units which have negotiated comprehensive salary, wage, fringe benefit and working conditions contracts with the County. There are also 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 2015 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. Road Department retirees are provided post-retirement health care benefits that also require the retirees to share in the premium costs.

**Debt Administration.** At December 31, 2015 the County's outstanding net direct debt was \$42.9 million, a net increase of \$11.8 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.

## **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, 2014. 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.

Respectfully Submitted,

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

Kelli Scott, County  
Administrator/Controller



Government Finance Officers Association

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

Presented to

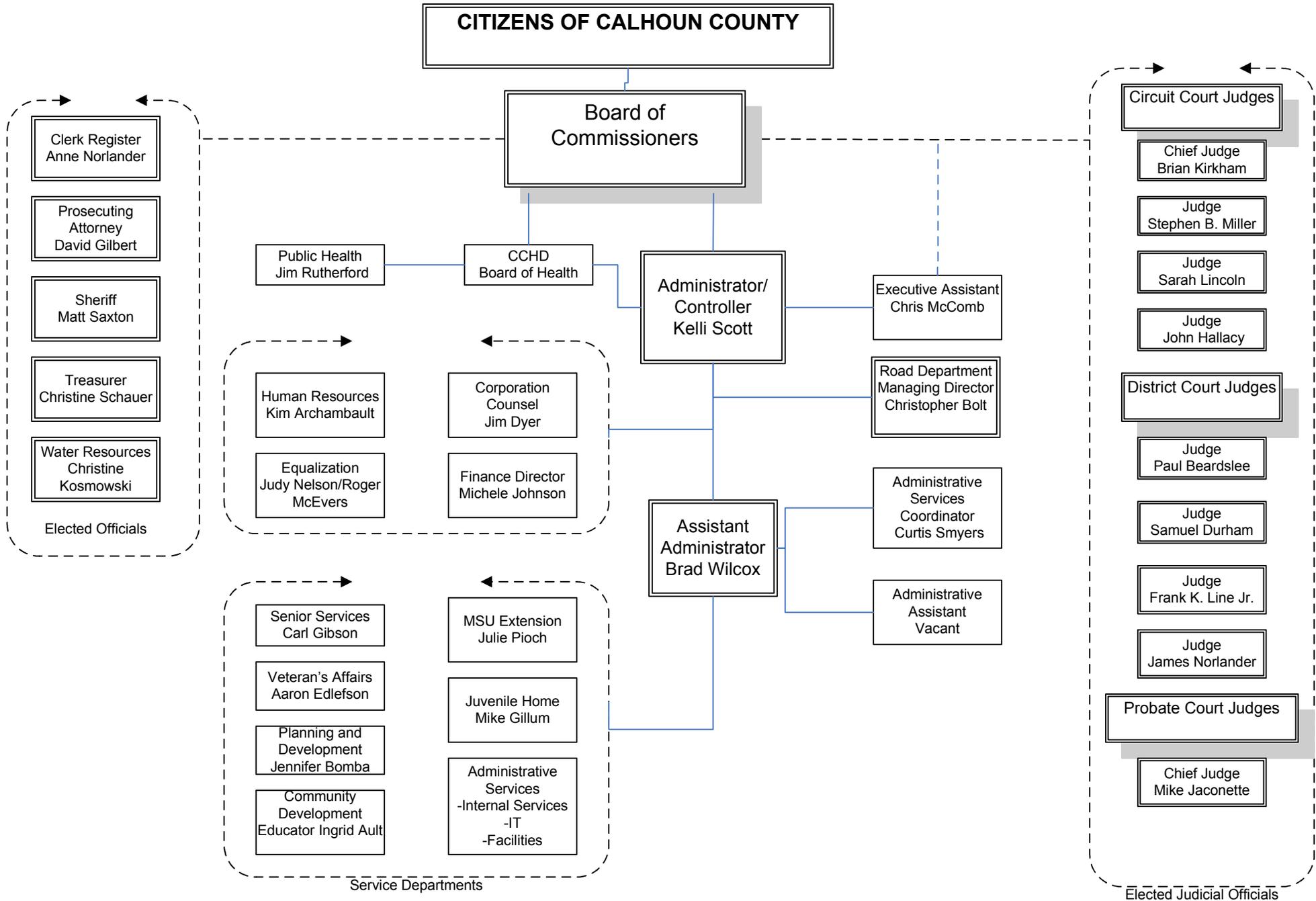
**County of Calhoun  
Michigan**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2014**

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, 2015, 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%, 1%, and 23%, 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, 2015, 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.

### ***Emphasis of Matter***

As described in Note 14 to the financial statements, during the year ended December 31, 2015, the County adopted the provisions of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*. As a result of implementing this pronouncement, the County's net pension liability has been recognized on the government-wide statements and, as discussed in Note 14, the 2014 financial statements have been restated. Our opinion is not modified with respect to this matter.

### ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the pension and OPEB schedules, 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 15, 2016, 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 15, 2016

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

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

As management of Calhoun County, Michigan (the "County" or "government") 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, 2015. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal and the accompanying basic financial statements.

### **Financial Highlights**

- The assets and deferred outflows of the County, as presented in the government-wide financial statements, exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$76,437,350 (*net position*), an increase of \$1,632,912 in 2015.
- 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 \$21,566,586, an increase of approximately \$5,490,225 in comparison with the prior year. Of the fund balance amount, \$4,179,699 is *available for spending* at the government's discretion (*unassigned fund balance*).
- Total fund balance for the General Fund was \$4,522,132, an increase of \$160,223 for 2015. At the end of the year, the unassigned portion of the fund balance in the General Fund was \$4,179,699, or approximately 10.5 percent of total General Fund expenses and transfers out for the prior year, thereby adhering to the policy range of 8 – 12 percent as adopted by the Board of Commissioners.
- The County's net investment in capital assets was \$78,551,105 at the end of 2015, which compares to \$70,991,631 at the end of 2014.
- The County's total bonded debt, excluding delinquent tax notes, equaled \$42,865,505 at the close of 2015, representing a net increase of \$11,847,505 during the current fiscal year. This increase is largely due to debt issued on behalf of the County's Road Department for local road projects.

### **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 Water Resource Commission and Land Bank, for which the County is financially accountable. Financial information for these *component units* is reported separately from the financial information presented for the primary government itself. 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 in its business-type activities.

**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 41 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, and the Road Department Fund, which are considered to be major funds. Data from the other 37 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 \$76,437,350 at the close of the most recent fiscal year, a decrease of \$32,452,308 from 2014, primarily due to the implementation of GASB 68. The schedule on the following page shows the County's net position by category.

**Calhoun County**  
**Statement of Net Position for Fiscal Years Ended December 31, 2015 and December 31, 2014**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
<b>ASSETS</b>						
<i>Current Assets</i>						
Cash and Cash Equivalents	\$ 18,860,654	\$ 17,091,163	\$ 17,065,802	\$ 15,988,849	\$ 35,926,456	\$ 33,080,012
Accounts Receivable	6,023,377	3,878,876	1,323,832	1,255,594	7,347,209	5,134,470
Current Taxes Receivable	4,648,784	4,612,722	851,213	829,690	5,499,997	5,442,412
Delinquent Taxes Receivable	373,236	358,607	9,254,534	9,781,711	9,627,770	10,140,318
Due from Other Governments	4,138,008	3,935,131	303,871	569,830	4,441,879	4,504,961
Advances to Component Unit	224,600	210,600	-	10,634	224,600	221,234
Prepaid Items	360,813	1,200,376	90,054	243,526	450,867	1,443,902
Inventory	935,483	822,532	-	-	935,483	822,532
<b>Total Current Assets</b>	<b>35,564,955</b>	<b>32,110,007</b>	<b>28,889,306</b>	<b>28,679,834</b>	<b>64,454,261</b>	<b>60,789,841</b>
<i>Noncurrent Assets</i>						
Long-term Receivables	7,941,860	4,648,000	-	-	7,941,860	4,648,000
Capital Assets not Being Depreciated	30,411,279	29,695,734	-	-	30,411,279	29,695,734
Capital Assets Being Depreciated	58,162,678	52,080,866	14,557,823	14,883,752	72,720,501	66,964,618
<b>Total Assets</b>	<b>132,080,772</b>	<b>118,534,607</b>	<b>43,447,129</b>	<b>43,563,586</b>	<b>175,527,901</b>	<b>162,098,193</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Pension	3,266,539	2,561,325	-	-	3,266,539	2,561,325
Deferred Charge on Refunding	-	-	163,806	178,697	163,806	178,697
<b>Total Deferred Outflows of Resources</b>	<b>3,266,539</b>	<b>2,561,325</b>	<b>163,806</b>	<b>178,697</b>	<b>3,430,345</b>	<b>2,740,022</b>
<b>LIABILITIES</b>						
<i>Current Liabilities</i>						
Accounts Payable	3,663,224	5,894,840	135,780	214,847	3,799,004	6,109,687
Accrued Liabilities	617,319	564,797	491,687	483,275	1,109,006	1,048,072
Due to Other Governments	741,491	577,540	151,078	177,120	892,569	754,660
Unearned Revenue	1,471,347	1,155,450	-	-	1,471,347	1,155,450
Accrued Interest	292,969	169,260	-	-	292,969	169,260
Current Portion of Long-term Debt	3,182,188	1,969,554	1,693,762	2,193,762	4,875,950	4,163,316
Current Portion of Compensated Absences	1,508,769	1,490,121	343,591	304,498	1,852,360	1,794,619
Internal Balances	148,264	293,148	(148,264)	(293,148)	-	-
<b>Total Current Liabilities</b>	<b>11,625,571</b>	<b>12,114,710</b>	<b>2,667,634</b>	<b>3,080,354</b>	<b>14,293,205</b>	<b>15,195,064</b>
<i>Noncurrent Liabilities</i>						
Long-term Debt	37,512,584	24,702,022	5,612,625	6,056,388	43,125,209	30,758,410
Compensated Absences	646,614	638,623	-	-	646,614	638,623
Other Post-employment Benefits	7,479,166	6,804,748	-	-	7,479,166	6,804,748
Net Pension Liability	33,196,879	32,673,129	-	-	33,196,879	32,673,129
<b>Total Liabilities</b>	<b>90,460,814</b>	<b>76,933,232</b>	<b>8,280,259</b>	<b>9,136,742</b>	<b>98,741,073</b>	<b>86,069,974</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unamortized Gain on Bond Refunding	3,979	5,307	-	-	3,979	5,307
Taxes Levied for a Subsequent Period	2,890,447	3,090,782	885,397	867,714	3,775,844	3,958,496
<b>Total Deferred Inflows of Resources</b>	<b>2,894,426</b>	<b>3,096,089</b>	<b>885,397</b>	<b>867,714</b>	<b>3,779,823</b>	<b>3,963,803</b>
<b>NET POSITION</b>						
Net Investment in Capital Assets	70,049,669	62,558,028	8,501,436	8,433,603	78,551,105	70,991,631
Restricted	17,044,454	11,714,452	9,091,717	8,702,433	26,136,171	20,416,885
Unrestricted	(45,102,052)	(33,205,869)	16,852,126	16,601,791	(28,249,926)	(16,604,078)
<b>Total Net Position</b>	<b>\$ 41,992,071</b>	<b>\$ 41,066,611</b>	<b>\$ 34,445,279</b>	<b>\$ 33,737,827</b>	<b>\$ 76,437,350</b>	<b>\$ 74,804,438</b>

By far the largest portion of the County's net position, \$78,551,105, 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 \$26,136,171 represents resources that are subject to external restrictions on how they may be used. The County's unrestricted net position was (\$28,249,926) as of December 31, 2015 when net pension liabilities of \$33,196,879 are included for reporting purposes.

**Calhoun County**  
**Change in Net Position for Fiscal Years Ended December 31, 2015 and December 31, 2014**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total Government</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
<b>Revenue</b>						
<b>Program Revenues</b>						
Charges for Services	\$ 20,887,633	\$ 15,696,155	\$ 18,105,501	\$ 18,314,642	\$ 38,993,134	\$ 34,010,797
Operating Grants and Contributions	30,827,494	27,316,943	89,067	71,595	30,916,561	27,388,538
<b>Total Program Revenues</b>	<b>51,715,127</b>	<b>43,013,098</b>	<b>18,194,568</b>	<b>18,386,237</b>	<b>69,909,695</b>	<b>61,399,335</b>
<b>General Revenues</b>						
Property Taxes	23,248,672	22,182,886	893,810	890,041	24,142,482	23,072,927
State Revenue Sharing	2,991,609	2,582,893	-	-	2,991,609	2,582,893
Interest Income	81,832	51,270	29,060	27,784	110,892	79,054
<b>Total General Revenues</b>	<b>26,322,113</b>	<b>24,817,049</b>	<b>922,870</b>	<b>917,825</b>	<b>27,244,983</b>	<b>25,734,874</b>
<b>Total Revenues</b>	<b>78,037,240</b>	<b>67,830,147</b>	<b>19,117,438</b>	<b>19,304,062</b>	<b>97,154,678</b>	<b>87,134,209</b>
<b>Expenses</b>						
Legislative	147,293	120,751	-	-	147,293	120,751
Judicial	11,319,053	11,621,486	-	-	11,319,053	11,621,486
General Government	7,228,834	6,962,089	-	-	7,228,834	6,962,089
Public Safety	23,739,921	21,503,694	-	-	23,739,921	21,503,694
Public Works	18,047,957	15,107,382	-	-	18,047,957	15,107,382
Health and Welfare	14,871,035	13,975,583	-	-	14,871,035	13,975,583
Recreation and Culture	1,332,321	1,891,980	-	-	1,332,321	1,891,980
Community and Economic Development	672,028	182,238	-	-	672,028	182,238
Interest on Long-term Debt	1,253,338	721,232	-	-	1,253,338	721,232
Property Description	-	-	5,914	-	5,914	-
Sheriff Inmate Concession	-	-	148,087	212,903	148,087	212,903
Medical Care Facility	-	-	15,276,158	15,122,581	15,276,158	15,122,581
Delinquent Tax Revolving	-	-	1,479,827	1,710,476	1,479,827	1,710,476
<b>Total Expenses</b>	<b>78,611,780</b>	<b>72,086,435</b>	<b>16,909,986</b>	<b>17,045,960</b>	<b>95,521,766</b>	<b>89,132,395</b>
<b>Change in Net Position Before Transfers</b>	<b>(574,540)</b>	<b>(4,256,288)</b>	<b>2,207,452</b>	<b>2,258,102</b>	<b>1,632,912</b>	<b>(1,998,186)</b>
Transfers	1,500,000	2,327,065	(1,500,000)	(2,327,065)	-	-
<b>Change in Net Position</b>	<b>925,460</b>	<b>(1,929,223)</b>	<b>707,452</b>	<b>(68,963)</b>	<b>1,632,912</b>	<b>(1,998,186)</b>
<i>Net Position at the Beginning of Period - Restated</i>	41,066,611	42,995,834	33,737,827	33,806,790	74,804,438	76,802,624
<b>Net Position at the End of Period</b>	<b>\$ 41,992,071</b>	<b>\$ 41,066,611</b>	<b>\$ 34,445,279</b>	<b>\$ 33,737,827</b>	<b>\$ 76,437,350</b>	<b>\$ 74,804,438</b>

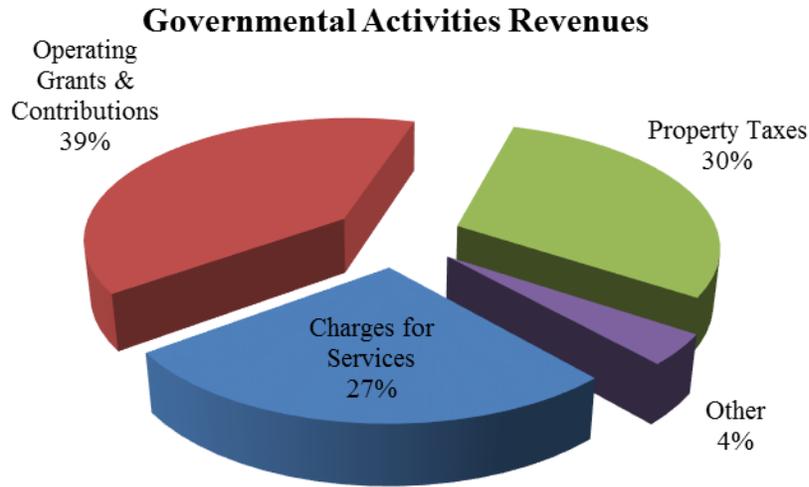
The County's total net position increased by \$1,632,912 during the current fiscal year.

**Governmental activities.** Net position within Governmental activities showed an overall increase of \$925,460 during the year.

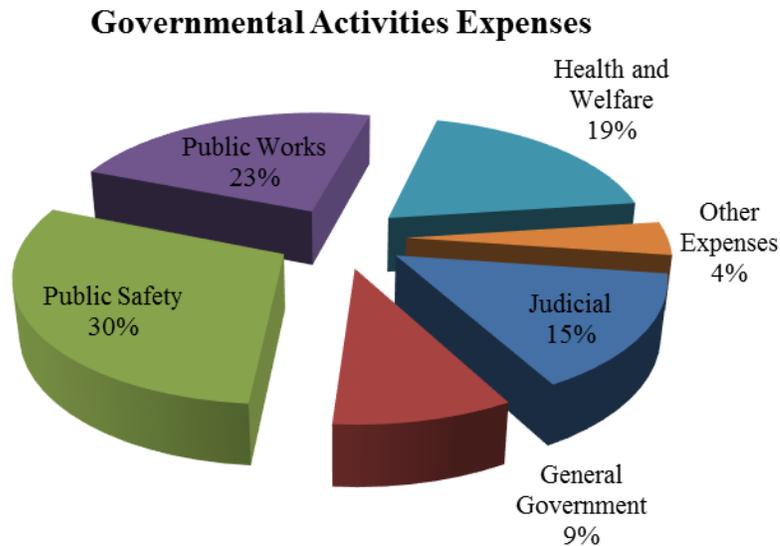
Items of note include the following:

- In total, Governmental Activity Program Revenues increased by \$8.7M or 20%, as follows:
  - Increases in grant funding within the Health Department (\$0.6M);
  - Increase in state funding within the Road Department (\$2.2M); increases in local funding from townships (\$3.7M);
  - Increase in state grant within Public Safety (\$0.9M) to offset costs of newly constructed Marshall Regional Law Enforcement Center;
  - Decreases in other program revenues totaling \$0.2M.
- Increase in State Revenue Sharing (\$0.4M, restoring full funding for counties for the first time after several years of cuts).
- Increase in property taxes (\$1.1M).
- Total Governmental Activity Expenses increased \$6.5M, or 9%, from 2014 to 2015:
  - General Fund expenses increased by only \$0.2M, primarily due to reduced employee benefits and other departmental reductions enacted through county-wide strategies to manage available resources and maintain adequate reserves and strong bond credit ratings.
  - An increase of \$3M represented the County's ongoing investment in Public Works capital equipment and infrastructure within the Road Department, and a significantly increased participation level by townships to make local road improvements.
  - Increased costs within Public Safety of \$2.5M and interest on long-term debt of \$0.5M reflect the County's investment in the newly opened Marshall Regional Law Enforcement Center, which houses personnel from the County Sheriff's Office, the Marshall City Police Department, and the Michigan State Police.
- Transfers in decreased by \$0.8M from 2014 to 2015.

The following chart summarizes the revenue sources for the Governmental Activities of the County for 2015:



The following chart summarizes the expenses for the Governmental Activities of the County for 2015:



**Business-type Activities.**

The County’s net position from Business-type Activities increased by \$707,452 in 2015 compared to a decrease of \$68,963 for 2014. The increase in net position is primarily due to a decrease in transfers out of \$827,065 compared to the previous year. Total revenues decreased \$186,624 and total expenses also decreased \$135,974.

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 \$595,334, or 5.0 percent. This increase resulted from charges for services increasing while expenses remained nearly flat.
- The Delinquent Tax Revolving Fund transferred \$1,500,000 to the General Fund. The increase in net position was \$120,628 for 2015.

### **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 \$21,566,586, an increase of \$5,490,225 in comparison with the prior year, with some factors that led to this increase of fund balance listed below. Of the fund balance amount, \$4,179,699 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 \$4,179,699, while total fund balance was \$4,522,132. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to prior year expenditures. Unassigned fund balance represents 10.5 percent of total General Fund expenditures and transfers out for the prior year thereby meeting the Board of Commissioners adopted policy, as well as the Government Finance Officer's Association recommended practices.

Despite continued fiscal constraints due to limitations of major revenue sources, the fund balance in the General Fund increased by \$160,223 during the 2015 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 authorized the use of \$41,133 in fund balance during 2015, while still maintaining an ending fund balance of \$898,194. Operating revenue increased by \$652,733 (12%), mainly due to increases in federal and state grants received. Expenditures increased by \$887,444 (14%), 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 also authorized the use of fund balance of \$1,356 during 2015. Total fund balance at the end of the year is \$1,088,161, representing 39% of annual revenues.

The Road Department fund balance increased by \$7,936,816 during 2015, largely due to \$15,477,483 of bonds and capital lease proceeds received during the year, for which related capital expenditures will occur during 2016. 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.

Nonmajor governmental fund balance decreased in total by \$2,564,325 in 2015 mainly due to capital outlay purchases made during 2015 from bond proceeds received in 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 \$12,845,919 and \$3,887,162, 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>General Government</i>			
Administrator	\$ 408,527	\$ 411,210	\$ (2,683)
<i>Public Safety</i>			
Support Service	411,926	425,462	(13,536)
Sheriff Training	102,801	107,286	(4,485)
<i>Transfers Out</i>	8,283,102	8,318,811	(35,709)

## **Capital Asset and Debt Administration**

**Capital Assets.** The County's investment in capital assets (net of accumulated depreciation) as of December 31, 2015 for its Governmental and Business-type Activities amounted to \$88,573,957 and \$14,557,823, 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 2015 fiscal year was \$6,471,428, reflecting that its capital asset additions exceeded depreciation expense and disposals.

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 2015, the County had total bonded debt outstanding of \$42,865,505, an increase of \$11,847,505 from 2014 due to the issuance of Michigan Transportation Fund bonds during 2015. The entire balance comprises debt backed by the full faith and credit of the County. Tax notes payable decreased by \$550,000 in 2015.

The County's credit rating was reaffirmed by Standard & Poor's during 2015 at "AA" with a stable outlook, 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 \$423,623,241, and so the County continues to maintain 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 2016 fiscal year:

Property tax revenues provide 44% 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 included an increase of 2% in property tax revenues—the first increase in many years. For 2016 the County's budget factors in a 1% increase in real property values. The long-term forecast predicts property tax revenues to continue to increase slowly through 2020, 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 7% 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. In 2015 funding was 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 2016 budget and long-term forecast include State Revenue Sharing for Counties at this same level, and thus will need to 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 approximately 50% of the operational costs for the correctional facility. 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 2016 budget includes total revenues of \$40.8 million and expenditures of \$40.7 million, both of which represent less than ½% of an increase from the 2015 budget. The County has reduced staffing significantly over the past several years, with budgeted and authorized positions in 2016 at 32 fewer full-time equivalents than were included in the budget in 2010.

The 2016 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 3% reduction in employee benefits costs for the 2016 budget.

The County expects to require nearly all vacant unfunded positions to remain vacant for 2016, 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 2016, 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 2016 budget was developed to include an increase in fund balance sufficient to keep the balance at its current level of approximately 10.5% 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, maintains a commitment to our Capital Improvement Plan, moderates debt and provides for effective budget controls. These objectives are established 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, 2015**

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS</b>				
<i>Current Assets</i>				
Cash and Cash Equivalents	\$ 18,860,654	\$ 17,065,802	\$ 35,926,456	\$ 1,131,972
Accounts Receivable	6,023,377	1,323,832	7,347,209	6,131,066
Current Taxes Receivable	4,648,784	851,213	5,499,997	--
Delinquent Taxes Receivable	373,236	9,254,534	9,627,770	--
Due from Other Governments	4,138,008	303,871	4,441,879	292,505
Advances to Component Unit	224,600	--	224,600	--
Prepaid Items	360,813	90,054	450,867	--
Inventory	935,483	--	935,483	137,192
<b>Total Current Assets</b>	<b>35,564,955</b>	<b>28,889,306</b>	<b>64,454,261</b>	<b>7,692,735</b>
<i>Noncurrent Assets</i>				
Long-term Receivables	7,941,860	--	7,941,860	--
Other Assets	--	--	--	777,398
Capital Assets not Being Depreciated	30,411,279	--	30,411,279	--
Capital Assets Being Depreciated	58,162,678	14,557,823	72,720,501	11,468,656
<b>Total Assets</b>	<b>132,080,772</b>	<b>43,447,129</b>	<b>175,527,901</b>	<b>19,938,789</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension	3,266,539	--	3,266,539	--
Deferred Charge on Refunding	--	163,806	163,806	--
<b>Total Deferred Outflows of Resources</b>	<b>3,266,539</b>	<b>163,806</b>	<b>3,430,345</b>	<b>--</b>
<b>LIABILITIES</b>				
<i>Current Liabilities</i>				
Accounts Payable	2,505,241	135,780	2,641,021	945,571
Claims Payable	1,157,983	--	1,157,983	--
Accrued Liabilities	617,319	491,687	1,109,006	59,223
Due to Other Governments	741,491	151,078	892,569	218,780
Unearned Revenue	1,471,347	--	1,471,347	--
Accrued Interest	292,969	--	292,969	--
Current Portion of Long-term Debt	3,182,188	1,693,762	4,875,950	1,439,384
Current Portion of Compensated Absences	1,508,769	343,591	1,852,360	--
Internal Balances	148,264	(148,264)	--	--
<b>Total Current Liabilities</b>	<b>11,625,571</b>	<b>2,667,634</b>	<b>14,293,205</b>	<b>2,662,958</b>
<i>Noncurrent Liabilities</i>				
Long-term Debt	37,512,584	5,612,625	43,125,209	5,122,477
Compensated Absences	646,614	--	646,614	--
Other Post-employment Benefits	7,479,166	--	7,479,166	--
Net Pension Liability	33,196,879	--	33,196,879	--
<b>Total Liabilities</b>	<b>90,460,814</b>	<b>8,280,259</b>	<b>98,741,073</b>	<b>7,785,435</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unamortized Gain on Bond Refunding	3,979	--	3,979	--
Taxes Levied for a Subsequent Period	2,890,447	885,397	3,775,844	--
<b>Total Deferred Inflows of Resources</b>	<b>2,894,426</b>	<b>885,397</b>	<b>3,779,823</b>	<b>--</b>
<b>NET POSITION</b>				
Net Investment in Capital Assets	70,049,669	8,501,436	78,551,105	5,699,194
<i>Restricted for:</i>				
Judicial	543,329	--	543,329	--
General Government	229,169	--	229,169	--
Public Safety	279,288	--	279,288	--
Public Works	9,869,823	--	9,869,823	--
Health and Welfare	2,679,516	--	2,679,516	--
Community and Economic Development	44,467	--	44,467	--
Recreation and Culture	207,498	--	207,498	--
Capital Projects	2,954,787	--	2,954,787	--
Permanently Restricted - Nonspendable Cemetery	36,546	--	36,546	--
Debt Service	200,031	6,210,652	6,410,683	--
Foreclosures	--	2,502,501	2,502,501	--
Treasurer's Office Administration	--	326,470	326,470	--
Donor Restricted	--	52,094	52,094	--
<i>Unrestricted</i>	(45,102,052)	16,852,126	(28,249,926)	6,454,160
<b>Total Net Position</b>	<b>\$ 41,992,071</b>	<b>\$ 34,445,279</b>	<b>\$ 76,437,350</b>	<b>\$ 12,153,354</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, 2015**

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	\$ 147,293	\$ --	\$ --	\$ --	\$ (147,293)	\$ --	\$ (147,293)	\$ --
Judicial	11,319,053	3,336,997	2,836,463	--	(5,145,593)	--	(5,145,593)	--
General Government	7,228,834	2,429,094	2,459,437	--	(2,340,303)	--	(2,340,303)	--
Public Safety	23,739,921	6,234,758	3,451,308	--	(14,053,855)	--	(14,053,855)	--
Public Works	18,047,957	7,676,734	13,402,035	--	3,030,812	--	3,030,812	--
Health and Welfare	14,871,035	1,148,942	8,117,438	--	(5,604,655)	--	(5,604,655)	--
Community and Economic Development	672,028	32,286	559,963	--	(79,779)	--	(79,779)	--
Recreation and Culture	1,332,321	28,822	850	--	(1,302,649)	--	(1,302,649)	--
Interest on Long-term Debt	1,253,338	--	--	--	(1,253,338)	--	(1,253,338)	--
<b>Total Governmental Activities</b>	<b>78,611,780</b>	<b>20,887,633</b>	<b>30,827,494</b>	<b>--</b>	<b>(26,896,653)</b>	<b>--</b>	<b>(26,896,653)</b>	<b>--</b>
<b>Business-type Activities:</b>								
Property Description	5,914	--	--	--	--	(5,914)	(5,914)	--
Sheriff Inmate Concession	148,087	145,491	--	--	--	(2,596)	(2,596)	--
Medical Care Facility	15,276,158	14,884,756	89,067	--	--	(302,335)	(302,335)	--
Delinquent Tax Revolving	1,479,827	3,075,254	--	--	--	1,595,427	1,595,427	--
<b>Total Business-type Activities</b>	<b>16,909,986</b>	<b>18,105,501</b>	<b>89,067</b>	<b>--</b>	<b>--</b>	<b>1,284,582</b>	<b>1,284,582</b>	<b>--</b>
<b>Total Primary Government</b>	<b>\$ 95,521,766</b>	<b>\$ 38,993,134</b>	<b>\$ 30,916,561</b>	<b>\$ --</b>	<b>\$ (26,896,653)</b>	<b>\$ 1,284,582</b>	<b>\$ (25,612,071)</b>	<b>--</b>
<b>Component Units</b>								
Water Resources	\$ 1,030,695	\$ --	\$ 2,531,626	\$ 1,622,139	--	--	--	3,123,070
Land Bank	1,389,557	627,677	622,409	--	--	--	--	(139,471)
<b>Total Component Units</b>	<b>\$ 2,420,252</b>	<b>\$ 627,677</b>	<b>\$ 3,154,035</b>	<b>\$ 1,622,139</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>2,983,599</b>

**General Purpose Revenues and Transfers:**

**Revenues**

Interest Income	81,832	29,060	110,892	195
Property Taxes	23,248,672	893,810	24,142,482	--
State Revenue Sharing	2,991,609	--	2,991,609	--

**Transfers**

	1,500,000	(1,500,000)	--	--
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**Total General Revenues and Transfers**

	27,822,113	(577,130)	27,244,983	195
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**Change in Net Position**

	925,460	707,452	1,632,912	2,983,794
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<i>Net Position at Beginning of Period - Restated (Note 14)</i>	41,066,611	33,737,827	74,804,438	9,169,560
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<b>Net Position at End of Period</b>	<b>\$ 41,992,071</b>	<b>\$ 34,445,279</b>	<b>\$ 76,437,350</b>	<b>\$ 12,153,354</b>
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The Notes to the Financial Statements are an integral part of these Financial Statements

**Calhoun County  
Balance Sheet  
Governmental Funds  
December 31, 2015**

	Special Revenue				Other Governmental Funds	Total Governmental Funds
	General	Senior Millage	Health Department	Road Department		
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ 2,446,950	\$ 1,407,054	\$ 1,777,415	\$ 6,910,739	\$ 3,823,166	\$ 16,365,324
Accounts Receivable	172,117	32	94,115	3,977,473	305,401	4,549,138
Current Taxes Receivable	1,876,972	2,443,468	--	--	328,344	4,648,784
Delinquent Taxes Receivable	304,794	53,960	--	--	14,482	373,236
Due from Other Governments	1,250,095	--	166,930	--	2,720,983	4,138,008
Advances to Component Unit	224,600	--	--	--	--	224,600
Prepaid Items	117,833	--	1,500	--	10,687	130,020
Inventory	--	--	--	920,111	--	920,111
Due from Other Funds	545,524	--	--	--	--	545,524
<i>Total Assets</i>	<b><u>\$ 6,938,885</u></b>	<b><u>\$ 3,904,514</u></b>	<b><u>\$ 2,039,960</u></b>	<b><u>\$ 11,808,323</u></b>	<b><u>\$ 7,203,063</u></b>	<b><u>\$ 31,894,745</u></b>
<b>LIABILITIES</b>						
Accounts Payable	\$ 340,351	\$ 202,790	\$ 229,417	\$ 1,003,566	\$ 439,547	\$ 2,215,671
Accrued Liabilities	245,723	1,581	151,400	115,848	90,466	605,018
Due to Other Governments	27,843	--	156,986	556,662	--	741,491
Unearned Revenue	--	9,638	603,963	783,557	61,658	1,458,816
Due to Other Funds	112,362	--	--	--	545,524	657,886
<i>Total Liabilities</i>	<u>726,279</u>	<u>214,009</u>	<u>1,141,766</u>	<u>2,459,633</u>	<u>1,137,195</u>	<u>5,678,882</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable Revenue - Property Taxes	1,690,474	53,881	--	--	14,475	1,758,830
Taxes Levied for a Subsequent Period	--	2,548,463	--	--	341,984	2,890,447
<i>Total Liabilities and Deferred Inflows of Resources</i>	<u>2,416,753</u>	<u>2,816,353</u>	<u>1,141,766</u>	<u>2,459,633</u>	<u>1,493,654</u>	<u>10,328,159</u>
<b>FUND BALANCE</b>						
Nonspendable	342,433	--	1,500	920,111	47,233	1,311,277
Restricted	--	1,088,161	896,694	8,428,579	5,662,176	16,075,610
Unassigned	4,179,699	--	--	--	--	4,179,699
<i>Total Fund Balance</i>	<u>4,522,132</u>	<u>1,088,161</u>	<u>898,194</u>	<u>9,348,690</u>	<u>5,709,409</u>	<u>21,566,586</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balance</i>	<b><u>\$ 6,938,885</u></b>	<b><u>\$ 3,904,514</u></b>	<b><u>\$ 2,039,960</u></b>	<b><u>\$ 11,808,323</u></b>	<b><u>\$ 7,203,063</u></b>	<b><u>\$ 31,894,745</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, 2015**

Total Fund Balance - Governmental Funds	\$	21,566,586
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.		2,955,747
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, the interest expenditure is reported when due.		(292,969)
General government capital assets of \$172,991,608, net of accumulated depreciation of \$86,370,546, are not financial resources, and accordingly are not reported in the funds.		86,621,062
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.		(40,083,483)
Other post-employment benefits are not due and payable in the current period and, therefore, are not reported in the funds.		(7,479,166)
Unavailable revenues are not available to pay current period expenditures and, therefore, are deferred inflows of resources in the funds.		1,758,830
Compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.		(2,155,383)
Long-term receivables are not available to pay for current period expenditures and, therefore, are excluded from the funds.		9,031,187
Deferred outflows from the difference between projected and actual investment earnings of the pension plan as well as County contributions made after the measurement date of the net pension liability are not reported in the funds.		3,266,539
Net pension liabilities are not reported in the funds.		(33,196,879)
<b>Total Net Position - Governmental Funds</b>	<b>\$</b>	<b><u>41,992,071</u></b>

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

**Calhoun County**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended December 31, 2015**

	<u>Special Revenue</u>				<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
	<u>General</u>	<u>Senior Millage</u>	<u>Health Department</u>	<u>Road Department</u>		
<b>Revenues</b>						
Property Taxes	\$ 18,679,619	\$ 2,622,142	\$ --	\$ --	\$ 1,721,351	\$ 23,023,112
Contributions	--	96,892	--	--	1,134,856	1,231,748
Licenses and Permits	89,458	--	324,037	106,991	46,233	566,719
Intergovernmental	7,935,010	--	5,659,941	13,320,235	6,819,174	33,734,360
Charges for Services	9,213,952	--	247,925	2,623,179	1,245,368	13,330,424
Fines and Forfeitures	696,477	--	--	--	35,200	731,677
Interest and Rents	61,853	3,080	--	--	51,980	116,913
Other	1,031,061	58,859	87,444	83,812	129,819	1,390,995
Sale of Capital Asset	--	--	--	--	16,376	16,376
<b>Total Revenues</b>	<u>37,707,430</u>	<u>2,780,973</u>	<u>6,319,347</u>	<u>16,134,217</u>	<u>11,200,357</u>	<u>74,142,324</u>
<b>Expenditures</b>						
Legislative	114,882	--	--	--	--	114,882
Judicial	6,672,621	--	--	--	3,763,266	10,435,887
General Government	6,111,312	--	--	--	541,503	6,652,815
Public Safety	16,878,491	--	--	--	4,405,309	21,283,800
Public Works	464,784	--	--	14,059,704	477,563	15,002,051
Health and Welfare	885,746	2,782,329	7,092,151	--	4,046,714	14,806,940
Community and Economic Development	127,452	--	--	--	544,576	672,028
Recreation and Culture	--	--	--	--	1,311,367	1,311,367
Capital Outlay	19,752	--	165,292	8,994,309	1,359,738	10,539,091
Debt Service - Principal	8,431	--	--	539,381	1,765,854	2,313,666
Debt Service - Interest and Fiscal Charges	1,042	--	--	222,418	936,406	1,159,866
<b>Total Expenditures</b>	<u>31,284,513</u>	<u>2,782,329</u>	<u>7,257,443</u>	<u>23,815,812</u>	<u>19,152,296</u>	<u>84,292,393</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>6,422,917</u>	<u>(1,356)</u>	<u>(938,096)</u>	<u>(7,681,595)</u>	<u>(7,951,939)</u>	<u>(10,150,069)</u>
<b>Other Financing Sources (Uses)</b>						
Capital Lease	--	--	--	1,829,607	273,021	2,102,628
General Obligation Bonds Issued	--	--	--	13,270,000	--	13,270,000
Premium on General Obligation Bonds Issued	--	--	--	377,876	--	377,876
Transfers In	2,056,117	--	930,577	140,928	5,941,322	9,068,944
Transfers Out	(8,318,811)	--	(33,614)	--	(826,729)	(9,179,154)
<b>Net Other Financing Sources (Uses)</b>	<u>(6,262,694)</u>	<u>--</u>	<u>896,963</u>	<u>15,618,411</u>	<u>5,387,614</u>	<u>15,640,294</u>
<b>Net Change in Fund Balance</b>	<b>160,223</b>	<b>(1,356)</b>	<b>(41,133)</b>	<b>7,936,816</b>	<b>(2,564,325)</b>	<b>5,490,225</b>
<i>Fund Balance at Beginning of Period</i>	4,361,909	1,089,517	939,327	1,411,874	8,273,734	16,076,361
<b>Fund Balance at End of Period</b>	<u>\$ 4,522,132</u>	<u>\$ 1,088,161</u>	<u>\$ 898,194</u>	<u>\$ 9,348,690</u>	<u>\$ 5,709,409</u>	<u>\$ 21,566,586</u>

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, 2015**

Total Net Change in Fund Balances - Governmental Funds	\$	5,490,225
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.		(692,647)
Long-term receivables are not available to pay for current period expenditures and, therefore, are excluded from the funds.		225,560
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.		(15,750,504)
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 \$10,539,091 exceeds depreciation expense of \$4,235,491 and disposals of \$9,562.		6,294,038
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.		(123,710)
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.		(26,639)
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.		(674,418)
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.		3,658,187
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 \$2,313,666 plus the net amortization of bond premiums and discounts of \$30,238.		2,343,904
The change in net pension liability amounts does require the use of current resources and is not reported in the governmental funds.		181,464
<b>Changes in Net Position - Governmental Funds</b>	<b>\$</b>	<b><u>925,460</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, 2015**

	<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental Activities Internal Service Funds</b>
	<b>Medical Care Facility</b>	<b>Delinquent Tax Revolving</b>	<b>Other Enterprise Funds</b>	<b>Total Enterprise Funds</b>	
<b>ASSETS</b>					
<i>Current Assets</i>					
Cash and Cash Equivalents	\$ 3,303,683	\$ 13,632,781	\$ 129,338	\$ 17,065,802	\$ 2,495,330
Accounts Receivable	1,323,832	--	--	1,323,832	384,912
Current Taxes Receivable	851,213	--	--	851,213	--
Delinquent Taxes Receivable	--	9,254,534	--	9,254,534	--
Due from Other Governments	--	303,871	--	303,871	--
Prepaid Items	90,054	--	--	90,054	230,793
Inventory	--	--	--	--	15,372
Due from Other Funds	--	148,264	--	148,264	--
<b>Total Current Assets</b>	<b>5,568,782</b>	<b>23,339,450</b>	<b>129,338</b>	<b>29,037,570</b>	<b>3,126,407</b>
<i>Noncurrent Assets</i>					
Capital Assets Being Depreciated	14,549,323	8,500	--	14,557,823	1,952,895
<b>Total Assets</b>	<b>20,118,105</b>	<b>23,347,950</b>	<b>129,338</b>	<b>43,595,393</b>	<b>5,079,302</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred Charge on Refunding Bonds	163,806	--	--	163,806	--
<b>Total Deferred Outflows of Resources</b>	<b>163,806</b>	<b>--</b>	<b>--</b>	<b>163,806</b>	<b>--</b>
<b>LIABILITIES</b>					
<i>Current Liabilities</i>					
Accounts Payable	125,487	--	10,293	135,780	289,570
Claims Payable	--	--	--	--	1,157,983
Accrued Liabilities	438,857	52,830	--	491,687	12,301
Due to Other Governments	--	151,078	--	151,078	--
Unearned Revenue	--	--	--	--	12,531
Current Portion of Long-term Debt	443,762	1,250,000	--	1,693,762	109,328
Current Portion of Compensated Absences	343,591	--	--	343,591	--
Due to Other Funds	--	--	--	--	35,902
<b>Total Current Liabilities</b>	<b>1,351,697</b>	<b>1,453,908</b>	<b>10,293</b>	<b>2,815,898</b>	<b>1,617,615</b>
<i>Noncurrent Liabilities</i>					
Long-term Debt	5,612,625	--	--	5,612,625	505,940
<b>Total Liabilities</b>	<b>6,964,322</b>	<b>1,453,908</b>	<b>10,293</b>	<b>8,428,523</b>	<b>2,123,555</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Taxes Levied for a Subsequent Period	885,397	--	--	885,397	--
<b>Total Deferred Inflows of Resources</b>	<b>885,397</b>	<b>--</b>	<b>--</b>	<b>885,397</b>	<b>--</b>
<b>NET POSITION</b>					
Net Investment in Capital Assets	8,492,936	8,500	--	8,501,436	1,337,627
<i>Restricted for:</i>					
Debt Service	--	6,210,652	--	6,210,652	--
Foreclosures	--	2,502,501	--	2,502,501	--
Treasurer's Office Administration	--	326,470	--	326,470	--
Donor Restricted	52,094	--	--	52,094	--
<i>Unrestricted</i>	3,887,162	12,845,919	119,045	16,852,126	1,618,120
<b>Total Net Position</b>	<b>\$ 12,432,192</b>	<b>\$ 21,894,042</b>	<b>\$ 119,045</b>	<b>\$ 34,445,279</b>	<b>\$ 2,955,747</b>

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, 2015**

	Business-type Activities - Enterprise Funds				Governmental
	Medical Care Facility	Delinquent Tax Revolving	Other Enterprise Funds	Total Enterprise Funds	Activities Internal Service Funds
<b>Operating Revenues</b>					
Charges for Services	\$ 14,884,756	\$ --	\$ 145,491	\$ 15,030,247	\$ 9,727,941
Fines and Forfeitures	--	1,752,089	--	1,752,089	--
Interest and Rents	--	1,323,165	--	1,323,165	--
Other	89,067	--	--	89,067	7,141
<b>Total Operating Revenues</b>	<u>14,973,823</u>	<u>3,075,254</u>	<u>145,491</u>	<u>18,194,568</u>	<u>9,735,082</u>
<b>Operating Expenses</b>					
Personnel Services	7,756,129	--	--	7,756,129	--
Administration	--	1,453,970	--	1,453,970	--
Cost of Services	--	--	--	--	11,834,992
Depreciation	687,923	3,400	--	691,323	214,116
Other	6,657,329	--	154,001	6,811,330	--
<b>Total Operating Expenses</b>	<u>15,101,381</u>	<u>1,457,370</u>	<u>154,001</u>	<u>16,712,752</u>	<u>12,049,108</u>
<b>Operating Income (Loss)</b>	<u>(127,558)</u>	<u>1,617,884</u>	<u>(8,510)</u>	<u>1,481,816</u>	<u>(2,314,026)</u>
<b>Non-Operating Revenues (Expenses)</b>					
Interest Income	3,859	25,201	--	29,060	11,169
Property Taxes	893,810	--	--	893,810	--
Interest Expense	(174,777)	(22,457)	--	(197,234)	--
<b>Net Non-Operating Revenues (Expenses)</b>	<u>722,892</u>	<u>2,744</u>	<u>--</u>	<u>725,636</u>	<u>11,169</u>
<b>Income Before Contributions and Transfers</b>	<u>595,334</u>	<u>1,620,628</u>	<u>(8,510)</u>	<u>2,207,452</u>	<u>(2,302,857)</u>
Transfers In	--	--	--	--	1,935,210
Transfers Out	--	(1,500,000)	--	(1,500,000)	(325,000)
<b>Change In Net Position</b>	<u>595,334</u>	<u>120,628</u>	<u>(8,510)</u>	<u>707,452</u>	<u>(692,647)</u>
<i>Net Position at Beginning of Period</i>	11,836,858	21,773,414	127,555	33,737,827	3,648,394
<b>Net Position at End of Period</b>	<u>\$ 12,432,192</u>	<u>\$ 21,894,042</u>	<u>\$ 119,045</u>	<u>\$ 34,445,279</u>	<u>\$ 2,955,747</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, 2015**

	<u>Business-type Activities - Enterprise Funds</u>				<u>Governmental</u>
	<u>Medical Care Facility</u>	<u>Delinquent Tax Revolving Fund</u>	<u>Other Enterprise Funds</u>	<u>Total Enterprise Funds</u>	<u>Activities Internal Service Funds</u>
<b>Cash flows from operating activities</b>					
Cash received from customers	\$ 13,977,568	\$ 14,612,771	\$ 146,458	\$ 28,736,797	\$ -
Cash received from interfund services	-	-	-	-	9,932,653
Cash payments to suppliers	(5,531,974)	(12,290,154)	(154,001)	(17,976,129)	(10,742,786)
Cash payments to employees	(7,756,129)	-	-	(7,756,129)	(718,942)
<b>Total cash from (used by) operating activities</b>	<u>689,465</u>	<u>2,322,617</u>	<u>(7,543)</u>	<u>3,004,539</u>	<u>(1,529,075)</u>
<b>Cash flows from noncapital financing activities</b>					
Property taxes	889,970	-	-	889,970	-
Cash received/paid on advances to other funds	-	394,884	-	394,884	-
Transfers in	-	-	-	-	1,935,210
Transfers out	-	(1,500,000)	-	(1,500,000)	(325,000)
Decrease in due from other funds	-	-	-	-	(34,193)
Interest on tax notes	-	(22,457)	-	(22,457)	-
Tax notes issued	-	5,500,000	-	5,500,000	-
Tax notes redeemed	-	(6,050,000)	-	(6,050,000)	-
<b>Total cash flows from (used by) noncapital financing activities</b>	<u>889,970</u>	<u>(1,677,573)</u>	<u>-</u>	<u>(787,603)</u>	<u>1,576,017</u>
<b>Cash flows from related capital and related financing activities</b>					
Purchase of capital assets	(365,394)	-	-	(365,394)	(717,435)
Principal payments on long-term debt	(375,000)	-	-	(375,000)	(102,167)
Interest on long-term debt	(178,649)	-	-	(178,649)	-
Proceeds from lease purchase agreement	-	-	-	-	717,435
<b>Total cash flows used by capital and related financing activities</b>	<u>(919,043)</u>	<u>-</u>	<u>-</u>	<u>(919,043)</u>	<u>(102,167)</u>
<b>Cash flows from investing activities</b>					
Interest received	3,859	25,201	-	29,060	11,169
<b>Total cash flows from investing activities</b>	<u>3,859</u>	<u>25,201</u>	<u>-</u>	<u>29,060</u>	<u>11,169</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	664,251	670,245	(7,543)	1,326,953	(44,056)
<i>Cash and cash equivalents - beginning of the year</i>	2,639,432	12,962,536	136,881	15,738,849	2,539,386
<b><i>Cash and cash equivalents - end of the year</i></b>	<u>\$ 3,303,683</u>	<u>\$ 13,632,781</u>	<u>\$ 129,338</u>	<u>\$ 17,065,802</u>	<u>\$ 2,495,330</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, 2015**

	<u>Business-type Activities - Enterprise Funds</u>				<u>Governmental</u>
	<u>Medical Care Facility</u>	<u>Delinquent Tax Revolving Fund</u>	<u>Other Enterprise Funds</u>	<u>Total Enterprise Funds</u>	<u>Activities Internal Service Funds</u>
<b>Cash flows from operating activities</b>					
Operating income (loss)	\$ (127,558)	\$ 1,617,884	\$ (8,510)	\$ 1,481,816	\$ (2,314,026)
Adjustments to reconcile operating income to net cash provided by (used in) operations:					
Depreciation	687,923	3,400	-	691,323	214,116
Provision for bad debt (recovery) expense	56,722	10,634	-	67,356	-
Changes in assets and liabilities:					
Accounts receivable	28,512	527,177	-	555,689	138,385
Prepaid items	-		-	-	450,283
Inventory	-		-	-	(10,180)
Due from other governments	-	265,959	-	265,959	12,562
Accounts payable	(80,034)		967	(79,067)	81,915
Accrued liabilities	123,900	(76,395)	-	47,505	(114,561)
Unearned revenue	-	-	-	-	12,431
Due to other governmental units	-	(26,042)	-	(26,042)	-
<b><i>Net cash from (used by) operating activities</i></b>	<b><u>\$ 689,465</u></b>	<b><u>\$ 2,322,617</u></b>	<b><u>\$ (7,543)</u></b>	<b><u>\$ 3,004,539</u></b>	<b><u>\$ (1,529,075)</u></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, 2015**

	<b>Agency Funds</b>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 2,078,345
Accounts Receivable	1,016
<i>Total Assets</i>	2,079,361
<b>LIABILITIES</b>	
Accounts Payable	528,508
Due to Individuals and Agencies	426,331
Due to Other Governments	1,124,522
<i>Total Liabilities</i>	2,079,361
<b>NET POSITION</b>	
Held in Trust	\$ --

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, 2015**

	<u>Land Bank</u>	<u>Water Resources</u>	<u>Total Component Units</u>
<b>ASSETS</b>			
<i>Current Assets</i>			
Cash and Cash Equivalents	\$ 349,268	\$ 782,704	\$ 1,131,972
Accounts Receivable	1,553	6,129,513	6,131,066
Due from Other Governments	292,505	--	292,505
Inventory	137,192	--	137,192
<b>Total Current Assets</b>	<u>780,518</u>	<u>6,912,217</u>	<u>7,692,735</u>
<i>Noncurrent Assets</i>			
Other Assets	777,398	--	777,398
Capital Assets Being Depreciated	26,603	11,442,053	11,468,656
<b>Total Assets</b>	<u>1,584,519</u>	<u>18,354,270</u>	<u>19,938,789</u>
<b>LIABILITIES</b>			
<i>Current Liabilities</i>			
Accounts Payable	619,159	326,412	945,571
Accrued Liabilities	2,763	56,460	59,223
Due to Other Governments	--	218,780	218,780
Current Portion of Long-term Debt	4,840	1,434,544	1,439,384
<b>Total Current Liabilities</b>	<u>626,762</u>	<u>2,036,196</u>	<u>2,662,958</u>
<i>Noncurrent Liabilities</i>			
Long-term Debt	801,744	4,320,733	5,122,477
<b>Total Liabilities</b>	<u>1,428,506</u>	<u>6,356,929</u>	<u>7,785,435</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	12,418	5,686,776	5,699,194
<i>Unrestricted</i>	143,595	6,310,565	6,454,160
<b>Total Net Position</b>	<u>\$ 156,013</u>	<u>\$ 11,997,341</u>	<u>\$ 12,153,354</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, 2015**

	<u>Land Bank</u>	<u>Water Resources</u>	<u>Total Component Units</u>
<b>Expenses</b>			
County Drains	\$ --	\$ 1,030,695	\$ 1,030,695
Land Bank	1,389,557	--	1,389,557
<b>Total Expenses</b>	<u>1,389,557</u>	<u>1,030,695</u>	<u>2,420,252</u>
<b>Program Revenues</b>			
Charges for Services	627,677	--	627,677
Operating Grants and Contributions	622,409	2,531,626	3,154,035
Capital Grants and Contributions	--	1,622,139	1,622,139
<b>Total Program Revenues</b>	<u>1,250,086</u>	<u>4,153,765</u>	<u>5,403,851</u>
<b>Net Program Revenues (Expenses)</b>	<u>(139,471)</u>	<u>3,123,070</u>	<u>2,983,599</u>
<b>General Revenue</b>			
Interest Income	195	--	195
<b>Total General Revenues</b>	<u>195</u>	<u>--</u>	<u>195</u>
<b>Change in Net Position</b>	<u>(139,276)</u>	<u>3,123,070</u>	<u>2,983,794</u>
<i>Net Position at Beginning of Period - Restated (Note 14)</i>	295,289	8,874,271	9,169,560
<b>Net Position at End of Period</b>	<u>\$ 156,013</u>	<u>\$ 11,997,341</u>	<u>\$ 12,153,354</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 seven 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, 2015.

### **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, along with local contributions from other governmental units

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.

**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

## Calhoun County

### Notes to the Financial Statements

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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.

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

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

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

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

#### ***Deposits and Investments***

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

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

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

## Calhoun County

### Notes to the Financial Statements

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#### ***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 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,

## Calhoun County

### Notes to the Financial Statements

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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 County only has two items that qualify for reporting in this category, the deferred charge on refunding and pension related deferred outflows. 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. The government-wide statements and proprietary funds also report deferred outflows from the difference between projected and actual investment earnings of the pension plan as well as County contributions made after the measurement date of the net pension liability.

#### *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.

## Calhoun County

### Notes to the Financial Statements

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#### ***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 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.

## Calhoun County

### Notes to the Financial Statements

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#### ***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 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.

## Calhoun County

### Notes to the Financial Statements

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*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, function and activity for the general fund and by fund and function for the special revenue funds. The County Administrator/Controller 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, 2015, the following activities of certain funds had expenditures in excess of appropriations as follows:

	<b>Amended Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>General Fund</b>			
<i>General Government</i>			
Administrator	\$ 408,527	\$ 411,210	\$ (2,683)
<i>Public Safety</i>			
Support Service	411,926	425,462	(13,536)
Sheriff Training	102,801	107,286	(4,485)
<i>Transfers Out</i>	8,283,102	8,318,811	(35,709)
<b>Road Department</b>	24,000	25,712	(1,712)
<i>Capital Outlay</i>	3,399,833	8,994,309	(5,594,476)
<i>Debt Service - Interest</i>	213,946	222,418	(8,472)
<b>Board of Public Works - Transfers Out</b>	-	140,928	(140,928)
<b>Health Department - Capital Outlay</b>	88,032	165,292	(77,260)
<b>County Special Projects - Transfers Out</b>	67,400	94,547	(27,147)
<b>Sheriff- Capital Outlay</b>	5,000	8,180	(3,180)
<b>Solid Waste Management - Public Works</b>	379,746	390,897	(11,151)

These expenditures over appropriations were covered by available fund balance. The variance in Road Department Capital Outlay expenditures related to the authorized advance spending during 2015 of transportation bonds to be issued in 2016.

**Calhoun County**  
Notes to the Financial Statements

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**Note 3 – Deposits and Investments**

Following is a reconciliation of deposit and investments balances (including both pooled cash and investments) as of December 31, 2015:

	Primary Government	Component Units	Totals
<b>Statement of Net Position</b>			
Cash & Cash Equivalents	\$ 35,926,456	\$ 1,131,972	\$ 37,058,428
<b>Statement of Fiduciary Net Position</b>			
Cash & Cash Equivalents	2,078,345	-	2,078,345
<b><i>Total Deposits and Investments</i></b>	<b>\$ 38,004,801</b>	<b>\$ 1,131,972</b>	<b>\$ 39,136,773</b>

**Deposits and Investments**

Bank Deposits	\$ 31,319,641
Investments	7,813,605
Cash on hand	3,527
<b><i>Total</i></b>	<b>\$ 39,136,773</b>

## Calhoun County

### Notes to the Financial Statements

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	5/3/2016	\$ 37,649	Not Rated
Certificate of Deposit	2/6/2017	250,158	Not Rated
Certificate of Deposit	8/10/2016	249,608	Not Rated
Certificate of Deposit	1/8/2018	250,000	Not Rated
Certificate of Deposit	6/5/2017	250,000	Not Rated
Certificate of Deposit	1/30/2024	245,158	Not Rated
Certificate of Deposit	2/11/2016	249,975	Not Rated
Municipal Bonds	1/1/2021	223,230	AA
Municipal Bonds	12/1/2016	100,720	Not Rated
Municipal Bonds	5/1/2017	202,344	AA+
Municipal Bonds	11/15/2019	237,882	AA
Commercial Paper	2/15/2016	996,250	A-1
MBIA Michigan Class	9/26/2016	3,000,327	AAAm
Federal National Mortgage Association	2/12/2018	250,105	AA+
Federal National Mortgage Association	9/21/2018	499,858	AA+
Federal Home Loan Mortgage	2/25/2019	248,408	AA+
Federal Home Loan Mortgage	11/23/2020	246,845	AA+
Federal Farm Credit Bank	12/16/2017	250,005	AA+
Money Market	N/A	25,084	Not Rated
		<u>\$ 7,813,605</u>	

*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

## Calhoun County

### Notes to the Financial Statements

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County's deposits was \$31,319,641. As of year end, \$31,686,249 of the combined bank balance of \$33,186,249 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, 2015, was as follows:

	Balance December 31, 2014	Additions	Reductions	Balance December 31, 2015
<b>Governmental Activities</b>				
<b>Capital Assets not Being Depreciated</b>				
Land	\$ 1,475,736	\$ 5,535	\$ -	\$ 1,481,271
Land Improvements - Infrastructure	28,219,999	-	-	28,219,999
Construction in Process	-	710,009	-	710,009
<b>Total Capital Assets not Being Depreciated</b>	<b>29,695,735</b>	<b>715,544</b>	<b>-</b>	<b>30,411,279</b>
<b>Capital Assets Being Depreciated</b>				
Land Improvements	30,537	-	-	30,537
Buildings and Improvements	55,266,596	453,170	-	55,719,766
Equipment and Furniture	13,278,285	947,355	-	14,225,640
Vehicles	1,700,789	138,722	354,995	1,484,516
Road Equipment	10,193,860	3,350,364	166,447	13,377,777
Shop Equipment	269,671	-	-	269,671
Office Equipment	349,212	-	4,637	344,575
Engineers' Equipment	31,921	-	-	31,921
Yard and Storage	751,216	-	-	751,216
Depleteable Assets	146,962	-	-	146,962
Infrastructure - Roads and Signals	41,468,568	4,933,030	-	46,401,598
Infrastructure - Bridges	9,795,244	906	-	9,796,150
<b>Total Capital Assets Being Depreciated</b>	<b>133,282,861</b>	<b>9,823,547</b>	<b>526,079</b>	<b>142,580,329</b>
<b>Less Accumulated Depreciation</b>				
Land Improvements	30,537	-	-	30,537
Buildings and Improvements	24,593,740	1,038,948	-	25,632,688
Equipment and Furniture	12,233,780	239,034	-	12,472,814
Vehicles	1,242,207	205,244	342,249	1,105,202
Road Equipment	8,248,395	853,508	169,631	8,932,272
Shop Equipment	229,357	6,924	-	236,281
Office Equipment	263,702	14,114	4,637	273,179
Engineers' Equipment	31,920	-	-	31,920
Yard and Storage	594,661	19,391	-	614,052
Depleteable Assets	111,839	-	-	111,839
Infrastructure - Roads and Signals	30,292,026	1,543,941	-	31,835,967
Infrastructure - Bridges	4,779,408	314,387	-	5,093,795
<b>Total Accumulated Depreciation</b>	<b>82,651,572</b>	<b>4,235,491</b>	<b>516,517</b>	<b>86,370,546</b>
<b>Total Net Capital Assets Being Depreciated</b>	<b>50,631,289</b>	<b>5,588,056</b>	<b>9,562</b>	<b>56,209,783</b>
<b>Internal Service Funds</b>				
Administrative Services	6,199	717,436	56,474	667,161
Building & Grounds	1,443,377	-	157,643	1,285,734
<b>Total Internal Service Funds</b>	<b>1,449,576</b>	<b>717,436</b>	<b>(214,117)</b>	<b>1,952,895</b>
<b>Total Governmental Capital Assets</b>	<b>\$ 81,776,600</b>	<b>\$ 7,021,036</b>	<b>\$ (223,679)</b>	<b>\$ 88,573,957</b>

**Calhoun County**  
Notes to the Financial Statements

	<b>Balance December 31, 2014</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance December 31, 2015</b>
<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	23,670	-	308,717
Buildings and improvements	21,552,066	245,911	-	21,797,977
Equipment and furniture	3,030,984	147,258	83,020	3,095,222
<b>Total Capital Assets Being Depreciated</b>	<b>24,868,097</b>	<b>416,839</b>	<b>83,020</b>	<b>25,201,916</b>
<b>Less Accumulated Depreciation</b>				
Land improvements	148,218	10,373	-	158,591
Buildings and improvements	7,148,290	500,198	-	7,648,488
Equipment and furniture	2,739,282	180,752	83,020	2,837,014
<b>Total Accumulated Depreciation</b>	<b>10,035,790</b>	<b>691,323</b>	<b>83,020</b>	<b>10,644,093</b>
<b>Total Net Capital Assets Being Depreciated</b>	<b>14,832,307</b>	<b>(274,484)</b>	<b>-</b>	<b>14,557,823</b>
<b>Total Business-type Capital Assets</b>	<b>\$ 14,883,752</b>	<b>\$ (274,484)</b>	<b>\$ -</b>	<b>\$ 14,557,823</b>

**Discretely presented component units**

*Water Resources Commission.* Capital asset activity for the Water Resources Commission for the year ended December 31, 2015 was as follows:

	<b>Balance December 31, 2014</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance December 31, 2015</b>
<b>Component Unit - Water Resources Commission</b>				
<b>Capital assets being depreciated</b>				
Infrastructure	\$ 11,734,844	\$ 1,622,139	\$ -	\$ 13,356,983
<b>Less accumulated depreciation for</b>				
Infrastructure	1,680,234	234,696	-	1,914,930
Water Resource Commission capital assets, net	<b>\$ 10,054,610</b>	<b>\$ 1,387,443</b>	<b>\$ -</b>	<b>\$ 11,442,053</b>

*Land Bank Authority.* Capital asset activity for the Land Bank Authority for the year ended December 31, 2015 was as follows:

	<b>Balance December 31, 2014</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance December 31, 2015</b>
<b>Component Unit - Land Bank Authority</b>				
<b>Capital assets being depreciated</b>				
Vehicles & Equipment	\$ 42,861	\$ -	\$ -	\$ 42,861
<b>Less accumulated depreciation for</b>				
Vehicles & Equipment	7,686	8,572	-	16,258
Land Bank Authority capital assets, net	<b>\$ 35,175</b>	<b>\$ (8,572)</b>	<b>\$ -</b>	<b>\$ 26,603</b>

**Calhoun County**

Notes to the Financial Statements

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

**Governmental activities**

Legislative	\$ 8,401
Judicial	293,719
General Government	245,753
Public Safety	728,903
Public Works	2,766,250
Health and Welfare	180,693
Recreation and Culture	11,772
<i>Total Governmental Activities</i>	<u>\$ 4,235,491</u>

**Business-type activities**

Medical Care Facility	\$ 687,923
Delinquent Tax Collection	3,400
<b>Total Business-type Activities</b>	<u>\$ 691,323</u>

Depreciation expense of \$234,696 was charged to the public works function in the year 2015 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 \$545,524 reported interfund payables, which are equal to the interfund receivable of \$545,524 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, 2015, due to/due from other funds consisted of the following:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ -	\$ 112,362
Internal Service Fund	-	35,902
Delinquent Tax Revolving	148,264	-
	<u>\$ 148,264</u>	<u>\$ 148,264</u>

**Calhoun County**  
Notes to the Financial Statements

For the year ended December 31, 2015, interfund transfers consisted of the following:

<b>Transfers Out</b>	<b>Transfers In</b>					
	General Fund	Health Department	Road Department	Nonmajor Governmental Funds	Internal Service Funds	Total
General Fund	\$ 18,576	\$ 930,577	\$ -	\$ 5,448,062	\$ 1,921,596	8,318,811
Health Department	-	-	-	20,000	13,614	33,614
Nonmajor Governmental Funds	212,541	-	140,928	473,260	-	826,729
Internal Service Funds	325,000	-	-	-	-	325,000
Delinquent tax revolving	1,500,000	-	-	-	-	1,500,000
	<u>\$ 2,056,117</u>	<u>\$ 930,577</u>	<u>\$ 140,928</u>	<u>\$ 5,941,322</u>	<u>\$ 1,935,210</u>	<u>\$ 11,004,154</u>

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

**Note 6 – Capital Leases**

The government has entered into 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 future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2015, were as follows:

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>
2016	\$ 305,112
2017	223,925
2018	119,057
2019	102,105
2020	97,217
2021	97,217
<i><b>Total minimum lease payments</b></i>	<u>944,633</u>
<i>Less - amount representing interest</i>	(20,306)
<i><b>Present value of minimum lease payments</b></i>	<u>\$ 924,327</u>

**Calhoun County**  
Notes to the Financial Statements

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**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%	\$ 4,075,000
Recovery Zone Economic Development Bonds of \$7,000,000	\$280,000 to 455,000	1.50 to 6.55%	5,665,000
Regional Law Enforcement Center Bonds of \$8,875,000	\$255,000 to \$565,000	2.00 to 4.00 %	8,875,000
SunGard Bonds of \$571,388	\$38,093 to \$71,106	2.00 to 5.00 %	482,505
			<u>\$ 19,097,505</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>
2016	\$ 790,790	\$ 831,376	\$ 1,622,166
2017	1,068,330	798,318	1,866,648
2018	1,050,868	761,426	1,812,294
2019	1,123,409	720,619	1,844,028
2020	1,160,948	673,798	1,834,746
2021-2025	5,118,160	2,590,488	7,708,648
2026-2030	3,915,000	1,530,546	5,445,546
2031-2035	2,725,000	640,749	3,365,749
2035-2039	2,145,000	164,025	2,309,025
	<u>\$ 19,097,505</u>	<u>\$ 8,711,345</u>	<u>\$ 27,808,850</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>\$ 459,900</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>
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	65,700	4,277	69,977
2021-2022	131,400	4,277	135,677
	<u>\$ 459,900</u>	<u>\$ 39,919</u>	<u>\$ 499,819</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. These bonds are direct obligations and pledge the full faith and credit of the County and the benefiting municipalities.

<u>Purpose</u>	<u>Installment</u>	<u>Interest Rates</u>	<u>Amount</u>
Series 2015	\$970,000 to \$1,650,000	2.00 to 3.00 %	\$ 13,270,000

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

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 970,000	\$ 259,290	\$ 1,229,290
2017	1,000,000	291,250	1,291,250
2018	1,100,000	270,250	1,370,250
2019	1,250,000	246,750	1,496,750
2020	1,300,000	221,250	1,521,250
2021-2025	7,650,000	576,125	8,226,125
	<u>\$ 13,270,000</u>	<u>\$ 1,864,915</u>	<u>\$ 15,134,915</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 loan was fully paid at December 31, 2015.

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, 2015.

The County, through its Road Department, entered into an installment purchase agreement for eight heavy duty trucks, which was secured by the related Western Star truck equipment. The agreement calls for annual installments of \$292,865 through September 2021, which includes interest at 3.97%. The balance of this is \$1,536,742 at December 31, 2015.

**Calhoun County**  
Notes to the Financial Statements

Annual debt service for installment purchases is as follows:

<b>Year Ending December 31,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2016	\$ 282,653	\$ 66,699	\$ 349,352
2017	293,224	56,128	349,352
2018	304,198	45,154	349,352
2019	315,589	33,763	349,352
2020	270,927	21,939	292,865
2021	281,685	11,181	292,865
	<u>\$ 1,748,276</u>	<u>\$ 234,864</u>	<u>\$ 1,983,139</u>

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

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

<b>Year Ending December 31,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
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	340,000	65,103	405,103
2021-2025	790,000	221,325	1,011,325
2026-2030	555,000	112,505	667,505
2031-2032	230,000	10,063	240,063
	<u>\$ 4,648,000</u>	<u>\$ 866,995</u>	<u>\$ 5,514,995</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 \$1,180,000 at December 31, 2015. The deferred loss on refunding is not shown for the County since the Township is directly responsible for this debt service.

**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%	\$ 360,000
Drain Bonds Payable	2015 - 2026	\$70,000 to \$75,000	2.79%	790,000
Drain Bonds Payable	2016 - 2030	\$50,000 to \$55,000	2.27%	760,000
				<u>\$ 1,910,000</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>
2016	\$ 150,000	\$ 49,787	\$ 134,968
2017	150,000	45,359	133,115
2018	150,000	41,806	129,262
2019	150,000	38,153	126,409
2020	150,000	34,388	123,556
2021 - 2025	790,000	109,734	603,145
2026 - 2030	370,000	21,126	226,714
	<u>\$ 1,910,000</u>	<u>\$ 340,352</u>	<u>\$ 2,250,352</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 - 2030	\$4,000 to \$602,000	Various	<u>\$ 3,850,131</u>

**Calhoun County**

Notes to the Financial Statements

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>
2016	\$ 1,284,985	\$ 93,531	\$ 1,378,515
2017	841,818	78,332	920,150
2018	332,993	47,595	380,588
2019	327,136	45,146	372,282
2020	258,850	35,691	294,541
2021 - 2025	653,350	71,918	725,268
2026 - 2030	151,000	16,688	167,688
	<b>\$ 3,850,131</b>	<b>\$ 388,901</b>	<b>\$ 4,239,032</b>

***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, 2015, are as follows:

<b>Series</b>	<b>Amount</b>
2015 - \$5,500,00 G.O. Tax Notes	\$ 1,250,000

***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:

**Calhoun County**

Notes to the Financial Statements

<b>Purpose</b>	<b>Installment</b>	<b>Interest Rates</b>	<b>Amount</b>
County Building Authority \$6,305,000 Advance bond refunding for Medical Care Facility improvements	\$80,000 to \$680,000	2.00 to 3.125 %	\$ 5,850,000

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

<b>Year Ending December 31,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
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	591,588
2020	510,000	111,625	621,625
2021-2025	2,885,000	309,838	3,194,838
2026	680,000	5,313	685,313
	<b>\$ 5,850,000</b>	<b>\$ 1,014,840</b>	<b>\$ 6,864,840</b>

***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 \$777,398.

The Authority was transferred properties by the Southwest Michigan Community Development Corporation (SWMCDC) (formerly Neighborhoods, Inc. of Battle Creek (NIBC)) during the year, which the Authority is holding. The amount of the mortgage is SWMCDC's costs basis of \$15,001 and \$80,270 at December 31, 2015 and 2014, respectively. The mortgage is interest free and due January 1, 2016 at such time the title of all properties revert back to SWMCDC.

The Authority also has a capital lease payable of \$14,185 for a vehicle as of year-end. The vehicle was purchased for an initial cost of \$25,861 and has accumulated depreciation of \$7,758.

**Calhoun County**  
Notes to the Financial Statements

**Changes in Long-term Debt**

Long-term debt liability activity for the year ended December 31, 2015 was as follows:

	<b>Balance December 31, 2014</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance December 31, 2015</b>	<b>Due in One Year</b>
<b>Governmental Activities - General</b>					
2010 Honeywell bonds	\$ 5,945,000	\$ -	\$ (280,000)	\$ 5,665,000	\$ 290,000
2008 Justice Center refunding bonds	4,515,000	-	(440,000)	4,075,000	450,000
2014 Capital improvement bonds	8,875,000	-	-	8,875,000	-
2012 Installment purchase agreement	525,600	-	(65,700)	459,900	65,700
Unamortized gain on refunding	5,307	-	(1,328)	3,979	1,328
2013 SunGard Bonds	533,295	-	(50,790)	482,505	50,790
Unamortized bond premium	278,112	-	(11,124)	266,988	11,124
Unamortized bond discount	(80,314)	-	10,328	(69,986)	(10,328)
Lease purchase agreements	248,833	273,021	(212,795)	309,059	182,142
Compensated absences	1,938,043	2,465,932	(2,418,156)	1,985,819	1,390,074
<b>Total Governmental Activities</b>	<b>\$ 22,783,876</b>	<b>\$ 2,738,953</b>	<b>\$ (3,469,565)</b>	<b>\$ 22,053,264</b>	<b>\$ 2,430,830</b>
<b>Governmental Activities - Internal Service</b>					
Lease purchase agreements	\$ -	\$ 717,435	\$ (102,167)	\$ 615,268	\$ 109,328
<b>Governmental Activities - Road Department</b>					
Michigan Transportation Fund bonds	\$ 85,000	\$ -	\$ (85,000)	\$ -	\$ -
Michigan Transportation Fund bonds 2015	-	13,270,000	-	13,270,000	970,000
Unamortized bond premium	-	377,876	(28,114)	349,762	37,778
Installment purchase agreement - Freightliners	161,516	-	(161,516)	-	-
2014 Installment purchase agreement - Grader	211,534	-	-	211,534	50,797
2015 Installment purchase agreement	-	1,829,607	(292,865)	1,536,742	231,857
Compensated absences	190,701	227,421	(248,558)	169,564	118,695
<b>Total Road Department</b>	<b>\$ 648,751</b>	<b>\$ 15,704,904</b>	<b>\$ (816,053)</b>	<b>\$ 15,537,602</b>	<b>\$ 1,409,127</b>
<b>Governmental Activities - Public Works Department</b>					
Bonds payable	\$ 5,373,000	\$ -	\$ (725,000)	\$ 4,648,000	\$ 743,000
<b>Governmental Activities - Total</b>					
General obligation bonds	\$ 25,241,295	\$ -	\$ (1,495,790)	\$ 23,745,505	\$ 1,533,790
Unamortized bond discount	(80,314)	-	10,328	(69,986)	(10,328)
Unamortized bond premium	278,112	377,876	(39,238)	616,750	48,902
Unamortized gain on refunding	5,307	-	(1,328)	3,979	1,328
Michigan Transportation fund bonds	85,000	13,270,000	(85,000)	13,270,000	970,000
Installment purchase agreement	898,650	1,829,607	(520,081)	2,208,176	348,354
Lease purchase agreements	248,833	990,456	(314,962)	924,327	291,470
Compensated absences	2,128,744	2,693,353	(2,666,714)	2,155,383	1,508,769
	<b>\$ 28,805,627</b>	<b>\$ 19,161,292</b>	<b>\$ (5,112,785)</b>	<b>\$ 42,854,134</b>	<b>\$ 4,692,285</b>

Compensated absences related to governmental activities are typically liquidated by the General fund.

**Calhoun County**  
Notes to the Financial Statements

**Business-type Activities**

General obligation limited tax notes payable					
Series 2014	\$ 1,800,000		\$ (1,800,000)	\$ -	\$ -
Series 2015	-	5,500,000	(4,250,000)	1,250,000	1,250,000
2013 General obligation limited tax bonds	6,225,000	-	(375,000)	5,850,000	425,000
Unamortized bond premium	225,150	-	(18,763)	206,387	18,762
Compensated absences	304,498	343,591	(304,498)	343,591	343,591
<b>Total Business-type Activities</b>	<b><u>\$ 8,817,322</u></b>	<b><u>\$ 5,843,591</u></b>	<b><u>\$ (6,748,261)</u></b>	<b><u>\$ 7,649,978</u></b>	<b><u>\$ 2,037,353</u></b>

Water Resources Commission

Drain bonds payable	\$ 1,250,000	\$ 760,000	\$ (100,000)	\$ 1,910,000	\$ 150,000
Bonds discount	(5,294)	-	441	(4,853)	(441)
Drain notes payable	3,590,276	2,791,293	(2,548,105)	3,833,464	1,268,319
Lake level notes payable	33,333	-	(16,667)	16,666	16,666
	<b><u>\$ 4,868,314</u></b>	<b><u>\$ 3,551,293</u></b>	<b><u>\$ (2,664,331)</u></b>	<b><u>\$ 5,755,277</u></b>	<b><u>\$ 1,434,544</u></b>

Land Bank Authority

Mortgage payable	<b><u>\$ 796,584</u></b>	<b><u>\$ 10,000</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 806,584</u></b>	<b><u>\$ 4,840</u></b>
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Compensated absences are generally liquidated by the general fund within governmental activities.

**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 \$644,368 at December 31, 2015. At December 31, 2015, the balance of the County's member retention fund was \$260,898.

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

	<u>2015</u>	<u>2014</u>
Unpaid claims, beginning of year	\$ 673,021	\$ 673,021
Incurred claims (including IBNR's)	800,552	1,263,541
Claim payments	<u>(829,205)</u>	<u>(1,263,541)</u>
Unpaid claims, end of year	<u>\$ 644,368</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 \$180,000. 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>2015</u>	<u>2014</u>
Unpaid claims, beginning of year	\$ 395,774	\$ 11,259
Incurred claims (including IBNR's)	6,865,524	7,150,546
Claim payments	<u>(6,952,784)</u>	<u>(6,766,031)</u>
Unpaid claims, end of year	<u>\$ 308,514</u>	<u>\$ 395,774</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>2015</u>	<u>2014</u>
Unpaid claims, beginning of year	\$ 114,064	\$ 150,895
Incurred claims (including IBNR's)	289,258	101,184
Claim payments	<u>(198,221)</u>	<u>(138,015)</u>
Unpaid claims, end of year	<u>\$ 205,101</u>	<u>\$ 114,064</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 extra voted millages are levied December 1. 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 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 2015 levies was \$3,631,219,496. 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**

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>Alerus Financial</u>	<u>Facility</u>	
		<u>Kemper/Pert</u>	<u>Total</u>
Required and actual employer contributions	\$ 170,356	\$ 192,730	\$ 363,086
Required and actual employee contributions	430,072	235,797	665,869

**Deferred Compensation Plan**

The County offers its employees a deferred compensation plan created in accordance with the Internal Revenue Code, Section 457. The assets of the plan are held in trust (custodial account or annuity contract), as described in IRC Section 457(g) for the exclusive benefit of the participants (employees) and their beneficiaries. The custodian, for the exclusive benefit of the participants, holds the custodial account for the beneficiaries of this Section 457 plan, and the assets may not be diverted to any other use. The administrators are agents of the employer for purposes of providing direction to the custodian of the custodial account from time to time for the investment of the funds held in the account, transfer of assets to or from the account, and all other matters. In

**Calhoun County**

Notes to the Financial Statements

accordance with the provisions of GASB Statement 32, plan balances and activities are not reflected in the County's financial statements.

**Defined Benefit Pension Plan**

*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.

Retirement benefits for employees are calculated as follows:

Division	Benefit Multiplier	Benefit Maximum	Final Average Compensation (Years)	Normal Retirement Age	Unreduced Benefit (Age/Years of Service)	Reduced Benefit (Age/Years of Service)	Vesting (Years)
General Employee - Open	1.00% to 2.00%	No Max to 60%	5	60	50/25	55/15	8
Sheriff Supervisors - Closed	2.50%	80%	3	60	50/25	55/15	10
Management - Closed	1.00%	30%	5	60	50/25	55/15	8
UAW - Open	2.50%	80%	3	60	55/30	55/15	6
Non Union CRC - Closed	2.50%	80%	3	60	50/25	50/25 or 55/15	6
Management CRC - Open	2.50%	80%	3	60	55/15	50/25	6
Teamsters CRC - Open	2.25%	80%	3	60	NA	50/25 or 55/15	6
Sheriff Department - Open	2.50%	80%	3	60	50/25	55/15	10

***Employees Covered by Benefit Terms***

At the December 31, 2014 measurement date, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	218
Inactive plan members entitled to but not yet receiving benefits	53
Active plan members	<u>535</u>
Total employees covered by MERS	<u><u>806</u></u>

***Contributions***

Article 9, Section 24 of the State of Michigan constitution requires that financial benefits arising on account of employee service rendered in each year be funded during that year. Accordingly, MERS retains an independent actuary to determine the annual contribution. The employer is

## Calhoun County

### Notes to the Financial Statements

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required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS retirement board. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The employer may establish contribution rates to be paid by its covered employees.

For the year ended December 31, 2015, the County had the following contribution rates:

<u>Division</u>	<u>Employee Contributions</u>	<u>Employer Contributions</u>
General Employee - Open	8.50%	5.14%
Sheriff Supervisors - Closed	12.00%	72.99%
Management - Closed	5.00%	0.00%
UAW - Open	6.00%	54.50%
Non Union CRC - Closed	0.00%	0.00%
Management CRC - Open	0.00%	31.09%
Teamsters CRC - Open	0.00%	22.33%
Sheriff Department - Open	14.12%	8.00%

**Calhoun County**

Notes to the Financial Statements

***Net Pension Liability***

The net pension liability reported at December 31, 2015 was determined using a measure of the total pension liability and the pension net position as of December 31, 2014. The December 31, 2014 total pension liability was determined by an actuarial valuation performed as of that date. Changes in the net pension liability during the measurement year were as follows:

	<b>General Government</b>		
		Increase (Decrease)	
<u>Changes in Net Pension Liability</u>	<u>Total Pension Liability</u>	<u>Plan Net Position</u>	<u>Net Pension Liability</u>
<b>Balance at December 31, 2013</b>	\$ 64,512,671	\$ 39,761,340	\$ 24,751,331
Service cost	2,930,636	-	2,930,636
Interest	5,316,012	-	5,316,012
Contributions - Employer	-	1,921,972	(1,921,972)
Contributions - Employee	-	3,660,257	(3,660,257)
Net investment income	-	2,557,471	(2,557,471)
Benefit payments, including refunds	(3,082,968)	(3,082,968)	-
Administrative expenses	-	(99,868)	99,868
Net changes	<u>5,163,680</u>	<u>4,956,864</u>	<u>206,816</u>
<b>Balance at December 31, 2014</b>	<u>\$ 69,676,351</u>	<u>\$ 44,718,204</u>	<u>\$ 24,958,147</u>

Net pension liabilities are generally liquidated by the general fund within the governmental activities.

**Calhoun County**  
Notes to the Financial Statements

<b>Road Department</b>			
	Increase (Decrease)		
Changes in Net Pension Liability	Total Pension Liability	Plan Net Position	Net Pension Liability
<b>Balance at December 31, 2013</b>	\$ 15,943,923	\$ 8,022,125	\$ 7,921,798
Service cost	247,941	-	247,941
Interest	1,283,122	-	1,283,122
Contributions - Employer	-	639,353	(639,353)
Contributions - Employee	-	87,521	(87,521)
Net investment income	-	500,952	(500,952)
Benefit payments, including refunds	(1,029,797)	(1,029,797)	-
Net Transfers	-	-	
Administrative expenses	-	(13,697)	13,697
Net changes	501,266	184,332	316,934
<b>Balance at December 31, 2014</b>	\$ 16,445,189	\$ 8,206,457	\$ 8,238,732

Net pension liabilities are generally liquidated by the road fund within the road department.

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

Source	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 788,713	\$ -
Employer contributions to the plan subsequent to the measurement date	2,477,826	-
Total	\$ 3,266,539	\$ -

Amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Years Ended December 31	Amount
2016	\$ 197,178
2017	197,178
2018	197,178
2019	197,179

**Calhoun County**  
Notes to the Financial Statements

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***Actuarial Assumptions***

The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3 - 4%	
		In the long-term, 2 percent, and 3 percent for calendar years 2015, and 2016, respectively, including inflation
Salary increases	4.5%	
		Gross of pension plan investment expense, including inflation
Investment rate of return	8.00%	

Mortality rates were based on the 1994 Group Annuity Mortality Table of a 50 percent male and 50 percent female blend. For disabled retirees, the regular mortality table is used with a 10-year set forward in ages to reflect the higher expected mortality rates of disabled members.

The actuarial assumptions used in the December 31, 2014 valuation were based on the results of the most recent actuarial experience study in 2008.

***Discount Rate***

The discount rate used to measure the total pension liability was 8.25 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

***Projected Cash Flows***

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return on pension plan investments was determined using a model in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return as of December 31, 2014, the measurement date, for each major asset class are summarized in the following table:

**Calhoun County**

Notes to the Financial Statements

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Global equity	58%	5.0%
Global fixed income	20%	2.2%
Real assets	12%	4.2%
Diversifying strategies	10%	6.6%

***Sensitivity of the Net Pension Liability to Changes in the Discount Rate***

The following presents the net pension liability of the County, calculated using the discount rate of 8.25 percent, as well as what the County’s net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.25 percent) or one percentage point higher (9.25 percent) than the current rate:

	<u>1% Decrease (7.25%)</u>	<u>Current Discount Rate (8.25%)</u>	<u>1% Increase (9.25%)</u>
Net pension liability of the County	\$ 35,130,337	\$ 24,958,147	\$ 16,389,282

***Pension Plan Fiduciary Net Position***

Detailed information about the plan’s fiduciary net position is available in the separately issued financial report found at [www.mersofmich.com](http://www.mersofmich.com). The plan’s fiduciary net position has been determined on the same basis used by the plan. The plan uses the economic resources measurement focus and the full accrual basis of accounting. Investments are stated at fair value. Contribution revenue is recorded as contributions are due, pursuant to legal requirements. Benefit payments and refunds of employee contributions are recognized as expense when due and payable in accordance with the benefit terms.

**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.

**Calhoun County**

Notes to the Financial Statements

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**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 2015, 83 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, 2015:

Retirees and beneficiaries currently receiving benefits	104
Active plan members (excluding dependents)	<u>407</u>
Total	<u>511</u>

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

**Calhoun County**

Notes to the Financial Statements

*Annual OPEB Cost and Net OPEB Obligation.* For 2015, 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	\$ 813,165
Interest on net OPEB obligation	179,139
Adjustment to annual required contribution	<u>(289,868)</u>
<b>Annual OPEB cost (expense)</b>	702,436
Contributions credit	<u>(229,068)</u>
<b>Increase in net OPEB obligation</b>	473,368
<i>Net OPEB obligation, beginning of year</i>	4,478,463
<b>Net OPEB obligation, end of year</b>	<u>\$ 4,951,831</u>

Net other post-employment benefits obligations are generally liquidated by the general fund within governmental activities.

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>
12/31/2013	\$ 666,464	\$ 188,465	28%	\$ 4,062,038
12/31/2014	688,971	272,546	40%	4,478,463
12/31/2015	702,436	229,068	33%	4,951,831

*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.

*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

**Calhoun County**

Notes to the Financial Statements

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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 2015, 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	\$ 799,775
Interest on net OPEB obligation	93,051
Adjustment to annual required contribution	<u>(150,558)</u>
<b>Annual OPEB cost (expense)</b>	<b>742,268</b>
Contributions made	<u>(541,218)</u>
<b>Increase in net OPEB obligation</b>	<b>201,050</b>
<i>Net OPEB obligation, beginning of year</i>	<u>2,326,285</u>
<b>Net OPEB obligation, end of year</b>	<b><u>\$ 2,527,335</u></b>

Net other post-employment benefits obligations are generally liquidated by the road fund within road department.

Three-year trend information was as follows:

<b>Fiscal Year</b>	<b>Annual OPEB</b>	<b>Annual</b>	<b>Percentage</b>	<b>Net OPEB</b>
<b>Ending</b>	<b>Cost</b>	<b>Required</b>	<b>Contributed</b>	<b>Obligation</b>
		<b>Contribution</b>		
12/31/2013	\$ 1,025,012	\$ 293,431	29%	\$ 2,079,551
12/31/2014	751,574	504,840	67%	2,326,285
12/31/2015	742,268	541,218	73%	2,527,335

*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 \$2,536,133, and the ratio of the UAAL to the covered payroll was 418 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 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	\$ 86,621,062
Long-term debt related to capital assets	(17,909,020)
Net investment in capital assets, excluding internal service funds	<u>68,712,042</u>
Internal service funds:	
Building and grounds -	
Net investment in Capital Assets	1,285,734
Administration services -	
Net investment in Capital Assets	51,893
Net investment in capital assets	<u>\$ 70,049,669</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:

<b><u>Reconciliation of Restricted Fund Balance to Net Position</u></b>	
Total Restricted Fund Balance	\$ 16,075,610
Add Back Nonspendable	
Road Department	920,111
Health Department	1,500
Other Governmental Funds	47,233
<i>Total Nonspendable</i>	<u>968,844</u>
<b><i>Total Restricted Net Position</i></b>	<b><u>\$ 17,044,454</u></b>

**Calhoun County**

Notes to the Financial Statements

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<u>By Function</u>	<u>Amount</u>
Judicial	\$ 543,329
General Government	229,169
Public Safety	279,288
Public Works	9,869,823
Health & Welfare	2,679,516
Community & Economic Development	44,467
Recreation & Culture	207,498
Debt Service	200,031
Capital Projects	2,954,787
Permanently Restricted - Cemetery	36,546
	<u>\$ 17,044,454</u>

**Note 14 – Restatements**

The County restated beginning net position as of January 1, 2015 as follows:

- The beginning net position of the governmental activities was decreased by \$3,440,121 to remove the Marshall Area Regional Law Enforcement Center from the County records.
- The beginning net position of the governmental activities was decreased by \$30,111,804 to account for GASB 68 related liabilities due to pensions.
- The beginning net position of the governmental activities was decreased by \$533,295 to account for previously unrecorded long-term debt.
- The beginning net position of the land bank was increased by \$35,410 to account for amounts due from a local unit.

## **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, 2015**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u> <u>Final to Actual</u>
<b>Revenues</b>				
Taxes	\$ 18,322,756	\$ 18,322,756	\$ 18,679,619	\$ 356,863
Licenses and Permits	158,000	158,000	89,458	(68,542)
Intergovernmental	7,816,486	8,137,804	7,935,010	(202,794)
Charges for Services	10,412,945	10,476,945	9,213,952	(1,262,993)
Fines and Forfeitures	821,500	821,500	696,477	(125,023)
Interest and Rents	23,500	23,500	61,853	38,353
Other	1,424,800	1,434,110	1,031,061	(403,049)
<b>Total Revenues</b>	<u>38,979,987</u>	<u>39,374,615</u>	<u>37,707,430</u>	<u>(1,667,185)</u>
<b>Other Financing Sources</b>				
Transfers In	2,056,171	2,079,671	2,056,117	(23,554)
<b>Total Revenues and Other Financing Sources</b>	<u>41,036,158</u>	<u>41,454,286</u>	<u>39,763,547</u>	<u>(1,690,739)</u>
<b>Expenditures</b>				
<b>Legislative</b>				
Board of Commissioners	126,180	126,180	114,882	11,298
<b>Judicial</b>				
Circuit Court	817,951	820,001	780,351	39,650
Circuit Court - Family	796,063	796,063	618,731	177,332
Indigent Public Defender	1,463,515	1,661,515	1,610,782	50,733
District Court	2,924,655	2,924,655	2,912,152	12,503
Probate Court	651,223	651,223	618,290	32,933
Circuit Court - Probation	25,369	25,369	22,938	2,431
Court Services	92,363	92,363	81,051	11,312
Law Library	34,100	34,100	28,326	5,774
<b>Total Judicial</b>	<u>6,805,239</u>	<u>7,005,289</u>	<u>6,672,621</u>	<u>332,668</u>
<b>General Government</b>				
Elections	124,877	184,877	148,437	36,440
Civil Counsel	142,406	144,835	142,709	2,126
Clerk of the Circuit Court	719,458	719,458	705,851	13,607
Clerk / Register of Deeds	692,065	696,565	676,774	19,791
Administrator	389,647	408,527	411,210	(2,683)
Finance	452,168	431,455	369,473	61,982
Equalization	361,995	361,995	339,727	22,268
Human Resources	344,814	344,814	332,526	12,288
Purchasing	71,013	71,013	69,809	1,204
Prosecuting Attorney	2,395,059	2,367,679	2,105,257	262,422
Treasurer	420,340	425,350	404,453	20,897
MSU Extension	146,299	147,663	146,546	1,117
Water Resources Commissioner	180,534	180,534	168,182	12,352
Administrative Services	87,841	87,841	78,239	9,602
Oil Spill Services	--	3,000	1,619	1,381
Soil Conservation District	8,000	8,000	8,000	--
Potawatomi RC&D	500	500	--	500
Homer Lake Management Board	2,500	2,500	2,500	--
<b>Total General Government</b>	<u>6,539,516</u>	<u>6,586,606</u>	<u>6,111,312</u>	<u>475,294</u>

**Calhoun County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**General Fund**  
**For the Year Ended December 31, 2015**

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative) Final to Actual
<b>Expenditures</b>				
<b>Public Safety</b>				
Sheriff - Administration	631,471	630,346	581,533	48,813
Support Service	411,926	411,926	425,462	(13,536)
Detective Division	184,864	184,864	176,147	8,717
Emergency Services	121,920	126,220	122,957	3,263
Road Patrol	1,708,370	1,706,120	1,648,357	57,763
FOC Warrant Officer	--	68,725	24,253	44,472
Chemical Waste	3,000	3,000	998	2,002
Pennfield Contract	834,034	836,809	801,200	35,609
Traffic Safety	416,934	416,934	355,325	61,609
Sheriff Training	87,176	102,801	107,286	(4,485)
Convis Township Contract	76,112	77,102	74,994	2,108
Civil Process	165,660	165,660	142,317	23,343
T.E.A.M.	52,403	52,403	31,183	21,220
CISD	73,126	73,126	59,358	13,768
Marine Safety	69,235	71,485	65,220	6,265
Corrections / Jail	11,278,642	11,278,642	10,923,083	355,559
Community Corrections - Administration	228,926	228,926	228,238	688
IRS Enforcement	51,059	55,059	6,701	48,358
Animal Control	148,220	148,220	136,523	11,697
Springfield	798,835	798,835	783,682	15,153
Homer	166,491	184,966	183,674	1,292
<b>Total Public Safety</b>	<u>17,508,404</u>	<u>17,622,169</u>	<u>16,878,491</u>	<u>743,678</u>
<b>Public Works</b>				
Drain Assessments	562,100	562,100	464,784	97,316
<b>Health and Welfare</b>				
Substance Abuse	590,008	620,808	620,746	62
Mental Health	265,000	265,000	265,000	--
<b>Total Health and Welfare</b>	<u>855,008</u>	<u>885,808</u>	<u>885,746</u>	<u>62</u>
<b>Community and Economic Development</b>				
Community Development	96,671	97,771	97,157	614
Planning	30,420	30,420	30,295	125
<b>Total Community and Economic Development</b>	<u>127,091</u>	<u>128,191</u>	<u>127,452</u>	<u>739</u>
<b>Other - Intergovernmental Services</b>	200,000	165,240	--	165,240
<b>Capital Outlay</b>	--	19,953	19,752	201
<b>Debt Service - Principal</b>	16,500	15,500	8,431	7,069
<b>Debt Service - Interest and Fiscal Charges</b>	1,500	1,500	1,042	458
<b>Total Expenditures</b>	<u>32,741,538</u>	<u>33,118,536</u>	<u>31,284,513</u>	<u>1,834,023</u>
<b>Other Financing Uses</b>				
Transfers Out	8,241,972	8,283,102	8,318,811	(35,709)
<b>Total Expenditures and Other Financing Uses</b>	<u>40,983,510</u>	<u>41,401,638</u>	<u>39,603,324</u>	<u>1,798,314</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<u>52,648</u>	<u>52,648</u>	<u>160,223</u>	<u>107,575</u>
<b>Net Change in Fund Balance</b>	<u>52,648</u>	<u>52,648</u>	<u>160,223</u>	<u>107,575</u>
<i>Fund Balance at Beginning of Period</i>	4,361,909	4,361,909	4,361,909	--
<b>Fund Balance at End of Period</b>	<u>\$ 4,414,557</u>	<u>\$ 4,414,557</u>	<u>\$ 4,522,132</u>	<u>\$ 107,575</u>

**Calhoun County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Senior Millage**  
**For the Year Ended December 31, 2015**

	<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>				
Taxes	\$ 2,671,096	\$ 2,671,096	\$ 2,622,142	\$ (48,954)
Contributions	--	106,530	96,892	(9,638)
Interest and Rents	--	--	3,080	3,080
Other	58,500	58,500	58,859	359
<b>Total Revenues</b>	<u>2,729,596</u>	<u>2,836,126</u>	<u>2,780,973</u>	<u>(55,153)</u>
<b>Other Financing Sources</b>				
<i>Total Revenues and Other Financing Sources</i>	<u>2,729,596</u>	<u>2,836,126</u>	<u>2,780,973</u>	<u>(55,153)</u>
<b>Expenditures</b>				
Health and Welfare	2,795,545	3,118,775	2,782,329	336,446
<b>Total Expenditures</b>	<u>2,795,545</u>	<u>3,118,775</u>	<u>2,782,329</u>	<u>336,446</u>
<b>Other Financing Uses</b>				
<i>Total Expenditures and Other Financing Uses</i>	<u>2,795,545</u>	<u>3,118,775</u>	<u>2,782,329</u>	<u>336,446</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<u>(65,949)</u>	<u>(282,649)</u>	<u>(1,356)</u>	<u>281,293</u>
<b>Net Change in Fund Balance</b>	<u>(65,949)</u>	<u>(282,649)</u>	<u>(1,356)</u>	<u>281,293</u>
<i>Fund Balance at Beginning of Period</i>	1,089,517	1,089,517	1,089,517	--
<b>Fund Balance at End of Period</b>	<u>\$ 1,023,568</u>	<u>\$ 806,868</u>	<u>\$ 1,088,161</u>	<u>\$ 281,293</u>

**Calhoun County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Health Department**  
**For the Year Ended December 31, 2015**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>		<b>Positive (Negative) Final to Actual</b>
<b>Revenues</b>				
Licenses and Permits	\$ 318,366	\$ 318,366	\$ 324,037	\$ 5,671
Intergovernmental	5,289,540	5,871,375	5,659,941	(211,434)
Charges for Services	272,985	264,535	247,925	(16,610)
Other	53,192	88,192	87,444	(748)
<b>Total Revenues</b>	<u>5,934,083</u>	<u>6,542,468</u>	<u>6,319,347</u>	<u>(223,121)</u>
<b>Other Financing Sources</b>				
Transfers In	928,603	928,603	930,577	1,974
<b>Total Revenues and Other Financing Sources</b>	<u>6,862,686</u>	<u>7,471,071</u>	<u>7,249,924</u>	<u>(221,147)</u>
<b>Expenditures</b>				
Health and Welfare	6,877,686	7,439,425	7,092,151	347,274
Capital Outlay	--	88,032	165,292	(77,260)
<b>Total Expenditures</b>	<u>6,877,686</u>	<u>7,527,457</u>	<u>7,257,443</u>	<u>270,014</u>
<b>Other Financing Uses</b>				
Transfers Out	--	33,614	33,614	--
<b>Total Expenditures and Other Financing Uses</b>	<u>6,877,686</u>	<u>7,561,071</u>	<u>7,291,057</u>	<u>270,014</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<u>(15,000)</u>	<u>(90,000)</u>	<u>(41,133)</u>	<u>48,867</u>
<b>Net Change in Fund Balance</b>	<u>(15,000)</u>	<u>(90,000)</u>	<u>(41,133)</u>	<u>48,867</u>
<i>Fund Balance at Beginning of Period</i>	939,327	939,327	939,327	--
<b>Fund Balance at End of Period</b>	<u>\$ 924,327</u>	<u>\$ 849,327</u>	<u>\$ 898,194</u>	<u>\$ 48,867</u>

**Calhoun County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Road Department**  
**For the Year Ended December 31, 2015**

	<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>				
Licenses and Permits	\$ 90,000	\$ 81,549	\$ 106,991	\$ 25,442
Intergovernmental	22,700,867	16,299,422	13,320,235	(2,979,187)
Charges for Services	2,220,000	2,081,174	2,623,179	542,005
Other	10,700	84,977	83,812	(1,165)
<b>Total Revenues</b>	<u>25,021,567</u>	<u>18,547,122</u>	<u>16,134,217</u>	<u>(2,412,905)</u>
<b>Other Financing Sources</b>				
Capital Lease	--	1,829,607	1,829,607	--
General Obligation Bonds Issued	--	13,270,000	13,270,000	--
Premium on General Obligation Bonds Issued	--	377,876	377,876	--
Transfers In	--	--	140,928	140,928
<b>Total Revenues and Other Financing Sources</b>	<u>25,021,567</u>	<u>34,024,605</u>	<u>31,752,628</u>	<u>(2,271,977)</u>
<b>Expenditures</b>				
Public Works	23,001,526	17,929,497	14,059,704	3,869,793
Capital Outlay	400,000	3,399,833	8,994,309	(5,594,476)
Debt Service - Principal	350,000	585,356	539,381	45,975
Debt Service - Interest and Fiscal Charges	--	213,946	222,418	(8,472)
<b>Total Expenditures</b>	<u>23,751,526</u>	<u>22,128,632</u>	<u>23,815,812</u>	<u>(1,687,180)</u>
<b>Other Financing Uses</b>				
<b>Total Expenditures and Other Financing Uses</b>	<u>23,751,526</u>	<u>22,128,632</u>	<u>23,815,812</u>	<u>(1,687,180)</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<u>1,270,041</u>	<u>11,895,973</u>	<u>7,936,816</u>	<u>(3,959,157)</u>
<b>Net Change in Fund Balance</b>	<u>1,270,041</u>	<u>11,895,973</u>	<u>7,936,816</u>	<u>(3,959,157)</u>
<b>Fund Balance at Beginning of Period</b>	1,411,874	1,411,874	1,411,874	--
<b>Fund Balance at End of Period</b>	<u>\$ 2,681,915</u>	<u>\$ 13,307,847</u>	<u>\$ 9,348,690</u>	<u>\$ (3,959,157)</u>

**Calhoun County**  
**Required Supplementary Information**  
**Schedule of Changes in Net Pension Liability and Related Ratios**  
**Last Fiscal Year (Schedule is built prospectively upon implementation of GASB 68)**

	2015
<b>Total Pension Liability</b>	
Service Cost	\$ 3,178,577
Interest	6,599,134
Benefit Payments, Including Refunds	(4,112,765)
<i>Net Change in Pension Liability</i>	5,664,946
<i>Total Pension Liability - Beginning</i>	80,456,594
<b><i>Total Pension Liability - Ending (a)</i></b>	<b>\$ 86,121,540</b>
<b>Plan Fiduciary Net Position</b>	
Contributions - Employer	\$ 2,561,325
Contributions - Member	3,747,778
Net Investment Income	3,058,423
Benefit Payments, Including Refunds	(4,112,765)
Administrative Expenses	(113,565)
<i>Net Change in Plan Fiduciary Net Position</i>	5,141,196
<i>Plan Fiduciary Net Position - Beginning</i>	47,783,465
<b><i>Plan Fiduciary Net Position - Ending (b)</i></b>	<b>\$ 52,924,661</b>
<b><i>Net Pension Liability - Ending (a) - (b)</i></b>	<b>\$ 33,196,879</b>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	61.45%
Covered Employee Payroll	\$ 26,244,675
Net Pension Liability as a Percentage of Covered Employee Payroll	126.49%

**Calhoun County  
Required Supplementary Information  
Schedule of Contributions  
Last 10 Fiscal Years**

	2015	Information Unavailable								
		2014	2013	2012	2011	2010	2009	2008	2007	2006
Actuarially Determined Contribution	\$ 3,747,778	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in Relation to the Actuarially Determined Contribution	3,747,778	-	-	-	-	-	-	-	-	-
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Employee Payroll	26,244,675	-	-	-	-	-	-	-	-	-
Contributions as a Percentage of Covered Employee Payroll	14%	0%	0%	0%	0%	0%	0%	0%	0%	0%

*Notes*

**Valuation Date**

Actuarially determined contribution amounts are calculated as of December 31 each year, which is 18 months prior to the beginning of the fiscal year in which the contributions are required.

**Methods and assumptions used to determine contribution rates**

Actuarial cost method	Entry-age Normal
Amortization method	Level percentage of pay, open
Remaining amortization period	18 - 24 Years Division Specific
Asset valuation method	10-year smoothed
Inflation	3 - 4%
Salary increases	4.5%, including inflation
Investment rate of return	8.00%
Retirement Age	Experience-based tables of rates that are specific to the type of eligibility condition
Mortality	50% Male - 50% Female blend of the 1994 Group Annuity Mortality Table

**Calhoun County  
Required Supplementary Information  
Schedule of Investment Returns  
Last 10 Fiscal Years**

	2015	Information Unavailable							
	2014	2013	2012	2011	2010	2009	2008	2007	2006
Annual money-weighted rate of return, net of investment expenses	6.49%	0%	0%	0%	0%	0%	0%	0%	0%

**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
2015	702,436	229,068	33%	4,951,831

**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%	2,899,920	373%
12/31/2014	-	10,611,102	10,611,102	0%	2,536,133	418%

**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
2015	742,268	541,218	73%	2,527,335

**Combining and Individual Fund Statements and Schedules**

**Calhoun County**  
**Detail Schedule of Revenues**  
**General Operating Fund - Road Department**  
**For the Year Ended December 31, 2015**

<b>Revenues</b>	
Licenses and Permits	\$ <u>106,991</u>
Federal sources:	
Surface transportation program	111,076
D Funds	<u>85,544</u>
Total Federal sources	<u>196,620</u>
State sources:	
Motor Vehicle Highway funds - Act 51:	
Primary Road - Engineering	7,251
Local Road - Engineering	2,749
Primary Road - Urban Road	641,088
Local Road - Urban Road	262,113
Primary Road - Allocation	5,561,583
Local Road - Allocation	2,108,592
Local Road - Other	<u>3,601,099</u>
Total State sources	<u>12,184,475</u>
Local Sources	
Village Contributions	1,836
Township contributions	844,807
Other contributions	<u>92,497</u>
Total Local sources	<u>939,140</u>
Charges for services	
Trunkline Maintenance	1,414,657
Trunkline Non-maintenance	19,717
Other services	1,107,826
Salvage sales	<u>5,777</u>
Total Charges for services	<u>2,547,977</u>
Other revenue	
Net gain (loss) on equipment disposal	(3,184)
Interest and Rents	4,406
Land and Building Sales	15,000
Other revenue	<u>140,928</u>
Total Other revenue	<u>157,150</u>
Other financing sources	
Bond Proceeds	13,647,876
Installment Purchase	<u>1,829,607</u>
Total Other financing sources	<u>15,477,483</u>
<b>Total Revenues</b>	<b>\$ <u>31,609,836</u></b>

**Calhoun County**  
**Detail Schedule of Expenditures**  
**General Operating Fund - Road Department**  
**For the Year Ended December 31, 2015**

**Expenditures**

Preservation - structural improvements	
Primary roads and structures	\$ 2,457,062
Local roads and structures	6,587,006
Total preservation - structural improvements	<u>9,044,068</u>
Maintenance:	
Primary roads and structures, winter and traffic control	3,364,415
Local roads and structures, winter and traffic controls	2,750,150
Total maintenance	<u>6,114,565</u>
Other Expense:	
Trunkline Maintenance	1,414,657
Trunkline Non-Maintenance	25,991
Administration	957,370
Equipment Expense - Net	1,284,377
Capital Outlay	3,149,266
Debt Principal Payment	580,385
Interest Expense	222,418
Other	879,923
Total debt service	<u>8,514,387</u>
<b>Total Expenditures</b>	<u>\$ 23,673,020</u>

**Calhoun County**  
**Detail Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**General Operating Fund - Road Department**  
**For the Year Ended December 31, 2015**

	<u>Primary Road Fund</u>	<u>Local Road Fund</u>	<u>County Road Fund</u>	<u>Total</u>
<b>Revenues</b>				
Licenses and permits	\$ -	\$ -	\$ 106,991	\$ 106,991
Intergovernmental				
Federal sources	111,076	85,544	-	196,620
State sources	6,209,922	5,974,553	-	12,184,475
Local sources	-	844,807	94,333	939,140
Charges for services	-	-	2,547,977	2,547,977
Interest and Rents	625	-	3,781	4,406
Other	-	-	152,744	152,744
Total revenues	<u>6,321,623</u>	<u>6,904,904</u>	<u>2,905,826</u>	<u>16,132,353</u>
<b>Expenditures</b>				
Preservation - structural improvements	2,457,062	6,587,006	-	9,044,068
Maintenance:				
Road and structures	2,422,606	2,141,975	-	4,564,581
Winter	605,384	563,994	-	1,169,378
Traffic control	336,425	44,181	-	380,606
Trunkline maintenance	-	-	1,414,657	1,414,657
Trunkline non-maintenance	-	-	25,991	25,991
Administrative	367,749	589,621	-	957,370
Equipment - net	365,973	610,150	308,254	1,284,377
Capital outlay - net	-	-	3,149,266	3,149,266
Debt service - principal	-	-	580,385	580,385
Debt service - interest	-	-	222,418	222,418
Other	194,743	104,862	580,318	879,923
Total expenditures	<u>6,749,942</u>	<u>10,641,789</u>	<u>6,281,289</u>	<u>23,673,020</u>
Revenue over (under) expenditures before other financing sources (uses)	(428,319)	(3,736,885)	(3,375,463)	(7,540,667)
Other financing sources (uses)				
Bond Proceeds	-	-	13,647,876	13,647,876
Inst. Purch./Leases	-	-	1,829,607	1,829,607
Optional transfers	173,904	3,650,091	(3,823,995)	-
Net Change in fund balance	<u>(254,415)</u>	<u>(86,794)</u>	<u>8,278,025</u>	<u>7,936,816</u>
<i>Fund Balance at Beginning of Period</i>	200,281	-	1,211,593	1,411,874
<i>Fund Balance at End of Period</i>	<u>\$ (54,134)</u>	<u>\$ (86,794)</u>	<u>\$ 9,489,618</u>	<u>\$ 9,348,690</u>

## 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.

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

***Clerk*** - This fund is used to account for the operations of the County Clerk's Voter Initiative Program.

***Concealed Pistol Licensing*** - This fund is used to account for fees collected that are restricted for concealed pistol licensing.

## Calhoun County

### Description of Nonmajor Governmental Funds

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

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

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

**Public Safety Info Alliance** - This fund is used to account for various Public Safety Info Alliance contributions.

**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.

**Blight Elimination** - This fund is used to account for the County's Blight Elimination program.

**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.

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

## Calhoun County

### Description of Nonmajor Governmental Funds

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#### DEBT SERVICE FUNDS

*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.

*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.

*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.

*Sungard Records* - This fund is used to account for the accumulation of resources for, and the payment of, interest and principal on bonded debt for the Sungard Records software.

#### CAPITAL PROJECTS FUNDS

*Capital Improvement Plan* - This fund is used to account for the capital projects of the County.

*Capital Projects* - This fund is used to account for the capital projects of the County.

#### 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, 2015**

	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	Parks
<b>ASSETS</b>									
Cash and Cash Equivalents	\$ --	\$ 200	\$ 72,469	\$ 1,480	\$ 2,707	\$ 474,661	\$ 31,288	\$ --	\$ 189,427
Accounts Receivable	57,894	21	--	--	124,893	70,549	23,639	--	8,121
Current Taxes Receivable	--	--	--	--	--	--	--	--	--
Delinquent Taxes Receivable	--	--	--	--	--	--	--	--	--
Due from Other Governments	--	684,164	--	--	--	--	65,040	81,800	--
Prepaid Items	--	--	--	--	--	--	--	--	10,687
<b>Total Assets</b>	<b>\$ 57,894</b>	<b>\$ 684,385</b>	<b>\$ 72,469</b>	<b>\$ 1,480</b>	<b>\$ 127,600</b>	<b>\$ 545,210</b>	<b>\$ 119,967</b>	<b>\$ 81,800</b>	<b>\$ 208,235</b>
<b>LIABILITIES</b>									
Accounts Payable	\$ --	\$ 61,103	\$ --	\$ 1,480	\$ 127,600	\$ 23,573	\$ 7,767	\$ 50,000	\$ 523
Accrued Liabilities	--	33,786	--	--	--	1,645	2,026	--	214
Unearned Revenue	--	--	--	--	--	--	--	--	--
Due to Other Funds	57,894	228,810	--	--	--	--	--	31,800	--
<b>Total Liabilities</b>	<b>57,894</b>	<b>323,699</b>	<b>--</b>	<b>1,480</b>	<b>127,600</b>	<b>25,218</b>	<b>9,793</b>	<b>81,800</b>	<b>737</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>57,894</b>	<b>323,699</b>	<b>--</b>	<b>1,480</b>	<b>127,600</b>	<b>25,218</b>	<b>9,793</b>	<b>81,800</b>	<b>737</b>
<b>FUND BALANCE</b>									
Nonspendable	--	--	--	--	--	--	--	--	10,687
Restricted	--	360,686	72,469	--	--	519,992	110,174	--	196,811
Unassigned	--	--	--	--	--	--	--	--	--
<b>Total Fund Balance</b>	<b>--</b>	<b>360,686</b>	<b>72,469</b>	<b>--</b>	<b>--</b>	<b>519,992</b>	<b>110,174</b>	<b>--</b>	<b>207,498</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<b>\$ 57,894</b>	<b>\$ 684,385</b>	<b>\$ 72,469</b>	<b>\$ 1,480</b>	<b>\$ 127,600</b>	<b>\$ 545,210</b>	<b>\$ 119,967</b>	<b>\$ 81,800</b>	<b>\$ 208,235</b>

**Calhoun County  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2015**

	Special Revenue								
	Remonumentation	Register of Deeds Automation	Employee Benefits	Clerk	Concealed Pistol Licensing	Local Emergency Planning	Sheriff	Emergency Management	Public Safety Info Alliance
<b>ASSETS</b>									
Cash and Cash Equivalents	\$ 84,594	\$ 114,755	\$ 24,956	\$ 3,500	\$ 30,315	\$ 3,750	\$ 116,388	\$ --	\$ 7,000
Accounts Receivable	--	--	--	--	--	--	814	--	--
Current Taxes Receivable	--	--	--	--	--	--	--	--	--
Delinquent Taxes Receivable	--	--	--	--	--	--	--	--	--
Due from Other Governments	--	--	--	--	--	--	67,575	14,175	--
Prepaid Items	--	--	--	--	--	--	--	--	--
<i>Total Assets</i>	<b>\$ 84,594</b>	<b>\$ 114,755</b>	<b>\$ 24,956</b>	<b>\$ 3,500</b>	<b>\$ 30,315</b>	<b>\$ 3,750</b>	<b>\$ 184,777</b>	<b>\$ 14,175</b>	<b>\$ 7,000</b>
<b>LIABILITIES</b>									
Accounts Payable	\$ 24,074	\$ 3,976	\$ --	\$ --	\$ --	\$ 1,660	\$ 23,914	\$ 1,147	\$ --
Accrued Liabilities	901	--	--	--	--	--	1,699	587	--
Unearned Revenue	--	--	--	--	--	548	55,920	--	--
Due to Other Funds	--	--	--	--	--	--	--	11,030	--
<i>Total Liabilities</i>	<b>24,975</b>	<b>3,976</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>2,208</b>	<b>81,533</b>	<b>12,764</b>	<b>--</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>									
Unavailable Revenue - Property Taxes	--	--	--	--	--	--	--	--	--
Taxes Levied for a Subsequent Period	--	--	--	--	--	--	--	--	--
<i>Total Liabilities and Deferred Inflows of Resources</i>	<b>24,975</b>	<b>3,976</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>2,208</b>	<b>81,533</b>	<b>12,764</b>	<b>--</b>
<b>FUND BALANCE</b>									
Nonspendable	--	--	--	--	--	--	--	--	--
Restricted	59,619	110,779	24,956	3,500	30,315	1,542	103,244	1,411	7,000
Unassigned	--	--	--	--	--	--	--	--	--
<i>Total Fund Balance</i>	<b>59,619</b>	<b>110,779</b>	<b>24,956</b>	<b>3,500</b>	<b>30,315</b>	<b>1,542</b>	<b>103,244</b>	<b>1,411</b>	<b>7,000</b>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balance</i>	<b>\$ 84,594</b>	<b>\$ 114,755</b>	<b>\$ 24,956</b>	<b>\$ 3,500</b>	<b>\$ 30,315</b>	<b>\$ 3,750</b>	<b>\$ 184,777</b>	<b>\$ 14,175</b>	<b>\$ 7,000</b>

**Calhoun County  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2015**

	Special Revenue									
	Community Corrections	Prosecutor	Blight Elimination	Housing Rehab	Federal and State Grant	Human Services	Child Care	Veterans' Services	Veterans' Trust	Board of Public Works
<b>ASSETS</b>										
Cash and Cash Equivalents	\$ --	\$ --	\$ --	\$ 36,286	\$ 44,815	\$ 3,121	\$ 14,436	\$ 283,280	\$ 5,139	\$ --
Accounts Receivable	--	392	71	--	17,897	--	--	--	--	--
Current Taxes Receivable	--	--	--	--	--	--	--	328,344	--	--
Delinquent Taxes Receivable	--	--	--	--	--	--	--	1,345	--	--
Due from Other Governments	52,616	179,501	59,471	--	103,953	--	463,021	--	--	--
Prepaid Items	--	--	--	--	--	--	--	--	--	--
<b>Total Assets</b>	<b>\$ 52,616</b>	<b>\$ 179,893</b>	<b>\$ 59,542</b>	<b>\$ 36,286</b>	<b>\$ 166,665</b>	<b>\$ 3,121</b>	<b>\$ 477,457</b>	<b>\$ 612,969</b>	<b>\$ 5,139</b>	<b>\$ --</b>
<b>LIABILITIES</b>										
Accounts Payable	\$ 2,696	\$ 8,214	\$ 34,504	\$ 3,983	\$ 272	\$ --	\$ 22,964	\$ 3,225	\$ --	\$ --
Accrued Liabilities	2,179	7,225	--	--	4,191	--	34,493	1,520	--	--
Unearned Revenue	--	--	--	--	5,190	--	--	--	--	--
Due to Other Funds	47,741	155,375	12,874	--	--	--	--	--	--	--
<b>Total Liabilities</b>	<b>52,616</b>	<b>170,814</b>	<b>47,378</b>	<b>3,983</b>	<b>9,653</b>	<b>--</b>	<b>57,457</b>	<b>4,745</b>	<b>--</b>	<b>--</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>										
Unavailable Revenue - Property Taxes	--	--	--	--	--	--	--	1,339	--	--
Taxes Levied for a Subsequent Period	--	--	--	--	--	--	--	341,984	--	--
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>52,616</b>	<b>170,814</b>	<b>47,378</b>	<b>3,983</b>	<b>9,653</b>	<b>--</b>	<b>57,457</b>	<b>348,068</b>	<b>--</b>	<b>--</b>
<b>FUND BALANCE</b>										
Nonspendable	--	--	--	--	--	--	--	--	--	--
Restricted	--	9,079	12,164	32,303	157,012	3,121	420,000	264,901	5,139	--
Unassigned	--	--	--	--	--	--	--	--	--	--
<b>Total Fund Balance</b>	<b>--</b>	<b>9,079</b>	<b>12,164</b>	<b>32,303</b>	<b>157,012</b>	<b>3,121</b>	<b>420,000</b>	<b>264,901</b>	<b>5,139</b>	<b>--</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<b>\$ 52,616</b>	<b>\$ 179,893</b>	<b>\$ 59,542</b>	<b>\$ 36,286</b>	<b>\$ 166,665</b>	<b>\$ 3,121</b>	<b>\$ 477,457</b>	<b>\$ 612,969</b>	<b>\$ 5,139</b>	<b>\$ --</b>

**Calhoun County  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2015**

	Debt Service					Capital Projects		Permanent	Total Nonmajor Governmental Funds	
	Public Works Debt Service	Jail Series III Refunding Bonds	Building Improvements - Honeywell	Justice Center Refunding	Regional Law Enforcement Center	Sungard Records	Capital Improvement Plan	Capital Projects		Cemetery Trust
<b>ASSETS</b>										
Cash and Cash Equivalents	\$ --	\$ 6,907	\$ --	\$ 1,168	\$ 145,705	\$ --	\$ 2,086,527	\$ 605	\$ 37,687	\$ 3,823,166
Accounts Receivable	--	--	--	--	--	--	1,110	--	--	305,401
Current Taxes Receivable	--	--	--	--	--	--	--	--	--	328,344
Delinquent Taxes Receivable	--	13,137	--	--	--	--	--	--	--	14,482
Due from Other Governments	--	--	--	--	46,250	--	902,950	467	--	2,720,983
Prepaid Items	--	--	--	--	--	--	--	--	--	10,687
<b>Total Assets</b>	<b>\$ --</b>	<b>\$ 20,044</b>	<b>\$ --</b>	<b>\$ 1,168</b>	<b>\$ 191,955</b>	<b>\$ --</b>	<b>\$ 2,990,587</b>	<b>\$ 1,072</b>	<b>\$ 37,687</b>	<b>\$ 7,203,063</b>
<b>LIABILITIES</b>										
Accounts Payable	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	35,800	1,072	\$ --	439,547
Accrued Liabilities	--	--	--	--	--	--	--	--	--	90,466
Unearned Revenue	--	--	--	--	--	--	--	--	--	61,658
Due to Other Funds	--	--	--	--	--	--	--	--	--	545,524
<b>Total Liabilities</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>35,800</b>	<b>1,072</b>	<b>--</b>	<b>1,137,195</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>										
Unavailable Revenue - Property Taxes	--	13,136	--	--	--	--	--	--	--	14,475
Taxes Levied for a Subsequent Period	--	--	--	--	--	--	--	--	--	341,984
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>--</b>	<b>13,136</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>35,800</b>	<b>1,072</b>	<b>--</b>	<b>1,493,654</b>
<b>FUND BALANCE</b>										
Nonspendable	--	--	--	--	--	--	--	--	36,546	47,233
Restricted	--	6,908	--	1,168	191,955	--	2,954,787	--	1,141	5,662,176
Unassigned	--	--	--	--	--	--	--	--	--	--
<b>Total Fund Balance</b>	<b>--</b>	<b>6,908</b>	<b>--</b>	<b>1,168</b>	<b>191,955</b>	<b>--</b>	<b>2,954,787</b>	<b>--</b>	<b>37,687</b>	<b>5,709,409</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<b>\$ --</b>	<b>\$ 20,044</b>	<b>\$ --</b>	<b>\$ 1,168</b>	<b>\$ 191,955</b>	<b>\$ --</b>	<b>\$ 2,990,587</b>	<b>\$ 1,072</b>	<b>\$ 37,687</b>	<b>\$ 7,203,063</b>

**Calhoun County**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2015**

	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	Parks
<b>Revenues</b>									
Property Taxes	\$ --	\$ --	\$ --	\$ --	\$ 1,378,403	\$ --	\$ --	\$ --	\$ --
Contributions	--	--	--	--	--	--	90,957	8,180	850
Licenses and Permits	--	--	14,675	--	--	--	--	--	--
Intergovernmental	--	2,154,791	--	--	--	--	113,374	73,620	--
Charges for Services	--	59,710	--	--	--	255,682	13,034	--	--
Fines and Forfeitures	--	--	--	--	--	--	--	--	--
Interest and Rents	--	--	--	--	--	--	--	--	1,400
Other	--	--	--	--	--	9,017	--	--	28,822
Sale of Capital Asset	--	--	--	--	--	--	--	--	--
<b>Total Revenues</b>	<b>--</b>	<b>2,214,501</b>	<b>14,675</b>	<b>--</b>	<b>1,378,403</b>	<b>264,699</b>	<b>217,365</b>	<b>81,800</b>	<b>31,072</b>
<b>Expenditures</b>									
Judicial	--	3,762,830	436	--	--	--	--	--	--
General Government	--	--	--	--	--	--	--	--	--
Public Safety	--	--	--	--	--	--	330,884	--	--
Public Works	--	--	--	--	--	390,897	--	81,800	--
Health and Welfare	--	--	--	--	--	--	--	--	--
Community and Economic Development	--	--	--	--	--	--	--	--	--
Recreation and Culture	--	--	--	19,761	1,236,956	--	--	--	54,650
Capital Outlay	--	53,758	--	--	--	5,535	--	--	--
Debt Service - Principal	--	--	--	--	--	--	--	--	--
Debt Service - Interest and Fiscal Charges	--	--	--	--	--	--	--	--	--
<b>Total Expenditures</b>	<b>--</b>	<b>3,816,588</b>	<b>436</b>	<b>19,761</b>	<b>1,236,956</b>	<b>396,432</b>	<b>330,884</b>	<b>81,800</b>	<b>54,650</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>--</b>	<b>(1,602,087)</b>	<b>14,239</b>	<b>(19,761)</b>	<b>141,447</b>	<b>(131,733)</b>	<b>(113,519)</b>	<b>--</b>	<b>(23,578)</b>
<b>Other Financing Sources (Uses)</b>									
Capital Lease	--	--	--	--	--	--	--	--	--
Transfers In	--	1,602,088	--	54,976	--	--	41,162	--	66,147
Transfers Out	--	--	(10,000)	(94,547)	(141,447)	(39,170)	--	--	--
<b>Net Other Financing Sources (Uses)</b>	<b>--</b>	<b>1,602,088</b>	<b>(10,000)</b>	<b>(39,571)</b>	<b>(141,447)</b>	<b>(39,170)</b>	<b>41,162</b>	<b>--</b>	<b>66,147</b>
<b>Net Change in Fund Balance</b>	<b>--</b>	<b>1</b>	<b>4,239</b>	<b>(59,332)</b>	<b>--</b>	<b>(170,903)</b>	<b>(72,357)</b>	<b>--</b>	<b>42,569</b>
<i>Fund Balance at Beginning of Period</i>	--	360,685	68,230	59,332	--	690,895	182,531	--	164,929
<b>Fund Balance at End of Period</b>	<b>\$ --</b>	<b>\$ 360,686</b>	<b>\$ 72,469</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ 519,992</b>	<b>\$ 110,174</b>	<b>\$ --</b>	<b>\$ 207,498</b>

**Calhoun County**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2015**

	Special Revenue								
	Remonumentation	Register of Deeds Automation	Employee Benefits	Clerk	Concealed Pistol Licensing	Local Emergency Planning	Sheriff	Emergency Management	Public Safety Info Alliance
<b>Revenues</b>									
Property Taxes	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Contributions	--	--	--	--	--	--	2,434	3,462	7,000
Licenses and Permits	--	--	--	--	31,558	--	--	--	--
Intergovernmental	115,207	--	--	--	--	1,690	207,093	40,174	--
Charges for Services	36,856	126,620	--	--	--	--	62,921	--	--
Fines and Forfeitures	--	--	12,825	--	--	--	20,129	--	--
Interest and Rents	--	120	--	--	3	--	--	--	--
Other	7,413	--	--	--	--	--	3,101	--	--
Sale of Capital Asset	--	--	--	--	--	--	--	--	--
<b>Total Revenues</b>	<u>159,476</u>	<u>126,740</u>	<u>12,825</u>	<u>--</u>	<u>31,561</u>	<u>1,690</u>	<u>295,678</u>	<u>43,636</u>	<u>7,000</u>
<b>Expenditures</b>									
Judicial	--	--	--	--	--	--	--	--	--
General Government	190,890	14,567	6,142	--	1,246	--	--	--	--
Public Safety	--	--	--	--	--	1,660	274,518	42,380	--
Public Works	--	--	--	--	--	--	--	--	--
Health and Welfare	--	--	--	--	--	--	--	--	--
Community and Economic Development	--	--	--	--	--	--	--	--	--
Recreation and Culture	--	--	--	--	--	--	--	--	--
Capital Outlay	--	--	--	--	--	--	8,180	--	--
Debt Service - Principal	--	--	--	--	--	--	--	--	--
Debt Service - Interest and Fiscal Charges	--	--	--	--	--	--	--	--	--
<b>Total Expenditures</b>	<u>190,890</u>	<u>14,567</u>	<u>6,142</u>	<u>--</u>	<u>1,246</u>	<u>1,660</u>	<u>282,698</u>	<u>42,380</u>	<u>--</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(31,414)</u>	<u>112,173</u>	<u>6,683</u>	<u>--</u>	<u>30,315</u>	<u>30</u>	<u>12,980</u>	<u>1,256</u>	<u>7,000</u>
<b>Other Financing Sources (Uses)</b>									
Capital Lease	--	--	--	--	--	--	--	--	--
Transfers In	27,427	--	--	--	--	--	--	--	--
Transfers Out	--	(20,000)	--	--	--	--	(38,500)	--	--
<b>Net Other Financing Sources (Uses)</b>	<u>27,427</u>	<u>(20,000)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(38,500)</u>	<u>--</u>	<u>--</u>
<b>Net Change in Fund Balance</b>	<u>(3,987)</u>	<u>92,173</u>	<u>6,683</u>	<u>--</u>	<u>30,315</u>	<u>30</u>	<u>(25,520)</u>	<u>1,256</u>	<u>7,000</u>
<b>Fund Balance at Beginning of Period</b>	63,606	18,606	18,273	3,500	--	1,512	128,764	155	--
<b>Fund Balance at End of Period</b>	<u>\$ 59,619</u>	<u>\$ 110,779</u>	<u>\$ 24,956</u>	<u>\$ 3,500</u>	<u>\$ 30,315</u>	<u>\$ 1,542</u>	<u>\$ 103,244</u>	<u>\$ 1,411</u>	<u>\$ 7,000</u>

**Calhoun County**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2015**

	Special Revenue									
	Community Corrections	Prosecutor	Blight Elimination	Housing Rehab	Federal and State Grant	Human Services	Child Care	Veterans' Services	Veterans' Trust	Board of Public Works
<b>Revenues</b>										
Property Taxes	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 342,931	\$ --	\$ --
Contributions	--	--	96,038	--	--	--	--	--	--	--
Licenses and Permits	--	--	--	--	--	--	--	--	--	--
Intergovernmental	181,694	510,512	284,317	179,608	314,285	--	1,719,735	--	20,124	--
Charges for Services	--	--	--	28,770	178,628	40	413,787	--	--	--
Fines and Forfeitures	--	2,246	--	--	--	--	--	--	--	--
Interest and Rents	--	--	--	--	--	--	--	398	--	--
Other	--	--	--	--	--	--	147	16,232	--	--
Sale of Capital Asset	--	--	--	--	--	--	--	--	--	--
<b>Total Revenues</b>	<u>181,694</u>	<u>512,758</u>	<u>380,355</u>	<u>208,378</u>	<u>492,913</u>	<u>40</u>	<u>2,133,669</u>	<u>359,561</u>	<u>20,124</u>	<u>--</u>
<b>Expenditures</b>										
Judicial	--	--	--	--	--	--	--	--	--	--
General Government	--	--	--	--	--	--	--	--	--	--
Public Safety	192,582	705,544	--	--	362,596	--	--	--	--	--
Public Works	--	--	--	--	--	--	--	--	--	--
Health and Welfare	--	--	--	--	--	2,076	3,774,522	252,791	17,325	--
Community and Economic Development	--	--	368,191	176,385	--	--	--	--	--	--
Recreation and Culture	--	--	--	--	--	--	--	--	--	--
Capital Outlay	--	--	--	--	--	--	--	--	--	--
Debt Service - Principal	--	--	--	--	--	--	--	--	--	--
Debt Service - Interest and Fiscal Charges	--	--	--	--	--	--	--	--	--	--
<b>Total Expenditures</b>	<u>192,582</u>	<u>705,544</u>	<u>368,191</u>	<u>176,385</u>	<u>362,596</u>	<u>2,076</u>	<u>3,774,522</u>	<u>252,791</u>	<u>17,325</u>	<u>--</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(10,888)</u>	<u>(192,786)</u>	<u>12,164</u>	<u>31,993</u>	<u>130,317</u>	<u>(2,036)</u>	<u>(1,640,853)</u>	<u>106,770</u>	<u>2,799</u>	<u>--</u>
<b>Other Financing Sources (Uses)</b>										
Capital Lease	--	--	--	--	--	--	--	--	--	--
Transfers In	10,888	187,936	--	--	--	--	1,767,428	--	--	--
Transfers Out	--	--	--	--	--	--	--	--	--	(140,928)
<b>Net Other Financing Sources (Uses)</b>	<u>10,888</u>	<u>187,936</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>1,767,428</u>	<u>--</u>	<u>--</u>	<u>(140,928)</u>
<b>Net Change in Fund Balance</b>	<u>--</u>	<u>(4,850)</u>	<u>12,164</u>	<u>31,993</u>	<u>130,317</u>	<u>(2,036)</u>	<u>126,575</u>	<u>106,770</u>	<u>2,799</u>	<u>(140,928)</u>
<b>Fund Balance at Beginning of Period</b>	<u>--</u>	<u>13,929</u>	<u>--</u>	<u>310</u>	<u>26,695</u>	<u>5,157</u>	<u>293,425</u>	<u>158,131</u>	<u>2,340</u>	<u>140,928</u>
<b>Fund Balance at End of Period</b>	<u>\$ --</u>	<u>\$ 9,079</u>	<u>\$ 12,164</u>	<u>\$ 32,303</u>	<u>\$ 157,012</u>	<u>\$ 3,121</u>	<u>\$ 420,000</u>	<u>\$ 264,901</u>	<u>\$ 5,139</u>	<u>\$ --</u>

**Calhoun County**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2015**

	Debt Service					Capital Projects		Permanent	Total Nonmajor Governmental Funds
	Public Works Debt Service	Jail Series III Refunding Bonds	Building Improvements - Honeywell	Justice Center Refunding	Regional Law Enforcement Center	Sungard Records	Capital Improvement Plan	Capital Projects	
<b>Revenues</b>									
Property Taxes	\$ --	\$ 17	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 1,721,351
Contributions	921,262	--	--	--	--	--	4,673	--	1,134,856
Licenses and Permits	--	--	--	--	--	--	--	--	46,233
Intergovernmental	--	--	--	--	--	902,950	--	--	6,819,174
Charges for Services	--	--	--	--	69,320	--	--	--	1,245,368
Fines and Forfeitures	--	--	--	--	--	--	--	--	35,200
Interest and Rents	--	--	--	--	46,250	--	3,616	193	51,980
Other	--	--	--	--	--	--	65,087	--	129,819
Sale of Capital Asset	--	--	--	--	--	--	16,376	--	16,376
<b>Total Revenues</b>	<u>921,262</u>	<u>17</u>	<u>--</u>	<u>--</u>	<u>115,570</u>	<u>--</u>	<u>988,029</u>	<u>4,673</u>	<u>193</u>
<b>Expenditures</b>									
Judicial	--	--	--	--	--	--	--	--	3,763,266
General Government	--	--	--	--	--	--	328,658	--	541,503
Public Safety	--	--	--	--	--	--	2,495,145	--	4,405,309
Public Works	--	--	--	--	--	--	4,673	193	477,563
Health and Welfare	--	--	--	--	--	--	--	--	4,046,714
Community and Economic Development	--	--	--	--	--	--	--	--	544,576
Recreation and Culture	--	--	--	--	--	--	--	--	1,311,367
Capital Outlay	--	--	--	--	--	--	1,292,265	--	1,359,738
Debt Service - Principal	725,000	--	345,700	440,000	--	50,790	204,364	--	1,765,854
Debt Service - Interest and Fiscal Charges	196,380	--	216,763	157,600	326,494	24,608	14,561	--	936,406
<b>Total Expenditures</b>	<u>921,380</u>	<u>--</u>	<u>562,463</u>	<u>597,600</u>	<u>326,494</u>	<u>75,398</u>	<u>4,334,993</u>	<u>4,673</u>	<u>193</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(118)</u>	<u>17</u>	<u>(562,463)</u>	<u>(597,600)</u>	<u>(210,924)</u>	<u>(75,398)</u>	<u>(3,346,964)</u>	<u>--</u>	<u>(7,951,939)</u>
<b>Other Financing Sources (Uses)</b>									
Capital Lease	--	--	--	--	--	--	273,021	--	273,021
Transfers In	--	--	562,463	597,600	57,276	75,398	890,533	--	5,941,322
Transfers Out	--	--	--	--	--	--	(342,137)	--	(826,729)
<b>Net Other Financing Sources (Uses)</b>	<u>--</u>	<u>--</u>	<u>562,463</u>	<u>597,600</u>	<u>57,276</u>	<u>75,398</u>	<u>821,417</u>	<u>--</u>	<u>5,387,614</u>
<b>Net Change in Fund Balance</b>	<u>(118)</u>	<u>17</u>	<u>--</u>	<u>--</u>	<u>(153,648)</u>	<u>--</u>	<u>(2,525,547)</u>	<u>--</u>	<u>(2,564,325)</u>
<b>Fund Balance at Beginning of Period</b>	<u>118</u>	<u>6,891</u>	<u>--</u>	<u>1,168</u>	<u>345,603</u>	<u>--</u>	<u>5,480,334</u>	<u>37,687</u>	<u>8,273,734</u>
<b>Fund Balance at End of Period</b>	<u>\$ --</u>	<u>\$ 6,908</u>	<u>\$ --</u>	<u>\$ 1,168</u>	<u>\$ 191,955</u>	<u>\$ --</u>	<u>\$ 2,954,787</u>	<u>\$ 37,687</u>	<u>\$ 5,709,409</u>

**Calhoun County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Calhoun County Trailway**  
**For the Year Ended December 31, 2015**

	<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>				
Contributions	\$ 100,000	\$ 100,000	\$ --	\$ (100,000)
<i>Total Revenues</i>	<u>100,000</u>	<u>100,000</u>	<u>--</u>	<u>(100,000)</u>
<b>Other Financing Sources</b>				
<i>Total Revenues and Other Financing Sources</i>	<u>100,000</u>	<u>100,000</u>	<u>--</u>	<u>(100,000)</u>
<b>Expenditures</b>				
Recreation and Culture	100,000	100,000	--	100,000
<i>Total Expenditures</i>	<u>100,000</u>	<u>100,000</u>	<u>--</u>	<u>100,000</u>
<b>Other Financing Uses</b>				
<i>Total Expenditures and Other Financing Uses</i>	<u>100,000</u>	<u>100,000</u>	<u>--</u>	<u>100,000</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**  
**Friend of the Court**  
**For the Year Ended December 31, 2015**

	<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>				
Intergovernmental	\$ 2,339,267	\$ 2,455,315	\$ 2,154,791	\$ (300,524)
Charges for Services	67,000	67,000	59,710	(7,290)
<b>Total Revenues</b>	<u>2,406,267</u>	<u>2,522,315</u>	<u>2,214,501</u>	<u>(307,814)</u>
<b>Other Financing Sources</b>				
Transfers In	<u>1,686,860</u>	<u>1,686,860</u>	<u>1,602,088</u>	<u>(84,772)</u>
<b>Total Revenues and Other Financing Sources</b>	<u>4,093,127</u>	<u>4,209,175</u>	<u>3,816,589</u>	<u>(392,586)</u>
<b>Expenditures</b>				
Judicial	4,234,256	4,302,981	3,762,830	540,151
Capital Outlay	--	119,443	53,758	65,685
<b>Total Expenditures</b>	<u>4,234,256</u>	<u>4,422,424</u>	<u>3,816,588</u>	<u>605,836</u>
<b>Other Financing Uses</b>				
<b>Total Expenditures and Other Financing Uses</b>	<u>4,234,256</u>	<u>4,422,424</u>	<u>3,816,588</u>	<u>605,836</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<u>(141,129)</u>	<u>(213,249)</u>	<u>1</u>	<u>213,250</u>
<b>Net Change in Fund Balance</b>	<u>(141,129)</u>	<u>(213,249)</u>	<u>1</u>	<u>213,250</u>
<i>Fund Balance at Beginning of Period</i>	360,685	360,685	360,685	--
<b>Fund Balance at End of Period</b>	<u>\$ 219,556</u>	<u>\$ 147,436</u>	<u>\$ 360,686</u>	<u>\$ 213,250</u>

**Calhoun County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**County Special Projects**  
**For the Year Ended December 31, 2015**

	<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>				
<i>Total Revenues</i>	--	--	--	--
<b>Other Financing Sources</b>				
Transfers In	\$ 35,000	\$ 51,000	\$ 54,976	\$ 3,976
<i>Total Revenues and Other     Financing Sources</i>	<u>35,000</u>	<u>51,000</u>	<u>54,976</u>	<u>3,976</u>
<b>Expenditures</b>				
Recreation and Culture	26,000	42,000	19,761	22,239
<i>Total Expenditures</i>	<u>26,000</u>	<u>42,000</u>	<u>19,761</u>	<u>22,239</u>
<b>Other Financing Uses</b>				
Transfers Out	28,400	67,400	94,547	(27,147)
<i>Total Expenditures and Other     Financing Uses</i>	<u>54,400</u>	<u>109,400</u>	<u>114,308</u>	<u>(4,908)</u>
<i>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</i>	<u>(19,400)</u>	<u>(58,400)</u>	<u>(59,332)</u>	<u>(932)</u>
<i>Net Change in Fund Balance</i>	<b>(19,400)</b>	<b>(58,400)</b>	<b>(59,332)</b>	<b>(932)</b>
<i>Fund Balance at Beginning of Period</i>	59,332	59,332	59,332	--
<i>Fund Balance at End of Period</i>	<u>\$ 39,932</u>	<u>\$ 932</u>	<u>\$ --</u>	<u>\$ (932)</u>

**Calhoun County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Family Counseling**  
**For the Year Ended December 31, 2015**

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative) Final to Actual
<b>Revenues</b>				
Licenses and Permits	\$ 13,500	\$ 13,500	\$ 14,675	\$ 1,175
<i>Total Revenues</i>	13,500	13,500	14,675	1,175
<b>Other Financing Sources</b>				
<i>Total Revenues and Other Financing Sources</i>	13,500	13,500	14,675	1,175
<b>Expenditures</b>				
Judicial	3,500	3,500	436	3,064
<i>Total Expenditures</i>	3,500	3,500	436	3,064
<b>Other Financing Uses</b>				
Transfers Out	10,000	10,000	10,000	--
<i>Total Expenditures and Other Financing Uses</i>	13,500	13,500	10,436	3,064
<i>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</i>	--	--	4,239	4,239
<i>Net Change in Fund Balance</i>	--	--	<b>4,239</b>	<b>4,239</b>
<i>Fund Balance at Beginning of Period</i>	68,230	68,230	68,230	--
<i>Fund Balance at End of Period</i>	<b>\$ 68,230</b>	<b>\$ 68,230</b>	<b>\$ 72,469</b>	<b>\$ 4,239</b>

**Calhoun County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Accommodation Tax**  
**For the Year Ended December 31, 2015**

	<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	\$ 1,378,403	\$ (121,597)
<i>Total Revenues</i>	<u>1,100,000</u>	<u>1,500,000</u>	<u>1,378,403</u>	<u>(121,597)</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>1,378,403</u>	<u>(121,597)</u>
<b>Expenditures</b>				
Recreation and Culture	990,000	1,350,000	1,236,956	113,044
<i>Total Expenditures</i>	<u>990,000</u>	<u>1,350,000</u>	<u>1,236,956</u>	<u>113,044</u>
<b>Other Financing Uses</b>				
Transfers Out	110,000	150,000	141,447	8,553
<i>Total Expenditures and Other Financing Uses</i>	<u>1,100,000</u>	<u>1,500,000</u>	<u>1,378,403</u>	<u>121,597</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, 2015**

	<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	\$ 300,000	\$ 300,000	\$ 255,682	\$ (44,318)
Other	7,000	7,000	9,017	2,017
<b>Total Revenues</b>	<u>307,000</u>	<u>307,000</u>	<u>264,699</u>	<u>(42,301)</u>
<b>Other Financing Sources</b>				
<i>Total Revenues and Other Financing Sources</i>	<u>307,000</u>	<u>307,000</u>	<u>264,699</u>	<u>(42,301)</u>
<b>Expenditures</b>				
Public Works	350,346	379,746	390,897	(11,151)
Capital Outlay	--	5,600	5,535	65
<b>Total Expenditures</b>	<u>350,346</u>	<u>385,346</u>	<u>396,432</u>	<u>(11,086)</u>
<b>Other Financing Uses</b>				
Transfers Out	38,171	38,171	39,170	(999)
<i>Total Expenditures and Other Financing Uses</i>	<u>388,517</u>	<u>423,517</u>	<u>435,602</u>	<u>(12,085)</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<u>(81,517)</u>	<u>(116,517)</u>	<u>(170,903)</u>	<u>(54,386)</u>
<b>Net Change in Fund Balance</b>	<u>(81,517)</u>	<u>(116,517)</u>	<u>(170,903)</u>	<u>(54,386)</u>
<i>Fund Balance at Beginning of Period</i>	690,895	690,895	690,895	--
<b>Fund Balance at End of Period</b>	<u>\$ 609,378</u>	<u>\$ 574,378</u>	<u>\$ 519,992</u>	<u>\$ (54,386)</u>

**Calhoun County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Circuit Court Grants**  
**For the Year Ended December 31, 2015**

	<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>				
Contributions	\$ 59,274	\$ 59,274	\$ 90,957	\$ 31,683
Charges for Services	100,000	100,000	113,374	13,374
Other	164,030	164,030	13,034	(150,996)
<b>Total Revenues</b>	<u>323,304</u>	<u>323,304</u>	<u>217,365</u>	<u>(105,939)</u>
<b>Other Financing Sources</b>				
Transfers In	41,162	41,162	41,162	--
<b>Total Revenues and Other Financing Sources</b>	<u>364,466</u>	<u>364,466</u>	<u>258,527</u>	<u>(105,939)</u>
<b>Expenditures</b>				
Judicial	364,466	364,466	330,884	33,582
<b>Total Expenditures</b>	<u>364,466</u>	<u>364,466</u>	<u>330,884</u>	<u>33,582</u>
<b>Other Financing Uses</b>				
<b>Total Expenditures and Other Financing Uses</b>	<u>364,466</u>	<u>364,466</u>	<u>330,884</u>	<u>33,582</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<u>--</u>	<u>--</u>	<u>(72,357)</u>	<u>(72,357)</u>
<b>Net Change in Fund Balance</b>	<u>--</u>	<u>--</u>	<u>(72,357)</u>	<u>(72,357)</u>
<b>Fund Balance at Beginning of Period</b>	182,531	182,531	182,531	--
<b>Fund Balance at End of Period</b>	<u>\$ 182,531</u>	<u>\$ 182,531</u>	<u>\$ 110,174</u>	<u>\$ (72,357)</u>

**Calhoun County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Water Resources Grants**  
**For the Year Ended December 31, 2015**

	<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>				
Contributions	\$ 65,000	\$ 65,000	\$ 8,180	\$ (56,820)
Intergovernmental	585,000	585,000	73,620	(511,380)
<b>Total Revenues</b>	<u>650,000</u>	<u>650,000</u>	<u>81,800</u>	<u>(568,200)</u>
<b>Other Financing Sources</b>				
<i>Total Revenues and Other Financing Sources</i>	<u>650,000</u>	<u>650,000</u>	<u>81,800</u>	<u>(568,200)</u>
<b>Expenditures</b>				
Public Works	650,000	650,000	81,800	568,200
<b>Total Expenditures</b>	<u>650,000</u>	<u>650,000</u>	<u>81,800</u>	<u>568,200</u>
<b>Other Financing Uses</b>				
<i>Total Expenditures and Other Financing Uses</i>	<u>650,000</u>	<u>650,000</u>	<u>81,800</u>	<u>568,200</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>
<b>Fund Balance at End of Period</b>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

**Calhoun County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Parks**  
**For the Year Ended December 31, 2015**

	<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>				
Contributions	\$ --	\$ --	\$ 850	\$ 850
Interest and Rents	1,000	1,000	1,400	400
Other	50,293	50,293	28,822	(21,471)
<b>Total Revenues</b>	<u>51,293</u>	<u>51,293</u>	<u>31,072</u>	<u>(20,221)</u>
<b>Other Financing Sources</b>				
Transfers In	--	39,000	66,147	27,147
<b>Total Revenues and Other Financing Sources</b>	<u>51,293</u>	<u>90,293</u>	<u>97,219</u>	<u>6,926</u>
<b>Expenditures</b>				
Recreation and Culture	85,793	85,793	54,650	31,143
<b>Total Expenditures</b>	<u>85,793</u>	<u>85,793</u>	<u>54,650</u>	<u>31,143</u>
<b>Other Financing Uses</b>				
<b>Total Expenditures and Other Financing Uses</b>	<u>85,793</u>	<u>85,793</u>	<u>54,650</u>	<u>31,143</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<u>(34,500)</u>	<u>4,500</u>	<u>42,569</u>	<u>38,069</u>
<b>Net Change in Fund Balance</b>	<u>(34,500)</u>	<u>4,500</u>	<u>42,569</u>	<u>38,069</u>
<i>Fund Balance at Beginning of Period</i>	164,929	164,929	164,929	--
<b>Fund Balance at End of Period</b>	<u>\$ 130,429</u>	<u>\$ 169,429</u>	<u>\$ 207,498</u>	<u>\$ 38,069</u>

**Calhoun County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Remonumentation**  
**For the Year Ended December 31, 2015**

	<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>				
Intergovernmental	\$ 115,000	\$ 115,000	\$ 115,207	\$ 207
Charges for Services	40,000	40,000	36,856	(3,144)
Other	3,000	3,000	7,413	4,413
<b>Total Revenues</b>	<u>158,000</u>	<u>158,000</u>	<u>159,476</u>	<u>1,476</u>
<b>Other Financing Sources</b>				
Transfers In	27,427	27,427	27,427	--
<b>Total Revenues and Other Financing Sources</b>	<u>185,427</u>	<u>185,427</u>	<u>186,903</u>	<u>1,476</u>
<b>Expenditures</b>				
General Government	200,427	200,427	190,890	9,537
<b>Total Expenditures</b>	<u>200,427</u>	<u>200,427</u>	<u>190,890</u>	<u>9,537</u>
<b>Other Financing Uses</b>				
<b>Total Expenditures and Other Financing Uses</b>	<u>200,427</u>	<u>200,427</u>	<u>190,890</u>	<u>9,537</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<u>(15,000)</u>	<u>(15,000)</u>	<u>(3,987)</u>	<u>11,013</u>
<b>Net Change in Fund Balance</b>	<u>(15,000)</u>	<u>(15,000)</u>	<u>(3,987)</u>	<u>11,013</u>
<i>Fund Balance at Beginning of Period</i>	63,606	63,606	63,606	--
<b>Fund Balance at End of Period</b>	<u>\$ 48,606</u>	<u>\$ 48,606</u>	<u>\$ 59,619</u>	<u>\$ 11,013</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, 2015**

	<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	\$ 155,000	\$ 155,000	\$ 126,620	\$ (28,380)
Interest and Rents	--	--	120	120
<b>Total Revenues</b>	<u>155,000</u>	<u>155,000</u>	<u>126,740</u>	<u>(28,260)</u>
<b>Other Financing Sources</b>				
<i>Total Revenues and Other Financing Sources</i>	<u>155,000</u>	<u>155,000</u>	<u>126,740</u>	<u>(28,260)</u>
<b>Expenditures</b>				
General Government	16,000	16,000	14,567	1,433
<b>Total Expenditures</b>	<u>16,000</u>	<u>16,000</u>	<u>14,567</u>	<u>1,433</u>
<b>Other Financing Uses</b>				
Transfers Out	20,000	20,000	20,000	--
<b>Total Expenditures and Other Financing Uses</b>	<u>36,000</u>	<u>36,000</u>	<u>34,567</u>	<u>1,433</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<u>119,000</u>	<u>119,000</u>	<u>92,173</u>	<u>(26,827)</u>
<b>Net Change in Fund Balance</b>	<u>119,000</u>	<u>119,000</u>	<u>92,173</u>	<u>(26,827)</u>
<i>Fund Balance at Beginning of Period</i>	18,606	18,606	18,606	--
<b>Fund Balance at End of Period</b>	<u>\$ 137,606</u>	<u>\$ 137,606</u>	<u>\$ 110,779</u>	<u>\$ (26,827)</u>

**Calhoun County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Employee Benefits**  
**For the Year Ended December 31, 2015**

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative) Final to Actual
<b>Revenues</b>				
Fines and Forfeitures	\$ 10,000	\$ 10,000	\$ 12,825	\$ 2,825
<i>Total Revenues</i>	<u>10,000</u>	<u>10,000</u>	<u>12,825</u>	<u>2,825</u>
<b>Other Financing Sources</b>				
<i>Total Revenues and Other Financing Sources</i>	<u>10,000</u>	<u>10,000</u>	<u>12,825</u>	<u>2,825</u>
<b>Expenditures</b>				
General Government	10,000	10,000	6,142	3,858
<i>Total Expenditures</i>	<u>10,000</u>	<u>10,000</u>	<u>6,142</u>	<u>3,858</u>
<b>Other Financing Uses</b>				
<i>Total Expenditures and Other Financing Uses</i>	<u>10,000</u>	<u>10,000</u>	<u>6,142</u>	<u>3,858</u>
<i>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</i>	<u>--</u>	<u>--</u>	<u>6,683</u>	<u>6,683</u>
<i>Net Change in Fund Balance</i>	<u>--</u>	<u>--</u>	<u><b>6,683</b></u>	<u><b>6,683</b></u>
<i>Fund Balance at Beginning of Period</i>	18,273	18,273	18,273	--
<i>Fund Balance at End of Period</i>	<u>\$ <b>18,273</b></u>	<u>\$ <b>18,273</b></u>	<u>\$ <b>24,956</b></u>	<u>\$ <b>6,683</b></u>

**Calhoun County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Clerk**  
**For the Year Ended December 31, 2015**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Positive</u> <u>(Negative)</u> <u>Final to Actual</u>
<b>Revenues</b>				
<i>Total Revenues</i>	--	--	--	--
<b>Other Financing Sources</b>				
<i>Total Revenues and Other</i>				
<i>Financing Sources</i>	--	--	--	--
<b>Expenditures</b>				
<i>Total Expenditures</i>	--	--	--	--
<b>Other Financing Uses</b>				
<i>Total Expenditures and Other</i>				
<i>Financing Uses</i>	--	--	--	--
<i>Excess (Deficiency) of Revenues and</i>				
<i>Other Sources Over Expenditures</i>				
<i>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**  
**Concealed Pistol Licensing**  
**For the Year Ended December 31, 2015**

	<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>				
Licenses and Permits	\$ --	\$ 30,000	\$ 31,558	\$ 1,558
Interest and Rents	--	--	3	3
<b>Total Revenues</b>	<u>--</u>	<u>30,000</u>	<u>31,561</u>	<u>1,561</u>
<b>Other Financing Sources</b>				
<i>Total Revenues and Other Financing Sources</i>	<u>--</u>	<u>30,000</u>	<u>31,561</u>	<u>1,561</u>
<b>Expenditures</b>				
General Government	--	1,300	1,246	54
<b>Total Expenditures</b>	<u>--</u>	<u>1,300</u>	<u>1,246</u>	<u>54</u>
<b>Other Financing Uses</b>				
<i>Total Expenditures and Other Financing Uses</i>	<u>--</u>	<u>1,300</u>	<u>1,246</u>	<u>54</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<u>--</u>	<u>28,700</u>	<u>30,315</u>	<u>1,615</u>
<b>Net Change in Fund Balance</b>	<u>--</u>	<u>28,700</u>	<u>30,315</u>	<u>1,615</u>
<i>Fund Balance at Beginning of Period</i>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<b>Fund Balance at End of Period</b>	<u>\$ --</u>	<u>\$ 28,700</u>	<u>\$ 30,315</u>	<u>\$ 1,615</u>

**Calhoun County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Local Emergency Planning**  
**For the Year Ended December 31, 2015**

	<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	\$ 3,000	\$ 3,000	\$ 1,690	\$ (1,310)
<i>Total Revenues</i>	<u>3,000</u>	<u>3,000</u>	<u>1,690</u>	<u>(1,310)</u>
<b>Other Financing Sources</b>				
<i>Total Revenues and Other Financing Sources</i>	<u>3,000</u>	<u>3,000</u>	<u>1,690</u>	<u>(1,310)</u>
<b>Expenditures</b>				
Public Safety	3,000	3,000	1,660	1,340
<i>Total Expenditures</i>	<u>3,000</u>	<u>3,000</u>	<u>1,660</u>	<u>1,340</u>
<b>Other Financing Uses</b>				
<i>Total Expenditures and Other Financing Uses</i>	<u>3,000</u>	<u>3,000</u>	<u>1,660</u>	<u>1,340</u>
<i>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</i>	<u>--</u>	<u>--</u>	<u>30</u>	<u>30</u>
<i>Net Change in Fund Balance</i>	<u>--</u>	<u>--</u>	<u>30</u>	<u>30</u>
<i>Fund Balance at Beginning of Period</i>	1,512	1,512	1,512	--
<i>Fund Balance at End of Period</i>	<u>\$ 1,512</u>	<u>\$ 1,512</u>	<u>\$ 1,542</u>	<u>\$ 30</u>

**Calhoun County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Sheriff**  
**For the Year Ended December 31, 2015**

	<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>				
Contributions	\$ --	\$ 3,000	\$ 2,434	\$ (566)
Intergovernmental	231,674	262,884	207,093	(55,791)
Charges for Services	67,000	67,000	62,921	(4,079)
Fines and Forfeitures	30,000	30,000	20,129	(9,871)
Other	3,000	3,000	3,101	101
<b>Total Revenues</b>	<u>331,674</u>	<u>365,884</u>	<u>295,678</u>	<u>(70,206)</u>
<b>Other Financing Sources</b>				
Transfers In	15,545	545	--	(545)
<b>Total Revenues and Other Financing Sources</b>	<u>347,219</u>	<u>366,429</u>	<u>295,678</u>	<u>(70,751)</u>
<b>Expenditures</b>				
Public Safety	326,219	361,539	274,518	87,021
Capital Outlay	5,000	5,000	8,180	(3,180)
<b>Total Expenditures</b>	<u>331,219</u>	<u>366,539</u>	<u>282,698</u>	<u>83,841</u>
<b>Other Financing Uses</b>				
Transfers Out	39,000	38,500	38,500	--
<b>Total Expenditures and Other Financing Uses</b>	<u>370,219</u>	<u>405,039</u>	<u>321,198</u>	<u>83,841</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<u>(23,000)</u>	<u>(38,610)</u>	<u>(25,520)</u>	<u>13,090</u>
<b>Net Change in Fund Balance</b>	<u>(23,000)</u>	<u>(38,610)</u>	<u>(25,520)</u>	<u>13,090</u>
<i>Fund Balance at Beginning of Period</i>	128,764	128,764	128,764	--
<b>Fund Balance at End of Period</b>	<u>\$ 105,764</u>	<u>\$ 90,154</u>	<u>\$ 103,244</u>	<u>\$ 13,090</u>

**Calhoun County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Emergency Management**  
**For the Year Ended December 31, 2015**

	<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>				
Contributions	\$ 1,500	\$ 1,500	\$ 3,462	\$ 1,962
Intergovernmental	42,424	42,424	40,174	(2,250)
<b>Total Revenues</b>	<u>43,924</u>	<u>43,924</u>	<u>43,636</u>	<u>(288)</u>
<b>Other Financing Sources</b>				
<i>Total Revenues and Other Financing Sources</i>	<u>43,924</u>	<u>43,924</u>	<u>43,636</u>	<u>(288)</u>
<b>Expenditures</b>				
Public Safety	43,924	43,924	42,380	1,544
<b>Total Expenditures</b>	<u>43,924</u>	<u>43,924</u>	<u>42,380</u>	<u>1,544</u>
<b>Other Financing Uses</b>				
<i>Total Expenditures and Other Financing Uses</i>	<u>43,924</u>	<u>43,924</u>	<u>42,380</u>	<u>1,544</u>
<i>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</i>	<u>--</u>	<u>--</u>	<u>1,256</u>	<u>1,256</u>
<i>Net Change in Fund Balance</i>	<u>--</u>	<u>--</u>	<u>1,256</u>	<u>1,256</u>
<i>Fund Balance at Beginning of Period</i>	155	155	155	--
<b>Fund Balance at End of Period</b>	<u>\$ 155</u>	<u>\$ 155</u>	<u>\$ 1,411</u>	<u>\$ 1,256</u>

**Calhoun County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Public Safety Info Alliance**  
**For the Year Ended December 31, 2015**

	<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>				
Contributions	\$ --	\$ 7,000	\$ 7,000	\$ --
<i>Total Revenues</i>	--	7,000	7,000	--
<b>Other Financing Sources</b>				
<i>Total Revenues and Other Financing Sources</i>	--	7,000	7,000	--
<b>Expenditures</b>				
<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>	--	7,000	7,000	--
<i>Net Change in Fund Balance</i>	--	<b>7,000</b>	<b>7,000</b>	--
<i>Fund Balance at Beginning of Period</i>	--	--	--	--
<i>Fund Balance at End of Period</i>	<b>\$ --</b>	<b>\$ 7,000</b>	<b>\$ 7,000</b>	<b>\$ --</b>

**Calhoun County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Community Corrections**  
**For the Year Ended December 31, 2015**

	<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>				
Intergovernmental	\$ 181,229	\$ 181,229	\$ 181,694	\$ 465
<i>Total Revenues</i>	<u>181,229</u>	<u>181,229</u>	<u>181,694</u>	<u>465</u>
<b>Other Financing Sources</b>				
Transfers In	<u>38,067</u>	<u>38,067</u>	<u>10,888</u>	<u>(27,179)</u>
<i>Total Revenues and Other Financing Sources</i>	<u>219,296</u>	<u>219,296</u>	<u>192,582</u>	<u>(26,714)</u>
<b>Expenditures</b>				
Public Safety	<u>219,296</u>	<u>219,296</u>	<u>192,582</u>	<u>26,714</u>
<i>Total Expenditures</i>	<u>219,296</u>	<u>219,296</u>	<u>192,582</u>	<u>26,714</u>
<b>Other Financing Uses</b>				
<i>Total Expenditures and Other Financing Uses</i>	<u>219,296</u>	<u>219,296</u>	<u>192,582</u>	<u>26,714</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**  
**Prosecutor**  
**For the Year Ended December 31, 2015**

	<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>				
Intergovernmental	\$ 442,459	\$ 486,675	\$ 510,512	\$ 23,837
Fines and Forfeitures	3,000	3,000	2,246	(754)
<b>Total Revenues</b>	<u>445,459</u>	<u>489,675</u>	<u>512,758</u>	<u>23,083</u>
<b>Other Financing Sources</b>				
Transfers In	<u>202,684</u>	<u>230,064</u>	<u>187,936</u>	<u>(42,128)</u>
<b>Total Revenues and Other Financing Sources</b>	<u>648,143</u>	<u>719,739</u>	<u>700,694</u>	<u>(19,045)</u>
<b>Expenditures</b>				
Public Safety	<u>648,143</u>	<u>725,739</u>	<u>705,544</u>	<u>20,195</u>
<b>Total Expenditures</b>	<u>648,143</u>	<u>725,739</u>	<u>705,544</u>	<u>20,195</u>
<b>Other Financing Uses</b>				
<b>Total Expenditures and Other Financing Uses</b>	<u>648,143</u>	<u>725,739</u>	<u>705,544</u>	<u>20,195</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<u>--</u>	<u>(6,000)</u>	<u>(4,850)</u>	<u>1,150</u>
<b>Net Change in Fund Balance</b>	<u>--</u>	<u>(6,000)</u>	<u>(4,850)</u>	<u>1,150</u>
<i>Fund Balance at Beginning of Period</i>	13,929	13,929	13,929	--
<b>Fund Balance at End of Period</b>	<u>\$ 13,929</u>	<u>\$ 7,929</u>	<u>\$ 9,079</u>	<u>\$ 1,150</u>

**Calhoun County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Blight Elimination**  
**For the Year Ended December 31, 2015**

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative) Final to Actual
<b>Revenues</b>				
Contributions	\$ --	\$ 96,038	\$ 96,038	\$ --
Intergovernmental	--	353,650	284,317	(69,333)
<b>Total Revenues</b>	--	449,688	380,355	(69,333)
<b>Other Financing Sources</b>				
<i>Total Revenues and Other Financing Sources</i>	--	449,688	380,355	(69,333)
<b>Expenditures</b>				
Public Works	--	449,688	368,191	81,497
<b>Total Expenditures</b>	--	449,688	368,191	81,497
<b>Other Financing Uses</b>				
<i>Total Expenditures and Other Financing Uses</i>	--	449,688	368,191	81,497
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	--	--	12,164	12,164
<b>Net Change in Fund Balance</b>	--	--	<b>12,164</b>	<b>12,164</b>
<i>Fund Balance at Beginning of Period</i>	--	--	--	--
<b>Fund Balance at End of Period</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ 12,164</b>	<b>\$ 12,164</b>

**Calhoun County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Housing Rehab**  
**For the Year Ended December 31, 2015**

	<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>				
Intergovernmental	\$ 194,000	\$ 194,000	\$ 179,608	\$ (14,392)
Charges for Services	6,000	--	28,770	28,770
<b>Total Revenues</b>	<u>200,000</u>	<u>194,000</u>	<u>208,378</u>	<u>14,378</u>
<b>Other Financing Sources</b>				
<i>Total Revenues and Other Financing Sources</i>	<u>200,000</u>	<u>194,000</u>	<u>208,378</u>	<u>14,378</u>
<b>Expenditures</b>				
Community and Economic Development	200,000	194,000	176,385	17,615
<b>Total Expenditures</b>	<u>200,000</u>	<u>194,000</u>	<u>176,385</u>	<u>17,615</u>
<b>Other Financing Uses</b>				
<i>Total Expenditures and Other Financing Uses</i>	<u>200,000</u>	<u>194,000</u>	<u>176,385</u>	<u>17,615</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	--	--	31,993	31,993
<b>Net Change in Fund Balance</b>	--	--	<b>31,993</b>	<b>31,993</b>
<i>Fund Balance at Beginning of Period</i>	310	310	310	--
<b>Fund Balance at End of Period</b>	<u>\$ 310</u>	<u>\$ 310</u>	<u>\$ 32,303</u>	<u>\$ 31,993</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, 2015**

	<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>				
Intergovernmental	\$ 314,248	\$ 356,003	\$ 314,285	\$ (41,718)
Charges for Services	153,428	153,428	178,628	25,200
<b>Total Revenues</b>	<u>467,676</u>	<u>509,431</u>	<u>492,913</u>	<u>(16,518)</u>
<b>Other Financing Sources</b>				
<i>Total Revenues and Other Financing Sources</i>	<u>467,676</u>	<u>509,431</u>	<u>492,913</u>	<u>(16,518)</u>
<b>Expenditures</b>				
Public Safety	378,416	420,171	362,596	57,575
<b>Total Expenditures</b>	<u>378,416</u>	<u>420,171</u>	<u>362,596</u>	<u>57,575</u>
<b>Other Financing Uses</b>				
<i>Total Expenditures and Other Financing Uses</i>	<u>378,416</u>	<u>420,171</u>	<u>362,596</u>	<u>57,575</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<u>89,260</u>	<u>89,260</u>	<u>130,317</u>	<u>41,057</u>
<b>Net Change in Fund Balance</b>	<u>89,260</u>	<u>89,260</u>	<u>130,317</u>	<u>41,057</u>
<i>Fund Balance at Beginning of Period</i>	26,695	26,695	26,695	--
<b>Fund Balance at End of Period</b>	<u>\$ 115,955</u>	<u>\$ 115,955</u>	<u>\$ 157,012</u>	<u>\$ 41,057</u>

**Calhoun County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Human Services**  
**For the Year Ended December 31, 2015**

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative) Final to Actual
<b>Revenues</b>				
Charges for Services	\$ --	\$ --	\$ 40	\$ 40
<i>Total Revenues</i>	--	--	40	40
<b>Other Financing Sources</b>				
<i>Total Revenues and Other Financing Sources</i>	--	--	40	40
<b>Expenditures</b>				
Health and Welfare	6,100	6,100	2,076	4,024
<i>Total Expenditures</i>	6,100	6,100	2,076	4,024
<b>Other Financing Uses</b>				
<i>Total Expenditures and Other Financing Uses</i>	6,100	6,100	2,076	4,024
<i>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</i>	(6,100)	(6,100)	(2,036)	4,064
<i>Net Change in Fund Balance</i>	<b>(6,100)</b>	<b>(6,100)</b>	<b>(2,036)</b>	<b>4,064</b>
<i>Fund Balance at Beginning of Period</i>	5,157	5,157	5,157	--
<i>Fund Balance at End of Period</i>	<b>\$ (943)</b>	<b>\$ (943)</b>	<b>\$ 3,121</b>	<b>\$ 4,064</b>

**Calhoun County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Child Care**  
**For the Year Ended December 31, 2015**

	<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	\$ 2,122,179	\$ 2,122,179	\$ 1,819,347	\$ (302,832)
Charges for Services	160,000	160,000	314,175	154,175
Other	20,000	20,000	147	(19,853)
<b>Total Revenues</b>	<u>2,302,179</u>	<u>2,302,179</u>	<u>2,133,669</u>	<u>(168,510)</u>
<b>Other Financing Sources</b>				
Transfers In	2,046,216	2,046,216	1,767,428	(278,788)
<b>Total Revenues and Other Financing Sources</b>	<u>4,348,395</u>	<u>4,348,395</u>	<u>3,901,097</u>	<u>(447,298)</u>
<b>Expenditures</b>				
Health and Welfare	4,395,073	4,395,073	3,774,522	620,551
<b>Total Expenditures</b>	<u>4,395,073</u>	<u>4,395,073</u>	<u>3,774,522</u>	<u>620,551</u>
<b>Other Financing Uses</b>				
<b>Total Expenditures and Other Financing Uses</b>	<u>4,395,073</u>	<u>4,395,073</u>	<u>3,774,522</u>	<u>620,551</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<u>(46,678)</u>	<u>(46,678)</u>	<u>126,575</u>	<u>173,253</u>
<b>Net Change in Fund Balance</b>	<u>(46,678)</u>	<u>(46,678)</u>	<u>126,575</u>	<u>173,253</u>
<i>Fund Balance at Beginning of Period</i>	293,425	293,425	293,425	--
<b>Fund Balance at End of Period</b>	<u>\$ 246,747</u>	<u>\$ 246,747</u>	<u>\$ 420,000</u>	<u>\$ 173,253</u>

**Calhoun County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Veterans' Services**  
**For the Year Ended December 31, 2015**

	<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>				
Taxes	\$ 358,440	\$ 358,440	\$ 342,931	\$ (15,509)
Interest and Rents	--	--	398	398
Other	--	--	16,232	16,232
<b>Total Revenues</b>	<u>358,440</u>	<u>358,440</u>	<u>359,561</u>	<u>1,121</u>
<b>Other Financing Sources</b>				
<i>Total Revenues and Other Financing Sources</i>	<u>358,440</u>	<u>358,440</u>	<u>359,561</u>	<u>1,121</u>
<b>Expenditures</b>				
Health and Welfare	<u>352,342</u>	<u>403,342</u>	<u>252,791</u>	<u>150,551</u>
<b>Total Expenditures</b>	<u>352,342</u>	<u>403,342</u>	<u>252,791</u>	<u>150,551</u>
<b>Other Financing Uses</b>				
<i>Total Expenditures and Other Financing Uses</i>	<u>352,342</u>	<u>403,342</u>	<u>252,791</u>	<u>150,551</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<u>6,098</u>	<u>(44,902)</u>	<u>106,770</u>	<u>151,672</u>
<b>Net Change in Fund Balance</b>	<u>6,098</u>	<u>(44,902)</u>	<u>106,770</u>	<u>151,672</u>
<i>Fund Balance at Beginning of Period</i>	<u>158,131</u>	<u>158,131</u>	<u>158,131</u>	<u>--</u>
<b>Fund Balance at End of Period</b>	<u>\$ 164,229</u>	<u>\$ 113,229</u>	<u>\$ 264,901</u>	<u>\$ 151,672</u>

**Calhoun County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Veterans' Trust**  
**For the Year Ended December 31, 2015**

	<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>				
Intergovernmental	\$ 24,500	\$ 24,500	\$ 20,124	\$ (4,376)
<i>Total Revenues</i>	<u>24,500</u>	<u>24,500</u>	<u>20,124</u>	<u>(4,376)</u>
<b>Other Financing Sources</b>				
<i>Total Revenues and Other Financing Sources</i>	<u>24,500</u>	<u>24,500</u>	<u>20,124</u>	<u>(4,376)</u>
<b>Expenditures</b>				
Health and Welfare	24,500	24,500	17,325	7,175
<i>Total Expenditures</i>	<u>24,500</u>	<u>24,500</u>	<u>17,325</u>	<u>7,175</u>
<b>Other Financing Uses</b>				
<i>Total Expenditures and Other Financing Uses</i>	<u>24,500</u>	<u>24,500</u>	<u>17,325</u>	<u>7,175</u>
<i>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</i>	<u>--</u>	<u>--</u>	<u>2,799</u>	<u>2,799</u>
<i>Net Change in Fund Balance</i>	<u>--</u>	<u>--</u>	<u>2,799</u>	<u>2,799</u>
<i>Fund Balance at Beginning of Period</i>	2,340	2,340	2,340	--
<i>Fund Balance at End of Period</i>	<u>\$ 2,340</u>	<u>\$ 2,340</u>	<u>\$ 5,139</u>	<u>\$ 2,799</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, 2015**

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative) Final to Actual
<b>Revenues</b>				
<i>Total Revenues</i>	--	--	--	--
<b>Other Financing Sources</b>				
<i>Total Revenues and Other     Financing Sources</i>	--	--	--	--
<b>Expenditures</b>				
<i>Total Expenditures</i>	--	--	--	--
<b>Other Financing Uses</b>				
Transfers Out	\$ --	\$ --	\$ 140,928	\$ (140,928)
<i>Total Expenditures and Other     Financing Uses</i>	--	--	140,928	(140,928)
<i>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</i>	--	--	(140,928)	(140,928)
<i>Net Change in Fund Balance</i>	--	--	(140,928)	(140,928)
<i>Fund Balance at Beginning of Period</i>	140,928	140,928	140,928	--
<i>Fund Balance at End of Period</i>	<u>\$ 140,928</u>	<u>\$ 140,928</u>	<u>\$ --</u>	<u>\$ (140,928)</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, 2015**

	<b>Enterprise</b>		
	<b>Property Description</b>	<b>Sheriff Inmate Concession</b>	<b>Total Enterprise Funds</b>
<b>ASSETS</b>			
<i>Current Assets</i>			
Cash and Cash Equivalents	\$ --	\$ 129,338	\$ 129,338
<b>Total Assets</b>	--	129,338	129,338
<b>LIABILITIES</b>			
<i>Current Liabilities</i>			
Accounts Payable	--	10,293	10,293
<b>Total Liabilities</b>	--	10,293	10,293
<b>NET POSITION</b>			
<i>Unrestricted</i>	--	119,045	119,045
<b>Total Net Position</b>	\$ --	\$ <b>119,045</b>	\$ <b>119,045</b>

**Calhoun County**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**Nonmajor Enterprise Funds**  
**For the Year Ended December 31, 2015**

	<u>Enterprise</u>		<u>Total Enterprise Funds</u>
	<u>Property Description</u>	<u>Sheriff Inmate Concession</u>	
<b>Operating Revenues</b>			
Charges for Services	\$ --	\$ 145,491	\$ 145,491
<b><i>Total Operating Revenues</i></b>	<u>--</u>	<u>145,491</u>	<u>145,491</u>
<b>Operating Expenses</b>			
Other	5,914	148,087	154,001
<b><i>Total Operating Expenses</i></b>	<u>5,914</u>	<u>148,087</u>	<u>154,001</u>
<b><i>Operating Income (Loss)</i></b>	<u>(5,914)</u>	<u>(2,596)</u>	<u>(8,510)</u>
<b><i>Change In Net Position</i></b>	<u><b>(5,914)</b></u>	<u><b>(2,596)</b></u>	<u><b>(8,510)</b></u>
<i>Net Position at Beginning of Period</i>	5,914	121,641	127,555
<b><i>Net Position at End of Period</i></b>	<u><b>\$ --</b></u>	<u><b>\$ 119,045</b></u>	<u><b>\$ 119,045</b></u>

**Calhoun County**  
**Combining Statement of Cash Flows**  
**Nonmajor Enterprise Funds**  
**For the Year Ended December 31, 2015**

	<u>Enterprise</u>		
	<u>Property Description</u>	<u>Sheriff Inmate Concession</u>	<u>Total Enterprise Funds</u>
<b>Cash flows from operating activities</b>			
Cash received from customers	\$ -	\$ 146,458	\$ 146,458
Cash payments to suppliers	(5,914)	(148,087)	(154,001)
<b>Total cash provided by operating activities</b>	<u>(5,914)</u>	<u>(1,629)</u>	<u>(7,543)</u>
<i>Net decrease in cash and cash equivalents</i>	(5,914)	(1,629)	(7,543)
<i>Cash and cash equivalents - beginning of the year</i>	5,914	130,967	136,881
<i>Cash and cash equivalents - end of the year</i>	<u>\$ -</u>	<u>\$ 129,338</u>	<u>\$ 129,338</u>
<b>Cash flows from operating activities</b>			
Operating income (loss)	\$ (5,914)	\$ (2,596)	\$ (8,510)
Adjustments to reconcile operating income to net cash provided by (used in) operations:			
Changes in assets and liabilities:			
Accounts payable	-	967	967
<b>Net cash used by operating activities</b>	<u>\$ (5,914)</u>	<u>\$ (1,629)</u>	<u>\$ (7,543)</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.

**Calhoun County**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**December 31, 2015**

	<b>Internal Service</b>					<b>Total Internal Service Funds</b>
	<b>Building &amp; Grounds</b>	<b>Administrative Services</b>	<b>Insurance</b>	<b>Employee Benefits</b>	<b>Workers' Compensation</b>	
<b>ASSETS</b>						
<i>Current Assets</i>						
Cash and Cash Equivalents	\$ 740,370	\$ 118,377	\$ 860,560	\$ 313,370	\$ 462,653	\$ 2,495,330
Accounts Receivable	38,557	33,381	249,779	63,195	--	384,912
Prepaid Items	--	8,480	--	222,313	--	230,793
Inventory	--	15,372	--	--	--	15,372
<b>Total Current Assets</b>	<b>778,927</b>	<b>175,610</b>	<b>1,110,339</b>	<b>598,878</b>	<b>462,653</b>	<b>3,126,407</b>
<i>Noncurrent Assets</i>						
Capital Assets Being Depreciated	1,285,734	667,161	--	--	--	1,952,895
<b>Total Assets</b>	<b>2,064,661</b>	<b>842,771</b>	<b>1,110,339</b>	<b>598,878</b>	<b>462,653</b>	<b>5,079,302</b>
<b>LIABILITIES</b>						
<i>Current Liabilities</i>						
Accounts Payable	78,530	30,684	10,335	170,021	--	289,570
Claims Payable	--	--	644,368	308,514	205,101	1,157,983
Accrued Liabilities	5,919	6,382	--	--	--	12,301
Unearned Revenue	655	--	--	11,876	--	12,531
Current Portion of Long-term Debt	--	109,328	--	--	--	109,328
Due to Other Funds	35,902	--	--	--	--	35,902
<b>Total Current Liabilities</b>	<b>121,006</b>	<b>146,394</b>	<b>654,703</b>	<b>490,411</b>	<b>205,101</b>	<b>1,617,615</b>
<i>Noncurrent Liabilities</i>						
Long-term Debt	--	505,940	--	--	--	505,940
<b>Total Liabilities</b>	<b>121,006</b>	<b>652,334</b>	<b>654,703</b>	<b>490,411</b>	<b>205,101</b>	<b>2,123,555</b>
<b>NET POSITION</b>						
Net Investment in Capital Assets	1,285,734	51,893	--	--	--	1,337,627
<i>Unrestricted</i>	657,921	138,544	455,636	108,467	257,552	1,618,120
<b>Total Net Position</b>	<b>\$ 1,943,655</b>	<b>\$ 190,437</b>	<b>\$ 455,636</b>	<b>\$ 108,467</b>	<b>\$ 257,552</b>	<b>\$ 2,955,747</b>

**Calhoun County**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**Internal Service Funds**  
**For the Year Ended December 31, 2015**

	<b>Internal Service</b>					<b>Total Internal Service Funds</b>
	<b>Building &amp; Grounds</b>	<b>Adminstrative Services</b>	<b>Insurance</b>	<b>Employee Benefits</b>	<b>Workers' Compensation</b>	
<b>Operating Revenues</b>						
Charges for Services	\$ 1,007,630	\$ 1,158,906	\$ 560,708	\$ 7,000,697	\$ --	\$ 9,727,941
Other	7,141	--	--	--	--	7,141
<b>Total Operating Revenues</b>	<b>1,014,771</b>	<b>1,158,906</b>	<b>560,708</b>	<b>7,000,697</b>	<b>--</b>	<b>9,735,082</b>
<b>Operating Expenses</b>						
Cost of Services	1,909,482	1,108,777	800,551	7,511,486	504,696	11,834,992
Depreciation	157,643	56,473	--	--	--	214,116
<b>Total Operating Expenses</b>	<b>2,067,125</b>	<b>1,165,250</b>	<b>800,551</b>	<b>7,511,486</b>	<b>504,696</b>	<b>12,049,108</b>
<b>Operating Income (Loss)</b>	<b>(1,052,354)</b>	<b>(6,344)</b>	<b>(239,843)</b>	<b>(510,789)</b>	<b>(504,696)</b>	<b>(2,314,026)</b>
<b>Non-Operating Revenues (Expenses)</b>						
Interest Income	--	--	11,169	--	--	11,169
<b>Net Non-Operating Revenues (Expenses)</b>	<b>--</b>	<b>--</b>	<b>11,169</b>	<b>--</b>	<b>--</b>	<b>11,169</b>
<b>Transfers</b>	<b>(1,052,354)</b>	<b>(6,344)</b>	<b>(228,674)</b>	<b>(510,789)</b>	<b>(504,696)</b>	<b>(2,302,857)</b>
Transfers In	1,411,110	--	524,100	--	--	1,935,210
Transfers Out	(325,000)	--	--	--	--	(325,000)
<b>Change In Net Position</b>	<b>33,756</b>	<b>(6,344)</b>	<b>295,426</b>	<b>(510,789)</b>	<b>(504,696)</b>	<b>(692,647)</b>
<i>Net Position at Beginning of Period</i>	1,909,899	196,781	160,210	619,256	762,248	3,648,394
<b>Net Position at End of Period</b>	<b>\$ 1,943,655</b>	<b>\$ 190,437</b>	<b>\$ 455,636</b>	<b>\$ 108,467</b>	<b>\$ 257,552</b>	<b>\$ 2,955,747</b>

**Calhoun County**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended December 31, 2015**

	<b>Internal Service</b>					<b>Total Internal Service Funds</b>
	<b>Building &amp; Grounds</b>	<b>Administrative Services</b>	<b>Insurance</b>	<b>Employee Benefits</b>	<b>Workers' Compensation</b>	
<b>Cash flows from operating activities</b>						
Cash received from interfund services	\$ 1,011,923	\$ 1,148,218	\$ 340,294	\$ 7,432,218	\$ -	\$ 9,932,653
Cash payments to suppliers	(1,652,393)	(733,016)	(783,509)	(7,160,209)	(413,659)	(10,742,786)
Cash payments to employees	(335,927)	(383,015)	-	-	-	(718,942)
<b>Total cash from (used by) operating activities</b>	<u>(976,397)</u>	<u>32,187</u>	<u>(443,215)</u>	<u>272,009</u>	<u>(413,659)</u>	<u>(1,529,075)</u>
<b>Cash flows from noncapital financing activities</b>						
Net decrease in due to other funds	(34,193)	-	-	-	-	(34,193)
Transfers in	1,411,110	-	524,100	-	-	1,935,210
Transfers out	(325,000)	-	-	-	-	(325,000)
<b>Total cash flows from noncapital financing activities</b>	<u>1,051,917</u>	<u>-</u>	<u>524,100</u>	<u>-</u>	<u>-</u>	<u>1,576,017</u>
<b>Cash flows from related capital and related financing activities</b>						
Purchase of capital assets	-	(717,435)	-	-	-	(717,435)
Lease payments	-	(102,167)	-	-	-	(102,167)
Proceeds from lease purchase agreement	-	717,435	-	-	-	717,435
<b>Total cash flows used by capital and related financing activities</b>	<u>-</u>	<u>(102,167)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(102,167)</u>
<b>Cash flows from investing activities</b>						
Interest received	-	-	11,169	-	-	11,169
<b>Total cash flows from investing activities</b>	<u>-</u>	<u>-</u>	<u>11,169</u>	<u>-</u>	<u>-</u>	<u>11,169</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	75,520	(69,980)	92,054	272,009	(413,659)	(44,056)
<i>Cash and cash equivalents - beginning of the year</i>	664,850	188,357	768,506	41,361	876,312	2,539,386
<b><i>Cash and cash equivalents - end of the year</i></b>	<u>\$ 740,370</u>	<u>\$ 118,377</u>	<u>\$ 860,560</u>	<u>\$ 313,370</u>	<u>\$ 462,653</u>	<u>\$ 2,495,330</u>

**Calhoun County**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended December 31, 2015**

	<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>Workers' Compensation</u>	
<b>Cash flows from operating activities</b>						
Operating income (loss)	\$ (1,052,354)	\$ (6,344)	\$ (239,843)	\$ (510,789)	\$ (504,696)	\$ (2,314,026)
Adjustments to reconcile operating income to net cash provided by (used in) operations:						
Depreciation	157,643	56,473	-	-	-	214,116
Changes in assets and liabilities:						
Accounts receivable	(37,596)	(10,688)	(232,976)	419,645	-	138,385
Prepaid Items	-	5,790	35,360	409,133	-	450,283
Inventory	-	(10,180)	-	-	-	(10,180)
Due from other governments	-	-	12,562	-	-	12,562
Accounts payable	(44,200)	(4,661)	10,335	29,404	91,037	81,915
Accrued liabilities	(445)	1,797	(28,653)	(87,260)	-	(114,561)
Unearned revenue	555	-	-	11,876	-	12,431
<b>Net cash provided by operating activities</b>	<u>\$ (976,397)</u>	<u>\$ 32,187</u>	<u>\$ (443,215)</u>	<u>\$ 272,009</u>	<u>\$ (413,659)</u>	<u>\$ (1,529,075)</u>

**Calhoun County**  
Description of Fiduciary Funds

---

**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**  
**Combining Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**December 31, 2015**

	<b>Agency</b>		
	<b>Trust &amp; Agency</b>	<b>Penal Fines</b>	<b>Inmate Trust</b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 1,692,854	\$ 228,040	\$ 157,451
Accounts Receivable	1,016	--	--
<i><b>Total Assets</b></i>	<b>1,693,870</b>	<b>228,040</b>	<b>157,451</b>
<b>LIABILITIES</b>			
Accounts Payable	438,642	89,866	--
Due to Individuals and Agencies	268,880	--	157,451
Due to Other Governments	986,348	138,174	--
<i><b>Total Liabilities</b></i>	<b>1,693,870</b>	<b>228,040</b>	<b>157,451</b>
<b>NET POSITION</b>			
Held in Trust	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>

**Calhoun County**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended December 31, 2015**

	<b>Trust &amp; Agency</b>			
	<b>December 31, 2014</b>	<b>Additions</b>	<b>Deductions</b>	<b>December 31, 2015</b>
<b>ASSETS</b>				
Cash	\$ 1,777,584	\$ 27,965,620	\$ 28,050,350	\$ 1,692,854
Accounts Receivable	105,919	52,069	156,972	1,016
<b>Total Assets</b>	<b>1,883,503</b>	<b>28,017,689</b>	<b>28,207,322</b>	<b>1,693,870</b>
<b>LIABILITIES</b>				
Accounts Payable	647,619	22,221,476	22,430,453	438,642
Due to Individuals and Agencies	275,845	2,290,161	2,297,126	268,880
Due to Other Governments	960,039	25,569,617	25,543,308	986,348
<b>Total Liabilities</b>	<b>\$ 1,883,503</b>	<b>\$ 50,081,254</b>	<b>\$ 50,270,887</b>	<b>\$ 1,693,870</b>

	<b>Penal Fines</b>			
	<b>December 31, 2014</b>	<b>Additions</b>	<b>Deductions</b>	<b>December 31, 2015</b>
<b>ASSETS</b>				
Cash	\$ 217,779	\$ 363,291	\$ 353,030	\$ 228,040
<b>Total Assets</b>	<b>217,779</b>	<b>363,291</b>	<b>353,030</b>	<b>228,040</b>
<b>LIABILITIES</b>				
Accounts Payable	-	433,146	343,280	89,866
Due to Other Governments	217,779	384,090	463,695	138,174
<b>Total Liabilities</b>	<b>\$ 217,779</b>	<b>\$ 817,236</b>	<b>\$ 806,975</b>	<b>\$ 228,040</b>

	<b>Inmate Trust</b>			
	<b>December 31, 2014</b>	<b>Additions</b>	<b>Deductions</b>	<b>December 31, 2015</b>
<b>ASSETS</b>				
Cash	\$ 149,647	\$ 72,836	\$ 65,032	\$ 157,451
Accounts Receivable	-	-	-	-
Prepaid Items	-	-	-	-
<b>Total Assets</b>	<b>149,647</b>	<b>72,836</b>	<b>65,032</b>	<b>157,451</b>
<b>LIABILITIES</b>				
Due to Individuals and Agencies	149,647	2,403,588	2,395,784	157,451
<b>Total Liabilities</b>	<b>\$ 149,647</b>	<b>\$ 2,403,588</b>	<b>\$ 2,395,784</b>	<b>\$ 157,451</b>

	<b>Total Agency Funds</b>			
	<b>December 31, 2014</b>	<b>Additions</b>	<b>Deductions</b>	<b>December 31, 2015</b>
<b>ASSETS</b>				
Cash	\$ 2,145,010	\$ 28,401,747	\$ 28,468,412	\$ 2,078,345
Accounts Receivable	105,919	52,069	156,972	1,016
Prepaid Items	-	-	-	-
<b>Total Assets</b>	<b>2,250,929</b>	<b>28,453,816</b>	<b>28,625,384</b>	<b>2,079,361</b>
<b>LIABILITIES</b>				
Accounts Payable	647,619	22,654,622	22,773,733	528,508
Due to Individuals and Agencies	425,492	4,693,749	4,692,910	426,331
Due to Other Governments	1,177,818	25,953,707	26,007,003	1,124,522
<b>Total Liabilities</b>	<b>\$ 2,250,929</b>	<b>\$ 53,302,078</b>	<b>\$ 53,473,646</b>	<b>\$ 2,079,361</b>

## 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, 2015**

**ASSETS**

*Current Assets*

Cash and Cash Equivalents	\$	782,704
Special Assessments		6,129,513
<b>Total Current Assets</b>		<b>6,912,217</b>

*Noncurrent Assets*

Capital Assets, net		11,442,053
<b>Total Assets</b>		<b>18,354,270</b>

**LIABILITIES**

*Current Liabilities*

Accounts Payable		326,412
Accrued Liabilities		56,460
Advance from Primary Government		218,780
Current Portion of Long-term Debt		1,434,544
<b>Total Current Liabilities</b>		<b>2,036,196</b>

*Noncurrent Liabilities*

Long-term Debt		4,320,733
<b>Total Liabilities</b>		<b>6,356,929</b>

**NET POSITION**

Net Investment in Capital Assets		5,686,776
<i>Unrestricted</i>		6,310,565
<b>Total Net Position</b>	\$	<b>11,997,341</b>

**Water Resources Commission - Calhoun County**  
**Statement of Activities**  
**For the Year Ended December 31, 2015**

<b>Expenses</b>	
Public Works	\$ 874,918
Interest and Fiscal Charges	155,777
<i><b>Total Expenses</b></i>	<u>1,030,695</u>
<b>Program Revenues</b>	
Operating Grants and Contributions	2,531,626
Capital Grants and Contributions	1,622,139
<i><b>Total Program Revenues</b></i>	<u>4,153,765</u>
<i><b>Change in Net Position</b></i>	<u><b>3,123,070</b></u>
<i>Net Position at Beginning of Period</i>	8,874,271
<i><b>Net Position at End of Period</b></i>	<u><b>\$ 11,997,341</b></u>

**Water Resources Commission - Calhoun County**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2015**

	<u>Capital Projects</u>				<u>Total Governmental Funds</u>
	<u>County Drain</u>	<u>Drain Revolving</u>	<u>Lake Level</u>	<u>Lake Level Revolving</u>	
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 651,764	\$ 92,835	\$ 27,505	\$ 10,600	\$ 782,704
Special Assessments	6,087,749	--	41,764	--	6,129,513
Due from Other Funds	--	107,165	--	--	107,165
<i>Total Assets</i>	<b><u>\$ 6,739,513</u></b>	<b><u>\$ 200,000</u></b>	<b><u>\$ 69,269</u></b>	<b><u>\$ 10,600</u></b>	<b><u>\$ 7,019,382</u></b>
<b>LIABILITIES</b>					
Accounts Payable	\$ 320,957	\$ --	\$ 5,455	\$ --	\$ 326,412
Accrued Liabilities	735	--	--	--	735
Advance from Primary Government	8,180	200,000	--	10,600	218,780
Due to Other Funds	107,165	--	--	--	107,165
<i>Total Liabilities</i>	<u>437,037</u>	<u>200,000</u>	<u>5,455</u>	<u>10,600</u>	<u>653,092</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenue - Special Assessments	<u>6,249,497</u>	<u>--</u>	<u>41,764</u>	<u>--</u>	<u>6,291,261</u>
<i>Total Liabilities and Deferred Inflows of Resources</i>	<u>6,686,534</u>	<u>200,000</u>	<u>47,219</u>	<u>10,600</u>	<u>6,944,353</u>
<b>FUND BALANCE</b>					
Unassigned	<u>52,979</u>	<u>--</u>	<u>22,050</u>	<u>--</u>	<u>75,029</u>
<i>Total Fund Balance</i>	<u>52,979</u>	<u>--</u>	<u>22,050</u>	<u>--</u>	<u>75,029</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balance</i>	<b><u>\$ 6,739,513</u></b>	<b><u>\$ 200,000</u></b>	<b><u>\$ 69,269</u></b>	<b><u>\$ 10,600</u></b>	<b><u>\$ 7,019,382</u></b>

**Water Resources Commission - Calhoun County**  
**Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position**  
**December 31, 2015**

Total Fund Balance - Governmental Funds	\$ 75,029
In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, the interest expenditure is reported when due.	(55,725)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	11,442,053
Other long-term assets (receivables) are not available to pay current period expenditures and, therefore, are deferred in the funds.	6,291,261
Certain liabilities are not due and payable in the current period and are not reported in the funds.	(5,755,277)
<b>Total Net Position - Governmental Funds</b>	<b>\$ <u>11,997,341</u></b>

**Water Resources Commission - Calhoun County**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended December 31, 2015**

**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	\$ 1,349,851	\$ --	\$ 30,233	\$ --	\$ 1,380,084
<b>Total Revenues</b>	<u>1,349,851</u>	<u>--</u>	<u>30,233</u>	<u>--</u>	<u>1,380,084</u>
<b>Expenditures</b>					
Public Works	619,684	--	20,538	--	640,222
Capital Outlay	1,611,560	--	10,579	--	1,622,139
Principal	2,648,104	--	16,667	--	2,664,771
Interest and Fiscal Charges	181,079	--	1,909	--	182,988
<b>Total Expenditures</b>	<u>5,060,427</u>	<u>--</u>	<u>49,693</u>	<u>--</u>	<u>5,110,120</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(3,710,576)</u>	<u>--</u>	<u>(19,460)</u>	<u>--</u>	<u>(3,730,036)</u>
<b>Other Financing Sources (Uses)</b>					
Notes Payable Issued	2,791,293	--	--	--	2,791,293
General Obligation Bonds Issued	760,000	--	--	--	760,000
<b>Net Other Financing Sources (Uses)</b>	<u>3,551,293</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>3,551,293</u>
<b>Net Change in Fund Balance</b>	<u>(159,283)</u>	<u>--</u>	<u>(19,460)</u>	<u>--</u>	<u>(178,743)</u>
<i>Fund Balance at Beginning of Period</i>	212,262	--	41,510	--	253,772
<b>Fund Balance at End of Period</b>	<u>\$ 52,979</u>	<u>\$ --</u>	<u>\$ 22,050</u>	<u>\$ --</u>	<u>\$ 75,029</u>

**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, 2015**

Total Net Change in Fund Balances - Governmental Funds	\$	(178,743)
<p>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.</p>		
		22,357
<p>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.</p>		
		(881,668)
<p>Contractual payment from another governmental unit for debt service is not considered revenue in the Statement of Activities.</p>		
		2,773,681
<p>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.</p>		
		1,387,443
<b>Changes in Net Position - Governmental Funds</b>	<b>\$</b>	<b><u>3,123,070</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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**CALHOUN COUNTY**  
**Net Position by Component**  
**Last Ten Years**  
*(accrual basis of accounting)*

	<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>	<u>2015</u>
<b>Governmental activities</b>										
Invested in capital assets, net of related debt	\$ 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	\$ 70,049,669
Restricted	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	17,044,454
Unrestricted	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	(45,102,052)
Total governmental activities net position	<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>	<u>\$ 41,992,071</u>
<b>Business-type activities</b>										
Invested in capital assets, net of related debt	\$ 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	\$ 8,501,436
Restricted	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	9,091,717
Unrestricted	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	16,852,126
Total business-type activities net position	<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>	<u>\$ 34,445,279</u>
<b>Primary government</b>										
Invested in capital assets, net of related debt	\$ 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	\$ 78,551,105
Restricted	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	26,136,171
Unrestricted	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	(28,249,926)
Total primary government net position	<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>	<u>\$ 76,437,350</u>

Source: Calhoun County Finance Department

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Expenses</b>										
Governmental activities:										
Legislative	\$ 230,620	\$ 259,468	\$ 264,497	\$ 278,218	\$ 250,890	\$ 191,652	\$ 165,978	\$ 148,616	\$ 120,751	\$ 147,293
Judicial	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	11,319,053
General government	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	7,228,834
Public safety	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	23,739,921
Public works	104,239	98,130	120,455	102,313	127,581	190,315	11,687,016	12,793,820	15,107,382	18,047,957
Health and welfare	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	14,871,035
Recreation and cultural	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	1,332,321
Community and Economic Development	-	-	-	-	-	-	-	-	182,238	672,028
Other activities	-	-	-	-	-	-	-	-	-	-
Interest on long-term debt	317,147	574,504	272,244	256,847	240,443	329,792	499,608	730,998	721,232	1,253,338
Total governmental activities expenses	53,358,504	53,289,521	54,992,795	55,174,523	57,184,086	55,300,168	67,353,438	66,273,970	72,086,435	78,611,780
Business-type activities:										
Medical Care Facility	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	15,276,158
Delinquent tax collection	279,085	478,706	484,567	616,862	705,342	1,078,310	1,125,875	1,224,763	1,710,476	1,479,827
Inmate concessions	664,950	628,914	603,588	627,488	673,988	479,629	270,282	245,891	212,903	148,087
Property description	2,136	1,911	1,253	876	930	930	465	-	-	5,914
Interest on long-term debt	-	-	-	292,920	301,231	283,975	-	-	-	-
Total business-type activities expenses	11,439,778	11,729,527	13,234,642	13,877,847	14,612,197	15,401,338	15,747,090	16,091,416	17,045,960	16,909,986
Total primary government expenses	64,798,282	65,019,048	68,227,437	69,052,370	71,796,283	70,701,506	83,100,528	82,365,386	89,132,395	95,521,766
<b>Program revenues</b>										
Governmental activities:										
Charges for services:										
Legislative	2,647	845	-	46	-	-	-	-	-	-
Judicial	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	3,336,997
General government	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	2,429,094
Public safety	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	6,234,758
Public works	-	-	-	-	-	-	1,692,984	2,539,865	2,488,266	7,676,734
Health and welfare	786,829	784,818	715,933	759,116	727,069	788,957	853,612	952,129	1,026,172	1,148,942
Recreation and cultural	412,788	353,095	353,486	375,826	448,453	424,084	554,374	143,185	3,426	28,822
Other activities	-	-	-	-	-	-	-	-	-	32,286
Operating grants and contributions	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	30,827,494
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	29,272,579	27,994,395	27,087,750	26,317,932	30,785,938	29,255,616	40,727,234	42,225,690	43,013,098	51,715,127
Business-type activities:										
Charges for services:										
Medical Care Facility	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	14,884,756
Delinquent tax collection	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	3,075,254
Inmate concession	789,694	738,156	754,476	814,302	744,102	826,509	505,778	381,843	373,819	145,491
Property description	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	1,330,785	1,196,474	453,690	72,060	103,277	79,383	75,760	74,704	71,595	89,067
Total business-type activities program revenues	14,620,147	13,967,144	14,187,386	14,893,692	16,189,986	17,968,635	17,037,073	17,568,400	18,386,237	18,194,568
Total primary government program revenues	43,892,726	41,961,539	41,275,136	41,211,624	46,975,924	47,224,251	57,764,307	59,794,090	61,399,335	69,909,695
<b>Net (Expense)/Revenue</b>										
Government activities	(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)	(26,896,653)
Business-type activities	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	1,284,582
Total primary government net expense	(20,905,746)	(23,057,509)	(26,952,301)	(27,840,746)	(24,820,359)	(23,477,255)	(25,336,231)	(22,571,296)	(27,733,060)	(25,612,071)

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>General Revenues</b>										
Governmental activities:										
Property taxes	\$ 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	\$ 23,248,672
Unrestricted grants and contributions	486,774	512,072	541,822	554,629	561,128	591,065	513,502	527,828	-	-
State Revenue Sharing	-	-	-	-	-	-	-	-	2,582,893	2,991,609
Interest Income	636,463	622,787	289,912	49,710	1,400	27,591	62,900	(4,568)	51,270	81,832
Gain on sale of capital assets	5,900	676	-	-	-	-	-	-	-	-
Transfers	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	1,500,000
<b>Total governmental activities</b>	<b>28,277,155</b>	<b>25,231,224</b>	<b>24,792,672</b>	<b>25,078,009</b>	<b>25,339,487</b>	<b>25,068,214</b>	<b>24,409,233</b>	<b>24,086,284</b>	<b>27,144,114</b>	<b>27,822,113</b>
Business-type activities:										
Property taxes	917,934	929,771	995,653	919,795	976,111	946,455	928,968	797,346	890,041	893,810
Interest Income	-	-	-	-	16,762	11,436	13,805	20,130	27,784	29,060
Transfers	(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)	(1,500,000)
<b>Total business-type activities</b>	<b>(946,183)</b>	<b>(728,562)</b>	<b>(532,847)</b>	<b>(797,878)</b>	<b>(897,127)</b>	<b>(1,232,109)</b>	<b>(1,297,227)</b>	<b>(1,122,524)</b>	<b>(1,409,240)</b>	<b>(577,130)</b>
<b>Total primary government</b>	<b>27,330,972</b>	<b>24,502,662</b>	<b>24,259,825</b>	<b>24,280,131</b>	<b>24,442,360</b>	<b>23,836,105</b>	<b>23,112,006</b>	<b>22,963,760</b>	<b>25,734,874</b>	<b>27,244,983</b>
<b>Change in Net Position</b>										
Government activities	4,191,230	(63,902)	(3,112,373)	(3,778,582)	(1,058,661)	(976,338)	(2,216,981)	38,004	(1,929,223)	925,460
Business-type activities	2,233,996	1,509,055	419,897	217,967	680,662	1,335,188	(7,244)	354,460	(68,963)	707,452
<b>Total primary government</b>	<b>\$ 6,425,226</b>	<b>\$ 1,445,153</b>	<b>\$ (2,692,476)</b>	<b>\$ (3,560,615)</b>	<b>\$ (377,999)</b>	<b>\$ 358,850</b>	<b>\$ (2,224,225)</b>	<b>\$ 392,464</b>	<b>\$ (1,998,186)</b>	<b>\$ 1,632,912</b>

Source: Calhoun County Finance Department

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

	<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>	<u>2015</u>
<b>General Fund</b>										
Reserved	\$ 77,520	\$ 77,180	\$ 77,225	\$ 79,536	\$ 86,261	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	2,912,949	3,458,805	3,846,820	3,779,909	3,935,468	-	-	-	-	-
Nonspendable	-	-	-	-	-	89,534	537,040	550,983	442,784	342,433
Unassigned	-	-	-	-	-	4,178,104	3,745,555	3,745,470	3,919,125	4,179,699
Total general fund	<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>	<u>\$ 4,522,132</u>
<b>All Other Governmental Funds</b>										
Reserved	\$ 38,503	\$ 64,050	\$ 55,518	\$ 60,101	\$ 57,658	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	12,375,818	10,297,586	7,984,985	5,437,098	3,998,967	-	-	-	-	-
Debt service funds	123,662	4,691	7,580	7,881	8,079	-	-	-	-	-
Capital project funds	-	-	-	276,476	1,451,863	-	-	-	-	-
Permanent funds	2,304	1,456	1,806	1,332	1,184	-	-	-	-	-
Nonspendable	-	-	-	-	-	24,367	718,545	757,624	1,104,456	968,844
Restricted	-	-	-	-	-	5,594,647	6,271,860	6,168,999	10,609,996	16,075,610
Unassigned	-	-	-	-	-	-	(2,776)	-	-	-
Total all other governmental funds	<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>	<u>\$ 17,044,454</u>

Source: Calhoun County Finance Department

*Fund balance classification was 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)*

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Revenues</b>										
Taxes and Special Assessments	\$ 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	\$ 23,023,112
Contributions	-	-	-	-	-	-	1,026,440	816,138	1,317,874	1,231,748
Licenses and permits	397,905	392,035	394,030	395,878	402,664	438,729	551,974	638,852	662,342	566,719
Intergovernmental	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	33,734,360
Charges for services	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	13,330,424
Fines and forfeits	1,066,578	988,473	964,055	908,873	913,638	845,384	886,110	926,240	726,046	731,677
Interest and rents	1,016,798	765,357	353,734	56,608	10,735	26,652	55,667	(12,032)	51,270	116,913
Other revenues	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	1,390,995
<b>Total revenues</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>74,125,948</b>
<b>Expenditures</b>										
Legislative	188,974	219,096	216,517	225,825	211,400	153,165	132,815	121,733	113,084	114,882
Judicial	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	10,435,887
General government	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	6,652,815
Public safety	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	21,283,800
Public works	104,239	98,130	120,455	102,313	127,581	190,315	9,373,987	12,553,379	12,336,784	15,002,051
Health and Welfare	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	14,806,940
Community and Economic Development	-	-	-	-	-	-	-	-	182,238	672,028
Recreation and cultural	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	1,311,367
Other activities	2,339,609	2,435,509	2,384,940	2,477,713	113,599	53,923	217,016	8,449	-	-
Debt service:										
Principal	676,077	710,349	564,963	353,845	464,594	748,920	2,022,532	1,923,407	2,048,622	2,313,666
Interest and fiscal charges	324,464	293,036	138,127	379,277	280,954	427,469	705,758	711,737	698,351	1,159,866
Bond issuance costs	-	-	172,464	-	84,761	-	-	-	-	198,000
Capital outlay	1,082,921	439,715	416,476	404,020	7,818,968	860,695	1,052,217	815,769	7,207,461	10,539,091
Less: Reimbursements	-	-	-	-	-	-	-	-	-	-
<b>Total expenditures</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>	<b>84,292,393</b>
Revenues over (under) expenditures	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)	(10,166,445)
<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	28,860	16,445	33,759	-	259,960	110,971	-	-	442,319	2,102,628
Sale of capital assets	-	-	-	-	22,203	20,590	15,013	-	-	16,376
Proceeds from issuance of long-term debt	-	-	-	-	7,000,000	-	1,750,000	-	8,875,000	13,270,000
Premium on issuance of long-term debt	-	-	-	-	-	-	-	-	278,112	377,876
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	10,492,532	10,817,012	10,689,617	11,144,291	11,326,588	9,773,863	10,087,079	10,192,785	10,727,648	9,068,944
Transfers out	(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)	(9,179,154)
Transfer to comp unit	-	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</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>15,656,670</b>
<b>Net changes in fund balances</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>	<b>\$ 5,490,225</b>
Debt services as a percentage of noncapital expenditures	1.9%	1.9%	1.3%	1.4%	1.4%	2.3%	4.3%	4.0%	4.1%	4.7%

Source: Calhoun County Finance Department

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

	<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>	<u>2015</u>
<b>Revenues</b>										
Taxes	\$ 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	\$ 18,679,619
Licenses and permits	76,368	69,367	82,026	92,305	93,879	92,058	94,555	111,088	121,479	89,458
Intergovernmental	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	7,935,010
Charges for services	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	9,213,952
Fines and forfeits	1,039,297	959,290	944,600	839,661	886,690	840,519	859,951	826,656	641,306	696,477
Interest and rents	378,759	310,609	176,391	36,131	369	22,023	51,725	(14,361)	43,628	61,853
Other revenues	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	1,031,061
<b>Total revenues</b>	<u>32,834,414</u>	<u>34,533,740</u>	<u>35,153,474</u>	<u>34,589,782</u>	<u>37,716,984</u>	<u>36,823,871</u>	<u>35,923,143</u>	<u>35,776,419</u>	<u>37,353,072</u>	<u>37,707,430</u>
<b>Expenditures</b>										
Legislative	188,974	219,096	216,517	225,825	211,400	153,165	132,815	121,733	113,084	114,882
Judicial	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	6,672,621
General government	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	6,111,312
Public safety	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	16,878,491
Public works	104,239	98,130	120,455	102,313	127,581	190,315	274,649	395,693	515,373	464,784
Health and welfare	943,284	689,356	656,654	985,895	922,021	968,405	1,025,389	934,830	850,630	885,746
Community and Economic Development	-	-	-	-	-	-	-	-	95,650	127,452
Other activities	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	8,431
Interest	-	1,351	1,359	1,527	669	848	436	-	-	1,042
Capital Outlay	161,241	185,904	180,316	148,159	40,694	-	-	-	26,841	19,752
Less: reimbursements	9,261	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<u>30,810,569</u>	<u>32,533,899</u>	<u>33,701,776</u>	<u>33,598,464</u>	<u>32,403,707</u>	<u>30,852,266</u>	<u>31,042,868</u>	<u>30,644,428</u>	<u>31,082,880</u>	<u>31,284,513</u>
Revenues over (under) expenditures	<u>2,023,845</u>	<u>1,999,841</u>	<u>1,451,698</u>	<u>991,318</u>	<u>5,313,277</u>	<u>5,971,605</u>	<u>4,880,275</u>	<u>5,131,991</u>	<u>6,270,192</u>	<u>6,422,917</u>
<b>Other financing sources (uses)</b>										
Proceeds from capital leases	28,860	16,445	33,759	-	21,147	-	-	-	26,841	-
Transfers in	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	2,056,117
Transfers out	(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)	(8,318,811)
Transfers to component unit	-	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>(1,062,010)</u>	<u>(1,454,325)</u>	<u>(1,063,638)</u>	<u>(1,055,918)</u>	<u>(5,150,993)</u>	<u>(5,725,696)</u>	<u>(4,865,318)</u>	<u>(5,118,133)</u>	<u>(6,204,736)</u>	<u>(6,262,694)</u>
<b>Net changes in fund balances</b>	<u>\$ 961,835</u>	<u>\$ 545,516</u>	<u>\$ 388,060</u>	<u>\$ (64,600)</u>	<u>\$ 162,284</u>	<u>\$ 245,909</u>	<u>\$ 14,957</u>	<u>\$ 13,858</u>	<u>\$ 65,456</u>	<u>\$ 160,223</u>

Source: Calhoun County Finance Department

**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>
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
2015	2,317,868	550,859	196,609	498,628	536	671,732	4,236,232	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)*

		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>County direct rates</b>											
Operation		5.38	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	1.09	1.09	1.09
Total direct rate		6.37	6.37	6.37	6.37	6.37	6.37	6.37	6.47	6.47	6.47
<b>Overlapping rates</b>											
Cities:											
Albion		19.97	19.67	17.87	17.87	17.87	17.88	18.08	19.58	19.77	19.99
Albion - RZ		1.20	1.20	7.49	1.00	1.00	-	-	-	-	-
Battle Creek		14.48	14.48	14.48	14.48	14.48	14.74	14.74	14.74	14.74	14.74
Battle Creek - RZ		3.25	5.95	5.95	5.95	-	-	-	-	-	-
Battle Creek - DNR PILT		-	-	-	-	-	-	-	-	-	-
Marshall		16.76	16.76	16.76	16.76	16.89	16.89	16.89	19.09	19.09	18.99
Marshall - DDA		2.11	2.11	2.11	2.10	16.89	16.89	16.89	1.61	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)	1.93	1.75	1.69	1.69	1.56	1.73	1.71	1.82	1.86	2.01
Villages (average)	(B)	12.80	12.67	12.67	10.47	12.67	14.85	14.85	12.67	12.07	12.07
School districts (average)	(C)	23.33	23.56	23.53	22.05	23.75	29.71	29.71	30.15	30.51	30.50
Intermediate school district (average)	(D)	4.93	4.93	4.99	5.00	5.06	4.86	4.86	5.36	5.19	5.50
Community college (average)	(E)	3.26	3.26	3.26	3.26	3.26	3.26	3.26	3.21	3.21	3.21
Library (average)	(F)	1.34	2.09	2.11	2.1	2.11	2.11	2.11	2.11	2.04	2.00
(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		4.38	4.38	4.38	4.38	4.35	4.35	4.35	5.44	5.44	8.17
(B) - Rates range from:											
Low		9.85	9.86	9.85	-	9.85	11.72	11.72	9.85	9.53	9.53
High		16.65	15.97	15.97	15.97	15.97	17.89	17.89	15.97	15.97	15.97
(C) - Rates range from:											
Low		20.00	20.95	20.85	-	21.25	23.30	23.50	27.30	27.72	26.82
High		27.05	27.05	27.05	27.05	27.05	36.10	36.10	35.17	36.07	36.04
(D) - Rates range from:											
Low		1.96	1.96	1.95	1.95	1.95	1.95	1.95	1.95	1.95	1.95
High		8.11	8.10	8.11	8.11	8.11	8.11	8.11	8.76	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	3.61	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	1.99
High		2.03	2.25	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>2015</u>			<u>2006</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	\$ 126,595,027	1	3.49%	\$ 123,389,179	1	3.55%
Enbridge Energy	109,758,354	2	3.02%			
Consumers Energy	88,437,427	3	2.44%	46,136,929	3	1.33%
Denso Manufacturing	32,591,091	4	0.90%	83,753,034	2	2.41%
Post/Ralcorp	31,534,750	5	0.87%	16,033,230	6	0.46%
Semco Energy	18,439,936	6	0.51%	18,690,829	5	0.54%
Tenneco	16,923,804	7	0.47%			
Musahi Auto Parts Michigan	14,932,316	8	0.41%			
Andersons Ethanol/Grain	14,663,900	9	0.40%			
Conagra Foods Inc	14,089,069	10	0.39%			
Kraft Foods, Inc				43,869,081	4	1.26%
Vector Pipeline, LP				12,600,050	7	0.36%
Lakeview Delaware				12,282,206	8	0.35%
Eaton Corporation				12,010,114	9	0.35%
Meijer, Inc.				11,759,271	10	0.34%
	<u>\$ 467,965,674</u>		<u>12.89%</u>	<u>\$ 380,523,923</u>		<u>10.96%</u>

Source: Calhoun County Equalization Department.

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

<b>Year</b>	<b>Taxes Levied for the Fiscal Year</b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Subsequent Years Collections</b>	<b>Total Collections to Date</b>	
		<b>Amount</b>	<b>% of Levy</b>		<b>Amount</b>	<b>% of Levy</b>
2006	17,472,152	16,264,916	93.09%	1,206,898	17,471,814	99.00%
2007	18,165,735	16,697,148	91.92%	1,436,711	18,133,859	99.82%
2008	18,669,055	17,205,622	92.16%	1,440,318	18,645,940	99.88%
2009	19,084,890	17,538,727	91.90%	1,537,015	19,075,743	99.95%
2010	18,624,477	17,169,537	92.19%	1,442,446	18,611,983	99.93%
2011	18,200,085	16,749,071	92.03%	1,439,244	18,188,315	99.94%
2012	17,963,929	16,566,976	92.22%	1,390,902	17,957,878	99.97%
2013	17,892,242	16,445,005	91.91%	1,444,207	17,889,212	99.98%
2014	18,058,413	16,556,165	91.68%	1,481,270	18,037,435	99.88%
2015	18,325,749	16,939,192	92.43%	-	16,939,192	92.43%

Source: Calhoun County Treasurer's Office

(1) Personal property taxes recorded at 80%

**CALHOUN COUNTY**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Years**

Fiscal Year Ended December 31,	Governmental Activities		Business-Type Activities			Total Primary Government	% of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Capital Lease & Installment Purchase Agreements	General Obligation Bonds	General Obligation Tax Notes	Capital Leases			
2006	7,831,155	269,599	8,000,000	350,000	-	16,450,754	0.40%	119.22
2007	7,154,693	251,364	8,000,000	750,000	14,497	16,170,554	0.40%	118.37
2008	6,855,000	240,666	7,800,000	250,000	7,490	15,153,156	0.35%	111.53
2009	6,515,000	162,209	7,600,000	200,000	-	14,477,209	0.33%	106.75
2010	13,140,000	253,660	7,350,000	900,000	-	21,643,660	0.48%	159.05
2011	12,495,000	204,748	7,100,000	749,834	143,007	20,692,589	0.45%	152.68
2012	17,921,993	1,629,594	6,800,000	4,500,000	-	30,851,587	0.64%	228.62
2013	16,500,993	1,288,786	6,898,912	1,549,000	-	26,237,691	0.53%	194.34
2014	24,990,798	1,147,483	6,450,150	1,800,000	-	34,388,431	0.73%	254.96
2015	37,566,248	3,132,503	6,056,387	1,250,000	-	48,005,138	1.01%	357.41

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

Source: Calhoun County Finance Department

(1) See Statistical Schedule Number 13 for personal income and population data.

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

Fiscal Year Ended December 31,	Governmental Activities		Business-Type Activities			Taxable Value of Property	% of Actual Taxable Value of Property (1)	Per Capita (2)
	General Obligation Bonds	Less: Amounts Available in Debt Service Funds	General Obligation Bonds	General Obligation Tax Notes	Total Primary Government			
2006	7,831,155	123,662	8,000,000	350,000	16,057,493	3,470,883,407	0.46%	116.37
2007	7,154,693	4,691	8,000,000	750,000	15,900,002	3,611,665,400	0.44%	116.39
2008	6,855,000	7,580	7,800,000	250,000	14,897,420	3,724,578,452	0.40%	109.65
2009	6,515,000	7,881	7,600,000	200,000	14,307,119	3,849,508,652	0.37%	105.50
2010	13,140,000	8,079	7,350,000	900,000	21,381,921	3,710,386,490	0.58%	157.12
2011	12,495,000	7,806	7,100,000	749,834	20,337,028	3,629,245,779	0.56%	150.06
2012	17,921,993	7,828	6,800,000	4,500,000	29,214,165	3,604,972,221	0.81%	216.48
2013	16,500,993	8,034	6,898,912	1,549,000	24,940,871	3,568,430,371	0.70%	184.73
2014	24,990,798	353,662	6,450,150	1,800,000	32,887,286	3,564,236,566	0.92%	243.83
2015	37,566,248	200,031	6,056,387	1,250,000	44,672,604	3,631,219,496	1.23%	332.60

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

Source: Calhoun County Finance Department

(1) Estimated taxable value data is the consolidation of SEV and taxable values provided by the equalization department.

(2) See Statistical Schedule Number 13 for population data.

**CALHOUN COUNTY**  
**Computation of Net Direct and Overlapping Debt**  
**As of December 31, 2015**

	<u>Gross Amount Outstanding</u>	<u>Self-Supporting or Paid by Benefited Entity</u>	<u>Net Amount Outstanding</u>
<b>Direct debt</b>			
Building authority bonds	\$ 4,056,993	\$ -	\$ 4,056,993
Recovery zone economic development bonds	5,617,000	-	5,617,000
Capital improvement bonds	9,141,988	-	9,141,988
SunGard bonds	482,505	-	482,505
Energy conservation project	459,900	-	459,900
Michigan Transportation Fund bonds	13,619,762	-	13,619,762
Installment purchase agreement	1,748,276	-	1,748,276
Public works - water and sewer debt	4,648,000	4,648,000	-
Lease purchase agreement	924,327	-	924,327
	<hr/>	<hr/>	<hr/>
Net direct debt	<u>\$ 40,698,751</u>	<u>\$ 4,648,000</u>	<u>\$ 36,050,751</u>
	<u>Debt Outstanding</u>	<u>Percentage Applicable</u>	<u>Government's Share of Overlapping Debt</u>
<b>Overlapping debt</b>			
School districts			
Albion	3,875,000	93.37	3,618,088
Athens	1,315,000	87.45	1,149,968
Battle Creek	57,015,000	100.00	57,015,000
Bellevue	25,179,113	16.39	4,126,857
Climax Scotts	3,602,333	12.47	449,211
Gull Lake	35,860,000	6.54	2,345,244
Harper Creek	66,855,784	100.00	66,855,784
Hastings	14,864,083	0.66	98,103
Homer	20,267,815	97.65	19,791,521
Lakeview Calhoun	41,785,000	100.00	41,785,000
Litchfield	330,000	4.41	14,553
Mar Lee	1,600,000	100.00	1,600,000
Marshall	50,310,000	100.00	50,310,000
Olivet	34,936,131	29.34	10,250,261
Pennfield	26,240,922	97.57	25,603,268
Springport	12,674,068	30.07	3,811,092
Tekonsha	250,000	86.20	215,500
Union City	875,000	40.74	356,475
			<hr/>
Intermediate school district	15,315,000	1.03	157,131
Community College	18,565,000	45.68	8,480,012
Library			
Marshall District Library	180,000	100.00	180,000
City	90,409,332	100.00	90,409,332
Township	10,254,650	100.00	10,254,650
Village	423,000	100.00	423,000
			<hr/>
Net overlapping debt			<u>399,300,050</u>
			<hr/>
<b>Net direct and overlapping debt</b>			<u>\$ 435,350,801</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 2015**

Total assessed value	\$ 4,236,232,410
Debt limit (10% of assessed value)	\$ 423,623,241
Debt applicable to limit	36,050,751
<b>Legal debt margin</b>	<b>\$ 387,572,490</b>

	<b>Debt Limit</b>	<b>Total Net Debt Applicable to Limit</b>	<b>Legal Debt Margin</b>	<b>Total Net Debt Applicable to Limit as a Percentage of Debt Limit</b>
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%
2015	423,623,241	36,050,751	387,572,490	8.51%

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>
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	4,732,090	35,084	6.30%	23,876
2015	134,314	4,732,090 (a)	35,084 (a)	4.90%	23,691

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

Sources: U.S. Census Bureau  
Bureau of Economic Analysis, U.S. Department of Commerce  
Michigan School Data

**CALHOUN COUNTY**  
**Principal Employers**  
**Curent Year and Nine Years Ago**

<b>Employer</b>	<b>2015</b>			<b>2006</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.	2,817	1	4.58%	3,000	1	4.46%
Kellogg Company	2,279	2	3.70%	1,800	3	2.67%
Firekeepers Casino	2,000	3	3.25%			
Hart-Dole-Inouye Federal Center	1,586	4	2.58%	1,900	2	2.82%
Kraft Foods, Post Division	1,550	5	2.52%	760	8	1.13%
Michigan Air National Guard	1,488	6	2.42%			
Dept of Veterans Affairs Medical Center	1,400	7	2.28%	1,150	6	1.71%
Bronson Battle Creek	1,352	8	2.20%	1,554	4	2.31%
Battle Creek Public Schools	1,089	9	1.77%	1,300	5	1.93%
Kellogg Community College	920	10	1.50%			
I.I. Stanley				780	7	1.16%
Felpausch Food Centers				700	9	1.04%
City of Battle Creek				650	10	0.97%
	<u>16,481</u>		<u>26.79%</u>	<u>13,594</u>		<u>20.20%</u>

Source: Calhoun County Finance Department.

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

<b>Function/Program</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>2015</b>
Legislative										
Board of Commissioners	8.00	8.00	8.00	8.00	7.00	7.00	7.00	7.00	7.00	7.00
Judicial										
Circuit Court	14.80	14.80	13.80	14.80	14.80	13.75	13.00	13.00	11.00	12.00
Circuit Court - Family	10.00	9.00	8.00	8.00	7.00	11.50	7.00	8.50	7.50	8.00
District Court	56.33	56.60	57.25	58.25	54.03	52.93	47.60	45.10	44.19	46.91
Friend of the Court	59.60	60.00	60.00	60.00	54.00	54.00	55.00	56.00	53.50	53.00
Probate Court	10.00	10.00	10.00	10.00	9.00	7.00	8.00	8.00	8.00	8.00
Court Services	3.00	2.00	2.00	2.00	1.00	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	4.00	4.00	4.00	4.00	4.00	3.50	2.50	4.00	4.00	4.00
Information & Tech Systems	3.00	4.00	4.00	3.00	3.00	3.00	4.00	4.00	4.50	6.00
Facilities Management	11.00	12.00	12.00	12.00	12.00	11.00	10.00	9.00	10.00	9.00
Corporation Counsel	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Finance	4.00	5.00	5.00	5.00	5.00	4.00	4.00	4.00	4.00	3.00
Equalization	5.00	3.00	4.50	4.50	5.00	6.00	5.00	5.00	4.00	4.00
Human Resources	4.00	2.00	4.00	4.00	4.00	4.00	4.00	3.00	4.00	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	8.00	9.00	9.00	8.00	8.00	12.00	12.00	11.00	13.00
Clerk/Register	11.50	12.50	12.50	12.50	12.50	11.50	10.00	10.50	9.50	10.00
Prosecuting Attorney	29.50	28.50	27.50	28.50	26.50	24.50	22.75	22.75	21.60	24.60
Treasurer	8.00	8.00	8.00	8.00	7.00	8.00	8.00	8.00	8.00	11.00
MSU Extension	2.75	2.75	2.75	2.75	2.75	2.75	1.75	1.75	2.00	2.00
Water Resources Commissioner	3.00	3.00	3.00	3.50	3.70	3.75	3.75	3.75	3.75	3.75
Public Safety										
Sheriff	166.78	171.97	171.75	171.10	165.50	162.50	160.40	172.40	179.50	176.31
Community Corrections	7.00	8.00	8.00	8.00	7.00	7.00	7.50	7.00	7.00	7.00
Emergency Management	2.00	3.00	2.00	2.00	2.00	2.60	2.60	1.60	1.60	1.60
Drug Court	3.50	3.50	3.00	3.50	3.50	3.00	3.50	3.50	3.50	3.00
Sobriety/Veterans Court	0.00	0.00	0.00	0.00	0.00	2.38	4.55	5.38	4.04	4.88
Prosecuting Attorney	12.00	11.00	11.00	11.00	8.00	10.00	9.75	9.75	10.00	10.75
Public Works										
Road Department							58.00	50.00	54.00	59.00
Solid Waste							1.00	1.00	1.00	2.00
Health & Welfare										
Health Department	53.48	45.57	44.02	46.32	48.59	60.40	61.14	61.00	67.71	74.08
Child Care Fund	42.90	49.10	46.70	47.70	43.40	36.60	29.80	33.30	32.80	32.95
Senior Millage	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00	3.00
Veterans Services	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00
<b>Total</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>	<b>612.83</b>

Source: Calhoun County Finance Department

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

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Judicial</b>										
Circuit Court:										
Number of petitions opened	1,873	1,762	1,750	1,543	1,471	1,416	1,451	1,344	1,264	1,403
Number of dispositions	2,021	1,940	1,780	1,500	1,437	1,411	1,506	1,444	1,417	1,328
Circuit Court - Family Division:										
Number of petitions opened	3,984	4,161	3,810	3,730	3,670	3,357	3,187	2,938	2,968	2,967
Number of dispositions	4,233	4,252	3,929	3,751	3,626	3,468	3,139	3,054	3,097	2,955
District Court:										
New felony cases	1,933	1,874	1,973	1,901	1,771	1,559	1,618	1,534	1,457	1,636
New misdemeanor cases	4,039	4,166	3,989	3,986	3,538	3,664	7,270	3,832	3,407	4,831
New traffic & civil infractions	35,145	33,294	30,785	32,809	31,652	27,555	21,158	20,946	16,360	17,161
New civil cases	10,270	11,257	11,787	10,864	10,383	10,032	10,031	9,477	8,554	7,987
New OWI/OWVI	883	733	816	764	820	775	694	688	625	598
Probate Court:										
Number of active estate and trust cases	433	448	474	467	456	448	437	438	428	473
Number of wills filed for safekeeping	335	421	614	500	310	341	316	327	273	487
Number of guardianships/conservatorships	2,036	1,936	1,908	1,937	1,952	1,935	1,899	1,874	1,856	1,785
<b>Public Safety (Sheriff):</b>										
Number of incidents	12,074	11,857	12,636	12,478	12,683	13,945	12,790	14,008	--*	34,940
Number of bookings	10,810	11,104	11,575	11,679	12,565	10,702	10,605	10,639	11,825	10,478
Number of traffic crashes	1,604	1,811	1,878	1,661	1,465	1,433	1,191	2,277	4,774	4,676
Number of fatal crashes	6	8	12	9	4	5	11	2	14	20
Number of animal control calls	--*	--*	--*	987	1,017	661	1,277	1,289	995	1,445
<b>Health</b>										
Public Health:										
Vaccines administered	6,884	2,848	4,160	13,753	10,457	9,157	10,471	10,581	8,459	9,300
Number of STD clients	2,523	2,298	2,376	2,604	2,079	1,811	1,449	1,564	1,314	1,318
<b>Water Resources</b>										
Drain & Lake Level control structure maintenance projects	51	61	69	77	67	76	82	71	138	125
<b>Seniors</b>										
Number of seniors served									8,691	
Health services:	3,698	3,255	2,834	2,972	2,444	1,535	1,328	1,048	--*	1,495
Access services:	2,722	3,212	3,286	3,792	5,771	4,567	5,038	4,980	--*	1,546
Home and Community Based Services	-	-	-	-	-	1,559	1,762	2,088	--*	4,420

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>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>2015</b>	
<b>Police</b>											
Corrections facility maximum capacity	620	620	620	620	620	620	620	620	620	620	
Vehicle patrol units:											
Police service automobiles	##	31	34	38	35	43	40	27	26	23	30
Animal control		2	2	2	2	2	2	2	3	3	1
Jail		5	7	9	8	8	4	4	4	6	8
<b>Public works</b>											
Miles of county maintained roads:											
Primary	483	483	483	483	483	483	483	483	483	490	490
Local	827	827	827	827	827	827	827	827	827	826	826
State Trunkline	205	205	205	205	205	205	205	205	205	458	458
<b>Parks and Recreation</b>											
County Parks	3	3	3	3	3	3	3	3	3	3	3
Custer Greens Golf Course	1	-	-	-	-	-	-	-	-	-	-
Calhoun County Trailway	-	-	-	-	-	-	-	-	-	1	1

Source: Calhoun County Finance Department

## Effective 2012, count obtained from Michigan Municipal Risk Management Authority (MMRMA) policy.

**CALHOUN COUNTY**  
**Schedule of Insurance**  
**As of December 31, 2015**

<u>Type of Coverage Name of Company</u>	<u>Policy Period</u>	<u>Premium</u>	<u>Description</u>
Michigan Municipal Risk Management Authority (MMRMA)	01/01/15-12/31/15	\$ 960,498	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)	01/01/15-12/31/15	Included	All risk coverage on buildings and contents at replacement cost of \$124,982,723 with a \$2,500 maximum deductible per occurrence. Includes burglary as well as perils from flood and earthquake.
Michigan Municipal Risk Management Authority (MMRMA)	01/01/15-12/31/15	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	01/01/15-12/31/15	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	01/01/15-12/31/15	25,000	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.	01/01/15-12/31/16	18,520	TPA for Claims Service.
Midwest Employers Casualty Company	01/01/15-12/31/16	45,680	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.
Dental Delta Dental Premier Plan	01/01/15-12/31/16	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	01/01/15-12/31/15	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.

**CALHOUN COUNTY**  
**Schedule of Insurance**  
**As of December 31, 2015**

<b>Type of Coverage 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	01/01/15-12/31/15	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	01/01/15-12/31/15	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	01/01/15-12/31/15	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	01/01/15-12/31/15	265.28	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	01/01/15-12/31/15	536.16	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)	01/01/15-12/31/15	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.