



Genesee County, Michigan



COMPREHENSIVE ANNUAL FINANCIAL REPORT

**Fiscal Period Ending September 30, 2011
Controller's Office**

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Genesee County
Michigan

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Linda C. Danison

President

Jeffrey R. Emer

Executive Director

COMPREHENSIVE ANNUAL FINANCIAL REPORT

GENESEE COUNTY, MICHIGAN

September 30, 2011

Board of Commissioners

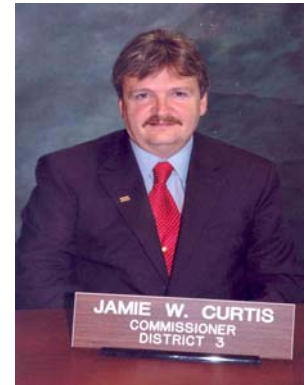
Jamie W. Curtis, Chairperson of the Board



Omar A. Sims



Brenda Clack



Jamie W. Curtis



John Northrup



Miles T. Gadola



Joseph Graves



Archie H. Bailey



Ted Henry



Patrick F. Gleason

Prepared by:
Controller's Office

Controller:
George Martini

Independent Auditors:
Plante & Moran, PLLC

CONTENTS

COMPREHENSIVE ANNUAL FINANCIAL REPORT GENESEE COUNTY SEPTEMBER 30, 2011

		Pages	
		Financial Statements	Supplementary Financial Data
I. INTRODUCTORY SECTION			
	Certificate of Achievement.....		Inside Front Cover
	Organization Chart.....		2
	Transmittal Letter.....		3
II. FINANCIAL SECTION			
	Report of Plante & Moran, PLLC, Auditors.....		9
	Management and Discussion Analysis		11
Exhibit			
	Basic Financial Statements		
	Government-Wide Financial Statements:		
A-1	Statement of Net Assets.....	19	
A-2	Statement of Activities- Governmental, Business-type, and Component Units.....	20	
	Fund Financial Statements:		
A-3-1	Balance Sheet- Assets Governmental Funds.....	22	
A-3-2	Balance Sheet- Liabilities and Fund Equities Governmental Funds.....	24	
A-3-3	Reconciliation of the Balance Sheet of Governmental Funds to Statement of Net Assets.....	26	
A-4	Statement of Revenues, Expenditures and Changes in Fund Balances- Governmental Funds.....	28	
A-5	Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	30	
A-6	Balance Sheet- Proprietary Funds.....	32	
A-7	Statement of Revenues, Expenses and Changes in Fund Net Assets- Proprietary Funds.....	34	
A-8	Statement of Cash Flows- Proprietary Funds.....	36	
A-9	Statement of Fiduciary Net Assets Fiduciary Funds.....	38	
A-10	Statement of Changes in Fiduciary Net Assets.....	39	
A-11	Statement of Net Assets Component Units.....	40	
A-12	Statement of Activities Component Units.....	42	
A-13	Notes to Financial Statements	44	
	Required Supplementary Information:		
	General and Major Funds		
B-1	Schedule of Revenues and Other Sources-Budget and Actual General Fund.....	75	
B-2	Schedule of Expenditures and Appropriations- Budget and Actual General Fund.....	76	
B-3	Schedule of Revenues and Other Sources-Budget and Actual Major Special Revenue Funds.....	78	
B-4	Schedule of Expenditures and Appropriations- Budget and Actual Major Special Revenue Funds.....	79	

		Pages	
		Financial Statements	Supplementary Financial Data
Other Supplemental Information			
Combining Fund Financial Statements:			
Nonmajor Governmental Funds			
C-1	Combining Balance Sheet.....		82
C-2	Combining Statement of Revenues, Expenses and Changes in Fund Balance.....		84
Nonmajor Special Revenue Funds			
D-1	Combining Balance Sheet.....		90
D-2	Combining Statement of Revenues, Expenses and Changes in Fund Balance.....		94
D-3	Schedule of Revenues and Other Sources-Budget and Actual.....		98
D-4	Schedule of Expenditures and Other Uses-Budget and Actual.....		100
Nonmajor Debt Service Funds			
E-1	Combining Balance Sheet.....		106
E-2	Combining Statement of Revenues Expenditures, and Changes in Fund Balance.....		108
Nonmajor Capital Project Funds			
F-1	Combining Balance Sheet.....		114
F-2	Combining Statement of Revenues, Expenditures and Changes in Fund Balance.....		116
Nonmajor Enterprise Funds			
G-1	Combining Balance Sheet.....		122
G-2	Combining Statement of Revenues, Expenses and Changes in Fund Net Assets.....		123
G-3	Combining Statement of Cash Flows.....		124
Internal Service Funds			
H-1	Combining Balance Sheet.....		128
H-2	Combining Statement of Revenues, Expenditures and Changes in Net Assets.....		130
H-3	Combining Statement of Cash Flows.....		132
Fiduciary Funds			
I-1	Combining Statements of Fiduciary Net Assets.....		138
I-2	Statement of Changes in Fiduciary Net Assets.....		140
I-3	Statement of Changes in Assets and Liabilities - Trust & Agency Funds.....		142
General Capital Assets			
J-1	Capital Assets Used in Operations of Governmental Activities Schedule by Function and Activity.....		146
J-2	Capital Assets Used in the Operation of Governmental Funds Schedule of Changes by Function and Activity.....		148
Component Units			
K-1	Combining Balance Sheet Brownfield Authority.....		152
K-2	Combining Statement of Revenues, Expenses and Changes in Fund Balance Brownfield Authority.....		153
K-3	Combining Balance Sheet Drain Special Assessment.....		154
K-4	Combining Statement of Revenues, Expenses and Changes in Fund Balance Drain Special Assessment.....		156

CONTENTS

COMPREHENSIVE ANNUAL FINANCIAL REPORT GENESEE COUNTY SEPTEMBER 30, 2011 (Continued)

Pages	
Financial Statements	Supplementary Financial Data

III. STATISTICAL SECTION

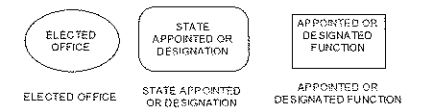
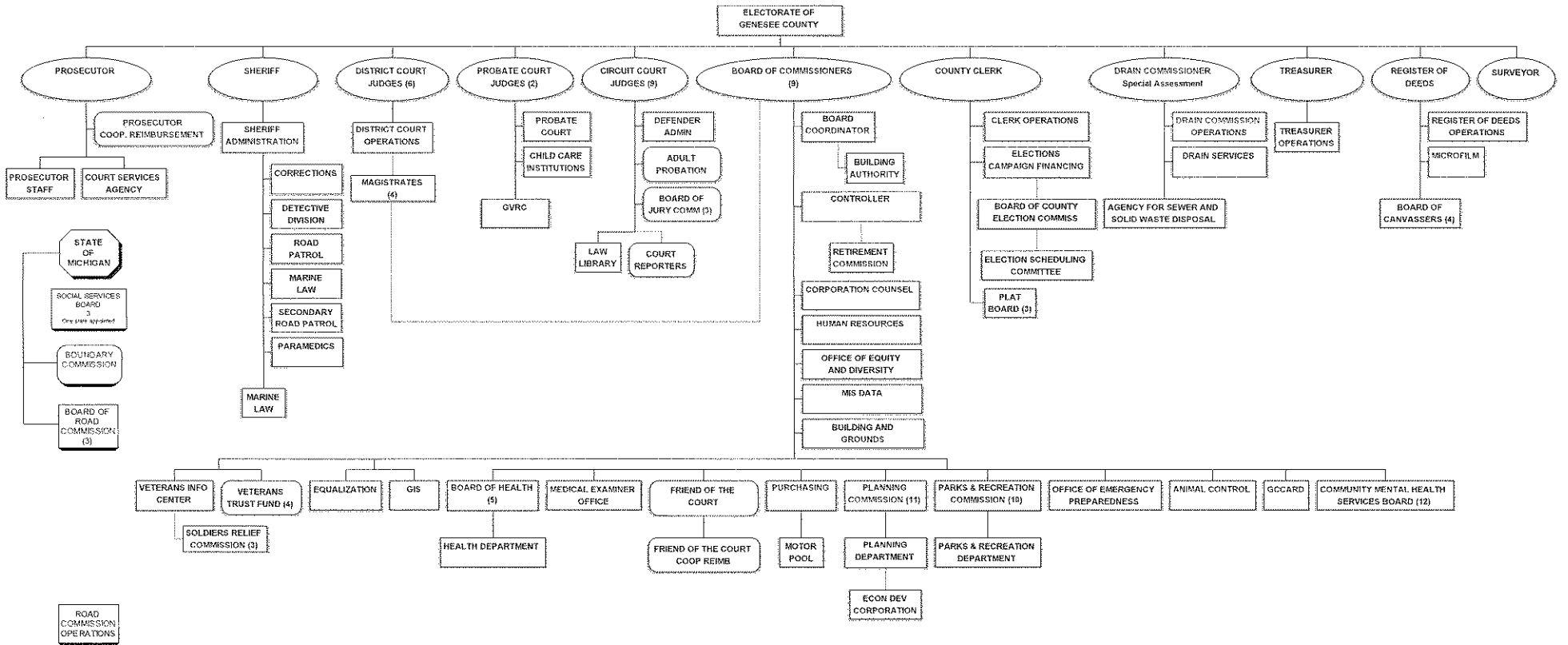
Table

1	Primary Government Net Assets by Component.....	160
2	Governmental Activities Tax Revenues By Source.....	160
3	Changes in Governmental Net Assets.....	161
4	Demographic and Economic Statistics-Last Ten Fiscal Years.....	163
5	Principal Employers-Current Year and Nine Years Ago.....	163
6	Changes in Fund Balances of Governmental Funds.....	164
7	Direct and Overlapping Property Tax Rates-Last Ten Fiscal Years.....	166
8	Taxable Value and Actual Value of Taxable Property.....	166
9	Principal Property Tax Payers.....	168
10	Property Tax Levies and Collections.....	168
11	Ratios of General Bonded Debt Outstanding-Last Ten Fiscal Years.....	169
12	Direct and Overlapping Governmental Activities Debt.....	169
13	Ratios of Outstanding Debt.....	170
14	Fund Balances of Governmental Funds.....	170
15	Legal Debt Margin.....	172
16	Pledged-Revenue Coverage.....	172
17	Full-time Equivalent County Government Employees by Function -Last Ten Fiscal Years.....	175
18	Operating Indicators by Function-Last Ten Fiscal Years.....	176
19	Capital Asset Statistics by Function-Last Ten Fiscal Years.....	180

I. INTRODUCTORY SECTION

The Introductory Section Contains:

- A. Certificate of Achievement**
(Inside Front Cover)
- B. Organization Chart**
- C. Transmittal Letter**





GENESEE COUNTY CONTROLLER'S OFFICE

1101 Beach Street, 3rd Floor • Flint, Michigan 48502

Phone: (810) 257-3040 • Fax: (810) 257-3560

George Martini
Controller

The Board of County Commissioners
Genesee County
Flint, Michigan

March 30, 2012

The Comprehensive Annual Financial Report of Genesee County for the fiscal period ended September 30, 2011 is submitted herein. This report was prepared by the County Controller's Department. Responsibility for both the accuracy of the presented data and the completeness and fairness of this presentation, including all disclosures, rests with the County. We believe the data as presented is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the County as measured by the financial activity of its various funds and that all disclosures necessary to enable the reader to gain the maximum understanding of the County's financial activity have been included. A more detailed statement of management's responsibility for the Financial Statements is included in the Financial Section of this report, adjacent to the Auditor's opinion. In addition, the report provides a narrative introduction, overview and analysis to accompany the basic financial statements in the form of the 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.

State Statutes require an annual audit by independent certified public accountants. The accounting firm of Plante & Moran, PLLC, was selected by the County's audit subcommittee and approved by the Board. In addition to meeting the requirements set forth in State statutes, the audit is designed to meet the requirements of the Federal Single Audit Act of 1984 and related OMB Circular A-133. Plante & Moran, PLLC, has issued an unqualified ("clean") opinion on Genesee County's financial statements for the fiscal year ended September 30, 2011. That report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's report related specifically to the single audit is not included in this report, but is issued as a separate report.

THE REPORTING ENTITY AND ITS SERVICES

The funds and entities related to Genesee County included in this Comprehensive Annual Financial Report are considered to be within the overall responsibility of the Board of Commissioners. The criteria used in determining the reporting entity is consistent with the Governmental Accounting Standards Board Codification Section 2100. Based on these criteria, the various funds and account groups shown in the Table of Contents are included in this report. Also included in this report are the Genesee County Road Commission, Water and Waste Services, Economic Development Corporation, Drains, Land Bank Authority, Brownfield Authority and the Storm Water Management System, which are presented as component units of Genesee County Government.

Background

Genesee County is geographically located in the southeast region of Michigan's Lower Peninsula, approximately 60 miles northwest of Detroit. It is the fifth largest county in the State of Michigan with a population of 425,790 based on the 2010 Census. The dominant city of the County is Flint, has a population of 102,434. Further

information regarding the description of the County and its operations is included in Note A of the Financial Statements.

Organization of Government Unit

The government structure of Genesee County is based upon the State Constitution and the general laws of the State of Michigan. The County's legislative body and its administrative body for many functions, is the County Board of Commissioners. The Board consists of nine commissioners elected by direct vote from single-member districts. In addition to the nine members of the Board of Commissioners, there are twenty-two other elected officials serving the County as judicial, administrative, or staff officers. An organization chart depicting the County structure is shown on the page preceding this transmittal letter. The Controller is the Chief Accounting and Financial Officer of the County and assists the Board of Commissioners in fulfilling their responsibilities in the financial area. The County has assets totaling more than \$301.0 million for governmental and business-type activities with net assets in excess of \$141.5 million.

Services Provided

The County is responsible for the management and financing of over 250 municipal services to its citizens. These services are separated into seven major program areas. These areas are: legislative, administration of justice, law enforcement and community protection, human services, community enrichment and development, management and planning, and general support. Approximately 95 percent of these services are mandated by State law and the Board's choice is to determine the funding level needed to maintain these functions at a serviceable level. The remaining 5 percent are discretionary. The Board's responsibility is to determine if these services should be funded and at what level.

The resources and expenditure data regarding these services are discussed in the Financial Review Section of this report.

ECONOMIC CONDITION AND OUTLOOK

The role of higher education in the economic condition of Genesee County continues to expand as enrollment continues to increase in local colleges. There are a number of colleges and universities located in Genesee County including the University of Michigan-Flint, Kettering University, Baker College, Mott Community College, and branches for many other public and private colleges.

The University of Michigan-Flint, located in downtown Flint, is ranked as the fastest growing of Michigan's fourteen (14) public universities. The enrollment at the University of Michigan-Flint continues to set new records. For the fall 2011 semester, enrollment increased 1.5% to an all-time high of 8,262 students. This was an increase of 124 students over the previous all-time high set in the fall 2010 semester. This is the eighth straight year of enrollment increases.

The enrollment increases encompass significant numbers of international students. The University of Michigan-Flint had 238 international students representing over 37 different countries.

The international students attending the University of Michigan-Flint, as well as international students attending Delta College, University Center at Mott Community College and Kettering University, contributed nearly \$11 million during 2010/2011 to the Genesee County economy in the form of tuition and living expenses.

The dramatic increase in the number of students is also resulting in many of these students wanting to live in the downtown area. The University of Michigan-Flint's first residential dormitory, opened in 2008, is at full capacity for the fourth year in a row. This dormitory houses a maximum of 310 persons.

The Riverfront Residence Hall, a 16-story former hotel in the downtown area, is expected to house approximately 450 students of the University of Michigan-Flint, Baker College of Flint, Kettering University, and Mott Community College. In addition, the University of Michigan-Flint has plans to invest approximately \$5.3 million to transform the second floor of the downtown building into the offices of the University of Michigan-Flint Business School. The renovation will include various amenities including office space, conference rooms, a student lounge, a video distance-learning classroom as well as nine regular classrooms which will enable students living in the hall to attend class without ever leaving the building.

The increase in the number of individuals living in the downtown area has resulted in significant commercial development in the downtown area as well. New restaurants and other businesses continue to open in the downtown area despite the economic challenges that the State and County are currently experiencing.

General Motors, after emerging from bankruptcy in July, 2009, continues to be a major employer in Genesee County. While the impact of the bankruptcy on Genesee County was of major concern to residents and officials of the County, the County remains the home of numerous GM facilities employing approximately 8,000 people.

Since emerging from bankruptcy, the company has once again regained its title as the top-selling automaker, selling just over 9 million cars and trucks across the globe in 2011. GM earned a record profit of \$7.6 billion during 2011.

In May, 2011, General Motors announced that it was investing \$84 million at Flint Engine Operations. This facility is currently used to produce the 1.4 liter engine being used in the Chevrolet Cruze. Engines for the Chevrolet Volt and the Chevrolet Sonic are also built at the facility. It is expected that the investment, combined with a smaller investment at an engine plant in Bay City, would result in creating or protecting a total of 96 jobs.

In early 2011, General Motors announced that the Flint Truck plant would add a third shift to the production schedule to satisfy demand for the pickups produced at this facility. It is expected that this additional shift will require approximately 775 employees to be recalled from layoff status. These employees were added beginning in August, 2011 with approximately 80 employees added weekly until all of the employees were recalled.

Health care continues to play a major role in the Genesee County economy employing in excess of 8,000 employees; almost as many employees as Genesee County's dominant industry – the automobile industry. Combined, Genesys Health Care Systems, Hurley Medical Center, and McLaren Hospital recorded revenues in excess of \$1 billion for the Genesee County economy. These hospitals continue to upgrade/expand their services with some exciting initiatives planned for the future.

Hurley Hospital recently completed a \$30 million expansion and renovation of the emergency department/trauma center. Hurley Hospital is the area's only Level 1 trauma center and burn center. The expansion, from 23,000 square foot to 50,000 square foot, will significantly increase the capacity of the center as well as increasing

the number of physicians, nurses, and support staff working in the facility.

Magna Electronics recently announced that the company was going to be making \$1.5 million in renovations inside one of their buildings located in Grand Blanc Township. The purpose of this new facility was to expand manufacturing capabilities. This is Magna's third announcement of expansion in just over two years.

The first announcement was that the company was going to spend \$70.3 million to create a facility that would be used to produce electric propulsion systems for the 2012-2017 Ford Focus battery-electric vehicles. This expansion was expected to result in 525 new jobs over five years.

In April, 2011, Magna announced a \$64.8 million, 35,000 square foot addition that would be used for the production of rear-view cameras used in vehicles. This expansion is expected to create an additional 385 jobs over the next five years.

Diplomat Specialty Pharmacy, the sixth-largest specialty pharmacy company in the nation, announced a move and major expansion in early 2010. This company announced that they would be moving from their current location in Flint Township to the Great Lakes Technology Centre and hiring approximately 250 workers by the end of 2011. It is expected that this company will hire over 1,000 workers in the next five years as the demand for this type of service continues to grow. In addition to the increase in staffing, Diplomat Pharmacy invested over \$12 million in their new facilities in the Great Lakes Technology Centre.

Bishop International Airport continued to upgrade their facilities during 2011. Construction began on a \$16.8 million expansion of the airport facility. This will include 47,000 square foot of terminal space, adding four gates, and increasing the size of the corridor linking the two sections of the airport. These renovations would complete a long-term plan to allow the airport to accommodate up to 2 million passengers a year.

Restructuring within the airline industry has resulted in many changes as well as opportunities for Bishop Airport. Northwest Airlines, Bishop's largest carrier, merged with Delta Airlines. Continental Airlines merged with United Airlines. American Airlines went into bankruptcy. Frontier Airlines pulled out of their Milwaukee hub and ended flights into and out of Bishop Airport.

One of the largest anticipated changes that will happen at Bishop is the recent acquisition of Airtran Airways by Southwest Airlines. Southwest has announced that they will continue serving Flint's Bishop Airport. Airport officials have maintained contact with Southwest Airlines including presentations that make the case for additional flights into and out of Flint.

Passenger traffic in and out of Bishop Airport was down approximately 4.8% during 2011, a continuing reflection of the Flint and Genesee County economies.

The Airport has invested heavily over the last several years in cargo shipping to and from Bishop Airport. Approximately \$30 million has been invested in the Intermodal Center at the airport, aimed at boosting the economy by increasing truck and aircraft cargo transfers at the airport. Part of this investment included \$14 million for a new FedEx warehouse as well as the purchase of a vacant freight building on the airport grounds at a cost of \$500,000.

Despite the re-birth of the downtown area after many years of decline, unemployment remains a critical problem for Genesee County residents and officials. The unemployment rate for Genesee County as of January, 2012 was 10.0%. The unemployment rate for the State of Michigan for the same time period was 9.0%.

LONG-TERM FINANCIAL PLANNING

Genesee County continues to experience significant financial challenges and will continue to experience these challenges into the future. The County has experienced a 20.25% reduction in total taxable value during the period 2007-2011. Further reductions are expected in 2012 before projecting to level off in 2013. There is also uncertainty regarding State Shared Revenue Sharing payments from the State of Michigan. Together, these two sources of revenue accounted for nearly 66% of total General Fund revenues.

The General Fund 2007/2008 adopted budget approved by the Genesee County Board of Commissioners prior to September 30, 2007, called for expenditures totaling approximately \$106.5 million. Just four years later, the General Fund 2011/2012 adopted budget estimated expenditures at approximately \$80.5 million, a reduction of 24.4%. This reduction in resources and the corresponding reductions in expenditures has resulted in the Board of Commissioners making significant reductions in almost all departments and programs.

On March 24, 2010, the Genesee County Board of Commissioners enacted a hiring freeze for all County Departments. This hiring freeze continued to be in place during fiscal year 2010/2011. Between positions not filled because of the hiring freeze as well as positions eliminated through layoff of existing staff, the County has eliminated approximately 140 positions in 2009/2010 and 2010/2011. These position eliminations have resulted in a significant decrease in General Fund spending which have had a positive impact on General Fund fund balance. The County's General Fund fund balance increased \$828,358 during 2010/2011 from \$10,981,027 at September 30, 2010 (as restated) to \$11,809,385 at September 30, 2011.

The County maintains budgetary control using features of the County's accounting system. The objective of these controls is to ensure compliance with legal provisions in the annual adopted County budget approved by the Board of Commissioners. All amendments to the adopted County budget, with the exception of limited authority for line-item transfers given to the County Controller, require Board review and approval. The County maintains an encumbrance accounting system as one of its techniques of accomplishing budgetary control. All encumbered amounts lapse at year-end.

ACCOUNTING AND FINANCIAL POLICIES

The County's accounting records for general governmental operations are maintained on a modified accrual basis, with the revenue being recorded when available and measurable and expenditures being recorded when the services or goods are received and the related liabilities are incurred. Accounting records for the County's proprietary and similar fiduciary funds are maintained on the accrual basis.

In developing and evaluating the County's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurances regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework.

As a recipient of federal and state financial assistance, the County is responsible for ensuring an adequate internal control structure to ensure compliance with the applicable laws and regulations related to those programs, as well as meet the single audit requirements.

The results of the County's 2010 single audit provided three instances of material weaknesses in the internal control structure. These three weaknesses were addressed in the single audit response and corrected during the 2010/2011 fiscal year. There were no other violations of applicable laws and regulations.

While changing audit standards require different disclosures than in past years, any deficiencies noted in the 2011 single audit, if any, will be promptly addressed and corrected. We believe that the County's internal accounting controls adequately safeguard assets and provide reasonable assurances of proper recording of financial transactions.

Budgetary control is maintained at the sub function level by the encumbrance of estimated purchase amounts prior to the release of purchase orders to vendors. There were no encumbrances at the end of the year, since they became valid accounts payable or the encumbered amounts were released.

The County's operations are accounted for through seven different fund types as outlined in the Financial Report Format Section of this Transmittal Letter. The revenues received and expenditure incurred in the general operations of the County are recorded in the General Fund. The revenues and expenditures recorded in funds other than the General Fund are designated for specific programs or purposes.

Effect of Revenue Limitations

Michigan has the Headlee Amendment, which limits any increase in property tax to the annual inflation rate. In addition, any flow-through of special taxes (i.e. Alcohol and Cigarette Taxes) enacted by the State subsequent to the Headlee Amendment from which the County derives a benefit must reduce the property tax billed to the County residents. In order for the County to benefit from these special taxes, the Board of Commissioners must announce their intent to roll up property taxes to the maximum allowable and then hold a public hearing prior to Board action. The maximum allowable property tax is the product of the approved millage times the State Equalized Value limited to inflation rate without considering the effects of the special taxes. In order to assess above the inflation rate, voters must approve an increase in the millage.

The Headlee provisions were still applicable for Genesee County in 2011 with the result that the property tax rate for general operations was limited to 5.5072 mills while the millage rate for both Paramedics and Parks and Recreation was limited to .4847 mills, Senior Services was .7 mills and Health Services was 1.0 mill. The millages were reduced from the maximum allowable of 5.68 for general operations. Although there was no intent to hold an election to approve the roll-up of millage to the maximum allowable, the Board of Commissioners did roll up the property tax rate to the maximum allowable rate without a vote of the public to take advantage of the benefits derived from the special taxes.

As in past years, the effective management of local governmental finances is a continuous challenge for the legislative body of Genesee County. The Board of Commissioners' action in the latter part of 2010 to maintain property taxes at the allowable limit had a positive effect on the 2011 revenues.

MAJOR INITIATIVES

In 2010, Genesee County issued approximately \$7.8 million in QECB's (Qualified Energy Conservation Bonds) to finance extensive infrastructure improvements in Genesee County buildings that would yield a minimum energy savings of 20%. This \$7.8 million combined with a \$2.0 million Energy Efficiency Conservation Block Grant, will enable the County to make improvements totaling \$9.8 million which will result in energy and operational savings in excess of \$12.2 million. These improvements were ongoing during the 2010-2011 fiscal year and are expected to be completed during 2012.

Genesee County borrowed approximately \$1.2 million during 2011/2012 to perform significant remodeling of County facilities including the McCree Courts and Human Services Center, the Haley Building, and space within the County Administration Building that will be used to house offices of the Genesee County Friend of the Court. Additional billings for space currently leased to tenants will pay for these improvements with no additional commitment from the General Fund to finance these costs.

In early 2010, the County Commissioners began a review of space needs for County Departments and whether the current County facilities were being utilized efficiently. As a result of this review, the County has consolidated Departments and functions into existing facilities and has closed a total of three buildings saving significant utility and maintenance costs. The County has sold one of the three facilities and the other facilities are being actively marketed.

The County recently released a Request for Proposal for an automated time and attendance system to replace the manual procedures that are currently in place in the County. This automated time and attendance could possibly result in significant cost savings for the County, improvements in policies and procedures, and a dramatic decrease in the workload for this function.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Genesee County, Michigan for its comprehensive annual financial report for the fiscal period ended September 30, 2010, the thirty-second consecutive year.

In order to be awarded a Certificate of Achievement for Excellence, a government 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.

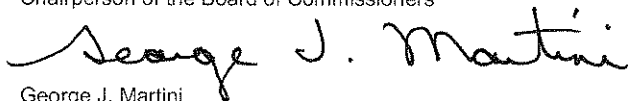
A Certificate of Achievement for Excellence is valid for a period of one year only. We believe our current report continues to conform to Certificate of Achievement for Excellence in Financial Reporting Program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

The preparation of this Report could not have been accomplished without the efficient and dedicated services of the entire staff of the Controller's Office and other County Departments that contributed to the preparation of this report. We would also like to thank the Board of Commissioners for their interest and support in planning and conducting the financial operations of the County in a responsible and progressive manner.

Very truly yours,



Commissioner Jamie W. Curtis
Chairperson of the Board of Commissioners



George J. Martini
Controller

II. FINANCIAL SECTION

The Financial Section Contains:

- A. Auditor's Report**
- B. Management's Discussion and Analysis**
- C. Basic Financial Statements**
- D. Required Supplementary Information**
- E. Other Supplemental Information**

MANAGEMENT'S STATEMENT OF RESPONSIBILITY FOR FINANCIAL STATEMENTS

GENESEE COUNTY

The following comprehensive annual financial statements and related notes of Genesee County were prepared by management in accordance with generally accepted accounting principles. The Board of Commissioners through the Audit Subcommittee of the Finance Committee (composed of Commissioners) is responsible for assuring that management fulfills its responsibilities in the preparation of the financial statements.

Management is responsible for the integrity and objectivity of the comprehensive annual financial statements which are presented in accordance with generally accepted methods of accounting. Established accounting procedures are designed to provide books, records, and accounts which fairly reflect the transactions of the County.

The training of qualified personnel and the assignment of duties are intended to provide good internal controls. This provides assurances that transactions are executed in accordance with management's authorization and that adequate accountability of the County's assets are maintained.

Plante & Moran PLLC, independent public accountants, with direct access to the Board of Commissioners through its Audit Subcommittee, have examined the comprehensive annual financial statements prepared by the County, and their report follows.



Independent Auditors' Report

To the Board of Commissioners
Genesee County
Flint, Michigan

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 Genesee County, Michigan as of and for the year ended September 30, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these basic financial statements based on our audit. We did not audit the financial statements of the Genesee County Community Mental Health Services, a fund of the County and which represents 24 percent and 42 percent, respectively, of the assets and revenues of the governmental funds. We also did not audit the financial statements of the Genesee County Planning Commission, a fund of the County and which represents less than one percent of both the assets and revenues of the governmental funds. We also did not audit the financial statements of the Genesee County Road Commission, a discretely presented component unit of the County and which represent 34 percent and 28 percent, respectively of the assets and revenues of the component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Genesee County Community Mental Health Services, the Genesee County Planning Commission, the Genesee County Road Commission 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 of material misstatement. The financial statements of the Economic Development Corporation of the County of Genesee, and Genesee County Storm Water Management System were not audited in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above, present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Genesee County, Michigan, as of September 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Genesee County's basic financial statements. The management's discussion and analysis, and the budgetary comparison schedules as identified in the table of contents, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. The introductory section, other supplemental information, and the statistical section as identified in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The budgetary comparison schedules, capital asset schedules, combining balance sheets and combining statements of revenue, expenditures, and

To the Board of Commissioners
Genesee County

changes in fund balance have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. We have applied certain limited procedures to management's discussion and analysis, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it. The introductory section and the statistical section have not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on them.

In accordance with Government Auditing Standards, we will also issue our report dated March 30, 2012 on our consideration of Genesee 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

During the year, the County implemented GASB Statement No. 54, Fund Balance Reporting and Governmental Fund-type Definitions, as discussed in Notes B and S. As a result of this required implementation, the Animal Control and Medical Examiner Funds, which were previously recorded as special revenue funds, are now reported as part of the General Fund. In addition, fund balance classifications in the governmental fund financial statements have been changed to reflect the five new classifications under GASB No. 54.

Plante & Moran, PLLC

March 30, 2012

MANAGEMENT DISCUSSION AND ANALYSIS

GENESEE COUNTY

As management of Genesee County, we offer readers of the Genesee County's financial statements this narrative overview and analysis of the financial activities of Genesee County for the fiscal year ended September 30, 2011. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found at the beginning of this report.

Financial Highlights

- The assets of Genesee County exceeded its liabilities at the close of the most recent fiscal year by \$141,546,765 (net assets). Of this amount, \$43,962,482 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets decreased by \$11,860,515. This net decrease was attributed to both Governmental activities and Business-type activities; the overall decrease is attributed to economic factors.
- As of the close of the current fiscal year, Genesee County's governmental funds reported combined ending fund balances of \$49,120,889, a decrease of (\$547,420) in comparison with the prior year. Approximately 7% of this total amount, \$3,322,292, is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$7,667,575, 12% of total General Fund expenditures.
- Genesee County's total debt was increased by the issuance of delinquent tax notes in the amount of \$53,067,284 during the current fiscal year for various projects and refunding issues which was offset by total payments of \$61,402,148.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Genesee County's basic financial statements. Genesee County's basic financial statements comprise three components: 1) government-wide financial statement, 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 Genesee County's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all Genesee County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of Genesee County is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets 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 Genesee County that are principally supported by taxes and intergovernmental revenues (government 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 Genesee County include legislative, management and planning, administration of justice, law enforcement, human services, community enrichment, general support, and other. The business-type activities of Genesee County include Parks and Recreation System, Jail Commissary and Delinquent Tax Revolving Fund.

The government-wide financial statements include not only Genesee County itself (known as the primary government), but also six legally separated component units for which Genesee County is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found as Exhibit A-1 and A-2 of this report.

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. Genesee 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 Genesee County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental 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.

Genesee County maintains 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 and four special revenue funds, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

MANAGEMENT DISCUSSION AND ANALYSIS

GENESEE COUNTY

Genesee County adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found as Exhibit A-3 and A-4 of this report.

Proprietary Funds Genesee 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. Genesee County uses enterprise funds to account for its Parks and Recreation System, Jail Commissary and Delinquent Tax Revolving Fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among Genesee County's various functions. Genesee County uses internal service funds to account for its fleet of vehicles, building and grounds maintenance, Property and Casualty and other Administrative Services. Because all of 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 Parks and Recreation System, Jail Commissary and Delinquent Tax Revolving Fund. 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.

The basic proprietary fund financial statements can be found as Exhibit A-6, A-7, and A-8 of 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 statement because the resources of those funds are not available to support Genesee County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found as Exhibit A-9 and A-10 of this report.

Component Units Presented. The government-wide financial statements include not only Genesee County itself (known as the primary government), but also six legally separated component units for which Genesee County is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

The basic component unit financial statements can be found as Exhibit A-11 and A-12 of this report.

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. The notes to the financial statements can be found as Exhibit A-13 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning Genesee County's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found as Exhibit A-14 of this report.

The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found as Exhibit C of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve overtime as a useful indicator of a government's financial position. In the case of Genesee County, assets exceeded liabilities by \$141,546,765 at the close of the most recent fiscal year.

A significant portion of Genesee County's net assets (48% Percent) reflects 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. Genesee County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Genesee County's investments in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

GENESEE COUNTY'S NET ASSETS

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Current and other assets	\$141,248,963	\$118,432,331	\$65,459,448	\$68,862,886	\$206,707,411	\$187,295,217
Capital assets	<u>90,260,955</u>	<u>88,463,131</u>	<u>4,070,395</u>	<u>4,693,525</u>	<u>94,331,350</u>	<u>93,156,656</u>
Total asset	<u>231,508,918</u>	<u>206,895,462</u>	<u>69,529,843</u>	<u>73,556,411</u>	<u>301,038,761</u>	<u>280,451,873</u>
Long-term liabilities outstanding	71,967,229	33,563,338	50,856,499	55,627,885	122,823,728	89,191,223
Other liabilities	<u>34,928,986</u>	<u>36,651,091</u>	<u>1,739,282</u>	<u>2,135,376</u>	<u>36,668,268</u>	<u>38,786,467</u>
Total liabilities	<u>106,896,215</u>	<u>70,214,429</u>	<u>52,595,781</u>	<u>57,763,261</u>	<u>159,491,996</u>	<u>127,977,690</u>

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Net assets:						
Invested in capital assets, net of related debt	64,580,883	67,466,131	3,972,895	4,555,525	68,553,778	72,021,656
Restricted	18,852,892	20,241,229	10,177,613	10,444,490	29,030,505	30,685,719
Unrestricted	<u>41,178,928</u>	<u>48,973,673</u>	<u>2,783,554</u>	<u>793,135</u>	<u>43,962,482</u>	<u>49,766,808</u>
Total net assets	<u>\$124,612,703</u>	<u>\$136,681,033</u>	<u>\$16,934,062</u>	<u>\$15,793,150</u>	<u>\$141,546,765</u>	<u>\$152,474,183</u>

An additional portion of Genesee County's net assets (21 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$43,962,482) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, Genesee County is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

The government's total net assets decreased by \$10,927,418. This decrease represents Governmental activities which is attributed to economic factors.

Governmental Activities. Governmental activities decreased Genesee County's net assets by \$11,860,515, key elements affecting this change are as follows:

Genesee County's Change in Net Assets

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program revenues:						
Charges for services	\$141,810,253	\$127,999,716	\$12,397,886	\$13,016,128	\$154,208,139	\$141,015,844
Operating grants and contributions	105,673,071	128,746,641	-	-	105,673,071	128,746,641
Capital grants and contributions	-	-	-	-	-	-
General revenues:						
Taxes	76,019,829	84,583,278	-	-	76,019,829	84,583,278
Use of money and investments	614,576	741,489	18,635	79,000	633,211	820,489
Other intergovernmental revenues	13,669,465	7,889,596	-	-	13,669,465	7,889,596
Other unrestricted revenues	<u>9,503,826</u>	<u>9,179,669</u>	<u>-</u>	<u>-</u>	<u>9,503,826</u>	<u>9,179,669</u>
Total revenues	347,291,020	359,140,389	12,416,521	13,095,128	359,707,541	372,235,517
Expenses						
Legislative	628,524	696,041	-	-	628,524	696,041
Management and planning	7,574,679	11,411,258	-	-	7,574,679	11,411,258
Administration of justice	37,138,790	39,946,657	-	-	37,138,790	39,946,657
Law enforcement/commun. protec.	33,125,467	38,882,911	-	-	33,125,467	38,882,911
Human services	265,888,570	266,815,618	-	-	265,888,570	266,815,618
Community enrichment/develop	19,144,172	20,266,580	-	-	19,144,172	20,266,580
General support services	84,645	140,579	-	-	84,645	140,579
Other	-	-	-	-	-	-
Interest on long-term debt	1,194,751	1,172,487	-	-	1,194,751	1,172,487
Commissary	-	-	354,096	371,173	354,096	371,173
Delinquent Tax	-	-	4,147,737	5,237,615	4,147,737	5,237,615
Parks & Recreation Enterprise	-	-	1,282,486	862,088	1,282,486	862,088
Parking Meter	-	-	<u>71,042</u>	<u>-</u>	<u>71,042</u>	<u>-</u>
Total Expenses	<u>364,779,598</u>	<u>379,332,131</u>	<u>5,855,361</u>	<u>6,470,876</u>	<u>370,634,959</u>	<u>385,803,007</u>
Increase (decrease) in net assets before transfers	(17,488,578)	(20,191,742)	6,561,160	6,624,252	(10,927,418)	(13,567,490)
Transfers	<u>5,628,063</u>	<u>9,975,187</u>	<u>(5,628,063)</u>	<u>(9,975,187)</u>	<u>-</u>	<u>-</u>
Change in net assets	(11,860,515)	(10,216,555)	933,097	(3,350,935)	(10,927,418)	(13,567,490)
Beginning of year net assets (as restated)	<u>136,473,218</u>	<u>146,897,588</u>	<u>16,000,965</u>	<u>19,144,085</u>	<u>152,474,183</u>	<u>166,041,673</u>
End of year net assets	<u>\$124,612,703</u>	<u>\$136,681,033</u>	<u>\$16,934,062</u>	<u>\$15,793,150</u>	<u>\$141,546,765</u>	<u>\$152,474,183</u>

- Implementation of GASB 34 requirements has changed the presentation of this report and is reflected in the net asset balances.
- Reductions in tax revenue collections and program grants has forced cut backs in many areas.
- Due to careful budgeting and a transfer from the Delinquent Tax Fund, Genesee County's General Fund has seen an \$828,358 increase in fund balance.

MANAGEMENT DISCUSSION AND ANALYSIS

GENESEE COUNTY

- Property taxes decreased by \$8,616,725 during the year. Most of this decrease is the product of weak residential growth and a weak housing market.
- Operating grants for governmental activities remain a large part of the overall budget. These grants support a variety of community services in the county.

Business-type activities. The net assets for business-type activities increased by \$933,097. Key elements of this increase are as follows.

- The implementation of new requirements as well as the decrease in transfer of funds to Governmental activities for support of general operating expenditures and debt service requirements are reflected in this increase.

Financial Analysis of the Government's Funds

As noted earlier, Genesee County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of Genesee County's governmental funds is to provide information on near-term inflows, outflows, and balances of available resources. Such information is useful in assessing Genesee 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, Genesee County's governmental funds reported combined ending fund balances of \$49,120,889, a decrease of \$547,420 in comparison with the prior year. Approximately 7% of this total amount, (\$3,322,282) constitutes unassigned fund balance, which is available for spending at the government's discretion.

The General Fund unassigned fund balance totaled \$7,667,575, while total fund balance increased to \$11,809,385. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 12% of total General Fund expenditures, while total fund balance represents 19% of that same amount.

At the end of the current fiscal year, the total fund balance of mental health was increased to \$17,702,326. The fund balance represents 12 percent of total mental health expenditures.

At the end of the current fiscal year, the total fund balance of county health was decreased to \$17,632. The fund balance represents .12% of total county health expenditures.

The decreases in the fund balances of Genesee County's governmental funds were as the result of the following:

- General Fund - The Genesee County Board of Commissioner passed a 2010/2011 General Fund budget anticipating the use of \$0 of fund balance.
- Mental Health – During the 2010/2011 fiscal year, the fund balance for the Mental Health Fund increased by \$2,975,916. This increase was attributable to numerous changes in the funding levels from the Federal and State governments throughout the fiscal year combined with under spending in many divisions of \$6,613,359.
- County Health - In the 2010/2011 fiscal year, the County Health Department anticipated revenues of \$17,932,453. The actual amount of revenues received was \$15,180,289. This variance, combined with other variances in expenditure items resulted in the Health Department fund balance decreasing by \$1,492,117.
- Community Action Resource Department – The fund balance of the Community Action Resource Department decreased during the 2010/2011 fiscal year by a total of \$349,735. This decrease was attributable to numerous changes in the funding levels from the Federal and State governments throughout the fiscal year.

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

Unrestricted net assets at the end of the year amounted to \$2,783,554. The total increase in net assets for all proprietary funds was \$933,097. Other factors concerning the finances of these funds have already been addressed in the discussion of Genesee County's business-type activities.

General Fund Budgetary Highlights

During the year, the County board amended the budget to take into account events during the year. General Fund's expenditures and appropriations budget was increased in total by \$555,356 due to the anticipation of an increase in law enforcement. The major budgetary increases/decreases are summarized on the following page:

- A \$18,051,208 decrease occurred in the collection of property taxes due to the underestimating of the collection of delinquent personal property taxes.
- A negative variance of \$1,128,415 in various General Fund revenues occurred due to the anticipated revenue received for licenses and permits, fines and forfeitures, uses of money and property and charges for services.
- Unobligated funds of \$1,683,731 were transferred from the Enterprise Fund to General Fund to cover operating expenses.
- The Board of Commissioners authorized the issuance of \$21,099,000 of Tax Anticipation Notes which resulted in a transfer of \$18,047,283 to General Fund to provide resources for paying operating expenditures of the County prior to the availability of property tax collections.

- A \$164,553 increase was allocated to the Board of Commissioners department to cover costs of attorney fees related to discussions of union contract changes.
- A \$119,503 increase was allocated to the Register of Deeds department to cover the addition in salaries due to the hiring of additional staff to help with the backlog of filing of deeds.
- A \$196,662 increase was allocated to the Prosecutors department to cover the addition in salaries due to the payouts of vacation time upon the retirement of staff.
- A total increase of \$606,594 was allocated to Law Enforce/Community Protection departments to cover overtime which is allocated on a monthly basis based on need as well as an increase in motor pool cost to the continuing increase in gasoline prices.
- A total increase of \$390 was allocated to the Veterans Services to cover the increase in cost for covering veteran burials and other benefits.
- A \$48,541 increase was allocated to various departments to cover Capital Outlay which is allocated during the year on an as needed basis.
- A \$143,160 increase was allocated to the Medical Examiner department to cover the cost of an additional autopsy assistant.
- A \$79,057 increase was appropriated to the various Internal Service Administrative Services departments to cover overtime.
- A \$50,419 increase was appropriated to the various Internal Service Building and Grounds departments to cover additional costs of overtime which is budgeted in General Fund and allocated on a monthly basis based on departmental need and expenses incurred to maintain and repair buildings.

Overall during the year, actual General Fund revenues exceeded amended budgetary estimates and expenditures were less than the amended budget, resulting in a small increase in fund balance that was less than the final amended budget amount.

Capital Asset and Debt Administration

Capital assets. Genesee County's investment in capital assets for its governmental and business type activities as of September 30, 2011, amounts to \$90,260,955 (net of accumulated depreciation). This investment in capital assets included land, buildings and system, improvements, machinery and equipment, and park facilities.

Additional information on Genesee County's capital assets can be found in Note D in Exhibit A-13 of this report.

Debt. At the end of the current fiscal year, Genesee County had total bonded debt outstanding of \$285,451,413. Of this amount, \$140,987,956 comprises debt backed by the full faith and credit of the government, \$400,916 is special assessment debt for which the government is liable in the event of default by the property owners subject to the assessment and \$10,175,000 is Michigan Transportation bonds for which are payable with Act 51 money.

Genesee County's total debt, including component units, decreased by \$6,148,914 during the current fiscal year. The key factor in this decrease was due to normal debt retirement in the fiscal years budget. Genesee County maintains an "A" rating from Standard & Poor's and Fitch and an "A1" rating from Moody's for general obligation debt.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total assessed valuation. The current debt limitation for Genesee County is \$995,080,557, which is significantly in excess of Genesee County's outstanding general obligation debt.

Additional information on Genesee County's long-term debt can be found in note E of Exhibit A-13 of this report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for Genesee County is currently 10 percent, which is a decrease from a rate of 12.5 percent a year ago. This increase is attributed to local conditions and is reflective of state and national trends.
- The government expects to see reduced funding from State agencies due to a reduction in tax collections as seen in a nation-wide trend of state and local revenues.
- Inflationary trends in the region compare favorably to national indices.
- Goals to achieve concessions in current union negotiations continue (decreases in longevity wages and changes to co-pays for health care).
- Continuation of the instituted hiring freeze.

All of these factors were considered in preparing Genesee County's budget for the 2011 fiscal year.

Request for Information

The financial report is designed to provide a general overview of Genesee 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 Office of the Controller, County of Genesee, 1101 Beach Street, Flint, MI 48502.

BASIC FINANCIAL STATEMENTS

STATEMENT OF NET ASSETS

SEPTEMBER 30, 2011

GENESEE COUNTY

Exhibit A-1

	Governmental Activities	Business-type Activities	Total	Component Units
ASSETS				
Cash and cash equivalents.....	\$ 57,559,839	\$ 11,630,486	\$ 69,190,325	\$ 29,323,429
Investments.....	15,938,261	5,998,932	21,937,193	16,237,064
Current and delinquent taxes receivable (net allowance \$1,116,143).....	14,278,247	48,456,957	62,735,204	
Special assessments receivable.....				47,524,721
Interest and accounts receivable (net allowance \$2,994,243).....	10,003,136	4,729,476	14,732,612	14,327,333
Due from other governmental units.....	21,577,641	3,148,613	24,726,254	11,175,149
Due from component unit.....	182,283	919,221	1,101,504	299,276
Due from primary government.....				732,000
Internal balances.....	9,507,448	(9,507,448)		
Inventory.....	2,350,162	31,625	2,381,787	3,420,938
Prepayments.....	3,051,735	51,586	3,103,321	473,132
Unamortized cost of issuance.....				493,857
Other assets.....	131,918		131,918	14,077
Restricted assets:				
Cash.....				13,408,853
Deposits and employee advances.....	377,524		377,524	1,561,706
Net OPEB asset.....	3,939,769		3,939,769	
Long term advance to component unit.....	2,350,000		2,350,000	
Local unit construction in progress.....	41,985		41,985	596,186
Investment in joint venture.....				17,915,518
Intangible assets - Net.....				36,644
Capital assets not being depreciated.....	12,510,512	3,502,006	16,012,518	71,568,026
Capital assets (net of accumulated depreciation).....	77,708,458	568,389	78,276,847	443,073,629
Total assets	231,508,918	69,529,843	301,038,761	672,181,538
LIABILITIES				
Accounts payable.....	17,702,229	898,977	18,601,206	6,813,376
Accrued payroll.....	2,910,158	9,095	2,919,253	7,475
Other accrued liabilities and deposits.....	791,070	549,205	1,340,275	1,932,900
Accrued interest payable.....	600,532		600,532	280,430
Due to other governmental units.....	4,823,686	5	4,823,691	254,916
Due to primary government.....			0	1,101,504
Due to component unit.....	450,000	282,000	732,000	299,276
Long term advances from primary government.....				2,350,000
Unearned revenue.....	7,651,311		7,651,311	2,745,505
Liabilities payable from restricted assets:				
Accounts payable.....				6,804,042
Tax anticipation note payable.....	20,199,000		20,199,000	
Noncurrent liabilities:				
Net OPEB obligation.....	13,191,307	106,207	13,297,514	4,550,042
Current portion debt.....	8,096,092	20,678,292	28,774,384	13,379,615
Long term debt.....	30,480,830	30,072,000	60,552,830	192,004,981
Total liabilities	106,896,215	52,595,781	159,491,996	232,524,062
NET ASSETS				
Invested in capital assets, net of related debt.....	64,580,883	3,972,895	68,553,778	336,067,139
Restricted:				
Non-major Special Revenue:				
Community development.....	9,892,141		9,892,141	
Community enrichment and development.....	985,912		985,912	
Drug forfeiture.....	176,793		176,793	
Emergency medical services.....	1,436,686		1,436,686	
Health care services.....	1,936,334		1,936,334	
Planning-solid waste activities.....	326,815		326,815	
Senior services.....	3,864,610		3,864,610	
Social services.....	233,601		233,601	
Retirement of delinquent tax notes payable.....		9,391,660	9,391,660	
Parks & recreation non expendable.....		785,953	785,953	
Programs.....				28,654,696
Debt service.....				3,755,956
Unrestricted.....	41,178,928	2,783,554	43,962,482	71,179,685
Total net assets	\$ 124,612,703	\$ 16,934,062	\$ 141,546,765	\$ 439,657,476

The notes to the financial statements are an integral part of this statement

**STATEMENT OF ACTIVITIES - GOVERNMENTAL, BUSINESS-TYPE,
AND COMPONENT UNITS
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

GENESEE COUNTY

Exhibit A-2

Functions/Programs	Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions
Primary government:			
Governmental activities:			
Legislative.....	\$ 628,524	\$ 103,791	
Management and planning.....	7,574,679	4,741,877	\$ 1,222,771
Administration of justice.....	37,138,790	6,931,157	6,697,772
Law enforcement and community protection.....	33,125,467	1,663,333	5,039,210
Human services.....	265,888,570	126,176,244	87,093,244
Community enrichment and development.....	19,144,172	2,193,851	5,620,074
General support services.....	84,645		
Interest on long-term debt.....	1,194,751		
Total governmental activities	364,779,598	141,810,253	105,673,071
Business-type Activities:			
Commissary.....	354,096	530,954	
Delinquent Tax.....	4,147,737	11,492,245	
Parks and Recreation Enterprise.....	1,282,486	282,369	
Parking Meter.....	71,042	92,318	
Total business-type activities	5,855,361	12,397,886	0
Total primary government	\$ 370,634,959	\$ 154,208,139	\$ 105,673,071
Component units:			
Road Commission.....	\$ 39,277,476	\$ 10,622,855	\$ 25,798,623
Water and Waste Services.....	46,082,199	50,002,564	
Economic Development Corporation.....	38,249		
Drains.....	5,218,705	1,058,644	100,000
Land Bank Authority.....	15,848,270	4,010,700	5,890,018
Brownfield Authority.....	512,368	298,967	282,000
Storm Water Management System.....	237,008		366,225
Total Component Units	\$ 107,214,275	\$ 65,993,730	\$ 32,436,866
General Revenues:			
Current property taxes.....			
State liquor tax.....			
State cigarette tax.....			
Sale of tax credits.....			
Use of money and investments.....			
Other unrestricted intergovernmental revenues.....			
Other unrestricted revenues.....			
Unrestricted contributions.....			
Transfers.....			
Total general revenues and transfers.....			
Change in net assets.....			
Net assets - beginning - as restated.....			
Net assets - ending.....			

The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Assets Primary Government				
Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Component Units
	\$ (524,733)		\$ (524,733)	
	(1,610,031)		(1,610,031)	
	(23,509,861)		(23,509,861)	
	(26,422,924)		(26,422,924)	
	(52,619,082)		(52,619,082)	
	(11,330,247)		(11,330,247)	
	(84,645)		(84,645)	
	(1,194,751)		(1,194,751)	
0	(117,296,274)	\$ 0	(117,296,274)	\$ 0
		176,858	176,858	
		7,344,508	7,344,508	
		(1,000,117)	(1,000,117)	
		21,276	21,276	
0	0	6,542,525	6,542,525	0
\$ 0	(117,296,274)	6,542,525	(110,753,749)	0
				(2,855,998)
\$ 29,853,229				33,773,594
				(38,249)
1,625,768				(2,434,293)
				(5,947,552)
3,189,224				3,257,823
				129,217
\$ 34,668,221				25,884,542
	73,570,141		73,570,141	
	2,377,680		2,377,680	
	72,008		72,008	
				10,456,819
	614,576	18,635	633,211	2,123,894
	13,669,465		13,669,465	122,489
	9,503,826		9,503,826	
				1,773,181
	5,628,063	(5,628,063)		
	105,435,759	(5,609,428)	99,826,331	14,476,383
	(11,860,515)	933,097	(10,927,418)	40,360,925
	136,473,218	16,000,965	152,474,183	399,296,551
	\$ 124,612,703	\$ 16,934,062	\$ 141,546,765	\$ 439,657,476

BALANCE SHEET - ASSETS
GOVERNMENTAL FUNDS

GENESEE COUNTY

Exhibit A-3-1

	General	Mental Health
Cash and cash equivalents - Note C.....	\$ 14,278,247	\$ 34,453,285
Current and delinquent taxes receivable.....		
Investments - Note C.....	442,213	351,625
Interest and accounts receivable.....	1,662,883	1,197,996
Due from other governmental units.....	20,014,704	137
Due from other county funds -- Note L.....		
Due from component unit -- Note L.....		
Inventory.....		
Prepayments.....	174,717	961,563
Other assets.....		
Deposits and employee advances.....	375,813	
Long term advance to component unit.....	500,000	
Long-term advances.....	2,467,093	
	<u>39,915,670</u>	<u>36,964,606</u>
TOTAL ASSETS	<u>\$ 39,915,670</u>	<u>\$ 36,964,606</u>

The notes to the financial statements are an integral part of this statement.

September 30, 2011

County Health	Community Action Resource Department	Tax Note Repayment	Other Governmental Funds	Total Governmental Funds
\$ 733,748	\$ 14,499	\$ 4,920,551	\$ 13,816,742	\$ 53,938,825
				14,278,247
			8,621,001	8,621,001
72,574			8,498,045	9,364,457
835,759	8,629,653		9,149,168	21,475,459
473,279	1,584,916	15,345,256	314,179	37,732,471
			182,283	182,283
	453,117		1,758,904	2,212,021
			465,020	1,601,300
83,599	32,168		16,151	131,918
1,711				377,524
			1,850,000	2,350,000
				2,467,093
<u>\$ 2,200,670</u>	<u>\$ 10,714,353</u>	<u>\$ 20,265,807</u>	<u>\$ 44,671,493</u>	<u>\$ 154,732,599</u>

BALANCE SHEET - LIABILITIES AND FUND EQUITIES

GOVERNMENTAL FUNDS

GENESEE COUNTY

Exhibit A-3-2

	General	Mental Health
Accounts payable.....	\$ 455,780	\$ 7,976,161
Tax anticipation notes payable.....		
Accrued payroll.....	796,039	
Other accrued liabilities and deposits.....	0	678,423
Due to other governmental units.....	5,995	3,227,988
Due to other county funds -- Note L.....	20,989,373	304,663
Due to component unit -- Note L.....		
Deferred revenue.....	5,859,098	7,075,045
TOTAL LIABILITIES	28,106,285	19,262,280
Fund equities:		
Fund balances - Notes F, G and S:		
Nonspendable.....	3,141,810	961,563
Restricted.....		
Committed.....		
Assigned.....	1,000,000	16,740,763
Unassigned.....	7,667,575	
TOTAL FUND EQUITIES	11,809,385	17,702,326
TOTAL LIABILITIES AND FUND EQUITIES	\$ 39,915,670	\$ 36,964,606

The notes to the financial statements are an integral part of this statement.

September 30, 2011

County Health	Community Action Resource Department	Tax Note Repayment	Other Governmental Funds	Total Governmental Funds
\$ 248,574	\$ 4,946,436	\$ 20,199,000	\$ 3,312,559	\$ 16,939,510
220,053	942,558		592,509	2,551,159
442,428			112,647	791,070
462,325	3,509,924	66,807	984,729	4,661,140
			6,865,714	32,198,806
			450,000	450,000
809,658	78,923		13,998,301	27,821,025
2,183,038	9,477,841	20,265,807	26,316,459	105,611,710
	453,117		2,473,703	7,030,193
			13,168,565	13,168,565
			84,974	84,974
17,632	783,395		6,973,075	25,514,865
17,632	1,236,512	0	(4,345,283)	3,322,292
			18,355,034	49,120,889
<u>\$ 2,200,670</u>	<u>\$ 10,714,353</u>	<u>\$ 20,265,807</u>	<u>\$ 44,671,493</u>	<u>\$ 154,732,599</u>

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS

GENESEE COUNTY

Exhibit A-3-3

September 30, 2011

Fund balances of governmental funds	\$ 49,120,889
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds	90,260,955
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds:	
Property taxes	5,805,822
Grant receivable	12,513,892
Rental income from component units	1,850,000
Net assets held in internal service funds are classified as held for governmental activities but are not reported in the funds. This amount is the net assets exclusive of capital assets and long term debt which are reported elsewhere in this reconciliation	8,967,813
Net opeb asset	3,939,769
Net opeb liability	(13,191,307)
Long term liabilities, including long term notes, bonds payable and accrued interest payable are not due in the current period, and therefore, are not reported in the funds	<u>(34,655,130)</u>
Net assets of governmental activities	<u>\$ 124,612,703</u>

The notes to the financial statements are an integral part of this statement.

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS**

GENESEE COUNTY

Exhibit A-4

	General	Mental Health
Revenues:		
Taxes--Note H.....	\$ 31,720,399	\$
Licenses and permits.....	710,633	
Fines and forfeitures.....	1,631,530	
Use of money and property.....	79,173	2,782
Federal grants--Note G.....	137,971	4,702,301
State grants--Note G.....		16,606,177
Other intergovernmental revenues.....	16,394,881	
Charges for services.....	8,417,660	122,150,484
Other.....	577,335	1,217,538
TOTAL REVENUES	59,669,582	144,679,282
Expenditures:		
Current operations:		
Legislative.....	1,077,329	
Management and planning.....	8,344,975	
Administration of justice.....	23,410,713	
Law enforcement and community protection.....	24,992,692	
Human services.....	1,695,188	144,826,385
Community enrichment and development.....	0	
General support services.....	154,581	
Other.....	1,956,844	
Capital outlay.....	76,184	291,346
Debt service:		
Principal payments.....		
Interest.....		
TOTAL EXPENDITURES	61,708,506	145,117,731
REVENUES OVER(UNDER) EXPENDITURES	(2,038,924)	(438,449)
Other financing sources (uses):		
Issuance of general obligation bonds.....		
Transfers-In.....	24,477,120	3,414,365
Transfers-Out.....	(21,609,838)	
TOTAL OTHER FINANCING SOURCES(USES)	2,867,282	3,414,365
NET CHANGE IN FUND BALANCES	828,358	2,975,916
Fund balance at beginning of year - as restated.....	10,981,027	14,726,410
FUND BALANCE AT END OF YEAR	\$ 11,809,385	\$ 17,702,326

The notes to the financial statements are an integral part of this statement.

Fiscal Year Ended September 30, 2011

County Health	Community Action Resource Department	Tax Note Repayment	Other Governmental Funds	Total Governmental Funds
\$	\$	\$	\$	\$
1,009,103		17,967,040	25,912,217	75,599,656
			107,371	1,827,107
			191,044	1,822,574
		853	357,079	439,887
5,970,111	28,838,766		33,635,850	73,284,999
2,367,687	973,871		11,242,057	31,189,792
643,703			2,634,903	19,673,487
200,616			4,997,743	135,766,503
1,501,259	699,901		3,035,833	7,031,866
<u>11,692,479</u>	<u>30,512,538</u>	<u>17,967,893</u>	<u>82,114,097</u>	<u>346,635,871</u>
				1,077,329
				8,344,975
			13,382,969	36,793,682
			11,146,336	36,139,028
14,850,414	33,774,319		50,274,555	245,420,861
			13,284,627	13,284,627
				154,581
		19,000	6,049,781	8,025,625
4,223	568,275		6,497,403	7,437,431
			1,899,500	1,899,500
			1,194,751	1,194,751
<u>14,854,637</u>	<u>34,342,594</u>	<u>19,000</u>	<u>103,729,922</u>	<u>359,772,390</u>
<u>(3,162,158)</u>	<u>(3,830,056)</u>	<u>17,948,893</u>	<u>(21,615,825)</u>	<u>(13,136,519)</u>
				9,015,784
3,487,810	3,908,083		25,760,380	61,047,758
(1,817,769)	(427,762)	(18,047,283)	(15,571,791)	(57,474,443)
<u>1,670,041</u>	<u>3,480,321</u>	<u>(18,047,283)</u>	<u>19,204,373</u>	<u>12,589,099</u>
(1,492,117)	(349,735)	(98,390)	(2,411,452)	(547,420)
1,509,749	1,586,247	98,390	20,766,486	49,668,309
<u>\$ 17,632</u>	<u>\$ 1,236,512</u>	<u>\$ 0</u>	<u>\$ 18,355,034</u>	<u>\$ 49,120,889</u>

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

GENESEE COUNTY

Exhibit A-5

Fiscal Year Ended September 30, 2011

Net change in fund balances--total governmental funds \$ (547,420)

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

Governmental funds report capital outlay as expenditures, however, in the statement of activities the cost of assets is allocated over their useful lives and reported as depreciation expense. Details of the difference are:

-Capital outlay	9,466,594
-Depreciation expense	(3,810,132)
Increase in net opeb asset	2,735,502
Increase in net opeb liability	(9,327,087)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	(169,301)
Change in accrued interest	(187,004)
Bond proceeds provide financial resources in governmental funds, but not in the statement of activities	(9,015,784)
The payment of principal on long-term debt consumes current financial resources of the governmental funds. However, on the statement of net assets, repayment of principal are recorded as a reduction to long-term debt payable and do not have any effect on net assets	1,899,500
The activities of the internal service funds are considered part of governmental activities on the statement of changes in net assets but are not reported in the funds	<u>(2,905,383)</u>

Change in net assets of governmental activities \$ (11,860,515)

The notes to the financial statements are an integral part of this statement.

BALANCE SHEET--PROPRIETARY FUNDS

GENESEE COUNTY

Exhibit A-6

		<u>Business Type Activities -</u>
		<u>Delinquent Taxes</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents.....	\$	10,565,358
Investments.....		5,212,979
Current and delinquent property taxes receivable, less allowance for uncollectibles of \$1,116,143		48,456,957
Interest and accounts receivable, less allowance \$2,994,243.....		4,729,476
Due from other governmental units.....		3,148,613
Due from other county funds.....		1,138,572
Due from component unit.....		919,221
Supplies inventory.....		
Prepayments.....		
		<u>74,171,176</u>
TOTAL CURRENT ASSETS		
CAPITAL ASSETS		
Construction in progress.....		
Land.....		2,783,818
Land improvements.....		
Buildings and improvements.....		
Equipment.....		507,486
		<u>3,291,304</u>
TOTAL CAPITAL ASSETS		
Less allowances for depreciation.....		241,966
		<u>3,049,338</u>
TOTAL CAPITAL ASSETS, NET		
TOTAL ASSETS	\$	<u><u>77,220,514</u></u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable.....	\$	892,129
Accrued payroll.....		
Other accrued liabilities and deposits.....		494,565
Due to other governmental units.....		5
Due to other County funds.....		10,625,016
Due to component unit.....		282,000
Long-term advance.....		
Compensated absences.....		
Current portion of notes/bonds payable.....		20,652,792
		<u>32,946,507</u>
TOTAL CURRENT LIABILITIES		
LONG-TERM DEBT		
Net OPEB obligation.....		49,227
General and workers compensation claim Liability.....		
Notes/bonds payable exclusive of current portion.....		30,000,000
		<u>30,049,227</u>
TOTAL LONG-TERM DEBT		
TOTAL LIABILITIES		<u><u>62,995,734</u></u>
NET ASSETS:		
Restricted for:		
Retirement of delinquent tax notes payable.....		9,391,660
Parks & recreation non expendable.....		
Capital improvement.....		
Invested in capital assets net of related debt.....		3,049,338
Unrestricted.....		1,783,782
		<u>14,224,780</u>
TOTAL NET ASSETS		
TOTAL LIABILITIES AND NET ASSETS	\$	<u><u>77,220,514</u></u>

The notes to the financial statements are an integral part of this statement.

September 30, 2011		Governmental Activities- Internal Service Funds
Enterprise Funds		
Non-Major Enterprise Funds	Total	
\$ 1,065,127	\$ 11,630,485	\$ 3,621,014
785,954	5,998,933	7,317,260
	48,456,957	
	4,729,476	638,679
	3,148,613	102,182
	1,138,572	4,805,180
	919,221	
31,625	31,625	138,141
51,586	51,586	1,450,435
1,934,292	76,105,468	18,072,891
		34,385
718,188	3,502,006	233,663
3,074,493	3,074,493	
1,181,215	1,181,215	2,230,183
3,756,172	4,263,658	11,203,623
8,730,068	12,021,372	13,701,854
7,709,011	7,950,977	10,069,445
1,021,057	4,070,395	3,632,409
\$ 2,955,349	\$ 80,175,863	\$ 21,705,300
\$ 6,848	\$ 898,977	\$ 762,719
9,095	9,095	358,999
54,641	549,206	
	5	162,546
21,004	10,646,020	831,397
	282,000	
		2,467,093
		4,522,324
25,500	20,678,292	1,000,000
117,088	33,063,595	10,105,078
56,980	106,207	
		2,967,158
72,000	30,072,000	1,974,156
128,980	30,178,207	4,941,314
246,068	63,241,802	15,046,392
	9,391,660	
785,953	785,953	
		3,655
923,557	3,972,895	3,632,409
999,771	2,783,553	3,022,844
2,709,281	16,934,061	6,658,908
\$ 2,955,349	\$ 80,175,863	\$ 21,705,300

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS--PROPRIETARY FUNDS

GENESEE COUNTY

Exhibit A-7

		<u>Fiscal</u>
		<u>Business</u>
		<u>Delinquent</u>
		<u>Taxes</u>
Operating revenues:		
Charges for sales and services.....	\$	11,492,245
Ticket, permit & concession sales.....		
State revenue.....		
TOTAL OPERATING REVENUES		<u>11,492,245</u>
Operating expenses:		
Salaries and fringe benefits.....		456,642
Supplies and other operating expenses.....		2,824,285
Depreciation.....		101,137
TOTAL OPERATING EXPENSES		<u>3,382,064</u>
OPERATING INCOME (LOSS)		<u>8,110,181</u>
Non-operating revenues (expenses):		
Investment earnings.....		18,623
Interest expense.....		(765,674)
Income for capital projects.....		
Gain (loss) on investment.....		
Gain (loss) on sale of property and equipment.....		
Contribution to Component Units-Land Bank Authority & Brownfield.....		(1,446,750)
TOTAL NON-OPERATING REVENUES (EXPENSES)		<u>(2,193,801)</u>
INCOME (LOSS) BEFORE TRANSFERS		<u>5,916,380</u>
Transfers-in.....		
Transfers-out.....		(4,497,207)
TOTAL TRANSFERS		<u>(4,497,207)</u>
CHANGE IN NET ASSETS		<u>1,419,173</u>
Net assets at beginning of year.....		12,805,607
NET ASSETS AT END OF YEAR	\$	<u><u>14,224,780</u></u>

The notes to the financial statements are an integral part of this statement.

Year Ended September 30, 2011		Governmental
Type Activities - Enterprise Funds		Activities-
Non-Major		Internal
Enterprise		Service
Funds	Total	Funds
\$	\$	\$
	11,492,245	27,854,725
905,641	905,641	
905,641	12,397,886	27,854,725
558,364	1,015,006	6,177,748
603,029	3,427,314	21,263,551
526,143	627,280	4,255,007
1,687,536	5,069,600	31,696,306
(781,895)	7,328,286	(3,841,581)
12	18,635	213,553
(20,088)	(785,762)	
		3,655
		(146,276)
		214,662
	(1,446,750)	
(20,076)	(2,213,877)	285,594
(801,971)	5,114,409	(3,555,987)
530,372	530,372	902,604
(214,478)	(4,711,685)	(252,000)
315,894	(4,181,313)	650,604
(486,077)	933,096	(2,905,383)
3,195,358	16,000,965	9,564,291
\$ 2,709,281	\$ 16,934,061	\$ 6,658,908

STATEMENT OF CASH FLOWS- PROPRIETARY FUNDS

GENESEE COUNTY

Exhibit A-8

	<u>Business Type</u>
	<u>Delinquent Taxes</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from customers.....	\$ 49,896,518
Cash payment for delinquent taxes.....	(36,499,112)
Cash payments to suppliers for goods and services.....	(3,711,126)
Cash payments to employees for services.....	
Cash payment to other funds.....	
Other operating revenues.....	(127,059)
NET CASH PROVIDED (USED) FOR OPERATING ACTIVITIES	<u>9,559,221</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Borrowing under delinquent tax notes payable.....	44,000,000
Repayments under delinquent tax notes payable.....	(48,798,500)
Interest paid on delinquent tax notes payable.....	(1,072,374)
Advances (repayments) to other governmental units, County units and funds.....	12,658,027
Transfer to component unit.....	(1,446,750)
Transfers-in from other funds.....	
Transfers-out to other funds.....	(4,497,207)
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	<u>843,196</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Acquisition and construction of capital assets.....	(4,150)
Principal paid on long-term debt.....	
Interest paid on long-term debt.....	
Proceeds from sale of long-term debt.....	
NET CASH PROVIDED BY (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(4,150)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of investment securities.....	(51,502,716)
Proceeds from sale and maturities of investment securities.....	48,800,000
Interest and dividends on investments earnings (loss).....	18,623
NET CASH PROVIDED BY (USED FOR) IN INVESTING ACTIVITIES	<u>(2,684,093)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	7,714,174
Cash and cash equivalents at beginning of year.....	2,851,184
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 10,565,358</u>
RECONCILIATION OF OPERATING INCOME(LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:	
Operating income(loss).....	\$ 8,110,181
Adjustments to reconcile operating income(loss) to net cash provided by (used for) operating activities:	
Depreciation.....	101,137
Provision for uncollectible accounts.....	(19,275)
Change in assets and liabilities:	
(Increase) decrease in current and delinquent property taxes receivable.....	820,206
(Increase) decrease in interest and accounts receivable.....	977,171
(Increase) decrease in due from other funds.....	
(Increase) decrease in supplies inventory.....	
Increase in net OPEB liability.....	33,520
(Increase) decrease in prepayment and other current assets.....	
Increase (decrease) in accounts payable and related items.....	(463,719)
Increase (decrease) in accrued payroll.....	
Increase (decrease) in other accrued liabilities and deposits.....	
Net cash provided by (used for) operating activities.....	<u>\$ 9,559,221</u>
Noncash investing activities - increase in fair value of investments.....	

The notes to the financial statements are an integral part of this statement.

Fiscal Year Ended September 30, 2011		Governmental	
Activities - Enterprise Funds		Activities-	
Non-Major		Internal	
Enterprise		Service	
Funds	Total	Funds	
\$ 905,641	\$ 50,802,159	\$ 29,518,056	
	(36,499,112)		
(612,820)	(4,323,946)	(25,013,644)	
(520,541)	(520,541)	(7,749,798)	
0	0		
	(127,059)		
(227,720)	9,331,501	(3,245,386)	
	44,000,000		
	(48,798,500)		
	(1,072,374)		
689,294	13,347,321	4,452,173	
	(1,446,750)		
530,372	530,372	650,604	
(214,478)	(4,711,685)	0	
1,005,188	1,848,384	5,102,777	
	(4,150)	(2,844,164)	
(40,500)	(40,500)	752,785	
(6,839)	(6,839)		
5,558	5,558		
(41,781)	(45,931)	(2,091,379)	
	(51,502,716)	(5,768,035)	
	48,800,000	7,211,479	
(6,354)	12,269	213,553	
(6,354)	(2,690,447)	1,656,997	
729,333	8,443,507	1,423,009	
335,794	3,186,978	1,979,688	
\$ 1,065,127	\$ 11,630,485	\$ 3,402,697	
\$ (781,895)	\$ 7,328,286	\$ (3,841,582)	
526,147	627,284	4,255,007	
	(19,275)		
	820,206		
	977,171	2,016,069	
0	0		
		(16,037)	
	33,520		
0	0	(807,988)	
(16,421)	(480,140)	(102,083)	
3,729	3,729	(1,572,050)	
5,610	5,610	(3,176,722)	
(262,830)	9,296,391	(3,245,386)	

GENESEE COUNTY EMPLOYEES' FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS

GENESEE COUNTY

Exhibit A-9

	September 30, 2011	
	Total Pension and Employee Fringe Benefit (VEBA) Trust Fund	Agency Funds
ASSETS		
Cash and short-term cash investments.....	\$ 14,757,802	\$ 21,913,788
Cash and inv. held as collateral for securities lending.....	35,535,475	
TOTAL CASH AND CASH EQUIVALENTS	50,293,277	21,913,788
Receivables:		
Prepaid expenses.....	157,746	651
Other receivables.....	157,609	39,294
Accrued interest and dividends.....	1,592,371	
TOTAL RECEIVABLES	1,907,726	39,945
Investments at fair value:		
U.S. Government securities.....	46,134,111	
Foreign Govts. and Agencies.....	95,822,238	
Corporate bonds.....	89,499,137	
Common stocks.....	116,905,034	
Preferred stocks.....	4,238,023	
Money market.....	1,945,964	
Mutual funds.....	67,727,763	
Real Estate.....	20,439,662	
Hedge fund-of funds.....	13,356,114	
TOTAL INVESTMENTS	456,068,046	
TOTAL ASSETS	508,269,049	21,953,733
LIABILITIES		
Accounts payable.....	9,646,638	21,953,733
IBNR liability.....	475,612	
Amounts due broker under securities lending agreement.....	35,535,475	
TOTAL LIABILITIES	45,657,725	21,953,733
NET ASSETS		
Held in trust for pension benefits and other purposes.....	\$ 462,611,324	\$

The notes to the financial statements are an integral part of this statement.

GENESEE COUNTY **STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**

GENESEE COUNTY

Exhibit A-10

	Fiscal Year Ended September 30, 2011
	Total Pension and Employee Benefit Trust Fund
ADDITIONS	
Contributions:	
Employer.....	\$ 21,739,306
Plan members.....	3,026,725
Total contributions.....	24,766,031
Investment earnings:	
Net increase	
in fair value of investments.....	48,915,457
Interest.....	5,862,851
Dividends.....	2,527,134
Total investment earnings.....	57,305,442
Less investment expense.....	1,949,713
Net investment earnings.....	55,355,729
Total additions.....	80,121,760
Securities lending income:	
Interest and fees.....	72,252
Less borrower rebates and bank fees.....	(9,496)
Net securities lending income.....	62,756
Total additions	80,184,516
DEDUCTIONS	
Benefits.....	48,651,904
Refunds of contributions.....	136,580
Administrative expenses.....	437,163
Transfer to other pensions plans.....	3,209,943
Total deductions.....	52,435,590
Change in net assets.....	27,748,926
Net assets-beginning of the year.....	434,862,398
Net assets- end of the year.....	\$ 462,611,324

STATEMENT OF NET ASSETS COMPONENT UNITS

GENESEE COUNTY

Exhibit A-11

	Road Commission 9/30/11	Water and Waste Services 12/31/10
ASSETS		
Cash and cash equivalents.....	\$ 18,708,726	\$ 6,590,256
Investments.....	15,001,114	
Special Assessments and Lease Receivable.....	8,144,830	33,255,000
Interest and accounts receivable.....	28,748	10,389,428
Due from other governmental units.....	8,261,950	1,506,725
Due from component unit Brownfield Authority.....		
Due from primary government.....		
Advances to other funds.....		
Inventory.....	1,308,268	43,299
Prepayments.....	246,235	223,229
Unamortized cost of issuance.....		493,857
Other assets.....		
Restricted Assets:		
Cash and cash equivalents.....	6,915,128	6,433,109
Local unit construction in progress.....		466,442
Note receivable.....		
Investment in joint venture.....		
Intangible assets - Net.....		
Capital assets not being depreciated.....	968,825	70,514,893
Capital assets net of depreciation.....	169,411,372	239,750,192
TOTAL ASSETS	228,995,196	369,666,430
LIABILITIES		
Accounts payable.....	2,905,777	3,165,205
Accrued payroll.....		
Other accrued liabilities and deposits.....	614,594	
Accrued interest payable.....		
Due to other governmental units.....	36	254,880
Due to Primary Government.....		
Due to component unit Land Bank Authority.....		
Advances from other funds.....		
Unamortized note premium.....		409,707
Unearned revenue.....	1,845,413	439,770
Payable from restricted assets:		
Accounts payable.....	515,892	6,281,470
Accrued interest.....		
Capital leases.....		
Long-term advance from primary government.....		
Net OPEB obligation.....	1,361,831	3,188,211
Current portion debt.....	2,433,286	9,375,000
Long-term debt.....	14,763,413	160,036,610
TOTAL LIABILITIES	24,440,242	183,150,853
NET ASSETS		
Invested in capital assets - Net of related debt.....	154,274,266	176,961,290
Restricted for:		
Programs.....		
Debt service.....		3,695,340
Unrestricted (deficit).....	50,280,688	5,858,947
TOTAL NET ASSETS	\$ 204,554,954	\$ 186,515,577

Economic Development Corporation 12/31/10	Drains 9/30/11	Land Bank Authority 9/30/11	Brownfield Authority 09/30/11	Storm Water Management System 09/30/11	Total
\$ 625,599	\$ 2,654,039	\$ 153,339	\$ 38,303	\$ 553,167	\$ 29,323,429
	200,950		1,035,000		16,237,064
	2,931,328	3,193,563			47,524,721
435,328		212,135	3,261,694		14,327,333
		1,383,430		23,044	11,175,149
		299,276			299,276
		450,000	282,000		732,000
		1,561,706			1,561,706
	55,585	2,013,786			3,420,938
70		3,598			473,132
					493,857
		14,077			14,077
		60,616			13,408,853
	129,744				596,186
		17,915,518			17,915,518
		36,644			36,644
		84,308			71,568,026
	25,590,368	8,321,697			443,073,629
<u>1,060,997</u>	<u>31,562,014</u>	<u>35,703,693</u>	<u>4,616,997</u>	<u>576,211</u>	<u>672,181,538</u>
6,374	23,618	448,360	225,000	39,042	6,813,376
	7,475				7,475
	17,404	149,527			781,525
	21,930		258,500		280,430
					254,916
		1,101,504			1,101,504
			299,276		299,276
		1,151,374			1,151,374
			424,679		834,386
		460,322			2,745,505
	6,680				6,804,042
					0
	500,000	1,850,000			2,350,000
					4,550,042
	1,031,091	430,238	110,000		13,379,615
	879,826	2,780,746	12,710,000		191,170,595
<u>6,374</u>	<u>2,488,024</u>	<u>8,372,071</u>	<u>14,027,455</u>	<u>39,042</u>	<u>232,524,061</u>
		4,831,583			336,067,139
969,516	25,720,111	1,427,900		537,169	28,654,696
		60,616			3,755,956
85,107	3,353,878	21,011,523	(9,410,458)		71,179,685
<u>\$ 1,054,623</u>	<u>\$ 29,073,989</u>	<u>\$ 27,331,622</u>	<u>\$ (9,410,458)</u>	<u>\$ 537,169</u>	<u>\$ 439,657,476</u>

STATEMENT OF ACTIVITIES COMPONENT UNITS

GENESEE COUNTY

Exhibit A-12

	Program Revenues				Road Commission 9/30/11
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Component units:					
Road Commission.....	\$ 39,277,476	\$ 10,622,855	\$ 25,798,623	\$	\$ (2,855,998)
Water and Waste Services.....	46,082,199	50,002,564		29,853,229	
Economic Development Corporation..	38,249				
Drains.....	5,218,705	1,058,644	100,000	1,625,768	
Land Bank Authority.....	15,848,270	4,010,700	5,890,018		
Brownfield Authority.....	512,368	298,967	282,000	3,189,224	
Storm Water Management System....	237,008		366,225		
Total Component Units	<u>\$ 107,214,275</u>	<u>\$ 65,993,730</u>	<u>\$ 32,436,866</u>	<u>\$ 34,668,221</u>	<u>(2,855,998)</u>
Revenues:					
Taxes.....					
Use of money and investments.....					620,058
Other intergovernmental revenues.....					
Sale of tax credits.....					
Unrestricted contributions.....					12,149
Total general revenues and transfers.....					<u>632,207</u>
Change in net assets.....					(2,223,791)
Net assets - beginning - as restated.....					206,778,745
Net assets - ending (deficit).....					<u>\$ 204,554,954</u>

The notes to the financial statements are an integral part of this statement.

**Net (Expense) Revenue and
Changes in Net Assets**

Component Units						
Water and Waste Services 12/31/10	Economic Development Corporation 12/31/10	Drains 09/30/11	Land Bank Authority 9/30/11	Brownfield Authority 09/30/11	Storm Water Management System 09/30/11	Total
\$ 33,773,594	\$ (38,249)	\$ (2,434,293)	\$ (5,947,552)	\$ 3,257,823	\$ 129,217	\$ (2,855,998)
					129,217	33,773,594
					129,217	(38,249)
						(2,434,293)
						(5,947,552)
						3,257,823
						129,217
<u>33,773,594</u>	<u>(38,249)</u>	<u>(2,434,293)</u>	<u>(5,947,552)</u>	<u>3,257,823</u>	<u>129,217</u>	<u>25,884,542</u>
1,493,638	5,732	1,303	1,576	876	711	2,123,894
	25,000	81,820	15,669			122,489
			10,456,819			10,456,819
670,596	500		1,089,936			1,773,181
<u>2,164,234</u>	<u>31,232</u>	<u>83,123</u>	<u>11,564,000</u>	<u>876</u>	<u>711</u>	<u>14,476,383</u>
35,937,828	(7,017)	(2,351,170)	5,616,448	3,258,699	129,928	40,360,925
150,577,749	1,061,640	31,425,159	21,715,174	(12,669,157)	407,241	399,296,551
<u>\$ 186,515,577</u>	<u>\$ 1,054,623</u>	<u>\$ 29,073,989</u>	<u>\$ 27,331,622</u>	<u>\$ (9,410,458)</u>	<u>\$ 537,169</u>	<u>\$ 439,657,476</u>

NOTES TO FINANCIAL STATEMENTS

GENESEE COUNTY

EXHIBIT A-13

NOTE A – DESCRIPTION OF COUNTY OPERATIONS, REPORTING ENTITY, AND FUND TYPES

The County of Genesee, Michigan was incorporated on March 18, 1835 and covers an area of approximately 642 square miles with the county seat located in the City of Flint. The County operates under an elected Board of Commissioners (9 members) and provides services to its more than 436,000 residents in many areas including law enforcement, administration of justice, community enrichment and development, and human services. Education services are provided to citizens through more than 198 schools in 21 local school districts, 5 colleges, and a district library; such districts, colleges, and library are separate governmental entities whose financial statements are not included herein, in accordance with The Governmental Accounting Standards Board Codification Section 2100.

As required by generally accepted accounting principles, these financial statements represent Genesee County (the primary government) and its component units. The component units discussed below are included in the County's reporting entity because of the significance of their operational or financial relationships with the County.

Blended Component Units:

Genesee County Building Authority - Legally separate entity established for the sole purpose of issuing bonded debt to finance construction of County buildings. The entire Building Authority is appointed by the County Board of Commissioners.

Genesee County Employees Retirement System - Legally separate entity established to account for employee and employer contributions, investment income, accumulated assets and payments to beneficiaries. The Pension board has five ex-official Commissioners due to their positions held in the county and four elected employee Commissioners, with services provided almost exclusively for the County and its employees. The Retirement System has a calendar fiscal year end. It was determined by the County that it would be extremely impractical for the Retirement System to change to a September 30th, fiscal year end.

Land Reutilization Council, Inc. – Legally separate entity, which is reported as if it were part of the primary government because its primary purpose is to account for real property obtained via property tax foreclosure procedures within Genesee County. The Council is appointed by the County Board of Commissioners.

Discretely Presented Component Units:

Genesee County Road Commission - An entity responsible for constructing and maintaining the primary and local road system within the County. Its three-member board is appointed by the County Board. The County Board can significantly influence the operations of the Road Commission Board.

Water and Waste Services - An entity established by the County pursuant to State law to provide for water and waste management services. The County appoints the lone board member/member-director and has the ability to remove the manager-director if they so choose. Water and Waste Services has a calendar year. The County has determined that it would be impractical for Water and Waste Services to change to a September 30th, fiscal year end.

Economic Development Corporation - An entity responsible for the administration of the Revolving Loan Program. This loan program makes low interest loans available to businesses located within Genesee County. The Board of the Economic Development Corporation (EDC) is appointed by the Board of Commissioners. The Board of Commissioners can remove Board members of the EDC if they so choose. The Corporation has a calendar year end. The County has determined that it would be impractical for the EDC to change to a September 30th, fiscal year end.

Drains - These separate legal entities represent drainage districts established pursuant to Act 40, P.A. 1956, as amended, the Michigan Drain Code. The oversight of these districts is the responsibility of the Genesee County Drain Commissioner, an elected position that is funded by Genesee County. The County lends its full faith and credit towards payment of the Special Assessment bonds issued for the projects. The County can significantly influence the operations of the Drain Commission since the County Board of Commissioners approve the Drains budgets.

Genesee County Land Bank Authority – An entity which accounts for the activities of the Authority consisting of acquisition of properties via the delinquent tax state statute sales of property to individuals, commercial entities and nonprofit organizations, rental of properties to individuals, rehabilitation and demolition of properties in preparation for sale or future development. The entity is comprised of seven members appointed by the County Board. The County Board can significantly influence the operations of the Land Bank Authority Board.

Brownfield Authority – An entity governed by a nine-member Board. The Board is appointed by each member of the County Board. The Brownfield Authority was created to provide a means for financing remediation of Brownfield (environmentally contaminated) sites within the County. The County issued bonds to provide capital for the revitalization of environmentally distressed, blighted, and functionally obsolete properties within the County. The County approves and would be secondarily liable for any debt issuances.

Storm Water Management System – An entity established by the County pursuant to Act 342, Public Acts of Michigan, 1939. Genesee County Storm Water Management System is responsible for administration services necessary to enable the County and the cities, villages, townships, and charter townships located within the County to comply with the Phase II Regulations established by the United States Environmental Protection Agency (EPA) in the Federal Register on December 8, 1999. The Drain Commissioner's Office was designated and appointed as the "County Agency" for the System to manage and operate the System.

Complete financial statements of the individual component units (excluding Drains, Brownfield Authority, Building Authority and Land Reutilization Council (LRC), which are included in this financial report) can be obtained from their respective administrative offices.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Government-wide and fund financial statements: The County is following GASB Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis – for State and Local Governments*. The standard requires government-wide and fund financial statements. The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) 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 legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, fiduciary funds, and the component units even though the fiduciary fund statements 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. Revenue is 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 revenue 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.

Revenue recognition policies: Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal period with the exception of the Special Revenue funds Genesee County Community Action Resources Department (GCCARD) and Community Development which are ninety (90) days. 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. Revenues, which are considered measurable, but not available, are recorded as a receivable and deferred revenue. Revenues for 2011 include property taxes levied principally on December 1, 2010 and substantially collected in early 2011. The "2010 property taxes" assessed on December 31, 2010, become a lien on December 1, 2010, and are to be collected principally by February 28, 2011. Also, for the year ended September 30, 2007 the state legislative eliminated state shared revenues to Counties. As a compromise, the legislature allowed counties to move the property tax levy to a July 1 date. As a result, the July 1, 2011 levy is also recognized as revenue for the year ended September 30, 2011 to the extent that it is available. Other significant revenue susceptible to accrual include expenditure reimbursement type grants, certain inter-governmental revenues and operating transfers.

The government 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 Mental Health Fund accounts for the operations of the County's Mental Health services, the main revenue sources are State grants and charges for services.

The County Health Fund accounts for the operations of providing health protection and health services, the main revenue sources are Federal and State grants.

The Community Action Resource Department Fund accounts for the programs designed to provide health and human services to low income individuals, the main revenue source is Federal grants.

The Tax Note Repayment Fund accounts for the funding and payment of principal and interest on tax anticipation notes issued for cash flow for the Genesee County general fund.

The government reports the following major enterprise funds:

The Delinquent Tax Revolving Enterprise Fund accounts for the activities of the delinquent real property tax purchase program whereby the County purchases the outstanding taxes from each local taxing unit. The County, in turn collects those delinquent taxes along with penalties and interest.

The government reports the following fiduciary funds:

The Pension and Employee Fringe Benefit (VEBA) Trust Fund accounts for employee and employer pension contributions, investment income, accumulated assets, and payments to beneficiaries.

NOTES TO FINANCIAL STATEMENTS

GENESEE COUNTY

EXHIBIT A-13

The Trust and Agency Fund accounts for assets held by the County as an agent for individuals, private organizations, other governments, and other funds.

The Employees Fringe Benefits (VEBA) Fund accounts for funds set aside with the intent to accumulate adequate funds to defray part of the cost of retiree medical benefits in future years.

The Employees Qualified Excess Benefit Arrangement (QEBA) Fund provides a mechanism for payment of accrued pension benefits that are in excess of the IRS limits on the amounts that can be paid from the Retirement Fund.

Additionally, the government reports the following fund types:

Internal service funds accounts for various services such as data processing, purchasing, and other administrative services, fleet management, buildings and grounds maintenance, the self funded property/casualty program and the self funded prescription drug and medical program. These services are provided to other County departments on a cost reimbursement basis.

Agency Funds account for assets held by the County in an agency capacity.

Private-sector standards of accounting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with guidance of the Governmental Accounting Standards Board. The government has elected not to follow private-sector guidance issued after November 30, 1989 for its business-type activities.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, the County's policy is to first apply restricted resources. When an expense is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it is the policy to spend funds in this order: restricted, committed, assigned, and unassigned.

Proprietary funds distinguish operating revenue and expenses from non-operating items. Operating revenue 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 revenue of the proprietary funds relate to charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenue and expenses.

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 statement because the resources of those funds are not available to support Genesee County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Employee Vacation: County employees are granted vacation in varying amounts based on length of service. Vacation pay is accrued and fully vested when earned; upon termination, with a few bargaining unit exceptions, employees are paid accumulated vacation at full rates to a limit of 150% of their current annual earned vacation.

Long-Term Advances: Long-term advances from the General Fund to other funds are commonly made to finance new activities during their initial operations. General Fund fund balance is reserved for such advances to reflect the amount of fund balance not currently available for expenditure.

Budgets and Budgetary Accounting: Budgets shown in the financial statements were prepared on the same modified accrual basis used to reflect actual results. The County employs the following procedures in establishing the budgetary data reflected in the financial statements:

- 1) Prior to July 1, County departments, in conjunction with the Controller's Office, prepare and submit their proposed operating budgets for the fiscal year commencing October 1. The operating budget includes proposed expenditures and resources to finance them,
- 2) A public hearing is conducted to obtain taxpayer's comments,
- 3) Prior to September 30, the budget is legally enacted through passage of a resolution,
- 4) After the budget is adopted, the Finance Committee of the Board of Commissioners is authorized to transfer budgeted amounts between accounts within a department. However, any revisions that alter the total expenditures of a department or fund must be approved by the Board of Commissioners,
- 5) Formal budgetary integration is employed as a management control device during the year for the General Fund and the Special Revenue Funds. Formal budgetary integration is not employed for other governmental type funds as effective management control is achieved through alternative procedures.
- 6) Budgets for the General and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted, or as amended by the Board of Commissioners during the year. Individual amendments were not material in relation to the original appropriations, which were amended. Appropriations unused at September 30 are not carried forward to the following year. The budgets for the General and Special Revenue Funds are adopted at the departmental level, and total fund level, respectively. For the Special Revenue Fund budget presentations in Exhibits B3-B4 and D3-D4 more detail is presented than required by the adopted budget.

	<u>Total Revenue</u>	<u>Total Expenditures</u>	<u>Fund Balance</u>
<u>General Fund</u>			
Amounts per operating statement	\$59,669,582	\$61,665,900	\$1,953,713
Animal Shelter Fund budgeted separately from the General Fund		(972,910)	(972,911)
Medical Examiner Fund budgeted separately from the General Fund	(156,635)	(1,443,133)	1,286,498
Amounts per budget statements	<u>\$59,512,947</u>	<u>\$59,249,857</u>	<u>\$ 305,696</u>

Cash and Cash Equivalents: The County considers cash equivalents as short-term highly liquid investments that are both readily convertible to cash and have maturities of ninety days or less when purchased to minimize the risk of changes in value due to interest rate changes.

Investments: Investments are stated at fair values. Fair value is determined based on quoted market prices except for money market funds, which are valued at amortized cost. Unrealized appreciation or depreciation on investments due to changes in market value are recognized in fund operations each year.

Inventories/Prepays: Inventories are stated at cost on a first-in, first-out basis for governmental funds and the lower of cost on a first-in, first-out basis or market for proprietary funds. The cost of inventory items in governmental funds is recorded as an expenditure at the time of purchase, except for the County Road Commission, certain Special Revenue Funds, and the Water and Waste Services component unit where inventories are expensed when used. Inventory in the Land Bank Authority represents land inventory held for resale.

Encumbrances: Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the governmental funds. There were no encumbrances at the end of the year since there were no outstanding amounts due on contracts or other commitments for the current year and the small number of purchase orders that were outstanding at the end of the year were canceled and reissued in the subsequent year.

Restricted Assets: When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

Capital Assets: Capital assets, which include property, plant, equipment, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Interest incurred during the construction of capital assets of business type activities is included as part of the capitalized value of the assets constructed. During the current year, no interest expense was capitalized as part of the cost of assets under construction.

Capital assets are depreciated using the straight-line method over the estimated useful lives of the related assets. The estimated useful lives are:

Land Improvements.....	10 years
Buildings and Improvements	25-50 years
Equipment	3-20 years
Infrastructure	20-50 years

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 assets. Bond premiums and discounts, as well as issuance costs, 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. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. 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 are reported as other financing uses. Issuance costs are reported as debt service expenditures.

Fund Equity: In March 2009, the GASB issued Statement No. 54, Fund Balance Reporting and Governmental Fund-type Definitions. The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund-type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed on the use of the resources reported in governmental funds. Under this standard, the fund balance classifications of reserved, designated, and unreserved/undesignated were replaced with five new classifications – nonspendable, restricted, committed, assigned, and unassigned. The County implemented GASB Statement No. 54 during the year.

NOTES TO FINANCIAL STATEMENTS

GENESEE COUNTY

EXHIBIT A-13

In the fund financial statements, governmental funds report the following components of fund balance:

- Nondisposable – Amounts that are not in spendable form or are legally or contractually required to be maintained intact.
- Restricted – Reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties, constitutional provisions, or enabling legislation for use for a specific purpose.
- Committed – Amounts that have been formally set aside by the Board of Commissioners for use for specific purposes. Commitments are made and can be rescinded only via resolution of the Board.
- Assigned – Intent to spend resources on specific purposes expressed by the Board of Commissioners.
- Unassigned – Amounts not otherwise categorized above and available to be spent for any purpose.

NOTE C – DEPOSITS AND INVESTMENTS

Michigan Compiled Laws Section 129.91 (Public Act 20 of 1943, as amended), authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The local unit is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptances of United States bank; commercial paper rated within the two highest classifications, which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions, which are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

The Pension Trust Fund is also authorized by Michigan Public Act 314 of 1965, as amended, to invest in certain reverse repurchase agreements, stocks, diversified investment companies, annuity investment contracts, real estate leased to public entities, mortgages, real estate, debt or equity of certain small business, certain state and local government obligations and certain other specified investment vehicles. The Employees' Fringe Benefit (VEBA) Fund is authorized by Michigan Public Act 149 of 1999 to invest in similar types of investments as the pension fund. A formal investment policy has not been adopted for the VEBA fund.

State statutes as they relate to group Self-Insurance Pools (Public Act 218 of 1956, as amended) authorizes the Pool to invest in obligations of the U.S. Treasury and U.S. agencies, deposit agreements with federally insured financial institutions within the State of Michigan, commercial paper, common stocks, real estate, repurchase obligations of the U.S. Government and U.S. agencies, banker's acceptances of U.S. banks, common stocks, and mutual funds comprised of the above authorized investments. The Pool has adopted the above as its investment policy and has authorized the following depositories: Citizens Bank and Beacon Investment Company.

The County has designated three banks for the deposit of its funds. The investment policy adopted by the Board in accordance with Public Act 196 of 1997 has authorized investments as allowed under State statutory authority as listed above. The County's cash and investments are subject to several types of risk which are examined in more detail as follows:

Custodial credit risk of bank deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. At year end, the County had \$80,219,390 of bank deposits (certificates of deposit, checking and savings accounts) that were uninsured and uncollateralized. The County believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. Insuring or collateralizing all cash deposits would also result in a significant decrease in the investment returns for the County. Consistent with the investment policy that is prepared by the County Treasurer's Office and approved by the County Board of Commissioners, the County evaluates each financial institution it deposits funds with 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 of investments – 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. The County does not have a policy for custodial credit risk. At year end, the following investment securities were uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the County's name:

<u>Investment Type</u>	<u>Carrying Value</u>	<u>How Held</u>
Commercial paper	\$4,317,000	Counterparty's trust dept
U.S. gov or agency bond or note (insurance trust)	1,795,872	Counterparty's trust dept
Corporate bonds (insurance trust)	1,550,334	Counterparty's trust dept
Corporate stocks (insurance trust)	2,695,268	Counterparty's trust dept
Mutual funds (insurance trust)	287,701	Counterparty's trust dept
U.S. gov or agency bond or note (VEBA)	1,792,921	Counterparty's trust dept
Corporate bonds (VEBA)	12,292,136	Counterparty's trust dept
Corporate stock (VEBA)	23,224,044	Counterparty's trust dept
U.S. gov or agency bond or note (pension)	44,340,207	Counterparty's trust dept
Foreign gov and agency (pension)	95,822,238	Counterparty's trust dept
Corporate bonds (pension)	77,207,001	Counterparty's trust dept
Corporate stocks (pension)	97,919,073	Counterparty's trust dept

Interest rate risk – Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The County's investment policy does not restrict investment maturities, other than commercial paper which can only be purchased with a 270 day maturity. At year end, the average maturities of investments are as follows:

<u>Type of Investment</u>	<u>Fair Value</u>	<u>Less than One Year</u>	<u>1-10 Years</u>	<u>Over ten Years</u>
Commercial paper	\$4,317,000	\$4,317,000	\$	\$
U.S. gov or agency bond or notes (self insurance)	1,795,872	532,699	1,263,173	
Corporate bonds (self insurance)	1,550,334	127,221	1,423,113	
Money market funds (self insurance)	559,208	559,208		
U.S. gov or agency bond or notes (VEBA)	1,792,921		1,792,921	
Corporate bonds (VEBA)	12,578,880	994,345	11,584,535	
Asset backed (pension)	3,064,661			3,064,661
U.S. gov or agency bond or notes (pension)	32,567,344	13,101,523	14,021,308	5,444,513
U.S. gov mortgage backed (pension)	3,677,088			3,677,088
U.S. gov tips	1,031,879		305,775	726,104
Corporate bonds (pension)	84,270,898	924,028	44,891,866	38,455,003
Foreign corporate (pension)	9,064,928		8,263,918	801,010
Foreign gov (pension)	3,795,946		3,451,252	344,694
Private placement (pension)	5,885,579	421,503	2,943,230	2,520,845

Credit risk –Credit risk is the risk that the government will not be able to recover the value of its securities. The County follows state law which limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The County has no investment policy that would further limit its investment choices for general County funds. The pension funds are allowed to invest in longer maturity corporate bonds in accordance with state law. As of year end, the credit quality ratings of debt securities not explicitly guaranteed by the U.S. Government are as follows:

<u>Investment</u>	<u>Fair Value</u>	<u>Rating</u>	<u>Rating Organization</u>
Commercial paper	\$ 817,000	A-1+	S&P
Commercial paper	1,500,000	A-1	S&P
Commercial paper	2,000,000	A-1	S&P
U.S. gov agency securities (self insurance)	545,100	AA+	S&P
U.S. gov agency securities (self insurance)	208,256	A	S&P
Money Market (self insurance)	559,208	AA	S&P
Corporate bonds (self insurance)	183,794	AA+	S&P
Corporate bonds (self insurance)	336,472	A	S&P
Corporate bonds (self insurance)	350,595	A-	S&P
Corporate bonds (self insurance)	206,360	BBB+	S&P
Corporate bonds (self insurance)	345,892	BBB	S&P
Corporate bonds (self insurance)	127,221	BBB-	S&P
Corporate bonds (VEBA)	1,107,361	AA+	S&P
Corporate bonds (VEBA)	539,415	A+	S&P
Corporate bonds (VEBA)	428,549	AA	S&P
Corporate bonds (VEBA)	767,229	A	S&P
Corporate bonds (VEBA)	2,084,314	A-	S&P
Corporate bonds (VEBA)	1,587,913	BBB+	S&P
Corporate bonds (VEBA)	1,596,028	BBB	S&P
Corporate bonds (VEBA)	237,865	BBB-	S&P
Corporate bonds (VEBA)	900,170	BB+	S&P
Corporate bonds (VEBA)	434,125	BB	S&P
Corporate bonds (VEBA)	411,075	BB-	S&P
Corporate bonds (VEBA)	202,628	B+	S&P
Corporate bonds (VEBA)	164,500	B	S&P
Corporate bonds (VEBA)	2,117,708	Not Rated	S&P
Asset backed (pension)	790,839	AAA	S&P
Asset backed (pension)	416,472	AA	S&P
Asset backed (pension)	684,624	A	S&P
Asset backed (pension)	174,830	BBB	S&P
Asset backed (pension)	132,999	BB	S&P
Asset backed (pension)	121,043	B	S&P
Asset backed (pension)	71,971	Not Rated	S&P
Asset backed (pension)	671,882	CCC and Below	S&P
Corporate bonds (pension)	2,535,188	AAA	S&P
Corporate bonds (pension)	2,917,705	AA	S&P
Corporate bonds (pension)	19,868,837	A	S&P
Corporate bonds (pension)	26,995,850	BBB	S&P
Corporate bonds (pension)	11,248,393	BB	S&P
Corporate bonds (pension)	3,225,000	B	S&P
Corporate bonds (pension)	453,423	CCC and Below	S&P

NOTES TO FINANCIAL STATEMENTS

GENESEE COUNTY

EXHIBIT A-13

<u>Investment</u>	<u>Fair Value</u>	<u>Rating</u>	<u>Rating Organization</u>
Corporate bonds (pension)	\$ 1,012,464	Not Rated	S&P
Corporate CMO (pension)	1,495,335	AAA	S&P
Corporate CMO (pension)	584,012	A	S&P
Corporate CMO (pension)	1,412,397	BBB	S&P
Corporate CMO (pension)	51,184	BB	S&P
Corporate CMO (pension)	7,533	B	S&P
Corporate CMO (pension)	1,764,517	CCC and Below	S&P
Corporate CMO (pension)	1,748,919	Not Rated	S&P
Private placements (pension)	104,042	AAA	S&P
Private placements (pension)	129,250	AA	S&P
Private placements (pension)	1,893,186	A	S&P
Private placements (pension)	1,887,972	BBB	S&P
Private placements (pension)	395,899	BB	S&P
Private placements (pension)	470,253	B	S&P
Private placements (pension)	1,004,978	Not Rated	S&P
Foreign corporate bonds (pension)	559,145	AA	S&P
Foreign corporate bonds (pension)	3,108,490	A	S&P
Foreign corporate bonds (pension)	2,415,896	BBB	S&P
Foreign corporate bonds (pension)	720,125	BB	S&P
Foreign corporate bonds (pension)	714,532	B	S&P
Foreign government bonds (pension)	1,546,739	Not Rated	S&P
Foreign government bonds (pension)	1,212,976	AAA	S&P
Foreign government bonds (pension)	100,589	AA	S&P
Foreign government bonds (pension)	578,363	BBB	S&P
Foreign government bonds (pension)	1,904,018	Not Rated	S&P
U.S. government agency (pension)	174,639	AAA	S&P
U.S. government agency (pension)	2,421,576	AA	S&P
U.S. government agency (pension)	47,861	BBB	S&P
U.S. government agency (pension)	51,860	Not Rated	S&P
U.S. government mortgage backed (pension)	3,377,088	Not Rated	S&P
U.S. government TIPS (pension)	1,031,879	Not Rated	S&P
U.S. government treasuries, notes and bonds (pension)	24,076,223	AAA	S&P
U.S. government treasuries, notes and bonds (pension)	3,591,765	Not Rated	S&P

Foreign currency risk – Foreign currency risk is the risk that an investment denominated in the currency of a foreign country could reduce its U.S. dollar value, as a result of changes in foreign currency exchange rates. The pension system does not restrict the amount of investments in foreign currency. The following securities are subject to foreign currency risk:

	<u>Fair Value (in \$)</u>
Euro	\$2,228.63
Great British Pounds	9.64
Mexican Peso	445.63
New Zealand Dollars	.01

All of the System's investment subject to foreign currency risk relate to a single comingled fund which held many different foreign currency securities. The system owns a portion of the comingled fund.

Securities lending – As permitted by state statutes and under the provisions of a securities lending authorization agreement, the System lends securities to broker-dealers and banks for collateral that will be returned for the same securities in the future. The System's custodial bank manages the securities lending program and receives cash as collateral. Borrowers are required to deliver collateral for each loan equal to not less than 100 percent of the market value of the loaned securities. During the year ended December 31, 2010, only United States currency was received as collateral.

The System did not impose any restrictions during the fiscal year on the amount of loans made on its behalf by the custodial bank. During 2010, the System realized a loss of \$246,496 on the Sigma Finance Medium Term Note after a payout distribution of \$13,244 that was credited to its liability for the impaired investment. The System elected to repay the liability over a five-year period. There were no other failures by any borrowers to return loaned securities or pay distributions thereon during the fiscal year.

The Genesee County Employees' Retirement System and the borrower maintain the right to terminate all securities lending transactions on demand. The cash collateral received on each loan was invested, together with the cash collateral of other lenders, in an investment pool. The average duration of such investment pool as of December 31, 2010 was 65 days. Because the loans are terminable on demand, their duration did not generally match the duration of the investments made with cash collateral. On December 31, 2010, the System had no credit risk exposure to borrowers. The collateral based on cost and the fair market value of the underlying securities on loan for the System as of December 31, 2010 was \$35,535,475 and \$35,535,475 respectively, which consisted of U.S. government and agencies, U.S. corporate fixed income and U.S. equity securities.

NOTE D-CAPITAL ASSETS

Capital asset activity at September 30, 2011 is summarized as follows:

	Balance Oct. 1, 2010	Additions	Disposals	Reclassifications and Adjustments	Balance Sept. 30, 2011
Governmental activities:					
Capital assets not being depreciated					
Land.....	\$ 19,861,602	\$	\$	\$(7,351,090)	\$ 12,510,512
Construction in progress.....	7,600	34,385			41,985
Subtotal	<u>19,869,202</u>	<u>34,385</u>		<u>(7,351,090)</u>	<u>12,552,497</u>
Capital assets being depreciated:					
Land improvements	265,808	579,977	60,167	7,351,090	8,136,708
Buildings and improvements.....	113,660,975	8,824,079	2,502,078	(12,078)	119,970,898
Machinery and equipment	<u>28,471,130</u>	<u>474,917</u>	<u>1,681,024</u>	<u>(63,023)</u>	<u>27,202,000</u>
Subtotal	<u>142,397,913</u>	<u>9,878,973</u>	<u>4,243,269</u>	<u>7,275,989</u>	<u>155,309,606</u>
Less accumulated depreciation for:					
Land improvements	3,226	27,230			30,456
Buildings	49,873,069	3,374,785		(12,078)	53,235,776
Machinery and equipment	<u>23,927,689</u>	<u>4,663,125</u>	<u>4,192,875</u>	<u>(63,023)</u>	<u>24,334,916</u>
Subtotal	<u>73,803,984</u>	<u>8,065,140</u>	<u>4,192,875</u>	<u>(75,101)</u>	<u>77,601,148</u>
Governmental activities					
Capital assets, net of depreciation	<u>\$ 88,463,131</u>	<u>\$ 1,848,218</u>	<u>\$ 50,394</u>	<u>\$</u>	<u>\$ 90,260,955</u>

	Balance Oct. 1, 2010	Additions	Disposals	Reclassifications	Balance Sept. 30, 2011
Business type activities:					
Capital assets not being depreciated:					
Land.....	\$ 3,489,928	\$	\$	\$ 12,078	\$ 3,502,006
Capital assets being depreciated:					
Buildings	1,181,215				1,181,215
Land improvements	3,074,493				3,074,493
Machinery and equipment	<u>4,201,985</u>	<u>4,150</u>	<u>5,500</u>	<u>63,023</u>	<u>4,263,658</u>
Subtotal	<u>8,457,693</u>	<u>4,150</u>	<u>5,500</u>	<u>63,023</u>	<u>8,519,366</u>
Less accumulated depreciation for:					
Buildings	976,907	73,324		12,078	1,062,309
Land improvements	3,074,493				3,074,493
Machinery and equipment.....	<u>3,202,696</u>	<u>553,956</u>	<u>(5,500)</u>	<u>63,023</u>	<u>3,814,175</u>
Subtotal	<u>7,254,096</u>	<u>627,280</u>	<u>(5,500)</u>	<u>75,101</u>	<u>7,950,977</u>
Business type activities					
Capital assets, net of depreciation	<u>\$ 4,693,525</u>	<u>\$ (623,130)</u>	<u>\$</u>	<u>\$</u>	<u>\$ 4,070,395</u>

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

Governmental activities:	
Administration of Justice.....	\$ 981,766
Law Enforcement and Community Protection	1,160,792
Human Services	667,097
Community Enrichment and Development	1,047
General Support Services.....	999,431
Internal service fund depreciation is charged to the various functions based on their usage of the assets	<u>4,255,007</u>
Total governmental activities.....	<u>\$ 8,065,140</u>
Business type activities:	
Delinquent tax revolving	\$ 101,137
Parks and Recreation	<u>526,143</u>
Total business type activities	<u>\$ 627,280</u>

In addition, land with an approximate value of \$5,000,000 used by Parks and Recreation is leased at nominal costs from the Nature Conservatory and the City of Flint under long-term arrangements.

NOTES TO FINANCIAL STATEMENTS

GENESEE COUNTY

EXHIBIT A-13

NOTE E – DEBT (including current portions)

Long-term debt of the County is as follows:

	<u>Balance Oct. 1, 2010</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance Sept 30, 2011</u>	<u>Due within One Year</u>
Government Activities:					
Capital Improvement Bonds 2011, Proceeds were used to Renovate various County Buildings.....	\$	\$1,200,000	\$	\$1,200,000	\$ 355,000
JCI Energy Bonds 2010, Debt was issued to perform numerous Energy efficiency improvements on most County Buildings...		7,815,784		7,815,784	
4.0% to 5.1% Genesee County Building Authority Bonds, Series 2002, Bonds maturing May 1, 2013 subject to Mandatory redemption	1,975,000		(125,000)	1,850,000	130,000
2.5% to 4.05% Genesee County Building Authority Bonds, Series 2001, Not subject to redemption prior to maturity	470,000		(230,000)	240,000	240,000
2.0% to 4.0% Genesee County Building Authority Bonds, Series 2000, Callable after May 1, 2008,	322,000		(94,500)	227,500	59,500
4.0% to 4.75% Genesee County Building Authority Bonds, Series 2002-B, Bonds maturing after May 1, 2013, are Subject to redemption prior to maturity	3,495,000		(210,000)	3,285,000	220,000
4.75% to 5.7% Genesee County Bonds Series 2004-B Capital Improvement Bonds, Bonds maturing before April 1, 2014 not subject to redemption prior to maturity.....	1,890,000		(40,000)	1,850,000	40,000
3.00% to 5.00% Genesee County Refunding Bonds Bonds maturing on or prior to May 1, 2015 shall not be subject to redemption prior to maturity. Bonds maturing on or after May1, 2016 may be subject to prior redemption..	11,810,000		(1,085,000)	10,725,000	1,130,000
6.34% Capital Improvement Bonds, Series 2008 maturing on or prior to November 1, 2018 not be subject to Redemption prior to maturity.....	1,035,000		(115,000)	920,000	115,000
Total Bonds and Notes	<u>20,997,000</u>	<u>9,015,784</u>	<u>(1,899,500)</u>	<u>28,113,284</u>	<u>2,289,500</u>
Self-Insurance Claim Liability	<u>3,648,492</u>	<u>1,726,049</u>	<u>(1,691,651)</u>	<u>3,682,890</u>	<u>1,000,000</u>
Self-Insured Medicals	<u>446,584</u>	<u>4,235,857</u>	<u>(4,398,173)</u>	<u>284,268</u>	<u>284,268</u>
Compensated absences	<u>5,743,695</u>	<u>5,275,109</u>	<u>(4,522,324)</u>	<u>6,496,480</u>	<u>4,522,324</u>
Total Governmental Activities	<u>30,835,771</u>	<u>20,252,799</u>	<u>(12,511,648)</u>	<u>38,576,922</u>	<u>8,096,092</u>
Business Type Activities					
Parks and Recreation Fund:					
3.7% to 5.0% Genesee County Building Authority Bonds, Series 1998, Callable after May 1, 2008, at par plus accrued interest to date	138,000		(40,500)	97,500	25,500
Delinquent Tax Fund:					
5.0% to 9.7% Delinquent tax notes	<u>55,451,292</u>	<u>44,051,500</u>	<u>(48,850,000)</u>	<u>50,652,792</u>	<u>20,652,792</u>
Total Business Type Activities	<u>55,589,292</u>	<u>44,051,500</u>	<u>(48,890,500)</u>	<u>50,750,292</u>	<u>20,678,292</u>
Total Long Term Debt	<u>\$ 86,425,063</u>	<u>\$64,304,299</u>	<u>\$(61,402,148)</u>	<u>\$89,327,214</u>	<u>\$28,774,384</u>

Genesee County lends its full faith and credit for bond issues that are repaid through special assessments. The County is not obligated in any manner for special assessment debt. The amount of special assessment debt is detailed within the notes for the Component Unit under which the projects originated.

Delinquent property taxes receivable are pledged as collateral for the repayment of the outstanding delinquent tax notes – (See Note H).

Typically, the General Fund and all Special Revenue Funds liquidate liability for compensated absences.

The annual requirements to pay principal and interest on the obligations outstanding at September 30, 2011 are as follows:

	<u>Governmental Activities</u>		<u>Business Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2012	\$2,289,500	\$ 1,428,100	\$20,678,292	\$ 4,875
2013	2,309,500	1,319,190	30,025,500	3,600
2014	2,261,500	1,205,295	28,500	2,325
2015	2,362,000	1,090,786	18,000	900
2016	2,455,000	970,488		
2017/2021		10,830,000	2,289,585	
2022/2026	4,680,784	1,400,888		
2027/2031	530,000	236,100		
2032/2036	395,000	45,886		
TOTALS	<u>\$28,113,284</u>	<u>\$ 9,986,318</u>	<u>\$50,750,292</u>	<u>\$ 11,700</u>

By statute, the County general obligation debt is restricted to 10% of the equalized value of all property in the County. Certain obligations, such as special assessment notes, are not subject to this limitation. At September 30, 2011, the County's debt limit amounted to \$955,080,557 and indebtedness subject to the limitation aggregated \$140,987,956.

Short-term debt of the County is as follows:

	<u>Balance Oct. 1, 2010</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance Sept. 30, 2011</u>	<u>Due within One Year</u>
Tax Anticipation Notes:					
2.84% Genesee county Bonds Series 2011, Bond Maturing October 1, 2012 payable at maturity or upon redemption	\$	\$21,099,000	\$	\$21,099,000	\$21,099,000
Total Tax Anticipation Notes	\$	\$21,099,000	\$	\$21,099,000	\$21,099,000

NOTE F – CONTINGENCIES, CLAIMS, RISK MANAGEMENT, AND LITIGATION

There are various legal actions pending against the County. Due to the inconclusive nature of these actions, it is not possible for County Counsel to determine in the aggregate either the probable outcome of these actions or a reasonable estimate of the County's ultimate liability, if any.

The County is totally self-insured for workers' compensation for all losses, up to \$500,000 each occurrence, and self-insured for property and liability insurance claims up to \$50,000 and \$350,000, respectively, for specific losses. The County is insured for the amount of claims in excess of such limitation to a maximum of replacement cost for property and \$20,000,000 for liability claims. The County is self-insured for claims in excess of these insurance coverage's. The County is also self-insured for the first \$50,000 of catastrophic coverage for auto physical damage per location. The County is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees.

The County paid losses within its self-insured retention through an Internal Service Fund. Net assets for this fund as of September 30, 2011 were \$5,033,028 with \$3,682,890 accrued as a liability for incurred losses and expenses. An actuarial study projected a required reserve of \$3.6 million for 2011. The County's Risk Manager provides employee accident prevention training and various risk control techniques through a continuing education program. There were no reductions in reinsurance coverage's or settlements in excess of insurance coverage's over the past three years.

A reconciliation of the claims liability for the years ended September 30, 2011 and 2010 is as follows:

	<u>Year Ended 9/30/11</u>	<u>Year Ended 9/30/10</u>
Claims Liability (beginning of year)	\$3,648,492	\$3,284,841
Claims incurred during the period	1,726,049	1,876,024
Changes in estimate for claims of prior periods	(73,045)	(154,539)
Payments on claims	<u>(1,618,606)</u>	<u>(1,357,834)</u>
Claims liability (end of year)	<u>\$ 3,682,890</u>	<u>\$3,648,492</u>

Several complaints for alleged discriminatory employment practices have also been filed against the County.

A portion of the fund balance of the General Fund has been designated to provide for a possible loss resulting from the unfavorable outcome of any claims and litigation. See Note G, which follows.

The County provides a funding mechanism for the payment of the costs of pharmaceuticals and medical insurance for employees. The County contracts with a third party administrator to provide claims processing with the cost of the claims reimbursed from these funds. Net assets for this fund as of September 30, 2011 were \$3,380,120 with \$284,268 accrued as a liability for incurred losses and expenses.

A reconciliation of the claims liability (workers compensation, property & liability, and auto claims) for the years ended September 30, 2011 is as follows:

	<u>Pharmaceuticals</u>	<u>Medical</u>	<u>Total Insurance</u>
Claims Liability (beginning of year)	\$ 73,108	\$ 373,476	\$ 446,584
Claims incurred during the period	1,712,226	2,523,631	4,235,857
Changes in estimate for claims of prior periods			
Payments on claims	<u>(1,748,683)</u>	<u>(2,649,490)</u>	<u>(4,398,173)</u>
Claims liability (end of year)	<u>\$ 36,651</u>	<u>\$ 247,617</u>	<u>\$ 284,268</u>

NOTES TO FINANCIAL STATEMENTS

GENESEE COUNTY

EXHIBIT A-13

A reconciliation of the claims liability (workers compensation, property & liability, and auto claims) for the years ended September 30, 2011 is as follows:

	<u>Pharmaceuticals</u>	<u>Medical</u>	<u>Total Insurance</u>
Claims Liability (beginning of year)	\$ 1,923,005	\$1,639,704	\$3,562,709
Claims incurred during the period			
Changes in estimate for claims of prior periods			
Payments on claims	<u>(1,849,897)</u>	<u>(1,266,228)</u>	<u>(3,116,125)</u>
Claims liability (end of year)	<u>\$ 73,108</u>	<u>\$ 373,476</u>	<u>\$ 446,584</u>

NOTE G – GENERAL FUND AND CAPITAL PROJECTS FUND BALANCE CLASSIFICATIONS AND DEFICITS

The County receives funds from various federal and state units to finance specific grants. The final determination of revenue amounts is subject to audit by the responsible agencies. Grant fund balance deficits, to the extent not liquidated by future operations, will be absorbed by the General Fund. Additionally, the County is a defendant in numerous legal actions of which Corporation Counsel is not able to provide information as to the probable outcome and extent of potential liability, if any. As a result of these and other matters discussed in Note F, above, the County has established an assignment of fund balance in the General Fund in the amount of \$1,000,000 to provide for any audit adjustments of grant revenues, grant fund balance deficits and possible losses resulting from other contingencies, claims, and litigation.

The fund balance of the General Fund has also been classified as nonspendable for long-term advances to other County units and funds in the amount of \$500,000 and for a long-term receivable due from the Vehicles and Equipment Internal Service Fund in the amount of \$2,467,093.

The following funds were in a deficit at year end:

Component Unit:	
Brownfield Authority	\$12,608,232
Nonmajor Special Revenue:	
Administration of Justice	2,272,827
Law Enforcement	225,887
Nonmajor Debt Service Fund:	
Hughes & Hatcher Center	1,846,569
Internal Service Funds:	
Administrative Services	1,126,235
Vehicles and Equipment	1,025,060

NOTE H – PROPERTY TAXES

The County property tax is levied each December 1 on the assessed valuation of property located in the County as of the preceding December 31. On December 1, the property tax attachment is an enforceable lien on property and is payable by the last day of the next February following. Assessed values are established annually by the County and are equalized by the State at an estimated 50% of current market value. Real property in Genesee County for the 2011 levy was assessed at \$9,950,805,569 and equalized at \$9,950,805,569 representing 50% of estimated current market value. The County operating tax rate is currently 5.51 mills with an additional .48 mills voted each for parks and paramedics .7 mills for senior services and 1 mill for health services.

By agreement with various taxing authorities, the County purchases at face value the real property taxes receivable returned delinquent each March 1. These receivables (\$49,596,309 at September 30, 2011) are pledged to a bank for payment of notes payable, the proceeds of which were used to liquidate the amounts due the General Fund and various other funds and governmental agencies for purchase of the receivables and to provide funds for current operations. Subsequent collections on delinquent taxes receivable, plus interest and collection fees thereon and investment earnings, are used to extinguish the debt.

Collections of delinquent taxes, which include interest, penalties, fees and investment earnings, amounting to \$53,025,425 in 2011, are used to service the notes payable. Principal and interest paid on the notes payable in 2011 amounted to \$48,798,500.

NOTE I – RETIREMENT PLANS

DEFINED BENEFIT PLAN - -

PLAN DESCRIPTION AND PROVISIONS

The County administers a contributory agent multi-employer defined benefit pension plan known as the Genesee County Employees Retirement System (GCERS). The plan is included as a pension trust fund in the County's Comprehensive Annual Financial Report. GCERS issues a publicly available annual financial report that includes financial statements and required supplementary information for the system as a whole. This report can be obtained from the Retirement Coordinator at the County's administrative offices, located at 1101 Beach Street, Flint, MI 48502.

GCERS was organized pursuant to Section 12a of Act #156, State of Michigan Public Acts of 1851 (MSA 5.33(1); MCLA 46.12a) as amended. GCERS was established by ordinance in 1946, beginning with general County employees and the County Road Commission, Genesee County Water and Waste Services joined the system in 1956, Genesee County Community Mental Health joined in 1966, the City of Mt. Morris in 1969, and the Genesee District Library in 1980. The GCERS is regulated under the Genesee County Employees' Retirement System Ordinance, the sections of which have been approved by the State of Michigan Pension Commission. All new-hire general County and Community Mental Health employees may only join the defined contribution plan.

The plan provides for vesting of benefits after 8 years of service. Generally, participants may elect normal retirement with 20 to 25 years of credited service, regardless of age; or at age 60 with 8 or more years of credited service. Retirement benefits vary by employer group, and are payable monthly. Generally, the retirement benefit is equal to the employee's final average compensation times the sum of 2.5% for each year of credited service. All employers allow members to elect a deferred annuity providing a lifetime benefit. The length of service required to elect the deferred annuity is either 8 or 15 years, depending on the date of employment and employer group.

Membership in the plan at December 31, 2010 the date of the latest actuarial valuation was comprised of 1,002 active plan members, 84 inactive vested members and 1,551 retirees and beneficiaries.

ANNUAL PENSION COST

The annual pension cost (APC), percentage of APC contributed, and net pension obligation (NPO), for the fiscal years ended September 30, 2011, 2010, and 2009, are summarized as follows:

Fiscal Year End	Annual Pension Costs (APC)	% of APC Contributed	Net Pension Obligation (Asset)
09/30/09	\$12,080,284	100.0%	0
09/30/10	12,722,740	100.0%	0
09/30/11	12,390,596	100.0%	0

ACTUARIAL METHODS AND ASSUMPTIONS

In the December 31, 2010 actuarial valuation (the most recent actuarial valuation) the individual entry age cost method was used. Significant actuarial assumptions used include an (1) 8.0% investment rate of return, (2) projected salary increases of 5.0 %-9.03% that includes inflation at 5.0%, and (3) postretirement benefit increases depending on benefit group. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility over a four year period. The amortization method being used is a level percentage-of-payroll on an open basis. The remaining amortization period for unfunded actuarial accrued liability is 25 years.

FUNDING PROGRESS

Actuarial Valuation as of	12/31/2008	12/31/2009	12/31/2010
Actuarial Value of Assets	\$439,813,000	\$424,483,000	\$401,700,454
Actuarial Accrued Liability (Entry Age)	527,640,000	543,307,000	564,033,044
Unfunded AAL	87,827,000	118,824,000	162,332,590
Funded Ratio	83.4%	78.1%	71.2%
Covered Payroll	67,721,000	65,511,000	57,794,546
UAAL as a % of Covered Payroll	77.1%	181.38%	280.9%

DEFINED CONTRIBUTION PLAN - -

The County offers a defined contribution pension plan as an alternative to the defined benefit pension plan. The International City Managers Association (ICMA) Retirement Corporation administers the plan, and the County Board of Commissioners has authority over plan provisions and contribution requirements. All employees are eligible to participate in this plan, if not participating in the Defined Benefit Plan. The County is required to contribute 10% of eligible employees' annual covered payroll, and employees are required to contribute between 3% and 7% of covered payroll. Employees are vested after 5 years of service. During the year ended September 30, 2011, employer and employee contributions to the plan were \$3,340,161 and \$1,833,660, respectively.

HEALTH BENEFITS PLAN AND TRUST - -

PLAN DESCRIPTION AND PROVISIONS – Genesee County OPEB

Genesee County provides other post-employment benefits (medical, optical, dental and life insurance) to County retirees who meet eligibility requirements. This is a single employer defined benefit plan administered by the County. The benefits are provided under collective bargaining agreements to union employees and by resolution of the County Board of Commissioners for employees not covered under collective bargaining agreements. The valuation for this benefit plan has been conducted in accordance with generally accepted actuarial principles and practices. Data concerning active members, retirees and beneficiaries was provided by Genesee County. This plan does not issue separate stand alone financial statements.

NOTES TO FINANCIAL STATEMENTS

GENESEE COUNTY

EXHIBIT A-13

FUNDING POLICY

The County performed an actuarial valuation of the other post-retirement benefits liability for the year ended September 30, 2010. At that time the liability was determined to be \$286,696,396 with the computed contribution as a percentage of payroll (based on 30 year amortization of the unfunded liability) to be 32.24% or \$18,708,000.

The County has been working to systematically increase contributions into the VEBA to eventually equal the ARC (annual required contribution). Beginning in fiscal year 2002/2003, the County began contributing 3% of gross payroll into a fund designated for retiree health care. This was increased to 5% in the 2003/2004 fiscal year, to 10% in the 2006/2007 fiscal year, 20% in the 2007/2008 fiscal year, 22.5% in the 2008/2009 fiscal year, 20% in the 2009/2010 fiscal year and 24% in the 2010/2011 fiscal year. In 2004 the County created a VEBA trust to specifically designate the funds that had been contributed for retiree health care. Also, in 2005 and 2006, all collective bargaining agreements as well as the non-union personnel policies included a provision that requires all employees to make a contribution of 1% of pre-tax gross wages, which is paid to the VEBA as employer contributions for the funding of retiree health care benefits (OPEB). These contributions resulted in an OPEB obligation for the period ending September 30, 2011 in an amount of \$9,327,087.

FUNDING PROGRESS

	<u>Fiscal Year Ended September 30</u>		
	<u>2009</u>	<u>2010</u>	<u>2011</u>
Annual required contribution (recommended)	\$ 12,992,638	\$18,708,000	\$18,708,000
Interest on the prior year's net OPEB asset	18,865	(124,928)	317,634
Adjustment to the annual required contribution		<u>83,285</u>	
Annual OPEB cost	<u>13,011,503</u>	<u>18,666,357</u>	<u>19,025,634</u>
Amount contributed:			
Payments of current premiums			
Advance funding	<u>14,430,467</u>	<u>13,512,778</u>	<u>9,698,547</u>
Increase (Decrease) in net OPEB Liability	<u>1,418,964</u>	<u>(5,153,579)</u>	<u>(9,327,087)</u>
OPEB Liability – beginning of year	<u>(235,812)</u>	<u>1,183,152</u>	<u>(3,970,427)</u>
OPEB Asset (obligation) – end of year	<u>\$ 1,183,152</u>	<u>\$ (3,970,427)</u>	<u>\$ (13,297,514)</u>
	<u>Fiscal Year Ended September 30</u>		
	<u>2009</u>	<u>2010</u>	<u>2011</u>
Annual OPEB Costs	\$13,011,503	\$18,666,357	\$19,025,634
Percentage contributed	111%	73%	51%
Net OPEB obligation	1,183,152	(3,970,427)	(13,297,514)
	<u>Plan Year Ended December 31</u>		
	<u>2007</u>	<u>2010</u>	
Valuation Date September 30			
Value of Assets at September 30	\$ 30,427,079	\$ 41,578,517	
Actuarial Accrued Liability	179,150,908	286,696,396	
Unfunded AAL	148,723,829	245,117,000	
Funded Ratio	17%	15%	
Annual Covered Payroll	\$ 58,387,145	58,028,000	
Ratio of UAAL to Covered Payroll	2.55%	422.41%	

ACTUARIAL METHODS AND ASSUMPTIONS

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 employments, mortality, and healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan member) which is formally detailed in the collective bargaining agreements and County Board resolutions. These collective bargaining agreements and resolutions include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspectives of the calculations.

In the September 30, 2010 actuarial valuation, the individual entry age actuarial cost method was used. The actuarial assumptions included an 8% investment rate of return (net of expenses), which is the expected long-term investments returns on plan assets, and an annual healthcare cost trend rate is 9% in year one and decreases by 5% annually until year 9 and then remains at 5% and projected salary increases of 3.0% attributable to inflation. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at September 30, 2010 was thirty years.

PLAN DESCRIPTION AND PROVISIONS – Genesee County Community Mental Health

The Genesee County Community Mental Health Retiree Health Care Plan (the “Plan”) is a single-employer defined benefit healthcare plan administered by Mental Health (the “Agency”) a major fund included Genesee County’s financial report. The Plan provides health insurance benefits, including medical, prescription, dental, and optical coverage to certain retirees and their beneficiaries, which are advance-funded on a discretionary basis. The Plan was closed to new hires as of May 2008. The valuation for this benefit plan has been conducted in accordance with generally accepted actuarial principles and practices. Data concerning active members, retirees and beneficiaries was provided by Genesee County Community Mental Health. This plan does not issue separate stand alone financial statements.

FUNDING POLICY

The contribution requirements of Plan members and the Agency are established and may be amended by the Agency Board of Directors. The required contribution is based on actuarially determined finance rates, with an additional amount to prefund benefits as determined annually by the Agency. For the year ended September 30, 2011, the Agency contributed \$8,044,145 to the Plan, \$2,302,997 of which was to fund current year benefits. Plan members receiving benefits contributed \$0.

ANNUAL OPEB COST AND NET OPEB OBLIGATION

The Agency’s annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC). The ARC was calculated using the projected unit credit actuarial cost method. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Agency’s annual OPEB cost for the year, the amount actually contributed to the Plan, and changes in the Agency’s net OPEB obligation:

	<u>Fiscal Year Ended September 30</u>		
	<u>2009</u>	<u>2010</u>	<u>2011</u>
Annual required contribution (recommended)	\$5,133,173	\$5,178,332	\$5,360,382
Interest on the prior year’s net OPEB obligation		9,989	(96,341)
Less adjustment to the annual required contribution		<u>(7,361)</u>	<u>44,602</u>
Annual OPEB cost	\$5,133,173	\$5,180,960	5,308,643
Amount contributed:			
Payments of current premiums	(5,350,889)	(6,257,927)	(8,044,145)
Advance funding			
Increase in net OPEB asset	<u>217,716</u>	<u>1,076,967</u>	<u>2,735,502</u>
OPEB – beginning of year	<u>(90,416)</u>	<u>127,300</u>	<u>1,204,267</u>
OPEB asset – end of year	<u>\$ 127,300</u>	<u>\$1,204,267</u>	<u>\$3,939,769</u>

	<u>Fiscal Year Ended September 30</u>		
	<u>2009</u>	<u>2010</u>	<u>2011</u>
Annual OPEB Costs	\$5,133,173	\$5,180,960	\$5,308,643
Percentage contributed	99.7%	120.8%	151.5%
Net OPEB asset	124,856	1,204,267	3,939,769

The funding progress of the plan as of the most recent valuation date is as follows:

	<u>2007</u>	<u>2009</u>
Value of Assets at September 30	\$ 4,443,845	\$ 3,144,796
Actuarial Accrued Liability	53,941,018	54,135,243
Unfunded AAL	(49,497,173)	(50,990,447)
Funded ratio	8.2%	5.8%
Annual covered payroll – 12/31/07 & 12/31/09	16,154,286	15,807,730
Ratio of UAAL to covered payroll	98%	326%

ACTUARIAL METHODS AND ASSUMPTIONS

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. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

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 of benefit costs between the employer and Plan members to the point. The actuarial methods and assumptions used to 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.

NOTES TO FINANCIAL STATEMENTS

GENESEE COUNTY

EXHIBIT A-13

In the December 31, 2007 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions includes: (a) a rate of return on investments of 8.0%; (b) projected salary increases of 5.0% attributable to inflation; (c) additional projected salary increases ranging from 0.0% to 4.03%, depending on age, attributable to seniority/merit; and (d) projected healthcare benefit increases of 4.5% to 9.0%. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the fair value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level dollar amount over 30 years on an open basis.

NOTE J – LEASES

The County is party to numerous operating leases, aggregate rental expenses which was approximately \$66,172 for the year ended September 30, 2011 exclusive of the amount paid to a related organization described below. Minimum future rental payments under existing leases are not significant.

The Genesee County Community Mental Health Services is committed under various leases for building and office space and vehicles. These leases are considered for accounting purposes to be operating leases and contain renewal options of two to three years. Rental expenditures for the year ended September 30, 2011 are \$405,697.

NOTE K – RECEIVABLES

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

<u>Primary Government</u>	<u>Unavailable</u>	<u>Unearned</u>
Property taxes	\$5,805,822	
Grant revenue	12,513,892	\$7,651,311
Long-term receivable	1,850,000	
<u>Component units</u>	<u>Unavailable</u>	
Road projects	\$1,845,413	
Unearned leases	439,770	
Grant revenue	460,322	

NOTE L – INDIVIDUAL FUND INTERFUND RECEIVABLE AND PAYABLE BALANCES AND TRANSFERS

Interfund Receivable and Payables:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Government Funds:		
General Fund:		
Mental Health.....	\$ 285,635	\$
Genesee County Community Action Resource Department	3,205,374	1,378,407
Enterprise	10,347,736	925,024
Non-major Special Revenue.....	5,334,175	8,775
Debt Service		15,280,071
Non-major Debt Service	37,862	
Internal Service.....	803,922	3,397,095
Total General Fund	<u>20,014,704</u>	<u>20,989,372</u>
Mental Health:		
General Fund.....		285,635
County Health	137	19,028
Total Mental Health.....	<u>137</u>	<u>304,663</u>
County Health:		
Mental Health.....	19,028	137
Genesee County Community Action Resource Department		113,133
Non-major Special Revenue.....	454,251	4,748
Internal Service.....		344,307
Total County Health	<u>473,279</u>	<u>462,325</u>
Genesee County Community Action Resource Department:		
General Fund.....	1,378,407	3,205,374
County Health	113,133	
Non-major Special Revenue.....	93,376	25,000
Internal Service.....		279,550
Total Genesee County Community Action Resource Department ..	<u>1,584,916</u>	<u>3,509,924</u>

Interfund Receivable and Payables continued:

	Interfund Receivable	Interfund Payable
Tax Note Repayment:		
General Fund.....	15,280,071	
Non-major Debt Service	<u>65,185</u>	<u>66,807</u>
Total Community Development	<u>15,345,256</u>	<u>66,807</u>
Non-major Special Revenue Funds:		
General Fund.....	8,775	5,334,735
County Health	4,748	454,251
Genesee County Community Action Resource Department	25,000	93,376
Non-major Special Revenue.....	149,999	149,999
Enterprise	25,000	213,548
Internal Service.....	<u>1,000</u>	<u>484,468</u>
Total Non-major Special Revenue Funds.....	<u>214,522</u>	<u>6,729,817</u>
Non-major Debt Service:		
General Fund.....		37,862
Debt Service.....	66,807	65,185
Capital Projects.....	<u>32,851</u>	
Total Non-major Debt Service Funds	<u>99,658</u>	<u>103,047</u>
Capital Projects:		
Debt Service.....		<u>32,851</u>
Total Capital Projects Funds.....		<u>32,851</u>
Total Governmental Funds.....	<u>37,732,472</u>	<u>32,198,806</u>
Enterprise:		
Delinquent Tax:		
General Fund.....	925,024	10,347,736
Non-major Special Revenue.....	213,548	25,000
Internal Service.....		<u>273,284</u>
Total Delinquent Tax.....	<u>1,138,572</u>	<u>10,646,020</u>
Total Business Type Activity.....	<u>1,138,572</u>	<u>10,646,020</u>
Internal Service Funds:		
General Fund.....	3,397,095	803,922
County Health	344,307	
Genesee Community Action Resource Department.....	279,550	
Non-major Special Revenue.....	484,468	1,000
Enterprise	273,284	
Internal Service.....	<u>26,475</u>	<u>26,475</u>
Total Internal Service Funds ..	<u>4,805,179</u>	<u>831,397</u>
Total Interfund Receivables/Payables	<u>\$43,676,223</u>	<u>\$43,676,223</u>
Due to/from primary government and component units:		
Component unit Land Bank Authority.....	\$ 450,000	\$1,101,504
Component unit Brownfield Authority	282,000	
Primary government Non-major Special Revenue Community Development	182,283	450,000
Primary government Delinquent Taxes	<u>919,221</u>	<u>282,000</u>
Total Primary Government and Component Unit Interfund Receivables/Payables	<u>\$1,833,504</u>	<u>\$1,833,504</u>
Due to/from component units:		
Component unit Land Bank Authority	<u>\$ 299,276</u>	
Component unit Brownfield Authority		<u>\$ 299,276</u>
Note—The interfund receivables/payables exist due to the fact that the County uses a pooled cash management account for substantially all funds.		
Long-term Advances:		
Primary Government-General Fund.....	\$2,350,000	\$
Component unit – Land Bank Authority.....		1,850,000
Component unit – Drains.....		<u>500,000</u>
Total Primary Government and Component Unit Long-term Advances	<u>\$2,350,000</u>	<u>\$2,350,000</u>

NOTES TO FINANCIAL STATEMENTS

GENESEE COUNTY

EXHIBIT A-13

Interfund Transfers In and Out		Transfers In	Transfers Out
Major Funds:			
General:			
	Mental Health	\$	\$ 3,414,365
	County Health	1,323,319	3,033,559
	Enterprise	4,461,337	
	Non-major Special Revenue	645,181	12,734,539
	Debt	18,047,283	2,270,848
	Internal		199,133
	Total General Fund	<u>24,477,120</u>	<u>21,652,444</u>
Mental Health:			
	Internal	<u>3,414,365</u>	
	Total Mental Health	<u>3,414,365</u>	
County Health:			
	General	3,033,559	1,323,319
	GCCARD		245,485
	Debt		248,965
	Non-major Special Revenue	<u>454,251</u>	
	Total County Health	<u>3,487,810</u>	<u>1,817,769</u>
Genesee County Community Action Resource Department (GCCARD)			
	County Health	245,485	
	GCCARD	26,070	26,070
	Non-major Special Revenue	3,636,528	
	Debt		<u>401,692</u>
	Total GCCARD	<u>3,908,083</u>	<u>427,762</u>
Tax Note Repayment			
	General		<u>18,047,283</u>
	Total Tax Note Repayment		<u>18,047,283</u>
Non-major Special Revenue:			
	General	12,734,539	645,181
	County Health		454,251
	GCCARD		3,636,528
	Enterprise	25,000	530,372
	Debt	28,403	
	Capital		44,767
	Non-major Special Revenue	705,531	705,531
	Internal		<u>478,123</u>
	Total Non-major Governmental Funds	<u>13,465,070</u>	<u>6,523,156</u>
Debt:			
	General	2,270,848	
	County Health	248,965	
	GCCARD	401,692	
	Capital	32,851	9,015,784
	Non-major Special Revenue	<u>28,403</u>	
	Total Debt Service Funds	<u>2,982,759</u>	<u>9,015,784</u>
Capital Project:			
	Non-major Special Revenue	44,767	
	Debt	9,015,784	32,851
	Internal	<u>252,000</u>	
	Total Capital Projects Funds	<u>9,312,551</u>	<u>32,851</u>
	Total Governmental Funds	<u>61,047,758</u>	<u>57,517,049</u>
Enterprise:			
	General		4,461,337
	Non-major Special Revenue	530,372	25,000
	Internal		<u>225,348</u>
	Total Enterprise Funds	<u>530,372</u>	<u>4,711,685</u>

Interfund Transfers In and Out continued:		Transfers	Transfers
		<u>In</u>	<u>Out</u>
Internal Services:			
General	199,133		
Enterprise	225,348		
Non-major Special Revenue	478,123		
Non-major Special Revenue			252,000
Total Internal Service Funds	902,604		252,000
Total Transfers In/Out	<u>\$62,480,734</u>		<u>\$62,480,734</u>

Transfers between funds were primarily for operating purposes. Other transfers were made to close funds.

NOTE M-EXCESSES OF EXPENDITURES OVER APPROPRIATIONS

Excesses of expenditures over appropriations in individual funds are presented below:

<u>Fund</u>	<u>Excess</u>
General Fund	Expenditures
Equalization	\$ 6,878
Register of Deeds	4,201
Probate Court	18,353
Prosecutor	54,410
Court Services	1,757
Office of Emergency Preparedness	1,820
Sheriff Administration	14,127
Sheriff Marine Division	4,245
Detective Division	162,569
Sheriff Security	42,873
Veterans Burial	1,079
Veterans Information Center	2,579
Equity and Diversity	1,279
Capital Outlay:	
Other	30,806
Community Enrichment and Development Funds	36,867
Debt Service	89,784
Law Enforcement Funds	53,297
Internal Service	62,570
Community Action Resource Department	
Capital outlay	86,333
Other Non-major Governmental Funds	
Accommodation Ordinance Tax	118,640
Community Enrichment and Development	1,355,398
Emergency Medical Services	434,338
Health Care Services	605,503
Law Enforcement	1,833,051
Parks and Recreation	369,889
Senior Services	1,348,020

NOTE N-COMPONENT UNIT DISCLOSURES

Deposits and investments:

All of the County's component units deposits and investments are governed by the following:

Michigan Compiled Laws Section 129.91 (Public Act 20 of 1943, as amended), authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The County's component units are allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptances of United States bank; commercial paper rated within the two highest classifications, which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions, which are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

The Road Commission has designated one bank for the deposit of funds. The investment policy adopted by the Board of each component unit is in accordance with Public Act 196 of 1997. All component unit deposits and investment policies are in accordance with statutory authority. The cash and investments of component units are subject to the same types of risks as detailed in Note C. These risks are examined in more detail below:

NOTES TO FINANCIAL STATEMENTS

GENESEE COUNTY

EXHIBIT A-13

Custodial credit risk of bank deposits-None of the component units have a deposit policy for custodial credit risk. At year end, the Road Commission had \$33,784,327 of bank deposits (checking and high balance savings accounts) that were uninsured and uncollateralized. At year end, the Economic Development Corporation had \$92,293 of bank deposits (checking and high balance savings accounts) that were uninsured and uncollateralized. At year end, the Water and Waste Services Division had \$15,320,071 of bank deposits (checking and high balance savings accounts) that were fully insured. At year end, the Drain Commission had \$391,820 of bank deposits (checking and high balance savings accounts) that were uninsured and uncollateralized. At year end, the Land Bank Authority had \$950,147 of bank deposits (checking and savings accounts) that were uninsured and uncollateralized. At year end, the Brownfield Authority did not have any bank deposits (checking and savings accounts) that were uninsured and uncollateralized. At year end, the Storm Water Management System had \$22,021 of bank deposits (checking and savings accounts) that were uninsured and uncollateralized.

Custodial credit risk of investments- At year end, the following investment securities were uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the Commission's name.

Brownfield Authority:

<u>Type of Investment</u>	<u>Carrying Value</u>	<u>How Held</u>
Commercial paper	\$ 225,000	Counterparty

Interest rate risk- Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The Commission's investment policy does not restrict investment maturities, other than commercial paper which can only be purchased with a 270 day maturity. At year end, the average maturities of investments are as follows:

Road Commission:

<u>Investment</u>	<u>Fair Value</u>	<u>Less than one year</u>
Mutual funds	\$10,958,857	\$10,958,857

Land Bank Authority:

<u>Investment</u>	<u>Fair Value</u>	<u>Less than one year</u>
Governmental security pooled fund	\$ 950,147	\$ 950,147

Brownfield Authority:

<u>Investment</u>	<u>Fair Value</u>	<u>Less than one year</u>
Commercial paper	\$ 225,000	\$ 225,000

Credit risk – State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The Commission has no investment policy that would further limit its investment choices. As of year end, the credit quality ratings of debt securities (other than the U.S. government) are as follows:

Road Commission:

<u>Investment</u>	<u>Fair Value</u>	<u>Rating</u>	<u>Rating Organization</u>
MERS total Market Fund	\$ 10,958,857	N/A	N/A

Land Bank Authority:

<u>Investment</u>	<u>Fair Value</u>	<u>Rating</u>	<u>Rating Organization</u>
Governmental security pool	\$ 950,147	N/A	N/A

Brownfield Authority:

<u>Investment</u>	<u>Fair Value</u>	<u>Rating</u>	<u>Rating Organization</u>
Governmental security pool	\$ 225,000	N/A	N/A

ROAD COMMISSION:

Long-Term Debt: The long term debt for the Genesee County Road Commission is presented below:

	<u>Balance October 1, 2010</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance September 30, 2011</u>
MTF notes	\$11,715,000	\$	\$(1,540,000)	\$10,175,000
SIB Loan	725,726		(234,795)	490,931
Recovery Zone Bond	6,000,000		(560,000)	5,440,000
Capital leases	78,276		(78,276)	
Total notes and leases	18,519,002		(2,413,071)	16,105,931
Compensated absences	1,062,609	28,159		1,090,768
Net OPEB obligation	1,756,446		(394,615)	1,361,831
Total long term debt	<u>\$21,338,057</u>	<u>\$ 28,159</u>	<u>\$(2,807,686)</u>	<u>\$18,558,530</u>

The outstanding bonds and notes payable at September 30, 2011, and matured interest thereon, are payable to the State of Michigan from the proceeds of state-collected taxes returned to the Road Commission as Act 51 monies. In the case of default, the state treasurer is authorized to withhold future disbursements of Act 51 monies due the Road Commission until the defaulted payments are recovered by the state.

For certain outstanding notes, special assessments have also been levied on specific properties abutting certain road improvements. The collection of the assessments has been pledged as additional security for the payment of the bonds. The detail of general obligation bonds and loans payable is shown below:

<u>Obligation Payables</u>	<u>Final Payment Due</u>	<u>Interest Rate or Range</u>	<u>Annual Principal Payment or Range</u>	<u>Outstanding Balance Sept. 30, 2011</u>	<u>Due Within One Year</u>
Michigan Transportation Fund notes:					
2002 Issue	August 1, 2012	2.80%-3.7%	\$ 25,000	\$ 25,000	\$ 25,000
2006A Issue.....	August 1, 2016	4.00	255,000-295,000	1,370,000	255,000
2006B Issue.....	August 1, 2013	5.20-5.30	85,000-90,000	175,000	85,000
2007 Issue.....	September 30, 2017	3.70-4.00	430,000-525,000	2,845,000	430,000
2008 Issue.....	August 1, 2018	3.00-4.00	365,000-515,000	3,055,000	365,000
2009 Issue.....	August 1, 2019	2.00-3.30	305,000-380,000	<u>2,705,000</u>	<u>305,000</u>
Total Notes				10,175,000	1,465,000
SIB Loan 2008		3.00	221,317-349,092	490,931	241,839
Recovery Zone Bond 2010 Issue.....	August 1, 2020	4.34	560,000-665,000	5,440,000	560,000
Compensated absences				1,090,768	166,447
Net OPEB obligation				<u>1,361,831</u>	
				<u>\$18,558,530</u>	<u>\$2,433,286</u>

Annual requirements to pay principal and interest on the outstanding obligations at September 30, 2011, are as follows:

	<u>Long-term debt</u>
Year Ended 9-30-2012	\$2,881,581
9-30-2013	2,846,524
9-30-2014	2,487,493
9-30-2015	2,486,748
09-30-2016	2,486,197
09-30-2017 – 09-30-2020.....	<u>5,608,878</u>
Amount representing interest	<u>(2,691,490)</u>
	<u>\$16,105,931</u>

Act 143, Public Acts of State 1943, provides that total bonds and notes outstanding under this Act cannot exceed 40% of the sum of the revenues derived from state collected taxes returned to the county for county road purposes for the last preceding five calendar years and not specifically allocated for other purposes. As of September 30, 2011, the Road Commission is within the statutory limit of Act 143.

Future Revenues Pledged for Debt Payment: The Road Commission Board has irrevocably appropriated and pledged the money received and to be received by the County from the Michigan Transportation Fund (the "Transportation Fund") for highway and road purposes pursuant to Act 51, Public Acts of Michigan, 1951, as amended ("Act 51") to the extent necessary to pay the above principal of and interest on the Michigan Transportation Notes. Proceeds from the bonds provided financing for the construction of the road projects. During the current year, Act 51 revenues were \$20,598,511 compared to the annual debt requirements of \$2,413,071.

Property and Equipment: The following table summarizes the changes in the components of the Road Commission's capital assets:

	<u>Balance Oct. 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance Sept. 30, 2011</u>
Capital assets not being depreciated:				
Land and improvements	\$ 478,816	\$	\$	\$ 478,816
Construction in progress..	909,223	340,168	760,592	488,799
Depletable assets	<u>1,210</u>			<u>1,210</u>
Subtotal	1,389,249	340,168	760,592	968,825
Capital assets being depreciated:				
Land improvements	1,238,226	444,488		1,682,714
Buildings and improvements.....	9,375,240	147,898		9,523,138
Equipment:				
Road.....	22,717,709	1,660,610	861,215	23,517,104
Shop	470,720	37,484	79,350	428,854
Engineering	123,974		31,397	92,577
Yard and Storage	498,964			498,964
Office	1,213,135	28,662	240,668	1,001,129
Lab	<u>13,408</u>		<u>13,408</u>	
Total	35,651,376	2,319,142	1,226,038	36,744,480
Infrastructure-Roads.....	319,417,014	14,511,637		333,928,651
Infrastructure-Bridges.....	<u>27,665,371</u>	<u>1,785,573</u>		<u>29,450,944</u>
Subtotal	<u>382,733,761</u>	<u>18,616,352</u>	<u>1,226,038</u>	<u>400,124,075</u>

NOTES TO FINANCIAL STATEMENTS

GENESEE COUNTY

EXHIBIT A-13

	<u>Balance Oct. 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance Sept. 30, 2011</u>
Less accumulated depreciation for:				
Land improvements	(376,269)	(75,050)		(451,319)
Buildings and improvements.....	(5,528,075)	(407,795)		(5,935,870)
Equipment:				
Road.....	(17,187,716)	(2,376,576)	(857,586)	(18,706,706)
Shop.....	(404,748)	(20,155)	(79,350)	(345,553)
Engineering.....	(110,660)	(360)	(31,397)	(79,623)
Yard and storage.....	(498,964)			(498,964)
Office.....	(957,799)	(86,994)	(227,639)	(817,154)
Lab	(13,408)		(13,408)	
Subtotal.....	<u>(25,077,639)</u>	<u>(2,966,930)</u>	<u>(1,209,380)</u>	<u>(26,835,189)</u>
Infrastructure-Bridges	(6,153,741)	(744,805)		(6,898,546)
Infrastructure-Roads	<u>(185,567,495)</u>	<u>(11,411,473)</u>		<u>(196,978,968)</u>
Subtotal.....	<u>(216,798,875)</u>	<u>(15,123,208)</u>	<u>(1,209,380)</u>	<u>(230,712,703)</u>
Total net capital assets.....	<u>\$167,324,135</u>	<u>\$ 3,833,312</u>	<u>\$ 777,250</u>	<u>\$170,380,197</u>

POST-EMPLOYMENT BENEFITS—

PLAN DESCRIPTION

The Road Commission provides retiree health care benefits to eligible employees and their spouses. This is a single employer defined benefit plan administered by the Road Commission. The benefits are provided under collective bargaining agreements.

FUND POLICY

The collective bargaining agreements require the Road Commission to pay the insurance premium/claim costs of the retiree and spouse until death. The Commission obtains health care coverage for retirees through private insurers. Upon eligibility for Medicare, the Road Commission will pay the difference between the plan costs and the amount covered by Medicare. The Road Commission has no obligation to make contributions in advance of when the insurance premiums or claims are due for payment (in other words, this may be financed on a "pay-as-you-go" basis).

FUNDING PROGRESS

For the year ended September 30, 2011 the Road Commission has estimated the cost of providing retiree health care benefits through an actuarial valuation as of September 30, 2010. The valuation computes an annual required contribution, which represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. This valuation's computed contribution and actual funding are summarized as follows:

	<u>Fiscal Year Ended September 30</u>		
	<u>2009</u>	<u>2010</u>	<u>2011</u>
Annual required contribution (recommended)	\$5,083,112	\$4,494,838	\$4,494,838
Interest on the prior year's net OPEB obligation	327,341	167,570	131,733
Less adjustment to the annual required contribution	<u>(347,126)</u>	<u>(277,943)</u>	<u>(218,502)</u>
Annual OPEB cost	\$5,063,327	\$4,384,465	\$4,408,069
Amount contributed:			
Payments of current premiums	(2,321,262)	(2,386,251)	(2,611,228)
Advance funding	<u>(4,872,340)</u>	<u>(2,476,034)</u>	<u>(2,191,456)</u>
Decrease in net OPEB obligation	(2,130,275)	(477,820)	(394,615)
OPEB obligation – beginning of year	<u>4,364,541</u>	<u>2,234,266</u>	<u>1,756,446</u>
OPEB obligation – end of year	<u>\$2,234,266</u>	<u>\$1,756,446</u>	<u>\$1,361,831</u>

	<u>Fiscal Year Ended September 30</u>		
	<u>2009</u>	<u>2010</u>	<u>2011</u>
Annual OPEB Costs	\$5,063,327	\$4,384,465	\$4,408,069
Percentage contributed	142%	108%	107%
Net OPEB obligation	\$2,234,266	\$1,756,446	\$1,361,831

The funding progress of the plan as of the most recent valuation date is as follows:

	<u>Fiscal Year Ended September 30</u>		
	<u>2009</u>	<u>2010</u>	<u>2011</u>
Unfunded AAL	\$(87,622,775)	\$44,716,286	\$44,716,286
Actuarial value of plan assets	0	7,998,488	7,998,488
Actuarial accrued liability	87,622,775	52,714,774	52,714,774
Funded	0%	15%	15%
Annual covered payroll – December 31,	\$9,659,446	\$ 9,023,093	\$9,023,093
Ratio of UAAL to covered payroll	907%	496%	496%

ACTUARIAL METHODS AND ASSUMPTIONS

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the September 30, 2010, actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 7.5 percent investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 9.0 percent initially, reduced by decrements to an ultimate rate of 5.0 percent after four years. Both rates included a 4.0 percent inflation assumption. At the point in time that the Road Commission begins funding the plan, the actuarial value of assets will be determined using techniques that spread the effects of short-term volatility in the market value of investments over a multiple year period. The UAAL is being amortized as a level percentage of projected payroll on a closed 30 year basis. The remaining amortization period at September 30, 2010, was 28 years.

WATER AND WASTE SERVICES:

Long-Term Debt: The summary of long-term debt transactions for the Water and Waste Services for the year ended December 31, 2010, is presented below:

	Balance Jan. 1, 2010	Additions (Reductions)	Balance Dec. 31, 2010	Due In One Year
1.625% to 6.0% Interceptor and treatment facilities	\$ 98,660,058	\$ (4,525,058)	\$ 94,135,000	\$5,630,000
2.5% to 7.375% District No. 3.....	35,655,000	(1,833,390)	33,821,610	2,535,000
2.50% to 5.00% Water supply system	42,630,000	(1,175,000)	41,455,000	1,210,000
Unamortized note premium	434,831	(434,831)		
	<u>\$177,379,889</u>	<u>\$ (7,968,279)</u>	<u>\$169,411,610</u>	<u>9,375,000</u>

The annual requirements to pay principal and interest on the outstanding obligations for Water and Waste Services at December 31, 2010, are as follows:

	Principal	Interest	Total
2011	\$ 9,375,000	\$5,842,436	\$15,217,436
2012	9,740,000	5,529,285	15,269,285
2013	10,065,000	5,201,739	15,266,739
2014	10,420,000	4,853,407	15,273,407
2015	10,830,000	4,486,869	15,316,869
2016-2020.....	46,570,000	17,404,486	63,974,486
2021-2025.....	42,675,000	10,473,585	53,148,585
2026-2030.....	25,206,610	3,813,607	29,020,217
2031-2033.....	4,530,000	448,038	4,978,038
Total	<u>\$169,411,610</u>	<u>\$58,053,452</u>	<u>\$227,465,062</u>

Future Revenues Pledged for Debt Payment: The Water and Waste Services Division has pledged substantially all revenue of the Water and Sewer Fund, net of operating expenses, to repay the above Genesee County Drain Commissioner water and sewer revenue bonds. Proceeds from the bonds provided financing for the construction of the water and waste systems described above. The bonds are payable solely from the net revenues of the water and sewer system. The remaining principal and interest to be paid on the bonds total \$123,232,340. During the current year, net revenues of the system were \$14,084,258 compared to the annual debt requirements of \$7,182,774.

Subsequent Event: The Division issued Series 2011 \$1,445,000 state revolving fund sewage disposal system revenue bonds in March 2011. The proceeds from these bonds will be used to fund sewer system construction costs.

Capital Assets - The summary of capital assets for Water and Waste Services at December 31, 2010 is displayed on the following page:

:

NOTES TO FINANCIAL STATEMENTS

GENESEE COUNTY

EXHIBIT A-13

	<u>Balance Jan. 1, 2010</u>	<u>Additions</u>	<u>Reclassifications</u>	<u>Balance Dec. 31, 2010</u>
Proprietary fund capital assets				
Enterprise Funds:				
Capital assets not being depreciated:				
Land	\$ 871,021	\$	\$	\$ 871,021
Construction in progress	<u>55,989,159</u>	<u>38,506,613</u>	<u>(24,851,900)</u>	<u>69,643,872</u>
Subtotal.....	<u>56,860,180</u>	<u>38,506,613</u>	<u>(24,851,900)</u>	<u>70,514,893</u>
Capital assets being depreciated:				
Distribution & collections systems	252,997,377	576,826	24,851,900	278,426,103
Vehicles.....	242,413			242,413
Buildings and equipment.....	<u>4,473,902</u>	<u>640,242</u>		<u>5,114,144</u>
Subtotal.....	<u>257,713,692</u>	<u>1,217,068</u>	<u>24,851,900</u>	<u>283,782,660</u>
Less accumulated depreciation for:				
Distribution & collections systems	(37,776,306)	(5,408,656)		(43,184,962)
Vehicles.....	(66,941)	(85,215)		(152,156)
Buildings and equipment.....	<u>(2,734,579)</u>	<u>(386,012)</u>		<u>(3,120,591)</u>
Subtotal.....	<u>(40,577,826)</u>	<u>(5,879,883)</u>		<u>(46,457,709)</u>
Net capital assets being depreciated	<u>217,135,866</u>	<u>(4,662,815)</u>		<u>237,324,951</u>
Total capital assets – Net of depreciation	<u>273,996,046</u>	<u>33,843,798</u>	<u>0</u>	<u>307,839,844</u>
Internal Service Funds:				
Capital assets being depreciated –				
Buildings and equipment.....	7,618,296	210,114		7,828,410
Less accumulated depreciation –				
Buildings and equipment.....	<u>(5,040,546)</u>	<u>(362,623)</u>		<u>(5,403,169)</u>
Net capital assets being depreciated	<u>2,577,750</u>	<u>(152,509)</u>		<u>2,425,241</u>
Total proprietary fund capital assets	<u>\$276,573,796</u>	<u>\$33,691,289</u>	<u>\$ 0</u>	<u>\$310,265,085</u>

POST-EMPLOYMENT BENEFITS—

PLAN DESCRIPTION

The Water and Waste Services Division provides retiree healthcare, dental, life, and vision benefits to eligible employees and their spouses through the Municipal Employees' Retirement System. This is an agent multiple employer defined benefit plan administered by the Division. The benefits are provided under collective bargaining agreements.

FUND POLICY

The collective bargaining agreements do not require employee contributions. The Division has no obligation to make contributions in advance of when the insurance premiums are due for payment (in other words, this may be financed on a "pay-as-you-go" basis). However, as shown below, the Division has made contributions to advance-fund these benefits, as determined by the Division.

FUNDING PROGRESS

For the year ended December 31, 2010, the Division has estimated the cost of providing retiree healthcare benefits through an actuarial valuation as of December 31, 2008. The valuation computes an annual required contribution, which represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. This valuation's computed contribution and actual funding are summarized as follows:

	<u>Fiscal Year Ended December 31</u>		
	<u>2008</u>	<u>2009</u>	<u>2010</u>
Annual required contribution (recommended)	\$2,044,285	\$2,085,921	\$2,587,823
Interest on the prior year's net OPEB obligation		76,228	121,341
Less adjustment to the annual required contribution		<u>(47,720)</u>	<u>(67,411)</u>
Annual OPEB cost	<u>2,044,285</u>	<u>2,114,429</u>	<u>2,641,753</u>
Amount contributed:			
Payments of current premiums	(1,091,433)	(1,016,108)	(1,395,270)
Advance funding	<u>(5,000)</u>	<u>(23,850)</u>	<u>(80,595)</u>
Increase in net OPEB obligation	(947,852)	(1,074,471)	(1,165,888)
OPEB obligation – Beginning of year		<u>(947,852)</u>	<u>(2,022,323)</u>
OPEB obligation – end of year	<u>\$ (947,852)</u>	<u>\$ (2,022,323)</u>	<u>\$ (3,188,211)</u>
	<u>Fiscal Year Ended December 31</u>		
	<u>2008</u>	<u>2009</u>	<u>2010</u>
Annual OPEB Costs	\$2,044,285	\$2,114,429	\$2,641,753
Percentage contributed	53.63%	49.18%	55.87%
Net OPEB obligation	\$947,852	\$2,022,323	\$3,188,211

The funding progress of the plan as of the most recent valuation date is as follows:

	<u>Fiscal Year Ended December 31</u>		
	<u>2008</u>	<u>2009</u>	<u>2010</u>
Unfunded AAL	\$22,642,182	\$26,440,321	\$35,394,879
Actuarial value of assets.....	0	0	0
Actuarial accrued liability.....	22,642,182	26,440,321	35,394,879
Funded	0%	0%	0%
Annual covered payroll – December 31,	\$8,138,717	\$8,420,060	\$8,420,060
Ratio of UAAL to covered payroll	278.20%	314.02%	420.36%

ACTUARIAL METHOD AND ASSUMPTIONS

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the December 31, 2008 actuarial valuation, the individual entry age actuarial cost method was used. The actuarial assumptions included an 8.0 percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 5.0 percent. The UAAL is being amortized as a level percentage of projected payroll over 30 years.

DRAIN COMMISSION:

The summary of long-term debt transactions for the Drain funds for the year ended September 30, 2011, is presented below:

	<u>Balance</u> <u>Oct. 1, 2010</u>	<u>Additions</u> <u>(Reductions)</u>	<u>Balance</u> <u>Sept. 30, 2011</u>	<u>Due in</u> <u>One Year</u>
Citizens Bank.....	\$	\$250,000	\$ 250,000	\$
3.69% to 6.85% Genesee County Special Assessment debt with governmental commitment.....	798,758	83,250 (481,091)	400,917	481,091
4.75 to 5.4% Genesee County Drainage District #1610 Series 2000 Bonds	300,000	(50,000)	250,000	50,000
4.0 to 4.25% Genesee County Drainage District #408 Series 2006 Bonds	710,000	(100,000)	610,000	100,000
4.0% Genesee County Drainage District #382 Series 2007 Bonds	800,000	(400,000)	400,000	400,000
	<u>\$2,608,758</u>	<u>\$ (697,841)</u>	<u>\$ 1,910,917</u>	<u>\$1,031,091</u>

The annual requirements to pay principal and interest on the outstanding obligations for the Drain funds at September 30, 2010, are as follows:

2011/2012	\$1,076,678
2012/2013	338,250
2013/2014	257,606
2014/2015	211,711
2016/2017	182,700
	2,066,945
Amount representing interest.....	(156,029)
	<u>\$1,910,916</u>

The following is a summary of capital assets for the Drain fund at September 30, 2011:

	<u>Balance</u> <u>Oct. 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Sept. 30, 2011</u>
Capital assets being depreciated:				
Equipment.....	\$1,564,582	\$	\$	\$ 1,564,582
Infrastructure.....	24,568,571	146,576		24,715,147
Drain System Retrospective	29,376,026			29,376,026
Capital assets not being depreciated:				
Construction in Progress	107,621	49,570	(27,447)	129,744
Subtotal	<u>55,616,800</u>	<u>196,146</u>	<u>(27,447)</u>	<u>55,785,499</u>

NOTES TO FINANCIAL STATEMENTS

GENESEE COUNTY

EXHIBIT A-13

	Balance Oct. 1, 2010	Additions	Deletions	Balance Sept. 30, 2011
Less Allowance for Depreciation ..				
Equipment.....	(1,318,064)	(50,266)		(1,368,330)
Infrastructure.....	(6,306,731)	(2,258,438)		(8,565,169)
Drain System Retrospective	<u>(20,131,888)</u>			<u>(20,131,888)</u>
Subtotal	<u>(27,756,683)</u>	<u>(2,308,704)</u>		<u>(30,065,387)</u>
Net capital assets being depreciated	<u>27,752,494</u>	<u>(2,162,128)</u>		<u>25,590,368</u>
Total Capital Assets				
Net of depreciation.....	<u>\$27,860,117</u>	<u>\$ (2,112,558)</u>	<u>\$ (27,447)</u>	<u>\$ 25,720,112</u>

During 2006, the Drain Commission complied with the provisions of GASB Statement 34 relative to the retroactive adjustment to capitalize infrastructure back to 1980.

LAND BANK AUTHORITY:

The summary of long-term debt transactions for the Genesee County Land Bank Authority for the year ended September 30, 2011, is presented below:

	Balance Oct. 1, 2010	Additions	(Reductions)	Balance Sept. 30, 2011	Due In One Year
Promissory Note – Genesee County	\$ 975,038	\$	\$ (362,148)	\$ 612,890	\$ 131,333
Berridge Place Project.....	1,015,000		(230,000)	785,000	245,000
Note payable - LRC	110,747		(110,747)		
Land Bank Center.....	1,890,000		(40,000)	1,850,000	40,000
GCLB-Berridge Planc, LLC LISC note payable...	1,388,468		(14,023)	1,374,445	13,905
Line of credit		400,000		400,000	
Total note leases	<u>5,379,253</u>	<u>400,000</u>	<u>(756,918)</u>	<u>5,022,335</u>	<u>430,238</u>
Compensated absences	<u>30,032</u>	<u>8,617</u>		<u>38,649</u>	
Total long-term	<u>\$5,409,285</u>	<u>\$ 408,617</u>	<u>\$ (756,918)</u>	<u>\$ 5,060,984</u>	<u>\$ 430,238</u>

The annual requirements to pay principal and interest on the outstanding obligations at September 30, 2011, are as follows:

2012	\$ 854,452
2013	690,658
2014	694,792
2015	1,706,650
2016	283,559
2017-2021	898,466
2022-2026	734,527
2027-2031	736,465
2032-2036	<u>440,642</u>
	7,040,211
Amount representing interest.....	<u>(2,017,876)</u>
	<u>\$5,022,335</u>

The following is a summary of capital assets for the Genesee County Land Bank Authority at September 30, 2011:

	Balance Oct. 1, 2010	Disposals and Additions	Adjustments	Balance Sept. 30, 2011
Capital assets not being depreciated:				
Land	\$ 84,308	\$	\$	\$ 84,308
Construction in progress-Bldgs.....				
Subtotal.....	<u>84,308</u>			<u>84,308</u>
Capital assets being depreciated:				
Buildings and improvements.....	16,329,317	(7,177,093)		9,152,224
Machinery and equipment	119,342	46,682		166,024
Office equipment.....	180,684	16,555		197,239
Vehicles	<u>120,274</u>	<u>(9,650)</u>	<u>39,900</u>	<u>150,524</u>
Subtotal	<u>16,749,617</u>	<u>(7,123,506)</u>	<u>39,900</u>	<u>9,666,011</u>
Less Accumulated depreciation:				
Buildings and improvements.....	(1,720,575)	628,227		(1,092,348)
Maintenance and equipment	(51,325)	(21,612)		(72,937)
Office equipment.....	(85,522)	(2,638)		(88,160)
Vehicles	<u>(80,000)</u>	<u>(10,869)</u>		<u>(90,869)</u>
Subtotal	<u>(1,937,422)</u>	<u>593,108</u>		<u>(1,344,314)</u>
Net capital assets being depreciated	<u>14,812,195</u>	<u>(6,530,398)</u>	<u>39,900</u>	<u>8,321,697</u>
Total capital assets – Net of depreciation	<u>\$14,896,503</u>	<u>\$ (6,530,398)</u>	<u>\$ 39,900</u>	<u>\$ 8,406,005</u>

BROWNFIELD AUTHORITY:

The summary of long-term debt transactions for the Genesee County Brownfield Authority for the year ended September 30, 2011 is presented below:

	<u>Balance Oct. 1, 2010</u>	<u>Additions</u>	<u>(Reductions)</u>	<u>Balance Sept. 30, 2011</u>	<u>Due In One Year</u>
Unamortized note premium	\$ 424,679		(\$ 424,679)		
3.0% to 5.0% Genesee County Brownfield Authority .	<u>12,930,000</u>		<u>(110,000)</u>	<u>\$12,820,000</u>	<u>\$110,000</u>
Series 2005 Tax Increment Bonds, Subject to redemption prior to maturity.....	<u>\$ 13,354,679</u>	<u>\$</u>	<u>(\$ 534,679)</u>	<u>\$12,820,000</u>	<u>\$110,000</u>

The annual requirements to pay principal and interest on the outstanding obligations at September 30, 2011, are as follows:

2012	\$ 817,600
2013	843,500
2014	843,500
2015	852,900
2016	861,300
2017-2021	4,440,275
2022-2026	4,657,625
2027-2031	4,888,875
2032-2036	<u>4,078,625</u>
	22,284,200
Amount representing interest.....	<u>(9,464,200)</u>
	<u>\$12,820,000</u>

NOTE O-RESTATEMENT OF NET ASSETS

Restatement: Net assets and fund balances at September 30, 2011, were restated to correct beginning balances. Net assets and fund balances were restated for the following reasons:

- 1) To properly account for the liability to the Special Events Committee in the Governmental Activities.
- 2) To account for reclassification of Parking Meter Fund as a Nonmajor Enterprise Fund.

	<u>As Previously Reported</u>	<u>Adjustments</u>	<u>Restated Amounts</u>
Component units:			
Net Assets			
Road Commission	<u>\$206,790,345</u>	<u>\$ (11,600) ⁽¹⁾</u>	<u>\$ 206,778,745</u>

	<u>As Previously Reported</u>	<u>Adjustments</u>	<u>Restated Amounts</u>
Primary government:			
Net Assets			
Governmental activities	<u>\$ 136,681,033</u>	<u>\$ (207,815) ⁽²⁾</u>	<u>\$ 136,473,218</u>
Business-type activities	<u>\$ 15,973,150</u>	<u>\$ 207,815 ⁽²⁾</u>	<u>\$ 16,180,965</u>

NOTE P-ACCOUNTING AND REPORTING CHANGE

During the year, the County adopted GASB Statement No. 54, Fund Balance Reporting and Governmental Fund-type Definitions. The objective of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. In order to conform the classifications of the funds to the appropriate fund types under these new definitions, beginning fund balance was restated as follows:

	<u>General Fund</u>
Fund Balance – September 30, 2010 – As previously reported	\$ 11,174,478
Reclassifications under GASB Statement No. 54 – Animal Shelter Fund and Medical Examiner Fund, previously reported as Nonmajor Special Revenue Funds, were merged into the General Fund	14,364
Reclassification of the Parking Meter Fund as a Nonmajor Enterprise Fund, was previously combined with General Fund	<u>(207,815)</u>
Fund Balance – September 30, 2010 – As restated	<u>\$ 10,981,027</u>

NOTES TO FINANCIAL STATEMENTS

GENESEE COUNTY

EXHIBIT A-13

NOTE Q-GASB UPCOMING ACCOUNTING PRONOUNCEMENTS DISCLOSURE

In December 2010, the GASB issued Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements. This statement incorporates into the GASB literature certain accounting and financial reporting guidance issued on or before November 30, 1989 that is included in FASB Statements and Interpretations, APB Opinions, and Accounting Research Bulletins of the AICPA Committee on Accounting Procedure. The County is currently evaluating the impact this standard will have on the financial statements when adopted during the County's 2013 fiscal year.

In June 2011, the GASB issued Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. The statement will be effective for the County's 2012-2013 fiscal year. The statement incorporates deferred outflows of resources and deferred inflows of resources, as defined by GASB Concepts Statement No. 4, into the definitions of the required components of the residual measure of net position, formerly net assets. This statement also provides a new statement of net position format to report all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. Once implemented, this statement will impact the format and reporting of the balance sheet at the government-wide level and also at the fund level.

Note R-PENSION, EMPLOYEES' FRINGE BENEFIT (VEBA) AND QUALIFIED EXCESS BENEFIT ARRANGEMENT (QEBA) TRUST FUNDS

	General Employees Retirement System	Employees' Qualified Excess Arrangement (QEBA)	Employees' Fringe Benefit (VEBA)	Total
Statement of Net Assets:				
Cash and investments	\$ 467,102,168	\$ 983	\$ 39,258,172	\$ 506,361,323
Other assets	1,538,756		368,970	1,907,726
Liabilities	<u>(43,423,494)</u>		<u>(2,234,231)</u>	<u>(45,657,725)</u>
Net Assets	<u>425,217,430</u>	<u>983</u>	<u>37,392,911</u>	<u>462,611,324</u>
Statement of Changes in Net Assets:				
Investment Income	49,166,527		(251,070)	48,915,457
Contributions	15,067,484		9,698,547	24,766,031
Other increases	7,304,619		1,148,122	8,452,741
Benefit payments	(35,292,536)		(13,359,368)	(48,651,904)
Other decreases	<u>(5,392,788)</u>		<u>(340,611)</u>	<u>(5,733,399)</u>
Change in Net Assets	<u>\$ 30,853,306</u>	<u>\$</u>	<u>\$ (3,104,380)</u>	<u>\$ 27,748,926</u>

NOTE S-FUND BALANCE CONSTRAINTS

The detail of the various components of fund balance is as follows:

	Major Special Revenue Funds					
	General	Mental	County	Community	Other	
	Fund	Health	Health	Action Resource	Governmental	
				Department	Funds	Total
Fund Balances:						
Nonspendable:						
Long-term advance to Internal Service Fund	\$ 2,467,093					\$ 2,467,093
Long-term advance to Component Unit	500,000					500,000
Prepayments:	174,717	\$ 961,563			\$ 413,336	1,549,616
Inventory:				\$ 453,117	2,060,367	2,513,484
Restricted for:						
Non-Major Special Revenue:						
Community Development					181,238	181,238
Community Development NSP Homes					1,600,221	1,600,221
Community Enrichment and Development					985,912	985,912
Drug Forfeiture					176,793	176,793
Emergency Medical Services					1,436,686	1,436,686
Health Care Services					1,936,334	1,936,334
Solid Waste Planning Activities					319,958	319,958
Senior Services					3,864,610	3,864,610
Social Services					233,601	233,601
Capital Projects-JCI Energy					2,433,212	2,433,212
Committed to:						
Non-Major Special Revenue:						
Planning Commission:						
Contractual disallowances					59,994	59,994
Local match on grant					15,000	15,000
Office equipment					9,980	9,980
Assigned to:						
Costs and settlements of contractual						
disallowance's, claims and litigation	1,000,000					1,000,000
Programs:						
Mental Health		16,740,763				16,740,763
County Health			\$ 17,632			17,632
Community Action Resource Department				783,395		783,395
Non-Major Special Revenue:						
Child Care					1,369,513	1,369,513
Community Enrichment and Development					3,096	3,096
Parks and Recreation					3,936,147	3,936,147
Planning Commission					26,625	26,625
Planning Commission-Compensated absences					79,339	79,339
Non-Major Debt Service:						
JCI Energy Bond					110,989	110,989
Tax Note Obligation					143,496	143,496
Capital Projects:						
Accommodation Ordinance Tax					44,767	44,767
Bray Road Parks and Recreation					232,027	232,027
Capital Improvement					744,023	744,023
Courthouse Square					14,585	14,585
GCCARD Lippincott					255,997	255,997
Jail Site Remediation					12,471	12,471

NOTES TO FINANCIAL STATEMENTS

GENESEE COUNTY

EXHIBIT A-13

NOTE S-FUND BALANCE CONSTRAINTS - continued:

The detail of the various components of fund balance is as follows:

	<u>Major Special Revenue Funds</u>					
	<u>General</u>	<u>Mental</u>	<u>County</u>	<u>Community</u>	<u>Other</u>	
	<u>Fund</u>	<u>Health</u>	<u>Health</u>	<u>Action Resource</u>	<u>Governmental</u>	<u>Total</u>
				<u>Department</u>	<u>Funds</u>	
Unassigned:	7,667,575					7,667,575
Administration of Justice					(2,272,827)	(2,272,827)
Law Enforcement					(225,887)	(225,887)
Hughes & Hatcher Center Debt Service					(1,846,569)	(1,846,569)
Total fund balances	\$ 11,809,385	\$ 17,702,326	\$ 17,632	\$ 1,236,512	\$ 18,355,034	\$ 49,120,889

**SUPPLEMENTARY
INFORMATION
GENERAL AND MAJOR FUNDS**

**SCHEDULE OF REVENUES AND TRANSFERS IN
BUDGET AND ACTUAL -- GENERAL FUND
REQUIRED SUPPLEMENTARY INFORMATION**

GENESEE COUNTY

Exhibit B-1

Fiscal Year Ended September 30, 2011				
	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
OPERATING REVENUE				
TAXES				
Current property taxes.....	\$ 49,629,853	\$ 49,771,607	\$ 31,720,399	\$ (18,051,208)
LICENSES AND PERMITS				
Dog licenses	613,575	553,545	545,450	(8,095)
Other.....	81,360	167,393	165,183	(2,210)
TOTALS	694,935	720,938	710,633	(10,305)
FINES AND FORFEITURES				
Ordinance fines and costs.....	1,840,212	1,584,074	1,580,511	(3,563)
Bond forfeitures	57,890	51,935	51,019	(916)
TOTALS	1,898,102	1,636,009	1,631,530	(4,479)
USE OF MONEY AND PROPERTY				
Interest earned	270,000	100,677	79,173	(21,504)
OTHER INTERGOVERNMENTAL REVENUES				
Federal revenue.....		160,000	137,971	(22,029)
Probate judges salaries	285,010	285,010	188,390	(96,620)
Revenue sharing.....	9,400,000	9,847,000	9,875,271	28,271
State liquor tax.....	2,244,429	2,244,429	2,377,680	133,251
State cigarette tax.....	15,226	72,008	72,008	
Other.....	3,646,628	3,825,521	3,881,532	56,011
TOTALS	15,591,293	16,433,968	16,532,852	98,884
CHARGES FOR SERVICES				
Animal Shelter	45,000	73,988	55,605	(18,383)
District Court.....	2,888,005	2,442,995	2,509,894	66,899
Friend of the Court.....	928,483	1,599,378	545,693	(1,053,685)
Probate Court	132,300	145,381	145,743	362
Probation fees	33,000	32,884	32,370	(514)
County Treasurer.....	710,200	588,125	592,410	4,285
County Clerk	1,548,914	1,260,158	1,243,065	(17,093)
Register of Deeds	1,296,155	1,332,767	1,278,292	(54,475)
Sheriff	1,536,610	1,303,232	1,319,691	16,459
Other services	612,910	574,244	538,262	(35,982)
TOTALS	9,731,577	9,353,152	8,261,025	(1,092,127)
OTHER REVENUE.....	432,519	432,197	577,335	145,138
TOTAL OPERATING REVENUE	78,248,279	78,448,548	59,512,947	(18,935,601)
TRANSFERS IN				
Enterprise Funds	2,775,121	2,777,606	4,461,337	1,683,731
Special Revenue Funds.....	1,952,644	1,957,299	1,968,500	11,201
Capital Projects Funds.....	0	0	0	
Debt Service Funds.....		230,000	18,047,283	17,817,283
Internal Service Funds.....	0	0	0	0
TOTAL TRANSFERS IN	4,727,765	4,964,905	24,477,120	19,512,215
	<u>\$ 82,976,044</u>	<u>\$ 83,413,453</u>	<u>\$ 83,990,067</u>	<u>\$ 576,614</u>

NOTE - The budgetary basis is the same as reported by generally accepted accounting principles.

**SCHEDULE OF EXPENDITURES AND APPROPRIATIONS
BUDGET AND ACTUAL -- GENERAL FUND
REQUIRED SUPPLEMENTARY INFORMATION**

GENESEE COUNTY

Exhibit B-2

Fiscal Year Ended September 30, 2011				
	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
LEGISLATIVE				
Board of Commissioners.....	\$ 933,013	\$ 1,097,566	\$ 1,077,329	\$ 20,237
MANAGEMENT AND PLANNING				
Board Coordinator.....	311,070	324,693	323,665	1,028
Boundary Commission.....	200			
County Clerk.....	3,020,695	2,882,132	2,861,122	21,010
County Treasurer.....	1,647,729	1,284,903	1,258,553	26,350
Drain Commission.....	1,273,461	1,137,365	1,116,438	20,927
Elections Clerk.....	703,292	664,191	591,302	72,889
Equalization.....	1,137,538	1,033,557	1,040,435	(6,878)
GIS.....	172,282	189,374	188,557	817
Register of Deeds.....	841,199	960,702	964,903	(4,201)
TOTALS	9,107,466	8,476,917	8,344,975	131,942
ADMINISTRATION OF JUSTICE				
Adult Probation.....	372,111	359,789	354,818	4,971
Circuit Court.....	10,140,430	9,191,137	9,012,122	179,015
District Court.....	6,090,108	5,806,477	5,799,755	6,722
Jury Board.....	313,434	302,771	302,032	739
Probate Court.....	2,711,142	2,637,737	2,656,090	(18,353)
Prosecutor.....	4,659,979	4,856,641	4,911,051	(54,410)
Court Services.....	380,810	373,088	374,845	(1,757)
TOTALS	24,668,014	23,527,640	23,410,713	116,927
LAW ENFORCE/ COMMUNITY PROTECTION				
Road Patrol.....	0	0	0	0
Office of Emergency Preparedness.....	186,088	150,304	152,124	(1,820)
Sheriff Administration.....	2,791,159	2,628,830	2,642,957	(14,127)
Sheriff Marine Division.....	0	42,924	47,169	(4,245)
Detective Division.....	1,340,778	1,491,192	1,653,761	(162,569)
Sheriff Security.....	18,769,532	19,380,901	19,423,774	(42,873)
New Paths.....	100,000	100,000	99,996	4
TOTALS	23,187,557	23,794,151	24,019,781	(225,630)
HUMAN SERVICES				
Veterans Burial.....	51,797	55,075	56,154	(1,079)
Veterans Information Center.....	196,210	193,322	195,901	(2,579)
TOTALS	248,007	248,397	252,055	(3,658)
COMMUNITY ENRICHMENT AND DEVELOPMENT				
Cooperative Extension.....	0	0	0	0
GENERAL SUPPORT SERVICES				
Equity and Diversity.....	156,646	153,302	154,581	(1,279)

NOTE - The budgetary basis is the same as the basis required by generally accepted accounting principles.

Fiscal Year Ended September 30, 2011				
	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
OTHER				
Other.....	\$ 119,456	\$ 2,274,215	\$ 1,914,239	\$ 359,976
Postretirement Benefits.....				
TOTALS	<u>119,456</u>	<u>2,274,215</u>	<u>1,914,239</u>	<u>359,976</u>
CAPITAL OUTLAY				
Animal Shelter.....		2,950	2,145	805
District Court.....		16,745	16,730	15
Sheriff.....		28,846	26,503	2,343
All others.....			30,806	(30,806)
TOTALS	<u>0</u>	<u>48,541</u>	<u>76,184</u>	<u>(27,643)</u>
TOTAL EXPENDITURES	<u>58,420,159</u>	<u>59,620,729</u>	<u>59,249,857</u>	<u>370,872</u>
APPROPRIATIONS				
Special Revenue:				
Administration of Justice Funds.....	3,756,347	3,614,350	3,537,232	77,118
Animal Shelter.....	1,021,500	1,022,849	972,911	49,938
Child Care.....	7,986,061	7,809,110	7,809,110	0
Community Enrichment and Development Funds.....	213,759	213,469	250,336	(36,867)
County Health.....	3,422,156	3,033,559	3,033,559	0
Debt Service Funds.....	2,181,064	2,181,064	2,270,848	(89,784)
Law Enforcement Funds.....	138,500	138,500	191,797	(53,297)
Medical Examiner.....	1,251,715	1,394,875	1,443,133	(48,258)
Mental Health.....	3,700,000	3,700,000	3,414,365	285,635
Parks and Recreation.....	469,055	460,982	460,982	0
Planning Commission.....	524,383	469,582	469,582	0
Social Services.....	15,500	15,500	15,500	0
TOTALS	<u>24,680,040</u>	<u>24,053,840</u>	<u>23,869,355</u>	<u>184,485</u>
Internal Service:				
Administrative Services.....		79,057	62,402	16,655
Vehicles and Equipment.....	200,000	7,086	3,960	3,126
Building and Grounds.....		50,419	132,771	(82,352)
TOTALS	<u>200,000</u>	<u>136,562</u>	<u>199,133</u>	<u>(62,571)</u>
TOTAL APPROPRIATIONS	<u>24,880,040</u>	<u>24,190,402</u>	<u>24,068,488</u>	<u>121,914</u>
TOTAL EXPENDITURES AND APPROPRIATIONS	<u>\$ 83,300,199</u>	<u>\$ 83,811,131</u>	<u>\$ 83,318,345</u>	<u>\$ 492,786</u>

NOTE - The County implemented GASB No. 54 in the current year, refer to Note B. As a result, the Animal Shelter and Medical Examiner Funds merged with the General Fund for reporting purposes but are budgeted as separate funds.

**SCHEDULE OF REVENUES AND OTHER SOURCES--BUDGET AND ACTUAL--
MAJOR SPECIAL REVENUE FUNDS
REQUIRED SUPPLEMENTARY INFORMATION**

GENESEE COUNTY

Exhibit B-3

Fiscal Year Ended September 30, 2011			
	Original and Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
MENTAL HEALTH			
General Fund appropriation.....	\$ 3,700,000	\$ 3,414,365	\$ (285,635)
Use of money and property.....	2,782	2,782	0
Federal grants.....	5,082,124	4,702,301	(379,823)
State grants.....	19,833,364	16,606,177	(3,227,187)
Charges for services.....	122,812,676	122,150,484	(662,192)
Other.....	1,452,113	1,217,538	(234,575)
TOTALS	<u>\$ 152,883,059</u>	<u>\$ 148,093,647</u>	<u>\$ (4,789,412)</u>
COUNTY HEALTH			
General Fund appropriation.....	\$ 3,277,793	\$ 3,487,810	\$ 210,017
Licenses and permits.....	1,053,247	1,009,103	(44,144)
Federal grants.....	7,505,862	5,970,111	(1,535,751)
State grants.....	4,728,582	2,367,687	(2,360,895)
Other intergovernmental revenue.....	656,988	643,703	(13,285)
Charges for services.....	276,357	200,616	(75,741)
Other.....	433,624	1,501,259	1,067,635
TOTALS	<u>\$ 17,932,453</u>	<u>\$ 15,180,289</u>	<u>\$ (2,752,164)</u>
COMMUNITY ACTION RESOURCE DEPARTMENT			
Federal grants.....	\$ 42,982,868	\$ 28,838,766	(14,144,102)
State grants.....	937,735	973,871	36,136
Other.....	10,386,990	699,901	(9,687,089)
Transfers in.....		3,908,083	3,908,083
TOTALS	<u>\$ 54,307,593</u>	<u>\$ 34,420,621</u>	<u>\$ (19,886,972)</u>

NOTE - The budgetary basis is the same as the basis required by generally accepted accounting principles.

**SCHEDULE OF EXPENDITURES AND OTHER USES--BUDGET AND ACTUAL--
MAJOR SPECIAL REVENUE FUNDS
REQUIRED SUPPLEMENTARY INFORMATION**

GENESEE COUNTY

Exhibit B-4

Fiscal Year Ended September 30, 2011			
	Original and Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
MENTAL HEALTH			
Board administration.....	\$ 11,071,392	\$ 14,632,905	\$ (3,561,513)
Managed care.....	20,065,817	15,098,287	4,967,530
Residential services.....	30,429,079	29,526,298	902,781
Adult services.....	28,574,090	26,678,230	1,895,860
Clinical services.....	3,946,538	4,020,380	(73,842)
State hospitals.....	7,220,433	6,052,280	1,168,153
Developmental disabilities.....	21,292,578	21,575,384	(282,806)
Inpatient services.....	11,393,349	10,630,404	762,945
Substance abuse services.....	9,402,323	8,568,072	834,251
Employee benefits.....	8,044,145	8,044,145	0
Capital outlay.....		291,346	(291,346)
TOTALS	\$ 151,439,744	\$ 145,117,731	\$ 6,322,013
COUNTY HEALTH			
Personnel services.....	\$ 6,407,199	\$ 5,880,416	\$ 526,783
Fringe benefits.....	4,414,669	3,896,576	518,093
Supplies and services.....	6,476,934	5,073,422	1,403,512
Capital outlay.....	26,250	4,223	22,027
Transfers out.....	1,567,424	1,817,769	(250,345)
TOTALS	\$ 18,892,476	\$ 16,672,406	\$ 2,220,070
COMMUNITY ACTION RESOURCE DEPARTMENT			
Personnel services.....	\$ 15,927,090	\$ 10,431,856	\$ 5,495,234
Fringe benefits.....	8,898,246	6,260,749	2,637,497
Supplies and services.....	29,000,315	17,081,714	11,918,601
Capital outlay.....	481,942	568,275	(86,333)
Transfers out.....		427,762	(427,762)
TOTALS	\$ 54,307,593	\$ 34,770,356	\$ 19,537,237

NOTE - The budgetary basis is the same as the basis required by generally :

**COMBINING
FUND FINANCIAL STATEMENTS
NONMAJOR GOVERNMENTAL FUNDS**

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS

GENESEE COUNTY

Exhibit C-1

		Special Revenue
Cash and cash equivalents - Note C.....	\$	8,899,003
Investments - Note C.....		8,621,001
Interest and accounts receivable.....		8,498,045
Due from other governmental units.....		8,857,620
Due from other County funds -- Note L.....		214,521
Due from component unit - Land Bank Authority.....		182,283
Long term advance to component unit.....		
Prepaid expenses.....		413,336
Supplies inventory.....		1,758,904
Other assets.....		16,151
TOTAL ASSETS	\$	<u>37,460,864</u>
Accounts Payable.....	\$	2,186,194
Accrued payroll.....		592,509
Other accrued liabilities and deposits.....		112,647
Due to other governmental units.....		984,729
Due to other County funds -- Note L.....		6,729,816
Due to component unit - Note L.....		450,000
Deferred revenue - Note K.....		12,096,617
TOTAL LIABILITIES		<u>23,152,512</u>
Fund balances:		
Nonspendable.....		572,019
Restricted.....		10,735,353
Committed.....		84,974
Assigned.....		5,414,720
Unassigned.....		(2,498,714)
TOTAL FUND BALANCES		<u>14,308,352</u>
TOTAL LIABILITIES AND FUND BALANCES	\$	<u>37,460,864</u>

September 30, 2011

Debt Service	Capital Projects	Total Nonmajor Governmental Funds
\$ 196,989	\$ 4,720,750	\$ 13,816,742
		8,621,001
		8,498,045
116,000	175,548	9,149,168
99,658		314,179
		182,283
1,850,000		1,850,000
51,684		465,020
		1,758,904
		16,151
<u>\$ 2,314,331</u>	<u>\$ 4,896,298</u>	<u>\$ 44,671,493</u>

\$	\$ 1,126,365	\$ 3,312,559
		592,509
		112,647
		984,729
103,047	32,851	6,865,714
		450,000
<u>1,901,684</u>		<u>13,998,301</u>
<u>2,004,731</u>	<u>1,159,216</u>	<u>26,316,459</u>

1,901,684		2,473,703
	2,433,212	13,168,565
		84,974
254,485	1,303,870	6,973,075
<u>(1,846,569)</u>		<u>(4,345,283)</u>
<u>309,600</u>	<u>3,737,082</u>	<u>18,355,034</u>

<u>\$ 2,314,331</u>	<u>\$ 4,896,298</u>	<u>\$ 44,671,493</u>
---------------------	---------------------	----------------------

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--NONMAJOR GOVERNMENTAL FUNDS

GENESEE COUNTY

Exhibit C-2

		<u>Primary</u>
		<u>Special Revenue</u>
Revenues:		
Taxes--Note H.....	\$	25,912,217
Licenses and permits.....		107,371
Fines and forfeitures.....		191,044
Use of money and property.....		143,359
Federal grants--Note G.....		33,635,850
State grants--Note G.....		11,242,057
Other intergovernmental revenues.....		2,634,903
Charges for services.....		4,997,743
Other.....		2,860,285
	TOTAL REVENUES	<u>81,724,829</u>
Expenditures:		
Current operations:		
Management and planning.....		13,382,969
Administration of justice.....		11,146,336
Law enforcement and community protection.....		50,274,555
Human services.....		13,284,627
Community enrichment and development.....		5,976,715
Other.....		495,887
Capital outlay.....		
Debt service--Note E:		
Principal payments.....		
Interest.....		
	TOTAL EXPENDITURES	<u>94,561,089</u>
	REVENUES OVER(UNDER) EXPENDITURES	<u>(12,836,260)</u>
Other financing sources (uses):		
Proceeds from general obligation bonds.....		13,465,070
Transfers-In.....		(6,523,156)
Transfers-Out.....		
	TOTAL OTHER FINANCING SOURCES(USES)	<u>6,941,914</u>
	NET CHANGE IN FUND BALANCES	<u>(5,894,346)</u>
Fund balance at beginning of year.....		20,202,698
	FUND BALANCE AT END OF YEAR	<u>\$ 14,308,352</u>

Government - Fiscal Year Ended September 30, 2011

		Total Nonmajor Governmental Funds	
Debt Service	Capital Projects		
\$ 0		\$ 25,912,217	
		107,371	
		191,044	
213,423	\$ 297	357,079	
		33,635,850	
		11,242,057	
		2,634,903	
		4,997,743	
	175,548	3,035,833	
213,423	175,845	82,114,097	
		13,382,969	
		11,146,336	
		50,274,555	
		13,284,627	
70,345	2,721	6,049,781	
	6,001,516	6,497,403	
1,899,500		1,899,500	
1,194,751		1,194,751	
3,164,596	6,004,237	103,729,922	
(2,951,173)	(5,828,392)	(21,615,825)	
9,015,784		9,015,784	
2,982,759	9,312,551	25,760,380	
(9,015,784)	(32,851)	(15,571,791)	
2,982,759	9,279,700	19,204,373	
31,586	3,451,308	(2,411,452)	
278,014	285,774	20,766,486	
\$ 309,600	\$ 3,737,082	\$ 18,355,034	

**COMBINING
FINANCIAL STATEMENTS
NONMAJOR SPECIAL REVENUE FUNDS**

NONMAJOR SPECIAL REVENUE FUNDS

Accommodations Ordinance Tax - to account for the collection of a five percent hotel room tax and subsequent disbursement of such revenues to the Flint Convention and Tourist Council and the Genesee County Parks and Recreation Department. Board of Commissioners resolution provides for use of such revenues to promote tourism and convention business.

Administration of Justice - to account for programs that provide support to local court activities within Genesee County. Financing is provided through various Federal and State grants and General Fund appropriations.

Child Care - to account for court ordered expenses for the health and welfare of minor children. Financing is provided by General Fund appropriations and State matching of certain eligible costs.

Community Development - to account for Housing and Urban Development grant awards that are allocated to all local units of government (excluding City of Flint) for projects benefiting low and moderate income persons or projects defined as having an urgent need.

Community Enrichment and Development - to account for small grants providing for activities that support community development. Financing is provided through various Federal and State grants and General Fund appropriations.

Drug Forfeiture - to account for local share of funds received as a result of seizures made in the arrest and prosecution of criminal drug cases in Genesee County.

Emergency Medical Services - to account for the costs of providing advanced emergency medical services. Financing is provided by an annual property tax levy.

Health Care Services - to account for the costs of providing health care to low income, uninsured persons, in addition to substantially improving the quality of life of those persons. Financing is provided by an annual property tax levy.

Law Enforcement - to account for programs designated for the support of local law enforcement efforts in Genesee County. Financing is provided through various Federal and State grants and General Fund appropriations.

Parks and Recreation - to account for the operations and maintenance of County owned parks and facilities, exclusive of Parks & Recreation Enterprise Fund. Financing is provided by General Fund appropriations, an annual property tax levy, and charges for services of operating the parks.

Planning Commission - to account for the planning and information gathering activities undertaken to improve city or county maintained roads, relieve local unemployment, or other related activities which benefit county residents. Financing is provided by State and Federal grants and General Fund appropriations.

Revenue Sharing - to account for the state authorized program to set aside property taxes to replace revenue sharing no longer distributed to counties.

Senior Services - to account for the costs of providing services to improve the health, safety, and quality of life for seniors in Genesee County. Financing is provided by an annual property tax levy.

Social Services - to account for the costs of providing financial assistance to County residents who cannot meet basic requirements for personal needs, shelter, and medical care. Financing is provided by the Michigan Department of Social Services and General Fund appropriations.

Township Police Support Services - to account for the costs pertaining to township police services performed by the Genesee County Sheriff's Department. Financing is provided primarily by the townships utilizing the service on a cost reimbursement basis.

Workforce Investment Act Program - to account for federally funded grant programs to provide job training to eligible individuals. Genesee County is the grant recipient for this program which provides services for Genesee and Shiawassee County. The County contracts with a non-profit entity, Career Alliance, to provide services under this program. Career Alliance contracts for all services funded by this program.

COMBINING BALANCE SHEET--NONMAJOR SPECIAL REVENUE FUNDS

GENESEE COUNTY

Exhibit D-1

	Accommodation Ordinance Tax	Administration of Justice	Child Care
ASSETS			
Cash and cash equivalents.....	\$ 350,632	\$	\$ 1,021,411
Investments.....			
Interest and accounts receivable.....		158,654	24,520
Due from other governmental units.....		2,973,178	1,722,212
Due from other County funds.....			
Due from component unit - Note L.....			
Prepaid expenses.....			413,336
Supplies inventory.....			
Other assets.....		1,051	
TOTAL ASSETS	<u>\$ 350,632</u>	<u>\$ 3,132,883</u>	<u>\$ 3,181,479</u>
LIABILITIES AND FUND BALANCES			
Accounts payable.....	\$ 258,492	\$ 132,236	\$ 561,681
Accrued payroll.....		182,846	92,843
Other accrued liabilities and deposits.....		111,328	
Due to other governmental units.....		1,718	
Due to other County funds.....	92,140	2,469,255	
Due to component unit - Note L.....			
Deferred revenue.....		2,508,327	744,106
TOTAL LIABILITIES	<u>350,632</u>	<u>5,405,710</u>	<u>1,398,630</u>
Fund balances:			
Nonspendable.....			413,336
Restricted.....			
Committed.....			
Assigned.....			1,369,513
Unassigned.....		(2,272,827)	
TOTAL FUND BALANCES	<u>0</u>	<u>(2,272,827)</u>	<u>1,782,849</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 350,632</u>	<u>\$ 3,132,883</u>	<u>\$ 3,181,479</u>

September 30, 2011

Community Development	Community Enrichment and Development	Drug Forfeiture	Emergency Medical Services	Health Care Services	Law Enforcement
\$ 50,832	\$ 1,475,862	\$ 234,483	\$ 1,844,652	\$ 2,474,621	\$
8,110,682	4,396				102,579
842,488	38,547	390			877,229
	50,175				26,646
182,283					
1,600,221					
	13,330		500		1,270
<u>\$ 10,786,506</u>	<u>\$ 1,582,310</u>	<u>\$ 234,873</u>	<u>\$ 1,845,152</u>	<u>\$ 2,474,621</u>	<u>\$ 1,007,724</u>
\$ 344,596	\$ 58,521	\$ 1,929	\$ 5,489		\$ 153,937
	12,781	1,885	77,017		39,766
61,168					
38,601			325,960	538,287	936,116
450,000					
8,110,682	522,000	54,266			103,792
<u>9,005,047</u>	<u>593,302</u>	<u>58,080</u>	<u>408,466</u>	<u>\$ 538,287</u>	<u>1,233,611</u>
1,781,459	985,912	176,793	1,436,686	1,936,334	
	3,096				
					(225,887)
<u>1,781,459</u>	<u>989,008</u>	<u>176,793</u>	<u>1,436,686</u>	<u>1,936,334</u>	<u>(225,887)</u>
<u>\$ 10,786,506</u>	<u>\$ 1,582,310</u>	<u>\$ 234,873</u>	<u>\$ 1,845,152</u>	<u>\$ 2,474,621</u>	<u>\$ 1,007,724</u>

(Continued)

COMBINING BALANCE SHEET-NONMAJOR SPECIAL REVENUE FUNDS-CONTINUED

GENESEE COUNTY

Exhibit D-1 Continued

	Parks and Recreation	Planning Commission	Revenue Sharing
ASSETS			
Cash and cash equivalents.....	\$	\$ 326,902	\$ 265
Investments.....	4,618,392		
Interest and accounts receivable.....	16,343	80,871	
Due from other governmental units.....	200,000	141,405	
Due from other County funds.....	95,035	42,665	
Due from component unit - Note L.....			
Prepaid expenses.....			
Supplies inventory.....	158,683		
Other assets.....			
TOTAL ASSETS	<u>\$ 5,088,453</u>	<u>\$ 591,843</u>	<u>\$ 265</u>
LIABILITIES AND FUND BALANCES			
Accounts payable.....	\$ 118,336	\$ 9,580	
Accrued payroll.....	78,159	64,510	
Other accrued liabilities and deposits.....	1,319		
Due to other governmental units.....			265
Due to other County funds.....	749,222		
Due to component unit - Note L.....			
Deferred revenue.....	46,587	6,857	
TOTAL LIABILITIES	<u>993,623</u>	<u>80,947</u>	<u>\$ 265</u>
Fund balances:			
Nonspendable.....	158,683		
Restricted.....		319,958	
Committed.....		84,974	
Assigned.....	3,936,147	105,964	
Unassigned.....			
TOTAL FUND BALANCES	<u>4,094,830</u>	<u>510,896</u>	<u>0</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 5,088,453</u>	<u>\$ 591,843</u>	<u>\$ 265</u>

September 30, 2011

Senior Services	Social Services	Township Police Support Services	Workforce Investment Act Program	Total
\$ 918,532	\$ 200,811	\$	\$	\$ 8,899,003
4,002,609				8,621,001
				8,498,045
	203,062	579,923	1,279,186	8,857,620
				214,521
				182,283
				413,336
				1,758,904
				16,151
<u>\$ 4,921,141</u>	<u>\$ 403,873</u>	<u>\$ 579,923</u>	<u>\$ 1,279,186</u>	<u>\$ 37,460,864</u>
\$ 356,441	\$ 13,272	\$	\$ 171,684	\$ 2,186,194
5,781		36,921		592,509
				112,647
	157,000		764,843	984,729
694,309		543,002	342,659	6,729,816
				450,000
				12,096,617
<u>1,056,531</u>	<u>170,272</u>	<u>579,923</u>	<u>1,279,186</u>	<u>23,152,512</u>
3,864,610	233,601			572,019
				10,735,353
				84,974
				5,414,720
				(2,498,714)
<u>3,864,610</u>	<u>233,601</u>	<u>0</u>	<u>0</u>	<u>14,308,352</u>
<u>\$ 4,921,141</u>	<u>\$ 403,873</u>	<u>\$ 579,923</u>	<u>\$ 1,279,186</u>	<u>\$ 37,460,864</u>

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--SPECIAL REVENUE FUNDS

GENESEE COUNTY

Exhibit D-2

	Accommodation Ordinance Tax	Administration of Justice	Child Care
Revenues:			
Taxes.....	\$ 1,134,640	\$	\$
Licenses and permits.....			
Fines and forfeitures.....			
Use of money and property.....			
Federal grants.....		4,701,523	103,232
State grants.....		1,996,249	5,015,393
Other intergovernmental revenue.....			
Charges for services.....		807,898	290,773
Other.....		31,585	527,562
TOTAL REVENUES	1,134,640	7,537,255	5,936,960
Expenditures:			
Current Operations:			
Management and planning.....			
Administration of justice.....		13,382,969	
Law enforcement and community protection.....			
Human services.....			14,819,638
Community enrichment and development.....	811,213		
Other.....			
Capital outlay.....		3,832	
Debt Service:			
Principal Payments.....			
TOTAL EXPENDITURES	811,213	13,386,801	14,819,638
REVENUES OVER (UNDER) EXPENDITURES	323,427	(5,849,546)	(8,882,678)
Other financing sources (uses):			
Transfers-In.....		3,528,457	7,809,110
Transfers-Out.....	(323,427)	(120)	
TOTAL OTHER FINANCING SOURCES (USES)	(323,427)	3,528,337	7,809,110
NET CHANGE IN FUND BALANCES		(2,321,209)	(1,073,568)
Fund balances at beginning of year.....		48,382	2,856,417
FUND BALANCES AT END OF YEAR	\$ 0	\$ (2,272,827)	\$ 1,782,849

Fiscal Year Ended September 30, 2011

Community Development	Community Enrichment and Development	Drug Forfeiture	Emergency Medical Services	Health Care Services	Law Enforcement
\$	\$	\$	\$ 4,094,155	\$ 9,585,552	\$ 102,891
		191,044			
6,725,203	147,618 168,488		4,349	5,148	2,300,996 477,454 374,143 288,037 176,980
93,141	362,456 1,664,189				
<u>6,818,344</u>	<u>2,342,751</u>	<u>191,044</u>	<u>4,098,504</u>	<u>9,590,700</u>	<u>3,720,501</u>
			4,935,075		3,950,501
6,578,809	2,215,869			9,981,038	
	385,195	124,219			61,791
<u>6,578,809</u>	<u>2,601,064</u>	<u>124,219</u>	<u>4,935,075</u>	<u>9,981,038</u>	<u>4,012,292</u>
239,535	(258,313)	66,825	(836,571)	(390,338)	(291,791)
	361,866 (166,378)	(203,802)		(454,251)	286,258 (254,659)
<u>0</u>	<u>195,488</u>	<u>(203,802)</u>	<u>0</u>	<u>(454,251)</u>	<u>31,599</u>
239,535	(62,825)	(136,977)	(836,571)	(844,589)	(260,192)
<u>1,541,924</u>	<u>1,051,833</u>	<u>313,770</u>	<u>2,273,257</u>	<u>2,780,923</u>	<u>34,305</u>
<u>\$ 1,781,459</u>	<u>\$ 989,008</u>	<u>\$ 176,793</u>	<u>\$ 1,436,686</u>	<u>\$ 1,936,334</u>	<u>\$ (225,887)</u>

(Continued)

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--SPECIAL REVENUE FUNDS -- CONTINUED

GENESEE COUNTY

	Parks and Recreation	Planning Commission	Revenue Sharing
Revenues:			
Taxes.....	\$ 4,642,359	\$ 4,480	\$
Licenses and permits.....			
Fines and forfeitures.....			
Use of money and property.....	119,535		265
Federal grants.....		1,166,817	
State grants.....	203,175	55,954	
Other intergovernmental revenue.....			
Charges for services.....	1,784,808	1,463,771	
Other.....	360,367	6,461	
TOTAL REVENUES	7,110,244	2,697,483	265
Expenditures:			
Current Operations:			
Management and planning.....			
Administration of justice.....			
Law enforcement and community protection.....			
Human services.....			
Community enrichment and development.....	3,678,736		
Other.....	2,587,120	3,265,376	
Capital outlay.....	45,069		
Debt Service:			
Principal Payments.....			
TOTAL EXPENDITURES	6,310,925	3,265,376	0
REVENUES OVER (UNDER) EXPENDITURES	799,319	(567,893)	265
Other financing sources (uses):			
Transfers-In.....	739,643	469,582	
Transfers-Out.....	(961,705)		(265)
TOTAL OTHER FINANCING SOURCES (USES)	(222,062)	469,582	(265)
NET CHANGE IN FUND BALANCES	577,257	(98,311)	0
Fund balances at beginning of year.....	3,517,573	609,207	
FUND BALANCES AT END OF YEAR	\$ 4,094,830	\$ 510,896	0

Fiscal Year Ended September 30, 2011

Senior Services	Social Services	Township Police Support Services	Workforce Investment Act Program	Total
\$ 6,455,511	\$	\$	\$	\$ 25,912,217
				107,371
				191,044
14,062				143,359
			18,490,461	33,635,850
	1,111,129		2,214,215	11,242,057
		2,260,760		2,634,903
				4,997,743
				2,860,285
<u>6,469,573</u>	<u>1,111,129</u>	<u>2,260,760</u>	<u>20,704,676</u>	<u>81,724,829</u>
				13,382,969
		2,260,760		11,146,336
5,948,048	1,073,375		18,452,456	50,274,555
				13,284,627
				5,976,715
				495,887
<u>5,948,048</u>	<u>1,073,375</u>	<u>2,260,760</u>	<u>18,452,456</u>	<u>94,561,089</u>
<u>521,525</u>	<u>37,754</u>	<u>0</u>	<u>2,252,220</u>	<u>(12,836,260)</u>
254,654	15,500			13,465,070
(1,906,329)			(2,252,220)	(6,523,156)
<u>(1,651,675)</u>	<u>15,500</u>	<u>0</u>	<u>(2,252,220)</u>	<u>6,941,914</u>
(1,130,150)	53,254	0	0	(5,894,346)
<u>4,994,760</u>	<u>180,347</u>	<u>0</u>	<u>0</u>	<u>20,202,698</u>
<u>\$ 3,864,610</u>	<u>\$ 233,601</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 14,308,352</u>

SCHEDULE OF REVENUES AND OTHER SOURCES--BUDGET AND ACTUAL-- NONMAJOR SPECIAL REVENUE FUNDS

GENESEE COUNTY

Exhibit D-3

Fiscal Year Ended September 30, 2011			
	Original and Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
ACCOMMODATION ORDINANCE TAX			
Taxes.....	\$ 1,016,000	\$ 1,134,640	\$ 118,640
TOTALS	<u>\$ 1,016,000</u>	<u>\$ 1,134,640</u>	<u>\$ 118,640</u>
ADMINISTRATION OF JUSTICE			
General Fund appropriation.....	\$ 3,520,841	\$ 3,528,457	\$ 7,616
Federal grants.....	6,601,391	4,701,523	(1,899,868)
State grants.....	3,214,998	1,996,249	(1,218,749)
Charges for services.....	842,728	807,898	(34,830)
Other.....	47,800	31,585	(16,215)
TOTALS	<u>\$ 14,227,758</u>	<u>\$ 11,065,712</u>	<u>\$ (3,162,046)</u>
CHILD CARE			
General Fund appropriation.....	\$ 10,176,764	\$ 7,809,110	\$ (2,367,654)
Federal grants.....	75,000	103,232	28,232
State grants.....	8,821,781	5,015,393	(3,806,388)
Charges for services.....	185,000	290,773	105,773
Other.....	795,396	527,562	(267,834)
TOTALS	<u>\$ 20,053,941</u>	<u>\$ 13,746,070</u>	<u>\$ (6,307,871)</u>
COMMUNITY DEVELOPMENT			
Federal grants.....	\$ 6,725,203	\$ 6,725,203	\$
Other.....	93,141	93,141	
TOTALS	<u>\$ 6,818,344</u>	<u>\$ 6,818,344</u>	<u>\$</u>
COMMUNITY ENRICHMENT AND DEVELOPMENT			
General Fund appropriation.....	\$ 250,336	\$ 250,336	\$ 0
Federal grants.....	108,919	147,618	38,699
State grants.....	121,114	168,488	47,374
Charges for services.....	771,542	362,456	(409,086)
Other Transfers-In.....	86,530	111,530	25,000
Other.....	151,200	1,664,189	1,512,989
TOTALS	<u>\$ 1,489,641</u>	<u>\$ 2,704,617</u>	<u>\$ 1,214,976</u>
DRUG FORFEITURES			
Fines and forfeitures.....	\$ 191,044	\$ 191,044	\$
TOTALS	<u>\$ 191,044</u>	<u>\$ 191,044</u>	<u>\$</u>
EMERGENCY MEDICAL SERVICES			
Taxes.....	\$ 4,138,231	\$ 4,094,155	\$ (44,076)
Use of money and property.....	3,000	4,349	1,349
TOTALS	<u>\$ 4,141,231</u>	<u>\$ 4,098,504</u>	<u>\$ (42,727)</u>
HEALTH CARE SERVICES			
Taxes.....	\$ 9,829,784	\$ 9,585,552	\$ 244,232
Use of money and property.....		5,148	5,148
TOTALS	<u>\$ 9,829,784</u>	<u>\$ 9,590,700</u>	<u>\$ 249,380</u>

Fiscal Year Ended September 30, 2011

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget- Positive (Negative)
LAW ENFORCEMENT			
General Fund appropriation.....	\$ 91,500	\$ 191,796	\$ 100,296
Licenses and permits.....	236,162	102,891	(133,271)
Federal grants.....	706,415	2,300,996	1,594,581
State grants.....	901,842	477,454	(424,388)
Charges for services.....	58,542	288,037	229,495
Other.....	47,442	176,980	129,538
Other Transfers-In.....	65,644	94,462	
Other intergovernmental revenue.....		374,143	374,143
TOTALS	\$ 2,107,547	\$ 4,006,759	\$ 1,870,394
PARKS AND RECREATION			
General Fund appropriation.....	\$ 460,982	\$ 460,982	\$
Taxes.....	4,764,497	4,642,359	(122,138)
Use of money and property.....	90,000	119,536	29,536
State grants.....	5,000	203,175	198,175
Other Transfers-In.....	240,000	278,660	38,660
Charges for services.....	1,282,050	1,784,808	502,758
Other.....	210,329	360,367	150,038
TOTALS	\$ 7,052,858	\$ 7,849,887	\$ 797,029
PLANNING COMMISSION			
General Fund appropriation.....	\$ 448,274	\$ 469,582	\$
Licenses and permits.....		4,480	4,480
Federal grants.....	2,423,594	1,166,817	(1,256,777)
State grants.....		55,954	55,954
Charges for services.....	1,458,552	1,463,771	5,219
Other.....	248,076	6,461	(241,615)
TOTALS	\$ 4,578,496	\$ 3,167,065	\$ (1,432,739)
REVENUE SHARING			
Use of money and property.....	\$	\$ 265	\$
TOTALS	\$ 0	\$ 265	\$ 0
SENIOR SERVICES			
Taxes.....	\$ 6,506,357	\$ 6,455,511	(50,846)
Use of money and property.....		14,062	14,062
Transfers in.....		254,654	254,654
TOTALS	\$ 6,506,357	\$ 6,724,227	\$ 217,870
SOCIAL SERVICES			
General Fund appropriation.....	\$ 15,500	\$ 15,500	\$
State grants.....	1,111,129	1,111,129	0
TOTALS	\$ 1,126,629	\$ 1,126,629	\$ 0
TOWNSHIP POLICE SUPPORT SERVICES			
State grants.....	\$ 2,260,750	\$ 2,260,750	\$ 0
TOTALS	\$ 2,260,750	\$ 2,260,750	\$ 0
WORKFORCE INVESTMENT ACT PROGRAM			
Federal grants.....	\$ 18,490,461	\$ 18,490,461	\$
State grants.....	2,214,215	2,214,215	
TOTALS	\$ 20,704,676	\$ 20,704,676	\$ 0

SCHEDULE OF EXPENDITURES AND OTHER USES--BUDGET AND ACTUAL-- NONMAJOR SPECIAL REVENUE FUNDS

GENESEE COUNTY

Exhibit D-4

Fiscal Year Ended September 30, 2011			
	Original and Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
ACCOMMODATION ORDINANCE TAX			
Supplies and services.....	\$ 767,000	\$ 811,213	\$ (44,213)
Transfer to Parks and Recreation.....	249,000	323,427	(74,427)
TOTALS	<u>\$ 1,016,000</u>	<u>\$ 1,134,640</u>	<u>\$ (118,640)</u>
ADMINISTRATION OF JUSTICE			
Personnel services.....	\$ 6,464,071	\$ 6,336,735	\$ 127,336
Fringe benefits.....	4,213,282	4,185,367	27,915
Supplies and services.....	3,778,747	2,860,867	917,880
Capital outlay.....	75,000	3,832	71,168
Transfer out.....		120	(120)
TOTALS	<u>\$ 14,531,100</u>	<u>\$ 13,386,921</u>	<u>\$ 1,144,179</u>
CHILD CARE			
Foster care.....	\$ 2,113,831	\$ 1,408,208	\$ 705,623
Private institutional care.....	10,387,664	7,735,114	2,652,550
Juvenile detention center.....	4,584,993	4,083,140	501,853
Training schools.....	3,469,424	1,593,176	1,876,248
TOTALS	<u>\$ 20,555,912</u>	<u>\$ 14,819,638</u>	<u>\$ 5,736,274</u>
COMMUNITY DEVELOPMENT			
Supplies and services.....	\$ 1,355,996	\$ 1,355,996	\$
Program grants.....	5,222,813	5,222,813	
TOTALS	<u>\$ 6,578,809</u>	<u>\$ 6,578,809</u>	<u>\$</u>
COMMUNITY ENRICHMENT AND DEVELOPMENT			
Personnel services.....	\$ 191,382	\$ 861,896	\$ (670,514)
Fringe benefits.....	119,160	432,341	(313,181)
Supplies and services.....	843,295	899,659	(56,364)
Capital outlay.....	18,624	385,195	(366,571)
Other.....	47,000	21,973	25,027
Transfers out.....	192,583	166,378	26,205
TOTALS	<u>\$ 1,412,044</u>	<u>\$ 2,767,442</u>	<u>\$ (1,355,398)</u>
DRUG FORFEITURES			
Personnel services.....	\$ 57,003	\$ 57,003	\$
Fringe benefits.....	41,326	41,326	
Supplies and services.....	25,890	25,890	
Transfers out.....	203,802	203,802	
TOTALS	<u>\$ 328,021</u>	<u>\$ 328,021</u>	<u>\$</u>

Fiscal Year Ended September 30, 2011

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget- Positive (Negative)
EMERGENCY MEDICAL SERVICES			
Personnel services.....	\$ 2,032,435	\$ 2,363,361	\$ (330,926)
Fringe benefits.....	1,631,627	1,644,270	(12,643)
Supplies and services.....	836,675	927,444	(90,769)
TOTALS	<u><u>\$ 4,500,737</u></u>	<u><u>\$ 4,935,075</u></u>	<u><u>\$ (434,338)</u></u>
HEALTH CARE SERVICES			
Supplies and services.....	\$ 9,829,784	\$ 9,981,036	\$ (151,252)
Transfers out.....		454,251	(454,251)
TOTALS	<u><u>\$ 9,829,784</u></u>	<u><u>\$ 10,435,287</u></u>	<u><u>\$ (605,503)</u></u>
LAW ENFORCEMENT			
Personnel services.....	\$ 552,424	\$ 870,556	\$ (318,132)
Fringe benefits.....	409,535	541,950	(132,415)
Supplies and services.....	1,333,718	2,408,295	(1,074,577)
Other.....		129,701	(129,701)
Capital outlay.....		61,791	(61,791)
Transfers out.....	138,224	254,659	(116,435)
TOTALS	<u><u>\$ 2,433,901</u></u>	<u><u>\$ 4,266,952</u></u>	<u><u>\$ (1,833,051)</u></u>
PARKS AND RECREATION			
Personnel services.....	\$ 2,459,546	\$ 2,220,152	\$ 239,394
Fringe benefits.....	1,187,060	958,196	228,864
Supplies and services.....	720,785	500,388	220,397
Other.....	1,826,769	2,587,120	(760,351)
Capital outlay.....	20,000	45,069	(25,069)
Transfers out.....	688,582	961,705	(273,123)
TOTALS	<u><u>\$ 6,902,742</u></u>	<u><u>\$ 7,272,630</u></u>	<u><u>\$ (369,888)</u></u>
PLANNING COMMISSION			
Personnel services.....	\$ 1,261,152	\$ 1,173,722	\$ 87,430
Fringe benefits.....	1,271,869	1,184,098	87,771
Supplies and services.....	2,045,475	907,556	1,137,919
TOTALS	<u><u>\$ 4,578,496</u></u>	<u><u>\$ 3,265,376</u></u>	<u><u>\$ 1,313,120</u></u>

(Continued)

**SCHEDULE OF EXPENDITURES AND OTHER USES--BUDGET AND ACTUAL--
NONMAJOR SPECIAL REVENUE FUNDS**

GENESEE COUNTY

Exhibit D-4

Fiscal Year Ended September 30, 2011			
	Original and Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUE SHARING			
Transfers out.....	\$	\$ 265	\$
TOTALS	<u>\$ 0</u>	<u>\$ 265</u>	<u>\$ 0</u>
SENIOR SERVICES			
Personnel services.....	\$ 360,319	\$ 223,114	\$ 137,205
Supplies and services.....	119,400	96,619	22,781
Programs and grants.....	5,508,638	5,628,315	(119,677)
Transfers out.....	518,000	1,906,329	(1,388,329)
TOTALS	<u>\$ 6,506,357</u>	<u>\$ 7,854,377</u>	<u>\$ (1,348,020)</u>
SOCIAL SERVICES			
State programs.....	\$ 1,073,375	\$ 1,073,375	\$
TOTALS	<u>\$ 1,073,375</u>	<u>\$ 1,073,375</u>	<u>\$ 0</u>
TOWNSHIP POLICE SUPPORT SERVICES			
Personnel services.....	\$ 1,144,383	\$ 1,144,383	\$ 0
Fringe benefits.....	929,799	929,799	0
Other.....	186,578	186,578	0
TOTALS	<u>\$ 2,260,760</u>	<u>\$ 2,260,760</u>	<u>\$ 0</u>
WORKFORCE INVESTMENT ACT PROGRAM			
Personnel services.....	\$ 45,944	\$ 45,944	\$
Fringe benefits.....	31,926	31,926	
Supplies and services.....	18,374,586	18,374,586	
Transfers out.....	2,252,220	2,252,220	
TOTALS	<u>\$ 20,704,676</u>	<u>\$ 20,704,676</u>	<u>\$ 0</u>

**COMBINING
FINANCIAL STATEMENTS
NON-MAJOR DEBT SERVICE FUNDS**

NON-MAJOR DEBT SERVICE FUNDS

Burton Clinic - To account for the funding and payment of principal and interest on debt issued to finance the construction of the new Burton Health Center Clinic, under a lease-purchase agreement with the Genesee County Building Authority.

Capital Improvement - To account for the funding and payment of principal and interest on debt issued to finance the construction of various Genesee County buildings.

Courthouse Square - To account for the funding and payment of principal and interest on debt issued to finance construction of the new addition and the renovations needed to the Genesee County Courthouse, under a lease-purchase agreement with the Genesee County Building Authority.

GCCARD - To account for the funding and payment of principal and interest on debt issued to finance renovation of Genesee County Community Action Resource Department, under a lease-purchase agreement with the Genesee County Building Authority.

GCCARD Warehouse - To account for the funding and payment of principal and interest on debt issued to finance purchase and renovation of Genesee County Community Action Resource Department.

Hughes and Hatcher Center - To account for the funding and payment of principal and interest on debt issued to finance the purchase and renovation of the Hughes and Hatcher Building.

JCI Energy - To account for the funding and payment of principal and interest on debt issued to finance energy efficiency improvements on most County Buildings.

1998 Refinancing - To account for the debt service related to the Series 1998 General Obligation Bonds issued to advance refund various other bond issues.

Tax Note Obligation - To account for the proceeds and distribution of property tax anticipation notes that were issued to provide cash flow for the Genesee County general fund.

COMBINING BALANCE SHEET--NON-MAJOR DEBT SERVICE FUNDS

GENESEE COUNTY

Exhibit E-1

	Burton Clinic	Capital Improvement	Courthouse Square	GCCARD
ASSETS				
Cash and cash equivalents.....	\$	\$	\$	\$
Prepaid Expense.....				
Due from other funds.....		7,729		
Due from other governmental units.....		5,011		
Long term advance to component unit.....				
TOTAL ASSETS	<u>\$ 0</u>	<u>\$ 12,740</u>	<u>\$ 0</u>	<u>\$ 0</u>
LIABILITIES AND FUND BALANCES				
Accounts payable.....	\$	\$	\$	\$
Due to other funds.....		12,740		
Deferred revenue.....				
TOTAL LIABILITIES	<u>\$ 0</u>	<u>\$ 12,740</u>	<u>\$ 0</u>	<u>\$ 0</u>
Fund balances:				
Nonspendable.....				
Assigned.....				
Unassigned.....				
TOTAL FUND BALANCES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 0</u>	<u>\$ 12,740</u>	<u>\$ 0</u>	<u>\$ 0</u>

September 30, 2011

GCCARD Warehouse	Hughes & Hatcher Center	JCI Energy Bond	1998 Refinancing	Tax Note Obligation	Total
\$	\$ 55,115 51,684	\$	\$	\$ 141,874	\$ 196,989
		25,122		66,807	51,684
		110,989			99,658
	1,850,000				116,000
					1,850,000
<u>\$ 0</u>	<u>\$ 1,956,799</u>	<u>\$ 136,111</u>	<u>\$ 0</u>	<u>\$ 208,681</u>	<u>\$ 2,314,331</u>

\$	\$	\$	\$	\$	\$
		25,122		65,185	103,047
	1,901,684				1,901,684
<u>\$ 0</u>	<u>1,901,684</u>	<u>\$ 25,122</u>	<u>\$ 0</u>	<u>\$ 65,185</u>	<u>\$ 2,004,731</u>
	1,901,684				1,901,684
		110,989		143,496	254,485
	(1,846,569)				(1,846,569)
0	55,115	110,989	0	143,496	309,600
<u>\$ 0</u>	<u>\$ 1,956,799</u>	<u>\$ 136,111</u>	<u>\$ 0</u>	<u>\$ 208,681</u>	<u>\$ 2,314,331</u>

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--NON-MAJOR DEBT SERVICE FUNDS

GENESEE COUNTY

Exhibit E-2

	<u>Burton Clinic</u>	<u>Capital Improvement</u>	<u>Courthouse Square</u>	<u>GCCARD</u>
Revenues:				
Tax Revenue.....	\$	\$	\$	\$
Use of money and property.....		5,011		
TOTAL REVENUES	<u>\$ 0</u>	<u>\$ 5,011</u>	<u>\$ 0</u>	<u>\$ 0</u>
Expenditures:				
Current Operations:				
Debt Service:				
Other.....	275	12,740	475	275
Principal Payments.....	230,000		1,295,000	125,000
Interest and Fiscal Charges.....	18,690		728,266	96,272
TOTAL EXPENDITURES	<u>248,965</u>	<u>12,740</u>	<u>2,023,741</u>	<u>221,547</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(248,965)</u>	<u>(7,729)</u>	<u>(2,023,741)</u>	<u>(221,547)</u>
Transfers in (out):				
Proceeds from bonds.....		1,200,000		
Transfers-Out.....		(1,200,000)		
Transfers-In.....	248,965	7,729	2,023,741	221,547
TOTAL OTHER FINANCING SOURCES (USES)	<u>248,965</u>	<u>7,729</u>	<u>2,023,741</u>	<u>221,547</u>
NET CHANGE IN FUND BALANCES		0		
Fund balances at beginning of year.....				
FUND BALANCES AT END OF YEAR	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Fiscal Year Ended September 30, 2011

GCCARD Warehouse	Hughes & Hatcher Center	JCI Energy Bond	1998 Refinancing	Tax Note Obligation	Total
\$	\$	\$	\$	\$	\$
	92,684	110,989		4,739	0
\$ 0	92,684	110,989	\$ 0	\$ 4,739	213,423
	225	25,122		31,233	70,345
115,000	40,000		94,500		1,899,500
65,145	105,368	165,052	15,958		1,194,751
180,145	145,593	190,174	110,458	31,233	3,164,596
(180,145)	(52,909)	(79,185)	(110,458)	(26,494)	(2,951,173)
		7,815,784			9,015,784
180,145		(7,815,784)			(9,015,784)
180,145	0	190,174	110,458	0	2,982,759
	(52,909)	110,989		(26,494)	31,586
	108,024			169,990	278,014
\$ 0	\$ 55,115	\$ 110,989	\$ 0	\$ 143,496	\$ 309,600

**COMBINING
FINANCIAL STATEMENTS
CAPITAL PROJECT FUNDS**

CAPITAL PROJECT FUNDS

Accommodation Ordinance Tax - To account for the Resolution by the Board of Commissioners to designate 5% of Accommodation Ordinance Taxes to be used for capital improvements at certain Genesee County Parks & Recreation facilities.

Bray Road Parks and Recreation - To account for the funding proceeds and project costs related to the remedial activities at the contaminated parks site.

Capital Improvement - To account for the funding proceeds and project costs related to renovation of various County Buildings.

Courthouse Square - To account for the funding proceeds and project costs related to the renovation and development of the Courthouse Square project.

GCCARD Lippincott - To account for the funding proceeds and project costs related to the renovation and development of the GCCARD facilities.

Jail Site Remediation - To account for the funding proceeds and project costs related to the remedial activities at the contaminated jail site.

JCI Energy - To account for the funding proceeds and project costs related to improvements of most County Buildings for energy efficiency.

COMBINING BALANCE SHEET--CAPITAL PROJECT FUNDS

GENESEE COUNTY

Exhibit F-1

	Accommodation Ordinance Tax	Bray Road Parks and Recreation	Capital Improvement
ASSETS			
Cash and cash equivalents.....	\$ 44,767	\$ 232,472	\$ 660,581
Due from other governmental units.....			175,548
TOTAL ASSETS	<u>\$ 44,767</u>	<u>\$ 232,472</u>	<u>\$ 836,129</u>
LIABILITIES AND FUND BALANCES			
Accounts payable.....	\$	\$ 445	\$ 84,377
Due to other funds.....			7,729
TOTAL LIABILITIES	<u>0</u>	<u>445</u>	<u>92,106</u>
Fund balances:			
Restricted.....			
Assigned.....	<u>44,767</u>	<u>232,027</u>	<u>744,023</u>
TOTAL FUND BALANCES	<u>44,767</u>	<u>232,027</u>	<u>744,023</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 44,767</u>	<u>\$ 232,472</u>	<u>\$ 836,129</u>

September 30, 2011

Courthouse Square	GCCARD Lippincott	Jail Site Remediation	JCI Energy	Total
\$ 14,585	\$ 255,997	\$ 12,860	\$ 3,499,488	\$ 4,720,750
				175,548
<u>\$ 14,585</u>	<u>\$ 255,997</u>	<u>\$ 12,860</u>	<u>\$ 3,499,488</u>	<u>\$ 4,896,298</u>

\$	\$	\$ 389	\$ 1,041,154	\$ 1,126,365
			25,122	32,851
<u>0</u>	<u>0</u>	<u>389</u>	<u>1,066,276</u>	<u>1,159,216</u>

14,585	255,997	12,471	2,433,212	2,433,212
				1,303,870
<u>14,585</u>	<u>255,997</u>	<u>12,471</u>	<u>2,433,212</u>	<u>3,737,082</u>
<u>\$ 14,585</u>	<u>\$ 255,997</u>	<u>\$ 12,860</u>	<u>\$ 3,499,488</u>	<u>\$ 4,896,298</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES-
CAPITAL PROJECT FUNDS**

GENESEE COUNTY

Exhibit F-2

	Accommodation Ordinance Tax	Bray Road Parks and Recreation	Capital Improvement
Revenues:			
Use of money and property.....	\$	\$	\$
Other.....			175,548
TOTAL REVENUES	0	0	175,548
Expenditures:			
Current Operations:			
Capital outlay.....		19,973	623,796
Other.....			
TOTAL EXPENDITURES	0	19,973	623,796
REVENUES OVER (UNDER) EXPENDITURES	0	(19,973)	(448,248)
Other financing sources (uses):			
Transfers in (out):			
Transfers-In.....	44,767	252,000	1,200,000
Transfers-Out.....			(7,729)
TOTAL OTHER FINANCING SOURCES (USES)	44,767	252,000	1,192,271
NET CHANGE IN FUND BALANCE	44,767	232,027	744,023
Fund balance at beginning of year.....			
FUND BALANCE AT END OF YEAR	\$ 44,767	\$ 232,027	\$ 744,023

Fiscal Year Ended September 30, 2011

Courthouse Square	GCCARD Lippincott	Jail Site Remediation	JCI Energy	Total
\$	\$	\$	\$ 297	\$ 297
				175,548
0		0	297	175,845
860		1,861	5,357,747	6,001,516
860		1,861	5,357,747	2,721
				6,004,237
(860)		(1,861)	(5,357,450)	(5,828,392)
			7,815,784	9,312,551
			(25,122)	(32,851)
0			7,790,662	9,279,700
(860)		(1,861)	2,433,212	3,451,308
15,445	255,997	14,332		285,774
<u>\$ 14,585</u>	<u>\$ 255,997</u>	<u>\$ 12,471</u>	<u>\$ 2,433,212</u>	<u>\$ 3,737,082</u>

**COMBINING
FINANCIAL STATEMENTS
NON-MAJOR ENTERPRISE FUNDS**

NON-MAJOR ENTERPRISE FUNDS

Parks and Recreation Enterprise - To account for activities of the campgrounds and railroad. The fund records revenue from the warehouse and sternwheeler activities to cover bond costs.

Commissary Funds - To account for the accumulated profit from the sale of snack foods and small personal items to inmates and others at the Genesee County Jail.

Parking Meter Funds - To account for the accumulated profit from the charging of parking.

COMBINING BALANCE SHEET -- NON-MAJOR ENTERPRISE FUNDS

GENESEE COUNTY

Exhibit G-1

September 30, 2011				
Business Type Activities - Non-Major Enterprise Funds				
	Non-Major Parks and Recreation	Non-Major Commissary	Non-Major Parking Meter	Total
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents.....	\$ 753,190	\$ 24,627	\$ 287,310	\$ 1,065,127
Investments.....	785,954			785,954
Supplies inventory.....		31,625		31,625
Prepayments.....	51,586			51,586
TOTAL CURRENT ASSETS	1,590,730	56,252	287,310	1,934,292
CAPITAL ASSETS				
Land.....	706,110		12,078	718,188
Land improvements.....	3,074,493			3,074,493
Buildings and improvements.....	1,181,215			1,181,215
Equipment.....	3,693,149		63,023	3,756,172
TOTAL CAPITAL ASSETS	8,654,967	0	75,101	8,730,068
Less allowances for depreciation.....	7,633,910		75,101	7,709,011
TOTAL CAPITAL ASSETS, NET	1,021,057	0		1,021,057
TOTAL ASSETS	\$ 2,611,787	\$ 56,252	\$ 287,310	\$ 2,955,349
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable.....	\$ 1,239	\$	\$ 5,609	\$ 6,848
Accrued payroll.....	9,095			9,095
Other accrued liabilities and deposits.....	2,031		52,610	54,641
Due to other funds.....	21,004			21,004
Current portion of notes/bonds payable.....	25,500			25,500
TOTAL CURRENT LIABILITIES	58,869	0	58,219	117,088
LONG-TERM DEBT				
Net OPEB obligation.....	56,980			56,980
General and workers compensation claim liability.....				
Notes/bonds payable exclusive of current portion.....	72,000			72,000
TOTAL LONG-TERM DEBT	128,980	0	0	128,980
TOTAL LIABILITIES	187,849	0	58,219	246,068
NET ASSETS:				
Restricted for parks & recreation non expendable.....	785,953			785,953
Invested in capital assets net of related debt.....	923,557			923,557
Unrestricted.....	714,428	56,252	229,091	999,771
TOTAL NET ASSETS	2,423,938	56,252	229,091	2,709,281
TOTAL LIABILITIES AND NET ASSETS	\$ 2,611,787	\$ 56,252	\$ 287,310	\$ 2,955,349

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
FUND NET ASSETS--NON-MAJOR ENTERPRISE FUNDS**

GENESEE COUNTY

Exhibit G-2

Fiscal Year Ended September 30, 2011				
Business Type Activities - Non-Major Enterprise Funds				
	Non-Major Parks and Recreation	Non-Major Commissary	Non-Major Parking Meter	Total
Operating revenues:				
Charges for sales and services:				
Ticket, permit & concession sales.....	\$ 282,369	\$ 530,954	\$ 92,318	\$ 905,641
State revenue.....				
TOTAL OPERATING REVENUES	<u>282,369</u>	<u>530,954</u>	<u>92,318</u>	<u>905,641</u>
Operating expenses:				
Salaries and fringe benefits.....	558,364			558,364
Supplies and other operating expenses.....	177,891	354,096	71,042	603,029
Depreciation.....	526,143			526,143
TOTAL OPERATING EXPENSES	<u>1,262,398</u>	<u>354,096</u>	<u>71,042</u>	<u>1,687,536</u>
OPERATING INCOME(LOSS)	<u>(980,029)</u>	<u>176,858</u>	<u>21,276</u>	<u>(781,895)</u>
Non-operating revenues (expenses):				
Investment earnings (loss).....	6,366	(6,354)		12
Interest expense.....	(20,088)			(20,088)
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>(13,722)</u>	<u>(6,354)</u>	<u>0</u>	<u>(20,076)</u>
INCOME (LOSS) BEFORE TRANSFERS	<u>(993,751)</u>	<u>170,504</u>	<u>21,276</u>	<u>(801,971)</u>
Transfers-in.....	530,372			530,372
Transfers-out.....		(214,478)		(214,478)
TOTAL TRANSFERS	<u>530,372</u>	<u>(214,478)</u>	<u>0</u>	<u>315,894</u>
CHANGE IN NET ASSETS	<u>(463,379)</u>	<u>(43,974)</u>	<u>21,276</u>	<u>(486,077)</u>
Net assets at beginning of year- as restated.....	2,887,317	100,226	207,815	3,195,358
NET ASSETS AT END OF YEAR	<u>\$ 2,423,938</u>	<u>\$ 56,252</u>	<u>\$ 229,091</u>	<u>\$ 2,709,281</u>

**STATEMENT OF CASH FLOWS-
NON-MAJOR ENTERPRISE FUNDS**

GENESEE COUNTY

Exhibit G-3

Fiscal Year Ended September 30, 2011				
Business Type Activities - Non-Major Enterprise Funds				
	Non-Major Parks and Recreation	Non-Major Commissary	Non-Major Parking Meter	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers.....	\$ 282,369	\$ 530,954	\$ 92,318	\$ 905,641
Cash payments to suppliers for goods and services.....	(186,523)	(353,080)	(73,217)	(612,820)
Cash payments to employees for services.....	(520,541)			(520,541)
Cash payments to other funds.....				0
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	(424,695)	177,874	19,101	(227,720)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Advances to other governmental units, County units and funds.....	689,294			689,294
Transfers-in from other funds.....	530,372			530,372
Transfers-out to other funds.....		(214,478)		(214,478)
NET CASH USED FOR NONCAPITAL FINANCING ACTIVITIES	1,219,666	(214,478)	0	1,005,188
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Principal paid on long-term debt.....	(40,500)			(40,500)
Interest paid on long-term debt.....	(6,839)			(6,839)
Proceeds from sale of long-term debt.....	5,558			5,558
NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	(41,781)	0	0	(41,781)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest and dividends on investments.....		(6,354)		(6,354)
NET CASH (USED FOR) IN INVESTING ACTIVITIES	0	(6,354)	0	(6,354)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	753,190	(42,958)	19,101	729,333
Cash and cash equivalents at beginning of year.....		67,585	268,209	335,794
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 753,190</u>	<u>\$ 24,627</u>	<u>\$ 287,310</u>	<u>\$ 1,065,127</u>
RECONCILIATION OF OPERATING INCOME(LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:				
Operating income(loss).....	\$ (980,029)	\$ 176,858	\$ 21,276	\$ (781,895)
Adjustments to reconcile operating income(loss) to net cash provided by (used for) operating activities:				
Depreciation.....	526,147			526,147
Change in assets and liabilities:				
(Increase) decrease in prepaids.....				0
(Increase) decrease in due from other funds.....				0
(Increase) decrease in supplies inventory.....		1,016		1,016
Increase (decrease) in accounts payable and related items.....	(8,636)		(7,785)	(16,421)
Increase (decrease) in accrued payroll.....	3,729			3,729
Increase (decrease) in other accrued liabilities and deposits.....			5,610	5,610
Increase in net OPEB liability.....	34,094			34,094
Net cash provided by (used for) operating activities.....	<u>\$ (424,695)</u>	<u>\$ 177,874</u>	<u>\$ 19,101</u>	<u>\$ (227,720)</u>
Noncash investing activities - increase in fair value of investments.....	<u>\$ 744</u>	<u>\$</u>	<u>\$</u>	<u>\$ 744</u>

**COMBINING
FINANCIAL STATEMENTS
INTERNAL SERVICE FUNDS**

INTERNAL SERVICE FUNDS

GENESEE COUNTY

ADMINISTRATIVE SERVICES

Central Stores - To account for the cost of office supplies purchased from an outside vendor. These costs are then spread to individual departments at actual costs.

Administrative Copier - To provide centralized financial control over most of the duplicating equipment used outside the Print Shop. Through the Purchasing Agent, efforts are made to ensure that this equipment is efficiently deployed, properly serviced, reasonably priced, and meets, but does not exceed, departmental needs.

Print Shop -To provide low-cost printing to operating departments with high volume printing needs. The Print Shop thus augments the volume copying capability of the Administrative Copier. All other printing needs are scheduled through the Print Shop. Print Shop costs are charged to user departments on a "per job" basis.

Microfilm Division - To provide reasonably priced microfilming service to operating departments in an effort to reduce the pressure on overcrowded storage facilities. Included in the division are various microfilm production and viewing machines plus the requisite staff and supplies for maintaining services to user departments.

Corporation Counsel - To advise the County and its departments on issues of a legal nature. Corporation Counsel is further responsible for advising the Board of Commissioners on the legality of proposed decisions or activities and for insuring the necessary County documents adhere to the prescribed legal formats and standards.

Controller - To prepare and maintain the County budget, the audit and payment of claims for goods and services to outside vendors and to employees, audit records and accounts of County departments, oversee the design and implementation of accounting and financial systems in the County, and other tasks that are assigned by the Board of Commissioners.

Human Resources - To maintain all County personnel records; recruiting, testing and hiring employees; administration of fringe benefit programs; and also conducting classification and compensation surveys. The Human Resources Department negotiates labor contracts with County bargaining units and is responsible for grievance resolution and contract administration.

Purchasing - To authorize all purchase orders of County departments. This includes seeking bids on appropriate items and services, as well as, assisting departments in finding vendors and suppliers of specific items. The Purchasing Agent also administers the county's printing and motor pool departments and is also responsible for the disposal of all used and obsolete items of no further use to the County.

Data Processing - To provide specific services to individual departments within County government and surrounding municipalities. These include processing of County and retirement payroll, child support checks, and supporting financial information, personnel history files, land descriptions, and delinquent and current tax information. The County Data Processing Department prepares tax rolls and tax bills for virtually all surrounding townships and cities. The cost of these services are charged on the basis of programming, central processor, and operator time incurred providing requested services.

Employee Unemployment Benefit Trust Fund - To account for contributions made to the State of Michigan by Genesee County. The contributions will be paid by the State to employees in case of unemployment.

VEHICLES AND EQUIPMENT

Motor Pool - To reduce travel expenses paid to employees who require the use of an automobile while conducting County business. Departments are charged on a per mile basis. Maintenance and gasoline services are also extended to various Government related organizations outside the County structure.

Parks and Recreation Vehicle and Equipment - To account for all activity relating to the operation of the Parks and Recreation motor pool. Other functions of this fund are to purchase, operate, and maintain equipment required for the efficient operation of the Parks and Recreation department.

Telephone Fund - To provide centralized control over all payments made to finance the acquisition of a County owned phone system and payments made to telephone companies. County departments are billed for phone calls made and charges for equipment on a per phone basis.

BUILDING AND GROUNDS

Building and Grounds - To provide for the maintenance and custodial services for all County owned buildings. It is also responsible for care of the grounds, landscape, and greenery around County owned buildings, as well as making all structural changes and facilitating the movement of furniture and fixtures.

SELF INSURED MEDICALS

Self Insured Medical - To provide a funding mechanism for the payment of the costs of pharmaceuticals and medical insurance for County employees. The County contracts with a third party administrator to provide claims processing with the cost of the claims reimbursed from this fund.

SELF FUNDED PROPERTY/CASUALTY PROGRAM

Self Funded Property/Casualty Program - To initiate and oversees loss prevention and loss control activities to reduce losses, and to account for all applicable workers' compensation, auto, property, and liability claims.

COMBINING BALANCE SHEET--INTERNAL SERVICE FUNDS

GENESEE COUNTY

Exhibit H-1

		<u>Administrative Services</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents.....	\$	161,236
Investments.....		625
Interest and accounts receivable.....		4,764,292
Due from other governmental units.....		85,491
Due from other county funds.....		
Supplies inventory.....		
Prepayments.....		
TOTAL CURRENT ASSETS		<u>5,011,644</u>
PROPERTY AND EQUIPMENT		
Construction in progress.....	\$	
Land.....		
Buildings and improvements.....		3,039,174
Equipment.....		
TOTAL PROPERTY AND EQUIPMENT		<u>3,039,174</u>
Less allowances for depreciation.....		<u>2,255,535</u>
TOTAL PROPERTY AND EQUIPMENT, NET		<u>783,639</u>
TOTAL ASSETS		<u><u>\$ 5,795,283</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable.....	\$	101,866
Accrued payroll.....		322,347
Accrued liabilities and deposits payable.....		
Due to other governmental units.....		825
Due to other county funds.....		
Long-term advance.....		
Compensated absences.....		4,522,324
Current portion of notes/bonds payable.....		
TOTAL CURRENT LIABILITIES		<u>4,947,362</u>
LONG-TERM DEBT		
General, workers compensation claim and IBNR liability.....	\$	
Notes/bonds payable exclusive of current portion.....		1,974,156
TOTAL LONG-TERM DEBT		<u>1,974,156</u>
TOTAL LIABILITIES		<u>6,921,518</u>
NET ASSETS		
Restricted for:		
Invested in capital assets, net of related debt.....	\$	783,639
Capital improvement per lease agreement		
Unrestricted (deficit)		(1,909,874)
TOTAL NET ASSETS		<u>(1,126,235)</u>
TOTAL LIABILITIES AND NET ASSETS		<u><u>\$ 5,795,283</u></u>

September 30, 2011

Vehicles and Equipment	Building and Grounds	Self Insured Medicals	Self Funded Prop./Casualty Program	Total
\$	\$	\$	\$	\$
		2,440,641	1,019,137	3,621,014
		149,235	7,168,025	7,317,260
1,530	9,807		626,717	638,679
	102,182			102,182
14,193	26,279		416	4,805,180
52,650				138,141
	15,131	1,155,166	280,138	1,450,435
<u>68,373</u>	<u>153,399</u>	<u>3,745,042</u>	<u>9,094,433</u>	<u>18,072,891</u>
	34,385			34,385
171,200	62,463			233,663
176,430	2,053,753			2,230,183
6,489,152	1,675,297			11,203,623
6,836,782	3,825,898			13,701,854
5,436,310	2,377,600			10,069,445
1,400,472	1,448,298			3,632,409
<u>\$ 1,468,845</u>	<u>\$ 1,601,697</u>	<u>\$ 3,745,042</u>	<u>\$ 9,094,433</u>	<u>\$ 21,705,300</u>
\$	\$	\$	\$	\$
22,858	282,473	7,546	347,976	762,719
3,779	28,809		4,064	358,999
				0
	162,546			162,546
175	803,922		26,475	831,397
2,467,093				2,467,093
				4,522,324
			1,000,000	1,000,000
<u>2,493,905</u>	<u>1,277,750</u>	<u>7,546</u>	<u>1,378,515</u>	<u>10,105,078</u>
\$	\$	\$	\$	\$
		284,268	2,682,890	2,967,158
				1,974,156
		284,268	2,682,890	4,941,314
<u>2,493,905</u>	<u>1,277,750</u>	<u>291,814</u>	<u>4,061,405</u>	<u>15,046,392</u>
\$	\$	\$	\$	\$
1,400,472	1,448,298			3,632,409
	3,655			3,655
(2,425,532)	(1,128,006)	3,453,228	5,033,028	3,022,844
(1,025,060)	323,947	3,453,228	5,033,028	6,658,908
<u>\$ 1,468,845</u>	<u>\$ 1,601,697</u>	<u>\$ 3,745,042</u>	<u>\$ 9,094,433</u>	<u>\$ 21,705,300</u>

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS--INTERNAL SERVICE FUNDS

GENESEE COUNTY

Exhibit H-2

	<u>Administrative Services</u>
Operating revenues:	
Charges for services.....	\$ 6,730,009
TOTAL OPERATING REVENUES	<u>6,730,009</u>
Operating expenses:	
Salaries and fringe benefits.....	4,424,242
Supplies and other operating expenses.....	4,400,800
Depreciation.....	466,774
TOTAL OPERATING EXPENSES	<u>9,291,816</u>
OPERATING INCOME (LOSS)	<u>(2,561,807)</u>
Non-operating revenues :	
Interest income.....	
Interest expense.....	
Loss on investment.....	
Income for capital projects.....	
Gain on sale of property and equipment.....	
TOTAL NON-OPERATING REVENUES (EXPENSES)	
INCOME (LOSS) BEFORE TRANSFERS	<u>(2,561,807)</u>
Transfers in (out):	
Transfers-in.....	449,473
Transfers-out.....	
TOTAL TRANSFERS IN (OUT)	<u>449,473</u>
CHANGE IN NET ASSETS	<u>(2,112,334)</u>
Net Assets at beginning of year.....	986,098
NET ASSETS AT END OF YEAR	<u>\$ (1,126,236)</u>

Fiscal Year Ended September 30, 2011

Vehicles and Equipment	Building and Grounds	Self Insured Medicals	Self Funded Prop./Casualty Program	Total
\$ 1,877,926	\$ 4,347,709	\$ 10,652,358	\$ 4,246,723	\$ 27,854,725
1,877,926	4,347,709	10,652,358	4,246,723	27,854,725
181,799	1,471,862		99,845	6,177,748
1,513,841	3,042,992	8,324,171	3,981,747	21,263,551
2,647,874	1,140,359			4,255,007
4,343,514	5,655,213	8,324,171	4,081,592	31,696,306
(2,465,588)	(1,307,504)	2,328,187	165,131	(3,841,581)
		336	213,217	213,553
	3,655		(146,276)	(146,276)
214,662				3,655
214,662	3,655	336	66,941	214,662
(2,250,926)	(1,303,849)	2,328,523	232,072	285,594
				(3,555,987)
320,360	132,771			902,604
(252,000)				(252,000)
68,360	132,771			650,604
(2,182,566)	(1,171,078)	2,328,523	232,072	(2,905,383)
1,157,507	1,495,025	1,124,705	4,800,956	9,564,291
\$ (1,025,059)	\$ 323,947	\$ 3,453,228	\$ 5,033,028	\$ 6,658,908

COMBINING STATEMENT OF CASH FLOWS- INTERNAL SERVICE FUNDS

GENESEE COUNTY

Exhibit H-3

	Administrative Services
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from customers.....	\$ 7,167,065
Cash payments to suppliers for goods and services.....	(4,372,052)
Cash payments to employees for services.....	(5,922,379)
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	<u>(3,127,366)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Advances to other governmental units, County units and funds.....	2,106,931
Income for capital projects.....	
Transfers-in from other funds.....	449,473
Transfers-out to other funds.....	
NET CASH PROVIDED BY (USED FOR) NONCAPITAL FINANCING ACTIVITIES	<u>2,556,404</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Acquisition and construction of capital assets.....	(20,587)
Principal paid on long-term debt.....	752,785
Interest paid on long-term debt.....	
Proceeds from sale of equipment.....	
NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	<u>732,198</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of investment securities.....	
Proceeds from sale and maturities of investment securities.....	
Interest and dividends on investments.....	
NET CASH PROVIDED BY (USED FOR) IN INVESTING ACTIVITIES	<u>161,236</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	161,236
Cash and cash equivalents at beginning of year.....	
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 161,236</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:	
Operating income(loss).....	\$ (2,561,808)
Adjustments to reconcile operating income(loss) to net cash provided by (used for) operating activities:	
Depreciation.....	466,774
Change in assets and liabilities:	
(Increase) decrease in interest and accounts receivable.....	437,056
(Increase) decrease in supplies inventory.....	
(Increase) decrease in prepayment and other current assets.....	(10,906)
Increase (decrease) in accounts payable and related items.....	39,655
Increase (decrease) in accrued payroll.....	(1,498,137)
Increase (decrease) in other accrued liabilities and deposits.....	
Net cash provided by (used for) operating activities.....	<u><u>\$ (3,127,366)</u></u>

Fiscal Year Ended September 30, 2011

Vehicle and Equipment	Building and Grounds	Self Insured Medicals	Self Funded Prop./Casualty Program	Total
\$ 1,870,678	\$ 4,224,632	\$ 10,641,774	\$ 5,613,907	\$ 29,518,056
(1,547,961)	(3,057,323)	(9,490,997)	(6,545,311)	(25,013,644)
(183,301)	(1,509,924)		(134,194)	(7,749,798)
<u>139,416</u>	<u>(342,615)</u>	<u>1,150,777</u>	<u>(1,065,598)</u>	<u>(3,245,386)</u>
251,792	803,922	1,289,528		4,452,173
68,360	3,655			650,604
	132,771			0
<u>320,152</u>	<u>940,348</u>	<u>1,289,528</u>		<u>5,102,777</u>
(674,230)	(2,149,347)			(2,844,164)
				752,785
<u>214,662</u>	<u>(2,149,347)</u>			<u>(2,091,379)</u>
<u>(459,568)</u>				
			(5,768,035)	(5,768,035)
			7,211,479	7,211,479
		336	213,217	213,553
<u>0</u>	<u>(1,551,614)</u>	<u>336</u>	<u>1,656,661</u>	<u>1,656,997</u>
0	1,551,614	2,440,641	591,063	1,423,009
			428,074	1,979,688
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,440,641</u>	<u>\$ 1,019,137</u>	<u>\$ 3,402,697</u>
\$ (2,465,588)	\$ (1,307,504)	\$ 2,328,187	\$ 165,131	\$ (3,841,582)
2,647,874	1,140,359			4,255,007
(7,248)	(70,165)	(10,584)	1,667,010	2,016,069
(16,037)				(16,037)
	(15,131)	(801,639)	19,688	(807,988)
(18,083)	800	(202,871)	78,416	(102,083)
(1,502)	(38,062)		(34,349)	(1,572,050)
	(52,912)	(162,316)	(2,961,494)	(3,176,722)
<u>\$ 139,416</u>	<u>\$ (342,615)</u>	<u>\$ 1,150,777</u>	<u>\$ (1,065,598)</u>	<u>\$ (3,245,386)</u>

**COMBINING
FINANCIAL STATEMENTS
FIDUCIARY FUNDS**

FIDUCIARY FUNDS

Pension Trust Fund - To account for the contributions to the defined benefit plan that provides for pension and disability benefits for most Genesee County employees.

Employees Qualified Excess Benefit Arrangement Fund - To provide a mechanism for payment of accrued pension benefits that are in excess of the IRS limits on the amounts that can be paid from the Retirement Fund.

Employees Fringe Benefits Fund - To account for funds set aside in previous years and cost savings related to a lower cost Defined Contribution Plan with the intent to accumulate adequate funds to defray part of the cost of retiree medical benefits in future years. This fund was transferred to a VEBA in late 2004 with the intent of using these dollars for the compliance with the new GASB OPEB requirements.

Trust and Agency Funds - To account for the collection and payment of property taxes to other taxing units, as well as other payments that are held for other governmental entities.

Library Penal Fines Agency - To account for the collection of library penal fines and the distribution to applicable other entities.

**OTHER SUPPLEMENTAL INFORMATION
COMBINING STATEMENT OF NET ASSETS
FIDUCIARY FUNDS**

GENESEE COUNTY

Exhibit I-1

		<u>Pension</u>
		<u>Pension Trust Fund Retirement 12/31/10</u>
ASSETS		
Cash and short-term cash investments.....	\$	14,754,695
Cash and inv. held as collateral for securities lending.....		35,535,475
TOTAL CASH AND CASH EQUIVALENTS		<u>50,290,170</u>
Receivables:		
Prepaid expenses.....		157,421
Other receivables.....		1,381,335
Accrued interest and dividends.....		<u>1,538,756</u>
TOTAL RECEIVABLES		<u>1,538,756</u>
Investments at fair value:		
U.S. Government securities.....		44,340,207
Foreign Govts. and Agencies.....		95,822,238
Corporate bonds.....		77,207,001
Common stocks.....		93,680,990
Preferred stocks.....		4,238,023
Money market.....		
Mutual funds.....		67,727,763
Real Estate.....		20,439,662
Hedge fund-of funds.....		13,356,114
TOTAL INVESTMENTS		<u>416,811,998</u>
TOTAL ASSETS		<u>468,640,924</u>
LIABILITIES		
Accounts payable.....		7,888,019
IBNR liability.....		
Amounts due broker under securities lending agreement.....		35,535,475
TOTAL LIABILITIES		<u>43,423,494</u>
NET ASSETS		
Held in trust for pension benefits and other purposes.....	\$	<u>425,217,430</u>

Fiscal Year ended September 30, 2011

and Other Employee Benefit Trust Funds

Employees' Qualified Exces Benefit Arrangement (QEBA)	Employees' Fringe Benefit (VEBA)	Total
\$	\$ 3,107	\$ 14,757,802
		35,535,475
0	3,107	50,293,277
	157,746	157,746
	188	157,609
	211,036	1,592,371
0	368,970	1,907,726
983	1,792,921	46,134,111
		95,822,238
	12,292,136	89,499,137
	23,224,044	116,905,034
		4,238,023
	1,945,964	1,945,964
		67,727,763
		20,439,662
		13,356,114
983	39,255,065	456,068,046
983	39,627,142	508,269,049
	1,758,619	9,646,638
	475,612	475,612
		35,535,475
	2,234,231	45,657,725
\$ 983	\$ 37,392,911	\$ 462,611,324

**OTHER SUPPLEMENTAL INFORMATION
COMBINING STATEMENT OF CHANGES IN NET ASSETS
FIDUCIARY FUNDS**

GENESEE COUNTY

Exhibit I-2

		Pension
		Retirement 12/31/010
ADDITIONS		
Contributions:		
Employer.....	\$	12,727,881
Plan members.....		2,339,603
Total contributions		15,067,484
Investment earnings:		
Net increase/(decrease)		
in fair value of investments.....		49,166,527
Interest.....		5,251,944
Dividends.....		1,989,919
Total investment earnings.....		56,408,390
Less investment expense.....		1,648,898
Net investment earnings.....		54,759,492
Securities lending income:		
Interest and fees.....		72,252
Less borrower rebates and bank fees.....		(9,496)
Net securities lending income.....		62,756
Total additions.....		69,889,732
DEDUCTIONS		
Benefits.....		35,292,536
Refunds of contributions.....		136,580
Administrative expenses.....		419,549
Transfer to other pensions plans.....		3,187,761
Total deductions.....		39,036,426
Change in net assets.....		30,853,306
Net assets-beginning of the year.....		394,364,124
Net assets- end of the year.....	\$	425,217,430

Fiscal year ended September 30, 2011

and Other Employee Benefit Trust Funds

Employees' Qualified Excess Benefit Arrangement (QEBA)	Employees' Fringe Benefit (VEBA)	Total
\$	\$ 9,011,425	\$ 21,739,306
	687,122	3,026,725
	9,698,547	24,766,031
	(251,070)	48,915,457
	610,907	5,862,851
	537,215	2,527,134
0	897,052	57,305,442
	300,815	1,949,713
0	596,237	55,355,729
		72,252
		(9,496)
		62,756
0	10,294,784	80,184,516
0	13,359,368	48,651,904
		136,580
0	17,614	437,163
	22,182	3,209,943
0	13,399,164	52,435,590
0	(3,104,380)	27,748,926
983	40,497,291	434,862,398
\$ 983	\$ 37,392,911	\$ 462,611,324

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES TRUST AND AGENCY FUNDS

Exhibit I-3

		<hr/> Balances October 1, 2010 <hr/>
TRUST AND AGENCY FUNDS		
ASSETS		
Cash and cash equivalents.....	\$	19,638,289
Accounts receivable.....		35,567
	\$	<u>19,673,856</u>
LIABILITIES		
Accounts Payable.....		<u>19,673,856</u>
	\$	<u>19,673,856</u>
LIBRARY PENAL FINES		
ASSETS		
Cash and cash equivalents.....	\$	<u>151,444</u>
LIABILITIES		
Accounts Payable.....		<u>151,444</u>
	\$	<u>151,444</u>
TOTALS ALL AGENCY FUNDS		
ASSETS		
Cash and cash equivalents.....	\$	19,789,733
Accounts receivable.....		35,567
	\$	<u>19,825,300</u>
LIABILITIES		
Accounts Payable.....		<u>19,825,300</u>
	\$	<u>19,825,300</u>

Year Ended September 30, 2011

Additions	Deductions	Balances September 30, 2011
98,879,589	96,719,798	\$ 21,798,080
15,516	11,138	39,945
<u>98,895,105</u>	<u>96,730,936</u>	<u>\$ 21,838,025</u>
214,873,304	212,709,135	21,838,025
<u>214,873,304</u>	<u>212,709,135</u>	<u>\$ 21,838,025</u>
428,623	464,359	\$ 115,708
1,603,550	1,639,286	115,708
<u>1,603,550</u>	<u>1,639,286</u>	<u>\$ 115,708</u>
99,308,212	97,184,157	\$ 21,913,788
15,516	11,138	39,945
<u>99,323,728</u>	<u>97,195,295</u>	<u>\$ 21,953,733</u>
216,476,854	214,348,421	21,953,733
<u>216,476,854</u>	<u>214,348,421</u>	<u>\$ 21,953,733</u>

CAPITAL ASSETS⁽¹⁾

⁽¹⁾This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. The capital assets of internal service funds are included in governmental activities in the statement of net assets.

**CAPITAL ASSETS - USED IN OPERATIONS OF GOVERNMENTAL ACTIVITIES
EXCLUSIVE OF INTERNAL SERVICE
SCHEDULE BY FUNCTION AND ACTIVITY**

GENESEE COUNTY

Exhibit J-1

	Fiscal Year ended September 30, 2011	
	Total	Land
MANAGEMENT AND PLANNING		
Board Coordinator.....	\$ 6,758	\$
County Clerk.....	126,683	
County Treasurer.....	127,324	
Drain Commission.....	633,487	
Equalization.....	120,181	
Register of Deeds.....	333,418	
Planning.....	515,625	
	<u>1,863,476</u>	
ADMINISTRATION OF JUSTICE		
Circuit Court.....	36,287,856	443,315
District Court.....	2,811,160	155,992
Friend of the Court.....	127,518	
Community Corrections.....	63,238	
Jury Board.....	5,350	
Probate Court.....	24,827	
Prosecutor.....	182,781	
	<u>39,502,730</u>	<u>599,307</u>
LAW ENFORCEMENT AND COMMUNITY PROTECTION		
Animal Shelter.....	2,321,896	
Office of Emergency Preparedness.....	4,050,675	
Public Safety.....	29,302,183	1,800
	<u>35,674,754</u>	<u>1,800</u>
HUMAN SERVICES		
Veteran's Information.....	3,398	
Buildings and Grounds-McCree.....	634,996	
GVRC.....	1,623,000	
GCCARD.....	5,896,387	
County Health.....	5,087,008	325,000
Medical Examiner.....	41,497	
	<u>13,286,286</u>	<u>325,000</u>
COMMUNITY ENRICHMENT AND DEVELOPMENT		
Cooperative Extension.....	394,181	
Remonumentation.....	38,805	
Community Development.....	2,812	
	<u>435,798</u>	
COMMUNITY MENTAL HEALTH.....	<u>3,444,567</u>	
GENERAL		
Land and Improvements.....	3,718,686	2,631,919
Buildings and Improvements.....	29,228,439	
Equipment.....	0	
	<u>32,947,125</u>	<u>2,631,919</u>
TOTAL GENERAL GOVERNMENT	<u>127,154,736</u>	<u>3,558,026</u>
RECREATION.....	<u>27,005,513</u>	<u>8,781,286</u>
TOTAL CAPITAL ASSETS ALLOCATED TO FUNCTIONS	<u>\$ 154,160,249</u>	<u>\$ 12,339,312</u>
Construction in Progress.....		
TOTAL CAPITAL ASSETS	<u>\$ 154,160,249</u>	

Land Improvements	Buildings and Improvements	Equipment
\$	\$	\$
		6,758
		126,683
	401,899	127,324
		231,588
		120,181
		333,418
		515,625
	401,899	1,461,577
42,692	35,256,596	545,253
18,578	2,408,054	228,536
		127,518
	61,958	1,280
		5,350
		24,827
		182,781
61,270	37,726,608	1,115,545
	2,283,791	38,105
	51,295	3,999,380
13,075	27,626,551	1,660,757
13,075	29,961,637	5,698,242
		3,398
	621,726	13,270
	1,623,000	
	3,834,419	2,061,968
	4,106,475	655,533
		41,497
0	10,185,620	2,775,666
	363,710	30,471
		38,805
		2,812
	363,710	72,088
		3,444,567
1,086,767	29,228,439	
1,086,767	29,228,439	0
1,161,112	107,867,913	14,567,685
6,913,132	9,838,422	1,472,673
\$ 8,074,244	\$ 117,706,335	\$ 16,040,358

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY

GENESEE COUNTY

Exhibit J-2

	Fiscal Year Ended September 30, 2011			
	Capital Assets October 1, 2010	Additions	Deletions	Capital Assets September 30, 2011
MANAGEMENT AND PLANNING				
Board Coordinator.....	\$ 6,758	\$	\$	\$ 6,758
County Clerk.....	63,248	63,435		126,683
County Treasurer.....	127,324			127,324
Drain Commission.....	231,589	401,898		633,487
Equalization.....	111,374	8,807		120,181
Register of Deeds.....	97,788	235,630		333,418
Planning.....		527,657	12,032	515,625
	<u>638,081</u>	<u>1,237,427</u>	<u>12,032</u>	<u>1,863,476</u>
ADMINISTRATION OF JUSTICE				
Circuit Court.....	2,168,178	34,119,678		36,287,856
District Court.....	1,644,103	1,167,353	296	2,811,160
Friend of the Court.....		142,268	14,750	127,518
Community Corrections.....		63,238		63,238
Jury Board.....	5,350			5,350
Probate Court.....	24,827			24,827
Prosecutor.....	56,973	125,808		182,781
	<u>3,899,431</u>	<u>35,618,345</u>	<u>15,046</u>	<u>39,502,730</u>
LAW ENFORCEMENT AND COMMUNITY PROTECTION				
Animal Shelter.....	1,793,046	538,076	9,226	2,321,896
Office of Emergency Preparedness.....	122,280	3,930,823	2,428	4,050,675
Public Safety.....	27,818,765	1,926,979	443,561	29,302,183
	<u>29,734,091</u>	<u>6,395,878</u>	<u>455,215</u>	<u>35,674,754</u>
HUMAN SERVICES				
Veteran's Information.....	22,797		19,399	3,398
Buildings and Ground-McCree	13,270	621,726		634,996
GVRC.....		1,623,000		1,623,000
GCCARD.....		6,148,148	251,761	5,896,387
County Health.....	727,237	4,381,325	21,554	5,087,008
Medical Examiner.....		41,497		41,497
	<u>763,304</u>	<u>12,815,696</u>	<u>292,714</u>	<u>13,286,286</u>
COMMUNITY ENRICHMENT AND DEVELOPMENT				
Cooperative Extension.....	437,460		43,279	394,181
Total Quality Management.....	2,600		2,600	0
Remonumentation.....		38,805		38,805
Community Development.....		2812		2,812
	<u>440,060</u>	<u>41,617</u>	<u>45,879</u>	<u>435,798</u>
COMMUNITY MENTAL HEALTH.....	<u>3,310,163</u>	<u>291,347</u>	<u>156,943</u>	<u>3,444,567</u>
GENERAL				
Land and Improvements.....	3,932,709	804,097	1,018,120	3,718,686
Buildings and Improvements.....	71,772,340	3,140,899	45,684,800	29,228,439
Equipment.....	7,901,420		7,901,420	0
	<u>83,606,469</u>	<u>3,944,996</u>	<u>54,604,340</u>	<u>32,947,125</u>
TOTAL GENERAL GOVERNMENT	<u>122,391,599</u>	<u>60,345,306</u>	<u>55,582,169</u>	<u>127,154,736</u>
RECREATION.....	<u>25,878,420</u>	<u>1,127,093</u>		<u>27,005,513</u>
TOTAL CAPITAL ASSETS ALLOCATED TO FUNCTIONS	<u>148,270,019</u>	<u>61,472,399</u>	<u>55,582,169</u>	<u>154,160,249</u>
Construction in Progress.....	<u>7,600</u>		<u>7,600</u>	<u>0</u>
148				
TOTAL CAPITAL ASSETS	<u>\$ 148,277,619</u>	<u>\$ 61,472,399</u>	<u>\$ 55,589,769</u>	<u>\$ 154,160,249</u>

**COMBINING
FINANCIAL STATEMENTS
COMPONENT UNITS**

COMPONENT UNITS

Brownfield Authority - To account for the financing used to revitalize environmentally distressed, blighted, and functionally obsolete properties within the County.

Drains - To account for the construction and maintenance of drains; determining drainage districts; and apportioning costs of drains among property owners.

COMBINING BALANCE SHEET--COMPONENT UNIT BROWNFIELD AUTHORITY

GENESEE COUNTY

Exhibit K-1

	September 30, 2011		
	Brownfield Authority	Adjustments	Statement of Net Assets
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents.....	\$ 38,303	\$	\$ 38,303
Accounts receivable.....	3,261,694		3,261,694
Investments.....	1,035,000		1,035,000
Due from Primary Government.....	282,000		282,000
Unamortized discount.....			0
TOTAL CURRENT ASSETS	\$ 4,616,997	\$ 0	\$ 4,616,997
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable.....	\$ 225,000	\$	\$ 225,000
Due to component units.....	299,276		299,276
Accrued interest payable.....		258,500	258,500
Deferred revenue.....	3,150,000	(3,150,000)	0
Unamortized note premium.....		424,679	424,679
Current portion debt.....		110,000	110,000
TOTAL CURRENT LIABILITIES	3,674,276	(2,356,821)	1,317,455
LONG-TERM DEBT			
Notes/bonds payable exclusive of current portion....		12,710,000	12,710,000
TOTAL LONG-TERM DEBT	0	12,710,000	12,710,000
TOTAL LIABILITIES	3,674,276	10,353,179	14,027,455
FUND BALANCES/NET ASSETS			
Reserved for:			
Unrestricted	942,721	(942,721)	
TOTAL FUND BALANCES	942,721	(11,295,900)	
TOTAL LIABILITIES AND FUND BALANCES	\$ 4,616,997		
NET ASSETS:			
Unrestricted (deficit)		\$ (9,410,458)	\$ (9,410,458)

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
FUND BALANCES/STATEMENT OF ACTIVITIES
COMPONENT UNIT BROWNFIELD AUTHORITY**

GENESEE COUNTY

Exhibit K-2

	Brownfield Authority	Adjustments	Statement of Activities
Operating revenues:			
Use of money and property.....	\$ 876	\$	\$ 876
Charges for services.....	298,967		298,967
Other.....	145,384	3,043,840	3,189,224
TOTAL OPERATING REVENUES	445,227	3,043,840	3,489,067
Operating expenses:			
Interest expense.....	270,501	223,110	493,611
Debt service.....	110,000	(110,000)	0
Other.....	18,757		18,757
TOTAL OPERATING EXPENSES	399,258	113,110	512,368
OPERATING INCOME (LOSS)	45,969	2,930,730	2,976,699
Operating transfers in (out):			
Transfer in from primary government.....	282,000		282,000
REVENUE AND OTHER FINANCING SOURCES UNDER (OVER)			
EXPENDITURES AND OTHER FINANCING USES	45,969	2,930,730	2,976,699
CHANGE IN NET ASSETS	327,969	2,930,730	3,258,699
Fund balances/net assets (deficit) at beginning of year.....	614,752	(13,283,909)	(12,669,157)
FUND BALANCES/NET ASSETS (DEFICIT) AT END OF YEAR	\$ 942,721	\$ (10,353,179)	\$ (9,410,458)

COMBINING BALANCE SHEET--COMPONENT UNIT DRAIN SPECIAL ASSESSMENT

GENESEE COUNTY

Exhibit K-3

	Drain Capital Projects	Drain Internal Service
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents.....	\$ 713,285	\$ 1,499,884
Short term investments.....		
Special assessment receivable.....	2,931,328	
Interest receivable.....		
Inventory.....		55,585
Machinery and equipment.....		196,251
Construction in progress.....		
Capital assets infrastructure.....		
TOTAL CURRENT ASSETS	<u>\$ 3,644,613</u>	<u>\$ 1,751,720</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable.....	\$ 21,346	\$ 2,272
Accrued payroll.....		7,475
Yearly drain orders payable.....		
Bonds payable.....		
Contracts payable.....	17,404	
Interest payable.....		
Deposits payable security bond.....	6,680	
Long-term advance from Primary Government.....	500,000	
Deferred revenues.....		
TOTAL LIABILITIES	<u>545,430</u>	<u>9,747</u>
FUND BALANCES/NET ASSETS		
Reserved for:		
Invested in capital assets - net of related debt.....		196,251
Unrestricted	3,099,183	1,545,722
TOTAL FUND BALANCES	<u>3,099,183</u>	<u>1,741,973</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,644,613</u>	<u>\$ 1,751,720</u>

September 30, 2011

Drain Chapter 20 Debt & Capital Projects		Totals	Adjustments	Statement of Net Assets	
\$	440,870	\$	2,654,039	\$	2,654,039
	200,950		200,950		200,950
			2,931,328		2,931,328
			55,585		55,585
			196,251		196,251
			129,744		129,744
			25,394,117		25,394,117
			0		0
<u>\$</u>	<u>641,820</u>	<u>\$</u>	<u>6,038,153</u>	<u>\$</u>	<u>31,562,014</u>
					</

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
FUND BALANCES/STATEMENT OF ACTIVITIES
COMPONENT UNIT DRAIN SPECIAL ASSESSMENT**

GENESEE COUNTY

Exhibit K-4

	Drain Capital Projects	Drain Internal Service
Operating revenues:		
Taxes.....	\$ 1,577,198	\$
Use of money and property.....	358	
Charges for services.....		1,036,068
Contributed capital.....		
Other revenue.....	81,820	42,606
TOTAL OPERATING REVENUES	1,659,376	1,078,674
Operating expenses:		
Current:		
Other.....	1,838,377	1,131,052
Depreciation.....		50,266
Debt Service:		
Interest expense.....	91,033	
TOTAL OPERATING EXPENSES	1,929,410	1,181,318
OPERATING INCOME(LOSS)	(270,034)	(102,644)
Other financing sources (uses)		
Proceeds from notes.....	83,250	
Proceeds from bonds.....		
Principal payments.....	(781,091)	
Operating transfers in (out):		
Transfers in.....		100,000
TOTAL OTHER FINANCING SOURCES (USES)	(697,841)	100,000
REVENUE AND OTHER FINANCING SOURCES UNDER (OVER)		
EXPENDITURES AND OTHER FINANCING USES	(967,875)	(2,644)
CHANGE IN NET ASSETS	(967,875)	(2,644)
Fund balances/net assets at beginning of year.....	4,067,058	1,744,617
FUND BALANCES/NET ASSETS AT END OF YEAR	\$ 3,099,183	\$ 1,741,973

Drain Chapter 20 Debt & Capital Projects	Totals	Adjustments	Statement of Activities
\$	\$	\$	\$
	1,577,198		1,577,198
945	1,303		1,303
	1,036,068		1,036,068
		48,570	48,570
	124,426		124,426
945	2,738,995	48,570	2,787,565
	2,969,429	(130,431)	2,838,998
	50,266	2,258,438	2,308,704
	91,033		91,033
0	3,110,728	2,128,007	5,238,735
945	(371,733)	(2,079,437)	(2,451,170)
	83,250	(83,250)	
	(781,091)	781,091	
	100,000		100,000
0	(597,841)	697,841	100,000
945	(969,574)	(1,381,596)	(2,351,170)
945	(969,574)	(1,381,596)	(2,351,170)
640,875	6,452,550	24,972,609	31,425,159
\$ 641,820	\$ 5,482,976	\$ 23,591,013	\$ 29,073,989

STATISTICAL DATA

III Statistical Section

This part of the 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 County's overall financial health.

Contents

Financial Trends: These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time. (Tables 1-3, 6, and 14)

Revenue Capacity: These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax. (Tables 7-10)

Debt Capacity: These schedules contain information to help the reader assess the affordability of the County's current levels of outstanding debt, and the County's ability to issue additional debt in the future. (Tables 11-13 and 15-16)

Demographics and Economic Information: These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place. (Tables 4-5)

Operating Information: These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs. (Tables 17-19)

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The County implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

NET ASSETS BY COMPONENT

GENESEE COUNTY

Table 1

	As of September 30,									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Governmental activities:										
Invested in capital assets, net of related debt	\$ 61,771,933	\$ 62,947,814	\$ 64,123,284	\$ 68,614,443	\$ 67,224,385	\$ 64,134,346	\$ 69,465,773	\$ 69,993,382	\$ 37,466,131	\$ 64,580,883
Restricted						41,013,071	31,787,518	11,717,237	20,241,229	18,852,892
Unrestricted	58,728,010	60,790,372	67,344,504	69,552,164	76,773,053	53,409,520	46,266,553	55,427,522	48,973,673	41,178,928
Total governmental activities net assets	\$ 120,499,943	\$ 123,738,186	\$ 131,467,788	\$ 138,166,607	\$ 143,997,438	\$ 158,556,937	\$ 147,519,844	\$ 137,138,141	\$ 106,681,033	\$ 124,612,703
Business-type activities:										
Invested in capital assets, net of related debt	\$ 2,371,542	\$ 5,199,516	\$ 5,486,788	\$ 4,746,425	\$ 4,884,340	\$ 4,843,600	\$ 4,762,075	\$ 4,650,120	\$ 4,555,525	\$ 3,972,895
Restricted	7,832,578	5,596,895	5,596,895	6,588,273	8,059,145	7,899,456	8,231,695	7,284,048	10,444,490	10,177,613
Unrestricted	28,323,268	21,505,116	17,129,144	11,825,867	8,615,103	7,285,666	5,927,406	6,763,931	793,135	2,783,554
Total business-type activities net assets	\$ 38,527,388	\$ 32,301,527	\$ 28,212,827	\$ 23,160,565	\$ 21,558,588	\$ 20,028,722	\$ 18,921,176	\$ 18,698,099	\$ 15,793,150	\$ 16,934,062
Primary government:										
Invested in capital assets, net of related debt	\$ 64,143,475	\$ 68,147,330	\$ 69,610,072	\$ 73,360,868	\$ 72,108,725	\$ 68,977,946	\$ 74,227,848	\$ 74,643,502	\$ 72,021,656	\$ 68,553,778
Restricted	7,832,578	5,596,895	5,596,895	6,588,273	8,059,145	48,912,527	40,019,213	19,001,285	30,685,719	29,030,505
Unrestricted	87,051,278	82,295,488	84,473,648	81,378,031	85,388,156	60,695,186	52,193,959	62,191,453	49,766,808	43,962,482
Total primary government net assets	\$ 159,027,331	\$ 156,039,713	\$ 159,679,615	\$ 161,327,172	\$ 165,556,026	\$ 178,585,659	\$ 166,441,020	\$ 155,836,240	\$ 152,474,183	\$ 141,546,765

GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE

GENESEE COUNTY

Table 2

Fiscal Year	Property Tax	State Income Tax	Single Business Tax	State Liquor Tax	State Cigarette Tax	Total
2001	\$ 52,779,443	\$ 8,616,399	\$ 1,560,273	\$ 952,505	\$ 100,009	\$ 64,008,629
2002	56,339,393	8,392,256	1,560,273	1,017,209	76,889	67,386,020
2003	59,330,821	7,365,672	1,505,222	981,323	(265,687)	68,917,351
2004	61,506,389	5,929,005	1,352,579	1,010,888	77,147	69,876,008
2005	80,016,835	-	-	2,092,636	250,829	82,360,300
2006	90,130,888	-	-	2,160,880	272,636	92,564,404
2007	111,592,675	-	-	2,254,464	257,589	114,104,728
2008	93,344,562	-	-	2,439,661	210,485	95,994,708
2009	91,550,851	-	-	2,327,635	149,948	94,028,434
2010	82,135,572	-	-	2,339,105	108,601	84,583,278
2011	73,570,141	-	-	2,377,680	72,008	76,019,829

CHANGES IN GOVERNMENTAL NET ASSETS

GENESEE COUNTY

Table 3

Expenses	Fiscal Year Ended September 30,									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Governmental activities:										
Legislative	\$ 835,014	\$ 832,256	\$ 927,251	\$ 919,415	\$ 1,016,026	\$ 1,069,833	\$ 1,214,248	\$ 1,017,849	\$ 696,041	\$ 628,524
Management and planning	11,109,399	11,858,822	18,128,369	33,824,940	34,035,699	23,725,214	24,039,638	20,134,241	11,411,258	7,574,679
Administration of justice	34,957,841	35,822,370	36,764,408	37,721,807	37,466,674	39,276,030	41,936,773	40,753,810	39,946,657	37,138,790
Law enforcement and community protection	31,150,284	31,890,961	37,074,422	31,940,559	35,380,617	34,905,596	38,116,364	37,980,488	38,882,911	33,125,467
Human services	185,619,823	189,589,126	193,080,458	207,518,433	206,232,926	233,155,128	242,401,247	258,530,717	266,815,618	265,888,570
Community enrichment and development	8,786,721	9,541,896	7,759,423	7,952,030	10,198,345	9,609,647	10,089,211	9,062,996	20,266,580	19,144,172
General support services	313,484	244,806	201,566	229,806	330,176	278,423	280,225	244,885	140,579	84,645
Other	4,138,160	6,279,220	3,166,480	1,015,465	-	-	-	-	-	-
Interest on long-term debt	1,733,445	1,876,245	1,449,721	1,590,352	1,244,093	1,400,466	1,392,532	1,375,967	1,172,487	1,194,751
Total governmental activities expenses	278,644,171	287,935,702	298,552,098	322,712,807	325,904,556	343,420,337	359,470,238	369,100,953	379,332,131	364,779,598
Business-type activities:										
Commissary	317,235	318,061	260,464	275,728	307,663	297,833	325,880	351,625	371,173	354,096
Delinquent Tax	1,708,458	3,566,015	4,339,170	2,876,769	4,417,404	3,914,658	5,009,045	5,739,360	5,237,615	4,147,737
Parks and recreation enterprise	1,557,614	1,537,414	1,510,269	1,454,358	1,786,317	1,654,706	1,094,510	865,909	862,088	1,282,486
Parking Meter	-	-	-	-	-	-	-	-	-	71,042
Total business-type activities expenses	3,583,307	5,421,490	6,109,903	4,606,855	6,511,384	5,867,197	6,429,435	6,956,894	6,470,878	5,855,361
Total primary government expenses	\$ 282,227,478	\$ 293,357,192	\$ 304,662,001	\$ 327,319,662	\$ 332,415,940	\$ 349,287,534	\$ 365,899,673	\$ 376,057,847	\$ 385,803,007	\$ 370,634,959
General Revenues and Other Changes in Net Assets	Fiscal Year Ended September 30,									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Program Revenues										
Governmental activities:										
Charges for services:										
Management and planning	\$ 4,713,771	\$ 6,448,909	\$ 6,760,492	\$ 6,317,835	\$ 5,595,829	\$ 4,648,102	\$ 4,837,484	\$ 4,163,514	\$ 4,380,168	\$ 4,741,877
Administration of justice	3,478,263	3,546,863	4,207,446	4,339,188	4,030,973	4,994,718	5,155,752	5,023,773	4,222,465	6,931,157
Law enforcement and community protection	1,879,083	1,247,805	1,540,849	1,366,836	1,536,277	1,916,284	1,810,730	1,713,565	1,573,787	1,663,333
Human services	66,609,498	68,097,426	74,186,952	82,879,118	84,679,874	83,688,901	97,169,192	105,029,552	115,428,765	126,176,244
Community enrichment and development	1,250,515	1,499,970	1,666,889	2,300,229	2,319,598	1,334,426	2,244,379	2,346,760	2,414,531	2,193,851
Operating grants and contributions	108,993,285	108,374,146	108,447,493	106,495,973	102,973,924	110,619,729	108,102,706	121,062,036	128,746,641	105,673,071
Capital grants and contributions	-	-	-	-	-	1,995,000	1,960,000	-	-	-
Total governmental activities program revenues	186,924,415	189,215,919	197,010,121	203,699,179	201,136,475	209,197,160	221,280,243	239,339,200	256,746,357	247,379,533
Business-type activities:										
Operating grants and contributions	137,500	-	-	-	-	-	-	-	-	-
Charges for services:										
Commissary	521,141	502,931	458,052	473,796	467,888	490,221	506,601	534,613	566,448	530,954
Delinquent Tax	9,764,878	4,920,582	9,632,038	-	7,827,298	6,659,293	9,478,156	10,814,957	12,173,759	11,492,245
Parks and recreation enterprise	1,045,998	1,182,977	413,848	777,295	1,402,855	1,419,368	683,320	296,384	275,921	282,369
Parking Meter	-	-	-	-	-	-	-	-	-	92,318
Total business-type activities program revenues	11,469,517	6,606,490	10,503,938	1,251,091	9,698,041	13,783,761	16,273,302	22,431,777	13,016,128	12,397,886
Total primary government program revenues	\$ 198,393,932	\$ 195,822,409	\$ 207,514,059	\$ 204,950,270	\$ 210,834,516	\$ 222,980,921	\$ 237,553,545	\$ 261,770,977	\$ 269,762,485	\$ 259,777,419
Net (expense)/revenue										
Governmental activities	\$ (91,719,756)	\$ (98,719,783)	\$ (101,541,977)	\$ (119,013,628)	\$ (124,768,081)	\$ (134,223,177)	\$ (138,189,995)	\$ (129,761,753)	\$ (122,585,774)	\$ (117,296,274)
Business-type activities	7,886,210	1,185,000	4,394,035	(3,355,764)	3,186,657	2,701,685	4,238,642	4,689,060	6,545,252	6,542,525
Total primary government net expense	\$ (83,833,546)	\$ (97,534,783)	\$ (97,147,942)	\$ (122,369,392)	\$ (121,581,424)	\$ (131,521,492)	\$ (133,951,353)	\$ (125,072,693)	\$ (116,040,522)	\$ (110,753,749)

CHANGES IN GOVERNMENTAL NET ASSETS

GENESEE COUNTY

Table 3 Continued

	Fiscal Year Ended September 30,									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Governmental activities:										
Taxes:										
Current property taxes	\$ 45,292,766	\$ 49,744,291	\$ 61,506,389	\$ 80,016,835	\$ 90,130,888	\$ 111,592,675	\$ 93,344,562	\$ 91,550,851	\$ 82,135,572	\$ 73,570,141
State income tax	8,392,256	7,365,672	5,929,005	-	-	-	-	-	-	-
Single business tax	1,560,273	1,505,222	1,352,579	-	-	-	-	-	-	-
State liquor tax	1,017,209	981,323	1,010,888	2,092,636	2,160,880	2,254,464	2,439,661	2,327,635	2,339,105	2,377,680
State cigarette tax	76,889	(265,687)	77,147	250,829	272,636	257,589	210,485	149,948	108,601	72,008
Use of money and investments	2,930,431	2,897,705	4,092,363	5,632,975	3,528,890	4,132,787	3,040,092	2,340,338	741,489	614,576
Other unrestricted intergovernmental revenues	22,989,150	26,693,472	18,452,999	21,993,912	22,588,954	19,274,036	18,874,190	14,013,688	7,889,596	13,669,465
Other unrestricted revenues	1,163,990	1,851,150	4,154,743	2,825,926	6,659,243	6,460,995	3,697,846	4,455,444	9,179,669	9,503,826
Unrestricted contributions	-	3,623,846	3,866,178	4,071,075	-	-	-	-	-	-
Transfers	4,287,390	7,561,032	8,829,288	7,909,798	5,259,421	4,810,130	3,878,982	4,549,503	9,975,187	5,628,063
Total governmental activities	87,710,354	101,958,026	109,271,579	124,793,986	130,598,912	148,782,676	125,485,818	119,387,407	112,369,219	105,435,759
Business-type activities:										
Taxes	-	-	-	5,883,971	-	-	-	-	-	-
Use of money and investments	302,082	150,171	346,553	329,329	470,787	578,579	199,878	64,499	79,000	18,635
Other unrestricted intergovernmental revenues	-	-	-	-	-	-	-	16,000	-	-
Transfers	(4,287,390)	(7,561,032)	(8,829,288)	(7,909,798)	(5,259,421)	(4,810,130)	(3,878,982)	(4,549,503)	(9,975,187)	(5,628,063)
Total business-type activities	(3,985,308)	(7,410,861)	(8,482,735)	(1,696,496)	(4,788,634)	(4,231,551)	(3,679,104)	(4,469,004)	(9,896,187)	(5,609,428)
Total primary government	\$ 83,725,046	\$ 94,547,165	\$ 100,788,844	\$ 123,097,488	\$ 125,810,278	\$ 144,551,125	\$ 121,806,714	\$ 114,918,403	\$ 102,473,032	\$ 99,826,331
Change in Net Assets										
Governmental activities	\$ (4,009,402)	\$ 3,238,243	\$ 7,729,602	\$ 5,780,358	\$ 5,830,831	\$ 14,559,499	\$ (12,704,177)	\$ (10,374,346)	\$ (10,216,555)	\$ (11,860,515)
Business-type activities	3,900,902	(6,225,861)	(4,088,700)	(5,052,262)	(1,601,977)	(1,529,866)	559,538	220,056	(3,350,935)	933,097
Total primary government	\$ (108,500)	\$ (2,987,618)	\$ 3,640,902	\$ 728,096	\$ 4,228,854	\$ 13,029,633	\$ (12,144,639)	\$ (10,154,290)	\$ (13,567,490)	\$ (10,927,418)

DEMOGRAPHIC AND ECONOMIC STATISTICS

GENESEE COUNTY

Table 4

Fiscal Year	Population ¹	Personal Income	Per Capita Personal Income ²	School Enrollment ³	Unemployment Rate ⁴
2002	440,391	11,768,568,693	26,723	90,491	8.6
2003	441,712	12,279,151,888	27,799	89,805	9.4
2004	442,739	12,109,797,128	27,352	89,423	8.9
2005	442,732	11,941,810,236	26,973	84,979	7.7
2006	436,141	12,146,526,850	27,850	84,418	8.1
2007	441,966	12,684,424,200	28,700	83,240	7.6
2008	436,141	12,379,745,000	32,321	81,781	10.6
2009	424,043	12,165,474,000	34,025	78,956	14.6
2010	425,790	12,373,500,000	41,951	77,306	12.5
2011	425,790	13,004,500,000	35,597	73,460	10

Data sources

¹Bureau of the Census

²Bureau of the Census

³Genesee Intermediate School District

⁴State of Michigan

PRINCIPAL EMPLOYERS

GENESEE COUNTY

CURRENT YEAR AND NINE YEARS AGO

Table 5

Employer	2011			2002		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Genesys Health System	3,265	1	1.69 %	4,600	3	2.57 %
General Motors Corp	3,061	2	1.59	23,000	1	12.84
Hurley Medical Center	2,650	3	1.37	2,900	5	1.62
Square D	2,500	4	1.30	2,500	6	1.40
McLaren Medical Center	2,500	5	1.30	5,200	2	2.90
Flint Metal Center	2,180	6	1.13			
Genesee County	1,258	7	0.65	1,046	8	0.58
United States Postal Service	1,200	8	0.62	1,200	9	0.67
Flint, City of	1,100	9	0.57	1,596	7	0.89
Flint Community Schools	1,000	10	0.52	3,300	4	1.84
Citizens Bank				996	10	0.56
Total	20,714		10.74 %	46,338		25.87 %

Source: Flint Genesee Economic Growth Alliance.

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

GENESEE COUNTY

Table 6

	2002	2003	2004	2005
Revenues				
Taxes	\$ 56,339,393	\$ 59,330,821	\$ 61,506,389	\$ 82,360,302
Licenses and permits	985,811	1,020,218	1,135,328	1,396,599
Fines and forfeitures	2,036,590	2,603,628	2,634,086	2,371,011
Use of money and property	3,498,117	4,002,596	4,796,954	4,174,354
Federal grants	59,266,293	63,459,559	58,521,771	55,359,347
State grants	50,983,604	44,853,105	50,345,235	51,065,065
Other intergovernmental revenues	19,206,174	21,322,672	14,845,416	8,167,368
Charges for services	77,931,129	80,841,773	88,562,628	97,560,370
Other	5,007,064	7,283,432	15,806,629	16,366,979
Total revenues	<u>275,254,175</u>	<u>284,717,804</u>	<u>298,154,436</u>	<u>318,821,395</u>
Expenditures				
Current operations:				
Legislative	802,421	836,525	924,581	920,466
Management and planning	10,332,028	10,730,757	10,548,857	12,302,328
Administration of justice	33,312,780	35,730,821	36,280,906	36,094,472
Law enforcement and community protection	30,132,814	31,170,314	32,194,935	31,504,040
Human services	185,210,860	189,995,280	192,932,327	202,020,809
Community enrichment and development	7,912,569	9,366,372	7,539,899	7,774,226
General support services	312,012	244,295	199,860	228,656
Other	9,470,451	11,049,688	12,177,907	26,975,242
Capital outlay	10,732,099	4,972,876	4,380,397	8,194,847
Debt service principal	3,417,248	3,752,248	3,427,248	2,827,248
Debt service interest	1,733,445	1,876,245	1,641,983	1,840,218
Advance refunding escrow				
Total expenditures	<u>293,368,727</u>	<u>299,725,421</u>	<u>302,248,900</u>	<u>330,682,552</u>
Excess of revenues over (under) expenditures	(18,114,552)	(15,007,617)	(4,094,464)	(11,861,157)
Other financing sources (uses)				
Proceeds from notes	4,700,000	4,700,000	7,645,000	17,486,536
Discount sale of bonds				(41,969)
Payment to refund bond escrow			(6,362,420)	(13,776,115)
Transfers in	35,054,252	37,261,766	40,524,638	48,184,559
Transfers out	(27,512,436)	(25,138,289)	(27,010,834)	(38,273,955)
Total other financing sources (uses)	<u>12,241,816</u>	<u>16,823,477</u>	<u>14,796,384</u>	<u>13,579,056</u>
Net change in fund balances	<u>\$ (5,872,736)</u>	<u>\$ 1,815,860</u>	<u>\$ 10,701,920</u>	<u>\$ 1,717,899</u>
Debt service as a percentage of noncapital expenditures	1.7%	1.8%	1.7%	1.4%

	2006	2007	2008	2009	2010	2011
\$	86,840,515	\$ 110,748,784	\$ 96,475,936	\$ 84,534,288	\$ 85,251,366	\$ 75,599,656
	1,238,421	1,463,997	1,514,703	1,759,640	1,694,977	1,827,107
	2,473,432	2,715,541	2,190,518	2,139,682	1,971,211	1,822,574
	3,795,451	4,394,915	3,309,684	1,173,100	741,489	439,887
	47,636,776	63,486,445	53,919,149	64,989,753	86,579,730	73,284,999
	55,337,148	47,133,284	54,183,557	56,072,284	38,180,819	31,189,792
	8,454,322	6,733,314	8,069,683	8,159,750	8,803,198	19,673,487
	98,162,552	96,582,431	111,217,537	116,804,045	127,999,717	135,766,503
	17,063,294	13,876,995	11,822,662	9,740,510	9,864,457	7,031,866
	<u>321,001,911</u>	<u>347,135,706</u>	<u>342,703,429</u>	<u>345,373,052</u>	<u>361,086,964</u>	<u>346,635,871</u>
	1,018,198	1,074,904	1,211,126	902,798	902,798	1,077,329
	11,387,914	11,746,542	13,061,601	8,778,867	8,778,867	8,344,975
	36,092,505	39,616,056	41,179,919	38,628,589	38,215,218	36,793,682
	33,575,804	34,349,956	36,662,783	36,543,125	36,125,761	36,139,028
	212,013,445	227,256,969	242,138,776	258,536,374	260,262,424	245,420,861
	9,134,039	6,762,148	7,140,903	8,818,413	15,642,043	13,284,627
	230,987	278,953	279,291	133,851	133,851	154,581
	13,958,517	13,447,187	8,954,222	5,139,994	4,996,815	8,025,625
	2,826,643	2,004,138	1,145,240	3,552,291	1,830,924	7,437,431
	2,779,000	2,536,000	2,599,000	2,711,000	2,944,500	1,899,500
	1,521,960	1,544,866	1,496,932	1,438,967	1,172,487	1,194,751
	<u>324,539,012</u>	<u>340,617,719</u>	<u>355,869,793</u>	<u>365,184,269</u>	<u>371,005,688</u>	<u>359,772,390</u>
	(3,537,101)	6,517,987	(13,166,364)	(19,811,217)	(9,918,724)	(13,136,519)
				1,150,000		9,015,784
	47,404,927	72,052,311	73,025,131	71,978,284	73,489,202	61,047,758
	(43,701,772)	(68,010,760)	(70,417,354)	(62,187,903)	(66,299,852)	(57,474,443)
	<u>3,703,155</u>	<u>4,041,551</u>	<u>2,607,777</u>	<u>10,940,381</u>	<u>7,189,350</u>	<u>12,589,099</u>
\$	<u>166,054</u>	<u>\$ 10,559,538</u>	<u>\$ (10,558,587)</u>	<u>\$ (8,870,836)</u>	<u>\$ (2,729,374)</u>	<u>\$ (547,420)</u>
	1.3%	1.2%	1.1%	1.1%	1.1%	0.8%

DIRECT AND OVERLAPPING¹ PROPERTY TAX RATES

GENESEE COUNTY

Table 7

Fiscal Year	Millage Rates - Direct County Taxes ²						Schools
	General Operating	County Parks	County			Total Direct Taxes ³	
			Emergency	Senior Citizens	Health Services		
			Medical Services				
2002	5.58	0.49	0.49			6.56	15.21
2003	5.55	0.49	0.49			6.53	14.52
2004	5.52	0.49	0.49			6.5	13.79
2005	5.51	0.48	0.48			6.47	13.11
2006	5.51	0.48	0.48			6.47	14.8
2007	5.51	0.48	0.48	0.7	1.00	8.17	17.92
2008	5.51	0.48	0.48	0.7	1.00	8.17	17.97
2009	5.51	0.48	0.48	0.7	1.00	8.17	18.00
2010	5.51	0.48	0.48	0.7	1.00	8.17	18.00
2011	5.51	0.48	0.48	0.7	1.00	8.17	18.00

Source: Genesee County Equalization

¹ Overlapping rates are those of local and county governments that apply to property owner within Genesee County. Not all overlapping government's property owners whose property is located within the geographic boundaries of the special district).

² Local and county governments are limited by State Statute (Headlee Amendment) to increase property taxes (without a vote of the public) rollback must be done.

³ The maximum County millage rate allowed by Headlee Amendment for 2008 was 8.17.

TAXABLE VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

GENESEE COUNTY

Table 8

Fiscal Year Ended September 30	Taxable Value by Property Type:			
	Real Property			Agricultural & Other
	Residential	Commercial	Industrial	
2002	\$ 6,072,127,173	\$ 1,597,976,309	\$ 418,394,903	\$ 116,615,019
2003	6,450,983,934	1,669,908,541	441,422,475	109,345,900
2004	6,895,425,829	1,753,000,981	443,446,262	108,187,742
2005	7,375,298,859	1,846,280,434	457,832,433	109,816,454
2006	7,930,930,667	1,942,291,432	462,904,596	108,960,093
2007	8,350,676,588	2,064,642,037	465,453,698	114,502,824
2008	8,350,007,649	2,094,584,863	460,814,189	115,709,217
2009	7,930,452,065	2,125,973,096	444,413,929	121,736,391
2010	6,955,393,965	2,009,484,789	387,987,718	120,627,170
2011	6,466,696,290	1,890,189,839	300,632,882	120,346,797

Source: Genesee County Equalization

Note: Property in the county is reassessed annually. The county assesses property at approximately 50 percent of actual value for all Tax rates are per \$1,000 of assessed value.

Overlapping Taxes						Total Tax Rate
Mott Community College	Genesee Intermediate School	Townships Cities and Village	District Library	Airport Authority	Special Assess.	Direct & Overlapping Rates
2	3.49	9.41	0.78	0.49	0.17	38.11
1.84	3.57	8.82	0.77	0.49	0.19	36.73
1.94	3.40	9.12	0.76	0.49	0.17	36.17
1.85	3.23	8.67	0.76	0.48	0.14	34.71
1.94	3.32	9.21	0.75	0.48	0.12	37.09
2.65	3.54	6.93	0.75	0.48	0.11	40.55
2.65	3.54	6.91	0.75	0.48	0.15	40.62
2.65	3.54	6.92	0.75	0.48	0.18	40.69
2.65	3.54	6.77	0.75	0.48	0.22	40.58
2.98	3.98	7.61	0.75	0.48	0.25	42.22

rates apply to all Genesee County property owners (e.g., the rates for special districts apply only to the proportion of the

no more than the rate of inflation exclusive of net additions in property values due to new construction. Otherwise, a rate

Personal Property	Total Value	Tax Rate (Mills)	Estimated Actual Value	Taxable Value as a % of Actual
\$ 960,898,112	\$ 9,166,011,516	6.56	\$ 21,820,528,372	42.01%
933,727,354	9,605,388,204	6.53	23,297,946,094	41.23%
908,022,829	10,108,083,643	6.50	24,589,093,896	41.11%
932,598,141	10,721,826,321	6.47	26,070,064,822	41.13%
875,861,401	11,320,948,189	6.47	27,391,654,734	41.33%
854,545,349	11,849,820,496	8.17	28,313,868,698	41.85%
507,958,414	11,529,074,332	8.17	27,397,998,344	42.08%
763,503,909	11,386,079,390	8.17	24,932,643,592	45.67%
662,225,029	10,135,718,671	8.17	21,597,824,570	46.93%
672,342,830	9,450,208,638	8.17	19,901,611,138	47.48%

types of real and personal property. Estimated actual value is calculated by doubling assessed value.

PRINCIPAL PROPERTY TAX PAYERS

GENESEE COUNTY

Table 9

Taxpayer	2011			2002		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Consumers Energy	\$ 211,326,263	1	2.12	\$ 213,174,775	2	1.95
General Motors Corp	126,131,705	2	1.27 %	44,223,308	1	0.41 %
Genesee valley Partners LP	56,913,200	3	0.57	54,725,390	4	0.50
Wal-Mart/Sam's	44,822,282	4	0.45			
Meijers Inc/Good Will Co Inc	28,850,662	5	0.29	19,437,049	8	0.18
Edward Rose Assoc ETAL	26,579,113	6	0.27	22,873,997	5	0.21
Federal National Mortgage Assoc	26,108,318	7	0.26			
Delphi Automotive	25,720,800	8	0.26	120,048,800	3	1.10
Comcast Cablevision	20,827,293	9	0.21	15,780,518	10	0.14
Androit Industries LLC	19,501,993	10	0.20			
Vemco				21,983,100	6	0.20
Home Depot				20,072,190	7	0.18
Ring Screw Works				18,626,089	9	0.17
Totals	<u>\$ 586,781,629</u>		<u>5.90 %</u>	<u>\$ 550,945,216</u>		<u>5.04 %</u>

Source: Genesee County Equalization

PROPERTY TAX LEVIES AND COLLECTIONS

GENESEE COUNTY

Table 10

Tax Year	Fiscal Year Ended September 30	Total Levy	Current Collections	Percent Collected	Delinquent Collections	Total Tax Collections	Percent of Levy Collected
2000	2001	\$53,656,134	\$49,123,362	91.6	\$4,491,202	\$53,614,564	99.9
2001	2002	57,316,530	52,821,625	92.2	4,385,198	57,206,823	99.8
2002	2003	61,019,215	56,373,215	92.4	3,847,657	60,220,872	98.7
2003	2004	63,422,129	58,517,508	92.3	2,080,607	60,598,115	95.5
2004	2005	66,168,833	60,857,672	92.0	2,377,100	63,234,772	95.6
2005	2006	69,978,962	64,674,114	92.4	3,337,568	68,011,682	97.2
2006	2007	92,823,015	87,783,960	89.9	5,039,055	92,823,015	96.7
2007	2008	96,962,513	91,098,930	90.3	5,863,583	96,962,513	97.9
2008	2009	97,004,331	90,979,934	93.8	6,024,397	97,004,331	100.0
2009	2010	93,767,535	86,508,053	92.3	7,259,482	93,767,535	100.0
2010	2011	83,767,765	78,101,948	93.2	5,665,817	83,767,765	100.0

RATIOS OF GENERAL BONDED DEBT OUTSTANDING
GENESEE COUNTY

Table 11

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value¹ of Property	Per Capita²
2002	\$ 36,018,500	\$ 9,798,882	\$ 26,219,618	0.11	60
2003	34,764,000	11,734,071	23,029,929	0.09	53
2004	35,486,000	14,908,023	20,577,977	0.08	47
2005	36,316,500	235,892	36,080,608	0.13	83
2006	33,537,500	0	33,537,500	0.12	77
2007	41,001,500	218,170	40,783,330	0.15	94
2008	38,402,500	110,224	38,292,276	0.14	88
2009	23,941,500	109,124	23,832,376	0.10	55
2010	20,997,000	376,404	20,620,596	0.10	47
2011	28,113,284	309,600	27,803,684	0.14	64

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

¹See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property (Table 8) for property value data.

²Population data can be found in the Schedule of Demographic and Economic Statistics (Table 4).

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
GENESEE COUNTY

Table 12

	Net Debt Outstanding	Percentage Applicable Genesee County¹	Amount Applicable Genesee County
County at Large	\$97,080,000	100.0 %	\$97,080,000
School Districts	418,573,367	81.3	340,300,147
Cities and Villages	36,441,276	95.4	34,764,977
Townships	50,915,164	100.0	50,915,164
County-issued Bonds paid by local municipalities	200,888,000	112.9	226,802,553
Airport Authority	10,555,000	100.0	10,555,000
Mott Community College and Genesee Intermediate School District	65,450,000	89.9	58,839,550
Subtotal, overlapping debt			472,063,868
Genesee County direct debt			347,217,382
Total direct and overlapping debt			\$819,257,391

Source: Municipal Advisory Council of Michigan.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Genesee County. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

¹The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the government's boundaries and dividing it by the county's total taxable assessed value.

RATIOS OF OUTSTANDING DEBT

GENESEE COUNTY

Table 13

Fiscal Year	Governmental Activities			
	General Obligation Bonds	Equipment Notes	Capital Leases	Installment Agreements
2002	\$ 36,018,500	\$ 1,513,694		\$ 311,664
2003	34,764,000	1,141,091		207,776
2004	35,486,000	747,432		103,888
2005	36,316,500	386,694		
2006	33,537,500	254,540		
2007	41,001,500	135,804		
2008	25,502,500	10,682		
2009	23,941,500			
2010	20,997,000			
2011	28,113,284			

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

¹ See the Schedule of Demographic and Economic Statistics (Table 4) for personal income and population data.

FUND BALANCES OF GOVERNMENTAL FUNDS

GENESEE COUNTY

Table 14

	2002	2003	2004	2005
General Fund:				
Nonspendable				
Reserved	\$ 2,571,294	\$ 3,382,233	\$ 3,237,607	\$ 3,540,891
Committed				
Assigned				
Unreserved	17,928,706	15,560,534	15,757,245	15,292,806
Unassigned				
Total General Fund	<u>\$ 20,500,000</u>	<u>\$ 18,942,767</u>	<u>\$ 18,994,852</u>	<u>\$ 18,833,697</u>
All other governmental funds				
Nonspendable				
Restricted				
Committed				
Reserved	\$ 11,175,952	\$ 7,021,921	\$ 1,700,659	\$ 1,306,925
Assigned				
Unreserved	\$ 18,646,055	\$ 28,466,346	\$ 44,437,446	\$ 46,710,234
Unassigned, reported in:				
Special Revenue Funds				
Capital Projects Funds				
Debt Service Funds				
Total all other governmental funds	<u>\$ 29,822,007</u>	<u>\$ 35,488,270</u>	<u>\$ 46,138,105</u>	<u>\$ 48,017,159</u>

* Fund balance classifications were changed as a result of implementation of GASB 54

Business - Type Activities					
General Obligation Bonds	Delinquent Tax Notes	Total Primary Government	Percentage of Personal Income	Per Capita ¹	
\$ 921,500	\$ 15,411,500	\$ 54,176,858	44.68	124	
766,000	14,513,000	51,391,867	43.08	118	
609,000	14,617,000	51,563,320	43.83	118	
463,500	16,484,000	53,650,694	44.17	123	
307,500	21,795,000	55,894,540	44.49	128	
253,500	29,742,000	71,132,804	55.57	163	
217,500	67,592,090	93,322,772	72.91	214	
178,500	70,441,250	94,561,250	73.88	217	
138,000	55,451,292	76,586,292	59.84	176	
97,500	50,652,792	78,863,576	61.61	181	

2006	2007	2008	2009	2010	2011*
\$ 3,598,597	\$ 3,887,892	\$ 4,148,176	\$ 3,757,229	\$ 3,219,465	\$ 3,141,810
9,801,036	7,501,262	6,780,668	1,071,157	7,955,013	1,000,000
\$ 13,399,633	\$ 11,389,154	\$ 10,928,844	\$ 4,828,386	\$ 11,174,478	7,667,575
					\$ 11,809,385
					\$ 3,888,383
					13,168,565
					84,974
\$ 23,309,614	\$ 32,511,561	\$ 32,653,060	\$ 520,606	\$ 3,300,415	24,514,865
\$ 30,363,231	\$ 33,675,733	\$ 20,259,026	\$ 36,333,372	\$ 35,401,231	(2,498,714)
					(1,846,569)
\$ 53,672,845	\$ 66,187,294	\$ 52,912,086	\$ 36,853,978	\$ 38,701,646	\$ 37,311,504

LEGAL DEBT MARGIN

GENESEE COUNTY

Table 15

	2002	2003	2004
Calculation of Debt Limit:			
State Equalized Valuation	\$10,910,264,186	\$11,648,973,047	\$12,294,546,948
10% of Taxable Value	1,091,026,419	1,164,897,305	1,229,454,695
Calculation of Debt Subject to Limit:			
Total Long-Term Debt	38,765,358	39,308,867	36,946,320
Plus Business Type Tax Notes	14,490,000	14,513,000	14,617,000
Component Unit Debt:			
Brownfield Authority			
Land Bank Authority			
Water and Waste Services	66,100,000	68,100,000	100,165,000
Road Commission	7,622,092	6,163,487	5,016,814
Drain Fund	2,262,885	2,207,898	2,173,708
Less: Debt Not Subject to Limit:			
Non-Bonded Debt	2,356,808	1,626,713	1,446,897
Road Commission Debt Not Subject to Legal Debt Limit	6,795,000	5,590,000	4,415,000
Water and Waste Service Sewer Bonds	62,275,000	65,945,000	71,470,000
Drain Fund Special Assessment Debt	1,057,885	1,152,898	1,268,708
Net Debt Subject to Limit	56,755,642	55,978,641	80,318,237
Legal Debt Margin	1,034,270,777	1,108,918,664	1,149,136,458
Net Debt Subject to Limit as % of Debt Limit	5.20%	4.81%	6.53%

Note: Under state finance law, Genesee County's outstanding general obligation debt should not exceed 10 percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

PLEDGED-REVENUE COVERAGE

GENESEE COUNTY

Table 16

Fiscal Year	Water and Sewer Revenue Bonds				
	Gross Revenues	Applicable Expenses	Net Revenues	Debt Service	
				Principal	Interest
2001	\$ 24,294,418	\$ 21,437,967	\$ 2,856,451	\$ 9,000,000	\$ 3,152,759
2002	28,136,915	24,055,391	4,081,524	7,740,000	3,180,964
2003	29,500,607	26,403,112	3,097,495	10,260,000	4,477,742
2004	31,270,777	28,668,831	2,601,946	7,530,000	5,286,079
2005	33,089,994	31,414,650	1,675,344	7,020,000	4,698,900
2006	33,240,331	31,201,708	2,038,623	8,780,000	5,146,948
2007	39,905,904	34,640,150	5,265,754	9,200,000	5,942,875
2008	41,733,685	35,106,337	6,627,348	8,430,000	5,702,215
2009	48,623,754	35,797,020	12,826,734	9,070,000	6,107,272
2010	50,002,564	35,797,020	14,205,544	9,070,000	6,107,272

Note: Details regarding Water and Waste Services outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest or depreciation.

2005	2006	2007	2008	2009	2010	2011
\$13,035,032,411	\$13,695,827,367	\$14,156,934,349	\$13,698,999,172	\$12,466,321,796	\$10,798,912,285	\$9,950,805,569
1,303,503,241	1,369,582,737	1,415,693,435	1,369,899,917	1,246,632,178	1,079,891,228	995,080,557
37,166,698	34,099,540	41,390,804	35,730,682	40,120,000	21,135,000	28,113,284
16,484,000	21,795,000	29,742,000	57,592,090	70,441,250	55,550,000	50,652,792
5,000,000	5,000,000	5,000,000	13,035,000	13,035,000	12,930,000	12,820,000
56,814	445,942	434,515	3,577,506	3,588,685	3,990,785	3,647,890
117,465,000	115,596,420	144,697,048	168,034,033	168,070,641	176,945,058	169,411,610
3,765,617	2,761,480	7,532,542	16,186,229	14,063,032	18,440,726	18,797,421
1,718,859	2,950,407	4,662,036	3,860,052	3,088,767	2,608,758	1,910,916
822,315	439,072	349,652	255,048	174,531	80,883	0
3,330,000	2,385,000	8,750,000	12,520,000	15,906,283	18,440,726	16,105,931
74,905,000	74,006,420	104,302,048	122,864,033	124,305,641	134,315,058	127,956,610
863,859	615,407	782,036	670,052	588,767	798,758	400,916
101,735,814	105,202,890	119,275,209	161,706,459	171,432,153	137,964,902	140,890,456
1,201,767,427	1,264,379,847	1,296,418,226	1,208,193,458	1,075,200,025	941,926,326	854,190,101
7.80%	7.68%	8.54%	11.80%	13.75%	12.78%	14.16%

Special Assessment Bonds				
Coverage	Special Assessment	Debt Service		Coverage
		Principal	Interest	
0.235045474				
0.373732942				
0.210174327				
0.203022001				
0.142960858				
0.146379738				
0.347738062				
0.468953239				
0.845127767				
0.935974792				

FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION

GENESEE COUNTY

Table 17

Function	2002	2003	2004	2005
Animal Shelter	14	12	12	12
Board Office	14	15	16	15
Building & Grounds	30	26	26	26
Circuit Court	36	36	40	46
Controller	21	21	17	17
Cooperative Extension	3	3	3	3
Corporation Counsel	6	5	5	6
County Clerk	42	37	38	37
Court Services	16	13	10	6
District Court	68	63	63	63
Emergency Management	3	3	4	4
Equalization	12	11	11	10
Equity & Diversity	3	2	2	3
Family Court	37	38	33	32
Friend of the Court	105	103	99	101
GCCARD	99	104	105	94
Genesee Valley Regional Ctr.	34	42	40	41
GIS			1	3
Human Resources	10	9	9	8
Medical Examiner				
M.I.S.	22	21	22	20
Parks & Recreation	27	28	28	29
Planning	23	22	20	19
Probate Court	28	25	26	24
Prosecutor	81	78	73	68
Public Health	177	167	165	158
Purchasing	8	7	7	6
Register of Deeds	13	11	12	11
Senior Services				
Sheriff	279	269	273	264
Surface Water Management	22	22	21	19
Treasurer	18	23	23	19
Veteran's Info. Center	3	3	3	3
Total	1,254	1,219	1,207	1,167

Source: Government Human Resources Office.

2006	2007	2008	2009	2010	2011
13	13	11	11	7	6
15	15	15	14	14	13
25	24	22	21	14	15
49	49	48	45	46	47
17	17	16	14	11	10
3	1				
6	6	5	5	5	2.5
40	34	36	34	30	29
7	5	5	6	3	3
63	61	58	57	52	49
4	1	3	3	1	1
7	9	8	9	8	6
3	3	2	1	1	
34	33	34	32	25	23
101	100	95	94	84	79
89	81	95	126	105	109
42	43	41	44	43	42
2	2	2	1	1	1
7	8	8	7	8	7
					5
19	19	18	19	14	14
28	28	27	25	25	23
20	22	22	23	24	22
24	24	23	22	20	20
71	67	70	70	58	55
152	150	144	142	105	95
7	6	5	5	5	3.5
11	10	8	7	10	10
					3
265	259	259	248	234	217
22	20	17	16	15	19
18	19	17	15	13	12
3	3	3	3	3	2
1,167	1,132	1,117	1,119	984	943

OPERATING INDICATORS BY FUNCTION

GENESEE COUNTY

Table 18

Function/Program	2002	2003	2004	2005
Board Office Committee Meeting Log:				
Public Works	20	19	20	20
Finance/Budget	10	16	8	16
Governmental Operations	23	25	23	25
Human Services	21	22	23	21
Community & Economic Development	11	13	12	10
Board of Commissioners	31	29	29	28
Building & Grounds:				
Centrally Generated Work Orders		2,023	2,011	2,048
Circuit Court:				
Number of Civil Cases	2,500	2,204	2,144	2,144
Number of Criminal	1,956	2,092	2,116	2,067
Number of Family Cases	11,076	9,788	10,457	9,993
Controllers:				
Number of Checks	48,757	44,704	42,607	37,585
Cooperative Extension:				
4-H Volunteers	9,972	10,288	10,009	9,236
Master Gardener Volunteers	319	381	360	422
Residents Served	24,673	25,927	29,088	36,092
County Clerk General Election Data:				
Registered Voters	319,909	118,774	335,361	154,140
Ballots Cast	136,498	26,691	214,718	22,168
Percent Voting	42.7%	22.5%	64.0%	14.4%
Birth Certificates	6,819	6,777	6,527	6,490
Civil Cases Filed	8,767	6,836	7,086	6,789
Criminal Cases Filed	1,900	2,022	2,006	1,984
Death Certificates	4,325	4,131	4,229	4,202
Divorces	3,070	2,401	2,489	2,384
Marriage Licenses	2,940	2,924	2,882	2,782
District Court:				
Number of Civil Cases	18,511	19,609	18,406	18,368
Number of Criminal/Traffic Cases	62,160	63,474	58,338	57,988
Equalization:				
Number of Parcel Counts	196,713	205,937	209,709	212,626
Friend of the Court:				
Number of Active Cases	53,565	55,216	54,903	55,472
Health:				
Infant Deaths	83	74	75	52

2006	2007	2008	2009	2010	2011
20	23	23	20	19	21
30	31	25	32	22	25
27	23	23	25	24	22
25	24	21	22	23	22
14	8	10	12	8	12
39	30	27	28	40	29
2,001	2,018	2,251	1,914	2,116	1,429
1,895	1,881	2,134	1,995	1,898	1,822
2,149	2,353	2,184	2,015	1,911	1,910
7,085	9,051	9,877	9,457	9,622	9,426
37,410	42,430	48,050	63,503	47,595	47,928
13,976	443	55	71	116	116
371	309	318	329	308	322
49,391	65,716	58,080	48,041	75,265	78,347
338,530	351,082	347,432	163,782	335,069	247,059
165,346	35,656	221,583	22,722	135,010	54,271
48.8%	10.2%	63.8%	13.9%	40.3%	22.0%
6,602	6,432	6,056	5,902	5,696	5,061
6,865	2,304	2,134	2,010	2,325	2,250
2,060	1,836	2,184	2,014	1,910	1,797
4,285	4,020	4,353	4,361	4,407	4,012
2,411	7,536	2,141	2,072	2,205	5,321
2,579	2,532	2,330	2,233	2,227	1,964
20,185	22,913	23,941	22,866	21,718	20,113
62,437	59,427	58,872	56,360	56,141	48,770
207,759	209,079	209,639	209,360	212,566	211,313
55,577	55,530	56,223	55,472	54,920	51,294
59	50	56	53	34	18

OPERATING INDICATORS BY FUNCTION

GENESEE COUNTY

Table 18 (Continued)

Function/Program	2002	2003	2004	2005
Health:				
Smoking Rates	27.1%	26.8%	26.8%	25.2%
Gonorrhea Cases	1,794	1,758	1,972	1,664
Parks and Recreation:				
Huckleberry RR/Crossroad Village Attendance	142,859	151,670	146,163	143,007
Planning Commission				
Road Reconstruction, Resurfacing & Restoration				
Lane Miles	16.7	112.2	41.8	63.3
Cost	3,708,092	30,373,829	13,888,596	37,824,377
Streets				
Miles	1.9	1.5	1.3	1.6
Cost	465,883	376,310	402,663	515,474
Sidewalks				
Feet	4,000	2,500	600	3,200
Cost	278,780	125,469	31,324	128,596
Probate Court:				
Number of Probate Cases	3,140	3,128	2,746	2,605
Prosecutors:				
Felony Warrants (more than 1 year)	3,025	3,271	3,246	3,101
Misdemeanor Warrants (more than 1 year)	31	28	14	25
Misdemeanor Warrants (less than 1 year)	1,130	1,531	1,489	1,292
Purchasing:				
Number of Purchase Orders	2,219	2,156	1,905	1,733
Register of Deeds:				
Annual Recorded Documents	148,827	166,713	130,944	123,414
Sheriff Department:				
Number of Inmates Booked	11,891	11,957	12,209	12,032
Traffic Accidents	1,493	1,202	1,213	1,231
Traffic Violations	3,047	3,783	2,807	2,155
OUIL Arrests	155	125	125	72
Driving With License Suspended Arrests	538	578	408	318
Felony Arrests	291	300	359	403
Misdemeanor Arrests	813	1,158	997	967
Treasurers:				
Number of Cash Receipts	58,818	58,222	65,621	53,196
Veterans Information Services:				
Veteran Services	17,881	26,323	25,466	25,265
Veterans Burial Services	140	116	110	134
Soldiers Relief Commission Services	334	344	215	190
Veterans Trust Applications	190	144	87	61

Source: Various county departments.

2006	2007	2008	2009	2010	2011
25.2%	25.6%	25.6%	24.6%	25.0%	25.0%
1,682	1,594	1,313	1,157	709	787
152,113	159,715	134,853	139,289	143,460	140,419
67.7	146.5	55.0	65	69	52
40,162,522	70,114,676	58,161,496	19,544,927	10,080,375	12,295,326
2.2	3.2	2.5	2	3	4
154,840	356,523	270,000	203,783	198,304	299,405
4,600	2,500	800	1,500	3,500	1,320
214,995	138,449	61,396	152,711	114,946	138,685
3,267	3,037	2,817	3,205	3,134	2,888
3,407	3,467	3,408	3,040	2,860	2,985
34					
1,250	1,141	1,187	1,108	1,029	1,074
1,628	1,228	1,398	1,082	909	875
111,178	99,573	85,915	81,874	86,670	86,564
12,454	12,580	12,133	11,460	10,436	10,429
919	1,495	1,345	259	1,120	1,117
2,356	3,372	3,868	1,804	3,356	1,332
76	140	97	154	163	108
372	604	422	474	1,374	431
391	286	271	242	387	163
604	1,250	589	703	1,415	751
49,473	55,202	57,872	58,376	72,702	55,667
27,763	27,707	29,239	29,875	40,656	39,410
103	112	141	141	209	143
148	161	140	246	270	180
48	46	91	85	95	74

CAPITAL ASSET STATISTICS BY FUNCTION

GENESEE COUNTY

Table 19

Function/Program	2002	2003	2004	2005
Buildings & Grounds:				
Administration Bldg.	1	1	1	1
Animal Control	1	1	1	1
Clinics	3	4	3	3
Courts	6	7	6	6
Courthouse	1	1	1	1
Dollar Store	1	1	1	1
Drain Commission	1	1	1	1
Galliver Bldg.	1	1	1	1
GCCARD Bldg.	3	3	3	3
Haley	1	1	1	1
Jail	1	1	1	1
Juv. Detention Ctr.		1	1	1
MacAvinchey Bldg.	1			
Motor Pool	1	1	1	1
MSU Extension	1	1	1	1
Parking Structures	2	2	2	2
Drains:				
Number of Drains	1,144	1,153	1,162	1,171
MIS:				
Computers	820	825	840	850
Parks & Recreation:				
Acreage	10,939	10,939	10,939	10,939
Beaches	4	4	4	4
Bicycle Path	5	5	5	5
Boat Launches	2	2	3	3
Campgrounds	2	2	1	1
Disc Golf Course		1	1	1
For-Mar Nature Preserve & Arboretum	1	1	1	1
Genesee Belle Paddle Wheel Boat	1	1	1	1
Huckleberry Railroad	1	1	1	1
Picnic Areas	5	5	5	5
Play Areas	1	2	3	3
Snowmobile Areas	4	4	4	4
Spray Park		1	1	1
Stepping Stone Falls	1	1	1	1

2006	2007	2008	2009	2010	2011
1	1	1	1	1	1
1	1	1	1	1	1
3	3	3	3	3	3
6	6	6	6	6	6
1	1	1	1	1	1
1	1				
1	1	1	1	1	1
1	1	1	1	1	1
3	3	3	3	3	3
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1
2	2	2	2	2	2
1,177	1,183	1,187	1,126	1,195	1,109
855	850	875	890	890	920
10,939	10,939	10,939	10,939	10,939	10,939
4	3	3	3	3	3
6	6	7	7	7	7
3	4	4	4	4	4
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1
5	5	5	5	5	5
5	5	7	7	7	7
5	5	5	5	5	5
1	1	1	1	1	1
1	1	1	1	1	1

CAPITAL ASSET STATISTICS BY FUNCTION

GENESEE COUNTY

Table 19 (Continued)

Function/Program	2002	2003	2004	2005
Sheriff:				
Housing Cells	355	355	355	355
Isolation Rooms	6	6	6	6
Safety Cells	6	6	6	6
Medical Cells	9	9	9	9
Patrol Vehicles	21	21	21	50
Boats	9	9	9	5
Paramedic Vehicles	9	9	9	15
Motorcycles				8
Jet Skis				

Sources: Various county departments.

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
355	355	355	355	355	355
6	6	6	6	6	6
6	6	6	6	6	6
9	6	9	9	7	7
50	18	18	10	22	22
5	4	3	3	5	5
15	15	15	15	15	15
8	8	8	6	8	8
	4	2	2	2	2

Committees of the Board of Commissioners

The Committee system, which goes back to the 61 member Board of Supervisors, is still currently maintained. Each of the nine Commissioners of the present Board of Commissioners is a member of each committee. Following are the major committees including a short description of each committee's goals and objectives.

Community & Economic Development Committee

Develop information, alternatives, and recommendations regarding Community Development funds and other economic development initiatives.

Finance and Finance/Budget Committee

Develop plans for financing of County activities so sufficient monies may be raised to pay current fixed operating expenses and all approved extraordinary expenses.

Human Services Committee

Represent the Board of Commissioners in community and human relations and the associated financing of these activities.

Governmental Operations Committee

To review County department requests for purchases, employees, and policy statements and the associated financing of these activities.

Public Works Committee

Recommend needed improvements, repairs, or upkeep to buildings, grounds, and equipment and the associated financing of these activities.

There are various standing subcommittees on which four Commissioners serve and are assisted by County staff. Some of these subcommittees are Budget/Finance, Audit, Insurance and Management Information Systems.



Genesee County, Michigan

**Controller's Office
1101 Beach Street—3rd Floor
Flint, MI 48502
Phone: 810.257.3040**