



Genesee County, Michigan

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Period Ending September 30, 2012
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, 2011

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.



Christopher P. Moynell

President

Jeffrey R. Enos

Executive Director

COMPREHENSIVE ANNUAL FINANCIAL REPORT

GENESEE COUNTY, MICHIGAN

September 30, 2012

Board of Commissioners

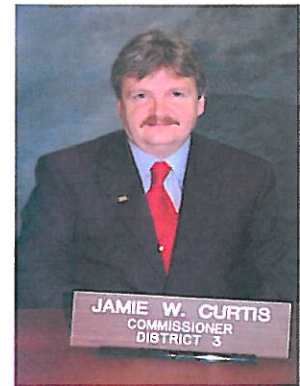
Jamie W. Curtis, Chairperson of the Board



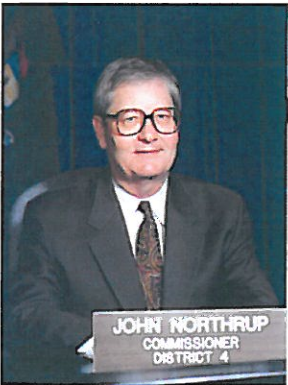
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Brenda Clack



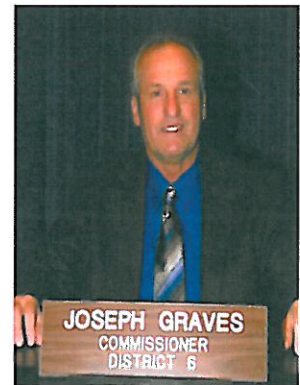
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John Northrup



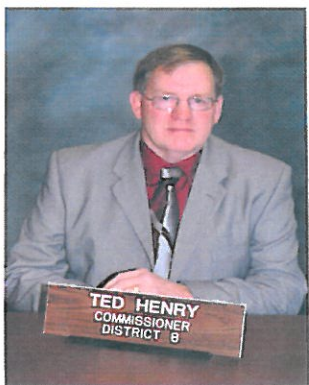
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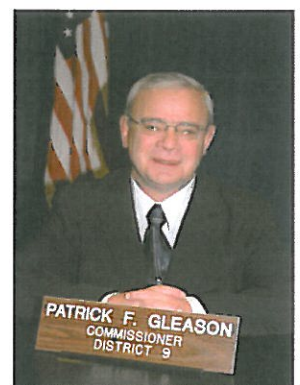
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Prepared by:
Controller's Office

Interim Controller:
Keith Francis

Independent Auditors:
Plante & Moran, PLLC

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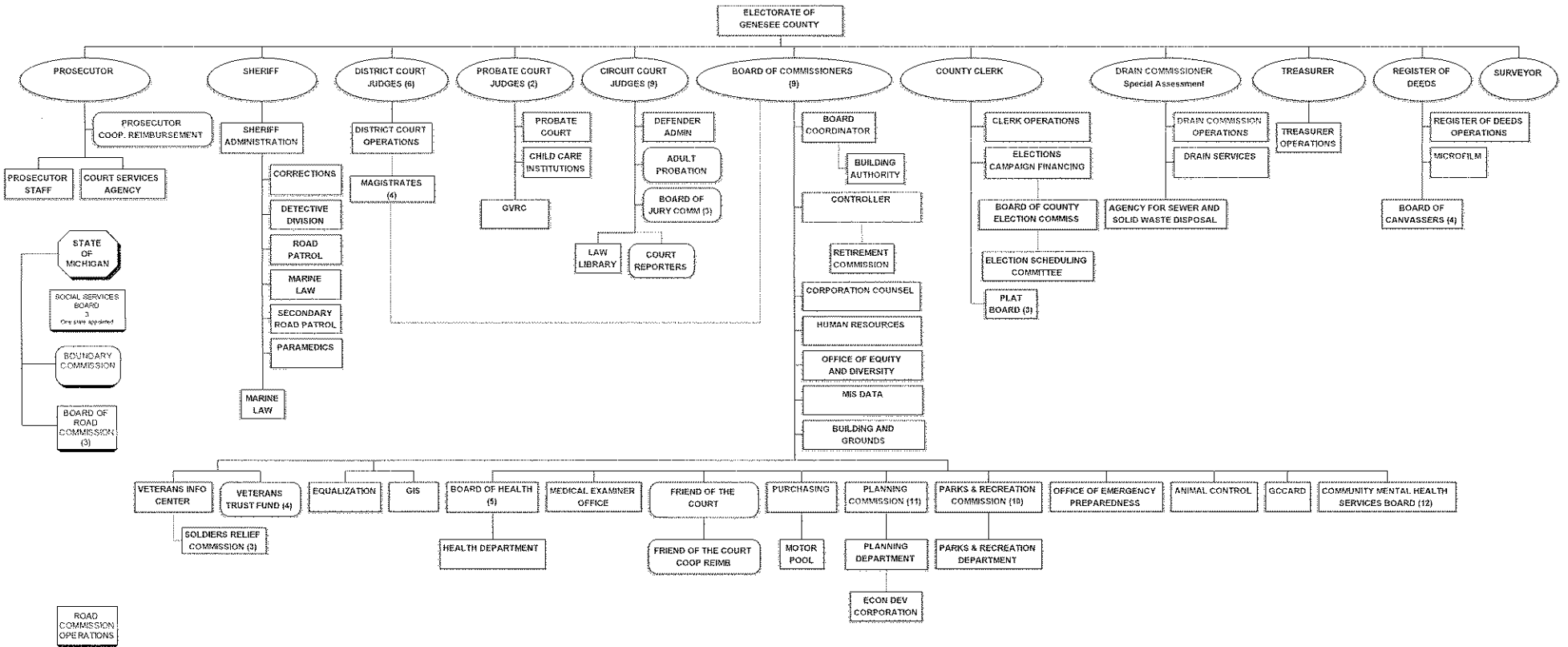
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I. INTRODUCTORY SECTION

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

Keith Francis

Interim-Controller

The Board of County Commissioners
Genesee County
Flint, Michigan

March 26, 2013

The Comprehensive Annual Financial Report of Genesee County for the fiscal period ended September 30, 2012 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, 2012. 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, which 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 \$293.5 million for governmental and business-type activities with net assets in excess of \$145.1 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 2012 semester, enrollment increased .3% to an all-time high of 8,289 students. This was an increase of 27 students over the previous all-time high set in the fall 2011 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 348 international students representing over 42 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 \$12 million during 2011/2012 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 550 students of the University of Michigan-Flint, Baker College of Flint, Kettering University, and Mott Community College. In 2012, the University of Michigan-Flint School of Management (SOM) moved into the newly renovated second floor at Riverfront Residence hall stretching the University's boundaries across Saginaw Street. The Business School includes a glassed-in stock trading center complete with 24 computers for students. The second floor also includes a student lounge, an interactive video distance learning classroom and 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.

Michigan State University's College of Human Medicine (MSU CHM) announced plans in 2011 to expand its medical education and public health programs in Flint. The Charles Stewart Mott Foundation granted \$2.8 million dollars to this endeavor.

On January 25, 2013, MSU voted to move forward with negotiations for a 20-year \$700,000-a-year lease on the Flint Journal Building located in downtown Flint. The goal is to start renovations in summer of 2013 with MSU moving into the building summer 2014. The building will be used for approximately 100 third-and-fourth-year MSU CHM medical students as well as MSU public health researchers. MSU will revamp about 40,000 of the building's 120,000 square feet for office and teaching space. The historic exterior will open to a fresh modern state-of-the-art interior. The building will have 16 loft apartments on the top floors, which will take up most of the remaining space.

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 7,500 people.

In February 2012, General Motors announced that it will be closing the Delphi Flint East in November 2013. Flint will lose more than \$100,000 in annual income tax collections because of the loss of these jobs. Lost automotive jobs will be replaced with new employment opportunities in the expanding medical field, small businesses, and alternative energy-based industries for workers willing to stay and move forward.

Over the last four years, GM has invested more than \$800 million in its Genesee County facilities. Of this, \$328 million went into the Flint Assembly Plant and Flint Metal Center. A total of \$480 million was invested in Flint Engine Operations to expand engine production. Flint Engine currently runs three shifts producing the very popular 1.4-liter engine used in the Chevrolet Cruze, Volt and Sonic. Flint Truck Assembly also runs a three-shift production schedule to satisfy demand for the Chevy Silverado.

Health care continues to play a major role in the Genesee County economy employing in excess of 7,000 employees; almost as many employees as Genesee County's dominant industry – the automobile industry. Health Care is projected to grow by almost 14,000 jobs in the next five years. 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 \$35 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 feet to 50,000 square feet, will significantly increase the capacity of the center as well as increasing the number of physicians, nurses, and support staff working in the facility.

McLaren Hospital will open its \$70 million Proton Therapy Center in spring 2013. It is the first in Michigan and 11th in the U.S. The Proton Therapy Center will offer cutting-edge cancer treatment that precisely targets tumors with millimeter accuracy while leaving most of the surrounding healthy tissue untouched. The Center will employ 80 to 100 people.

Genesys Health Care Systems is moving ahead with plans for a Health Park expansion. A new road, connecting Interstate-75 at South Dort Highway to Baldwin Road would allow a significant traffic increase to the Genesys Health Park allowing for this expansion. The Corradino Study (a County Freight and Connectivity Study prepared for the Genesee County Metropolitan Planning Commission) was the catalyst for Genesee County's involvement in this project. Genesee County is working with local, state and federal officials to secure funding for this Dort Highway extension.

The jobs generated by the expansion would have a significant impact on our area. Construction spending of almost \$500 million would create thousands of jobs spanning a ten-year period and, when completed, the Genesys Health Park would create about 4,100 full-time jobs which would result in \$270 million in annual earnings in the County.

Diplomat Specialty Pharmacy, the sixth-largest specialty pharmacy company in the nation, invested over \$12 million in their new facilities in the Great Lakes Technology Centre. Diplomat has more than 760 employees, with 680 of those positions in Flint. Approximately 150 new employees were hired in 2012 and it is expected that Diplomat will hire an additional 300 employees by the end of 2013. Based on Diplomat's plans for future expansion, the Michigan Economic Development Corp. (MEDC) projects the creation of over 3,000 jobs in the next 15 years.

Bishop International Airport experienced about a 13% decline in ridership for 2012, but has continued to maintain financial stability. The 2013 budget of \$12.3 million went into effect January 1, 2013, two months after officials held the ribbon cutting for a \$16.8 million expansion project of the airport facility. This will include 47,000 square feet 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. The added terminal space will allow airport officials to approach current carriers and other airlines about adding flights at the airport facility.

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. U.S. Airways and American Airlines are combining to create the world's largest airline. The last of the mergers, between AirTran/Southwest will be completed in April 2013. Southwest Airlines will continue flights to Orlando and Tampa. In addition, passengers will be able to fly out of

Bishop nonstop to Baltimore starting April 14, 2013 and Las Vegas starting August 11, 2013.

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.

The Interstate-69 International Trade Corridor, a Next Michigan Development corporation (NMDC) created through the MEDC, capitalizes on our region's position as a commercial gateway between the Midwest and Canada. The NMDC offers personal property tax abatements and tax free Renaissance Zones to businesses that use multiple forms of transportation: Highways, rail lines, deepwater ports and airports.

Genesee County's location on both I-69 and I-75, along with an outstanding rail system, a deepwater port in Saint Clair County and an international airport puts us in a great position. Thirty-five communities from Genesee County and three neighboring counties, Shiawassee, Lapeer and Saint Clair, will be cooperating in this effort. Bishop International Airport is at the core of this multi-modal concept.

The Karegnondi Water Line construction contract will be awarded by the end of February 2013, with groundbreaking slated to commence 30 days following the award. Companies around the world are searching for a reliable water source for their industries. To attract industries, Genesee County – in partnership with our friends from Lapeer City, Lapeer County and Sanilac County – is investing in the Karegnondi Water Line. The water intake captures water from Lake Huron and pipes it to Genesee County following the I-69 Corridor. The economic benefits of this project will be immediate and long lasting: Genesee County will have their own source of water and the project is estimated to create 1,000 jobs in our region.

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 2013 was 12.0%. The unemployment rate for the State of Michigan for the same time period was 8.9%.

Genesee county home sales were up 11% in 2012 with 5,182 sales compared to 4,648 sales in 2011. The median sales price was up 14.1% in 2012 to \$77,000.

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 25.56% reduction in total taxable value during the period from 2008-2012. Further reductions are expected in 2013 before projecting to level off in 2014. There is also uncertainty regarding State Shared Revenue Sharing payments from the State of Michigan. Together, these two sources of revenue accounted for nearly 74% of total General Fund revenues.

The General Fund 2008/2009 adopted budget, approved by the Genesee County Board of Commissioners prior to September 30, 2008, called for expenditures totaling approximately \$103 million. Just four years later, the General Fund 2012/2013 adopted budget estimated expenditures at approximately \$78.6 million, a reduction of 23.7%. 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 2011/2012.

Between positions not filled because of the hiring freeze as well as positions eliminated through layoff of existing staff, the County has eliminated approximately 204 positions between 2009-2012. These position eliminations have resulted in a significant decrease in General Fund spending. The County's General Fund fund balance decreased \$63,106 during 2011/2012 from \$11,809,385 at September 30, 2011 to \$11,746,279 at September 30, 2012.

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 2011 single audit provided instances of material weaknesses in the internal control structure. These weaknesses were addressed in the single audit response and corrected during the 2011/2012 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 2012 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 expenditures 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 2012 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 2011 to maintain property taxes at the allowable limit had a positive effect on the 2012 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%. In addition, the Project will streamline County operations, resulting in an additional \$6 million in operational cost reductions. The projected savings represent \$2 million more than the cost of the Project to the County. Cost savings will continue into the future due to the improvements. The energy efficiency project included significant capital improvements to Genesee County buildings, telephone and data network enhancements, and the installation of systems to manage and monitor energy usage at County facilities. Project construction was completed within two years.

The importance of the work is not just the savings to County taxpayers. This Project had a positive impact on the local economy. It produced construction jobs for installing green energy components. Over 100 private sector jobs were created during the 20 month construction period. 94% of the subcontractors selected for the effort are Genesee County businesses.

In 2011, Genesee County 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. During 2013 the County will select a vendor to implement the automated time and attendance program. 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. In addition, the County has applied to the State for a grant to reimburse for the cost of the system.

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, 2011, the thirty-third 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



Keith Francis
Interim-Controller

II. FINANCIAL SECTION

The Financial Section Contains:

- A. Independent Auditor's Report**
- B. Management's Discussion and Analysis**
- C. Basic Financial Statements**
- D. Required Supplementary 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 Auditor's 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 (the "County") as of and for the year ended September 30, 2012, 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 financial statements based on our audit.

We did not audit the financial statements of Genesee County Community Mental Health Services, a major governmental fund of the County, which represents 36.7 and 40.8 percent of the assets and revenue, respectively, of the governmental funds. We also did not audit the financial statements of Genesee County Planning Commission, a non-major governmental fund of the County, which represents less than 1 percent of both the assets and revenues of the governmental funds. We also did not audit the financial statements of Genesee County Road Commission, a discretely presented component unit of the County, which represent 33.0 percent and 34.9 percent, respectively, of the assets and revenues of the component units. We also did not audit the financial statements of the Economic Development Corporation, a discretely presented component unit of the County, which represent less than 1 percent of both the assets and revenues of the component units.

Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinions, insofar as they relate to the amounts included for Genesee County Community Mental Health Services, Genesee County Planning Commission, Genesee County Road Commission, and the Economic Development Corporation 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 following entities were not audited in accordance with *Government Auditing Standards*: Economic Development Corporation of the County of Genesee and Genesee County Storm Water Management System. 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 and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Genesee County, Michigan as of September 30, 2012 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

To the Board of Commissioners
Genesee County

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the major fund budgetary comparison schedules, as identified in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining statements, as identified in the table of contents as other supplementary information, are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the financial statements as a whole.

The introductory section, other budgetary comparison schedules, and statistical section, as identified in the table of contents, are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2013 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 considered in assessing the results of our audit.

Plante & Moran, PLLC

March 26, 2013

MANAGEMENT'S 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, 2012. 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 \$145,112,793 (net assets). Of this amount, \$37,216,521 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets increased by \$3,566,029. This net increase was attributed to both Governmental activities and Business-type activities; the overall increase is attributed to a decrease in Primary Government expenses.
- As of the close of the current fiscal year, Genesee County's governmental funds reported combined ending fund balances of \$45,831,179, a decrease of (\$3,289,710) in comparison with the prior year. Approximately 10% of this total amount, \$4,578,334, 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 \$8,074,634, 14% of total General Fund expenditures.
- Genesee County's total debt was increased by the issuance of delinquent tax notes in the amount of \$44,477,208 during the current fiscal year for various projects and refunding issues which was offset by total payments of \$68,685,697.

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 statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of 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'S 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-13 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 \$145,112,793 at the close of the most recent fiscal year.

A significant portion of Genesee County's net assets (51% 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 are 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	
	2012	2011	2012	2011	2012	2011
Current and other assets	\$134,990,452	\$141,247,963	\$59,154,978	\$65,459,448	\$194,145,430	\$206,707,411
Capital assets	<u>95,495,274</u>	<u>90,260,955</u>	<u>3,887,056</u>	<u>4,070,395</u>	<u>99,382,330</u>	<u>94,331,350</u>
Total asset	<u>230,485,726</u>	<u>231,508,918</u>	<u>63,042,034</u>	<u>69,529,843</u>	<u>293,527,760</u>	<u>301,038,761</u>
Long-term liabilities outstanding	55,397,578	71,967,229	42,569,174	50,856,499	97,966,752	122,823,728
Other liabilities	<u>49,127,964</u>	<u>34,928,986</u>	<u>1,320,251</u>	<u>1,739,282</u>	<u>50,448,215</u>	<u>36,668,268</u>
Total liabilities	<u>104,525,542</u>	<u>106,896,215</u>	<u>43,889,425</u>	<u>52,595,781</u>	<u>148,414,967</u>	<u>159,491,996</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS

GENESEE COUNTY

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Net assets:						
Invested in capital assets, net of related debt	\$ 69,930,626	\$ 64,580,883	\$ 3,815,056	\$ 3,972,895	\$ 73,745,682	\$ 68,553,778
Restricted	23,334,199	18,852,892	10,816,391	10,177,613	34,150,590	29,030,505
Unrestricted	<u>32,695,359</u>	<u>41,178,928</u>	<u>4,521,162</u>	<u>2,783,554</u>	<u>37,216,521</u>	<u>43,962,482</u>
Total net assets	<u>\$125,960,184</u>	<u>\$124,612,703</u>	<u>\$19,152,609</u>	<u>\$16,934,062</u>	<u>\$145,112,793</u>	<u>\$141,546,765</u>

An additional portion of Genesee County's net assets (24 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$37,216,521) 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 increased by \$3,566,029. This increase represents Governmental activities which is attributed to economic factors.

Governmental Activities. Governmental activities increased Genesee County's net assets by \$1,347,481, key elements affecting this change are as follows:

Genesee County's Change in Net Assets

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Revenues:						
Program revenues:						
Charges for services	\$127,332,255	\$141,810,253	\$ 14,179,074	\$12,397,886	\$141,511,329	\$154,208,139
Operating grants and contributions	113,688,537	105,673,071	-	-	113,688,537	105,673,071
Capital grants and contributions	-	-	-	-	-	-
General revenues:						
Taxes	81,473,016	76,019,829	-	-	81,473,016	76,019,829
Use of money and investments	988,717	614,576	117,882	18,635	1,106,599	632,211
Other intergovernmental revenues	3,915,651	13,669,465	-	-	3,915,651	13,669,465
Other unrestricted revenues	<u>8,398,465</u>	<u>9,503,826</u>	-	-	<u>8,398,465</u>	<u>9,503,826</u>
Total revenues	335,796,641	347,291,020	14,296,956	12,416,521	350,093,597	359,706,541
Expenses:						
Legislative	1,023,886	628,524	-	-	1,023,886	628,524
Management and planning	5,302,148	7,574,679	-	-	5,302,148	7,574,679
Administration of justice	40,587,961	37,138,790	-	-	40,587,961	37,138,790
Law enforcement/commun. protec.	32,423,243	33,125,467	-	-	32,423,243	33,125,467
Human services	242,432,706	265,888,570	-	-	242,432,706	265,888,570
Community enrichment/develop	17,005,313	19,144,172	-	-	17,005,313	19,144,172
General support services	-	84,645	-	-	-	84,645
Other	-	-	-	-	-	-
Interest on long-term debt	1,361,032	1,194,751	-	-	1,361,032	1,194,751
Commissary	-	-	323,556	354,096	323,556	354,096
Delinquent Tax	-	-	5,113,306	4,147,737	5,113,306	4,147,737
Parks & Recreation Enterprise	-	-	888,622	1,282,486	888,622	1,282,486
Parking Meter	-	-	65,795	71,042	65,795	71,042
Total Expenses	<u>340,136,289</u>	<u>364,779,598</u>	<u>6,391,279</u>	<u>5,855,361</u>	<u>346,527,568</u>	<u>370,634,959</u>
Increase (decrease) in net assets before transfers	(4,339,648)	(17,488,578)	7,905,677	6,561,160	3,566,029	(10,928,418)
Transfers	<u>5,687,129</u>	<u>5,628,063</u>	<u>(5,687,129)</u>	<u>(5,628,063)</u>		
Change in net assets	1,347,481	(11,860,515)	2,218,548	933,097	3,566,029	(10,927,418)
Beginning of year net assets (as restated)	<u>124,612,703</u>	<u>136,473,218</u>	<u>16,934,061</u>	<u>16,000,965</u>	<u>141,546,764</u>	<u>152,474,183</u>
End of year net assets	<u>\$125,960,184</u>	<u>\$124,612,703</u>	<u>\$ 19,152,609</u>	<u>\$16,934,062</u>	<u>\$145,112,793</u>	<u>\$141,546,765</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 cutbacks in many areas.
- Due to careful budgeting and a transfer from the Delinquent Tax Fund, Genesee County's General Fund has seen a \$(63,106) decrease in fund balance.
- Property taxes increased by \$5,453,187 during the year. Most of this increase is the product of an 11% increase in home sales.

MANAGEMENT'S DISCUSSION AND ANALYSIS

GENESEE COUNTY

- 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 \$2,218,548. 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 \$45,831,179, a decrease of \$3,289,710 in comparison with the prior year. Approximately 10% of this total amount, (\$4,578,334) constitutes unassigned fund balance, which is available for spending at the government's discretion.

The General Fund unassigned fund balance totaled \$8,074,634, while total fund balance decreased to \$11,746,279. 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 14% of total General Fund expenditures, while total fund balance represents 20% of that same amount.

At the end of the current fiscal year, the total fund balance of mental health was increased to \$17,535,789. The fund balance represents 13 percent of total mental health expenditures.

At the end of the current fiscal year, the total fund balance of county health was increased to \$1,260,112. The fund balance represents .9% 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. During 2011/2012 General Fund revenues were less than budgeted revenues by \$62,531 while expenditures exceeded the budget by \$295,930.
- Mental Health – During the 2011/2012 fiscal year, the fund balance for the Mental Health Fund decreased by \$166,537. This decrease 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 15,037,289.
- County Health - In the 2011/2012 fiscal year, the County Health Department anticipated expenditures of \$16,957,598. The actual amount of expenditures was \$14,256,442. This variance, combined with other variances in revenue items resulted in the Health Department fund balance increasing by \$1,242,480.
- Community Action Resource Department – The fund balance of the Community Action Resource Department decreased during the 2011/2012 fiscal year by a total of \$1,135,982. 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 \$4,521,162. The total increase in net assets for all proprietary funds was \$2,218,548. 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 \$1,364,489 due to the anticipation of an increase in law enforcement. The major budgetary increases/decreases are summarized on the following page:

- A \$265,220 decrease occurred in the collection of property taxes due to the underestimating of the collection of delinquent personal property taxes.
- A negative variance of \$16,246 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.
- A \$23,853 increase was allocated to the Board of Commissioners department to cover costs of attorney fees related to discussions of union contract changes.
- A total increase of 1,372,775 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 \$304,350 increase was allocated to various departments to cover Capital Outlay which is allocated during the year on an as needed basis.

MANAGEMENT'S DISCUSSION AND ANALYSIS

GENESEE COUNTY

- A \$55,172 increase was appropriated to the various Internal Service departments to cover additional costs of overtime which is budgeted in the General Fund and allocated on a monthly basis based on departmental need.

Overall during the year, actual General Fund revenues were less than the amended budgetary estimates and expenditures exceeded the amended budget, resulting in a small decrease 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, 2012, amounts to \$99,382,330 (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 \$279,640,137. Of this amount, \$128,253,556 comprises debt backed by the full faith and credit of the government, \$292,926 is special assessment debt for which the government is liable in the event of default by the property owners subject to the assessment and \$8,710,000 is Michigan Transportation bonds for which are payable with Act 51 money.

Genesee County's total debt, including component units, decreased by \$4,657,976 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 \$918,356,801, 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 11.2 percent, which is an increase from a rate of 10 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 2012 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.

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**BASIC
FINANCIAL STATEMENTS**

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STATEMENT OF NET ASSETS

SEPTEMBER 30, 2012

GENESEE COUNTY

Exhibit A-1

	Governmental Activities	Business-type Activities	Total	Component Units
ASSETS				
Cash and cash equivalents.....	\$ 44,636,161	\$ 2,156,160	\$ 46,792,321	\$ 33,868,460
Investments.....	27,281,178	4,386,032	31,667,210	16,542,290
Current and delinquent taxes receivable (net allowance \$1,116,143).....	14,596,050	46,280,835	60,876,885	
Special assessments receivable.....				47,181,090
Interest and accounts receivable (net allowance \$2,994,243).....	18,131,107	4,657,462	22,788,569	12,336,888
Due from other governmental units.....	16,178,199	6,668,878	22,847,077	8,609,285
Due from component unit.....		623,960	623,960	299,276
Due from primary government.....				173,267
Internal balances.....	5,688,665	(5,688,665)		
Inventory.....	2,171,573	32,799	2,204,372	2,799,342
Prepayments.....	1,832,174	37,517	1,869,691	349,186
Unamortized cost of issuance.....				756,622
Other assets.....	143,207		143,207	43,112
Restricted assets:				
Cash.....				9,924,539
Deposits and employee advances.....	418,005		418,005	1,688,160
Net OPEB asset.....	1,604,133		1,604,133	
Long term advance to component unit.....	2,310,000		2,310,000	
Local unit construction in progress.....				1,413,161
Investment in joint venture.....				2,085,000
Intangible assets - Net.....				24,416
Capital assets not being depreciated.....	11,365,137	3,502,006	14,867,143	87,650,921
Capital assets (net of accumulated depreciation).....	84,130,137	385,050	84,515,187	443,608,825
Total assets	<u>230,485,726</u>	<u>63,042,034</u>	<u>293,527,760</u>	<u>669,353,840</u>
LIABILITIES				
Accounts payable.....	19,638,832	706,221	20,345,053	8,194,624
Accrued payroll.....	2,906,667	11,801	2,918,468	99,198
Other accrued liabilities and deposits.....	846,486	533,125	1,379,611	2,868,942
Accrued interest payable.....	441,214		441,214	284,871
Due to other governmental units.....	14,707,426	5	14,707,431	237,310
Due to primary government.....				623,960
Due to component unit.....	104,168	69,099	173,267	299,276
Long-term advances from primary government.....				2,310,000
Unearned revenue.....	10,483,171		10,483,171	3,659,894
Liabilities payable from restricted assets:				
Accounts payable.....				4,020,136
Noncurrent liabilities:				
Net OPEB obligation.....	19,994,797	197,174	20,191,971	6,878,806
Current portion debt.....	8,035,712	9,725,500	17,761,212	13,494,013
Long term debt.....	27,367,069	32,646,500	60,013,569	198,360,594
Total liabilities	<u>104,525,542</u>	<u>43,889,425</u>	<u>148,414,967</u>	<u>241,331,624</u>
NET ASSETS				
Invested in capital assets, net of related debt.....	69,930,626	3,815,056	73,745,682	367,370,609
Restricted:				
Non-major Special Revenue:				
Community development.....	15,708,596		15,708,596	
Community enrichment and development.....	661,382		661,382	
Drug forfeiture.....	74,465		74,465	
Emergency medical services.....	707,689		707,689	
Health care services.....	2,194,749		2,194,749	
Planning-solid waste activities.....	263,965		263,965	
Senior services.....	3,300,337		3,300,337	
Social services.....	99,389		99,389	
Retirement of delinquent tax notes payable.....		9,939,728	9,939,728	
Parks & recreation non expendable.....		876,663	876,663	
Programs.....				2,115,046
Debt service.....				3,158,668
Capital Projects.....	323,627		323,627	
Unrestricted.....	32,695,359	4,521,162	37,216,521	55,377,893
Total net assets	<u>\$ 125,960,184</u>	<u>\$ 19,152,609</u>	<u>\$ 145,112,793</u>	<u>\$ 428,022,216</u>

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, 2012**

GENESEE COUNTY

Exhibit A-2

Functions/Programs	Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions
Primary government:			
Governmental activities:			
Legislative.....	\$ 1,023,886	\$ 52,505	
Management and planning.....	5,302,148	5,167,630	\$ 851,292
Administration of justice.....	40,587,961	4,037,271	9,684,854
Law enforcement and community protection.....	32,423,243	2,127,347	4,708,470
Human services.....	242,432,706	113,750,135	87,538,474
Community enrichment and development.....	17,005,313	2,197,367	10,905,447
General support services.....			
Interest on long-term debt.....	1,361,032		
Total governmental activities	<u>340,136,289</u>	<u>127,332,255</u>	<u>113,688,537</u>
Business-type Activities:			
Commissary.....	323,556	534,150	
Delinquent Tax.....	5,113,306	13,231,301	
Parks and Recreation Enterprise.....	888,622	328,714	
Parking Meter.....	65,795	84,909	
Total business-type activities	<u>6,391,279</u>	<u>14,179,074</u>	<u>0</u>
Total primary government	<u>\$ 346,527,568</u>	<u>\$ 141,511,329</u>	<u>\$ 113,688,537</u>
Component units:			
Road Commission.....	\$ 37,950,615	\$ 9,354,831	\$ 28,053,219
Water and Waste Services.....	49,608,347	50,021,535	
Economic Development Corporation.....	268,510		
Drains.....	4,806,576	535,989	0
Land Bank Authority.....	10,784,721	4,505,593	6,162,711
Brownfield Authority.....	514,517	225,000	105,000
Storm Water Management System.....	246,185		330,524
Total Component Units	<u>\$ 104,179,471</u>	<u>\$ 64,642,948</u>	<u>\$ 34,651,454</u>
General Revenues:			
Current property taxes.....			
State liquor tax.....			
State cigarette tax.....			
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
	\$ (971,381)		\$ (971,381)	
	716,774		716,774	
	(26,865,836)		(26,865,836)	
	(25,587,426)		(25,587,426)	
	(41,144,097)		(41,144,097)	
	(3,902,499)		(3,902,499)	
	0		0	
	(1,361,032)		(1,361,032)	
\$ 0	(99,115,497)	\$ 0	(99,115,497)	\$ 0
		210,594	210,594	
		8,117,995	8,117,995	
		(559,908)	(559,908)	
		19,114	19,114	
0	0	7,787,795	7,787,795	0
\$ 0	(99,115,497)	7,787,795	(91,327,702)	0
\$ 268,228				(542,565)
4,912,147				681,416
3,189,224				(268,510)
				641,560
				(116,417)
				3,004,707
				84,339
\$ 8,369,599				3,484,530
.....	71,117,579		71,117,579	
.....	2,840,464		2,840,464	
.....	7,514,973		7,514,973	
.....	988,717	117,882	1,106,599	1,899,882
.....	3,915,651		3,915,651	79,620
.....	8,398,465		8,398,465	
.....				1,119,461
.....	5,687,129	(5,687,129)		
.....	100,462,978	(5,569,247)	94,893,731	3,098,963
.....	1,347,481	2,218,548	3,566,029	4,315,597
.....	124,612,703	16,934,061	141,546,764	423,707,182
.....	\$ 125,960,184	\$ 19,152,609	\$ 145,112,793	\$ 428,022,779

**BALANCE SHEET - ASSETS
GOVERNMENTAL FUNDS**

GENESEE COUNTY

Exhibit A-3-1

	General	Mental Health
Cash and cash equivalents - Note C.....	\$	\$ 39,840,286
Current and delinquent taxes receivable.....	14,596,050	
Investments - Note C.....		8,531,000
Interest and accounts receivable.....	484,144	2,505,740
Due from other governmental units.....	1,725,543	1,141,538
Due from other county funds -- Note L.....	15,619,683	
Due from component unit -- Note L.....		
Inventory.....		
Prepayments.....	422,710	727,935
Other assets.....		
Deposits and employee advances.....	418,005	
Long term advance to component unit.....	500,000	
Long-term advances.....	1,748,935	
	<u>1,748,935</u>	<u>727,935</u>
TOTAL ASSETS	<u>\$ 35,515,070</u>	<u>\$ 52,746,499</u>

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

September 30, 2012

County Health	Community Action Resource Department	Community Development	Other Governmental Funds	Total Governmental Funds
\$	\$	\$	\$ 4,396,226	\$ 44,236,512
				14,596,050
			9,908,708	18,439,708
213,208		14,269,299	238,845	17,711,236
510,277	5,576,717	384,369	6,776,801	16,115,245
2,341,466	1,068,938	95,475	5,988,636	25,114,198
			0	0
	468,159	1,524,600	144,183	2,136,942
10,284			3,000	1,163,929
	141,574		1,633	143,207
				418,005
			1,810,000	2,310,000
				1,748,935
<u>\$ 3,075,235</u>	<u>\$ 7,255,388</u>	<u>\$ 16,273,743</u>	<u>\$ 29,268,032</u>	<u>\$ 144,133,967</u>

**BALANCE SHEET - LIABILITIES AND FUND EQUITIES
GOVERNMENTAL FUNDS**

GENESEE COUNTY

Exhibit A-3-2

	<u>General</u>	<u>Mental Health</u>
Accounts payable.....	\$ 631,242	\$ 12,826,388
Tax anticipation notes payable.....		
Accrued payroll.....	869,746	
Other accrued liabilities and deposits.....	0	635,015
Due to other governmental units.....	5,440	11,756,692
Due to other county funds -- Note L.....	17,207,996	122,038
Due to component unit -- Note L.....		
Deferred revenue.....	<u>5,054,367</u>	<u>9,870,577</u>
TOTAL LIABILITIES	<u>23,768,791</u>	<u>35,210,710</u>
Fund equities:		
Fund balances - Notes F, G and S:		
Nonspendable.....	2,671,645	727,935
Restricted.....		
Committed.....		
Assigned.....	1,000,000	16,807,854
Unassigned.....	<u>8,074,634</u>	
TOTAL FUND EQUITIES	<u>11,746,279</u>	<u>17,535,789</u>
TOTAL LIABILITIES AND FUND EQUITIES	<u>\$ 35,515,070</u>	<u>\$ 52,746,499</u>

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

September 30, 2012

County Health	Community Action Resource Department	Community Development	Other Governmental Funds	Total Governmental Funds
\$ 310,740	\$ 2,967,254	\$ 129,999	\$ 2,421,501	\$ 19,287,124
403,358	145,898		585,889	2,004,891
14,289			197,182	846,486
429,745		211,753	1,353,247	13,756,877
388,800	2,996,137	119,227	5,766,503	26,600,701
		104,168	0	104,168
268,191	1,045,569	14,183,996	5,279,841	35,702,541
<u>1,815,123</u>	<u>7,154,858</u>	<u>14,749,143</u>	<u>15,604,163</u>	<u>98,302,788</u>
	468,159	1,524,600	1,957,183	7,349,522
			7,625,603	7,625,603
			74,994	74,994
1,260,112			7,134,760	26,202,726
	(367,629)		(3,128,671)	4,578,334
<u>1,260,112</u>	<u>100,530</u>	<u>1,524,600</u>	<u>13,663,869</u>	<u>45,831,179</u>
<u>\$ 3,075,235</u>	<u>\$ 7,255,388</u>	<u>\$ 16,273,743</u>	<u>\$ 29,268,032</u>	<u>\$ 144,133,967</u>

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

GENESEE COUNTY

Exhibit A-3-3

September 30, 2012

Fund balances of governmental funds	\$	45,831,179
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		95,495,274
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds:		
Property taxes		4,960,892
Grant receivable		18,448,478
Rental income from component units		1,810,000
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		9,976,082
Net OPEB asset		1,604,133
Net OPEB liability		(19,994,797)
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>(32,171,057)</u>
Net assets of governmental activities	\$	<u><u>125,960,184</u></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

	<u>General</u>	<u>Mental Health</u>
Revenues:		
Taxes--Note H.....	\$ 46,798,200	\$
Licenses and permits.....	738,119	
Fines and forfeitures.....	1,591,840	
Use of money and property.....	224,077	11,298
Federal grants--Note G.....	270,207	4,936,612
State grants--Note G.....		17,319,473
Other intergovernmental revenues.....	13,804,490	
Charges for services.....	9,265,983	110,964,045
Other.....	599,871	1,689,384
TOTAL REVENUES	<u>73,292,787</u>	<u>134,920,812</u>
Expenditures:		
Current operations:		
Legislative.....	947,599	
Management and planning.....	7,868,993	
Administration of justice.....	22,892,898	
Law enforcement and community protection.....	23,223,747	
Human services.....	1,515,607	137,865,983
Community enrichment and development.....	0	
General support services.....	0	
Other.....	2,024,548	
Capital outlay.....	143,538	818,618
Debt service:		
Principal payments.....		
Interest.....		
TOTAL EXPENDITURES	<u>58,616,930</u>	<u>138,684,601</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>14,675,857</u>	<u>(3,763,789)</u>
Other financing sources (uses):		
Issuance of general obligation bonds.....		
Payment to refund bond escrow.....		
Transfers-In.....	8,820,821	3,597,252
Transfers-Out.....	(23,559,784)	
TOTAL OTHER FINANCING SOURCES (USES)	<u>(14,738,963)</u>	<u>3,597,252</u>
NET CHANGE IN FUND BALANCES	(63,106)	(166,537)
Fund balance at beginning of year.....	11,809,385	17,702,326
FUND BALANCE AT END OF YEAR	<u>\$ 11,746,279</u>	<u>\$ 17,535,789</u>

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

Fiscal Year Ended September 30, 2012

County Health	Community Action Resource Department	Community Development	Other Governmental Funds	Total Governmental Funds
\$ 1,025,765	\$	\$	\$ 25,154,110	\$ 71,952,310
			160,788	1,924,672
			69,593	1,661,433
			753,342	988,717
7,742,350	26,956,756	4,435,150	27,396,682	71,737,757
2,297,834	1,629,057		11,149,255	32,395,619
			2,568,223	16,372,713
327,644			5,103,439	125,661,111
1,475,067	1,210,270	93,631	2,984,429	8,052,652
<u>12,868,660</u>	<u>29,796,083</u>	<u>4,528,781</u>	<u>75,339,861</u>	<u>330,746,984</u>
				947,599
				7,868,993
			12,848,415	35,741,313
			11,006,141	34,229,888
14,250,904	32,873,589		46,348,463	232,854,546
		4,785,640	9,784,471	14,570,111
				0
			1,877,818	3,902,366
5,538	628,916		2,820,653	4,417,263
			2,289,500	2,289,500
			1,489,810	1,489,810
<u>14,256,442</u>	<u>33,502,505</u>	<u>4,785,640</u>	<u>88,465,271</u>	<u>338,311,389</u>
<u>(1,387,782)</u>	<u>(3,706,422)</u>	<u>(256,859)</u>	<u>(13,125,410)</u>	<u>(7,564,405)</u>
			4,830,000	4,830,000
			(4,895,805)	(4,895,805)
3,268,992	2,986,417		18,312,286	36,985,768
(638,730)	(415,977)		(8,030,777)	(32,645,268)
<u>2,630,262</u>	<u>2,570,440</u>	<u>0</u>	<u>10,215,704</u>	<u>4,274,695</u>
1,242,480	(1,135,982)	(256,859)	(2,909,706)	(3,289,710)
17,632	1,236,512	1,781,459	16,573,575	49,120,889
<u>\$ 1,260,112</u>	<u>\$ 100,530</u>	<u>\$ 1,524,600</u>	<u>\$ 13,663,869</u>	<u>\$ 45,831,179</u>

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**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, 2012

Net change in fund balances--total governmental funds \$ (3,289,710)

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	4,494,969
-Disposals	7,463,168
-Depreciation expense	(5,795,278)
Decrease in net OPEB asset	(2,335,636)
Increase in net OPEB liability	(6,803,490)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	5,049,656
Change in accrued interest	160,698
Bond proceeds provide financial resources in governmental funds, but not in the statement of activities	(4,830,000)
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 is recorded as a reduction to long-term debt payable and does not have any effect on net assets	7,074,500
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>158,604</u>
Change in net assets of governmental activities	<u>\$ 1,347,481</u>

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.....	\$ 973,547
Investments.....	3,509,369
Current and delinquent property taxes receivable, less allowance for uncollectibles of \$1,113,773	46,280,835
Interest and accounts receivable, less allowance \$3,061,381.....	4,657,462
Due from other governmental units.....	6,668,878
Due from other county funds.....	2,309,843
Due from component unit.....	623,960
Supplies inventory.....	
Prepayments.....	
TOTAL CURRENT ASSETS	<u>65,023,894</u>
CAPITAL ASSETS	
Construction in progress.....	
Land.....	2,783,818
Land improvements.....	
Buildings and improvements.....	
Equipment.....	507,486
TOTAL CAPITAL ASSETS	<u>3,291,304</u>
Less allowances for depreciation.....	343,463
TOTAL CAPITAL ASSETS, NET	<u>2,947,841</u>
TOTAL ASSETS	<u>\$ 67,971,735</u>
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable.....	\$ 698,372
Accrued payroll.....	
Other accrued liabilities and deposits.....	469,384
Due to other governmental units.....	5
Due to other County funds.....	7,998,508
Due to component unit.....	69,099
Long-term advance.....	
Compensated absences.....	
Current portion of notes/bonds payable.....	9,700,000
TOTAL CURRENT LIABILITIES	<u>18,935,368</u>
LONG-TERM DEBT	
Net OPEB obligation.....	66,189
General and workers' compensation claim/Liability.....	
Notes/bonds payable exclusive of current portion.....	32,600,000
TOTAL LONG-TERM DEBT	<u>32,666,189</u>
TOTAL LIABILITIES	<u>51,601,557</u>
NET ASSETS:	
Restricted for:	
Retirement of delinquent tax notes payable.....	9,939,728
Parks & recreation non-expendable.....	
Capital improvement.....	
Invested in capital assets net of related debt.....	2,947,841
Unrestricted.....	3,482,609
TOTAL NET ASSETS	<u>16,370,178</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 67,971,735</u>

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

<u>September 30, 2012</u>		<u>Governmental</u>
<u>Enterprise Funds</u>		<u>Activities-</u>
<u>Non-Major</u>		<u>Internal</u>
<u>Enterprise</u>		<u>Service</u>
<u>Funds</u>	<u>Total</u>	<u>Funds</u>
\$ 1,182,613	\$ 2,156,160	\$ 399,649
876,663	4,386,032	8,841,470
	46,280,835	
	4,657,462	419,871
	6,668,878	62,954
	2,309,843	7,833,372
	623,960	
32,799	32,799	34,631
37,517	37,517	668,245
<u>2,129,592</u>	<u>67,153,486</u>	<u>18,260,192</u>
		0
718,188	3,502,006	193,496
3,074,493	3,074,493	
1,181,214	1,181,214	2,272,208
3,766,780	4,274,266	9,904,401
<u>8,740,675</u>	<u>12,031,979</u>	<u>12,370,105</u>
7,801,460	8,144,923	9,667,616
939,215	3,887,056	2,702,489
<u>\$ 3,068,807</u>	<u>\$ 71,040,542</u>	<u>\$ 20,962,681</u>
\$ 7,849	\$ 706,221	\$ 351,708
11,801	11,801	901,776
63,741	533,125	
0	5	950,549
0	7,998,508	658,204
	69,099	
		1,748,935
		3,672,938
25,500	9,725,500	1,003,937
<u>108,891</u>	<u>19,044,259</u>	<u>9,288,047</u>
130,985	197,174	
		3,798,970
46,500	32,646,500	1,058,152
<u>177,485</u>	<u>32,843,674</u>	<u>4,857,122</u>
<u>286,376</u>	<u>51,887,933</u>	<u>14,145,169</u>
	9,939,728	
876,663	876,663	
		37,783
867,215	3,815,056	2,682,998
1,038,553	4,521,162	4,096,731
2,782,431	19,152,609	6,817,512
<u>\$ 3,068,807</u>	<u>\$ 71,040,542</u>	<u>\$ 20,962,681</u>

**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.....	\$ 13,231,301
Ticket, permit & concession sales.....	
State revenue.....	
TOTAL OPERATING REVENUES	<u>13,231,301</u>
Operating expenses:	
Salaries and fringe benefits.....	413,598
Supplies and other operating expenses.....	4,043,252
Depreciation.....	101,497
TOTAL OPERATING EXPENSES	<u>4,558,347</u>
OPERATING INCOME (LOSS)	<u>8,672,954</u>
Non-operating revenues (expenses):	
Investment earnings.....	32,567
Interest expense.....	(554,959)
Income for capital projects.....	
Gain (loss) on investment.....	
Gain (loss) on sale of property and equipment.....	
Contribution to Component Units-Land Bank Authority & Brownfield.....	(563,000)
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>(1,085,392)</u>
INCOME (LOSS) BEFORE TRANSFERS	<u>7,587,562</u>
Transfers-in.....	
Transfers-out.....	(5,442,164)
TOTAL TRANSFERS	<u>(5,442,164)</u>
CHANGE IN NET ASSETS	2,145,398
Net assets at beginning of year.....	14,224,780
NET ASSETS AT END OF YEAR	<u>\$ 16,370,178</u>

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

Year Ended September 30, 2012		Governmental Activities- Internal Service Funds
Type Activities - Enterprise Funds		
Non-Major Enterprise Funds	Total	
\$ 947,773	\$ 13,231,301	\$ 24,145,287
	947,773	
<u>947,773</u>	<u>14,179,074</u>	<u>24,145,287</u>
597,900	1,011,498	5,726,493
583,276	4,626,528	19,064,072
92,453	193,950	1,179,716
<u>1,273,629</u>	<u>5,831,976</u>	<u>25,970,281</u>
<u>(325,856)</u>	<u>8,347,098</u>	<u>(1,824,994)</u>
85,315	117,882	212,969
(4,344)	(559,303)	(752)
		34,128
		0
		953,624
	(563,000)	
<u>80,971</u>	<u>(1,004,421)</u>	<u>1,199,969</u>
<u>(244,885)</u>	<u>7,342,677</u>	<u>(625,025)</u>
520,473	520,473	783,629
<u>(202,438)</u>	<u>(5,644,602)</u>	<u>0</u>
<u>318,035</u>	<u>(5,124,129)</u>	<u>783,629</u>
73,150	2,218,548	158,604
2,709,281	16,934,061	6,658,908
<u>\$ 2,782,431</u>	<u>\$ 19,152,609</u>	<u>\$ 6,817,512</u>

**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.....	\$ 43,743,035
Cash payment for delinquent taxes.....	(28,890,745)
Cash payments to suppliers for goods and services.....	(4,633,655)
Cash payments to employees for services.....	
Other operating revenues.....	<u>627,159</u>
NET CASH PROVIDED (USED) FOR OPERATING ACTIVITIES	<u>10,845,794</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Borrowing under delinquent tax notes payable.....	39,600,000
Repayments under delinquent tax notes payable.....	(48,000,000)
Interest paid on delinquent tax notes payable.....	(505,326)
Advances (repayments) to other governmental units, County units and funds.....	(7,263,292)
Income for capital projects.....	
Transfer to component unit.....	(563,000)
Transfers-in from other funds.....	
Transfers-out to other funds.....	<u>(5,442,164)</u>
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	<u>(22,173,782)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Acquisition and construction of capital assets.....	
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>0</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of investment securities.....	(116,597,569)
Proceeds from sale and maturities of investment securities.....	118,301,179
Interest and dividends on investments earnings (loss).....	<u>32,567</u>
NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES	<u>1,736,177</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(9,591,811)
Cash and cash equivalents at beginning of year.....	<u>10,565,358</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 973,547</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:	
Operating income (loss).....	\$ 8,672,954
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation.....	101,497
Provision for uncollectible accounts.....	(52,371)
Change in assets and liabilities:	
(Increase) decrease in current and delinquent property taxes receivable.....	2,228,493
(Increase) decrease in interest and accounts receivable.....	72,015
(Increase) decrease in due from other funds.....	
(Increase) decrease in supplies inventory.....	
Increase in net OPEB liability.....	16,962
(Increase) decrease in prepayment and other current assets.....	
Increase (decrease) in accounts payable and related items.....	(193,756)
Increase (decrease) in accrued payroll.....	
Increase (decrease) in other accrued liabilities and deposits.....	
Net cash provided by (used for) operating activities.....	<u>\$ 10,845,794</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, 2012 Activities - Enterprise Funds		Governmental Activities- Internal Service Funds
Non-Major Enterprise Funds	Total	
\$ 947,773	\$ 44,690,808	\$ 24,576,817
(583,128)	(28,890,745)	(17,985,740)
(534,583)	(5,216,783)	(5,183,716)
	(534,583)	
	627,159	
<u>(169,938)</u>	<u>10,675,856</u>	<u>1,407,361</u>
	39,600,000	
	(48,000,000)	
	(505,326)	
	(7,263,292)	(3,916,932)
		34,128
	(563,000)	
520,473	520,473	783,629
(202,438)	(5,644,602)	
<u>318,035</u>	<u>(21,855,747)</u>	<u>(3,099,175)</u>
	0	(244,017)
(25,500)	(25,500)	(793,811)
(4,344)	(4,344)	(781)
4,629	4,629	237,513
<u>(25,215)</u>	<u>(25,215)</u>	<u>(801,096)</u>
	(116,597,569)	(5,811,683)
	118,301,179	4,870,259
(5,396)	27,171	212,969
<u>(5,396)</u>	<u>1,730,781</u>	<u>(728,455)</u>
117,486	(9,474,325)	(3,221,365)
1,065,127	11,630,485	3,621,014
<u>\$ 1,182,613</u>	<u>\$ 2,156,160</u>	<u>\$ 399,649</u>
\$ (325,856)	\$ 8,347,098	\$ (1,824,994)
92,168	193,665	1,179,716
	(52,371)	
	2,228,493	
	72,015	711,668
	0	
(1,174)	(1,174)	18,019
74,005	90,967	
	0	(2,326)
(4,050)	(197,806)	230,827
(10,403)	(10,403)	542,777
5,372	5,372	551,674
<u>\$ (169,938)</u>	<u>\$ 10,675,856</u>	<u>\$ 1,407,361</u>

90,711

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

GENESEE COUNTY

Exhibit A-9

	<u>September 30, 2012</u>	
	<u>Total Pension and Employee Fringe Benefit (VEBA) Trust Fund</u>	<u>Agency Funds</u>
ASSETS		
Cash and short-term cash investments.....	\$ 5,927,166	\$ 18,920,229
Cash and inv. held as collateral for securities lending.....	8,074,869	
TOTAL CASH AND CASH EQUIVALENTS	<u>14,002,035</u>	<u>18,920,229</u>
Receivables:		
Prepaid expenses.....	189	
Other receivables.....	526,457	28,694
Accrued interest and dividends.....	2,821,044	
TOTAL RECEIVABLES	<u>3,347,690</u>	<u>28,694</u>
Investments at fair value:		
U.S. government securities.....	38,120,783	
Foreign govts. and agencies.....	72,109,066	
Corporate bonds.....	86,127,077	
Common stocks.....	110,463,769	
Preferred stocks.....	3,684,271	
Money market.....	2,009,068	
Mutual funds.....	92,975,142	
Real estate.....	21,437,412	
Hedge fund of funds.....	8,668,375	
TOTAL INVESTMENTS	<u>435,594,963</u>	
TOTAL ASSETS	<u>452,944,688</u>	<u>18,948,923</u>
LIABILITIES		
Accounts payable.....	2,980,703	18,948,923
IBNR liability.....	499,865	
Amounts due broker under securities lending agreement.....	8,085,601	
TOTAL LIABILITIES	<u>11,566,169</u>	<u>18,948,923</u>
NET ASSETS		
Held in trust for pension benefits and other purposes.....	<u>\$ 441,378,519</u>	<u>\$</u>

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, 2012
	Total Pension and Employee Benefit Trust Fund
ADDITIONS	
Contributions:	
Employer.....	\$ 23,951,575
Plan members.....	4,106,747
Total contributions	<u>28,058,322</u>
Investment earnings:	
Net increase	
in fair value of investments.....	399,301
Interest.....	5,845,060
Dividends.....	2,069,536
Total investment earnings.....	<u>8,313,897</u>
Less investment expense.....	1,686,673
Net investment earnings.....	<u>6,627,224</u>
Total additions.....	<u>34,685,546</u>
Securities lending income:	
Interest and fees.....	72,128
Less borrower rebates and bank fees.....	(19,505)
Net securities lending income.....	<u>52,623</u>
Total additions	<u>34,738,169</u>
DEDUCTIONS	
Benefits.....	51,915,442
Refunds of contributions.....	136,432
Administrative expenses.....	553,172
Transfer to other pensions plans.....	3,365,928
Total deductions.....	<u>55,970,974</u>
Change in net assets.....	(21,232,805)
Net assets - beginning of the year.....	462,611,324
Net assets - end of the year.....	<u>\$ 441,378,519</u>

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

**STATEMENT OF NET ASSETS
COMPONENT UNITS**

GENESEE COUNTY

Exhibit A-11

	Road Commission 9/30/12	Water and Waste Services 12/31/11
ASSETS		
Cash and cash equivalents.....	\$ 13,555,885	\$ 13,380,794
Investments.....	15,029,620	
Special Assessments and Lease Receivable.....	6,266,028	31,493,516
Interest and accounts receivable.....	128,059	8,255,907
Due from other governmental units.....	7,890,617	335,813
Due from component unit Brownfield Authority.....		
Due from primary government.....		
Advances to other funds.....		
Inventory.....	1,327,819	52,658
Prepayments.....	260,784	87,078
Unamortized cost of issuance.....		756,622
Other assets.....		30,000
Restricted Assets:		
Cash and cash equivalents.....	4,661,761	5,202,162
Local unit construction in progress.....		1,413,161
Note receivable.....		
Investment in joint venture.....		
Intangible assets - Net.....		
Capital assets not being depreciated.....	632,549	86,934,064
Capital assets net of depreciation.....	176,602,621	235,018,643
TOTAL ASSETS	226,355,743	382,960,418
LIABILITIES		
Accounts payable.....	2,668,920	4,823,168
Accrued payroll.....		
Other accrued liabilities and deposits.....	661,246	
Accrued interest payable.....		
Due to other governmental units.....		237,310
Due to Primary Government.....		
Due to component unit Land Bank Authority.....		
Advances from other funds.....		
Unamortized note premium.....		
Unearned revenue.....	2,065,479	1,524,185
Payable from restricted assets:		
Accounts payable.....	503,981	3,509,475
Accrued interest.....		
Capital leases.....		
Long-term advance from primary government.....		
Net OPEB obligation.....	1,126,111	5,752,695
Current portion debt.....	2,459,059	10,385,124
Long-term debt.....	12,454,063	167,503,896
TOTAL LIABILITIES	21,938,859	193,735,853
NET ASSETS		
Invested in capital assets - Net of related debt.....	163,396,078	178,661,325
Restricted for:		
Programs.....		
Debt service.....		3,098,052
Unrestricted (deficit).....	41,020,806	7,465,188
TOTAL NET ASSETS	\$ 204,416,884	\$ 189,224,565

Economic Development Corporation 12/31/11	Drains 9/30/12	Land Bank Authority 9/30/12	Brownfield Authority 09/30/12	Storm Water Management System 09/30/12	Total
\$ 632,809	\$ 4,695,671	\$ 1,040,243	\$ 3,009	\$ 560,049	\$ 33,868,460
	201,354		1,211,316	100,000	16,542,290
188,459	5,181,834	4,239,712	3,387,384		47,181,090
		377,079			12,336,888
		372,193		10,662	8,609,285
		299,276			299,276
		104,168	69,099		173,267
		1,688,160			1,688,160
	62,496	1,356,369			2,799,342
		1,324			349,186
					756,622
		13,112			43,112
		60,616			9,924,539
					1,413,161
		2,085,000			2,085,000
		24,416			24,416
		84,308			87,650,921
	24,162,745	7,824,816			443,608,825
<u>821,268</u>	<u>34,304,100</u>	<u>19,570,792</u>	<u>4,670,808</u>	<u>670,711</u>	<u>669,353,840</u>
8,064	43,519	266,176	337,500	47,277	8,194,624
	9,150	90,048			99,198
	607,397	43,482			1,312,125
	33,454		251,417		284,871
					237,310
		623,960			623,960
			299,276		299,276
		1,556,817			1,556,817
					0
		70,230			3,659,894
	6,680				4,020,136
					0
	500,000	1,810,000			2,310,000
					6,878,806
		422,135	227,695		13,494,013
	3,387,926	2,225,420	12,789,289		198,360,594
<u>8,064</u>	<u>4,588,126</u>	<u>7,108,268</u>	<u>13,905,177</u>	<u>47,277</u>	<u>241,331,624</u>
	20,774,819	4,538,387			367,370,609
739,936	62,496	689,180		623,434	2,115,046
		60,616			3,158,668
73,268	8,878,659	7,174,341	(9,234,369)		55,377,893
<u>\$ 813,204</u>	<u>\$ 29,715,974</u>	<u>\$ 12,462,524</u>	<u>\$ (9,234,369)</u>	<u>\$ 623,434</u>	<u>\$ 428,022,216</u>

**STATEMENT OF ACTIVITIES
COMPONENT UNITS**

GENESEE COUNTY

Exhibit A-12

	<u>Program Revenues</u>				<u>Road Commission 9/30/12</u>
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Component units:					
Road Commission.....	\$ 37,950,615	\$ 9,354,831	\$ 28,053,219	\$	\$ (542,565)
Water and Waste Services.....	49,608,347	50,021,535		268,228	
Economic Development Corporation..	268,510				
Drains.....	4,806,576	535,989		4,912,147	
Land Bank Authority.....	10,784,721	4,505,593	6,162,711	564,536	
Brownfield Authority.....	514,517	225,000	105,000	356,792	
Storm Water Management System....	246,185		330,524		
Total Component Units	<u>\$ 104,179,471</u>	<u>\$ 64,642,948</u>	<u>\$ 34,651,454</u>	<u>\$ 6,101,703</u>	<u>(542,565)</u>
Revenues:					
Taxes.....					
Use of money and investments.....					498,499
Other intergovernmental revenues.....					
Unrestricted contributions.....					25,772
Total general revenues and transfers.....					<u>524,271</u>
Change in net assets.....					(18,294)
Net assets - beginning - as restated.....					204,435,178
Net assets - ending (deficit).....					<u>\$ 204,416,884</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 12/31/11	Economic Development Corporation 12/31/11	Drains 09/30/12	Land Bank Authority 9/30/12	Brownfield Authority 09/30/12	Storm Water Management System 09/30/12	Total
\$ 681,416	\$ (268,510)	\$ 641,560	\$ 448,119	\$ 172,275	\$ 84,339	\$ (542,565)
					84,339	681,416
						(268,510)
						641,560
						448,119
						172,275
						84,339
<u>681,416</u>	<u>(268,510)</u>	<u>641,560</u>	<u>448,119</u>	<u>172,275</u>	<u>84,339</u>	<u>1,216,634</u>
1,391,883	2,091	988	681	3,814	1,926	1,899,882
635,689	25,000		54,620			79,620
			458,000			1,119,461
<u>2,027,572</u>	<u>27,091</u>	<u>988</u>	<u>513,301</u>	<u>3,814</u>	<u>1,926</u>	<u>3,098,963</u>
2,708,988	(241,419)	642,548	961,420	176,089	86,265	4,315,597
186,515,577	1,054,623	29,073,989	11,501,104	(9,410,458)	537,169	423,707,182
<u>\$ 189,224,565</u>	<u>\$ 813,204</u>	<u>\$ 29,716,537</u>	<u>\$ 12,462,524</u>	<u>\$ (9,234,369)</u>	<u>\$ 623,434</u>	<u>\$ 428,022,779</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.

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 approves 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), Health Department 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 2012 include property taxes levied principally on December 1, 2011 and substantially collected in early 2012. The "2011 property taxes" assessed on December 31, 2011, become a lien on December 1, 2011, and are to be collected principally by February 28, 2012. 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, 2012 levy is also recognized as revenue for the year ended September 30, 2012 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 Community Development Fund accounts 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.

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.

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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.

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 statements 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>General Fund</u>	<u>Total Revenue</u>	<u>Total Expenditures</u>
Amounts per operating statement	\$73,292,787	\$58,616,930
Animal Shelter Fund budgeted separately from the General Fund	(25)	(1,004,143)
Medical Examiner Fund budgeted separately from the General Fund	<u>(140,213)</u>	<u>(1,342,805)</u>
Amounts per budget statements	<u>\$73,152,549</u>	<u>\$56,269,982</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 90 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.

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

- Nonspendable – 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.

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- 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.

When an expense is incurred for purposes for which both restricted and unrestricted net position or fund balance 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 County's policy to spend funds in this order: committed, assigned and unassigned.

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 banks; 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 businesses, 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 \$36,199,259 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>
U.S. gov or agency bond or note (insurance trust)	\$ 1,956,655	Counterparty's trust dept
Corporate bonds (insurance trust)	2,075,939	Counterparty's trust dept
Corporate stocks (insurance trust)	2,993,132	Counterparty's trust dept
Mutual funds (insurance trust)	423,153	Counterparty's trust dept
U.S. gov or agency bond or note (VEBA)	4,517,184	Counterparty's trust dept
Corporate bonds (VEBA)	12,507,203	Counterparty's trust dept
Corporate stock (VEBA)	72,031	Counterparty's trust dept
Foreign gov and agency (VEBA)	28,463,904	Counterparty's trust dept
U.S. gov or agency bond or note (pension)	35,830,757	Counterparty's trust dept
Foreign gov and agency (pension)	72,109,066	Counterparty's trust dept
Corporate bonds (pension)	74,356,355	Counterparty's trust dept
Corporate stocks (pension)	82,851,944	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>
U.S. gov or agency bond or notes (self insurance)	\$1,956,655	\$1,009,909	\$946,746	
Corporate bonds (self insurance)	2,075,939	359,214	1,716,725	
Money market funds (self insurance)	743,923	743,923		
U.S. gov or agency bond or notes (VEBA)	2,289,043		2,289,043	
Corporate bonds (VEBA)	10,671,143	100,513	10,570,630	
Foreign gov (VEBA)	852,080	623,142	228,938	
Asset backed (pension)	2,187,575			2,187,575
U.S. gov or agency bond or notes (pension)	24,706,657	1,406,035	16,467,623	6,833,000
U.S. gov mortgage backed (pension)	2,250,184			2,250,184
U.S. gov tips	2,361,465	772,920	1,588,545	
Corporate bonds (pension)	70,336,672	3,101,324	42,288,721	24,946,626
Foreign corporate (pension)	10,678,517	1,803,896	7,846,593	1,028,028
Foreign gov (pension)	5,961,573	2,013,200	3,612,283	336,090
Private placement (pension)	8,344,559	40,024	5,708,981	2,595,554

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>
U.S. gov agency securities (self insurance)	\$ 891,632	AA+	S&P
Money Market (self insurance)	743,923	Not Rated	S&P
Corporate bonds (self insurance)	177,464	AA+	S&P
Corporate bonds (self insurance)	532,663	A-	S&P
Corporate bonds (self insurance)	420,206	BBB+	S&P
Corporate bonds (self insurance)	601,738	BBB	S&P
Corporate bonds (self insurance)	343,868	BBB-	S&P
Corporate bonds (VEBA)	695,432	AA	S&P
Corporate bonds (VEBA)	3,802,618	A	S&P
Corporate bonds (VEBA)	4,163,354	BBB	S&P
Corporate bonds (VEBA)	2,009,740	BB	S&P
Private Placement (VEBA)	247,500	A	S&P
Foreign government bonds (VEBA)	623,142	BBB	S&P
Corporate bonds (VEBA)	228,938	BB	S&P
U.S. gov agency securities (VEBA)	510,780	AA	S&P
U.S. gov agency securities (VEBA)	318,099	A	S&P
U.S. gov agency securities (VEBA)	1,460,164	Not Rated	S&P
Asset backed (pension)	700,266	AAA	S&P
Asset backed (pension)	45,567	AA	S&P
Asset backed (pension)	405,948	A	S&P
Asset backed (pension)	220,285	BB	S&P
Asset backed (pension)	129,160	B	S&P
Asset backed (pension)	686,350	CCC and Below	S&P
Corporate bonds (pension)	3,112,781	AAA	S&P
Corporate bonds (pension)	2,000,874	AA	S&P
Corporate bonds (pension)	18,331,023	A	S&P
Corporate bonds (pension)	24,924,796	BBB	S&P
Corporate bonds (pension)	12,338,597	BB	S&P
Corporate bonds (pension)	2,289,933	B	S&P
Corporate bonds (pension)	779,495	CCC and Below	S&P
Corporate bonds (pension)	46,721	Not Rated	S&P
Corporate CMO (pension)	1,323,385	AAA	S&P
Corporate CMO (pension)	134,901	AA	S&P
Corporate CMO (pension)	181,898	A	S&P
Corporate CMO (pension)	1,592,310	BBB	S&P
Corporate CMO (pension)	1,593,471	CCC and Below	S&P
Corporate CMO (pension)	1,686,487	Not Rated	S&P
Private placements (pension)	555,511	AAA	S&P
Private placements (pension)	400,024	AA	S&P
Private placements (pension)	2,105,556	A	S&P
Private placements (pension)	2,945,246	BBB	S&P
Private placements (pension)	696,916	BB	S&P
Private placements (pension)	674,133	B	S&P
Private placements (pension)	967,176	Not Rated	S&P

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<u>Investment</u>	<u>Fair Value</u>	<u>Rating</u>	<u>Rating Organization</u>
Foreign corporate bonds (pension)	887,575	AA	S&P
Foreign corporate bonds (pension)	3,116,443	A	S&P
Foreign corporate bonds (pension)	3,472,288	BBB	S&P
Foreign corporate bonds (pension)	929,100	BB	S&P
Foreign corporate bonds (pension)	574,428	B	S&P
Foreign corporate bonds (pension)	1,698,685	Not Rated	S&P
Foreign government bonds (pension)	2,013,200	AAA	S&P
Foreign government bonds (pension)	1,404,584	A	S&P
Foreign government bonds (pension)	784,151	BBB	S&P
Foreign government bonds (pension)	1,759,638	Not Rated	S&P
U.S. government agency (pension)	189,615	AA	S&P
U.S. government agency (pension)	143,872	A	S&P
U.S. government agency (pension)	49,075	BBB	S&P
U.S. government agency (pension)	61,901	Not Rated	S&P
U.S. government mortgage backed (pension)	2,250,184	Not Rated	S&P
U.S. government TIPS (pension)	2,361,464	Not Rated	S&P
U.S. government treasuries, notes and bonds (pension)	24,262,195	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	\$ 10,398
Canadian Dollar	156,884
Great British Pounds	14,236,981
Mexican Peso	85,337
New Zealand Dollars	71
Hong Kong Dollar	4,731,904
Philippine Peso	229,980
South African Rand	17
Swedish Krona	297,137
Turkish Lira	210,511

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, 2011, 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. The System presently owns \$246,496 of Sigma Finance Medium Term Note which is a defaulted 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, 2011 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, 2011, the System had no credit risk exposure to borrowers with the exception of Sigma Finance. The collateral based on cost and the fair market value of the underlying securities on loan for the System as of December 31, 2011 was \$8,074,869 and \$7,828,375 respectively, which consisted of short-term money market mutual funds and U.S. corporate commercial paper.

NOTE D-CAPITAL ASSETS

Capital asset activity at September 30, 2012 is summarized as follows:

	Balance Oct. 1, 2011	Additions	Disposals	Reclassifications and Adjustments	Balance Sept. 30, 2012
Governmental activities:					
Capital assets not being depreciated					
Land	\$ 12,510,512	\$	\$ 72,282	\$(1,088,665)	\$ 11,349,565
Construction in progress	41,985	15,572	41,985		15,572
Subtotal	<u>12,552,497</u>	<u>15,572</u>	<u>114,267</u>	<u>(1,088,665)</u>	<u>11,365,137</u>
Capital assets being depreciated:					
Land improvements	8,136,708	1,106	420,280	1,088,665	8,806,199
Buildings and improvements	119,970,898	2,498,790	1,755,605		120,714,083
Machinery and equipment	27,202,000	2,334,114	1,950,212		27,585,902
Subtotal	<u>155,309,606</u>	<u>4,834,010</u>	<u>4,126,097</u>	<u>1,088,665</u>	<u>157,106,184</u>
Less accumulated depreciation for:					
Land improvements	30,456	6,246			36,702
Buildings	52,235,776	3,242,097	741,255	(2,949,067)	52,787,551
Machinery and equipment	24,334,916	3,726,651	1,925,067	(5,984,706)	20,151,794
Subtotal	<u>77,601,148</u>	<u>6,974,994</u>	<u>2,666,322</u>	<u>(8,933,773)</u>	<u>72,976,047</u>
Governmental activities					
Capital assets, net of depreciation	<u>\$ 90,260,955</u>	<u>\$ (2,125,412)</u>	<u>\$ 1,574,042</u>	<u>\$ (8,933,733)</u>	<u>\$ 95,495,274</u>

	Balance Oct. 1, 2011	Additions	Disposals	Reclassifications	Balance Sept. 30, 2012
Business type activities:					
Capital assets not being depreciated:					
Land	\$ 3,502,006	\$	\$	\$	\$ 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	4,263,658	10,607			4,274,265
Subtotal	<u>8,519,366</u>	<u>10,607</u>			<u>8,529,973</u>
Less accumulated depreciation for:					
Buildings	1,062,309	45,174			1,107,483
Land improvements	3,074,493				3,074,493
Machinery and equipment	3,814,175	148,772			3,962,947
Subtotal	<u>7,950,977</u>	<u>193,946</u>			<u>8,144,923</u>
Business type activities					
Capital assets, net of depreciation	<u>\$ 4,070,395</u>	<u>\$ (183,339)</u>	<u>\$</u>	<u>\$</u>	<u>\$ 3,887,056</u>

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

Governmental activities:	
Administration of Justice	\$ 1,163,438
Law Enforcement and Community Protection	933,238
Human Services	2,387,023
Community Enrichment and Development	335,522
General Support Services	119,563
Other	856,494
Internal service fund depreciation is charged to the various functions based on their usage of the assets	1,179,716
Total governmental activities	<u>\$ 6,974,994</u>
Business type activities:	
Delinquent tax revolving	\$ 101,497
Parks and Recreation	92,449
Total business type activities	<u>\$ 193,946</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.

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NOTE E – DEBT (including current portions)

Long-term debt of the County is as follows:

	<u>Balance</u> <u>Oct. 1, 2011</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>Sept 30, 2012</u>	<u>Due within</u> <u>One Year</u>
Government Activities:					
Internal Service Fund Equipment Notes	\$	\$ 21,689	\$ (2,198)	\$ 19,491	\$ 3,937
Capital Improvement Bonds 2011, Proceeds were used to Renovate various County Buildings.....	1,200,000		(355,000)	845,000	240,000
2.9% Genesee County Refunding Bonds, Bonds maturing on or prior to May 1, 2022 shall not be subject to redemption prior to maturity. Bonds maturing on or after May 1, 2022 may be subject to prior redemption.....		4,830,000		4,830,000	400,000
JCI Energy Bonds 2010, Debt was issued to perform numerous Energy efficiency improvements on most County Buildings ...	7,815,784			7,815,784	300,000
4.0% to 5.1% Genesee County Building Authority Bonds, Series 2002, Bonds maturing May 1, 2013 subject to Mandatory redemption	1,850,000		(1,850,000)		
2.5% to 4.05% Genesee County Building Authority Bonds, Series 2001, Not subject to redemption prior to maturity	240,000		(240,000)		
2.0% to 4.0% Genesee County Building Authority Bonds, 3.7% to 5.0% Genesee County Building Authority Bonds, Series 2000, Callable after May 1, 2008,	227,500		(59,500)	168,000	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	3,285,000		(3,285,000)		
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.....	1,850,000		(40,000)	1,810,000	45,000
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 May 1, 2016 may be subject to prior redemption..	10,725,000		(1,130,000)	9,595,000	1,180,000
6.34% Capital Improvement Bonds, Series 2008 maturing on or prior to November 1, 2018 not be subject to Redemption prior to maturity.....	<u>920,000</u>		<u>(115,000)</u>	<u>805,000</u>	<u>115,000</u>
Total Bonds and Notes	<u>28,113,284</u>	<u>4,851,689</u>	<u>(7,076,698)</u>	<u>25,888,275</u>	<u>2,343,437</u>
Self-Insurance Claim Liability	<u>3,682,890</u>	<u>2,224,289</u>	<u>(1,357,180)</u>	<u>4,549,999</u>	<u>1,770,366</u>
Self-Insured Medicals	<u>284,268</u>	<u>8,518,084</u>	<u>(8,553,381)</u>	<u>248,971</u>	<u>248,971</u>
Compensated absences	<u>6,496,480</u>	<u>1,891,994</u>	<u>(3,672,938)</u>	<u>4,715,536</u>	<u>3,672,938</u>
Total Governmental Activities	<u>38,576,922</u>	<u>17,486,056</u>	<u>(20,660,197)</u>	<u>35,402,781</u>	<u>8,035,712</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	97,500		(25,500)	72,000	25,500
Delinquent Tax Fund:					
5.0% to 9.7% Delinquent tax notes	<u>50,652,792</u>	<u>39,647,208</u>	<u>(48,000,000)</u>	<u>42,300,000</u>	<u>9,700,000</u>
Total Business-type Activities	<u>50,750,292</u>	<u>39,647,208</u>	<u>(48,025,500)</u>	<u>42,372,000</u>	<u>9,725,500</u>
Total Long-term Debt	<u>\$ 89,327,214</u>	<u>\$57,133,264</u>	<u>\$(68,685,697)</u>	<u>\$77,774,781</u>	<u>\$17,761,212</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, 2012 are as follows:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2013	\$2,343,437	\$ 1,246,165	\$25,500	\$ 3,600
2014	2,315,732	1,128,612	28,500	2,325
2015	2,406,480	1,017,996	18,000	900
2016	2,494,766	902,611		
2017	2,617,076	783,074		
2018/2022	9,440,000	2,088,656		
2023/2027	3,440,784	658,216		
2028/2032	560,000	176,415		
2033/2037	<u>270,000</u>	<u>23,370</u>		
TOTALS	<u>\$25,888,275</u>	<u>\$ 8,025,115</u>	<u>\$72,000</u>	<u>\$ 6,825</u>

Advance and Current Refundings – During the year, the County issued \$4,830,000 in general obligation refunding bonds with an average interest rate of 2.9 percent. The proceeds of these bonds were used to advance refund \$4,785,000 of outstanding Genesee County Building Authority Bonds with an average interest rate of 4.9 percent. The net proceeds of \$4,785,000 (after payment of \$45,000 in underwriting fees, insurance, and other issuance costs) plus an additional \$110,804 of County monies were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the original bonds. As a result, the bonds are considered to be defeased and the liability for the bonds has been removed from the General Long-term Debt Account Group. The advance refunding reduced total debt service payments over the next years by approximately \$602,000, which represents an economic gain of approximately \$415,000.

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, 2012, the County's debt limit amounted to \$918,356,801 and indebtedness subject to the limitation aggregated \$128,253,556.

Short-term debt of the County is as follows:

	<u>Balance Oct. 1, 2011</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance Sept. 30, 2012</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	<u>\$21,099,000</u>	<u>\$</u>	<u>\$(21,099,000)</u>	<u>\$</u>	<u>\$</u>
Total Tax Anticipation Notes	<u>\$21,099,000</u>	<u>\$</u>	<u>\$(21,099,000)</u>	<u>\$</u>	<u>\$</u>

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

There are various legal actions pending against the County. Management has evaluated the likely outcome of various actions and has concluded that it is not appropriate to record any amount as a liability at September 30, 2012.

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 coverages. 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, 2012 were \$9,904,387 with \$4,549,999 accrued as a liability for incurred losses and expenses. An actuarial study projected a required reserve of \$0.0 million for 2012. 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 coverages or settlements in excess of insurance coverages over the past three years.

A reconciliation of the claims liability for the years ended September 30, 2012 and 2011 is as follows:

	<u>Year Ended 9/30/12</u>	<u>Year Ended 9/30/11</u>
Claims Liability (beginning of year)	\$3,682,890	\$3,648,492
Claims incurred during the period	2,212,643	1,726,049
Changes in estimate for claims of prior periods	11,646	(73,045)
Payments on claims	<u>(1,357,180)</u>	<u>(1,618,606)</u>
Claims liability (end of year)	<u>\$ 4,549,999</u>	<u>\$3,682,890</u>

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

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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, 2012 were \$3,403,543 with \$248,971 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, 2012 is as follows:

	<u>Pharmaceuticals</u>	<u>Medical</u>	<u>Total Insurance</u>
Claims Liability (beginning of year).....	\$ 36,651	\$ 247,617	\$ 284,268
Claims incurred during the period.....	1,352,811	7,165,273	8,518,084
Changes in estimate for claims of prior periods.....			
Payments on claims.....	<u>(1,370,547)</u>	<u>(7,182,834)</u>	<u>(8,553,381)</u>
Claims liability (end of year).....	<u>\$ 18,915</u>	<u>\$ 230,056</u>	<u>\$ 248,971</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 \$1,748,935 and prepaids in the amount of \$422,710.

The following funds were in a deficit at year end:

Component Unit:	
Brownfield Authority	\$9,234,369
Major Special Revenue:	
Community Action Resource Department	367,629
Nonmajor Special Revenue:	
Administration of Justice	1,181,999
Flint City Lockup	8,040
Law Enforcement	15,735
Sheriff Contracted Services	168,012
Nonmajor Debt Service Fund:	
Hughes & Hatcher Center	1,805,619
Internal Service Funds:	
Administrative Services	2,212,469
Vehicles and Equipment	1,749,204
Buildings and Grounds	699,528

NOTE H – PROPERTY TAXES

The County property tax is levied each July 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 \$9,183,568,010 and equalized at \$9,183,568,010 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 (\$46,280,833 at September 30, 2012) 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 \$43,775,593 in 2012, are used to service the notes payable. Principal and interest paid on the notes payable in 2012 amounted to \$48,505,326.

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, 2011, the date of the latest actuarial valuation, was comprised of 902 active plan members, 82 inactive vested members and 1,607 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, 2012, 2011, and 2010, are summarized as follows:

Fiscal Year End	Annual Pension Costs (APC)	% of APC Contributed	Net Pension Obligation (Asset)
09/30/10	\$12,722,740	100.0%	0
09/30/11	12,390,596	100.0%	0
09/30/12	12,232,054	100.0%	0

ACTUARIAL METHODS AND ASSUMPTIONS

In the December 31, 2011 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	12/31/2009	12/31/2010	12/31/2011
Actuarial Value of Assets	\$424,482,866	\$401,700,454	\$365,262,318
Actuarial Accrued Liability (Entry Age)	543,307,372	564,033,044	549,929,631
Unfunded AAL	118,824,506	162,332,590	184,667,313
Funded Ratio	78.1%	71.2%	66.4%
Covered Payroll	65,511,481	57,794,546	52,125,539
UAAL as a % of Covered Payroll	181.38%	280.9%	354.27%

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, 2012, employer and employee contributions to the plan were \$2,833,511 and \$1,591,191, respectively.

NOTES TO FINANCIAL STATEMENTS

GENESEE COUNTY

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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.

FUNDING POLICY

The County performed an actuarial valuation of the other post-retirement benefits liability for the year ended September 30, 2012. At that time the liability was determined to be \$308,208,023 with the computed contribution as a percentage of payroll (based on 30-year amortization of the unfunded liability) to be 34.32% or \$18,549,049.

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, 24% in the 2010/2011 fiscal year and 24% in the 2011/2012 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, 2012 in an amount of \$20,191,971.

FUNDING PROGRESS

	<u>Fiscal Year Ended September 30</u>		
	<u>2010</u>	<u>2011</u>	<u>2012</u>
Annual required contribution (recommended)	\$ 18,708,000	\$18,708,000	\$18,549,049
Interest on the prior year's net OPEB asset	(124,928)	317,634	797,853
Adjustment to the annual required contribution	<u>83,285</u>		<u>(443,250)</u>
Annual OPEB cost	18,666,357	19,025,634	18,903,652

Amount contributed	<u>13,512,778</u>	<u>9,698,547</u>	<u>12,009,195</u>
Increase (Decrease) in net OPEB Liability	(5,153,579)	(9,327,087)	(6,894,457)
OPEB Liability – beginning of year	<u>1,183,152</u>	<u>(3,970,427)</u>	<u>(13,297,514)</u>
OPEB Asset (obligation) – end of year	<u>\$ (3,970,427)</u>	<u>\$ (13,297,514)</u>	<u>\$ (20,191,971)</u>

	<u>Fiscal Year Ended September 30</u>		
	<u>2010</u>	<u>2011</u>	<u>2012</u>
Annual OPEB Costs	\$18,666,357	\$19,025,634	\$18,903,652
Percentage contributed	73%	51%	64%
Net OPEB obligation	(3,970,427)	(13,297,514)	(20,191,971)

	<u>Plan Year Ended September 30</u>		
	<u>2007</u>	<u>2010</u>	<u>2012</u>
Valuation Date September 30			
Value of Assets at September 30	\$ 30,427,079	\$ 41,579,396	\$43,313,587
Actuarial Accrued Liability	179,150,908	286,696,396	308,208,023
Unfunded AAL	148,723,829	245,117,000	264,894,436
Funded Ratio	17%	15%	19%
Annual Covered Payroll	\$ 58,387,145	58,028,000	36,987,137
Ratio of UAAL to Covered Payroll	2.55%	422.41%	716.18%

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, 2012 actuarial valuation, the individual entry age actuarial cost method was used. The actuarial assumptions included a 6% 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 8% in year one and decreases by .5% annually until year 7 and then remains at 5%. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at September 30, 2012 was 30 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, 2012, the Agency contributed \$4,129,814 to the Plan, \$2,656,346 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 30 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>2010</u>	<u>2011</u>	<u>2012</u>
Annual required contribution (recommended)	\$5,178,332	\$5,360,382	\$8,522,452
Interest on the prior year’s net OPEB obligation	9,989	(96,341)	(315,182)
Less adjustment to the annual required contribution	<u>(7,361)</u>	<u>44,602</u>	<u>564,839</u>
Annual OPEB cost	<u>\$5,180,960</u>	<u>\$5,308,643</u>	<u>\$8,772,109</u>
Amount contributed:			
Payments of current premiums	6,257,927	8,044,145	6,436,473
Advance funding			
Increase (Decrease) in net OPEB asset	<u>1,076,967</u>	<u>2,735,502</u>	<u>(2,335,636)</u>
OPEB – beginning of year	<u>127,300</u>	<u>1,204,267</u>	<u>3,939,769</u>
OPEB asset – end of year	<u>\$ 1,204,267</u>	<u>\$3,939,769</u>	<u>\$1,604,133</u>

	<u>Fiscal Year Ended September 30</u>		
	<u>2010</u>	<u>2011</u>	<u>2012</u>
Annual OPEB Costs	\$5,180,960	\$5,308,643	\$8,772,109
Percentage contributed	120.8%	151.5%	73.4%
Net OPEB asset	1,204,267	3,939,769	1,604,133

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

	<u>2007</u>	<u>2009</u>	<u>2012</u>
Value of Assets at September 30	\$ 4,443,845	\$ 3,144,796	\$ 14,599,442
Actuarial Accrued Liability	53,941,018	54,135,243	56,477,931
Unfunded AAL	(49,497,173)	(50,990,447)	(41,878,489)
Funded ratio	8.2%	5.8%	25.8%
Annual covered payroll – 12/31/07 & 12/31/09	16,154,286	15,807,730	13,986,796
Ratio of UAAL to covered payroll	98%	323%	299%

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

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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, 2012 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include: (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 based on market value. The unfunded actuarial accrued liability is being amortized as a level dollar amount over 30 years on a closed basis.

NOTE J – LEASES

The County is party to numerous operating leases, aggregate rental expenses which were approximately \$86,588 for the year ended September 30, 2012 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, 2012 are \$356,033.

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	\$4,960,892	
Grant revenue	18,448,478	\$10,483,171
Long-term receivable	1,810,000	
<u>Component units</u>	<u>Unearned</u>	
Road projects	\$2,065,479	
Unearned leases	1,524,185	
Grant revenue	70,230	

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.....	\$ 102,748	
County Health.....		\$ 1,902,627
Genesee County Community Action Resource Department.....	2,767,315	864,856
Community Development.....		95,475
Enterprise.....	7,772,626	2,040,217
Non-major Special Revenue.....	4,023,505	3,222,470
Debt Service.....	295,743	404,294
Capital Projects.....		2,142,647
Internal Service.....	<u>657,746</u>	<u>6,535,410</u>
Total General Fund.....	<u>15,619,683</u>	<u>17,207,996</u>
Mental Health:		
General Fund.....		102,748
County Health.....		<u>19,290</u>
Total Mental Health.....		<u>122,038</u>
County Health:		
General Fund.....	1,902,627	
Mental Health.....	19,290	
Genesee County Community Action Resource Department.....		74,998
Non-major Special Revenue.....	419,549	
Internal Service.....		<u>313,802</u>
Total County Health.....	<u>2,341,466</u>	<u>388,800</u>

Interfund Receivable and Payables continued:

	Interfund Receivable	Interfund Payable
Genesee County Community Action Resource Department:		
General Fund	864,856	2,767,315
County Health	74,998	
Non-major Special Revenue	129,084	
Internal Service		<u>228,822</u>
Total Genesee County Community Action Resource Department ..	<u>1,068,938</u>	<u>2,996,137</u>
Community Development:		
General Fund	95,475	
Non-major Special Revenue		118,525
Internal Service		<u>702</u>
Total Community Development	<u>95,475</u>	<u>119,227</u>
Non-major Special Revenue Funds:		
General Fund	3,222,470	4,023,505
Genesee County Community Action Resource Department		129,084
Non-major Special Revenue	219,225	520,249
Enterprise		269,626
Internal Service		<u>528,296</u>
Total Non-major Special Revenue Funds	<u>3,441,695</u>	<u>5,470,760</u>
Non-major Debt Service:		
General Fund	404,294	295,743
Total Non-major Debt Service Funds	<u>404,294</u>	<u>295,743</u>
Capital Projects:		
General Fund	2,142,647	
Total Non-major Debt Service Funds	<u>2,142,647</u>	
Total Governmental Funds	<u>25,114,198</u>	<u>26,600,701</u>
Enterprise:		
Delinquent Tax:		
General Fund	2,040,217	7,772,626
Non-major Special Revenue	269,626	
Internal Service		<u>225,882</u>
Total Delinquent Tax	<u>2,309,843</u>	<u>7,998,508</u>
Total Business Type Activity	<u>2,309,843</u>	<u>7,998,508</u>
Internal Service Funds:		
General Fund	6,535,410	657,746
County Health	313,802	
Genesee County Community Action Resource Department	228,822	
Community Development	702	
Non-major Special Revenue	528,296	
Enterprise	225,882	
Internal Service	458	<u>458</u>
Total Internal Service Funds ..	<u>7,833,372</u>	<u>658,204</u>
Total Interfund Receivables/Payables	<u>\$35,257,413</u>	<u>\$35,257,413</u>
Due to/from primary government and component units:		
Component unit Land Bank Authority	\$ 104,168	\$ 623,960
Component unit Brownfield Authority	69,099	
Primary government Non-major Special Revenue Community Development		104,168
Primary government Delinquent Taxes	<u>623,960</u>	<u>69,099</u>
Total Primary Government and Component Unit Interfund Receivables/Payables	<u>\$ 797,227</u>	<u>\$ 797,227</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>

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Interfund Transfers In and Out	<u>Transfers In</u>	<u>Transfers Out</u>
Major Funds:		
General:		
Mental Health	\$	\$ 3,597,252
County Health		2,849,443
Enterprise	5,456,600	
Non-major Special Revenue	3,134,351	14,603,031
Debt	229,870	2,378,651
Capital		7,729
Internal		<u>123,678</u>
Total General Fund	<u>8,820,821</u>	<u>23,559,784</u>
Mental Health:		
Internal	<u>3,597,252</u>	
Total Mental Health	<u>3,597,252</u>	
County Health:		
General	2,849,443	
GCCARD		389,010
Debt		249,720
Non-major Special Revenue	419,549	
Total County Health	<u>3,268,992</u>	<u>638,730</u>
Genesee County Community Action Resource Department (GCCARD)		
County Health	389,010	
GCCARD	22,547	22,547
Non-major Special Revenue	2,574,860	
Debt		<u>393,430</u>
Total GCCARD	<u>2,986,417</u>	<u>415,977</u>
Non-major Special Revenue:		
General	14,603,031	3,134,351
County Health		419,549
GCCARD		2,574,860
Enterprise		520,473
Debt		18,225
Capital		16,351
Non-major Special Revenue	335,172	335,172
Internal		<u>474,387</u>
Total Non-major Governmental Funds	<u>14,938,203</u>	<u>7,493,368</u>
Debt:		
General	2,378,651	229,870
County Health	249,720	
GCCARD	393,430	
Debt	131,991	131,991
Capital	175,548	
Non-major Special Revenue	18,225	
Enterprise	2,438	
Total Debt Service Funds	<u>3,350,003</u>	<u>361,861</u>
Capital Project:		
General	7,729	
Non-major Special Revenue	16,351	
Debt		<u>175,548</u>
Total Capital Projects Funds	<u>24,080</u>	<u>175,548</u>
Total Governmental Funds	<u>36,985,768</u>	<u>32,645,268</u>
Enterprise:		
General		5,456,600
Debt		2,438
Non-major Special Revenue	520,473	
Enterprise		
Internal		<u>185,564</u>
Total Enterprise Funds	<u>520,473</u>	<u>5,644,602</u>

Interfund Transfers In and Out continued:	Transfers	Transfers
	<u>In</u>	<u>Out</u>
Internal Services:		
General	123,678	
Enterprise	185,564	
Non-major Special Revenue	<u>474,387</u>	
Total Internal Service Funds	<u>783,629</u>	
Total Transfers In/Out	<u>\$38,289,870</u>	<u>\$38,289,870</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> <u>Expenditures</u>
General Fund	
County Clerk	\$ 19,681
Treasurer	20,732
Equalization	8,481
GIS	1,552
District Court	10,094
Jury Board	2,344
Probate Court	19,988
Office of Emergency Preparedness	783
Sheriff Administration	32,298
Detective Division	9,963
Sheriff Security	55,812
Medical Examiner	267,238
Other:	
Other	77,194
Capital Outlay	41,523
Debt Service	92,962
Capital Projects	7,729
Internal Service	69,506
County Health	638,730
Community Action Resource Department	3,550,842
Other Non-major Governmental Funds	
Accommodation Ordinance Tax	190,274
Community Enrichment and Development	1,807,911
Drug Forfeitures	82,502
Law Enforcement	1,147,507
Parks and Recreation	1,425,161

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 banks; 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 are 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:

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 \$32,184,179 of bank deposits (checking and high balance savings accounts) that were uninsured and uncollateralized. At year end, the Economic Development Corporation had \$83,448 of bank deposits (checking and high balance savings accounts) that were uninsured and uncollateralized. At year end, the Water and Waste Services Division had \$10,196,318 of bank deposits (checking and high balance savings accounts) that were fully insured. At year end, the Drain Commission had \$392,587 of bank deposits (checking and high balance savings accounts) that were uninsured and uncollateralized. At year end, the Land Bank Authority had \$883,111 of bank deposits (checking and savings accounts)

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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 \$110,049 of bank deposits (checking and savings accounts) that were uninsured and uncollateralized.

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	\$14,846,817	\$14,846,817	
Land Bank Authority:			
<u>Investment</u>	<u>Fair Value</u>	<u>Less than one year</u>	
Governmental security pooled fund	\$ 883,111	\$ 883,111	

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	\$14,846,817	N/A	N/A
Land Bank Authority:			
<u>Investment</u>	<u>Fair Value</u>	<u>Rating</u>	<u>Rating Organization</u>
Governmental security pool	\$ 883,111	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, 2011</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance September 30, 2012</u>
MTF notes	\$10,175,000	\$	\$(1,465,000)	\$ 8,710,000
SIB Loan	490,931		(241,839)	249,092
Recovery Zone Bond	5,440,000		(560,000)	4,880,000
Total notes and leases	<u>16,105,931</u>		<u>(2,266,839)</u>	<u>13,839,092</u>
Compensated absences	1,090,768		(16,738)	1,074,030
Net OPEB obligation	<u>1,361,831</u>		<u>(235,720)</u>	<u>1,126,111</u>
Total long-term debt	<u>\$18,558,530</u>	<u>\$</u>	<u>\$(2,519,297)</u>	<u>\$16,039,233</u>

The outstanding bonds and notes payable at September 30, 2012, 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, 2012</u>	<u>Due Within One Year</u>
Michigan Transportation Fund notes:					
2006A Issue.....	August 1, 2016	4.00%	\$265,000-295,000	\$1,115,000	\$265,000
2006B Issue.....	August 1, 2013	5.20-5.30	90,000	90,000	90,000
2007 Issue.....	September 30, 2017	3.70-4.00	445,000-525,000	2,415,000	445,000
2008 Issue.....	August 1, 2018	3.00-4.00	385,000-515,000	2,690,000	385,000
2009 Issue.....	August 1, 2019	2.00-3.30	315,000-380,000	<u>2,400,000</u>	<u>315,000</u>
Total Notes.....				8,710,000	1,500,000
SIB Loan 2008.....		3.00	249,092	249,092	249,092
Recovery Zone Bond 2010 Issue.....	August 1, 2020	4.34	565,000-665,000	4,880,000	565,000
Compensated absences.....				1,074,030	144,967
Net OPEB obligation.....				<u>1,126,111</u>	
				<u>\$16,039,233</u>	<u>\$2,459,059</u>

Annual requirements to pay principal and interest on the outstanding obligations at September 30, 2012, are as follows:

	<u>Long-term debt</u>
Year Ended 9-30-2013	\$2,846,524
9-30-2014	2,487,493
9-30-2015	2,486,748
9-30-2016	2,486,197
09-30-2017	2,181,607
09-30-2018 – 09-30-2020.....	<u>3,427,271</u>
Amount representing interest	<u>(2,076,748)</u>
	<u>\$13,839,092</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, 2012, 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 \$20,688,883 compared to the annual debt requirements of \$2,881,580.

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

	<u>Balance Oct. 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance Sept. 30, 2012</u>
Capital assets not being depreciated:				
Land and improvements	\$ 478,816	\$	\$	\$ 478,816
Construction in progress.....	488,799	152,523	488,799	152,523
Depletable assets	1,210			1,210
Subtotal	<u>968,825</u>	<u>152,523</u>	<u>488,799</u>	<u>632,549</u>
Capital assets being depreciated:				
Land improvements	1,682,714	468,028		2,150,742
Buildings and improvements.....	9,523,138	110,523		9,633,661
Equipment:				
Road	23,517,104	3,156,484	346,476	26,327,112
Shop	428,854	68,556		497,410
Engineering	92,577			92,577
Yard and Storage	498,964	58,347		557,311
Office	<u>1,001,129</u>	<u>321,498</u>		<u>1,322,627</u>
Total	<u>36,744,480</u>	<u>4,183,436</u>	<u>346,476</u>	<u>40,581,440</u>
Infrastructure-Roads.....	333,928,651	18,173,585		352,102,236
Infrastructure-Bridges.....	<u>29,450,944</u>	<u>53,851</u>		<u>29,504,795</u>
Subtotal	<u>400,124,075</u>	<u>22,410,872</u>	<u>346,476</u>	<u>422,188,471</u>
Less accumulated depreciation for:				
Land improvements	(451,319)	(93,592)		(544,911)
Buildings and improvements.....	(5,935,870)	(410,605)		(6,346,475)
Equipment:				
Road.....	(18,706,706)	(2,181,862)	(321,858)	(20,566,710)
Shop	(345,553)	(18,227)		(363,780)
Engineering	(79,623)	(1,619)		(81,242)
Yard and storage.....	(498,964)	(2,302)		(501,266)
Office	<u>(817,154)</u>	<u>(77,491)</u>		<u>(894,645)</u>
Subtotal	<u>(26,835,189)</u>	<u>(2,785,698)</u>	<u>(321,858)</u>	<u>(29,394,698)</u>
Infrastructure-Bridges	(6,898,546)	(741,308)		(7,639,854)
Infrastructure-Roads	<u>(196,978,968)</u>	<u>(11,667,999)</u>		<u>(196,978,968)</u>
Subtotal	<u>(230,712,703)</u>	<u>(15,195,005)</u>	<u>(321,858)</u>	<u>(245,585,850)</u>
Total net capital assets.....	<u>\$170,380,197</u>	<u>\$ 7,368,390</u>	<u>\$ 513,417</u>	<u>\$177,235,170</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.

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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, 2012, the Road Commission has estimated the cost of providing retiree health-care benefits through an actuarial valuation as of September 30, 2012. 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:

	Fiscal Year Ended September 30		
	2010	2011	2012
Annual required contribution (recommended)	\$4,494,838	\$4,494,838	\$4,536,548
Interest on the prior year's net OPEB obligation	167,570	131,733	102,137
Less adjustment to the annual required contribution	<u>(277,943)</u>	<u>(218,502)</u>	<u>(165,462)</u>
Annual OPEB cost	\$4,384,465	\$4,408,069	\$4,473,223
Amount contributed:			
Payments of current premiums	(2,386,251)	(2,611,228)	(2,708,943)
Advance funding	<u>(2,476,034)</u>	<u>(2,191,456)</u>	<u>(2,000,000)</u>
Decrease in net OPEB obligation	(477,820)	(394,615)	(235,720)
OPEB obligation – beginning of year	<u>2,234,266</u>	<u>1,756,446</u>	<u>1,361,831</u>
OPEB obligation – end of year	<u>\$ 1,756,446</u>	<u>\$1,361,831</u>	<u>\$1,126,111</u>

	Fiscal Year Ended September 30		
	2010	2011	2012
Annual OPEB Costs	\$4,384,465	\$4,408,069	\$4,473,223
Percentage contributed	108%	107%	104%
Net OPEB obligation	\$1,756,446	\$1,361,831	\$1,126,111

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

	Fiscal Year Ended September 30		
	2010	2011	2012
Unfunded AAL	\$44,716,286	\$44,716,286	\$42,584,913
Actuarial value of plan assets	7,998,488	7,998,488	14,074,339
Actuarial accrued liability	52,714,774	52,714,774	56,659,252
Funded	15%	15%	25%
Annual covered payroll – December 31,	\$9,023,093	\$9,023,093	\$8,713,876
Ratio of UAAL to covered payroll	496%	496%	489%

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 8.5 percent initially, reduced by decrements to an ultimate rate of 4.5 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, 2012 was 26 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, 2011 is presented below:

	<u>Balance Jan. 1, 2011</u>	<u>Additions (Reductions)</u>	<u>Balance Dec. 31, 2011</u>	<u>Due In One Year</u>
1.625% to 6.0% Interceptor and treatment facilities	\$ 94,135,000	\$ 10,411,556	\$104,546,556	\$6,380,000
2.5% to 7.375% District No. 3	33,821,610	(1,133,094)	32,688,516	2,720,000
2.50% to 5.00% Water supply system	41,455,000	(1,210,000)	40,245,000	1,260,000
Subtotal	<u>169,411,610</u>	<u>8,068,462</u>	<u>177,480,072</u>	<u>10,360,000</u>
Unamortized note premium	409,707	(759)	408,948	25,124
	<u>\$169,821,317</u>	<u>\$ 8,067,703</u>	<u>\$177,889,020</u>	<u>10,385,124</u>

The annual requirements to pay principal and interest on the outstanding obligations for Water and Waste Services at December 31, 2011 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 10,360,000	\$5,895,254	\$16,255,254
2013	10,655,000	5,568,376	16,223,376
2014	10,985,000	5,237,342	16,222,342
2015	11,350,000	4,891,321	16,241,321
2016	11,450,000	4,534,074	15,984,074
2017-2021	48,425,000	17,893,004	66,318,004
2022-2026	47,695,000	10,332,547	58,027,547
2027-2031	23,515,072	3,246,310	26,761,382
2032-2033	3,045,000	225,119	3,270,119
Total	<u>\$177,480,072</u>	<u>\$57,823,347</u>	<u>\$235,303,419</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 \$122,993,488. During the current year, net revenues of the system were \$13,165,205 compared to the annual debt requirements of \$5,994,845.

Capital Assets - The summary of capital assets for Water and Waste Services at December 31, 2011 is displayed on the following page:

	<u>Balance Jan. 1, 2011</u>	<u>Additions</u>	<u>Reclassifications</u>	<u>Balance Dec. 31, 2011</u>
Proprietary fund capital assets				
Enterprise Funds:				
Capital assets not being depreciated:				
Land	\$ 871,021	\$	\$	\$ 871,021
Construction in progress	<u>69,643,872</u>	<u>16,822,114</u>	<u>(419,193)</u>	<u>86,046,793</u>
Subtotal	<u>70,514,893</u>	<u>16,822,114</u>	<u>(419,193)</u>	<u>86,917,814</u>
Capital assets being depreciated:				
Distribution & collections systems	278,426,103	140,563	419,193	278,985,859
Vehicles	242,413	139,848		382,261
Buildings and equipment	<u>5,114,144</u>	<u>304,920</u>		<u>5,419,064</u>
Subtotal	<u>283,782,660</u>	<u>585,331</u>	<u>419,193</u>	<u>284,787,184</u>
Less accumulated depreciation for:				
Distribution & collections systems	(43,184,962)	(5,736,296)		(48,921,258)
Vehicles	(152,156)	(102,696)		(254,852)
Buildings and equipment	<u>(3,120,591)</u>	<u>(303,311)</u>		<u>(3,423,902)</u>
Subtotal	<u>(46,457,709)</u>	<u>(6,142,303)</u>		<u>(52,600,012)</u>
Net capital assets being depreciated	<u>237,324,951</u>	<u>(5,556,972)</u>	<u>419,193</u>	<u>232,187,172</u>
Total capital assets – Net of depreciation	<u>307,839,844</u>	<u>11,265,142</u>	<u>0</u>	<u>319,104,986</u>
Internal Service Funds:				
Capital assets not being depreciated-				
Construction in progress		16,250		16,250
Capital assets being depreciated –				
Buildings and equipment	7,828,410	800,442		8,628,852
Less accumulated depreciation –				
Buildings and equipment	<u>(5,403,169)</u>	<u>(394,212)</u>		<u>(5,797,381)</u>
Net capital assets being depreciated	<u>2,425,241</u>	<u>406,230</u>		<u>2,831,471</u>
Total proprietary fund capital assets	<u>\$310,265,085</u>	<u>\$11,687,622</u>	<u>\$ 0</u>	<u>\$321,952,707</u>

NOTES TO FINANCIAL STATEMENTS

GENESEE COUNTY

EXHIBIT A-13

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, 2011, the Division has estimated the cost of providing retiree healthcare benefits through an actuarial valuation as of December 31, 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 30 years. This valuation's computed contribution and actual funding are summarized as follows:

	<u>Fiscal Year Ended December 31</u>		
	<u>2009</u>	<u>2010</u>	<u>2011</u>
Annual required contribution (recommended)	\$2,085,921	\$2,587,823	\$3,933,831
Interest on the prior year's net OPEB obligation	76,228	121,341	127,528
Less adjustment to the annual required contribution	<u>(47,720)</u>	<u>(67,411)</u>	<u>(78,511)</u>
Annual OPEB cost	2,114,419	2,641,753	3,982,848
Amount contributed:			
Payments of current premiums	(1,016,108)	(1,395,270)	(1,337,004)
Advance funding	<u>(23,850)</u>	<u>(80,595)</u>	<u>(81,360)</u>
Increase in net OPEB obligation	1,074,471	1,165,888	2,564,484
OPEB obligation – Beginning of year	<u>(947,852)</u>	<u>(2,022,323)</u>	<u>3,188,211</u>
OPEB obligation – end of year	<u>\$ 2,022,323</u>	<u>\$(3,188,211)</u>	<u>\$5,752,695</u>
	<u>Fiscal Year Ended December 31</u>		
	<u>2009</u>	<u>2010</u>	<u>2011</u>
Annual OPEB Costs	\$2,114,429	\$2,641,753	\$3,982,848
Percentage contributed	49.18%	55.87%	35.61%
Net OPEB obligation	\$2,022,323	\$3,188,211	\$5,752,695

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

	<u>Fiscal Year Ended December 31</u>		
	<u>2009</u>	<u>2010</u>	<u>2011</u>
Unfunded AAL	\$26,440,321	\$35,394,879	\$51,474,408
Actuarial value of assets.....	0	0	0
Actuarial accrued liability.....	26,440,321	25,394,879	51,474,408
Funded	0%	0%	0%
Annual covered payroll – December 31,	\$8,420,060	\$8,420,060	\$7,610,890
Ratio of UAAL to covered payroll	314.02%	420.36%	676.33%

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, 2010 actuarial valuation, the individual entry age actuarial cost method was used. The actuarial assumptions included an 4.0 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.

In 2012, the Division approved a prefunding plan and per the plan \$2,000,000 will be remitted to the trust in 2012 and \$1,200,000 per year will be remitted starting in 2013.

DRAIN COMMISSION:

The summary of long-term debt transactions for the Drain funds for the year ended September 30, 2012, is presented below:

	<u>Balance Oct. 1, 2011</u>	<u>Additions (Reductions)</u>	<u>Balance Sept. 30, 2012</u>	<u>Due in One Year</u>
Citizens Bank	\$ 250,000	\$(50,000)	\$ 200,000	\$ 50,000
3.69% to 6.85% Genesee County Special Assessment debt with governmental commitment	400,917	90,000 (197,991)	292,926	147,586
4.75 to 5.4% Genesee County Drainage District #1610 Series 2000 Bonds	250,000	(250,000)		
4.0 to 4.25% Genesee County Drainage District #408 Series 2006 Bonds	610,000	(110,000)	500,000	125,000
4.0% Genesee County Drainage District #382 Series 2007 Bonds	400,000	(400,000)		
2.0% to 3.15% Genesee County Drainage District Bonds #0017 Series 2011 Bonds		2,395,000	2,395,000	235,000
	<u>\$1,910,917</u>	<u>\$1,477,009</u>	<u>\$ 3,387,926</u>	<u>\$ 557,586</u>

The annual requirements to pay principal and interest on the outstanding obligations for the Drain funds at September 30, 2012, are as follows:

2012/2013	\$716,698
2013/2014	568,504
2014/2015	522,348
2015/2016	487,454
2016/2017	278,318
2017-2021	1,047,870
2021-2025	248,859
	3,870,051
Amount representing interest.....	(482,124)
	<u>\$ 3,387,927</u>

The following is a summary of capital assets for the Drain fund at September 30, 2012:

	<u>Balance Oct. 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance Sept. 30, 2012</u>
Capital assets being depreciated:				
Equipment.....	\$1,564,582	\$ 6,185	\$ (30,120)	\$ 1,540,647
Infrastructure.....	24,715,147	133,542		24,848,689
Drain System Retrospective	29,376,026			29,376,026
Capital assets not being depreciated:				
Construction in Progress	129,744	760,644	(139,399)	750,989
Subtotal	<u>55,785,499</u>	<u>900,371</u>	<u>(169,519)</u>	<u>56,516,351</u>
Less Allowance for Depreciation ..				
Equipment.....	(1,368,330)	(101,830)	30,120	(1,440,040)
Infrastructure.....	(8,565,169)	(2,215,945)		(10,781,114)
Drain System Retrospective	<u>(20,131,888)</u>			<u>(20,131,888)</u>
Subtotal	<u>(30,065,387)</u>	<u>(2,317,775)</u>	<u>30,120</u>	<u>(32,353,402)</u>
Net capital assets being depreciated	<u>25,590,368</u>	<u>(2,178,048)</u>		<u>23,411,960</u>
Total Capital Assets				
Net of depreciation.....	<u>\$25,720,112</u>	<u>\$ (1,417,404)</u>	<u>\$ (139,399)</u>	<u>\$ 24,163,309</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.

NOTES TO FINANCIAL STATEMENTS

GENESEE COUNTY

EXHIBIT A-13

LAND BANK AUTHORITY:

The summary of long-term debt transactions for the Genesee County Land Bank Authority for the year ended September 30, 2012, is presented below:

	<u>Balance Oct. 1, 2011</u>	<u>Additions</u>	<u>(Reductions)</u>	<u>Balance Sept. 30, 2012</u>	<u>Due In One Year</u>
Promissory Note – Genesee County	\$ 612,890	\$	\$ (102,148)	\$ 510,742	\$ 102,150
Berridge Place Project	785,000		(245,000)	540,000	260,000
Land Bank Center	1,850,000		(40,000)	1,810,000	45,000
GCLB-Berridge Planc, LLC LISC note payable...	1,374,445		(13,905)	1,360,540	14,985
Line of credit	400,000		(200,000)	200,000	
Total note leases	<u>5,022,335</u>		<u>(601,053)</u>	<u>4,421,282</u>	<u>422,135</u>
Compensated absences	38,649		(2,311)	36,338	
Total long-term	<u>\$5,060,984</u>	<u>\$</u>	<u>\$ (603,364)</u>	<u>\$ 4,457,620</u>	<u>\$ 422,135</u>

The annual requirements to pay principal and interest on the outstanding obligations at September 30, 2012, are as follows:

2013	\$ 660,157
2014	862,958
2015	1,673,471
2016	249,022
2017	249,950
2018-2022	722,221
2023-2027	736,936
2028-2032	735,755
2033-2037	<u>293,587</u>
	6,184,057
Amount representing interest.....	<u>(1,762,775)</u>
	<u>\$4,421,282</u>

The following is a summary of capital assets for the Genesee County Land Bank Authority at September 30, 2012:

	<u>Balance Oct. 1, 2011</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance Sept. 30, 2012</u>
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.....	9,152,224	31,943	(237,195)	8,946,972
Machinery and equipment	166,024			166,024
Office equipment.....	197,239			197,239
Vehicles	150,524			150,524
Subtotal	<u>9,666,011</u>	<u>31,943</u>	<u>(237,195)</u>	<u>9,460,759</u>
Less Accumulated depreciation:				
Buildings and improvements.....	(1,092,348)	(335,170)	87,365	(1,340,153)
Maintenance and equipment	(72,937)	(23,875)		(96,812)
Office equipment.....	(88,160)	(7,472)		(95,632)
Vehicles	(90,869)	(12,477)		(103,346)
Subtotal	<u>(1,344,314)</u>	<u>(378,994)</u>	<u>87,365</u>	<u>(1,635,943)</u>
Net capital assets being depreciated	<u>8,321,697</u>	<u>(347,051)</u>	<u>149,830</u>	<u>7,824,816</u>
Total capital assets – Net of depreciation	<u>\$ 8,406,005</u>	<u>\$ (347,051)</u>	<u>\$ 149,830</u>	<u>\$ 7,909,124</u>

The Authority's 1 percent ownership interest in 607 East Second Avenue, LLC (LLC) is accounted for in the statement of net assets as an equity investment. 607 East Second Avenue, LLC was created to account for the redevelopment of the old Durant Hotel. The total projected cost of the development was approximately \$35,590,000, with a total contribution of \$18,380,819 from the Authority. The Authority's capital contributions sources were from grants, Brownfield TIF bonds, and sale of state historic and state Brownfield tax credits. The Authority has recorded a loss on impairment of the fair value of its investment below cost in the amount of \$15,830,518 to bring the investment balance to \$2,085,000.

BROWNFIELD AUTHORITY:

The summary of long-term debt transactions for the Genesee County Brownfield Authority for the year ended September 30, 2012 is presented below:

	<u>Balance</u> <u>Oct. 1, 2011</u>	<u>Additions</u>	<u>(Reductions)</u>	<u>Balance</u> <u>Sept. 30, 2012</u>	<u>Due In</u> <u>One Year</u>
Unamortized note premium	\$ 424,679		(17,695)	406,984	17,695
3.0% to 5.0% Genesee County Brownfield Authority . Series 2005 Tax Increment Bonds, Subject to redemption prior to maturity	<u>12,820,000</u>		<u>(210,000)</u>	<u>\$12,610,000</u>	<u>\$245,000</u>
	<u>\$ 13,244,679</u>	<u>\$ _____</u>	<u>(\$ 227,695)</u>	<u>\$13,016,984</u>	<u>\$262,695</u>

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

2013	\$ 843,500
2014	843,500
2015	852,900
2016	861,500
2017	874,200
2018-2022	4,476,450
2023-2027	4,706,875
2028-2032	4,933,000
2033-2035	<u>3,074,875</u>
	21,466,800
Amount representing interest.....	<u>(8,856,800)</u>
	<u>\$12,610,000</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 refund of payments for special assessment districts in the Governmental Activities.
- 2) To record a prior period adjustment to recognize an impairment loss of the fair value of its investment in 607 East Second Avenue, LLC below cost.

	<u>As Previously</u> <u>Reported</u>	<u>Adjustments</u>	<u>Restated</u> <u>Amounts</u>
Component units:			
Net Assets			
Road Commission	<u>\$204,554,954</u>	<u>\$ (119,777)</u> ⁽¹⁾	<u>\$204,435,177</u>
Land Bank Authority	<u>\$ 27,331,622</u>	<u>\$ (15,830,518)</u> ⁽²⁾	<u>\$ 11,501,104</u>

NOTE P-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.

In March 2012, the GASB issued GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, which is required to be implemented for financial statements for periods beginning after December 15, 2012. Statement No. 65 establishes accounting and financial reporting standards that reclassify, as deferred outflows and inflows of resources, certain items that were previously reported as assets and liabilities. This statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources. Statement No. 65 will be implemented for the County's 2014 fiscal year.

NOTES TO FINANCIAL STATEMENTS

GENESEE COUNTY

EXHIBIT A-13

In June 2012, GASB Statement No. 67, *Financial Reporting for Pension Plans*, was issued by the Governmental Accounting Standards Board. This new standard, which replaces the requirements of GASB Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans* and No. 50, *Pension Disclosures*, establishes standards for financial reporting that outline the basic framework for separately-issued pension plan financial reports and specifies the required approach to measuring the liability of employers and certain nonemployer contributing entities, about which information is required to be disclosed. GASB Statement No. 67 is required to be adopted for years beginning after June 15, 2013. For the County, this standard will be adopted for the year ended September 30, 2014.

In June 2012, the GASB issued GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. Statement No. 68 requires governments providing defined benefit pensions to recognize their unfunded pension benefit obligation as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. This net pension liability that will be recorded on the government-wide, proprietary and discretely presented component units statements will be computed differently than the current unfunded actuarial accrued liability, using specific parameters set forth by the GASB. The statement also enhances accountability and transparency through revised note disclosures and required supplementary information (RSI). The County is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of the statement are effective for financial statements for the year ended September 30, 2015.

Note Q-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	\$ 403,995,936	\$ 983	\$ 45,600,079	\$ 449,596,998
Other assets	2,964,338		383,352	3,347,690
Liabilities	<u>(8,821,602)</u>		<u>(2,744,567)</u>	<u>(11,566,169)</u>
Net Assets	<u>398,138,672</u>	<u>983</u>	<u>43,238,864</u>	<u>441,378,519</u>
Statement of Changes in Net Assets:				
Investment Income (Loss)	(4,607,196)		5,006,497	399,301
Contributions	14,227,007		13,831,315	28,058,322
Other increases	6,898,300		1,068,919	7,967,219
Benefit payments	(38,078,725)		(13,836,717)	(51,915,442)
Other decreases	<u>(5,518,144)</u>		<u>(224,061)</u>	<u>(5,742,205)</u>
Change in Net Assets	<u>\$ (27,078,758)</u>	<u>\$</u>	<u>\$ 5,845,953</u>	<u>\$ (21,232,805)</u>

NOTE R-FUND BALANCE CONSTRAINTS

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>Community</u>	<u>Other</u>	
	<u>Fund</u>	<u>Health</u>	<u>Health</u>	<u>Action</u>	<u>Development</u>	<u>Funds</u>	<u>Total</u>
				<u>Resource</u>			
				<u>Department</u>			
Fund Balances:							
Nonspendable:							
Long-term advance to Internal Service Fund	\$ 1,748,935						\$ 1,748,935
Long-term advance to Component Unit	500,000					\$ 1,810,000	2,310,000
Prepayments:	422,710	\$ 727,935				3,000	1,153,645
Inventory:				\$ 468,159	\$ 1,524,600	144,183	2,136,942
Restricted for:							
Non-Major Special Revenue:							
Community Enrichment and Development						661,382	661,382
Drug Forfeiture						74,465	74,465
Emergency Medical Services						707,689	707,689
Health Care Services						2,194,749	2,194,749
Solid Waste Planning Activities						263,965	263,965
Senior Services						3,300,337	3,300,337
Social Services						99,389	99,389
Capital Projects-JCI Energy						323,627	323,627
Committed to:							
Non-Major Special Revenue:							
Planning Commission:							
Contractual disallowances						59,994	59,994
Local match on grant						15,000	15,000
Assigned to:							
Costs and settlements of contractual disallowances, claims and litigation	1,000,000						1,000,000
Programs:							
Mental Health		16,807,854					16,807,854
County Health			1,260,112				1,260,112
Community Action Resource Department							-
Non-Major Special Revenue:							
Child Care						\$ 1,394,526	\$ 1,394,526
Community Enrichment and Development						13,431	13,431
Parks and Recreation						4,495,426	4,495,426
Planning Commission						46,774	46,774
-Compensated absences						76,895	76,895
Non-Major Debt Service:							
2012 Refunding						2,702	2,702
Capital Projects:							
Accommodation Ordinance Tax						61,118	61,118
Bray Road Parks and Recreation						221,552	221,552
Capital Improvement						545,732	545,732
Courthouse Square						10,142	10,142
GCCARD Lippincott						255,997	255,997
Jail Site Remediation						10,465	10,465
Unassigned:	\$ 8,074,634			\$ (367,629)			7,707,005
Administration of Justice						(1,181,999)	(1,181,999)
Flint City Lockup						(8,040)	(8,040)
Law Enforcement						(15,735)	(15,735)
Planning						-	-
Sheriff Contracted Services						(168,012)	(168,012)
Hughes & Hatcher Center Debt Service						(1,754,885)	(1,754,885)
Total fund balances	\$ 11,746,279	\$ 17,535,789	\$ 1,260,112	\$ 100,530	\$ 1,524,600	\$ 13,663,869	\$ 45,831,179

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**REQUIRED
SUPPLEMENTARY
INFORMATION
GENERAL AND MAJOR FUNDS**

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

GENESEE COUNTY

Exhibit B-1

Fiscal Year Ended September 30, 2012				
	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
OPERATING REVENUE				
TAXES				
Current property taxes.....	\$ 45,950,446	\$ 47,063,420	\$ 46,798,200	\$ (265,220)
LICENSES AND PERMITS				
Dog licenses	540,000	582,500	559,554	(22,946)
Other.....	191,550	173,039	178,565	5,526
TOTALS	<u>731,550</u>	<u>755,539</u>	<u>738,119</u>	<u>(17,420)</u>
FINES AND FORFEITURES				
Ordinance fines and costs.....	1,977,843	1,390,235	1,527,730	137,495
Bond forfeitures	38,000	60,921	64,110	3,189
TOTALS	<u>2,015,843</u>	<u>1,451,156</u>	<u>1,591,840</u>	<u>140,684</u>
USE OF MONEY AND PROPERTY				
Interest earned	237,000	312,243	224,077	(88,166)
OTHER INTERGOVERNMENTAL REVENUES				
Federal revenue.....	235,000	236,875	270,207	33,332
Probate judges salaries	285,010	285,010	91,448	(193,562)
Revenue sharing.....	7,489,076	7,489,076	7,487,510	(1,566)
State liquor tax.....	2,579,384	2,865,171	2,840,464	(24,707)
State cigarette tax.....	0	27,463	27,463	0
Other.....	3,506,752	3,470,875	3,357,605	(113,270)
TOTALS	<u>14,095,222</u>	<u>14,374,470</u>	<u>14,074,697</u>	<u>(299,773)</u>
CHARGES FOR SERVICES				
Animal Shelter	47,844	45,500	48,565	3,065
District Court.....	3,507,799	2,557,009	2,738,043	181,034
Friend of the Court.....	570,491	466,558	565,944	99,386
Probate Court	129,500	148,169	145,987	(2,182)
Probation fees	33,000	33,357	33,000	(357)
County Treasurer.....	508,300	700,092	696,972	(3,120)
County Clerk	1,166,620	1,266,947	1,274,107	7,160
Register of Deeds	1,414,080	1,424,065	1,515,138	91,073
Sheriff	1,506,750	1,605,671	1,630,845	25,174
Other services	817,230	580,367	477,144	(103,223)
TOTALS	<u>9,701,614</u>	<u>8,827,735</u>	<u>9,125,745</u>	<u>298,010</u>
OTHER REVENUE.....	577,759	507,228	599,871	92,643
TOTAL OPERATING REVENUE	<u>73,309,434</u>	<u>73,291,791</u>	<u>73,152,549</u>	<u>(139,242)</u>
TRANSFERS IN				
Enterprise Funds	4,061,600	5,456,600	5,456,600	0
Special Revenue Funds.....	374,784	374,784	3,134,351	2,759,567
Capital Projects Funds.....	0	0	0	0
Debt Service Funds.....	2,770,477	2,770,477	229,870	(2,540,607)
Internal Service Funds.....	0	0	0	0
TOTAL TRANSFERS IN	<u>7,206,861</u>	<u>8,601,861</u>	<u>8,820,821</u>	<u>218,960</u>
	<u>\$ 80,516,295</u>	<u>\$ 81,893,652</u>	<u>\$ 81,973,370</u>	<u>\$ 79,718</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, 2012				
	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
LEGISLATIVE				
Board of Commissioners.....	\$ 935,732	\$ 959,585	\$ 947,599	\$ 11,986
MANAGEMENT AND PLANNING				
Board Coordinator.....	286,480	249,811	247,899	1,912
Boundary Commission.....	200			
County Clerk.....	3,057,984	2,608,903	2,628,584	(19,681)
County Treasurer.....	1,506,831	1,314,398	1,335,130	(20,732)
Drain Commission.....	1,223,037	1,226,338	1,224,023	2,315
Elections Clerk.....	662,931	643,060	638,855	4,205
Equalization.....	1,021,649	927,912	936,393	(8,481)
GIS.....	70,878	132,867	134,419	(1,552)
Register of Deeds.....	773,669	728,363	723,690	4,673
TOTALS	<u>8,603,659</u>	<u>7,831,652</u>	<u>7,868,993</u>	<u>(37,341)</u>
ADMINISTRATION OF JUSTICE				
Adult Probation.....	368,818	372,442	368,214	4,228
Circuit Court.....	10,038,962	9,119,443	9,085,822	33,621
District Court.....	6,276,223	5,873,697	5,883,791	(10,094)
Jury Board.....	287,449	285,360	287,704	(2,344)
Probate Court.....	2,710,251	2,494,893	2,514,881	(19,988)
Prosecutor.....	4,716,590	4,521,368	4,511,352	10,016
Court Services.....	400,017	244,384	241,134	3,250
TOTALS	<u>24,798,310</u>	<u>22,911,587</u>	<u>22,892,898</u>	<u>18,689</u>
LAW ENFORCE/ COMMUNITY PROTECTION				
Office of Emergency Preparedness.....	152,796	124,100	124,883	(783)
Sheriff Administration.....	2,741,272	2,583,763	2,616,061	(32,298)
Sheriff Marine Division.....	53,866	51,386	48,372	3,014
Detective Division.....	868,955	865,290	875,253	(9,963)
Sheriff Security.....	16,865,351	18,424,525	18,480,337	(55,812)
New Paths.....	85,000	85,000	85,000	0
TOTALS	<u>20,767,240</u>	<u>22,134,064</u>	<u>22,229,906</u>	<u>(95,842)</u>
HUMAN SERVICES				
Veterans Burial.....	47,262	47,262	39,626	7,636
Veterans Information Center.....	167,125	134,870	133,176	1,694
TOTALS	<u>214,387</u>	<u>182,132</u>	<u>172,802</u>	<u>9,330</u>

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

Fiscal Year Ended September 30, 2012				
	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
OTHER				
Other.....	\$ (406,290)	\$ 1,947,354	\$ 2,024,548	\$ (77,194)
Postretirement Benefits.....				
TOTALS	<u>(406,290)</u>	<u>1,947,354</u>	<u>2,024,548</u>	<u>(77,194)</u>
CAPITAL OUTLAY				
Circuit Court.....		265,648	70,918	194,730
County Clerk.....		0	35,000	(35,000)
County Treasurer.....		25,000	20,795	4,205
District Court.....		3,400	0	3,400
All others.....			6,523	(6,523)
TOTALS	<u>0</u>	<u>294,048</u>	<u>133,236</u>	<u>160,812</u>
TOTAL EXPENDITURES	<u>54,913,038</u>	<u>56,260,422</u>	<u>56,269,982</u>	<u>(9,560)</u>
APPROPRIATIONS				
Special Revenue:				
Administration of Justice Funds.....	3,445,687	3,173,616	3,147,558	26,058
Child Care.....	10,181,664	10,181,664	10,181,664	0
Community Enrichment and Development Funds.....	144,133	115,411	114,426	985
County Health.....	3,145,881	2,849,443	2,849,443	0
Law Enforcement Funds.....	93,909	527,723	527,723	0
Mental Health.....	3,700,000	3,700,000	3,597,252	102,748
Parks and Recreation.....	75,824	75,824	75,824	0
Planning Commission.....	430,163	429,035	429,035	0
Sheriff Road Patrol Services.....		111,302	111,302	0
Social Services.....	15,500	15,500	15,500	0
TOTALS	<u>21,232,761</u>	<u>21,179,518</u>	<u>21,049,727</u>	<u>129,791</u>
Debt Service and Capital Projects:				
Debt Service Funds.....	2,285,688	2,285,688	2,378,650	(92,962)
Capital Projects.....			7,729	(7,729)
	<u>2,285,688</u>	<u>2,285,688</u>	<u>2,386,379</u>	<u>(100,691)</u>
Internal Service:				
Administrative Services.....		13,131	13,131	0
Vehicles and Equipment.....	0	3,532	3,532	0
Building and Grounds.....		37,509	107,015	(69,506)
TOTALS	<u>0</u>	<u>54,172</u>	<u>123,678</u>	<u>(69,506)</u>
TOTAL APPROPRIATIONS	<u>23,518,449</u>	<u>23,519,378</u>	<u>23,559,784</u>	<u>(40,406)</u>
TOTAL EXPENDITURES AND APPROPRIATIONS	<u>\$ 78,431,487</u>	<u>\$ 79,779,800</u>	<u>\$ 79,829,766</u>	<u>\$ (49,966)</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, 2012				
	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
MENTAL HEALTH				
General Fund appropriation.....	\$ 3,700,000	\$ 3,700,000	\$ 3,597,252	\$ (102,748)
Use of money and property.....		11,298	11,298	0
Federal grants.....	5,276,031	5,581,643	4,936,612	(645,031)
State grants.....	19,435,210	20,294,790	17,319,473	(2,975,317)
Charges for services.....	113,610,503	122,133,089	110,964,045	(11,169,044)
Other.....	1,712,560	1,603,516	1,689,384	85,868
TOTALS	<u>\$ 143,734,304</u>	<u>\$ 153,324,336</u>	<u>\$ 138,518,064</u>	<u>\$ (14,806,272)</u>
COUNTY HEALTH				
General Fund appropriation.....	\$ 3,423,597	\$ 3,143,938	\$ 3,268,992	\$ 125,054
Licenses and permits.....	1,058,837	1,058,837	1,025,766	(33,071)
Federal grants.....	2,937,529	7,900,462	7,742,350	(158,112)
State grants.....	8,109,790	4,537,605	2,297,834	(2,239,771)
Charges for services.....	275,357	275,357	327,644	52,287
Other.....	355,700	323,406	1,475,066	1,151,660
TOTALS	<u>\$ 16,160,810</u>	<u>\$ 17,239,605</u>	<u>\$ 16,137,652</u>	<u>\$ (1,101,953)</u>
COMMUNITY ACTION RESOURCE DEPARTMENT				
Federal grants.....	\$ 22,826,984	\$ 22,826,984	\$ 26,956,756	4,129,772
State grants.....	120,761	120,761	1,629,057	1,508,296
Other.....	8,797,311	8,797,311	1,210,270	(7,587,041)
Transfers in.....			2,986,417	2,986,417
TOTALS	<u>\$ 31,745,056</u>	<u>\$ 31,745,056</u>	<u>\$ 32,782,500</u>	<u>\$ 1,037,444</u>
COMMUNITY DEVELOPMENT				
Federal grants.....	\$ 4,435,150	4,435,150	\$ 4,435,150	
Other.....	93,631	93,631	93,631	
TOTALS	<u>\$ 4,528,781</u>	<u>\$ 4,528,781</u>	<u>\$ 4,528,781</u>	<u>\$</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, 2012			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
MENTAL HEALTH				
Board administration.....	\$ 9,935,553	\$ 9,179,319	\$ 10,783,276	\$ (1,603,957)
Managed care.....	24,132,032	29,020,851	10,655,256	18,365,595
Residential services.....	30,303,005	30,163,688	30,410,470	(246,782)
Adult services.....	28,566,098	28,783,598	27,765,561	1,018,037
Clinical services.....	4,153,311	4,653,361	4,974,963	(321,602)
State hospitals.....	5,820,433	6,020,433	6,526,949	(506,516)
Developmental disabilities.....	21,959,062	21,959,062	21,882,525	76,537
Inpatient services.....	9,228,715	9,028,715	11,174,806	(2,146,091)
Substance abuse services.....	9,646,095	10,914,663	10,373,154	541,509
Employee benefits.....		3,179,582	3,319,023	(139,441)
Capital outlay.....		818,618	818,618	0
TOTALS	<u>\$ 143,744,304</u>	<u>\$ 153,721,890</u>	<u>\$ 138,684,601</u>	<u>\$ 15,037,289</u>
COUNTY HEALTH				
Personnel services.....	\$ 6,059,759	\$ 6,185,494	\$ 5,629,409	\$ 556,085
Fringe benefits.....	4,594,488	4,618,523	3,813,702	804,821
Supplies and services.....	4,950,628	6,127,531	4,807,793	1,319,738
Capital outlay.....		26,050	5,538	20,512
Transfers out.....			638,730	(638,730)
TOTALS	<u>\$ 15,604,875</u>	<u>\$ 16,957,598</u>	<u>\$ 14,895,172</u>	<u>\$ 2,062,426</u>
COMMUNITY ACTION RESOURCE DEPARTMENT				
Personnel services.....	\$ 9,836,510	\$ 9,836,510	\$ 8,850,618	\$ 985,892
Fringe benefits.....	5,992,815	5,992,815	5,621,292	371,523
Supplies and services.....	15,817,554	15,817,554	18,401,680	(2,584,126)
Capital outlay.....	78,177	78,177	628,916	(550,739)
Transfers out.....			415,977	(415,977)
TOTALS	<u>\$ 31,725,056</u>	<u>\$ 31,725,056</u>	<u>\$ 33,918,483</u>	<u>\$ (2,193,427)</u>
COMMUNITY DEVELOPMENT				
Supplies and services.....	\$ 1,226,667	\$ 1,226,667	\$ 1,234,167	\$ (7,500)
Capital outlay.....	7,500	7,500		7,500
Program grants.....	3,551,473	3,551,473	3,551,473	0
TOTALS	<u>\$ 4,785,640</u>	<u>\$ 4,785,640</u>	<u>\$ 4,785,640</u>	<u>\$ 0</u>

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

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**COMBINING
FUND FINANCIAL STATEMENTS
NONMAJOR GOVERNMENTAL FUNDS**

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS

GENESEE COUNTY

Exhibit C-1

	<u>Special Revenue</u>
Cash and cash equivalents - Note C.....	\$ 4,396,226
Investments - Note C.....	9,908,708
Interest and accounts receivable.....	238,845
Due from other governmental units.....	6,629,903
Due from other County funds -- Note L.....	3,441,695
Due from component unit - Land Bank Authority.....	0
Long-term advance to component unit.....	
Prepaid expenses.....	3,000
Supplies inventory.....	144,183
Other assets.....	1,633
TOTAL ASSETS	<u>\$ 24,764,193</u>
Accounts payable.....	\$ 1,707,487
Accrued payroll.....	585,889
Other accrued liabilities and deposits.....	197,182
Due to other governmental units.....	1,353,247
Due to other County funds -- Note L.....	5,470,760
Due to component unit - Note L.....	0
Deferred revenue - Note K.....	3,272,209
TOTAL LIABILITIES	<u>12,586,774</u>
Fund balances:	
Nonspendable.....	147,183
Restricted.....	7,301,976
Committed.....	74,994
Assigned.....	6,027,052
Unassigned.....	<u>(1,373,786)</u>
TOTAL FUND BALANCES	<u>12,177,419</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 24,764,193</u>

September 30, 2012

Debt Service	Capital Projects	Total Nonmajor Governmental Funds
\$ 0	\$ 0	\$ 4,396,226
		9,908,708
		238,845
146,898		6,776,801
404,294	2,142,647	5,988,636
		0
1,810,000		1,810,000
0		3,000
		144,183
		1,633
<u>\$ 2,361,192</u>	<u>\$ 2,142,647</u>	<u>\$ 29,268,032</u>
\$	\$ 714,014	\$ 2,421,501
		585,889
		197,182
		1,353,247
295,743		5,766,503
		0
<u>2,007,632</u>		<u>5,279,841</u>
<u>2,303,375</u>	<u>714,014</u>	<u>15,604,163</u>
1,810,000		1,957,183
	323,627	7,625,603
		74,994
2,702	1,105,006	7,134,760
<u>(1,754,885)</u>		<u>(3,128,671)</u>
<u>57,817</u>	<u>1,428,633</u>	<u>13,663,869</u>
<u>\$ 2,361,192</u>	<u>\$ 2,142,647</u>	<u>\$ 29,268,032</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.....	\$ 25,154,110
Licenses and permits.....	160,788
Fines and forfeitures.....	69,593
Use of money and property.....	144,504
Federal grants--Note G.....	27,396,682
State grants--Note G.....	11,149,255
Other intergovernmental revenues.....	2,568,223
Charges for services.....	5,103,439
Other.....	2,884,767
TOTAL REVENUES	<u>74,631,361</u>
Expenditures:	
Current operations:	
Management and planning.....	
Administration of justice.....	12,848,415
Law enforcement and community protection.....	11,006,141
Human services.....	46,348,463
Community enrichment and development.....	9,784,471
Other.....	1,831,649
Capital outlay.....	606,531
Debt service--Note E:	
Principal payments.....	
Interest.....	
TOTAL EXPENDITURES	<u>82,425,670</u>
REVENUES OVER(UNDER) EXPENDITURES	<u>(7,794,309)</u>
Other financing sources (uses):	
Proceeds from general obligation bonds.....	
Payment to refund bond escrow.....	
Transfers-In.....	14,938,203
Transfers-Out.....	(7,493,368)
TOTAL OTHER FINANCING SOURCES(USES)	<u>7,444,835</u>
NET CHANGE IN FUND BALANCES	(349,474)
Fund balance at beginning of year.....	12,526,893
FUND BALANCE AT END OF YEAR	<u>\$ 12,177,419</u>

Government - Fiscal Year Ended September 30, 2012

	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
\$	0		\$ 25,154,110
			160,788
			69,593
	603,963	\$ 4,875	753,342
			27,396,682
			11,149,255
			2,568,223
			5,103,439
		99,662	2,984,429
	<u>603,963</u>	<u>104,537</u>	<u>75,339,861</u>
			12,848,415
			11,006,141
			46,348,463
			9,784,471
	(1,227)	47,396	1,877,818
		2,214,122	2,820,653
	2,289,500		2,289,500
	1,489,810		1,489,810
	<u>3,778,083</u>	<u>2,261,518</u>	<u>88,465,271</u>
	<u>(3,174,120)</u>	<u>(2,156,981)</u>	<u>(13,125,410)</u>
	4,830,000		4,830,000
	(4,895,805)		(4,895,805)
	3,350,003	24,080	18,312,286
	(361,861)	(175,548)	(8,030,777)
	<u>2,922,337</u>	<u>(151,468)</u>	<u>10,215,704</u>
	(251,783)	(2,308,449)	(2,909,706)
	309,600	3,737,082	16,573,575
\$	<u>57,817</u>	<u>\$ 1,428,633</u>	<u>\$ 13,663,869</u>

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**COMBINING
FINANCIAL STATEMENTS
NONMAJOR SPECIAL REVENUE FUNDS**

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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 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.

Flint City Lockup - to account for the costs of providing additional lockup facilities in the City of Flint. Financing is provided by State grants.

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.

Sheriff Contracted Services (formerly Township Police Support Services) - to account for the costs pertaining to township police services and school resource officers performed by the Genesee County Sheriff's Department. Financing is provided primarily by the townships and schools 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

	<u>Accommodation Ordinance Tax</u>	<u>Administration of Justice</u>	<u>Child Care</u>
ASSETS			
Cash and cash equivalents.....	\$	\$	\$
Investments.....			
Interest and accounts receivable.....		8,202	
Due from other governmental units.....		1,900,366	1,281,168
Due from other County funds.....	317,334		1,311,375
Prepaid expenses.....			
Supplies inventory.....			
Other assets.....		1,480	
TOTAL ASSETS	<u>\$ 317,334</u>	<u>\$ 1,910,048</u>	<u>\$ 2,592,543</u>
 LIABILITIES AND FUND BALANCES			
Accounts payable.....	\$ 238,000	\$ 91,055	\$ 392,647
Accrued payroll.....		194,186	
Other accrued liabilities and deposits.....		100,857	93,597
Due to other governmental units.....		1,718	
Due to other County funds.....	79,334	1,095,450	
Deferred revenue.....		1,608,781	711,773
TOTAL LIABILITIES	<u>317,334</u>	<u>3,092,047</u>	<u>1,198,017</u>
 Fund balances:			
Nonspendable.....			
Restricted.....			
Committed.....			
Assigned.....			1,394,526
Unassigned.....		(1,181,999)	
TOTAL FUND BALANCES	<u>0</u>	<u>(1,181,999)</u>	<u>1,394,526</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 317,334</u>	<u>\$ 1,910,048</u>	<u>\$ 2,592,543</u>

Community Enrichment and Development	Drug Forfeiture	Emergency Medical Services	Flint City Lockup	Health Care Services
\$	\$	\$ 1,154,225	\$	\$ 2,723,417
9,579	2,850			
59,078			8,040	
1,247,404	143,353			
153				
<u>\$ 1,316,214</u>	<u>\$ 146,203</u>	<u>\$ 1,154,225</u>	<u>\$ 8,040</u>	<u>\$ 2,723,417</u>
\$	\$	\$		
77,827	2,305	22,114	3,054	13
18,491	1,922	67,236	4,986	
		357,186		528,655
545,083	67,511		8,040	
<u>641,401</u>	<u>71,738</u>	<u>446,536</u>	<u>\$ 16,080</u>	<u>\$ 528,668</u>
661,382	74,465	707,689		2,194,749
13,431			(8,040)	
<u>674,813</u>	<u>74,465</u>	<u>707,689</u>	<u>(8,040)</u>	<u>2,194,749</u>
<u>\$ 1,316,214</u>	<u>\$ 146,203</u>	<u>\$ 1,154,225</u>	<u>\$ 8,040</u>	<u>\$ 2,723,417</u>

COMBINING BALANCE SHEET-NONMAJOR SPECIAL REVENUE FUNDS-CONTINUED

GENESEE COUNTY

Exhibit D-1 Continued

	<u>Law Enforcement</u>	<u>Parks and Recreation</u>	<u>Planning Commission</u>
ASSETS			
Cash and cash equivalents.....	\$	\$	\$ 99,576
Investments.....		6,408,708	
Interest and accounts receivable.....	150,607	587	67,020
Due from other governmental units.....	654,259	51,030	370,561
Due from other County funds.....	21,366	79,334	118,525
Prepaid expenses.....		3,000	
Supplies inventory.....		144,183	
Other assets.....			
TOTAL ASSETS	<u>\$ 826,232</u>	<u>\$ 6,686,842</u>	<u>\$ 655,682</u>
LIABILITIES AND FUND BALANCES			
Accounts payable.....	\$ 203,134	\$ 147,001	\$ 142,170
Accrued payroll.....	41,459	88,773	49,172
Other accrued liabilities and deposits.....		2,728	
Due to other governmental units.....			
Due to other County funds.....	441,077	1,800,731	
Deferred revenue.....	156,297	5,000	1,712
TOTAL LIABILITIES	<u>841,967</u>	<u>2,044,233</u>	<u>193,054</u>
Fund balances:			
Nonspendable.....		147,183	
Restricted.....			263,965
Committed.....			74,994
Assigned.....		4,495,426	123,669
Unassigned.....	(15,735)		
TOTAL FUND BALANCES	<u>(15,735)</u>	<u>4,642,609</u>	<u>462,628</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 826,232</u>	<u>\$ 6,686,842</u>	<u>\$ 655,682</u>

September 30, 2012

Revenue Sharing	Senior Services	Sheriff Contracted Services	Social Services	Workforce Investment Act Program	Total
\$	\$ 419,008 3,500,000	\$	\$	\$	\$ 4,396,226
					9,908,708
					238,845
		747,174	53,099	1,505,128	6,629,903
			203,004		3,441,695
					3,000
					144,183
					1,633
<u>\$ 0</u>	<u>\$ 3,919,008</u>	<u>\$ 747,174</u>	<u>\$ 256,103</u>	<u>\$ 1,505,128</u>	<u>\$ 24,764,193</u>
	\$ 379,864 5,836	\$ 2,589 112,328	\$ 5,714	\$ 1,500	\$ 1,707,487
					585,889
					197,182
			151,000	1,200,529	1,353,247
	232,971	632,257		303,099	5,470,760
		168,012			3,272,209
<u>\$ 0</u>	<u>618,671</u>	<u>915,186</u>	<u>156,714</u>	<u>1,505,128</u>	<u>12,586,774</u>
	3,300,337		99,389		147,183
					7,301,976
					74,994
		(168,012)			6,027,052
					(1,373,786)
<u>0</u>	<u>3,300,337</u>	<u>(168,012)</u>	<u>99,389</u>	<u>0</u>	<u>12,177,419</u>
<u>\$ 0</u>	<u>\$ 3,919,008</u>	<u>\$ 747,174</u>	<u>\$ 256,103</u>	<u>\$ 1,505,128</u>	<u>\$ 24,764,193</u>

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

GENESEE COUNTY

Exhibit D-2

	<u>Accommodation Ordinance Tax</u>	<u>Administration of Justice</u>	<u>Child Care</u>
Revenues:			
Taxes.....	\$ 1,190,274	\$	\$
Licenses and permits.....			
Fines and forfeitures.....			
Use of money and property.....			
Federal grants.....		7,809,091	79,142
State grants.....		1,875,763	5,839,166
Other intergovernmental revenue.....		2,066	
Charges for services.....		1,008,641	264,999
Other.....		92,893	458,916
TOTAL REVENUES	<u>1,190,274</u>	<u>10,788,454</u>	<u>6,642,223</u>
Expenditures:			
Current Operations:			
Management and planning.....			
Administration of justice.....		12,848,415	
Law enforcement and community protection.....			
Human services.....			14,437,185
Community enrichment and development.....	882,096		
Other.....			
Capital outlay.....			1,317
Debt Service:			
Principal Payments.....			
TOTAL EXPENDITURES	<u>882,096</u>	<u>12,848,415</u>	<u>14,438,502</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>308,178</u>	<u>(2,059,961)</u>	<u>(7,796,279)</u>
Other financing sources (uses):			
Transfers-In.....		3,150,789	10,181,664
Transfers-Out.....	(308,178)		(2,773,708)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(308,178)</u>	<u>3,150,789</u>	<u>7,407,956</u>
NET CHANGE IN FUND BALANCES		1,090,828	(388,323)
Fund balances at beginning of year.....		(2,272,827)	1,782,849
FUND BALANCES AT END OF YEAR	<u>\$ 0</u>	<u>\$ (1,181,999)</u>	<u>\$ 1,394,526</u>

Community Enrichment and Development	Drug Forfeiture	Emergency Medical Services	Flint City Lockup	Health Care Services
\$	\$	\$ 4,393,427	\$	\$ 8,957,517
	69,593			
181,752		4,373		8,151
163,159				
391,006				
1,711,044				
<u>2,446,961</u>	<u>69,593</u>	<u>4,397,800</u>	<u>0</u>	<u>8,965,668</u>
		5,126,797	8,040	8,287,704
2,572,662	132,523			
190,783				
<u>2,763,445</u>	<u>132,523</u>	<u>5,126,797</u>	<u>8,040</u>	<u>8,287,704</u>
<u>(316,484)</u>	<u>(62,930)</u>	<u>(728,997)</u>	<u>(8,040)</u>	<u>677,964</u>
114,426				
(112,137)	(39,398)			(419,549)
<u>2,289</u>	<u>(39,398)</u>	<u>0</u>		<u>(419,549)</u>
(314,195)	(102,328)	(728,997)	(8,040)	258,415
<u>989,008</u>	<u>176,793</u>	<u>1,436,686</u>		<u>1,936,334</u>
<u>\$ 674,813</u>	<u>\$ 74,465</u>	<u>\$ 707,689</u>	<u>\$ (8,040)</u>	<u>\$ 2,194,749</u>

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

GENESEE COUNTY

	<u>Law Enforcement</u>	<u>Parks and Recreation</u>	<u>Planning Commission</u>
Revenues:			
Taxes.....	\$	\$	\$
Licenses and permits.....	154,588	4,341,221	6,200
Fines and forfeitures.....			
Use of money and property.....		109,591	
Federal grants.....	1,439,321		704,788
State grants.....	827,027	52,072	46,842
Other intergovernmental revenue.....	124,035		
Charges for services.....	131,647	1,847,948	1,459,198
Other.....	214,799	386,042	10,874
TOTAL REVENUES	<u>2,891,417</u>	<u>6,736,874</u>	<u>2,227,902</u>
Expenditures:			
Current Operations:			
Management and planning.....			
Administration of justice.....			
Law enforcement and community protection.....	3,152,061		
Human services.....			
Community enrichment and development.....		3,662,795	2,666,918
Other.....		1,699,126	
Capital outlay.....	96,324	277,627	38,287
Debt Service:			
Principal Payments.....			
TOTAL EXPENDITURES	<u>3,248,385</u>	<u>5,639,548</u>	<u>2,705,205</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(356,968)</u>	<u>1,097,326</u>	<u>(477,303)</u>
Other financing sources (uses):			
Transfers-In.....	567,120	368,367	429,035
Transfers-Out.....		(917,914)	
TOTAL OTHER FINANCING SOURCES (USES)	<u>567,120</u>	<u>(549,547)</u>	<u>429,035</u>
NET CHANGE IN FUND BALANCES	210,152	547,779	(48,268)
Fund balances at beginning of year.....	(225,887)	4,094,830	510,896
FUND BALANCES AT END OF YEAR	<u>\$ (15,735)</u>	<u>\$ 4,642,609</u>	<u>\$ 462,628</u>

Fiscal Year Ended September 30, 2012

Revenue Sharing	Senior Services	Sheriff Contracted Services	Social Services	Workforce Investment Act Program	Total
\$	\$ 6,271,671	\$	\$	\$	\$ 25,154,110
					160,788
16	22,373				69,593
				17,182,588	144,504
			865,048	1,480,178	27,396,682
		2,442,122			11,149,255
					2,568,223
					5,103,439
	10,199				2,884,767
<u>16</u>	<u>6,304,243</u>	<u>2,442,122</u>	<u>865,048</u>	<u>18,662,766</u>	<u>74,631,361</u>
					12,848,415
		2,719,243			11,006,141
	4,986,268		1,014,760	17,622,546	46,348,463
					9,784,471
		2,193			1,831,649
					606,531
<u>0</u>	<u>4,986,268</u>	<u>2,721,436</u>	<u>1,014,760</u>	<u>17,622,546</u>	<u>82,425,670</u>
<u>16</u>	<u>1,317,975</u>	<u>(279,314)</u>	<u>(149,712)</u>	<u>1,040,220</u>	<u>(7,794,309)</u>
		111,302	15,500		14,938,203
<u>(16)</u>	<u>(1,882,248)</u>	<u>111,302</u>	<u>15,500</u>	<u>(1,040,220)</u>	<u>(7,493,368)</u>
<u>(16)</u>	<u>(1,882,248)</u>	<u>111,302</u>	<u>15,500</u>	<u>(1,040,220)</u>	<u>7,444,835</u>
0	(564,273)	(168,012)	(134,212)	0	(349,474)
	3,864,610	0	233,601	0	12,526,893
<u>0</u>	<u>\$ 3,300,337</u>	<u>\$ (168,012)</u>	<u>\$ 99,389</u>	<u>\$ 0</u>	<u>\$ 12,177,419</u>

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

GENESEE COUNTY

Exhibit D-3

	Fiscal Year Ended September 30, 2012			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
ACCOMMODATION ORDINANCE TAX				
Taxes.....	\$ 1,000,000	\$ 1,000,000	\$ 1,190,274	\$ 190,274
TOTALS	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>	<u>\$ 1,190,274</u>	<u>\$ 190,274</u>
ADMINISTRATION OF JUSTICE				
General Fund appropriation.....	\$ 3,962,935	\$ 3,657,824	\$ 3,147,558	\$ (510,266)
Federal grants.....	7,840,712	7,767,421	7,809,091	41,670
State grants.....	1,826,505	1,826,505	1,875,763	49,258
Charges for services.....	777,069	777,069	1,008,641	231,572
Other.....	59,699	59,699	94,959	35,260
Other Transfers-In.....			3,231	3,231
TOTALS	<u>\$ 14,466,920</u>	<u>\$ 14,088,518</u>	<u>\$ 13,939,243</u>	<u>\$ (149,275)</u>
CHILD CARE				
General Fund appropriation.....	\$ 10,181,664	\$ 10,181,664	\$ 10,181,664	\$
Federal grants.....	90,000	90,000	79,142	(10,858)
State grants.....	7,986,853	7,983,622	5,839,166	(2,144,456)
Charges for services.....	455,110	185,000	264,999	79,999
Other.....	256,504	526,614	458,916	(67,698)
TOTALS	<u>\$ 18,970,131</u>	<u>\$ 18,966,900</u>	<u>\$ 16,823,887</u>	<u>\$ (2,143,013)</u>
COMMUNITY ENRICHMENT AND DEVELOPMENT				
General Fund appropriation.....	\$ 144,133	\$ 115,411	\$ 114,426	\$ (985)
Federal grants.....	87,849	87,849	181,752	93,903
State grants.....	137,663	112,757	163,159	50,402
Charges for services.....	741,963	741,963	391,006	(350,957)
Other.....	9,600	9,600	1,711,044	1,701,444
TOTALS	<u>\$ 1,121,208</u>	<u>\$ 1,067,580</u>	<u>\$ 2,561,387</u>	<u>\$ 1,493,807</u>
DRUG FORFEITURES				
Fines and forfeitures.....	\$ 89,419	\$ 89,419	\$ 69,593	\$ (19,826)
TOTALS	<u>\$ 89,419</u>	<u>\$ 89,419</u>	<u>\$ 69,593</u>	<u>\$ (19,826)</u>
EMERGENCY MEDICAL SERVICES				
Taxes.....	\$ 4,435,148	\$ 4,435,148	\$ 4,393,427	\$ (41,721)
Use of money and property.....	3,000	5,000	4,373	(627)
TOTALS	<u>\$ 4,438,148</u>	<u>\$ 4,440,148</u>	<u>\$ 4,397,800</u>	<u>\$ (42,348)</u>
FLINT CITY LOCKUP				
State grants.....	\$	\$	\$	\$
TOTALS	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
HEALTH CARE SERVICES				
Taxes.....	\$ 9,165,922	\$ 9,165,922	\$ 8,957,517	\$ (208,405)
Use of money and property.....			8,151	8,151
TOTALS	<u>\$ 9,165,922</u>	<u>\$ 9,165,922</u>	<u>\$ 8,965,668</u>	<u>\$ (200,254)</u>

	Fiscal Year Ended September 30, 2012			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance with Final Budget- Positive (Negative)
LAW ENFORCEMENT				
General Fund appropriation.....	\$ 93,909	\$ 93,909	\$ 527,722	\$ 433,813
Licenses and permits.....	232,804	232,804	154,588	(78,216)
Federal grants.....	212,045	212,045	1,439,321	1,227,276
State grants.....	819,200	854,903	827,027	(27,876)
Charges for services.....			131,647	131,647
Other.....	757,011	700,149	214,799	(485,350)
Other Transfers-In.....	11,781	11,781	39,398	27,617
Other intergovernmental revenue.....			124,035	124,035
TOTALS	<u>\$ 2,126,750</u>	<u>\$ 2,105,591</u>	<u>\$ 3,458,537</u>	<u>\$ 1,352,946</u>
PARKS AND RECREATION				
General Fund appropriation.....	\$ 75,824	\$ 75,824	\$ 75,824	\$
Taxes.....	4,435,148	4,435,148	4,341,221	(93,927)
Use of money and property.....	105,000	105,000	109,591	4,591
State grants.....	5,000	5,000	52,072	47,072
Other Transfers-In.....	250,000	250,000	292,543	42,543
Charges for services.....	51,000	51,000	1,847,948	1,796,948
Other.....	210,329	210,329	386,042	175,713
TOTALS	<u>\$ 5,132,301</u>	<u>\$ 5,132,301</u>	<u>\$ 7,105,241</u>	<u>\$ 1,972,940</u>
PLANNING COMMISSION				
General Fund appropriation.....	\$ 430,163	\$ 429,035	\$ 429,035	\$
Licenses and permits.....			6,200	6,200
Federal grants.....	1,921,426	1,921,426	704,788	(1,216,638)
State grants.....			46,842	46,842
Charges for services.....	1,306,001	1,306,001	1,459,198	153,197
Other.....	223,784	223,784	10,874	(212,910)
TOTALS	<u>\$ 3,881,374</u>	<u>\$ 3,880,246</u>	<u>\$ 2,656,937</u>	<u>\$ (1,223,309)</u>
REVENUE SHARING				
Use of money and property.....	\$	\$	\$ 16	\$ (16)
TOTALS	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 16</u>	<u>\$ (16)</u>
SENIOR SERVICES				
Taxes.....	\$ 6,400,000	\$ 6,400,000	\$ 6,281,870	(118,130)
Use of money and property.....			22,373	22,373
TOTALS	<u>\$ 6,400,000</u>	<u>\$ 6,400,000</u>	<u>\$ 6,304,243</u>	<u>\$ (95,757)</u>
SHERIFF CONTRACTED SERVICES				
Other intergovernmental revenue.....	\$ 2,362,246	\$ 2,442,122	\$ 2,442,122	\$
Transfers in.....		111,302	111,302	
TOTALS	<u>\$ 2,362,246</u>	<u>\$ 2,553,424</u>	<u>\$ 2,553,424</u>	<u>\$</u>
SOCIAL SERVICES				
General Fund appropriation.....	\$ 15,500	\$ 15,500	\$ 15,500	\$
State grants.....	865,048	865,048	865,048	
TOTALS	<u>\$ 880,548</u>	<u>\$ 880,548</u>	<u>\$ 880,548</u>	<u>\$</u>
WORKFORCE INVESTMENT ACT PROGRAM				
Federal grants.....	\$ 17,182,588	\$ 17,182,588	\$ 17,182,588	\$
State grants.....	1,480,178	1,480,178	1,480,178	
TOTALS	<u>\$ 18,662,766</u>	<u>\$ 18,662,766</u>	<u>\$ 18,662,766</u>	<u>\$</u>

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

GENESEE COUNTY

Exhibit D-4

	Fiscal Year Ended September 30, 2012			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
ACCOMMODATION ORDINANCE TAX				
Supplies and services.....	\$ 706,000	\$ 706,000	\$ 882,096	\$ (176,096)
Transfer to Parks and Recreation.....	294,000	294,000	308,178	(14,178)
TOTALS	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>	<u>\$ 1,190,274</u>	<u>\$ (190,274)</u>
ADMINISTRATION OF JUSTICE				
Personnel services.....	\$ 6,693,755	\$ 6,467,685	\$ 6,005,088	\$ 462,597
Fringe benefits.....	4,732,896	4,580,564	4,439,194	141,370
Supplies and services.....	2,883,865	2,883,865	2,403,071	480,794
Capital outlay.....	625,000	625,000		625,000
Other.....			1,062	(1,062)
TOTALS	<u>\$ 14,935,516</u>	<u>\$ 14,557,114</u>	<u>\$ 12,848,415</u>	<u>\$ 1,708,699</u>
CHILD CARE				
Foster care.....	\$ 1,684,421	\$ 1,684,421	\$ 1,279,274	\$ 405,147
Private institutional care.....	9,830,201	9,915,766	6,538,130	3,377,636
Juvenile detention center.....	4,762,885	4,670,858	4,114,015	556,843
Training schools.....	2,692,624	2,692,624	2,507,083	185,541
Capital Outlay.....			1,317	(1,317)
Transfer out.....		3,231	2,773,708	(2,770,477)
TOTALS	<u>\$ 18,970,131</u>	<u>\$ 18,966,900</u>	<u>\$ 17,213,527</u>	<u>\$ 1,753,373</u>
COMMUNITY ENRICHMENT AND DEVELOPMENT				
Personnel services.....	\$ 253,464	\$ 242,514	\$ 926,776	\$ (684,262)
Fringe benefits.....	231,409	148,989	470,634	(321,645)
Supplies and services.....	683,398	657,368	1,175,254	(517,886)
Capital outlay.....	18,800	18,800	190,781	(171,981)
Transfers out.....			112,137	(112,137)
TOTALS	<u>\$ 1,187,071</u>	<u>\$ 1,067,671</u>	<u>\$ 2,875,582</u>	<u>\$ (1,807,911)</u>
DRUG FORFEITURES				
Personnel services.....	\$ 49,741	\$ 49,741	\$ 62,686	\$ (12,945)
Fringe benefits.....	39,678	39,678	50,583	(10,905)
Supplies and services.....			19,254	(19,254)
Transfers out.....			39,398	(39,398)
TOTALS	<u>\$ 89,419</u>	<u>\$ 89,419</u>	<u>\$ 171,921</u>	<u>\$ (82,502)</u>

Fiscal Year Ended September 30, 2012

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance with Final Budget- Positive (Negative)
EMERGENCY MEDICAL SERVICES				
Personnel services.....	\$ 2,038,678	\$ 2,315,411	\$ 2,390,080	\$ (74,669)
Fringe benefits.....	1,754,941	1,957,776	1,750,537	207,239
Supplies and services.....	956,675	956,675	986,180	(29,505)
TOTALS	<u>\$ 4,750,294</u>	<u>\$ 5,229,862</u>	<u>\$ 5,126,797</u>	<u>\$ 103,065</u>
FLINT CITY LOCKUP				
Personnel services.....	\$	\$ 4,986	\$ 4,986	\$
Fringe benefits.....		2,398	2,398	
Supplies and services.....		656	656	
TOTALS	<u>\$ 0</u>	<u>\$ 8,040</u>	<u>\$ 8,040</u>	<u>\$</u>
HEALTH CARE SERVICES				
Supplies and services.....	\$ 9,165,922	\$ 9,165,922	\$ 8,287,704	\$ 878,218
Transfers out.....			419,549	(419,549)
TOTALS	<u>\$ 9,165,922</u>	<u>\$ 9,165,922</u>	<u>\$ 8,707,253</u>	<u>\$ 458,669</u>
LAW ENFORCEMENT				
Personnel services.....	\$ 633,025	\$ 643,778	\$ 851,007	\$ (207,229)
Fringe benefits.....	304,917	286,316	515,806	(229,490)
Supplies and services.....	729,867	918,992	1,688,912	(769,920)
Other.....			96,336	(96,336)
Capital outlay.....	66,566	66,566	96,324	(29,758)
Transfers out.....	276,031	185,226		185,226
TOTALS	<u>\$ 2,010,406</u>	<u>\$ 2,100,878</u>	<u>\$ 3,248,385</u>	<u>\$ (1,147,507)</u>
PARKS AND RECREATION				
Personnel services.....	\$ 1,867,353	\$ 1,867,353	\$ 2,161,800	\$ (294,447)
Fringe benefits.....	1,052,672	1,052,672	884,513	168,159
Supplies and services.....	214,292	214,292	616,482	(402,190)
Other.....	1,387,761	1,387,761	1,699,126	(311,365)
Capital outlay.....	15,000	15,000	277,627	(262,627)
Transfers out.....	595,223	595,223	917,914	(322,691)
TOTALS	<u>\$ 5,132,301</u>	<u>\$ 5,132,301</u>	<u>\$ 6,557,462</u>	<u>\$ (1,425,161)</u>
PLANNING COMMISSION				
Personnel services.....	\$ 1,423,750	\$ 1,195,947	\$ 1,027,970	\$ 167,977
Fringe benefits.....	1,091,623	1,318,298	1,068,321	249,977
Supplies and services.....	1,366,001	1,330,287	570,627	759,660
Capital outlay.....		35,714	38,287	(2,573)
TOTALS	<u>\$ 3,881,374</u>	<u>\$ 3,880,246</u>	<u>\$ 2,705,205</u>	<u>\$ 1,175,041</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, 2012

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
REVENUE SHARING				
Transfers out.....	\$	\$	\$ 16	\$ (16)
TOTALS	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 16</u>	<u>\$ (16)</u>
SENIOR SERVICES				
Personnel services.....	\$ 163,094	\$ 247,716	\$ 226,145	\$ 21,571
Supplies and services.....	84,622	112,500	29,081	83,419
Programs and grants.....	6,545,859	6,450,773	4,731,042	1,719,731
Transfers out.....	359,522	347,608	1,882,248	(1,534,640)
TOTALS	<u>\$ 7,153,097</u>	<u>\$ 7,158,597</u>	<u>\$ 6,868,516</u>	<u>\$ 290,081</u>
SHERIFF CONTRACTED SERVICES				
Personnel services.....	\$ 1,091,610	\$ 1,289,527	\$ 1,289,527	\$
Fringe benefits.....	1,044,636	1,209,882	1,209,882	
Capital outlay.....		2,453	2,193	260
Supplies and services.....	190,000	219,564	219,834	(270)
TOTALS	<u>\$ 2,326,246</u>	<u>\$ 2,721,426</u>	<u>\$ 2,721,436</u>	<u>\$ (10)</u>
SOCIAL SERVICES				
State programs.....	\$ 1,014,760	\$ 1,014,760	\$ 1,014,760	\$
TOTALS	<u>\$ 1,014,760</u>	<u>\$ 1,014,760</u>	<u>\$ 1,014,760</u>	<u>\$</u>
WORKFORCE INVESTMENT ACT PROGRAM				
Personnel services.....	\$ 36,471	\$ 36,471	\$ 36,471	\$
Fringe benefits.....	25,336	25,336	25,336	
Supplies and services.....	17,560,739	17,560,739	17,560,739	
Transfers out.....	1,040,220	1,040,220	1,040,220	
TOTALS	<u>\$ 18,662,766</u>	<u>\$ 18,662,766</u>	<u>\$ 18,662,766</u>	<u>\$</u>

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

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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.

2011 Note Repayment - To account for the funding and payment of principal and interest on tax anticipation note issued for cash flow for the Genesee County General Fund.

Note Series 2011 - To account for the proceeds and distribution of property tax anticipation notes that were issued in 2011 to provide cash flow for the Genesee County General Fund.

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

2012 Refunding - To account for the funding and payment of interest on the consolidation of the GCCARD and Burton Clinic Bonds.

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.....				
Due from other governmental units.....				
Long term advance to component unit.....				
TOTAL ASSETS	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
 LIABILITIES AND FUND BALANCES				
Accounts payable.....	\$	\$	\$	\$
Due to other funds.....				
Deferred revenue.....				
TOTAL LIABILITIES	<u>\$ 0</u>	<u>\$ 0</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>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

September 30, 2012

GCCARD Warehouse	Hughes & Hatcher Center	JCI Energy Bond	2011 Note Repayment	Note Series 2011	1998 Refinancing	2012 Refunding	Total
\$	\$	\$	\$	\$	\$	\$	\$
	105,849	153,727 146,898		142,016		2,702	0 0 404,294 146,898 1,810,000
<u>\$ 0</u>	<u>\$ 1,810,000</u> <u>\$ 1,915,849</u>	<u>\$ 300,625</u>	<u>\$ 0</u>	<u>\$ 142,016</u>	<u>\$ 0</u>	<u>\$ 2,702</u>	<u>\$ 2,361,192</u>
\$	\$	\$	\$	\$	\$	\$	\$
	1,860,734	153,727 146,898		142,016			0 295,743 2,007,632
<u>\$ 0</u>	<u>\$ 1,860,734</u>	<u>\$ 300,625</u>	<u>\$ 0</u>	<u>\$ 142,016</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,303,375</u>
	1,810,000					2,702	1,810,000 2,702 (1,754,885)
<u>0</u>	<u>(1,754,885)</u> <u>55,115</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,702</u>	<u>57,817</u>
<u>\$ 0</u>	<u>\$ 1,915,849</u>	<u>\$ 300,625</u>	<u>\$ 0</u>	<u>\$ 142,016</u>	<u>\$ 0</u>	<u>\$ 2,702</u>	<u>\$ 2,361,192</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.....		193,274		
TOTAL REVENUES	<u>0</u>	<u>\$ 193,274</u>	<u>0</u>	<u>0</u>
Expenditures:				
Current Operations:				
Debt Service:				
Other.....	275	225	250	275
Principal Payments.....	240,000	355,000	1,350,000	130,000
Interest and Fiscal Charges.....	9,720	38,413	637,933	63,251
TOTAL EXPENDITURES	<u>249,995</u>	<u>393,638</u>	<u>1,988,183</u>	<u>193,526</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(249,995)</u>	<u>(200,364)</u>	<u>(1,988,183)</u>	<u>(193,526)</u>
Transfers in (out):				
Proceeds from bonds.....			3,095,000	1,735,000
Payment to refund bond escrow.....			(3,133,533)	(1,762,272)
Transfers-In.....	249,995	200,364	2,026,716	220,798
Transfers-Out.....				
TOTAL OTHER FINANCING SOURCES (USES)	<u>249,995</u>	<u>200,364</u>	<u>1,988,183</u>	<u>193,526</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, 2012

<u>GCCARD Warehouse</u>	<u>Hughes & Hatcher Center</u>	<u>JCI Energy Bond</u>	<u>2011 Note Repayment</u>	<u>Note Series 2011</u>	<u>1998 Refinancing</u>	<u>2012 Refunding</u>	<u>Total</u>
\$	\$	\$	\$	\$	\$	\$	\$
	143,368	261,189	5,990	142			0
<u>0</u>	<u>143,368</u>	<u>261,189</u>	<u>5,990</u>	<u>142</u>	<u>0</u>	<u>0</u>	<u>603,963</u>
115,000	40,000				450	(2,702)	(1,227)
57,632	103,368	436,902	128,778		59,500		2,289,500
<u>172,632</u>	<u>143,368</u>	<u>436,902</u>	<u>128,778</u>	<u>0</u>	<u>13,813</u>	<u>(2,702)</u>	<u>1,489,810</u>
<u>(172,632)</u>	<u>0</u>	<u>(175,713)</u>	<u>(122,788)</u>	<u>142</u>	<u>(73,763)</u>	<u>2,702</u>	<u>(3,174,120)</u>
172,632		64,724	275,827	65,184	73,763		4,830,000
			(153,039)	(208,822)			(4,895,805)
<u>172,632</u>	<u>0</u>	<u>64,724</u>	<u>122,788</u>	<u>(143,638)</u>	<u>0</u>	<u>0</u>	<u>3,350,003</u>
							(361,861)
							<u>2,922,337</u>
	0	(110,989)	0	(143,496)		2,702	(251,783)
	<u>55,115</u>	<u>110,989</u>	<u>0</u>	<u>143,496</u>	<u>0</u>	<u>0</u>	<u>309,600</u>
<u>\$ 0</u>	<u>\$ 55,115</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,702</u>	<u>\$ 57,817</u>

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**COMBINING
FINANCIAL STATEMENTS
CAPITAL PROJECT FUNDS**

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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

	<u>Accommodation Ordinance Tax</u>	<u>Bray Road Parks and Recreation</u>	<u>Capital Improvement</u>
ASSETS			
Due from other county funds.....	\$ 61,118	\$ 221,552	\$ 545,732
TOTAL ASSETS	<u>\$ 61,118</u>	<u>\$ 221,552</u>	<u>\$ 545,732</u>
LIABILITIES AND FUND BALANCES			
Accounts payable.....	\$ 0	\$ 0	\$ 0
TOTAL LIABILITIES	<u>0</u>	<u>0</u>	<u>0</u>
Fund balances:			
Restricted.....			
Assigned.....	61,118	221,552	545,732
TOTAL FUND BALANCES	<u>61,118</u>	<u>221,552</u>	<u>545,732</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 61,118</u>	<u>\$ 221,552</u>	<u>\$ 545,732</u>

September 30, 2012

Courthouse Square	GCCARD Lippincott	Jail Site Remediation	JCI Energy	Total
\$ 10,142	\$ 255,997	\$ 11,370	\$ 1,036,736	\$ 2,142,647
<u>\$ 10,142</u>	<u>\$ 255,997</u>	<u>\$ 11,370</u>	<u>\$ 1,036,736</u>	<u>\$ 2,142,647</u>
\$ 0	\$ 0	\$ 905	\$ 713,109	\$ 714,014
<u>0</u>	<u>0</u>	<u>905</u>	<u>713,109</u>	<u>714,014</u>
10,142	255,997	10,465	323,627	323,627
<u>10,142</u>	<u>255,997</u>	<u>10,465</u>	<u>323,627</u>	<u>1,105,006</u>
10,142	255,997	10,465	323,627	1,428,633
<u>10,142</u>	<u>255,997</u>	<u>10,465</u>	<u>323,627</u>	<u>1,428,633</u>
\$ 10,142	\$ 255,997	\$ 11,370	\$ 1,036,736	\$ 2,142,647
<u>\$ 10,142</u>	<u>\$ 255,997</u>	<u>\$ 11,370</u>	<u>\$ 1,036,736</u>	<u>\$ 2,142,647</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.....	\$	\$	\$
Federal grants.....			
TOTAL REVENUES	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures:			
Current Operations:			
Capital outlay.....			
Other.....		10,475	30,472
TOTAL EXPENDITURES	<u>0</u>	<u>10,475</u>	<u>30,472</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>0</u>	<u>(10,475)</u>	<u>(30,472)</u>
Other financing sources (uses):			
Transfers in (out):			
Transfers-In.....	16,351		7,729
Transfers-Out.....			(175,548)
TOTAL OTHER FINANCING SOURCES (USES)	<u>16,351</u>	<u>0</u>	<u>(167,819)</u>
NET CHANGE IN FUND BALANCE	16,351	(10,475)	(198,291)
Fund balance at beginning of year.....	44,767	232,027	744,023
FUND BALANCE AT END OF YEAR	<u>\$ 61,118</u>	<u>\$ 221,552</u>	<u>\$ 545,732</u>

Fiscal Year Ended September 30, 2012

Courthouse Square	GCCARD Lippincott	Jail Site Remediation	JCI Energy	Total
\$	\$	\$	\$ 4,875	\$ 4,875
			99,662	99,662
0		0	104,537	104,537
			2,214,122	2,214,122
4,443		2,006		47,396
4,443		2,006	2,214,122	2,261,518
(4,443)		(2,006)	(2,109,585)	(2,156,981)
				24,080
				(175,548)
0			0	(151,468)
(4,443)		(2,006)	(2,109,585)	(2,308,449)
14,585	255,997	12,471	2,433,212	3,737,082
\$ 10,142	\$ 255,997	\$ 10,465	\$ 323,627	\$ 1,428,633

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**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.....	\$ 847,455	\$ 28,651	\$ 306,507	\$ 1,182,613
Investments.....	876,663			876,663
Supplies inventory.....		32,799		32,799
Prepayments.....	37,517			37,517
TOTAL CURRENT ASSETS	<u>1,761,635</u>	<u>61,450</u>	<u>306,507</u>	<u>2,129,592</u>
CAPITAL ASSETS				
Land.....	706,110		12,078	718,188
Land improvements.....	3,074,493			3,074,493
Buildings and improvements.....	1,181,214			1,181,214
Equipment.....	3,703,757		63,023	3,766,780
TOTAL CAPITAL ASSETS	<u>8,665,574</u>	<u>0</u>	<u>75,101</u>	<u>8,740,675</u>
Less allowances for depreciation.....	7,726,359		75,101	7,801,460
TOTAL CAPITAL ASSETS, NET	<u>939,215</u>	<u>0</u>	<u>0</u>	<u>939,215</u>
TOTAL ASSETS	<u>\$ 2,700,850</u>	<u>\$ 61,450</u>	<u>\$ 306,507</u>	<u>\$ 3,068,807</u>
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable.....	\$ 2,477	\$	\$ 5,372	\$ 7,849
Accrued payroll.....	11,801			11,801
Other accrued liabilities and deposits.....	10,811		52,930	63,741
Current portion of notes/bonds payable.....	25,500			25,500
TOTAL CURRENT LIABILITIES	<u>50,589</u>	<u>0</u>	<u>58,302</u>	<u>108,891</u>
LONG-TERM DEBT				
Net OPEB obligation.....	130,985			130,985
General and workers compensation claim liability.....				
Notes/bonds payable exclusive of current portion.....	46,500			46,500
TOTAL LONG-TERM DEBT	<u>177,485</u>	<u>0</u>	<u>0</u>	<u>177,485</u>
TOTAL LIABILITIES	<u>228,074</u>	<u>0</u>	<u>58,302</u>	<u>286,376</u>
NET ASSETS:				
Restricted for parks & recreation non expendable.....	876,663			876,663
Invested in capital assets net of related debt.....	867,215			867,215
Unrestricted.....	728,898	61,450	248,205	1,038,553
TOTAL NET ASSETS	<u>2,472,776</u>	<u>61,450</u>	<u>248,205</u>	<u>2,782,431</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,700,850</u>	<u>\$ 61,450</u>	<u>\$ 306,507</u>	<u>\$ 3,068,807</u>

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

GENESEE COUNTY

Exhibit G-2

	Fiscal Year Ended September 30, 2012			
	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.....	\$ 328,714	\$ 534,150	\$ 84,909	\$ 947,773
TOTAL OPERATING REVENUES	<u>328,714</u>	<u>534,150</u>	<u>84,909</u>	<u>947,773</u>
Operating expenses:				
Salaries and fringe benefits.....	597,900			597,900
Supplies and other operating expenses.....	193,925	323,556	65,795	583,276
Depreciation.....	92,453			92,453
TOTAL OPERATING EXPENSES	<u>884,278</u>	<u>323,556</u>	<u>65,795</u>	<u>1,273,629</u>
OPERATING INCOME (LOSS)	<u>(555,564)</u>	<u>210,594</u>	<u>19,114</u>	<u>(325,856)</u>
Non-operating revenues (expenses):				
Investment earnings (loss).....	90,711	(5,396)		85,315
Interest expense.....	(4,344)			(4,344)
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>86,367</u>	<u>(5,396)</u>	<u>0</u>	<u>80,971</u>
INCOME (LOSS) BEFORE TRANSFERS	<u>(469,197)</u>	<u>205,198</u>	<u>19,114</u>	<u>(244,885)</u>
Transfers-in.....	520,473			520,473
Transfers-out.....	(2,438)	(200,000)		(202,438)
TOTAL TRANSFERS	<u>518,035</u>	<u>(200,000)</u>	<u>0</u>	<u>318,035</u>
CHANGE IN NET ASSETS	<u>48,838</u>	<u>5,198</u>	<u>19,114</u>	<u>73,150</u>
Net assets at beginning of year.....	2,423,938	56,252	229,091	2,709,281
NET ASSETS AT END OF YEAR	<u>\$ 2,472,776</u>	<u>\$ 61,450</u>	<u>\$ 248,205</u>	<u>\$ 2,782,431</u>

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

GENESEE COUNTY

Exhibit G-3

Fiscal Year Ended September 30, 2012				
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.....	\$ 328,714	\$ 534,150	\$ 84,909	\$ 947,773
Cash payments to suppliers for goods and services.....	(192,686)	(324,730)	(65,712)	(583,128)
Cash payments to employees for services.....	(534,583)			(534,583)
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	(398,555)	209,420	19,197	(169,938)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers-in from other funds.....	520,473			520,473
Transfers-out to other funds.....	(2,438)	(200,000)		(202,438)
NET CASH USED FOR NONCAPITAL FINANCING ACTIVITIES	518,035	(200,000)	0	318,035
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Principal paid on long-term debt.....	(25,500)			(25,500)
Interest paid on long-term debt.....	(4,344)			(4,344)
Proceeds from sale of long-term debt.....	4,629			4,629
NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	(25,215)	0	0	(25,215)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest and dividends on investments.....		(5,396)		(5,396)
NET CASH (USED FOR) INVESTING ACTIVITIES	0	(5,396)	0	(5,396)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	94,265	4,024	19,197	117,486
Cash and cash equivalents at beginning of year.....	753,190	24,627	287,310	1,065,127
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 847,455	\$ 28,651	\$ 306,507	\$ 1,182,613
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:				
Operating income (loss).....	\$ (555,564)	\$ 210,594	\$ 19,114	\$ (325,856)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation.....	92,168			92,168
Change in assets and liabilities:				
(Increase) decrease in supplies inventory.....		(1,174)		(1,174)
Increase (decrease) in accounts payable and related items.....	1,239		(5,289)	(4,050)
Increase (decrease) in accrued payroll.....	(10,403)			(10,403)
Increase (decrease) in other accrued liabilities and deposits.....			5,372	5,372
Increase in net OPEB liability.....	74,005			74,005
Net cash provided by (used for) operating activities.....	\$ (398,555)	\$ 209,420	\$ 19,197	\$ (169,938)
Noncash investing activities - increase in fair value of investments.....	\$ 90,711	\$	\$	\$ 90,711

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**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.

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 ensuring 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.....	\$
Investments.....	
Interest and accounts receivable.....	404
Due from other governmental units.....	519
Due from other county funds.....	4,459,641
Supplies inventory.....	
Prepayments.....	100,045
TOTAL CURRENT ASSETS	<u>4,560,609</u>
PROPERTY AND EQUIPMENT	
Land.....	
Buildings and improvements.....	
Equipment.....	2,729,064
TOTAL PROPERTY AND EQUIPMENT	<u>2,729,064</u>
Less allowances for depreciation.....	2,286,557
TOTAL PROPERTY AND EQUIPMENT, NET	<u>442,507</u>
TOTAL ASSETS	<u>\$ 5,003,116</u>
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accounts payable.....	\$ 77,136
Accrued payroll.....	867,515
Due to other governmental units.....	879,903
Due to other county funds.....	232,988
Long-term advance.....	
Compensated absences.....	3,672,938
Current portion of notes/bonds payable.....	
TOTAL CURRENT LIABILITIES	<u>5,730,480</u>
LONG-TERM DEBT	
General, workers compensation claim and IBNR liability.....	
Notes/bonds payable exclusive of current portion.....	1,042,598
TOTAL LONG-TERM DEBT	<u>1,042,598</u>
TOTAL LIABILITIES	<u>6,773,078</u>
NET ASSETS	
Restricted for:	
Invested in capital assets, net of related debt.....	442,507
Capital improvement per lease agreement	
Unrestricted (deficit)	(2,212,469)
TOTAL NET ASSETS	<u>(1,769,962)</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 5,003,116</u>

September 30, 2012

Vehicles and Equipment	Building and Grounds	Self-Insured Medicals	Self Funded Prop./Casualty Program	Total
\$	\$	\$	\$	\$
			399,649	399,649
			8,841,470	8,841,470
763	11,579	664	406,461	419,871
210	62,225			62,954
660		3,373,071		7,833,372
34,631				34,631
		285,158	283,042	668,245
<u>36,264</u>	<u>73,804</u>	<u>3,658,893</u>	<u>9,930,622</u>	<u>18,260,192</u>
131,033	62,463			193,496
176,430	2,095,778			2,272,208
<u>5,479,388</u>	<u>1,695,949</u>			<u>9,904,401</u>
5,786,851	3,854,190			12,370,105
4,782,852	2,598,207			9,667,616
<u>1,003,999</u>	<u>1,255,983</u>			<u>2,702,489</u>
<u>\$ 1,040,263</u>	<u>\$ 1,329,787</u>	<u>\$ 3,658,893</u>	<u>\$ 9,930,622</u>	<u>\$ 20,962,681</u>
\$	\$	\$	\$	\$
32,403	212,500	6,379	23,290	351,708
4,130	27,645		2,486	901,776
	70,646			950,549
	424,758		458	658,204
1,748,935				1,748,935
				3,672,938
3,937			1,000,000	1,003,937
<u>1,789,405</u>	<u>735,549</u>	<u>6,379</u>	<u>1,026,234</u>	<u>9,288,047</u>
		248,971	3,549,999	3,798,970
15,554				1,058,152
<u>15,554</u>		<u>248,971</u>	<u>3,549,999</u>	<u>4,857,122</u>
<u>1,804,959</u>	<u>735,549</u>	<u>255,350</u>	<u>4,576,233</u>	<u>14,145,169</u>
984,508	1,255,983			2,682,998
	37,783			37,783
<u>(1,749,204)</u>	<u>(699,528)</u>	<u>3,403,543</u>	<u>5,354,389</u>	<u>4,096,731</u>
<u>(764,696)</u>	<u>594,238</u>	<u>3,403,543</u>	<u>5,354,389</u>	<u>6,817,512</u>
<u>\$ 1,040,263</u>	<u>\$ 1,329,787</u>	<u>\$ 3,658,893</u>	<u>\$ 9,930,622</u>	<u>\$ 20,962,681</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.....		\$ 6,012,951
	TOTAL OPERATING REVENUES	<u>6,012,951</u>
Operating expenses:		
Salaries and fringe benefits.....		3,867,696
Supplies and other operating expenses.....		2,668,276
Depreciation.....		401,483
	TOTAL OPERATING EXPENSES	<u>6,937,455</u>
	OPERATING INCOME (LOSS)	<u>(924,504)</u>
Non-operating revenues (expenses):		
Interest income.....		
Interest expense.....		
Income for capital projects.....		
Gain (loss) on sale of property and equipment.....		(13,804)
	TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>(13,804)</u>
	INCOME (LOSS) BEFORE TRANSFERS	<u>(938,308)</u>
Transfers in (out):		
Transfers-in.....		294,582
Transfers-out.....		
	TOTAL TRANSFERS IN (OUT)	<u>294,582</u>
	CHANGE IN NET ASSETS	<u>(643,726)</u>
Net Assets (Deficit) at beginning of year.....		(1,126,236)
	NET ASSETS (DEFICIT) AT END OF YEAR	<u>\$ (1,769,962)</u>

Fiscal Year Ended September 30, 2012

<u>Vehicles and Equipment</u>	<u>Building and Grounds</u>	<u>Self-Insured Medicals</u>	<u>Self Funded Prop./Casualty Program</u>	<u>Total</u>
\$ 1,936,413	\$ 4,693,801	\$ 8,544,620	\$ 2,957,502	\$ 24,145,287
<u>1,936,413</u>	<u>4,693,801</u>	<u>8,544,620</u>	<u>2,957,502</u>	<u>24,145,287</u>
219,278	1,506,862		132,657	5,726,493
1,539,415	2,813,602	8,594,486	3,448,293	19,064,072
534,044	244,189			1,179,716
<u>2,292,737</u>	<u>4,564,653</u>	<u>8,594,486</u>	<u>3,580,950</u>	<u>25,970,281</u>
<u>(356,324)</u>	<u>129,148</u>	<u>(49,866)</u>	<u>(623,448)</u>	<u>(1,824,994)</u>
		181	212,788	212,969
(752)	34,128			(752)
235,407			732,021	34,128
<u>234,655</u>	<u>34,128</u>	<u>181</u>	<u>944,809</u>	<u>953,624</u>
<u>(121,669)</u>	<u>163,276</u>	<u>(49,685)</u>	<u>321,361</u>	<u>1,199,969</u>
				(625,025)
382,032	107,015			783,629
<u>382,032</u>	<u>107,015</u>			<u>0</u>
260,363	270,291	(49,685)	321,361	783,629
(1,025,059)	323,947	3,453,228	5,033,028	158,604
<u>\$ (764,696)</u>	<u>\$ 594,238</u>	<u>\$ 3,403,543</u>	<u>\$ 5,354,389</u>	<u>\$ 6,658,908</u>
				<u>\$ 6,817,512</u>

**COMBINING STATEMENT OF CASH FLOWS-
INTERNAL SERVICE FUNDS**

GENESEE COUNTY

Exhibit H-3

	<u>Administrative Services</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from customers.....	\$ 5,996,684
Cash payments to suppliers for goods and services.....	(2,817,811)
Cash payments to employees for services.....	(3,322,529)
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	<u>(143,656)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Advances (to) from other governmental units, County units and funds.....	553,606
Income for capital projects.....	
Transfers-in from other funds.....	<u>294,582</u>
NET CASH PROVIDED BY (USED FOR) NONCAPITAL FINANCING ACTIVITIES	<u>848,188</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Acquisition and construction of capital assets.....	(74,155)
Principal paid on long-term debt.....	(791,613)
Interest paid on long-term debt.....	
Proceeds from sale of equipment.....	
NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(865,768)</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.....	161,236
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 0</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:	
Operating income(loss).....	\$ (924,504)
Adjustments to reconcile operating income(loss) to net cash provided by (used for) operating activities:	
Depreciation.....	401,483
Change in assets and liabilities:	
(Increase) decrease in interest and accounts receivable.....	(16,267)
(Increase) decrease in supplies inventory.....	
(Increase) decrease in prepayment and other current assets.....	(14,553)
Increase (decrease) in accounts payable and related items.....	(134,982)
Increase (decrease) in accrued payroll.....	545,167
Increase (decrease) in other accrued liabilities and deposits.....	
Net cash provided by (used for) operating activities.....	<u>\$ (143,656)</u>

Fiscal Year Ended September 30, 2012

Vehicle and Equipment	Building and Grounds	Self Insured Medicals	Self-Funded Prop./Casualty Program	Total
\$ 1,950,503	\$ 4,758,265	\$ 8,693,191	\$ 3,178,174	\$ 24,576,817
(1,511,851)	(2,960,344)	(7,760,942)	(2,934,792)	(17,985,740)
(218,927)	(1,508,026)		(134,234)	(5,183,716)
<u>219,725</u>	<u>289,895</u>	<u>932,249</u>	<u>109,148</u>	<u>1,407,361</u>
(718,303)	(379,164)	(3,373,071)		(3,916,932)
	34,128			34,128
382,032	107,015			783,629
<u>(336,271)</u>	<u>(238,021)</u>	<u>(3,373,071)</u>		<u>(3,099,175)</u>
(117,988)	(51,874)			(244,017)
(2,198)				(793,811)
(781)				(781)
237,513				237,513
<u>116,546</u>	<u>(51,874)</u>			<u>(801,096)</u>
			(5,811,683)	(5,811,683)
			4,870,259	4,870,259
		181	212,788	212,969
<u>0</u>	<u>0</u>	<u>181</u>	<u>(728,636)</u>	<u>(728,455)</u>
0	0	(2,440,641)	(619,488)	(3,221,365)
		2,440,641	1,019,137	3,621,014
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 399,649</u>	<u>\$ 399,649</u>
\$ (356,324)	\$ 129,148	\$ (49,866)	\$ (623,448)	\$ (1,824,994)
534,044	244,189			1,179,716
14,090	64,464	148,571	500,810	711,668
18,019				18,019
	15,131		(2,904)	(2,326)
9,545	(161,873)	868,841	(350,704)	230,827
351	(1,164)		(1,577)	542,777
		(35,297)	586,971	551,674
<u>\$ 219,725</u>	<u>\$ 289,895</u>	<u>\$ 932,249</u>	<u>\$ 109,148</u>	<u>\$ 1,407,361</u>

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**COMBINING
FINANCIAL STATEMENTS
FIDUCIARY FUNDS**

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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 12/31/11</u>
ASSETS	
Cash and short-term cash investments.....	\$ 5,915,836
Cash and inv. held as collateral for securities lending.....	8,074,869
TOTAL CASH AND CASH EQUIVALENTS	<u>13,990,705</u>
Receivables:	
Prepaid expenses.....	304,660
Other receivables.....	2,659,678
Accrued interest and dividends.....	2,964,338
TOTAL RECEIVABLES	<u>2,964,338</u>
Investments at fair value:	
U.S. Government securities.....	35,830,757
Foreign Govts. and Agencies.....	72,109,066
Corporate bonds.....	74,356,355
Common stocks.....	82,851,944
Preferred stocks.....	3,612,240
Money market.....	
Mutual funds.....	91,139,082
Real Estate.....	21,437,412
Hedge fund of funds.....	8,668,375
TOTAL INVESTMENTS	<u>390,005,231</u>
TOTAL ASSETS	<u>406,960,274</u>
LIABILITIES	
Accounts payable.....	746,733
IBNR liability.....	
Amounts due broker under securities lending agreement.....	8,074,869
TOTAL LIABILITIES	<u>8,821,602</u>
NET ASSETS	
Held in trust for pension benefits and other purposes.....	<u>\$ 398,138,672</u>

Fiscal Year ended September 30, 2012

and Other Employee Benefit Trust Funds

Employees' Qualified Exces Benefit Arrangement (QEBA)	Employees' Fringe Benefit (VEBA)	Total
\$	\$ 11,330	\$ 5,927,166
		8,074,869
0	11,330	14,002,035
	189	189
	221,797	526,457
	161,366	2,821,044
0	383,352	3,347,690
983	2,289,043	38,120,783
		72,109,066
	11,770,722	86,127,077
	27,611,825	110,463,769
	72,031	3,684,271
	2,009,068	2,009,068
	1,836,060	92,975,142
		21,437,412
		8,668,375
983	45,588,749	435,594,963
983	45,983,431	452,944,688
	2,233,970	2,980,703
	499,865	499,865
	10,732	8,085,601
	2,744,567	11,566,169
\$ 983	\$ 43,238,864	\$ 441,378,519

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

GENESEE COUNTY

Exhibit I-2

	<u>Pension</u>
	<u>Retirement</u>
	<u>12/31/11</u>
ADDITIONS	
Contributions:	
Employer.....	\$ 11,942,380
Plan members.....	2,284,627
Total contributions	<u>14,227,007</u>
Investment earnings:	
Net increase/(decrease)	
in fair value of investments.....	(4,607,196)
Interest.....	5,276,262
Dividends.....	1,569,415
Total investment earnings.....	<u>2,238,481</u>
Less investment expense.....	<u>1,497,556</u>
Net investment earnings.....	<u>740,925</u>
Securities lending income:	
Interest and fees.....	72,128
Less borrower rebates and bank fees.....	(19,505)
Net securities lending income.....	<u>52,623</u>
Total additions.....	<u>15,020,555</u>
DEDUCTIONS	
Benefits.....	38,078,725
Refunds of contributions.....	136,432
Administrative expenses.....	518,228
Transfer to other pensions plans.....	3,365,928
Total deductions.....	<u>42,099,313</u>
Change in net assets.....	<u>(27,078,758)</u>
Net assets - beginning of the year.....	425,217,430
Net assets - end of the year.....	<u>\$ 398,138,672</u>

Fiscal year ended September 30, 2012

and Other Employee Benefit Trust Funds

Employees' Qualified Excess Benefit Arrangement (QEBA)	Employees' Fringe Benefit (VEBA)	Total
\$	\$ 12,009,195	\$ 23,951,575
	1,822,120	4,106,747
	<u>13,831,315</u>	<u>28,058,322</u>
	5,006,497	399,301
	568,798	5,845,060
	500,121	<u>2,069,536</u>
0	6,075,416	8,313,897
	189,117	<u>1,686,673</u>
0	<u>5,886,299</u>	<u>6,627,224</u>
		72,128
		<u>(19,505)</u>
		52,623
0	<u>19,717,614</u>	<u>34,738,169</u>
0	13,836,717	51,915,442
		136,432
0	34,944	553,172
		<u>3,365,928</u>
0	<u>13,871,661</u>	<u>55,970,974</u>
0	5,845,953	(21,232,805)
983	37,392,911	462,611,324
<u>\$ 983</u>	<u>\$ 43,238,864</u>	<u>\$ 441,378,519</u>

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

Exhibit I-3

	<u>Balances</u> <u>October 1, 2011</u>
TRUST AND AGENCY FUNDS	
ASSETS	
Cash and cash equivalents.....	\$ 21,824,444
Accounts receivable.....	13,581
	<u>\$ 21,838,025</u>
LIABILITIES	
Accounts payable.....	\$ 21,838,025
	<u>\$ 21,838,025</u>
LIBRARY PENAL FINES	
ASSETS	
Cash and cash equivalents.....	\$ 115,708
LIABILITIES	
Accounts payable.....	\$ 115,708
	<u>\$ 115,708</u>
TOTALS ALL AGENCY FUNDS	
ASSETS	
Cash and cash equivalents.....	\$ 21,940,152
Accounts receivable.....	13,581
	<u>\$ 21,953,733</u>
LIABILITIES	
Accounts payable.....	\$ 21,953,733
	<u>\$ 21,953,733</u>

Year Ended September 30, 2012

Additions	Deductions	Balances September 30, 2012
\$ 87,818,263	\$ 90,809,444	\$ 18,833,263
18,994	30,981	1,594
<u>\$ 87,837,257</u>	<u>\$ 90,840,425</u>	<u>\$ 18,834,857</u>
\$ 167,735,194	\$ 170,738,362	\$ 18,834,857
<u>\$ 167,735,194</u>	<u>\$ 170,738,362</u>	<u>\$ 18,834,857</u>
\$ 443,514	\$ 445,156	\$ 114,066
\$ 1,455,323	\$ 1,456,965	\$ 114,066
<u>\$ 1,455,323</u>	<u>\$ 1,456,965</u>	<u>\$ 114,066</u>
\$ 88,261,777	\$ 91,254,600	\$ 18,947,329
18,994	30,981	1,594
<u>\$ 88,280,771</u>	<u>\$ 91,285,581</u>	<u>\$ 18,948,923</u>
\$ 169,190,517	\$ 172,195,327	\$ 18,948,923
<u>\$ 169,190,517</u>	<u>\$ 172,195,327</u>	<u>\$ 18,948,923</u>

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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

	<u>Fiscal Year ended September 30, 2012</u>	
	<u>Total</u>	<u>Land</u>
MANAGEMENT AND PLANNING		
Board Coordinator.....	\$ 6,758	\$
County Clerk.....	161,683	
County Treasurer.....	148,119	
Drain Commission.....	727,799	
Equalization.....	120,181	
Register of Deeds.....	333,418	
Planning.....	553,912	
	<u>2,051,870</u>	
ADMINISTRATION OF JUSTICE		
Circuit Court.....	40,099,439	443,315
District Court.....	2,906,628	155,992
Friend of the Court.....	125,422	
Community Corrections.....	1,280	
Jury Board.....	5,350	
Probate Court.....	23,441	
Prosecutor.....	142,737	
	<u>43,304,297</u>	<u>599,307</u>
LAW ENFORCEMENT AND COMMUNITY PROTECTION		
Animal Shelter.....	2,370,023	
Office of Emergency Preparedness.....	4,136,443	
Public Safety.....	29,607,388	1,800
	<u>36,113,854</u>	<u>1,800</u>
HUMAN SERVICES		
Veteran's Information.....	2,293	
Buildings and Grounds-McCree.....	13,270	
GVRC.....	1,623,000	
GCCARD.....	6,364,415	
County Health.....	3,436,832	325,000
Medical Examiner.....	41,497	
	<u>11,481,307</u>	<u>325,000</u>
COMMUNITY ENRICHMENT AND DEVELOPMENT		
Cooperative Extension.....	389,949	
Re monumentation.....	38,805	
Community Development.....	2,812	
	<u>431,566</u>	
COMMUNITY MENTAL HEALTH.....	<u>4,226,005</u>	
GENERAL		
Land and Improvements.....	3,707,571	2,620,804
Buildings and Improvements.....	27,558,825	
Equipment.....	191,964	
	<u>31,458,360</u>	<u>2,620,804</u>
TOTAL GENERAL GOVERNMENT	129,067,259	3,546,911
RECREATION.....	<u>27,033,748</u>	<u>7,671,621</u>
TOTAL CAPITAL ASSETS ALLOCATED TO FUNCTIONS	<u>\$ 156,101,007</u>	<u>\$ 11,218,532</u>
Construction in Progress.....		
TOTAL CAPITAL ASSETS	<u>\$ 156,101,007</u>	

Land Improvements	Buildings and Improvements	Equipment
\$	\$	\$
	505,225	6,758
		161,683
		148,119
		222,574
		120,181
		333,418
		553,912
	<u>505,225</u>	<u>1,546,645</u>
42,692	39,047,112	566,320
18,578	2,521,927	210,131
		125,422
		1,280
		5,350
		23,441
		142,737
<u>61,270</u>	<u>41,569,039</u>	<u>1,074,681</u>
	2,321,616	48,407
	51,295	4,085,148
13,075	27,933,174	1,659,339
<u>13,075</u>	<u>30,306,085</u>	<u>5,792,894</u>
		2,293
		13,270
	1,623,000	
	4,226,813	2,137,602
	2,450,761	661,071
		41,497
<u>0</u>	<u>8,300,574</u>	<u>2,855,733</u>
	363,710	26,239
		38,805
		2,812
	<u>363,710</u>	<u>67,856</u>
		4,226,005
1,086,767	27,558,825	191,964
<u>1,086,767</u>	<u>27,558,825</u>	<u>191,964</u>
1,161,112	108,603,458	15,755,778
<u>7,582,624</u>	<u>9,838,422</u>	<u>1,941,081</u>
<u>\$ 8,743,736</u>	<u>\$ 118,441,880</u>	<u>\$ 17,696,859</u>

**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, 2012					
	Capital Assets October 1, 2011	Additions	Deletions	Reclassifications	Capital Assets September 30, 2012
MANAGEMENT AND PLANNING					
Board Coordinator.....	\$ 6,758	\$	\$	\$	\$ 6,758
County Clerk.....	126,683	35,000			161,683
County Treasurer.....	127,324	20,795			148,119
Drain Commission.....	633,487	103,326	9,014		727,799
Equalization.....	120,181				120,181
Register of Deeds.....	333,418				333,418
Planning.....	515,625	38,287			553,912
	<u>1,863,476</u>	<u>197,408</u>	<u>9,014</u>	<u>0</u>	<u>2,051,870</u>
ADMINISTRATION OF JUSTICE					
Circuit Court.....	36,287,856	282,236	51,169	3,580,517	40,099,440
District Court.....	2,811,160	113,873	18,405		2,906,628
Friend of the Court.....	127,518		2,096		125,422
Community Corrections.....	63,238			(61,958)	1,280
Jury Board.....	5,350				5,350
Probate Court.....	24,827	2,570	3,956		23,441
Prosecutor.....	182,781	3,953	43,997		142,737
	<u>39,502,730</u>	<u>402,632</u>	<u>119,623</u>	<u>3,518,559</u>	<u>43,304,298</u>
LAW ENFORCEMENT AND COMMUNITY PROTECTION					
Animal Shelter.....	2,321,896	48,127			2,370,023
Office of Emergency Preparedness.....	4,050,675	96,327	10,559		4,136,443
Public Safety.....	29,302,183	308,816	3,611		29,607,388
	<u>35,674,754</u>	<u>453,270</u>	<u>14,170</u>	<u>0</u>	<u>36,113,854</u>
HUMAN SERVICES					
Veteran's Information.....	3,398		1,105		2,293
Buildings and Ground-McCree	634,996			(621,726)	13,270
GVRC.....	1,623,000				1,623,000
GCCARD.....	5,896,387	628,916	160,888		6,364,415
County Health.....	5,087,008	105,429	1,755,605		3,436,832
Medical Examiner.....	41,497				41,497
	<u>13,286,286</u>	<u>734,345</u>	<u>1,917,598</u>	<u>(621,726)</u>	<u>11,481,307</u>
COMMUNITY ENRICHMENT AND DEVELOPMENT					
Cooperative Extension.....	394,181		4,232		389,949
Re monumentation.....	38,805				38,805
Community Development.....	2,812				2,812
	<u>435,798</u>	<u>0</u>	<u>4,232</u>	<u>0</u>	<u>431,566</u>
COMMUNITY MENTAL HEALTH.....	<u>3,444,567</u>	<u>818,618</u>	<u>37,180</u>		<u>4,226,005</u>
GENERAL					
Land and Improvements.....	3,718,686		11,115		3,707,571
Buildings and Improvements.....	29,228,439	1,227,218		(2,896,833)	27,558,824
Equipment.....	191,964	191,964			191,964
	<u>32,947,125</u>	<u>1,419,182</u>	<u>11,115</u>	<u>(2,896,833)</u>	<u>31,458,359</u>
TOTAL GENERAL GOVERNMENT	<u>127,154,736</u>	<u>4,025,455</u>	<u>2,112,932</u>	<u>0</u>	<u>129,067,259</u>
RECREATION.....	<u>27,005,513</u>	<u>469,514</u>	<u>441,279</u>		<u>27,033,748</u>
TOTAL CAPITAL ASSETS ALLOCATED TO FUNCTIONS	<u>154,160,249</u>	<u>4,494,969</u>	<u>2,554,211</u>	<u>0</u>	<u>156,101,007</u>
Construction in Progress.....					0
TOTAL CAPITAL ASSETS	<u>\$ 154,160,249</u>	<u>\$ 4,494,969</u>	<u>\$ 2,554,211</u>	<u>\$ 0</u>	<u>156,101,007</u>

**COMBINING
FINANCIAL STATEMENTS
COMPONENT UNITS**

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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

	<u>September 30, 2012</u>		
	<u>Brownfield Authority</u>	<u>Adjustments</u>	<u>Statement of Net Assets</u>
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents.....	\$ 3,009	\$	\$ 3,009
Accounts receivable.....	3,387,384		3,387,384
Investments.....	1,211,316		1,211,316
Due from Primary Government.....	69,099		69,099
Unamortized discount.....			0
TOTAL CURRENT ASSETS	<u>\$ 4,670,808</u>	<u>\$ 0</u>	<u>\$ 4,670,808</u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable.....	\$ 337,500	\$	\$ 337,500
Due to component units.....	299,276		299,276
Accrued interest payable.....		251,417	251,417
Deferred revenue.....	2,925,000	(2,925,000)	0
Unamortized note premium.....		406,984	406,984
Current portion debt.....		210,000	210,000
TOTAL CURRENT LIABILITIES	<u>3,561,776</u>	<u>(2,056,599)</u>	<u>1,505,177</u>
LONG-TERM DEBT			
Notes/bonds payable exclusive of current portion....		12,400,000	12,400,000
TOTAL LONG-TERM DEBT	<u>0</u>	<u>12,400,000</u>	<u>12,400,000</u>
TOTAL LIABILITIES	<u>3,561,776</u>	<u>10,343,401</u>	<u>13,905,177</u>
FUND BALANCES/NET ASSETS			
Reserved for:			
Unrestricted	1,109,032	(1,109,032)	
TOTAL FUND BALANCES	<u>1,109,032</u>	<u>(1,109,032)</u>	
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 4,670,808</u>		
NET ASSETS:			
Unrestricted (deficit)		\$ (9,234,369)	<u>\$ (9,234,369)</u>

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

GENESEE COUNTY

Exhibit K-2

	<u>Brownfield Authority</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Operating revenues:			
Use of money and property.....	\$ 3,814	\$	\$ 3,814
Charges for services.....	225,000		225,000
Other.....	356,792		356,792
TOTAL OPERATING REVENUES	<u>585,606</u>	<u>0</u>	<u>585,606</u>
Operating expenses:			
Interest expense.....	313,502	200,222	513,724
Debt service.....	210,000	(210,000)	0
Other.....	793		793
TOTAL OPERATING EXPENSES	<u>524,295</u>	<u>(9,778)</u>	<u>514,517</u>
OPERATING INCOME (LOSS)	<u>61,311</u>	<u>9,778</u>	<u>71,089</u>
Operating transfers in (out):			
Transfer in from primary government.....	105,000		105,000
REVENUE AND OTHER FINANCING SOURCES UNDER (OVER)			
EXPENDITURES AND OTHER FINANCING USES	<u>61,311</u>	<u>9,778</u>	<u>71,089</u>
CHANGE IN NET ASSETS	166,311	9,778	176,089
Fund balances/net assets (deficit) at beginning of year.....	942,721	(10,353,179)	(9,410,458)
FUND BALANCES/NET ASSETS (DEFICIT) AT END OF YEAR	<u>\$ 1,109,032</u>	<u>\$ (10,343,401)</u>	<u>\$ (9,234,369)</u>

COMBINING BALANCE SHEET--COMPONENT UNIT DRAIN SPECIAL ASSESSMENT

GENESEE COUNTY

Exhibit K-3

	<u>Drain Capital Projects</u>	<u>Drain Internal Service</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents.....	\$ 2,769,718	\$ 1,484,720
Short term investments.....		
Special assessment receivable.....	5,181,834	
Interest receivable.....		
Inventory.....		62,496
Machinery and equipment.....		100,606
Construction in progress.....		
Capital assets infrastructure.....		
TOTAL CURRENT ASSETS	<u>\$ 7,951,552</u>	<u>\$ 1,647,822</u>
 LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable.....	\$ 42,601	\$ 918
Accrued payroll.....		9,150
Yearly drain orders payable.....		
Bonds payable.....		
Contracts payable.....	607,397	
Interest payable.....		
Deposits payable security bond.....	6,680	
Long-term advance from Primary Government.....	500,000	
Deferred revenues.....		
TOTAL LIABILITIES	<u>1,156,678</u>	<u>10,068</u>
 FUND BALANCES/NET ASSETS		
Reserved for:		
Invested in capital assets - net of related debt.....		100,606
Unrestricted	6,794,874	1,537,148
TOTAL FUND BALANCES	<u>6,794,874</u>	<u>1,637,754</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 7,951,552</u>	<u>\$ 1,647,822</u>

September 30, 2012

Drain Chapter 20 Debt & Capital Projects	Totals	Adjustments	Statement of Net Assets
\$ 441,233	\$ 4,695,671	\$	\$ 4,695,671
201,354	201,354		201,354
	5,181,834		5,181,834
	62,496		62,496
	100,606		100,606
	0	750,989	750,989
		23,311,150	23,311,150
<u>\$ 642,587</u>	<u>\$ 10,241,961</u>	<u>\$ 24,062,139</u>	<u>\$ 34,304,100</u>
\$	\$ 43,519	\$	\$ 43,519
	9,150		9,150
		292,926	292,926
		3,095,000	3,095,000
	607,397		607,397
		33,454	33,454
	6,680		6,680
	500,000		500,000
<u>0</u>	<u>1,166,746</u>	<u>3,421,380</u>	<u>4,588,126</u>
	100,606		20,867,096
<u>642,587</u>	<u>8,974,609</u>	<u>20,641,322</u>	<u>8,849,441</u>
<u>642,587</u>	<u>9,075,215</u>	<u>20,641,322</u>	<u>29,716,537</u>
<u>\$ 642,587</u>	<u>\$ 10,241,961</u>	<u>\$ 24,062,702</u>	<u>\$ 34,304,663</u>

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

GENESEE COUNTY

Exhibit K-4

	<u>Drain Capital Projects</u>	<u>Drain Internal Service</u>
Operating revenues:		
Taxes.....	\$ 4,506,253	\$
Use of money and property.....	221	
Charges for services.....	(12,759)	548,748
Contributed capital.....		
Other revenue.....	405,894	
TOTAL OPERATING REVENUES	<u>4,899,609</u>	<u>548,748</u>
Operating expenses:		
Current:		
Other.....	2,551,914	551,137
Depreciation.....		101,830
Debt Service:		
Interest expense.....	129,013	
TOTAL OPERATING EXPENSES	<u>2,680,927</u>	<u>652,967</u>
OPERATING INCOME(LOSS)	<u>2,218,682</u>	<u>(104,219)</u>
Other financing sources (uses)		
Proceeds from notes.....	90,000	
Proceeds from bonds.....	2,395,000	
Principal payments.....	(1,007,991)	
Operating transfers in (out):		
Transfers in.....		
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,477,009</u>	<u>0</u>
REVENUE AND OTHER FINANCING SOURCES UNDER (OVER)		
EXPENDITURES AND OTHER FINANCING USES	<u>3,695,691</u>	<u>(104,219)</u>
CHANGE IN NET ASSETS	3,695,691	(104,219)
Fund balances/net assets at beginning of year.....	3,099,183	1,741,973
FUND BALANCES/NET ASSETS AT END OF YEAR	<u>\$ 6,794,874</u>	<u>\$ 1,637,754</u>

Drain Chapter 20 Debt & Capital Projects	Totals	Adjustments	Statement of Activities
\$	\$	\$	\$
767	4,506,253		4,506,253
	988		988
	535,989		535,989
	405,894		0
<u>767</u>	<u>5,449,124</u>	<u>0</u>	<u>5,449,124</u>
	3,103,051	(754,788)	2,348,263
	101,830	2,215,946	2,317,776
	129,013	11,524	140,537
<u>0</u>	<u>3,333,894</u>	<u>1,472,682</u>	<u>4,806,576</u>
<u>767</u>	<u>2,115,230</u>	<u>(1,472,682)</u>	<u>642,548</u>
	90,000	(90,000)	
	2,395,000	(2,395,000)	
	(1,007,991)	1,007,991	
	0		0
<u>0</u>	<u>1,477,009</u>	<u>(1,477,009)</u>	<u>0</u>
<u>767</u>	<u>3,592,239</u>	<u>(2,949,691)</u>	<u>642,548</u>
767	3,592,239	(2,949,691)	642,548
641,820	5,482,976	23,591,013	29,073,989
<u>\$ 642,587</u>	<u>\$ 9,075,215</u>	<u>\$ 20,641,322</u>	<u>\$ 29,716,537</u>

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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,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities:										
Invested in capital assets,										
net of related debt	\$ 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	\$ 69,930,626
Restricted	-	-	-	-	41,013,071	31,787,518	11,717,237	20,241,229	18,852,892	23,010,572
Unrestricted	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	32,695,359
Total governmental activities net assets	\$ 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	\$ 125,636,557
Business-type activities:										
Invested in capital assets,										
net of related debt	\$ 5,199,516	\$ 5,488,788	\$ 4,746,425	\$ 4,884,340	\$ 4,843,600	\$ 4,762,075	\$ 4,650,120	\$ 4,555,525	\$ 3,972,895	\$ 3,815,056
Restricted	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	10,816,391
Unrestricted	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	4,521,162
Total business-type activities net assets	\$ 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	\$ 19,152,609
Primary government:										
Invested in capital assets,										
net of related debt	\$ 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	\$ 73,745,682
Restricted	5,596,895	5,595,895	6,588,273	8,059,145	48,912,527	40,019,213	19,001,285	30,685,719	29,030,505	33,826,963
Unrestricted	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	37,216,521
Total primary government net assets	\$ 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	\$ 144,789,166

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
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
2012	71,117,579	-	-	2,840,464	27,463	73,985,506

CHANGES IN GOVERNMENTAL NET ASSETS

GENESEE COUNTY

Table 3

Expenses	Fiscal Year Ended September 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities:										
Legislative	\$ 832,256	\$ 927,251	\$ 919,415	\$ 1,016,026	\$ 1,069,833	\$ 1,214,248	\$ 1,017,849	\$ 696,041	\$ 628,524	\$ 1,023,886
Management and planning	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	5,302,148
Administration of justice	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	40,587,961
Law enforcement and community protection	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	32,423,243
Human services	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	242,432,706
Community enrichment and development	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	17,005,313
General support services	244,806	201,566	229,806	330,176	278,423	280,225	244,885	140,579	84,645	-
Other	6,279,220	3,166,480	1,015,465	-	-	-	-	-	-	-
Interest on long-term debt	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	1,361,032
Total governmental activities expenses	287,935,702	298,552,098	322,712,807	325,904,566	343,420,337	359,470,238	369,100,953	379,332,131	364,779,598	340,136,289
Business-type activities:										
Commissary	318,061	260,464	275,728	307,663	297,833	325,880	351,625	371,173	354,096	323,556
Delinquent Tax	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	5,113,306
Parks and recreation enterprise	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	888,622
Parking Meter	-	-	-	-	-	-	-	-	71,042	65,795
Total business-type activities expenses	5,421,490	6,109,903	4,606,855	6,511,384	5,867,197	6,429,435	6,956,894	6,470,876	5,855,361	6,391,279
Total primary government expenses	\$ 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	\$ 346,527,568
General Revenues and Other Changes in Net Assets	Fiscal Year Ended September 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Program Revenues										
Governmental activities:										
Charges for services:										
Management and planning	\$ 6,449,909	\$ 6,760,492	\$ 6,317,835	\$ 5,595,829	\$ 4,648,102	\$ 4,837,484	\$ 4,163,514	\$ 4,360,168	\$ 4,741,877	\$ 5,167,630
Administration of justice	3,546,663	4,207,446	4,339,188	4,030,973	4,994,718	5,155,752	5,023,773	4,222,465	6,931,157	4,037,271
Law enforcement and community protection	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	2,127,347
Human services	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	113,750,135
Community enrichment and development	1,499,970	1,866,889	2,300,229	2,319,598	1,334,426	2,244,379	2,346,760	2,414,531	2,193,851	2,197,367
Operating grants and contributions	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	113,888,537
Capital grants and contributions	-	-	-	-	1,995,000	1,960,000	-	-	-	-
Total governmental activities program revenues	189,215,919	197,010,121	203,699,179	201,136,475	209,197,160	221,290,243	239,339,200	256,746,357	247,379,533	240,968,287
Business-type activities:										
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Charges for services:										
Commissary	502,931	458,052	473,796	467,888	490,221	506,601	534,613	566,448	530,954	534,150
Delinquent Tax	4,920,582	9,632,038	-	7,827,298	6,659,293	9,478,156	10,814,957	12,173,759	11,492,245	13,231,301
Parks and recreation enterprise	1,182,977	413,848	777,295	1,402,855	1,419,368	683,320	296,384	275,921	282,369	328,714
Parking Meter	-	-	-	-	-	-	-	-	92,318	64,909
Total business-type activities program revenues	6,606,490	10,503,938	1,251,091	9,698,041	8,568,882	10,668,077	11,645,954	13,016,128	12,397,896	14,179,074
Total primary government program revenues	\$ 195,822,409	\$ 207,514,059	\$ 204,950,270	\$ 210,834,516	\$ 217,766,042	\$ 231,948,320	\$ 250,985,154	\$ 269,762,485	\$ 259,777,419	\$ 255,147,361
Net (expense)/revenue										
Governmental activities	\$ (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)	\$(99,115,497)
Business-type activities	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	7,787,795
Total primary government net expense	\$ (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)	\$(91,327,702)

CHANGES IN GOVERNMENTAL NET ASSETS

GENESEE COUNTY

Table 3 Continued

	Fiscal Year Ended September 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities:										
Taxes:										
Current property taxes	\$ 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	\$ 71,117,579
State income tax	7,365,672	5,929,005	-	-	-	-	-	-	-	-
Single business tax	1,505,222	1,352,579	-	-	-	-	-	-	-	-
State liquor tax	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	2,840,464
State cigarette tax	(265,667)	77,147	250,829	272,636	257,589	210,485	149,948	108,601	72,008	7,514,973
Use of money and investments	2,897,705	4,092,363	5,632,975	3,528,890	4,132,787	3,040,092	2,340,338	741,489	614,578	988,717
Other unrestricted intergovernmental revenues	26,693,472	18,452,999	21,993,912	22,586,954	19,274,036	18,874,190	14,013,688	7,889,596	13,669,465	3,915,651
Other unrestricted revenues	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	8,398,465
Unrestricted contributions	3,623,846	3,866,178	4,071,075	-	-	-	-	-	-	-
Transfers	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	5,687,129
Total governmental activities	101,958,026	109,271,579	124,793,966	130,598,912	148,782,676	125,485,816	119,387,407	112,369,219	105,435,759	100,462,978
Business-type activities:										
Taxes			5,883,971	-	-	-	-	-	-	-
Use of money and investments	150,171	346,553	329,329	470,787	578,579	199,878	64,499	79,000	18,635	117,882
Other unrestricted intergovernmental revenues							16,000	-	-	-
Transfers	(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)	(5,687,129)
Total business-type activities	(7,410,861)	(8,482,735)	(1,696,498)	(4,788,634)	(4,231,551)	(3,679,104)	(4,469,004)	(9,896,187)	(5,609,428)	(5,569,247)
Total primary government	\$ 94,547,165	\$ 100,788,844	\$ 123,097,468	\$ 125,810,278	\$ 144,551,125	\$ 121,806,714	\$ 114,918,403	\$ 102,473,032	\$ 99,826,331	\$ 94,893,731
Change in Net Assets										
Governmental activities	\$ 3,238,243	\$ 7,729,602	\$ 5,780,358	\$ 5,830,831	\$ 14,559,499	\$ (12,704,177)	\$ (10,374,346)	\$ (10,216,555)	\$ (11,660,515)	\$ 1,347,481
Business-type activities	(6,225,861)	(4,088,700)	(5,052,262)	(1,601,977)	(1,529,866)	559,538	220,056	(3,350,935)	933,097	2,218,548
Total primary government	\$ (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)	\$ 3,566,029

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	28,385	81,781	10.6
2009	424,043	12,165,474,000	28,689	78,956	14.6
2010	425,790	12,373,500,000	29,060	77,306	12.5
2011	425,790	13,004,500,000	30,542	75,346	10.0
2012	423,720	13,406,200,000	31,639	73,460	11.2

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	2012			2003		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
General Motors Corp	3,417	1	1.77 %	17,019	1	44.26 %
Genesys Health System	3,265	2	1.69	3,265	3	8.49
Hurley Medical Center	2,650	3	1.37	2,510	5	6.53
Square D	2,500	4	1.30			0.00
McLaren Medical Center	2,500	5	1.30	2,400	6	6.24
Flint Metal Center	2,180	6	1.13			0.00
Genesee County	1,258	7	0.65	1,200	9	3.12
United States Postal Service	1,200	8	0.62			0.00
General Motors Corp., Powertr	1,200	9	0.62			0.00
Delphi Automotive				4,932	2	12.83
Flint Community Schools				3,200	4	8.32
Meijer Inc.				1,563	7	4.07
Flint, City of	1,100	10	0.57	1,311	8	3.41
Citizens Bank				1,048	10	2.73
Total	21,270		11.02 %	38,448		100.00 %

Source: Flint Genesee Economic Growth Alliance.

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

GENESEE COUNTY

Table 6

	2003	2004	2005
Revenues			
Taxes	\$ 59,330,821	\$ 61,506,389	\$ 82,360,302
Licenses and permits	1,020,218	1,135,328	1,396,599
Fines and forfeitures	2,603,628	2,634,086	2,371,011
Use of money and property	4,002,596	4,796,954	4,174,354
Federal grants	63,459,559	58,521,771	55,359,347
State grants	44,853,105	50,345,235	51,065,065
Other intergovernmental revenues	21,322,672	14,845,416	8,167,368
Charges for services	80,841,773	88,562,628	97,560,370
Other	7,283,432	15,806,629	16,366,979
Total revenues	<u>284,717,804</u>	<u>298,154,436</u>	<u>318,821,395</u>
Expenditures			
Current operations:			
Legislative	836,525	924,581	920,466
Management and planning	10,730,757	10,548,857	12,302,328
Administration of justice	35,730,821	36,280,906	36,094,472
Law enforcement and community protection	31,170,314	32,194,935	31,504,040
Human services	189,995,280	192,932,327	202,020,809
Community enrichment and development	9,366,372	7,539,899	7,774,226
General support services	244,295	199,860	228,656
Other	11,049,688	12,177,907	26,975,242
Capital outlay	4,972,876	4,380,397	8,194,847
Debt service principal	3,752,248	3,427,248	2,827,248
Debt service interest	1,876,245	1,641,983	1,840,218
Advance refunding escrow			
Total expenditures	<u>299,725,421</u>	<u>302,248,900</u>	<u>330,682,552</u>
Excess of revenues over (under) expenditures	(15,007,617)	(4,094,464)	(11,861,157)
Other financing sources (uses)			
Proceeds from notes	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	37,261,766	40,524,638	48,184,559
Transfers out	(25,138,289)	(27,010,834)	(38,273,955)
Total other financing sources (uses)	<u>16,823,477</u>	<u>14,796,384</u>	<u>13,579,056</u>
Net change in fund balances	<u>\$ 1,815,860</u>	<u>\$ 10,701,920</u>	<u>\$ 1,717,899</u>
Debt service as a percentage of noncapital expenditures	1.8%	1.7%	1.4%

	2006	2007	2008	2009	2010	2011	2012
\$	86,840,515	\$ 110,748,784	\$ 96,475,936	\$ 84,534,288	\$ 85,251,366	\$ 78,932,682	\$ 71,952,310
	1,238,421	1,463,997	1,514,703	1,759,640	1,694,977	1,854,593	1,924,672
	2,473,432	2,715,541	2,190,518	2,139,682	1,971,211	1,772,585	1,661,433
	3,795,451	4,394,915	3,309,684	1,173,100	741,489	584,791	988,717
	47,636,776	63,486,445	53,919,149	64,989,753	86,579,730	73,284,999	71,737,757
	55,337,148	47,133,284	54,183,557	56,072,284	38,180,819	31,189,792	32,395,619
	8,454,322	6,733,314	8,069,683	8,159,750	8,803,198	16,507,241	16,372,713
	98,162,552	96,582,431	111,217,537	116,804,045	127,999,717	136,394,763	125,661,111
	17,063,294	13,876,995	11,822,662	9,740,510	9,864,457	6,967,623	8,052,652
	<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>347,489,069</u>	<u>330,746,984</u>
	1,018,198	1,074,904	1,211,126	902,798	902,798	947,599	947,599
	11,387,914	11,746,542	13,061,601	8,778,867	8,778,867	7,865,341	7,868,993
	36,092,505	39,616,056	41,179,919	38,628,589	38,215,218	36,282,698	35,741,313
	33,575,804	34,349,956	36,662,783	36,543,125	36,125,761	34,342,325	34,229,888
	212,013,445	227,256,969	242,138,776	258,536,374	260,262,424	245,341,608	232,854,546
	9,134,039	6,762,148	7,140,903	8,818,413	15,642,043	13,284,627	14,570,111
	230,987	278,953	279,291	133,851	133,851	-	-
	13,958,517	13,447,187	8,954,222	5,139,994	4,996,815	8,085,126	3,902,366
	2,826,643	2,004,138	1,145,240	3,552,291	1,830,924	7,508,169	4,417,263
	2,779,000	2,536,000	2,599,000	2,711,000	2,944,500	1,899,500	2,289,500
	1,521,960	1,544,866	1,496,932	1,438,967	1,172,487	1,194,751	1,489,810
	<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>356,751,744</u>	<u>338,311,389</u>
	(3,537,101)	6,517,987	(13,166,364)	(19,811,217)	(9,918,724)	(9,262,675)	(7,564,405)
				1,150,000		9,015,784	4,830,000
	47,404,927	72,052,311	73,025,131	71,978,284	73,489,202	47,401,425	36,985,768
	(43,701,772)	(68,010,760)	(70,417,354)	(62,187,903)	(66,299,852)	(59,611,520)	(32,645,268)
	<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>(3,194,311)</u>	<u>9,170,500</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>\$ (12,456,986)</u>	<u>\$ 1,606,095</u>
	1.3%	1.2%	1.1%	1.1%	1.1%	0.8%	1.1%

DIRECT AND OVERLAPPING¹ PROPERTY TAX RATES

GENESEE COUNTY

Table 7

Fiscal Year	Millage Rates - Direct County Taxes ²						Schools
	General Operating	County Parks	County Emergency Medical Services	Senior Citizens	Health Services	Total Direct Taxes ³	
2003	5.55	0.49	0.49			6.53	14.52
2004	5.52	0.49	0.49			6.50	13.79
2005	5.51	0.48	0.48			6.47	13.11
2006	5.51	0.48	0.48			6.47	14.80
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
2012	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 2012 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	
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
2012	5,972,151,496	1,771,241,495	270,729,202	121,614,177

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
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
2.86	3.53	6.79	1.23	0.48	0.22	41.28

rates apply to all Genesee County property owners (e.g., the rates for special districts apply only to the proportion of the no more that 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
\$ 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%
669,493,501	8,805,229,871	8.17	18,367,136,020	47.94%

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

PRINCIPAL PROPERTY TAX PAYERS

GENESEE COUNTY

Table 9

Taxpayer	2012			2003		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Consumers Energy	\$ 216,959,942	1	2.36 %	\$ 217,049,593	2	1.86 %
General Motors Corp	110,501,020	2	1.20	399,543,984	1	3.43
Genesee valley Partners LP	49,314,900	3	0.54	54,203,750	4	0.47
Wal-Mart/Sam's	43,320,013	4	0.47			
Meijers Inc/Good Will Co Inc	25,912,878	5	0.28	18,823,796	9	0.16
Edward Rose Assoc ETAL	25,386,406	6	0.28	24,725,509	5	0.21
Delphi Automotive	22,401,300	7	0.24	103,786,500	3	0.89
Comcast Cablevision	21,689,373	8	0.24			
Federal National Mortgage Assoc	19,897,963	9	0.22			
Androit Industries LLC	19,317,046	10	0.21			
Vemco				20,205,286	6	0.17
CP Limited Partnership				19,982,589	7	0.17
Home Depot				19,539,584	8	0.17
Ring Screw Works				17,391,940	10	0.15
Totals	<u>\$ 554,700,841</u>		<u>6.04 %</u>	<u>\$ 895,252,531</u>		<u>7.69 %</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
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	100.0
2007	2008	96,962,513	91,098,930	90.3	5,863,583	96,962,513	100.0
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
2011	2012	77,487,325	72,746,879	93.9	4,740,446	77,487,325	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
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
2012	25,823,784	57,817	25,765,967	0.13	59

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	\$80,900,784	100.0 %	\$80,900,784
School Districts	454,559,061	80.7	366,768,225
Cities and Villages	47,964,475	96.7	46,375,475
Townships	46,440,113	100.0	46,440,113
County-issued Bonds paid			
by local municipalities	166,028,800	148.7	246,929,584
Airport Authority	10,775,000	100.0	10,775,000
Mott Community College and Genesee Intermediate School District	53,865,000	89.2	48,071,252
Subtotal, overlapping debt			498,945,065
Genesee County direct debt			347,315,368
Total direct and overlapping debt			\$846,260,433

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
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			
2012	25,823,784			

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

	2003	2004	2005
General Fund:			
Nonspendable			
Reserved	\$ 3,382,233	\$ 3,237,607	\$ 3,540,891
Committed			
Assigned			
Unreserved	15,560,534	15,757,245	15,292,806
Unassigned			
Total General Fund	<u>\$ 18,942,767</u>	<u>\$ 18,994,852</u>	<u>\$ 18,833,697</u>
All other governmental funds			
Nonspendable			
Restricted			
Committed			
Reserved	\$ 7,021,921	\$ 1,700,659	\$ 1,306,925
Assigned			
Unreserved	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>\$ 35,488,267</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	
\$ 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	
72,000	42,300,000	68,195,784	53.28	156	

2006	2007	2008	2009	2010	2011*	2012
					\$ 3,141,810	\$ 2,671,645
\$ 3,598,597	\$ 3,887,892	\$ 4,148,176	\$ 3,757,229	\$ 3,219,465	-	-
					1,000,000	1,000,000
9,801,036	7,501,262	6,780,668	1,071,157	7,955,013	7,667,575	8,074,634
<u>\$ 13,399,633</u>	<u>\$ 11,389,154</u>	<u>\$ 10,928,844</u>	<u>\$ 4,828,386</u>	<u>\$ 11,174,478</u>	<u>\$ 11,809,385</u>	<u>\$ 11,746,279</u>
					\$ 3,888,383	\$ 4,677,877
					13,168,565	7,625,603
					84,974	74,994
\$ 23,309,614	\$ 32,511,561	\$ 32,653,060	\$ 520,606	\$ 3,300,415	24,514,865	25,202,726
30,363,231	33,675,733	20,259,026	36,333,372	35,401,231		
					(2,498,714)	(1,373,786)
					(1,846,569)	(1,754,885)
<u>\$ 53,672,845</u>	<u>\$ 66,187,294</u>	<u>\$ 52,912,086</u>	<u>\$ 36,853,978</u>	<u>\$ 38,701,646</u>	<u>\$ 37,311,504</u>	<u>\$ 34,452,529</u>

LEGAL DEBT MARGIN

GENESEE COUNTY

Table 15

	2003	2004	2005
Calculation of Debt Limit:			
State Equalized Valuation	\$11,648,973,047	\$12,294,546,948	\$13,035,032,411
10% of Taxable Value	1,164,897,305	1,229,454,695	1,303,503,241
Calculation of Debt Subject to Limit:			
Total Long-Term Debt	39,308,867	36,946,320	37,166,698
Plus Business Type Tax Notes	14,513,000	14,617,000	16,484,000
Component Unit Debt:			
Brownfield Authority			5,000,000
Land Bank Authority			56,814
Water and Waste Services	68,100,000	100,165,000	117,465,000
Road Commission	6,163,487	5,016,814	3,765,617
Drain Fund	2,207,898	2,173,708	1,718,859
Less: Debt Not Subject to Limit:			
Non-Bonded Debt	1,626,713	1,446,897	822,315
Road Commission Debt Not Subject to Legal Debt Limit	5,590,000	4,415,000	3,330,000
Water and Waste Service Sewer Bonds	65,945,000	71,470,000	74,905,000
Drain Fund Special Assessment Debt	1,152,898	1,268,708	863,859
Net Debt Subject to Limit	55,978,641	80,318,237	101,735,814
Legal Debt Margin	1,108,918,664	1,149,136,458	1,201,767,427
Net Debt Subject to Limit as % of Debt Limit	4.81%	6.53%	7.80%

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.

PLEGGED-REVENUE COVERAGE

GENESEE COUNTY

Table 16

Fiscal Year	Water and Sewer Revenue Bonds				
	Gross Revenues	Applicable Expenses	Net Revenues	Debt Service	
				Principal	Interest
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	48,548,637	35,797,020	12,751,617	9,070,000	6,107,272
2010	49,845,609	38,761,351	11,084,258	9,375,000	5,842,436
2011	49,869,082	39,268,363	10,600,719	10,360,000	5,895,254

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

2006	2007	2008	2009	2010	2011	2012
\$13,695,827,367	\$14,156,934,349	\$13,698,999,172	\$12,466,321,796	\$10,798,912,285	\$9,950,805,569	\$9,183,568,010
1,369,582,737	1,415,693,435	1,369,899,917	1,246,632,178	1,079,891,228	995,080,557	918,356,801
34,099,540	41,390,804	35,730,682	40,120,000	21,135,000	28,113,284	25,888,275
21,795,000	29,742,000	57,592,090	70,441,250	55,550,000	50,652,792	42,300,000
5,000,000	5,000,000	13,035,000	13,035,000	12,930,000	12,820,000	12,610,000
445,942	434,515	3,577,506	3,588,685	3,990,785	3,647,890	3,060,742
115,596,420	144,697,048	168,034,033	168,070,641	176,945,058	169,411,610	177,889,020
2,761,480	7,532,542	16,186,229	14,063,032	18,440,726	18,797,421	14,913,122
2,950,407	4,662,036	3,860,052	3,088,767	2,608,758	1,910,916	3,387,926
439,072	349,652	255,048	174,531	80,883	0	19,491
2,385,000	8,750,000	12,520,000	15,906,283	18,440,726	16,105,931	13,839,092
74,006,420	104,302,048	122,864,033	124,305,641	134,315,058	127,956,610	137,235,072
615,407	782,036	670,052	588,767	798,758	400,916	292,926
105,202,890	119,275,209	161,706,459	171,432,153	137,964,902	140,890,456	128,662,504
1,264,379,847	1,296,418,226	1,208,193,458	1,075,200,025	941,926,326	854,190,101	789,694,297
7.68%	8.54%	11.80%	13.75%	12.78%	14.16%	14.01%

Special Assessment Bonds

Coverage	Special Assessment	Debt Service		Coverage
		Principal	Interest	
0.373732942				
0.210174327				
0.203022001				
0.142960858				
0.146379738				
0.347738062				
0.468953239				
0.840178459				
0.935974792				
0.652141086				

FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION

GENESEE COUNTY

Table 17

Function	2003	2004	2005	2006
Animal Shelter	12	12	12	13
Board Office	15	16	15	15
Building & Grounds	26	26	26	25
Circuit Court	36	40	46	49
Controller	21	17	17	17
Cooperative Extension	3	3	3	3
Corporation Counsel	5	5	6	6
County Clerk	37	38	37	40
Court Services	13	10	6	7
District Court	63	63	63	63
Emergency Management	3	4	4	4
Equalization	11	11	10	7
Equity & Diversity	2	2	3	3
Family Court	38	33	32	34
Friend of the Court	103	99	101	101
GCCARD	104	105	94	89
Genesee Valley Regional Ctr.	42	40	41	42
GIS		1	3	2
Human Resources	9	9	8	7
Medical Examiner				
Information Technology (IT)	21	22	20	19
Parks & Recreation	28	28	29	28
Planning	22	20	19	20
Probate Court	25	26	24	24
Prosecutor	78	73	68	71
Public Health	167	165	158	152
Purchasing	7	7	6	7
Register of Deeds	11	12	11	11
Senior Services				
Sheriff	269	273	264	265
Surface Water Management	22	21	19	22
Treasurer	23	23	19	18
Veteran's Info. Center	3	3	3	3
Total	1,219	1,207	1,167	1,167

Source: Government Human Resources Office.

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
13	11	11	7	6	7
15	15	14	14	13	12
24	22	21	14	15	13
49	48	45	46	47	41
17	16	14	11	10	9
1					
6	5	5	5	2.5	2.5
34	36	34	30	29	24
5	5	6	3	3	3
61	58	57	52	49	47
1	3	3	1	1	1
9	8	9	8	6	8
3	2	1	1		
33	34	32	25	23	33
100	95	94	84	79	78
81	95	126	105	109	69
43	41	44	43	42	38
2	2	1	1	1	1
8	8	7	8	7	7
				5	5
19	18	19	14	14	14
28	27	25	25	23	24
22	22	23	24	22	17
24	23	22	20	20	15
67	70	70	58	55	53
150	144	142	105	95	100
6	5	5	5	3.5	3.5
10	8	7	10	10	11
				3	3
259	259	248	234	217	236
20	17	16	15	19	13
19	17	15	13	12	12
3	3	3	3	2	2
<u>1,132</u>	<u>1,117</u>	<u>1,119</u>	<u>984</u>	<u>943</u>	<u>902</u>

OPERATING INDICATORS BY FUNCTION

GENESEE COUNTY

Table 18

Function/Program	2003	2004	2005	2006
Board Office Committee Meeting Log:				
Public Works	19	20	20	20
Finance/Budget	16	8	16	30
Governmental Operations	25	23	25	27
Human Services	22	23	21	25
Community & Economic Development	13	12	10	14
Board of Commissioners	29	29	28	39
Building & Grounds:				
Centrally Generated Work Orders	2,023	2,011	2,048	2,001
Circuit Court:				
Number of Civil Cases	2,204	2,144	2,144	1,895
Number of Criminal	2,092	2,116	2,067	2,149
Number of Family Cases	9,788	10,457	9,993	7,085
Controllers:				
Number of Checks	44,704	42,607	37,585	37,410
Cooperative Extension:				
4-H Volunteers	10,288	10,009	9,236	13,976
Master Gardener Volunteers	381	360	422	371
Residents Served	25,927	29,088	36,092	49,391
County Clerk General Election Data:				
Registered Voters	118,774	335,361	154,140	338,530
Ballots Cast	26,691	214,718	22,168	165,346
Percent Voting	22.5%	64.0%	14.4%	48.8%
Birth Certificates	6,777	6,527	6,490	6,602
Civil Cases Filed	6,836	7,086	6,789	6,865
Criminal Cases Filed	2,022	2,006	1,984	2,060
Death Certificates	4,131	4,229	4,202	4,285
Divorces	2,401	2,489	2,384	2,411
Marriage Licenses	2,924	2,882	2,782	2,579
District Court:				
Number of Civil Cases	19,609	18,406	18,368	20,185
Number of Criminal/Traffic Cases	63,474	58,338	57,988	62,437
Equalization:				
Number of Parcel Counts	205,937	209,709	212,626	207,759
Friend of the Court:				
Number of Active Cases	55,216	54,903	55,472	55,577
Health:				
Infant Deaths	74	75	52	59

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
23	23	20	19	21	21
31	25	32	22	25	42
23	23	25	24	22	23
24	21	22	23	22	23
8	10	12	8	12	8
30	27	28	40	29	27
2,018	2,251	1,914	2,116	1,429	1,446
1,881	2,134	1,995	1,898	1,822	2,375
2,353	2,184	2,015	1,911	1,910	2,181
9,051	9,877	9,457	9,622	9,426	7,681
42,430	48,050	63,503	47,595	47,928	49,145
443	55	71	116	116	143
309	318	329	308	322	317
65,716	58,080	48,041	75,265	78,347	77,625
351,082	347,432	163,782	335,069	247,059	336,607
35,656	221,583	22,722	135,010	54,271	204,026
10.2%	63.8%	13.9%	40.3%	22.0%	60.6%
6,432	6,056	5,902	5,696	5,061	4,938
2,304	2,134	2,010	2,325	2,250	2,346
1,836	2,184	2,014	1,910	1,797	1,852
4,020	4,353	4,361	4,407	4,012	4,387
7,536	2,141	2,072	2,205	5,321	5,156
2,532	2,330	2,233	2,227	1,964	2,062
22,913	23,941	22,866	21,718	20,113	22,511
59,427	58,872	56,360	56,141	48,770	47,373
209,079	209,639	209,360	212,566	211,313	210,849
55,530	56,223	55,472	54,920	51,294	
50	56	53	34	18	37

OPERATING INDICATORS BY FUNCTION

GENESEE COUNTY

Table 18 (Continued)

Function/Program	2003	2004	2005	2006
Health:				
Smoking Rates	26.8%	26.8%	25.2%	25.2%
Gonorrhea Cases	1,758	1,972	1,664	1,682
Parks and Recreation:				
Huckleberry RR/Crossroad Village Attendance	151,670	146,163	143,007	152,113
Planning Commission				
Road Reconstruction, Resurfacing & Restoration				
Lane Miles	112.2	41.8	63.3	67.7
Cost	30,373,829	13,888,596	37,824,377	40,162,522
Streets				
Miles	1.5	1.3	1.6	2.2
Cost	376,310	402,663	515,474	154,840
Sidewalks				
Feet	2,500	600	3,200	4,600
Cost	125,469	31,324	128,596	214,995
Probate Court:				
Number of Probate Cases	3,128	2,746	2,605	3,267
Prosecutors:				
Felony Warrants (more than 1 year)	3,271	3,246	3,101	3,407
Misdemeanor Warrants (more than 1 year)	28	14	25	34
Misdemeanor Warrants (less than 1 year)	1,531	1,489	1,292	1,250
Purchasing:				
Number of Purchase Orders	2,156	1,905	1,733	1,628
Register of Deeds:				
Annual Recorded Documents	166,713	130,944	123,414	111,178
Sheriff Department:				
Number of Inmates Booked	11,957	12,209	12,032	12,454
Traffic Accidents	1,202	1,213	1,231	919
Traffic Violations	3,783	2,807	2,155	2,356
OUIL Arrests	125	125	72	76
Driving With License Suspended Arrests	578	408	318	372
Felony Arrests	300	359	403	391
Misdemeaner Arrests	1,158	997	967	604
Treasurers:				
Number of Cash Receipts	58,222	65,621	53,196	49,473
Veterans Information Services:				
Veteran Services	26,323	25,466	25,265	27,763
Veterans Burial Services	116	110	134	103
Soldiers Relief Commission Services	344	215	190	148
Veterans Trust Applications	144	87	61	48

Source: Various county departments.

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
25.6%	25.6%	24.6%	25.0%	25.0%	23.0%
1,594	1,313	1,157	709	787	1,243
159,715	134,853	139,289	143,460	140,419	138,282
146.5	55.0	65	69	52	74
70,114,676	58,161,496	19,544,927	10,080,375	12,295,326	16,364,802
3.2	2.5	2	3	4	3
356,523	270,000	203,783	198,304	299,405	127,855
2,500	800	1,500	3,500	1,320	5,500
138,449	61,396	152,711	114,946	138,685	115,744
3,037	2,817	3,205	3,134	2,888	3,066
3,467	3,408	3,040	2,860	2,985	3,287
1,141	1,187	1,108	1,029	1,074	818
1,228	1,398	1,082	909	875	980
99,573	85,915	81,874	86,670	86,564	93,781
12,580	12,133	11,460	10,436	10,429	11,657
1,495	1,345	259	1,120	1,117	1,097
3,372	3,868	1,804	3,356	1,332	1,270
140	97	154	163	108	117
604	422	474	1,374	431	348
286	271	242	387	163	222
1,250	589	703	1,415	751	594
55,202	57,872	58,376	72,702	55,667	56,237
27,707	29,239	29,875	40,656	39,410	40,633
112	141	141	209	143	132
161	140	246	270	180	148
46	91	85	95	74	131

CAPITAL ASSET STATISTICS BY FUNCTION

GENESEE COUNTY

Table 19

Function/Program	2003	2004	2005	2006
Buildings & Grounds:				
Administration Bldg.	1	1	1	1
Animal Control	1	1	1	1
Clinics	4	3	3	3
Courts	7	6	6	6
Courthouse	1	1	1	1
Dollar Store	1	1	1	1
Drain Commission	1	1	1	1
Emergency Management Storage Unit				
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	1
MacAvinchey Bldg.				
Motor Pool	1	1	1	1
MSU Extension	1	1	1	1
Parking Structures	2	2	2	2
Drains:				
Number of Drains	1,153	1,162	1,171	1,177
MIS:				
Computers	825	840	850	855
Parks & Recreation:				
Acreage	10,939	10,939	10,939	10,939
Beaches	4	4	4	4
Bicycle Path	5	5	5	6
Boat Launches	2	3	3	3
Campgrounds	2	1	1	1
Disc Golf Course	1	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	2	3	3	5
Snowmobile Areas	4	4	4	5
Spray Park	1	1	1	1
Stepping Stone Falls	1	1	1	1

2007	2008	2009	2010	2011	2012
1	1	1	1	1	1
1	1	1	1	1	1
3	3	3	3	3	2
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
2	2	2	2	2	2
1,183	1,187	1,126	1,195	1,109	1,112
850	875	890	890	920	1110
10,939	10,939	10,939	10,939	10,939	10939
3	3	3	3	3	3
6	7	7	7	7	7
4	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	7	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	2003	2004	2005	2006
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	50	50
Boats	9	9	5	5
Paramedic Vehicles	9	9	15	15
Motorcycles			8	8
Jet Skis				

Sources: Various county departments.

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
355	355	355	355	355	355
6	6	6	6	6	6
6	6	6	6	6	6
6	9	9	7	7	7
18	18	10	22	22	16
4	3	3	5	5	5
15	15	15	15	15	15
8	8	6	8	8	8
4	2	2	2	2	2

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