



# **Genesee County, Michigan**

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## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**Fiscal Year Ended  
September 30, 2013**



Government Finance Officers Association

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**Genesee County  
Michigan**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2012**

Executive Director/CEO

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

# GENESEE COUNTY, MICHIGAN

September 30, 2013

### Board of Commissioners

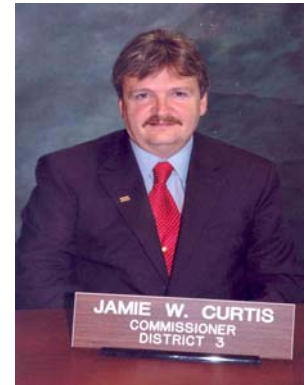
Jamie W. Curtis, Chairperson of the Board



Omar A. Sims



Brenda Clack



Jamie W. Curtis



John Northrup



Mark Young



Tony Brown



Archie Bailey



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Pegge Adams

**Prepared by:**  
Controller's Office

**Controller:**  
Keith Francis

**Independent Auditors:**  
Plante & Moran, PLLC

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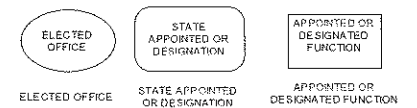
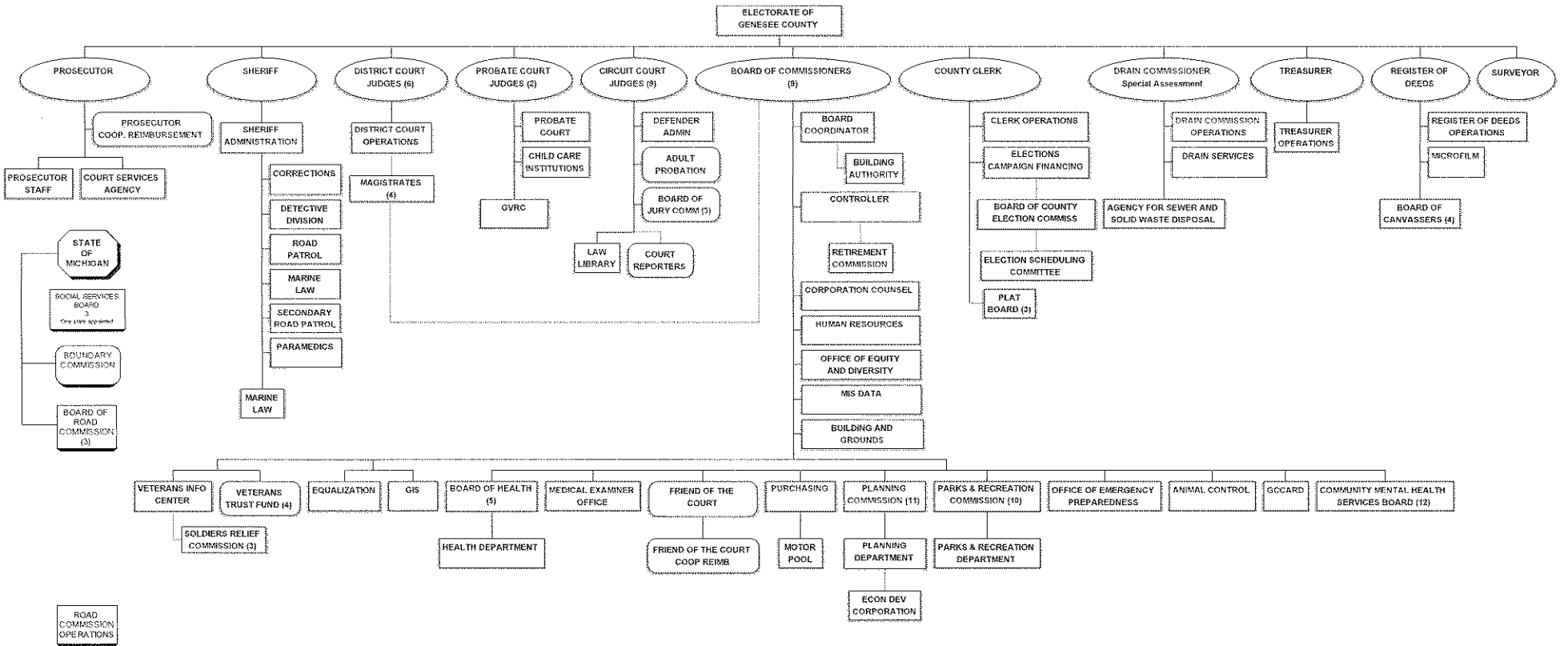
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# **I. INTRODUCTORY SECTION**

**The Introductory Section Contains:**

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







# GENESEE COUNTY CONTROLLER'S OFFICE

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**Keith Francis**  
*Controller*

The Board of County Commissioners  
Genesee County  
Flint, Michigan

March 18, 2014

The Comprehensive Annual Financial Report of Genesee County for the fiscal period ended September 30, 2013 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, following 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 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 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 unmodified ("clean") opinion on Genesee County's financial statements for the fiscal year ended September 30, 2013. 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 are 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 Water and Waste Services, Economic Development Corporation, Drains, Land Bank Authority, Brownfield Authority, Storm Water Management System, and the Community Mental Health Authority, 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 \$230.2 million for governmental and business-type activities and net assets of \$119.5 million.

## Services Provided

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

The resources and expenditure data regarding these services are discussed in the Long Term Financial Planning section of this letter.

## ECONOMIC CONDITION AND OUTLOOK

### Higher Education

The role of higher education in the economic condition of Genesee County continues to expand as enrollment moves upwards in our universities. Genesee County's higher education facilities include Kettering University, the University of Michigan-Flint, Baker College, Mott Community College, and branches for many other public and private colleges.

### Kettering University

Kettering University trains some of the best engineers in the world and in a 2013 earnings study Kettering was ranked No. 1 by AffordableCollegesOnline.org for its return on investment. The study analyzed data from every school in Michigan to see the graduates who earn the most over their lifetime.

In their 2013 "Best Colleges" edition, U.S. News and World Report ranked Kettering's Industrial and Manufacturing Engineering Department No. 1 in the country, and Kettering's Mechanical Engineering program was ranked No. 3 in the country.

Kettering has recently received over one half million dollars in grant funding from the National Science Foundation. This funding will allow the purchase of a motion tracking system and an X-ray diffraction system, and will also fund the creation, by graduate students and faculty, of a revolutionary Internet-connected 3D virtual microscope which will slice and scan tissue samples.

Kettering University's chemical engineering program is now one of the few accredited programs in the state. Three major strengths in Kettering's program were cited: a strong emphasis on hands-on lab courses, a unique co-op program which graduates students with two-and-a-half years of chemical engineering work experience, and individualized education with strong faculty mentoring.

In 2012, the Charles Stewart Mott Foundation granted Kettering University \$15.5 million dollars to lead several community improvements. The University Avenue Corridor Coalition was created, bringing together residents and area institutions, including Hurley and McLaren hospitals, to work collectively to beautify the area. Since then, Kettering has become a major land owner in Genesee County by purchasing parcels surrounding the university from the Genesee County Land Bank.

Kettering is about community. This past year, the university opened Einstein Bros. Bagels and a Flint Police Service Center. Kettering's community ice rink, inside the historic Atwood Stadium on 701 University Avenue, opened January 22, 2014. The university's objective is to use the stadium as it was in the past – for community events. The stadium is part of Kettering University's regular campus security rounds. Members of the community will be able to skate, free of charge, during the rink's hours of operation.

### **The University of Michigan - Flint**

UM-Flint has been expanding and improving buildings. The biggest improvement is the \$22-million project at the Murchie Science Building. The project includes adding four new labs, as well as upgrading the existing labs. Classrooms were also added for the English Language Program and the Nursing Program.

UM-Flint ranks as the fastest growing of Michigan's fourteen public universities. The enrollment continues to set new records. The 2013 fall enrollment of 8,555 students topped last year's 8,289 enrollment by 3.2 percent with a 15.7 percent increase in the number of freshman. With a capacity of 10,000 students, there is still room to grow. Small class sizes, lower costs, and less intimidating campus size all contribute to UM-Flint's popularity.

The enrollment increases represent significant numbers of international students. International student enrollment at UM-Flint increased 56 percent last fall to 543 students compared to 348 in the prior year. 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 in excess of \$12 million during 2012/2013 to the Genesee County economy in the form of tuition and living expenses.

The Riverfront Residence Hall, a 16-story former hotel in the downtown area, houses approximately 550 students of the University of Michigan-Flint, Baker College of Flint, Kettering University, and Mott Community College. The dramatic increase in the number of students downtown is resulting in significant commercial development.

### **Michigan State University**

Although commencement of renovations has not yet begun, Michigan State University's College of Human Medicine (MSU-CHM) still has plans to expand its medical education and public health programs in Flint. Approximately 100 third-and-fourth-year MSU-CHM medical students, as well as MSU public health researchers, will have about 40,000 square feet in the old Flint Journal building which will be renovated for office and teaching space. The Charles Stewart Mott Foundation granted \$2.8 million dollars to this endeavor.

### **Baker College**

In fall 2013, Baker added a master's degree in education and a bachelor's in political science – both online programs. Total enrollment for online programs at Baker is about 6,100, while another 7,500 students take one or more classes online in combination with on-campus classes.

At \$210 per credit hour, Baker College of Flint's online associate degree program was recently ranked as most affordable in the nation by SuperScholar.org. Rankings were based on a school's accreditation, marketability, selection of associate degrees, and tuition costs.

### **Automotive Manufacturing**

#### **General Motors**

General Motors announced in December 2013, that their Flint Assembly plant on Van Slyke Road will receive \$600 million for facility upgrades, including a new paint shop. The upgrades are part of a \$1.27 billion investment by GM.

About 2,950 employees work in three shifts at Flint Assembly, a 3.7-million-square-foot complex. The plant is currently set up to produce the heavy-duty Chevrolet Silverado and GMC Sierra crew and regular cab trucks, as well as the light-duty Chevrolet Silverado crew and regular cab trucks. For the past two years, trucks made at Flint Assembly have received honors from J.D. Power and Associates for highest initial quality.

Flint Metal Center employs 1,415 workers in a 1.6-million-square-foot plant. Flint Metal Center produces sheet metal stampings for 20 GM facilities. General Motors has a payroll of \$600 million in Genesee County.

#### **Health Care**

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 employment is projected to grow by almost 14,000 jobs in the next five years. Combined, Genesys Health Care Systems, Hurley Medical Center, and McLaren Regional Medical Center 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.

#### **Genesys Regional Medical Center**

Genesys employs approximately 3,740 people and has \$280 million in estimated annual revenue.

Genesys announced plans to open a PACE (Program for All-Inclusive Care for the Elderly) facility. PACE is a national health program created to help the elderly remain at home as long as possible. The PACE facility will be the first in Genesee County and only the seventh in Michigan. PACE facilities allow elderly adults to live at home with a spouse, a child, or by themselves while receiving medical and social care at the facility *during the day*.

The PACE facility will be approximately 18,000-square feet and will represent a \$3.9 million investment. The facility will also serve as an educational tool to local medical school programs. It will open in 2015 in downtown Flint, bringing with it 70 new jobs.

Genesys opened its Downtown Flint Health Center in August 2013. They will be making a \$3 million investment over seven years. The Genesys Downtown Flint Health Center brings 70 jobs to the downtown area. The facility and its employees will add to the vitality of downtown and the health of the city through the increased commercial activity, parking leases and tax revenue, as well as property and income taxes.

The Genesys Urgent Care facility opened in October 2013. The urgent care facility is on the ground floor of the 20,000 square foot Genesys Downtown Flint Health Center. Genesys Urgent Care Downtown-Flint provides easy access for students, those who use public transportation, and those who work and live nearby. The new pharmacy which completes the Genesys Downtown Flint Health Center will be open for business in a few months.

#### **McLaren Regional Medical Center**

McLaren employs approximately 2,250 people and has \$164 Million in estimated annual revenue.

In June 2014, McLaren Regional Medical Center will open its \$70 million Proton Therapy Center. It is the first in Michigan and 11<sup>th</sup> in the United States. 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. The \$8 million dollar McLaren Hospitality House, built to accommodate cancer patients and their families during treatment, opened in July 2013.

#### **Hurley Medical Center**

Hurley employs approximately 2,885 people and has \$217 Million in estimated annual revenue.

Hurley opened an urgent care center as part of the main hospital in September 2013. The clinic was created to provide services that are more in line with federal health care mandates, as well as to address a need for more urgent-care facilities in Flint. It is located at Hurley's former emergency department. The 1,500-square-foot facility has five rooms and operates 7 days a week. Patients at Hurley's urgent care clinic will have quick access to Hurley's Emergency Department, if a higher level of care is required.

#### **Diplomat Pharmacy**

Diplomat, the largest independent specialty pharmacy in the nation, posted more than \$1.5 billion in revenue for 2013. Diplomat now employs close to 1,000 people in Genesee County and there are plans for substantial growth in the near future. Diplomat is growing at a rate that would allow them to add about 200 employees per year.

#### **Transportation and Utilities**

##### **Bishop International Airport**

Bishop experienced a 3.5% decline in ridership for 2013, but has continued to maintain financial stability. In fact, the passenger count was up for the last four months of the year. Their 2014 budget of \$10.66 million went into effect on January 1, 2014.

During 2013, Bishop received a grant for the Taxiway Alpha/T-Hangar Area Rehabilitation project and the purchase of a high speed broom truck totaling \$3,022,665 in federal funds and \$728,646 in state funds. The \$1.3 million Terminal Expansion and the Terminal

Apron Rehabilitation Project were completed in 2013. Both projects were financed with AIP funding. The airport also successfully bid and completed construction on all phases of their \$3.1 million T-Hangar Area and Taxiway "A" Rehabilitation Project.

Restructuring within the airline industry continues to reshape the air service offered at Bishop. In April, AirTran Airways was successfully transitioned into Southwest Airlines. Southwest continues to fly to Orlando, Tampa and Ft. Myers Florida. They also began two new routes in 2013 to Baltimore/Washington and Las Vegas. Delta continues to serve the market with nonstop jet flights to Atlanta and Minneapolis. United currently serves Flint via their Cleveland hub, but has announced that in June of 2014 their service will be switched to serve Chicago-O'Hare. American Airlines also continues to serve the Chicago-O'Hare market. These four airlines are responsible for 84% of the nation's domestic flights. Bishop Airport is very fortunate to have this roster of airlines on-site to serve our community.

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. This year, the airport continued to build upon this growth by participating with a four county-wide effort to market the I-69 International Trade Corridor Next Michigan Development Corporation. They also received a Renaissance Zone Marketing Area designation for potential future Cargo Development.

#### **International Trade Corridor**

The Interstate 69 International Trade Corridor, a Next Michigan Development corporation (NMDC) created through the Michigan Economic Development Corporation 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, deep-water ports and airports.

Genesee County's location on both I-69 and I-75, along with an outstanding rail system, a deep-water port in St. 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 St. Clair, will be cooperating in this effort. Bishop International Airport is at the core of this multi-modal concept.

#### **Karegnondi Water Line**

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, are 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. Construction is proceeding with the water intake outlet currently underway.

#### **New Retail**

##### **Meijer Inc.**

Meijer invested \$15 million dollars in a new 21,000-square-foot store in Swartz Creek which opened in 2013. Meijer will also be investing in the renovation of their Hill Road location. Meijer employs more than 1,000 people at their four store locations in Genesee County.

#### **Real Estate**

Genesee county home sales were up slightly in 2013. According to the Zillow Home Value Index, median home value in Genesee County is \$77,000. Genesee County home values have gone up

15.3% over the past year and Zillow predicts they will rise 4.2% within the next year. The median list price per square foot in Genesee County is \$27. The median price of homes listed in Genesee County is \$75,000 while the median price of homes that sold is \$111,275.

A \$20.1 million dollar grant received by the Genesee County Land Bank Authority in July 2013 from MSHDA (Michigan State Housing Development Authority) will be used to raze more than 1,500 blighted homes, primarily in the City of Flint. The blighted homes are in tipping-point neighborhoods, re-investment neighborhoods, buffer areas and key corridors.

## **LONG-TERM FINANCIAL PLANNING**

Genesee County continues to experience significant financial challenges due to the economic downturn and will continue to experience these challenges into the future. The County has experienced a 27.8% reduction in total taxable value from a peak of \$11.8 billion in 2007 to \$8.5 billion in 2013. A further reduction of 1% is expected in 2014. There is also uncertainty regarding revenue sharing payments which are at the discretion of the State of Michigan. Together, these two sources of revenue accounted for nearly 72% of total General Fund operating 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 \$76 million, a reduction of 26%. This reduction in resources and the corresponding reductions in expenditures have 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 2012/2013. Between positions not filled because of the hiring freeze as well as positions eliminated through layoff of existing staff, the County has eliminated 267 positions since 2007. These position eliminations have resulted in a significant decrease in General Fund spending. The County's General Fund balance increased \$570,402 during 2012/2013 from \$11,746,279 at September 30, 2012 to \$12,316,681 at September 30, 2013.

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.

## **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, assurance 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 meeting the single audit requirements.

The results of the County's 2012 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 2012/2013 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 2013 single audit will be promptly addressed and corrected. We believe that the County's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Budgetary control is maintained prior to the release of purchase orders to vendors.

The County's operations are accounted for through seven major programs as outlined in the Services Provided 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 Taxable Value limited to the annual inflation rate without considering the effects of the special taxes. In order to levy taxes assess above the inflation rate, voters must approve an increase in the millage.

The Headlee provisions were still applicable for Genesee County in 2013 with the result that the property tax millage rate for general operations was limited to 5.5072 mills while the millage rate for both Paramedics and Parks and Recreation was limited to 0.4847 mills, Senior Services was 0.7 mills, Health Services was 1.0 mill, and Veteran Services was 0.1 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 2012 to maintain property taxes at the allowable limit had a positive effect on the 2013 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, and 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 State awarded the County a grant for the cost of the system and the County began to implement the automated time and attendance program. This automated time and attendance system should result in significant cost savings for the County, improvements in policies and procedures, and a dramatic decrease in the workload for this function.

#### AWARDS AND ACKNOWLEDGEMENTS

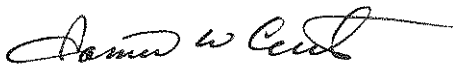
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Genesee County, Michigan for its comprehensive annual financial report for the fiscal period ended September 30, 2012, the thirty-fourth consecutive 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.

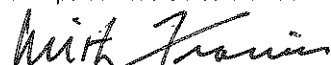
A Certificate of Achievement for Excellence is valid for a period of one year only. We believe our current report continues to conform to Certificate of Achievement for Excellence in Financial Reporting Program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

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  
Controller

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## **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 managements authorization and that adequate accountability of the County's assets is maintained.

Plante & Moran PLLC, independent public accountants, with direct access to the Board of Commissioners through its Audit Subcommittee, has 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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Genesee County, Michigan (the "County") as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise Genesee County's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and in accordance with the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. 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.

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 37.6 and 15.1 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 represents 30.5 percent and 19.6 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 represents less than 1 percent of both the assets and revenues of the component units. We also did not audit the financial statements of Genesee Health Systems Authority, a discretely presented component unit of the County, which represents 9.6 and 62.5 percent of the assets and revenue, respectively, of the component units. Those financial statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Genesee County Community Mental Health Services, Genesee County Planning Commission, Genesee County Road Commission, the Economic Development Corporation, and the Genesee Health Systems Authority, is based solely on the report of the other auditors.

To the Board of Commissioners  
Genesee County

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, based on our audit and the report 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 as of September 30, 2013 and the respective changes in its financial position and, where applicable, cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

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

As explained in Note C, the financial statements include investments valued at \$191,881,667 (41 percent of total investments for the aggregate remaining funds) at September 30, 2013 and at \$156,308,416 (34 percent of total investments for the aggregate remaining funds) at September 30, 2012, whose fair values have been estimated by management in the absence of readily determinable market values. Management's estimates are based on information provided by fund managers and the partnership general partners. Our opinion has not been modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplemental Information***

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 supplemental 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.

To the Board of Commissioners  
Genesee County

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Genesee County's basic financial statements. The combining statements, as identified in the table of contents as other supplemental information, are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

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

The introductory section and statistical section, as identified in the table of contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2014 on our consideration of Genesee County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Genesee County's internal control over financial reporting and compliance.

*Plante & Moreau, PLLC*

March 18, 2014

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## GENESEE COUNTY

As management of Genesee County, we offer readers of Genesee County's financial statements this narrative overview and analysis of the financial activities of Genesee County for the fiscal year ended September 30, 2013. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found 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 \$119,467,297 (net position). Of this amount, \$13,493,362 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position decreased by \$25,645,496. Governmental activities decreased by \$28,366,573 while Business-type activities increased by \$2,721,077; the overall decrease is attributed to a decrease in Primary Government revenues, resulting primarily from the transfer of Mental Health operations to Genesee Health Services, a newly established Mental Health Authority.
- As of the close of the current fiscal year, Genesee County's governmental funds reported combined ending fund balances of \$29,977,381, a decrease of \$15,853,798 in comparison with the prior year. Approximately 21% of this total amount, \$6,300,649, 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 \$9,455,182, 16% of total General Fund expenditures.
- Genesee County's total debt was increased by the issuance of delinquent tax notes in the amount of \$39,900,000 during the current fiscal year for various projects and refunding issues which was offset by total payments of \$54,381,571.

### 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 included 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.

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

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of 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, Parking Meter and Delinquent Tax Revolving Fund.

The government-wide financial statements include not only Genesee County itself (known as the primary government), but also eight 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, Parking Meter 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, Self Insured Medicals, 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, Parking Meter 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 eight 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 in 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 position may serve overtime as a useful indicator of a government's financial position. In the case of Genesee County, assets exceeded liabilities by \$119,467,297 at the close of the most recent fiscal year.

A significant portion of Genesee County's net position (63%) 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 POSITION

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
Current and other assets	\$76,130,833	\$134,990,452	\$55,608,797	\$59,154,978	\$131,739,630	\$194,145,430
Capital assets	<u>95,124,850</u>	<u>95,495,274</u>	<u>3,359,580</u>	<u>3,887,056</u>	<u>98,484,430</u>	<u>99,382,330</u>
Total assets	<u>171,255,683</u>	<u>230,485,726</u>	<u>58,968,377</u>	<u>63,042,034</u>	<u>230,224,060</u>	<u>293,527,760</u>
Long-term liabilities outstanding	61,161,047	55,397,578	36,161,184	42,569,174	97,322,231	97,966,752
Other liabilities	<u>12,501,025</u>	<u>49,127,964</u>	<u>933,507</u>	<u>1,320,251</u>	<u>13,434,532</u>	<u>50,448,215</u>
Total liabilities	<u>73,662,072</u>	<u>104,525,542</u>	<u>37,094,691</u>	<u>43,889,425</u>	<u>110,756,763</u>	<u>148,414,967</u>

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
Net position:						
Net investment in capital assets	\$ 71,579,693	\$ 69,930,626	\$ 3,313,080	\$ 3,815,056	\$ 74,892,773	\$ 73,745,682
Restricted	19,786,947	23,334,199	11,294,215	10,816,391	31,081,162	34,150,590
Unrestricted	<u>6,226,971</u>	<u>32,695,359</u>	<u>7,266,391</u>	<u>4,521,162</u>	<u>13,493,362</u>	<u>37,216,521</u>
Total net position	<u>\$ 97,593,611</u>	<u>\$125,960,184</u>	<u>\$21,873,686</u>	<u>\$19,152,609</u>	<u>\$119,467,297</u>	<u>\$145,112,793</u>

An additional portion of Genesee County's net position (26%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$13,493,362) 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 position, 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 position decreased by \$25,645,496. This decrease represents Governmental activities which is attributed primarily to the transfer of Mental Health operations to Genesee Health Services, a newly established Mental Health Authority.

**Governmental Activities.** Governmental activities decreased Genesee County's net position by \$28,366,573, key elements affecting this change are as follows:

**Genesee County's Change in Net position**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
Revenues:						
Program revenues:						
Charges for services (A)	\$43,056,628	\$127,332,255	\$ 13,937,979	\$14,179,074	\$56,994,607	\$141,511,329
Operating grants and contributions (A)	81,285,904	113,688,537	-	-	81,285,904	113,688,537
Capital grants and contributions	-	-	-	-	-	-
General revenues:						
Taxes	72,790,031	81,473,016	-	-	72,790,031	81,473,016
Use of money and investments	504,347	988,717	71,437	117,882	575,784	1,106,599
Other intergovernmental revenues	16,031,090	3,915,651	-	-	16,031,090	3,915,651
Other unrestricted revenues	<u>8,173,635</u>	<u>8,398,465</u>	<u>-</u>	<u>-</u>	<u>8,173,635</u>	<u>8,398,465</u>
Total revenues	221,841,635	335,796,641	14,009,416	14,296,956	235,851,051	350,093,597
Expenses:						
Legislative	981,519	1,023,886	-	-	981,519	1,023,886
Management and planning	12,901,085	5,302,148	-	-	12,901,085	5,302,148
Administration of justice	38,949,070	40,587,961	-	-	38,949,070	40,587,961
Law enforcement/commun. protec.	36,508,812	32,423,243	-	-	36,508,812	32,423,243
Human services (A)	130,931,244	242,432,706	-	-	130,931,244	242,432,706
Community enrichment/develop	16,255,901	17,005,313	-	-	16,255,901	17,005,313
General support services	-	-	-	-	-	-
Other	-	-	-	-	-	-
Interest on long-term debt	1,101,895	1,361,032	-	-	1,101,895	1,361,032
Commissary	-	-	340,779	323,556	340,779	323,556
Delinquent Tax	-	-	4,757,339	5,113,306	4,757,339	5,113,306
Parks & Recreation Enterprise	-	-	951,103	888,622	951,103	888,622
Parking Meter	-	-	<u>349,854</u>	<u>65,795</u>	<u>349,854</u>	<u>65,795</u>
Total Expenses	<u>237,629,526</u>	<u>340,136,289</u>	<u>6,399,075</u>	<u>6,391,279</u>	<u>244,028,601</u>	<u>346,527,568</u>
Increase (decrease) in net position before transfers	(15,787,891)	(4,339,648)	7,610,341	7,905,677	(8,177,550)	3,566,029
Transfers	<u>4,889,264</u>	<u>5,687,129</u>	<u>(4,889,264)</u>	<u>(5,687,129)</u>	<u>-</u>	<u>-</u>
Special item – transfer of operations to Genesee Health Systems	<u>(17,467,946)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(17,467,946)</u>	<u>-</u>
Change in net position	(28,366,573)	1,347,481	2,721,077	2,218,548	(25,645,496)	3,566,029
Beginning of year net position (as restated)	<u>125,960,184</u>	<u>124,612,703</u>	<u>19,152,609</u>	<u>16,934,061</u>	<u>145,112,793</u>	<u>141,546,764</u>
End of year net position	<u>\$ 97,593,611</u>	<u>\$125,960,184</u>	<u>\$ 21,873,686</u>	<u>\$19,152,609</u>	<u>\$119,467,297</u>	<u>\$145,112,793</u>

(A) Decrease due primarily to reporting Genesee Health Services as a discretely presented component unit effective January 1, 2013.

- 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.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## GENESEE COUNTY

- Due to careful budgeting and a transfer from the Delinquent Tax Fund, Genesee County's General Fund has seen a \$570,402 increase in fund balance.
- Taxes decreased by \$8,682,985 during the year. Most of this decrease is property taxes due to weak residential growth and a weak housing market.
- Operating grants for governmental activities remain a large part of the overall budget. These grants support a variety of community services in the county.

**Business-type activities.** The net position for business-type activities increased by \$2,721,077. Key elements of this increase are as follows.

- 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 \$29,977,381, an decrease of \$15,853,798 in comparison with the prior year. Approximately 21% of this total amount, (\$6,300,649) constitutes unassigned fund balance, which is available for spending at the government's discretion.

The General Fund unassigned fund balance totaled \$9,455,182, while total fund balance increased to \$12,316,681. 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 16% of total General Fund expenditures, while total fund balance represents 21% of that same amount.

At the end of the current fiscal year, the total fund balance of county health was increased to \$2,539,048. The fund balance represents 19% of total county health expenditures.

The increase 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 2012/2013 General Fund budget anticipating the use of \$0 of fund balance. During 2012/2013 General Fund revenues were more than budgeted revenues by \$712,096 while expenditures exceeded the budget by \$313,364.
- County Health - In the 2012/2013 fiscal year, the County Health Department anticipated expenditures of \$15,432,755. The actual amount of expenditures was \$13,566,386. This variance, combined with other variances in revenue items resulted in the Health Department fund balance increasing by \$1,278,936.
- Community Action Resource Department – The fund balance of the Community Action Resource Department decreased during the 2012/2013 fiscal year by a total of \$544,196. 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 position at the end of the year amounted to \$7,266,391. The total increase in net position for all proprietary funds was \$2,721,077. 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 \$1,292,729. The major budgetary increases/decreases are summarized as follows:

- A negative variance of \$197,065 in various General Fund revenues occurred due to the anticipated revenue received for fines and forfeitures and uses of money.
- A \$213,240 increase was allocated to the Board of Commissioners department to cover costs of attorney fees related to discussions of union contract changes and usage of delinquent tax funds.
- A total increase of 3,531,270 was allocated to Other expenses to cover furlough days savings being less than anticipated due to delays in union contract settlements.
- A \$261,459 increase was allocated to various departments to cover Capital Outlay which is allocated during the year on an as needed basis.
- A \$193,701 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 more than the amended budgetary estimates and expenditures exceeded the amended budget, resulting in a small increase in fund balance that was less than the final amended budget amount.

### **Capital Asset and Debt Administration**

**Capital assets.** Genesee County's investment in capital assets for its governmental and business type activities as of September 30, 2013, amounts to \$98,484,430 (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 \$260,287,117. Of this amount, \$116,886,416 comprises debt backed by the full faith and credit of the government, \$318,505 is special assessment debt for which the government is liable in the event of default by the property owners subject to the assessment and \$7,210,000 is Michigan Transportation bonds for which are payable with Act 51 money.

Genesee County's total debt, including component units, decreased by \$12,564,144 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 an "A2" 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 \$899,354,911, 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 8.4 percent, which is a decrease from a rate of 11.2 percent a year ago. This decrease 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 2013 fiscal year.

### **Request for Information**

The financial report is designed to provide a general overview of Genesee County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Controller, County of Genesee, 1101 Beach Street, Flint, MI 48502.



# **BASIC FINANCIAL STATEMENTS**

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# STATEMENT OF NET POSITION

SEPTEMBER 30, 2013

GENESEE COUNTY

Exhibit A-1

	Governmental Activities	Business-type Activities	Total	Component Units
<b>ASSETS</b>				
Cash and cash equivalents.....	\$ 5,258,652	\$ 1,906,853	\$ 7,165,505	\$ 70,731,664
Investments.....	15,354,194	7,359,519	22,713,713	32,777,451
Current and delinquent taxes receivable (net allowance \$1,116,143).....	13,998,293	43,643,971	57,642,264	
Special assessments receivable.....				43,744,763
Interest and accounts receivable (net allowance \$2,994,243).....	14,736,768	4,579,064	19,315,832	12,177,670
Due from other governmental units.....	14,931,026	4,260,328	19,191,354	9,395,089
Due from component unit.....	520,076	466,518	986,594	225,000
Due from primary government.....				26,359
Internal balances.....	6,665,352	(6,665,352)		
Inventory.....	1,305,644	34,448	1,340,092	2,498,017
Prepayments.....	1,148,212	23,448	1,171,660	1,548,042
Unamortized cost of issuance.....				679,048
Other assets.....	114,307		114,307	2,581,801
Restricted assets:				
Cash.....				4,850,094
Deposits and employee advances.....	333,309		333,309	1,604,423
Net OPEB asset.....				658,197
Long term advances to component unit.....	1,765,000		1,765,000	
Local unit construction in progress.....				156,500
Investment in joint venture.....				3,893,843
Intangible assets - Net.....				12,188
Capital assets not being depreciated.....	11,398,753	3,145,718	14,544,471	57,804,898
Capital assets (net of accumulated depreciation).....	83,726,097	213,862	83,939,959	480,248,309
<b>Total assets</b>	<b>171,255,683</b>	<b>58,968,377</b>	<b>230,224,060</b>	<b>725,613,356</b>
<b>LIABILITIES</b>				
Accounts payable.....	4,291,505	398,736	4,690,241	23,104,542
Accrued payroll.....	3,439,970	13,980	3,453,950	106,485
Other accrued liabilities and deposits.....	440,281	520,786	961,067	3,183,974
Accrued interest payable.....	287,815		287,815	277,286
Due to other governmental units.....	3,805,586	5	3,805,591	21,376,428
Due to primary government.....				986,594
Due to component unit.....	26,359		26,359	225,000
Long-term advances from primary government.....				1,765,000
Unearned revenue.....	209,509		209,509	11,126,145
Liabilities payable from restricted assets:				
Accounts payable.....				759,195
Noncurrent liabilities:				
Net OPEB obligation.....	29,095,022	314,684	29,409,706	5,676,066
Current portion debt.....	7,635,759	8,928,500	16,564,259	14,587,242
Long term debt.....	24,430,266	26,918,000	51,348,266	187,781,313
<b>Total liabilities</b>	<b>73,662,072</b>	<b>37,094,691</b>	<b>110,756,763</b>	<b>270,955,270</b>
<b>NET POSITION</b>				
Net investment in capital assets.....	71,579,693	3,313,080	74,892,773	378,952,538
Restricted:				
Special Revenue:				
Community development.....	14,305,564		14,305,564	
Community enrichment and development.....	356,692		356,692	
Drug forfeiture.....	43,759		43,759	
Emergency medical services.....	720,963		720,963	
Health care services.....	571,809		571,809	
Planning-solid waste activities.....	296,065		296,065	
Senior services.....	2,904,020		2,904,020	
Social services.....	116,299		116,299	
Veterans millage.....	471,776		471,776	
Retirement of delinquent tax notes payable.....		10,345,404	10,345,404	
Parks & recreation non expendable.....		948,811	948,811	
Programs.....				10,649,495
Debt service.....				3,158,668
Unrestricted .....	6,226,971	7,266,391	13,493,362	61,897,385
<b>Total net position</b>	<b>\$ 97,593,611</b>	<b>\$ 21,873,686</b>	<b>\$ 119,467,297</b>	<b>\$ 454,658,086</b>

**STATEMENT OF ACTIVITIES - GOVERNMENTAL, BUSINESS-TYPE,  
AND COMPONENT UNITS  
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

**GENESEE COUNTY**

**Exhibit A-2**

Functions/Programs	Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions
Primary government:			
Governmental activities:			
Legislative.....	\$ 981,519	51,762	
Management and planning.....	12,901,085	4,993,877	1,247,126
Administration of justice.....	38,949,070	4,853,624	9,505,889
Law enforcement and community protection.....	36,508,812	1,775,139	2,470,462
Human services.....	130,931,244	26,945,416	64,863,400
Community enrichment and development.....	16,255,901	4,436,810	3,199,027
Interest on long-term debt.....	1,101,895		
<b>Total governmental activities</b>	<b>237,629,526</b>	<b>43,056,628</b>	<b>81,285,904</b>
Business-type Activities:			
Commissary.....	340,779	534,689	
Delinquent Tax.....	4,757,339	12,727,040	
Parks and Recreation Enterprise.....	951,103	353,734	
Parking Meter.....	349,854	322,516	
<b>Total business-type activities</b>	<b>6,399,075</b>	<b>13,937,979</b>	<b>0</b>
<b>Total primary government</b>	<b>\$ 244,028,601</b>	<b>\$ 56,994,607</b>	<b>\$ 81,285,904</b>
Component units:			
Road Commission.....	\$ 38,229,602	\$ 8,067,639	\$ 28,955,789
Water and Waste Services.....	51,455,673	52,560,768	
Economic Development Corporation.....	22,087		
Drains.....	4,267,568	646,792	
Land Bank Authority.....	8,778,607	5,796,756	4,136,740
Brownfield Authority.....	577,222	270,004	
Storm Water Management System.....	407,292		290,269
Genesee Health System Authority.....	106,718,421	4,143,468	97,587,625
<b>Total Component Units</b>	<b>\$ 210,456,472</b>	<b>\$ 71,485,427</b>	<b>\$ 130,970,423</b>
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.....			
Special item - transfer of operations to Genesee Health Services...			
Change in net position.....			
Net position - beginning.....			
Net position - ending.....			

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

**Net (Expense) Revenue and  
Changes in Net Position  
Primary Government**

<b>Capital Grants and Contributions</b>	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>Component Units</b>
	\$ (929,757)		\$ (929,757)	
	(6,660,082)		(6,660,082)	
	(24,589,557)		(24,589,557)	
	(32,263,211)		(32,263,211)	
	(39,122,428)		(39,122,428)	
	(8,620,064)		(8,620,064)	
	(1,101,895)		(1,101,895)	
<u>\$ 0</u>	<u>(113,286,994)</u>	<u>\$ 0</u>	<u>(113,286,994)</u>	<u>\$ 0</u>
		193,910	193,910	
		7,969,701	7,969,701	
		(597,369)	(597,369)	
		(27,338)	(27,338)	
<u>0</u>	<u>0</u>	<u>7,538,904</u>	<u>7,538,904</u>	<u>0</u>
<u>\$ 0</u>	<u>(113,286,994)</u>	<u>7,538,904</u>	<u>(105,748,090)</u>	<u>0</u>
\$ 1,620,118				(1,206,174)
				2,725,213
				(22,087)
1,650,770				(1,970,006)
26,892				1,181,781
				(307,218)
				(117,023)
2,775,000				(2,212,328)
<u>\$ 6,072,780</u>				<u>(1,927,842)</u>
.....	69,503,562		69,503,562	
.....	3,263,945		3,263,945	
.....	22,524		22,524	
.....	504,347	71,437	575,784	1,757,481
.....	16,031,090		16,031,090	1,808,843
.....	8,173,635		8,173,635	
.....				4,797,438
.....	4,889,264	(4,889,264)		
.....	102,388,367	(4,817,827)	97,570,540	8,363,762
.....	(17,467,946)		(17,467,946)	20,349,315
.....	(28,366,573)	2,721,077	(25,645,496)	6,435,920
.....	125,960,184	19,152,609	145,112,793	427,872,851
.....	<u>\$ 97,593,611</u>	<u>\$ 21,873,686</u>	<u>\$ 119,467,297</u>	<u>\$ 454,658,086</u>

**BALANCE SHEET - ASSETS**  
**GOVERNMENTAL FUNDS**

**GENESEE COUNTY**

**Exhibit A-3-1**

	<hr/>	
	General	Mental Health 12/31/12
	<hr/>	
Cash and cash equivalents - Note C.....	\$	\$
Current and delinquent taxes receivable.....	13,998,293	
Investments - Note C.....		
Interest and accounts receivable.....	585,722	
Due from other governmental units.....	2,195,233	
Due from other county funds -- Note L.....	15,473,922	
Due from component unit -- Note L.....	500,000	
Inventory.....		
Prepayments.....	20,690	
Other assets.....		
Deposits and employee advances.....	333,309	
Long term advance to component unit.....		
Long-term advances.....	1,840,809	
	<hr/>	<hr/>
TOTAL ASSETS	\$ 34,947,978	\$ 0
	<hr/>	<hr/>

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

September 30, 2013

County Health	Community Action Resource Department	Community Development	Other Governmental Funds	Total Governmental Funds
\$	\$	\$ 347,110	\$ 4,199,477	\$ 4,546,587
				13,998,293
			6,252,595	6,252,595
230,823		13,674,560	167,401	14,658,506
141,407	3,362,789	418,437	8,544,324	14,662,190
3,294,333	134,334		7,291,712	26,194,301
19,040		311	725	520,076
	485,062	638,400	137,018	1,260,480
22,020			4,173	46,883
	109,080		5,227	114,307
				333,309
			1,765,000	1,765,000
				1,840,809
<u>\$ 3,707,623</u>	<u>\$ 4,091,265</u>	<u>\$ 15,078,818</u>	<u>\$ 28,367,652</u>	<u>\$ 86,193,336</u>

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

**GENESEE COUNTY**

**Exhibit A-3-2**

	<b>General</b>	<b>Mental Health 12/31/12</b>
Accounts payable.....	\$ 588,249	\$
Accrued payroll.....	966,327	
Other accrued liabilities and deposits.....	5,245	
Due to other governmental units.....	0	
Due to other county funds -- Note L.....	16,222,684	
Due to component unit -- Note L.....		
Deferred revenue.....	<u>4,848,792</u>	
<b>TOTAL LIABILITIES</b>	<u>22,631,297</u>	<u>0</u>
Fund equities:		
Fund balances - Notes F, G and S:		
Nonspendable.....	1,861,499	
Restricted.....		
Committed.....		
Assigned.....	1,000,000	
Unassigned.....	<u>9,455,182</u>	
<b>TOTAL FUND EQUITIES</b>	<u>12,316,681</u>	<u>0</u>
<b>TOTAL LIABILITIES AND FUND EQUITIES</b>	<u><u>\$ 34,947,978</u></u>	<u><u>\$ 0</u></u>

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



September 30, 2013

County Health	Community Action Resource Department	Community Development	Other Governmental Funds	Total Governmental Funds
\$ 153,228	\$ 863,019	\$ 255,556	\$ 1,876,403	\$ 3,736,455
424,675	111,270		555,007	2,057,279
			256,261	261,506
211,665		358,714	2,470,429	3,040,808
297,525	3,412,680	132,625	5,271,713	25,337,227
		26,359		26,359
81,482	147,962	13,667,164	3,010,921	21,756,321
1,168,575	4,534,931	14,440,418	13,440,734	56,215,955
22,020	485,062	638,400	1,906,041	4,913,022
			5,481,383	5,481,383
			74,994	74,994
2,517,028			9,690,305	13,207,333
	(928,728)		(2,225,805)	6,300,649
2,539,048	(443,666)	638,400	14,926,918	29,977,381
<u>\$ 3,707,623</u>	<u>\$ 4,091,265</u>	<u>\$ 15,078,818</u>	<u>\$ 28,367,652</u>	<u>\$ 86,193,336</u>

# RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITON

## GENESEE COUNTY

## Exhibit A-3-3

September 30, 2013

Fund balances of governmental funds	\$ 29,977,381
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds	95,124,850
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds:	
Property taxes	4,763,452
Grant receivable	15,018,360
Rental income from component units	1,765,000
Net position held in internal service funds are classified as held for governmental activities but are not reported in the funds. This amount is the net position exclusive of capital assets and long-term debt which are reported elsewhere in this reconciliation	8,815,004
Net OPEB asset	0
Net OPEB liability	(29,095,022)
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>(28,775,414)</u>
Net position of governmental activities	<u><u>\$ 97,593,611</u></u>

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

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

**GENESEE COUNTY**

**Exhibit A-4**

	<b>General</b>	<b>Mental Health 12/31/12</b>
Revenues:		
Taxes--Note H.....	\$ 45,261,951	\$
Licenses and permits.....	909,814	
Fines and forfeitures.....	1,564,789	
Use of money and property.....	58,600	
Federal grants--Note G.....	223,108	1,231,478
State grants--Note G.....		4,477,801
Other intergovernmental revenues.....	14,276,577	
Charges for services.....	10,721,032	27,841,645
Other.....	813,083	785,018
<b>TOTAL REVENUES</b>	<b>73,828,954</b>	<b>34,335,942</b>
Expenditures:		
Current operations:		
Legislative.....	922,513	
Management and planning.....	7,693,035	
Administration of justice.....	22,747,986	
Law enforcement and community protection.....	21,577,256	
Human services.....	1,234,017	35,247,757
Community enrichment and development.....		
General support services.....		
Other.....	2,696,188	
Capital outlay.....	235,905	81,028
Contribution to Component Units-Mental Health Services.....	2,775,000	
Debt service:		
Principal payments.....		
Interest.....		
<b>TOTAL EXPENDITURES</b>	<b>59,881,900</b>	<b>35,328,785</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>13,947,054</b>	<b>(992,843)</b>
Other financing sources (uses):		
Transfers-In.....	6,723,572	925,000
Transfers-Out.....	(20,100,224)	
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(13,376,652)</b>	<b>925,000</b>
Special item - transfer of operations to Genesee Health Services.....		(17,467,946)
<b>NET CHANGE IN FUND BALANCES</b>	<b>570,402</b>	<b>(17,535,789)</b>
Fund balance at beginning of year.....	11,746,279	17,535,789
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 12,316,681</b>	<b>\$ 0</b>

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

**Fiscal Year Ended September 30, 2013**

<b>County Health</b>	<b>Community Action Resource Department</b>	<b>Community Development</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$	\$	\$	\$	\$
1,031,767			24,439,051	69,701,002
			6,740	1,948,321
			104,845	1,669,634
			445,747	504,347
5,262,724	22,841,798	3,366,735	25,517,422	58,443,265
2,770,726	1,403,379		10,890,711	19,542,617
527,339			5,391,666	20,195,582
355,765			7,096,472	46,014,914
1,817,978	4,039,962	109,446	1,143,816	8,709,303
11,766,299	28,285,139	3,476,181	75,036,470	226,728,985
				922,513
				7,693,035
			12,428,509	35,176,495
			11,871,620	33,448,876
13,566,386	28,857,356		40,103,507	119,009,023
		4,362,381	14,687,753	19,050,134
				0
			638,458	3,334,646
	250,810		2,981,819	3,549,562
				2,775,000
			2,365,000	2,365,000
			1,249,358	1,249,358
13,566,386	29,108,166	4,362,381	86,326,024	228,573,642
(1,800,087)	(823,027)	(886,200)	(11,289,554)	(1,844,657)
3,079,023	640,742		17,591,779	28,960,116
	(361,911)		(5,039,176)	(25,501,311)
3,079,023	278,831	0	12,552,603	3,458,805
				(17,467,946)
1,278,936	(544,196)	(886,200)	1,263,049	(15,853,798)
1,260,112	100,530	1,524,600	13,663,869	45,831,179
\$ 2,539,048	\$ (443,666)	\$ 638,400	\$ 14,926,918	\$ 29,977,381

# 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, 2013

Net change in fund balances--total governmental funds \$ (15,853,798)

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	3,706,103
-Loss on Disposals	(198,029)
-Depreciation expense	(4,138,670)
Decrease in net OPEB asset	(1,604,133)
Increase in net OPEB liability	(9,100,225)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	(3,672,558)
Change in accrued interest	153,399
The payment of principal on long-term debt consumes current financial resources of the governmental funds. However, on the statement of net position, repayment of principal is recorded as a reduction to long-term debt payable and does not have any effect on net position	2,339,500
The activities of the internal service funds are considered part of governmental activities on the statement of changes in net position but are not reported in the funds	<u>1,838</u>

Change in net position of governmental activities \$ (28,366,573)

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

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# BALANCE SHEET--PROPRIETARY FUNDS

## GENESEE COUNTY

## Exhibit A-6

		<u>Business Type Activities -</u>
		<u>Delinquent Taxes</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents.....	\$	509,189
Investments.....		6,410,708
Current and delinquent property taxes receivable, less allowance for uncollectibles of \$1,050,316 .....		43,643,971
Interest and accounts receivable, less allowance \$2,338,560.....		4,579,064
Due from other governmental units.....		4,186,972
Due from other county funds.....		1,215,270
Due from component unit.....		466,518
Supplies inventory.....		
Prepayments.....		
<b>TOTAL CURRENT ASSETS</b>		<u>61,011,692</u>
<b>CAPITAL ASSETS</b>		
Construction in progress.....		
Land.....		2,439,608
Land improvements.....		
Buildings and improvements.....		
Equipment.....		507,486
<b>TOTAL CAPITAL ASSETS</b>		<u>2,947,094</u>
Less allowances for depreciation.....		444,960
<b>TOTAL CAPITAL ASSETS, NET</b>		<u>2,502,134</u>
<b>TOTAL ASSETS</b>	<b>\$</b>	<b><u>63,513,826</u></b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable.....	\$	346,562
Accrued payroll.....		
Other accrued liabilities and deposits.....		464,663
Due to other governmental units.....		5
Due to other County funds.....		7,862,897
Compensated absences.....		
Current portion of notes/bonds payable.....		8,900,000
<b>TOTAL CURRENT LIABILITIES</b>		<u>17,574,127</u>
<b>LONG-TERM DEBT</b>		
Net OPEB obligation.....		100,934
General and workers' compensation claim/Liability.....		
Long-term advance.....		
Notes/bonds payable exclusive of current portion.....		26,900,000
<b>TOTAL LONG-TERM DEBT</b>		<u>27,000,934</u>
<b>TOTAL LIABILITIES</b>		<u>44,575,061</u>
<b>NET POSITION:</b>		
Restricted for:		
Retirement of delinquent tax notes payable.....		10,345,404
Parks & recreation non-expendable.....		
Capital improvement.....		
Net investment in capital assets.....		2,502,134
Unrestricted.....		6,091,227
<b>TOTAL Net Position</b>	<b>\$</b>	<b><u>18,938,765</u></b>

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



September 30, 2013			Governmental		
Enterprise Funds			Activities-		
Non-Major			Internal		
Enterprise			Service		
Funds		Total	Funds		
\$ 1,397,664	\$ 1,906,853	\$ 712,065			
948,811	7,359,519	9,101,599			
	43,643,971				
	4,579,064	78,262			
73,356	4,260,328	268,836			
	1,215,270	7,073,878			
	466,518				
34,448	34,448	45,164			
23,448	23,448	1,101,329			
<u>2,477,727</u>	<u>63,489,419</u>	<u>18,381,133</u>			
		40,938			
706,110	3,145,718	193,496			
3,086,571	3,086,571				
1,181,214	1,181,214	2,481,824			
3,920,856	4,428,342	10,293,291			
8,894,751	11,841,845	13,009,549			
8,037,305	8,482,265	10,225,664			
857,446	3,359,580	2,783,885			
<u>\$ 3,335,173</u>	<u>\$ 66,848,999</u>	<u>\$ 21,165,018</u>			
\$ 52,174	\$ 398,736	\$ 555,050			
13,980	13,980	1,382,691			
56,123	520,786	178,775			
0	5	764,778			
17,725	7,880,622	1,265,600			
		3,578,426			
28,500	8,928,500	1,567,058			
<u>168,502</u>	<u>17,742,629</u>	<u>9,292,378</u>			
213,750	314,684				
		2,561,998			
		1,840,809			
18,000	26,918,000	650,483			
<u>231,750</u>	<u>27,232,684</u>	<u>5,053,290</u>			
<u>400,252</u>	<u>44,975,313</u>	<u>14,345,668</u>			
	10,345,404				
948,811	948,811				
		89,786			
810,946	3,313,080	2,768,013			
1,175,164	7,266,391	3,961,551			
<u>\$ 2,934,921</u>	<u>\$ 21,873,686</u>	<u>\$ 6,819,350</u>			

# STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION--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.....	\$	12,727,040
Ticket, permit & concession sales.....		
TOTAL OPERATING REVENUES		<u>12,727,040</u>
Operating expenses:		
Salaries and fringe benefits.....		437,897
Supplies and other operating expenses.....		3,955,036
Depreciation.....		101,497
TOTAL OPERATING EXPENSES		<u>4,494,430</u>
OPERATING INCOME (LOSS)		<u>8,232,610</u>
Non-operating revenues (expenses):		
Investment earnings.....		4,050
Interest expense.....		(262,909)
Gain (loss) on sale of property and equipment.....		
Contribution to Component Units-Land Bank Authority & Brownfield.....		(670,000)
TOTAL NON-OPERATING REVENUES (EXPENSES)		<u>(928,859)</u>
INCOME (LOSS) BEFORE TRANSFERS		<u>7,303,751</u>
Transfers-in.....		
Transfers-out.....		(4,735,164)
TOTAL TRANSFERS		<u>(4,735,164)</u>
CHANGE IN NET POSITION		<u>2,568,587</u>
Net position at beginning of year.....		16,370,178
NET POSITION AT END OF YEAR	\$	<u><u>18,938,765</u></u>

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

Year Ended September 30, 2013		Governmental Activities- Internal Service Funds
Type Activities - Enterprise Funds		
Non-Major Enterprise Funds	Total	
\$	\$	\$
	12,727,040	25,099,514
1,210,939	1,210,939	
1,210,939	13,937,979	25,099,514
612,655	1,050,552	5,182,498
922,706	4,877,742	20,340,732
102,775	204,272	1,085,240
1,638,136	6,132,566	26,608,470
(427,197)	7,805,413	(1,508,956)
67,387	71,437	199,343
(3,600)	(266,509)	(1,099)
	(670,000)	552,091
63,787	(865,072)	750,335
(363,410)	6,940,341	(758,621)
545,000	545,000	760,459
(29,100)	(4,764,264)	
515,900	(4,219,264)	760,459
152,490	2,721,077	1,838
2,782,431	19,152,609	6,817,512
\$ 2,934,921	\$ 21,873,686	\$ 6,819,350

# 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.....	\$ 39,151,903
Cash payment for delinquent taxes.....	(24,818,278)
Cash payments to suppliers for goods and services.....	(4,709,998)
Cash payments to employees for services.....	
Other operating revenues.....	<u>1,108,676</u>
NET CASH PROVIDED (USED) FOR OPERATING ACTIVITIES	<u>10,732,303</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Borrowing under delinquent tax notes payable.....	39,900,000
Repayments under delinquent tax notes payable.....	(46,400,000)
Interest paid on delinquent tax notes payable.....	(273,278)
Advances (repayments) to other governmental units, County units and funds.....	2,670,798
Transfer to component unit.....	(670,000)
Transfers-in from other funds.....	
Transfers-out to other funds.....	<u>(4,735,164)</u>
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	<u>(9,507,644)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Acquisition and construction of capital assets.....	344,220
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>344,220</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of investment securities.....	(59,401,349)
Proceeds from sale and maturities of investment securities.....	56,500,000
Interest and dividends on investments earnings (loss).....	<u>4,050</u>
NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES	<u>(2,897,299)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>(1,328,420)</u>
Cash and cash equivalents at beginning of year.....	<u>1,837,609</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 509,189</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:	
Operating income (loss).....	\$ 8,232,610
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation.....	101,497
Provision for uncollectible accounts.....	(63,456)
Change in assets and liabilities:	
(Increase) decrease in current and delinquent property taxes receivable.....	2,700,320
(Increase) decrease in interest and accounts receivable.....	78,397
(Increase) decrease in supplies inventory.....	
Increase in net OPEB liability.....	34,745
(Increase) decrease in prepayment and other current assets.....	
Increase (decrease) in accounts payable and related items.....	(351,810)
Increase (decrease) in accrued payroll.....	
Increase (decrease) in other accrued liabilities and deposits.....	
Net cash provided by (used for) operating activities.....	<u>\$ 10,732,303</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, 2013		Governmental	
Activities - Enterprise Funds		Activities-	
Non-Major		Internal	
Enterprise		Service	
Funds	Total	Funds	
\$ 1,211,388	\$ 40,363,291	\$ 24,974,703	
	(24,818,278)		
(902,189)	(5,612,187)	(21,088,027)	
(530,590)	(530,590)	(4,701,583)	
	1,108,676		
(221,391)	10,510,912	(814,907)	
	39,900,000		
	(46,400,000)		
	(273,278)		
	2,670,798	1,544,909	
	(670,000)		
545,000	545,000	760,459	
(29,100)	(4,764,264)		
515,900	(8,991,744)	2,305,368	
	344,220	(1,169,857)	
(25,500)	(25,500)	(501,929)	
		(1,099)	
		46,935	
(25,500)	318,720	(1,625,950)	
	(59,401,349)	(5,536,260)	
	56,500,000	5,784,484	
(4,761)	(711)	199,681	
(4,761)	(2,902,060)	447,905	
264,248	(1,064,172)	312,416	
1,133,416	2,971,025	399,649	
\$ 1,397,664	\$ 1,906,853	\$ 712,065	
\$ (427,197)	\$ 7,805,413	\$ (1,508,956)	
102,775	204,272	1,085,239	
	(63,456)		
	2,700,320	(180,234)	
	78,397	327,931	
(1,649)	(1,649)	(7,449)	
82,765	117,510		
		16,533	
(31,616)	(383,426)	(249,979)	
(22,335)	(22,335)	480,378	
75,866	75,866	(778,370)	
\$ (221,391)	\$ 10,510,912	\$ (814,907)	
72,148	72,148		

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

**GENESEE COUNTY**

**Exhibit A-9**

	September 30, 2013	
	Total Pension and Employee Fringe Benefit (VEBA)	Agency Funds
	Trust Fund	
<b>ASSETS</b>		
Cash and short-term cash investments.....	\$ 31,225,499	\$ 22,028,939
Cash and investments held as collateral for securities lending.....	3,211,330	
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>34,436,829</b>	<b>22,028,939</b>
Receivables:		
Prepaid expenses.....	176,214	
Other receivables.....	565,862	3,655
Accrued interest and dividends.....	2,392,777	
<b>TOTAL RECEIVABLES</b>	<b>3,134,853</b>	<b>3,655</b>
Investments at fair value:		
U.S. government securities.....	72,917,991	
Foreign govts. and agencies.....	99,630,175	
Corporate bonds.....	48,582,942	
Common stocks.....	73,783,276	
Preferred stocks.....	112,496	
Money market.....	570,065	
Mutual funds.....	97,357,238	
Real estate.....	23,839,634	
Hedge fund of funds.....	40,017,051	
<b>TOTAL INVESTMENTS</b>	<b>456,810,868</b>	
<b>TOTAL ASSETS</b>	<b>494,382,550</b>	<b>22,032,594</b>
<b>LIABILITIES</b>		
Accounts payable.....	28,759,578	22,032,594
IBNR liability.....	501,818	
Amounts due broker under securities lending agreement.....	3,231,440	
<b>TOTAL LIABILITIES</b>	<b>32,492,836</b>	<b>22,032,594</b>
<b>NET POSITION</b>		
Held in trust for pension benefits and other purposes.....	<b>\$ 461,889,714</b>	<b>\$</b>

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

# **GENESEE COUNTY** **STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**

## **GENESEE COUNTY**

## **Exhibit A-10**

	<b>Fiscal</b> <b>Year Ended</b> <b>September 30, 2013</b> <b>Total Pension</b> <b>and Employee</b> <b>Benefit</b> <b>Trust Fund</b>
<b>ADDITIONS</b>	
Contributions:	
Employer.....	\$ 23,922,670
Plan members.....	3,463,274
Total contributions	<u>27,385,944</u>
Investment earnings:	
Net increase	
in fair value of investments.....	44,560,920
Interest.....	5,273,920
Dividends.....	3,145,251
Total investment earnings.....	<u>52,980,091</u>
Less investment expense.....	<u>2,254,321</u>
Net investment earnings.....	<u>50,725,770</u>
Total additions.....	<u>78,111,714</u>
Securities lending income:	
Interest and fees.....	27,341
Borrower rebates and bank fees.....	27,159
Net securities lending income.....	<u>54,500</u>
Total additions .....	<u>78,166,214</u>
<b>DEDUCTIONS</b>	
Benefits.....	53,979,220
Refunds of contributions.....	270,198
Administrative expenses.....	314,672
Transfer to other pensions plans.....	<u>3,090,929</u>
Total deductions.....	<u>57,655,019</u>
Change in net position.....	20,511,195
Net position - Held in trust for pension benefits and other purposes - beginning of the year.....	441,378,519
Net position - Held in trust for pension benefits and other purposes - end of the year.....	<u>\$ 461,889,714</u>

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

# STATEMENT OF NET POSITION COMPONENT UNITS

## GENESEE COUNTY

## Exhibit A-11

	Road Commission 9/30/13	Water and Waste Services 12/31/12	Economic Development Corporation 09/30/13
<b>ASSETS</b>			
Cash and cash equivalents.....	\$ 8,490,782	\$ 13,936,397	\$ 648,407
Investments.....	15,190,537		
Special Assessments and Lease Receivable.....	4,667,139	28,699,265	
Interest and accounts receivable.....	81,465	8,812,458	107,233
Due from other governmental units.....	6,781,036	300,325	
Current portion of land contract.....			
Due from primary government.....			
Advances to other funds.....			
Inventory.....	1,284,832	75,625	
Prepayments.....	322,098	493,266	
Unamortized cost of issuance.....		679,048	
Other assets.....		93,000	
Restricted Assets:			
Cash and cash equivalents.....	4,546,470	243,008	
Local unit construction in progress.....		156,500	
Net OPEB asset.....	56,123		
Investment in joint venture.....			
Intangible assets - Net.....			
Capital assets not being depreciated.....	959,211	55,779,523	
Capital assets net of depreciation.....	180,023,271	267,120,100	
<b>TOTAL ASSETS</b>	<b>222,402,964</b>	<b>376,388,515</b>	<b>755,640</b>
<b>LIABILITIES</b>			
Accounts payable.....	1,673,037	5,032,859	1,798
Accrued payroll.....			
Other accrued liabilities and deposits.....	680,744		
Accrued interest payable.....			
Due to other governmental units.....		391,298	
Due to Primary Government.....			
Funds held in escrow.....			
Advances from other funds.....			
Unamortized note premium.....			
Unearned revenue.....	2,244,190	156,500	
Payable from restricted assets:			
Accounts payable.....	509,507	243,008	
Long-term advance from primary government.....			
Net OPEB obligation.....		5,676,066	
Current portion debt.....	2,180,798	10,845,000	
Long-term debt.....	10,412,741	159,837,896	
<b>TOTAL LIABILITIES</b>	<b>17,701,017</b>	<b>182,182,627</b>	<b>1,798</b>
<b>NET POSITION</b>			
Net investment in capital assets.....	169,457,482	181,595,040	
Restricted for:			
Programs.....			736,680
Debt service.....		3,098,052	
Unrestricted (deficit).....	35,244,465	9,512,796	17,162
<b>TOTAL NET POSITION (DEFICIT)</b>	<b>\$ 204,701,947</b>	<b>\$ 194,205,888</b>	<b>\$ 753,842</b>

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



Drains 9/30/13	Land Bank Authority 9/30/13	Brownfield Authority 09/30/13	Storm Water Management System 09/30/13	Genesee Health System Authority 09/30/13	Total
\$ 4,238,997	\$ 1,656,186	\$ 18,155	\$ 473,477	\$ 41,269,263	\$ 70,731,664
201,629		970,000	100,000	16,315,285	32,777,451
4,846,447	5,531,912				43,744,763
	697,274			2,479,240	12,177,670
	418,866		929	1,893,933	9,395,089
		225,000			225,000
	26,359				26,359
	1,604,423				1,604,423
60,812	1,076,748				2,498,017
	740			731,938	1,548,042
					679,048
	13,801	2,475,000			2,581,801
	60,616				4,850,094
					156,500
				602,074	658,197
	3,893,843				3,893,843
	12,188				12,188
	84,308			981,856	57,804,898
22,778,909	7,347,345			2,978,684	480,248,309
32,126,794	22,424,609	3,688,155	574,406	67,252,273	725,613,356
83,544	351,826		66,881	15,894,597	23,104,542
11,125	95,360				106,485
582,970	46,785			642,190	1,952,689
29,453		247,833			277,286
				20,985,130	21,376,428
500,000	467,554			19,040	986,594
		225,000			225,000
	1,231,285				1,231,285
		389,289			389,289
	61,660			8,663,795	11,126,145
6,680					759,195
	1,765,000				1,765,000
					5,676,066
	443,296	255,000		863,148	14,587,242
3,165,437	1,498,267	12,110,000		367,683	187,392,024
4,379,209	5,961,033	13,227,122	66,881	47,435,583	270,955,270
19,613,472	4,326,004			3,960,540	378,952,538
60,812	229,750		507,525	9,114,728	10,649,495
	60,616				3,158,668
8,073,301	11,847,206	(9,538,967)		6,741,422	61,897,385
\$ 27,747,585	\$ 16,463,576	\$ (9,538,967)	\$ 507,525	\$ 19,816,690	\$ 454,658,086

**STATEMENT OF ACTIVITIES  
COMPONENT UNITS**

**GENESEE COUNTY**

**Exhibit A-12**

	Program Revenues				Road Commission 9/30/13
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Component units:					
Road Commission.....	\$ 38,229,602	\$ 8,067,639	\$ 28,955,789	\$	\$ (1,206,174)
Water and Waste Services.....	51,455,673	52,560,768		1,620,118	
Economic Development Corporation..	22,087				
Drains.....	4,267,568	646,792		1,650,770	
Land Bank Authority.....	8,778,607	5,796,756	4,136,740	26,892	
Brownfield Authority.....	577,222	270,004			
Storm Water Management System....	407,292		290,269		
Genesee Health System Authority.....	106,718,421	4,143,468	97,587,625	2,775,000	
Total Component Units	<u>\$ 210,456,472</u>	<u>\$ 71,485,427</u>	<u>\$ 130,970,423</u>	<u>\$ 6,072,780</u>	<u>(1,206,174)</u>
Revenues:					
Taxes.....					
Use of money and investments.....					383,791
Other intergovernmental revenues.....					
Unrestricted contributions.....					1,215,798
Total general revenues and transfers.....					<u>1,599,589</u>
Special item - transfer of operations to Genesee Health Services.....					
Change in net position.....					393,415
Net position - beginning of the year (deficit) as restated.....					<u>204,308,532</u>
Net position - end of year (deficit).....					<u>\$ 204,701,947</u>

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

Net (Expense) Revenue and Changes in Net Position							
Component Units							
Water and Waste Services 12/31/12	Economic Development Corporation 9/30/13	Drains 09/30/13	Land Bank Authority 9/30/13	Brownfield Authority 09/30/13	Storm Water Management System 09/30/13	Genesee Health System Authority 09/30/13	Total
\$	\$	\$	\$	\$	\$	\$	\$
2,725,213	(22,087)	(1,970,006)	1,181,781	(307,218)	(117,023)	(2,212,328)	(1,206,174)
							2,725,213
							(22,087)
							(1,970,006)
							1,181,781
							(307,218)
							(117,023)
							(2,212,328)
<u>2,725,213</u>	<u>(22,087)</u>	<u>(1,970,006)</u>	<u>1,181,781</u>	<u>(307,218)</u>	<u>(117,023)</u>	<u>(2,212,328)</u>	<u>(1,927,842)</u>
1,326,056	4,301	1,054	717	2,620	1,114	37,828	1,757,481
930,054			1,808,843				1,808,843
			1,009,711			1,641,875	4,797,438
<u>2,256,110</u>	<u>4,301</u>	<u>1,054</u>	<u>2,819,271</u>	<u>2,620</u>	<u>1,114</u>	<u>1,679,703</u>	<u>8,363,762</u>
						20,349,315	20,349,315
4,981,323	(17,786)	(1,968,952)	4,001,052	(304,598)	(115,909)	(532,625)	6,435,920
189,224,565	771,628	29,716,537	12,462,524	(9,234,369)	623,434		427,872,851
<u>\$ 194,205,888</u>	<u>\$ 753,842</u>	<u>\$ 27,747,585</u>	<u>\$ 16,463,576</u>	<u>\$ (9,538,967)</u>	<u>\$ 507,525</u>	<u>\$ 19,816,690</u>	<u>\$ 454,658,086</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 425,000 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 30<sup>th</sup> 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. The County approves and would be secondarily liable for any debt issuances. 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 30<sup>th</sup> 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 converted to a September 30<sup>th</sup> fiscal year end from a calendar 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.

Genesee Health Services (Agency), formerly known as Genesee County Community Mental Health Authority - On August 29, 2012, the Board of Commissioners of Genesee County, Michigan approved a resolution to establish a community mental health authority (a separate entity) to assume the activities of the Agency, effective January 1, 2013. The Agency is reported as a discretely presented component unit effective January 1, 2013.

Complete financial statements of the individual component units (excluding Drains, Brownfield Authority and Building Authority 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 position and the statement of changes in net position) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of inter fund 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 2013 include property taxes levied principally on December 1, 2012 and substantially collected in early 2013. The "2012 property taxes" assessed on December 31, 2012, become a lien on December 1, 2012, and are to be collected principally by February 28, 2013. 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, 2013 levy is also recognized as revenue for the year ended September 30, 2013 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. On August 29, 2012, the Board of Commissioners of Genesee County, Michigan approved a resolution to establish a community mental authority (a separate entity) to assume the activities of the Agency, effective January 1, 2013. The Agency is reported as a major fund for 3 months ending December 31, 2012 then as a discretely presented component unit effective January 1-September 30, 2013.

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:

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The Pension Trust Fund accounts for employee and employer pension contributions, investment income, accumulated assets, and payments to beneficiaries.

The Trust and Agency Funds account 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 employee and employer contributions, investment income, accumulated assets, set aside with the intent to accumulate adequate funds to defray part of the cost of retiree medical benefits in future years.

Additionally, the government reports the following fund types:

Internal service funds account 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.

As a general rule, the effect of inter fund 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 relates 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:

- 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.
- A public hearing is conducted to obtain taxpayers comments.
- Prior to September 30, the budget is legally enacted through passage of a resolution.
- 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.
- 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.
- 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.

	Total Total Revenue	Expenditures
<u>General Fund</u>		
Amounts per operating statement	\$73,828,954	\$59,881,900
Animal Shelter Fund budgeted separately from the General Fund	(2,747)	(967,582)
Medical Examiner Fund budgeted separately from the General Fund	(189,769)	(1,181,652)
Amounts per budget statements	<u>\$73,636,438</u>	<u>\$57,732,666</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 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 position. 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.

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.
- **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.

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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.

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: FirstMerit 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 \$10,013,070 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 (self insurance)	\$ 1,439,473	Counterparty's trust dept
Corporate bonds (self insurance)	1,690,364	Counterparty's trust dept
Corporate stocks (self insurance)	3,560,920	Counterparty's trust dept
Mutual funds (self insurance)	483,104	Counterparty's trust dept
U.S. gov or agency bond or note (VEBA)	6,239,499	Counterparty's trust dept
Corporate bonds (VEBA)	8,100,735	Counterparty's trust dept
Corporate stock (VEBA)	7,091,313	Counterparty's trust dept
Foreign gov and agency (VEBA)	24,191,655	Counterparty's trust dept
U.S. gov or agency bond or note (pension)	66,678,492	Counterparty's trust dept
Foreign gov and agency (pension)	75,438,520	Counterparty's trust dept
Corporate bonds (pension)	40,482,207	Counterparty's trust dept
Corporate stocks (pension)	66,751,963	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)	\$1,439,473	\$589,104	\$850,369	
Corporate bonds (self insurance)	1,690,364	156,164	1,534,200	
Money market funds (self insurance)	384,652	384,652		
U.S. gov or agency bond or notes (VEBA)	1,850,428	1,352,963	497,465	
Corporate bonds (VEBA)	6,132,648		6,132,648	
Foreign gov (VEBA)	523,050		523,050	
Asset backed (pension)	1,771,067			1,771,067



<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 (pension)	1,996,146		1,804,434	191,712
U.S. gov mortgage backed (pension)	1,751,441			1752,441
U.S. gov tips	1,700,730		1,700,730	
Corporate bonds (pension)	30,113,931	309,640	21,170,016	8,634,275
Foreign corporate (pension)	8,890,792	948,795	7,083,737	858,260
Foreign gov (pension)	3,605,883		2,823,433	782,450
Private placement (pension)	8,597,210	66,831	7,452,964	1,077,415

**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)	\$1,439,473	AA+	S&P
Money Market (self insurance)	743,923	Not Rated	N/A
Corporate bonds (self insurance)	356,733	A-	S&P
Corporate bonds (self insurance)	578,058	BBB+	S&P
Corporate bonds (self insurance)	413,244	BBB	S&P
Corporate bonds (self insurance)	341,328	BBB-	S&P
Corporate bonds (VEBA)	489,995	AA	S&P
Corporate bonds (VEBA)	1,900,217	A	S&P
Corporate bonds (VEBA)	2,899,011	BBB	S&P
Corporate bonds (VEBA)	843,125	BB	S&P
Private Placement (VEBA)	250,000	A	S&P
Foreign government bonds (VEBA)	227,250	BB	S&P
Foreign government bonds (VEBA)	295,800	Not Rated	N/A
U.S. gov agency securities (VEBA)	801,329	AA	S&P
U.S. gov agency securities (VEBA)	1,049,099	Not Rated	N/A
Asset backed (pension)	186,298	AAA	S&P
Asset backed (pension)	231,038	AA	S&P
Asset backed (pension)	342,822	A	S&P
Asset backed (pension)	82,007	BB	S&P
Asset backed (pension)	86,460	B	S&P
Asset backed (pension)	842,441	CCC and Below	S&P
Corporate bonds (pension)	1,791,871	AA	S&P
Corporate bonds (pension)	9,678,165	A	S&P
Corporate bonds (pension)	13,079,008	BBB	S&P
Corporate bonds (pension)	4,269,674	BB	S&P
Corporate bonds (pension)	1,040,498	B	S&P
Corporate bonds (pension)	250,425	CCC and Below	S&P
Corporate bonds (pension)	4,291	Not Rated	N/A
Corporate CMO (pension)	1,280,414	AAA	S&P
Corporate CMO (pension)	1,751,643	BBB	S&P
Corporate CMO (pension)	150,916	BB	S&P
Corporate CMO (pension)	158,811	B	S&P
Corporate CMO (pension)	950,462	CCC and Below	S&P
Corporate CMO (pension)	2,532,038	Not Rated	N/A
Private placements (pension)	507,860	AAA	S&P
Private placements (pension)	422,908	AA	S&P
Private placements (pension)	1,814,891	A	S&P
Private placements (pension)	1,946,055	BBB	S&P
Private placements (pension)	1,192,037	BB	S&P
Private placements (pension)	634,089	B	S&P
Private placements (pension)	2,079,370	Not Rated	N/A
Foreign corporate bonds (pension)	382,740	AAA	S&P
Foreign corporate bonds (pension)	382,454	AA	S&P
Foreign corporate bonds (pension)	1,737,429	A	S&P
Foreign corporate bonds (pension)	3,166,474	BBB	S&P
Foreign corporate bonds (pension)	421,724	BB	S&P
Foreign corporate bonds (pension)	252,787	B	S&P
Foreign corporate bonds (pension)	2,547,184	Not Rated	N/A
Foreign government bonds (pension)	651,345	A	S&P
Foreign government bonds (pension)	1,257,176	BBB	S&P
Foreign government bonds (pension)	1,697,362	Not Rated	N/A

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<u>Investment</u>	<u>Fair Value</u>	<u>Rating</u>	<u>Rating Organization</u>
U.S. government agency (pension)	1,872,855	AA	S&P
U.S. government agency (pension)	52,528	BBB	S&P
U.S. government agency (pension)	70,764	Not Rated	N/A
U.S. government mortgage backed (pension)	1,752,441	Not Rated	N/A
U.S. government other (pension)	1,213,547	Not Rated	N/A
U.S. government TIPS (pension)	1,700,730	Not Rated	N/A
U.S. government treasuries, notes and bonds (pension)	53,191,344	Not Rated	N/A

**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	\$ 35,453
Canadian Dollar	192,117
Great British Pounds	10,493,792
Mexican Peso	61,930
Norwegian Kroner	2
Hong Kong Dollar	3,360,395
Philippine Peso	164,323
South African Rand	18
Swedish Krona	150,810
Taiwan Dollar	234,117
Turkish Lira	200,332

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, 2012, 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 the investments in the cash collateral pool are deemed to mature on the cash collateral pool's next business day as per the Reinvestment Guidelines, with the exception of the Sigma Medium Term Note (Impaired). 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, 2012, 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, 2012 was \$3,211,330 and \$3,194,952 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, 2013 is summarized as follows:

<u>Governmental activities:</u>	<u>Balance Oct. 1, 2012</u>	<u>Additions</u>	<u>Disposals</u>	<u>Reclassifications and Adjustments</u>	<u>Balance Sept. 30, 2013</u>
Capital assets not being depreciated					
Land.....	\$ 11,349,565	\$	\$	\$	\$ 11,349,565
Construction in progress.....	15,572	49,188	15,572		49,188
Subtotal .....	11,365,137	49,188	15,572		11,398,753
Capital assets being depreciated:					
Land improvements .....	8,806,199	110,473			8,916,672
Buildings and improvements.....	120,714,083	1,806,847			122,520,930
Machinery and equipment .....	27,585,901	2,925,491	650,819	(154,076)	29,706,497
Subtotal .....	157,106,183	4,842,811	650,819	(154,076)	161,144,099

	<b>Balance Oct. 1, 2012</b>	<b>Additions</b>	<b>Disposals</b>	<b>Reclassifications and Adjustments</b>	<b>Balance Sept. 30, 2013</b>
<b>Governmental activities:</b>					
Less accumulated depreciation for:					
Land improvements .....	36,702	3,022			39,724
Buildings .....	52,787,550	3,435,939			56,223,489
Machinery and equipment .....	20,151,794	1,784,949	627,878	(154,076)	21,154,789
Subtotal .....	72,976,046	5,223,910	627,878	(154,076)	77,418,002
Governmental activities					
Capital assets, net of depreciation .....	<u>\$ 95,495,274</u>	<u>\$ (331,911)</u>	<u>\$ 38,513</u>	<u>\$</u>	<u>\$ 95,124,850</u>

	<b>Balance Oct. 1, 2012</b>	<b>Additions</b>	<b>Disposals</b>	<b>Reclassifications</b>	<b>Balance Sept. 30, 2013</b>
<b>Business type activities:</b>					
Capital assets not being depreciated:					
Land .....	<u>\$ 3,502,006</u>	<u>\$</u>	<u>\$ 344,210</u>	<u>\$ (12,078)</u>	<u>\$ 3,145,718</u>
Capital assets being depreciated:					
Buildings .....	1,181,215				1,181,215
Land improvements .....	3,074,493			12,078	3,086,571
Machinery and equipment .....	4,274,265			154,076	4,428,341
Subtotal .....	8,529,973			166,154	8,696,127
Less accumulated depreciation for:					
Buildings .....	1,107,483	23,013			1,130,496
Land improvements .....	3,074,493			12,078	3,086,571
Machinery and equipment .....	3,962,947	148,175		154,076	4,265,198
Subtotal .....	8,144,923	171,188		166,154	8,482,265
Business type activities					
Capital assets, net of depreciation .....	<u>\$ 3,887,056</u>	<u>\$ (171,188)</u>	<u>\$ 344,210</u>	<u>\$ (12,078)</u>	<u>\$ 3,359,580</u>

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

<b>Governmental activities:</b>	
Administration of Justice .....	\$ 1,153,244
Law Enforcement and Community Protection .....	923,508
Human Services .....	556,295
Community Enrichment and Development .....	373,845
General Support Services .....	127,328
Other .....	1,004,450
Internal service fund depreciation is charged to the various functions based on their usage of the assets	<u>1,085,240</u>
Total governmental activities .....	<u>\$ 5,223,910</u>
<b>Business type activities:</b>	
Delinquent tax revolving .....	\$ 101,497
Parks and Recreation .....	69,691
Total business type activities .....	<u>\$ 171,188</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.

#### NOTE E – DEBT (including current portions)

Long-term debt of the County is as follows:

	<b>Balance Oct. 1, 2012</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance Sept 30, 2013</b>	<b>Due within One Year</b>
<b>Government Activities:</b>					
Internal Service Fund Equipment Notes .....	\$ 19,491	\$	\$ (3,618)	\$ 15,873	\$ 4,189
Capital Improvement Bonds 2011, Proceeds were used to Renovate various County Buildings .....	845,000		(240,000)	605,000	65,000
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		(400,000)	4,430,000	440,000
JCI Energy Bonds 2010, Debt was issued to perform numerous Energy efficiency improvements on most County Buildings ...	7,815,784		(300,000)	7,515,784	340,000
3.7% to 5.0% Genesee County Building Authority Bonds, Series 2000, Callable after May 1, 2008, .....	168,000		(59,500)	108,500	66,500
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 .....	1,810,000		(45,000)	1,765,000	45,000

# NOTES TO FINANCIAL STATEMENTS

## GENESEE COUNTY

## EXHIBIT A-13

Long-term debt of the County is as follows continues:

	<u>Balance Oct. 1, 2012</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance Sept 30, 2013</u>	<u>Due within One Year</u>
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.	9,595,000		(1,180,000)	8,415,000	1,240,000
6.34% Capital Improvement Bonds, Series 2008 maturing on or prior to November 1, 2018 not be subject to Redemption prior to maturity.....	805,000		(115,000)	690,000	115,000
Total Bonds and Notes .....	25,888,275		(2,343,118)	23,545,157	2,315,689
Self-Insurance Claim Liability .....	4,549,999	1,527,914	(1,953,046)	4,124,867	1,562,869
Self-Insured Medicals .....	248,971	11,285	(81,481)	178,775	178,775
Compensated absences .....	4,715,536	3,080,116	(3,578,426)	4,217,226	3,578,426
Total Governmental Activities .....	35,402,781	4,619,315	(7,956,071)	32,066,025	7,635,759
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 .....	72,000		(25,500)	46,500	28,500
Delinquent Tax Fund:					
5.0% to 9.7% Delinquent tax notes .....	42,300,000	39,900,000	(46,400,000)	35,800,000	8,900,000
Total Business-type Activities .....	42,372,000	39,900,000	(46,425,500)	35,846,500	8,928,500
Total Long-term Debt .....	<u>\$ 77,774,781</u>	<u>\$44,519,315</u>	<u>\$(54,381,571)</u>	<u>\$67,912,525</u>	<u>\$16,564,269</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, 2013 are as follows:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2014 .....	\$2,315,689	\$ 1,129,243	\$28,500	\$ 2,325
2015 .....	2,406,457	1,018,522	18,000	900
2016 .....	2,494,742	903,097		
2017 .....	2,617,485	783,381		
2018 .....	2,745,000	657,725		
2019/2023 .....	7,470,000	1,651,633		
2024/2028 .....	2,765,784	485,091		
2029/2033 .....	590,000	144,501		
2034/2038 .....	140,000	7,980		
TOTALS .....	<u>\$23,545,157</u>	<u>\$ 6,781,173</u>	<u>\$46,500</u>	<u>\$ 3,225</u>

By statute, the County general obligation debt is restricted to 10% of the equalized value of all property in the County. Certain obligations, such as special assessment notes, are not subject to this limitation. At September 30, 2013, the County's debt limit amounted to \$899,354,911 and indebtedness subject to the limitation aggregated \$117,204,921.

### 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, 2013.

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 position for this fund as of September 30, 2013 was \$10,015,263 with \$4,124,867 accrued as a liability for incurred losses and expenses. An actuarial study projected a required reserve of \$0.0 million for 2013. The County's Risk Manager provides employee accident prevention training and various risk control techniques through a

continuing education program. There were no reductions in reinsurance coverage or settlements in excess of insurance coverage over the past three years.

A reconciliation of the claims liability for the years ended September 30, 2013 and 2012 is as follows:

	<u>Year Ended 9/30/13</u>	<u>Year Ended 9/30/12</u>
Claims Liability (beginning of year) .....	\$4,549,999	\$3,682,890
Claims incurred during the period .....	1,851,619	2,212,643
Changes in estimate for claims of prior periods .....	(323,705)	11,646
Payments on claims .....	<u>(1,953,046)</u>	<u>(1,357,180)</u>
Claims liability (end of year) .....	<u>\$ 4,124,867</u>	<u>\$4,549,999</u>

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

A portion of the fund balance of the General Fund has been assigned 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 position for this fund as of September 30, 2013 was \$2,378,404 with \$178,775 accrued as a liability for incurred losses and expenses.

A reconciliation of the claims liability (worker's compensation, property & liability, and auto claims) for the years ended September 30, 2013 is as follows:

	<u>Pharmaceuticals</u>	<u>Medical</u>	<u>Total Insurance</u>
Claims Liability (beginning of year) .....	\$ 18,915	\$ 230,056	\$ 248,971
Claims incurred during the period .....	37,657	(26,372)	11,285
Changes in estimate for claims of prior periods .....			
Payments on claims .....	<u>(27,936)</u>	<u>(53,545)</u>	<u>(81,481)</u>
Claims liability (end of year) .....	<u>\$ 28,636</u>	<u>\$ 150,139</u>	<u>\$ 178,775</u>

#### NOTE G – GENERAL FUND 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 a long-term receivable due from the Vehicles and Equipment Internal Service Fund in the amount of \$1,840,809 and prepaids in the amount of \$20,690.

The following funds were in a deficit at year end:

Component Unit:	
Brownfield Authority	\$9,538,967
Major Special Revenue:	
Community Action Resource Department	443,666
Nonmajor Special Revenue:	
Administration of Justice	583,117
Internal Service Funds:	
Administrative Services	1,954,981
Vehicles and Equipment	804,008

#### 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 2012 levy was assessed at \$8,996,549,108 and equalized at \$8,996,549,108 representing 50% of estimated current market value. The County operating tax rate is currently 5.5072 mills with an additional 0.4847 mills voted each for parks and paramedics, 0.7 mills for senior services, 1 mill for health services, and 0.1 mills for veterans.

## NOTES TO FINANCIAL STATEMENTS

### GENESEE COUNTY

### EXHIBIT A-13

By agreement with various taxing authorities, the County purchases at face value the real property taxes receivable returned delinquent each March 1. These receivables (\$46,643,971 at September 30, 2013) 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 \$39,151,903 in 2013, are used to service the notes payable. Principal and interest paid on the notes payable in 2013 amounted to \$46,673,278.

#### 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, 2012, the date of the latest actuarial valuation, was comprised of 840 active plan members, 82 inactive vested members and 1,638 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, 2013, 2012, and 2011, are summarized as follows:

Fiscal Year End	Annual Pension Costs (APC)	% of APC Contributed	Net Pension Obligation (Asset)
09/30/11	\$12,390,596	100.0%	0
09/30/12	12,232,054	100.0%	0
09/30/13	14,736,420	86.4%	0

##### ACTUARIAL METHODS AND ASSUMPTIONS

In the December 31, 2012 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 3.0% - 7.03% that includes inflation at 3.0%, 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	12/31/2010	12/31/2011	12/31/2012
Actuarial Value of Assets	\$401,700,454	\$365,262,318	\$387,979,375
Actuarial Accrued Liability (Entry Age)	564,033,044	549,929,631	559,390,939
Unfunded AAL	162,332,590	184,667,313	171,411,564
Funded Ratio	71.2%	66.4%	69.4%
Covered Payroll	57,794,546	52,236,539	49,736,813
UAAL as a % of Covered Payroll	280.9%	353.5%	344.6%

## 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 benefit employees are eligible to participate in this plan, if not participating in the Defined Benefit Plan. The County is required to contribute 8% to 10% of eligible employees' annual covered payroll, and employees are required to contribute between 3% and 7% of covered payroll. Employees are fully vested after 5 years of service. During the year ended September 30, 2013, employer and employee contributions to the plan were \$2,705,916 and \$1,617,428, respectively.

## HEALTH BENEFITS PLAN AND TRUST - -

### PLAN DESCRIPTION AND PROVISIONS – Genesee County OPEB

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

### 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, 2011/2012 and 2012/2013 fiscal years. 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%-3% 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, 2013 in an amount of \$29,409,706.

### FUNDING PROGRESS

	Fiscal Year Ended September 30		
	<u>2011</u>	<u>2012</u>	<u>2013</u>
Annual required contribution (recommended)	\$ 18,708,000	\$18,549,049	\$18,549,049
Interest on the prior year's net OPEB obligation	317,634	797,853	1,211,518
Adjustment to the annual required contribution		<u>(443,250)</u>	<u>(1,018,580)</u>
Annual OPEB cost	19,025,634	18,903,652	18,741,987
Amount contributed	<u>9,698,547</u>	<u>12,009,195</u>	<u>9,524,252</u>
(Increase) in net OPEB Liability	(9,327,087)	(6,894,457)	(9,217,735)
OPEB Liability – beginning of year	<u>(3,970,427)</u>	<u>(13,297,514)</u>	<u>(20,191,971)</u>
OPEB Asset (obligation) – end of year	<u>\$ (13,297,514)</u>	<u>\$ (20,191,971)</u>	<u>\$ (29,409,706)</u>

	Fiscal Year Ended September 30		
	<u>2011</u>	<u>2012</u>	<u>2013</u>
Annual OPEB Costs	\$19,025,634	\$18,903,652	\$18,741,987
Percentage contributed	51%	64%	51%
Net OPEB obligation	(13,297,514)	(20,191,971)	(29,409,706)

	Plan Year Ended September 30		
	<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.

## NOTES TO FINANCIAL STATEMENTS

### GENESEE COUNTY

### EXHIBIT A-13

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 investment return on plan assets, and an annual healthcare cost trend rate of 8% in year one, decreasing by 0.5% annually until year 7 and then remaining 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, 2013 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 three month period ended December 31, 2012, the Agency contributed \$1,316,026 to the Plan, \$483,524 of which was to fund current year benefits. Plan members receiving benefits contributed \$0.

#### 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 that point. The actuarial methods and assumptions used to include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

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. The remaining amortization period at December 31, 2012, the date of the latest actuarial valuation, was 10 years.

On August 29, 2012, the Board of Commissioners of Genesee County, Michigan approved a resolution to establish a community mental authority (a separate entity) to assume the activities of the Agency, effective January 1, 2013. The Agency is reported as a discretely presented component unit effective January 1, 2013.

#### NOTE J – LEASES

The County is party to numerous operating leases, aggregate rental expenses which were approximately \$74,535 for the year ended September 30, 2013 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 three month period ended December 31, 2012 are \$93,127.



## 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	\$4,763,452	
Grant revenue	15,018,360	\$209,509
Long-term receivable	1,765,000	
<u>Component units</u>		<u>Unearned</u>
Road projects		\$2,244,190
Unearned leases		156,500
Grant revenue		8,725,455

## 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:		
County Health .....		\$ 2,453,920
Genesee County Community Action Resource Department .....	3,217,961	
Enterprise .....	7,830,989	1,003,685
Non-major Special Revenue .....	3,203,774	7,042,704
Debt Service .....	18,019	
Capital Projects .....	84,355	
Internal Service .....	<u>1,118,824</u>	<u>5,722,375</u>
Total General Fund .....	<u>15,473,922</u>	<u>16,222,684</u>
County Health:		
General Fund .....	2,453,920	
Genesee County Community Action Resource Department .....		7,751
Non-major Special Revenue .....	840,413	
Internal Service .....		<u>289,774</u>
Total County Health .....	<u>3,294,333</u>	<u>297,525</u>
Genesee County Community Action Resource Department:		
General Fund .....		3,217,961
County Health .....	7,751	
Non-major Special Revenue .....	126,583	
Internal Service .....		<u>194,719</u>
Total Genesee County Community Action Resource Department ..	<u>134,334</u>	<u>3,412,680</u>
Community Development:		
General Fund .....		
Non-major Special Revenue .....		132,296
Internal Service .....		<u>329</u>
Total Community Development .....		<u>132,625</u>
Non-major Special Revenue Funds:		
General Fund .....	7,042,704	3,203,774
County Health .....		840,413
Genesee County Community Action Resource Department .....		126,583
Community Development .....	132,296	
Non-major Special Revenue .....	103,310	103,310
Enterprise .....		211,585
Internal Service .....		<u>509,087</u>
Total Non-major Special Revenue Funds .....	<u>7,278,310</u>	<u>4,994,752</u>
Non-major Debt Service:		
General Fund .....		18,019
Debt Service .....	1,605	1,605
Capital Project .....	9,283	
General Fund .....	<u>2,514</u>	<u>0</u>
Total Non-major Debt Service Funds .....	<u>13,402</u>	<u>19,624</u>

# NOTES TO FINANCIAL STATEMENTS

## GENESEE COUNTY

## EXHIBIT A-13

Interfund Receivable and Payables continued:

	Interfund Receivable	Interfund Payable
Capital Projects:		
General Fund.....		84,355
Debt Service.....		9,283
Internal Service.....		163,699
Total Non-major Debt Service Funds .....		257,337
Total Governmental Funds .....	<u>26,194,301</u>	<u>25,337,227</u>
Enterprise:		
Delinquent Tax:		
General Fund.....	1,003,685	7,830,989
Non-major Special Revenue.....	211,585	
Internal Service.....		49,633
Total Delinquent Tax.....	<u>1,215,270</u>	<u>7,880,622</u>
Total Business Type Activity.....	<u>1,215,270</u>	<u>7,880,622</u>
Internal Service Funds:		
General Fund.....	5,722,375	1,118,824
County Health .....	289,774	
Genesee Community Action Resource Department.....	194,719	
Community Development .....	329	
Non-major Special Revenue.....	509,087	
Debt Service .....		2,514
Capital Projects.....	163,699	
Enterprise .....	49,633	
Internal Service.....	<u>144,262</u>	<u>144,262</u>
Total Internal Service Funds ..	<u>7,073,878</u>	<u>1,265,600</u>
Total Interfund Receivables/Payables .....	<u>\$34,483,449</u>	<u>\$34,483,449</u>
Due to/from primary government and component units:		
Component unit Land Bank Authority.....	\$ 26,359	\$ 466,518
Primary government Non-major Special Revenue Community Development .....		26,359
Primary government Delinquent Taxes .....	<u>466,518</u>	<u>0</u>
Total Primary Government and Component Unit Interfund Receivables/Payables .....	<u>\$ 492,877</u>	<u>\$ 492,877</u>
Note —The inter fund 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 - Hughes & Hatcher Debt Service Fund.....	\$1,765,000	\$ 1,765,000
Component unit – Land Bank Authority.....		
Primary Government – General Fund .....	1,804,809	
Primary Government – Vehicles and Equipment .....		1,804,809
Total Primary Government and Component Unit Long-term Advances .....	<u>\$3,569,809</u>	<u>\$3,569,809</u>

Interfund Transfers In and Out

	Transfers In	Transfers Out
Major Funds:		
General:		
Mental Health .....	\$	\$ 925,000
County Health.....		2,658,158
Enterprise .....	4,734,725	
Non-major Special Revenue.....	1,956,569	13,623,786
Debt .....	18	2,751,216
Capital ....	32,260	
Internal.....		142,064
Total General Fund .....	<u>6,723,572</u>	<u>20,100,224</u>
Mental Health:		
General.....	<u>925,000</u>	
Total Mental Health .....	<u>925,000</u>	
County Health:		
General.....	2,658,158	
Non-major Special Revenue.....	<u>420,865</u>	
Total County Health.....	<u>3,079,023</u>	<u>0</u>

Interfund Transfers In and Out		Transfers In	Transfers Out
Genesee County Community Action Resource Department (GCCARD)			
County Health .....			
GCCARD .....			
Non-major Special Revenue.....		640,742	
Debt .....			361,911
Total GCCARD .....		<u>640,742</u>	<u>361,911</u>
Non-major Special Revenue:			
General .....		13,623,786	1,956,569
County Health .....			420,865
GCCARD .....			640,742
Enterprise .....			545,000
Debt .....			17,460
Capital.....		197,412	
Non-major Special Revenue.....		610,894	610,894
Internal.....			454,257
Total Non-major Governmental Funds .....		<u>14,432,092</u>	<u>4,645,787</u>
Debt:			
General ..		2,751,216	18
County Health .....			
GCCARD .....		361,911	
Debt .....			
Capital.....			
Non-major Special Revenue.....		17,460	
Enterprise .....		29,100	
Total Debt Service Funds .....		<u>3,159,687</u>	<u>18</u>
Capital Project:			
General ..			32,260
Non-major Special Revenue.....			197,412
Debt .....			163,699
Total Capital Projects Funds .....			<u>393,371</u>
Total Governmental Funds .....		<u>28,960,116</u>	<u>25,501,311</u>
Enterprise:			
General ..			4,734,725
Debt .....			29,100
Non-major Special Revenue.....		545,000	
Enterprise .....			
Internal.....			439
Total Enterprise Funds .....		<u>545,000</u>	<u>4,764,264</u>
Internal Services:			
General .....		142,064	
Enterprise .....		439	
Non-major Special Revenue.....		454,258	
Capital Projects.....		163,699	
Total Internal Service Funds.....		<u>760,459</u>	
Total Transfers In/Out .....		<u>\$30,265,575</u>	<u>\$30,265,575</u>

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

# NOTES TO FINANCIAL STATEMENTS

## GENESEE COUNTY

## EXHIBIT A-13

### 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>General Fund</u>	<u>Expenditures</u>
Board of Commissioners .....	\$ 4,170
Treasurer .....	20,979
Drain Commission .....	2,777
Equalization .....	4,465
Circuit Court.....	62,639
District Court.....	87,939
Probate Court .....	11,245
Prosecutor .....	19,597
Sheriff Administration.....	22,903
Sheriff Marine Division.....	858
Detective Division .....	7,177
Other:	
Other .....	416,700
Appropriations:	
Administration of Justice Funds.....	11,473
Law Enforcement Funds.....	60,000
Debt Service .....	61,879
<b>Community Action Resource Department</b> .....	<b>537,565</b>
<b>Other Non-major Governmental Funds</b>	
Accommodation Ordinance Tax .....	290,905
Community Enrichment and Development.....	2,763,388
Drug Forfeitures.....	53,744
Flint City Lockup.....	74,717
Health Care Services.....	1,781,687
Law Enforcement.....	1,067,263
Parks and Recreation.....	930,818

### NOTE N - COMPONENT UNIT DISCLOSURES

#### Deposits and investments:

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

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 \$28,728,590 of bank deposits (checking and high balance savings accounts) that were uninsured and uncollateralized. At year end, the Economic Development Corporation had \$91,932 of bank deposits (checking and high balance savings accounts) that were uninsured and uncollateralized. At year end, the Water and Waste Services Division had \$1,092,031 of bank deposits (checking and high balance savings accounts) that were fully insured. At year end, the Drain Commission had \$393,059 of bank deposits (checking and high balance savings accounts) that were uninsured and uncollateralized. At year end, the Land Bank Authority had \$1,531,245 of bank deposits (checking and savings accounts) that were uninsured and uncollateralized. At year end, the Brownfield Authority did not have any bank deposits (checking and savings accounts) that were uninsured and uncollateralized. At year end, the Storm Water Management System had \$223,477 of bank deposits (checking and savings accounts) that were uninsured and uncollateralized. At year end, the Genesee Health System had \$41,283,786 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	\$19,430,602	\$19,430,602
Land Bank Authority:		
<u>Investment</u>	<u>Fair Value</u>	<u>Less than one year</u>
Governmental security pooled fund	\$1,531,245	\$1,531,245
Genesee Health System:		
<u>Investment</u>	<u>Fair Value</u>	<u>Less than one year</u>
Governmental security pooled fund	\$8,564,000	\$8,564,000
Mutual funds	7,751,285	7,751,285

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	\$19,430,602	N/A	N/A
Land Bank Authority:			
<u>Investment</u>	<u>Fair Value</u>	<u>Rating</u>	<u>Rating Organization</u>
Governmental security pool	\$1,531,245	N/A	N/A
Genesee Health System:			
Governmental security pooled fund	\$8,564,000	N/A	N/A
Mutual funds	7,751,285	N/A	N/A

#### ROAD COMMISSION:

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

	<u>Balance</u> <u>October 1, 2012</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>September 30, 2013</u>
MTF notes	\$ 8,710,000	\$	\$(1,500,000)	\$ 7,210,000
SIB Loan	249,092		( 249,092)	
Recovery Zone Bond	4,880,000		( 565,000)	4,315,000
Total notes and leases	13,839,092		(2,314,092)	11,525,000
Compensated absences	1,074,030		( 5,491)	1,068,539
Total long-term debt	\$14,913,122	\$	\$(2,319,583)	\$12,593,539

The outstanding bonds and notes payable at September 30, 2013, 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, 2013</u>	<u>Due Within One Year</u>
Michigan Transportation Fund notes:					
2006A Issue.....	August 1, 2016	4.00%	\$270,000-295,000	\$ 850,000	\$270,000
2007 Issue .....	September 30, 2017	3.70-4.00	465,000-525,000	1,970,000	465,000
2008 Issue .....	August 1, 2018	3.00-4.00	410,000-515,000	2,305,000	410,000
2009 Issue .....	August 1, 2019	2.00-3.30	320,000-380,000	2,085,000	320,000
Total Notes .....				7,210,000	1,465,000
Recovery Zone Bond 2010 Issue .....	August 1, 2020	4.34	575,000-665,000	4,315,000	575,000
Compensated absences .....				1,068,539	140,798
				<u>\$12,593,539</u>	<u>\$2,180,798</u>

## NOTES TO FINANCIAL STATEMENTS

### GENESEE COUNTY

### EXHIBIT A-13

Annual requirements to pay principal and interest on the outstanding obligations at September 30, 2013, are as follows:

	<u>Long-term debt</u>
Year Ended 9-30-2014 .....	\$2,487,493
9-30-2015 .....	2,486,748
9-30-2016 .....	2,486,197
9-30-2017 .....	2,181,607
09-30-2018 .....	1,639,016
09-30-2019 – 09-30-2020.....	<u>1,788,255</u>
Amount representing interest .....	<u>(1,544,316)</u>
	<u>\$11,525,000</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, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance Sept. 30, 2013</u>
Capital assets not being depreciated:				
Land and improvements .....	\$ 478,816	\$	\$	\$ 478,816
Construction in progress.....	152,523	479,185	152,523	479,185
Depletable assets .....	<u>1,210</u>			<u>1,210</u>
Subtotal .....	632,549	479,185	152,523	959,211
Capital assets being depreciated:				
Land improvements .....	2,150,742	105,340		2,256,082
Buildings and improvements.....	9,633,661	118,443		9,752,104
Equipment:				
Road .....	26,327,112	1,900,296	1,644,128	26,583,280
Shop .....	497,410	77,603		575,013
Engineering .....	92,577	34,077		126,654
Yard and Storage .....	557,311	47,727		605,038
Office .....	<u>1,322,627</u>	<u>165,904</u>	<u>48,602</u>	<u>1,439,929</u>
Total .....	40,581,440	2,449,390	1,692,730	41,338,100
Capital assets not being depreciated continued:				
Infrastructure-Roads.....	352,102,236	16,215,462		368,317,698
Infrastructure-Bridges.....	<u>29,504,795</u>	<u>762,207</u>		<u>30,267,002</u>
Subtotal .....	<u>422,188,471</u>	<u>19,427,059</u>	<u>1,692,730</u>	<u>439,922,800</u>
Less accumulated depreciation for:				
Land improvements .....	(544,911)	(106,703)		(651,614)
Buildings and improvements.....	(6,346,475)	(312,254)		(6,658,729)
Equipment:				
Road .....	(20,566,710)	(2,154,796)	(1,448,470)	(21,273,036)
Shop .....	(363,780)	(20,398)		(384,178)
Engineering .....	(81,242)	(5,027)		(86,269)
Yard and storage.....	(501,266)	(6,481)		(507,747)
Office .....	<u>(894,645)</u>	<u>(129,762)</u>	<u>(48,602)</u>	<u>(975,805)</u>
Subtotal .....	<u>(29,299,029)</u>	<u>(2,735,421)</u>	<u>(1,497,072)</u>	<u>(30,537,378)</u>
Infrastructure-Bridges .....	(7,639,854)	(753,228)		(8,393,082)
Infrastructure-Roads .....	<u>(208,646,967)</u>	<u>(12,322,102)</u>		<u>(220,969,069)</u>
Subtotal .....	<u>(245,585,850)</u>	<u>(15,810,751)</u>	<u>(1,497,072)</u>	<u>(259,899,529)</u>
Total net capital assets.....	<u>\$177,235,170</u>	<u>\$ 4,095,493</u>	<u>\$ 348,181</u>	<u>\$180,982,482</u>

### POST-EMPLOYMENT BENEFITS—

#### PLAN DESCRIPTION

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

## FUND POLICY

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

## FUNDING PROGRESS

For the year ended September 30, 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		
	2011	2012	2013
Annual required contribution (recommended)	\$4,494,838	\$4,536,548	\$4,501,630
Interest on the prior year's net OPEB obligation	131,733	102,137	88,459
Less adjustment to the annual required contribution	<u>(218,502)</u>	<u>(165,462)</u>	<u>(141,299)</u>
Annual OPEB cost	\$4,408,069	\$4,473,223	\$4,448,790
Amount contributed:			
Payments of current premiums	(2,611,228)	(2,708,943)	(2,684,373)
Advance funding	<u>(2,191,456)</u>	<u>(2,000,000)</u>	<u>(3,000,000)</u>
Decrease in net OPEB obligation	(394,615)	(235,720)	(1,235,583)
OPEB obligation – beginning of year	<u>1,756,446</u>	<u>1,361,831</u>	<u>1,179,459</u>
OPEB obligation (asset) – end of year	<u>\$ 1,361,831</u>	<u>\$1,126,111</u>	<u>\$ (56,124)</u>

	Fiscal Year Ended September 30		
	2011	2012	2013
Annual OPEB Costs	\$4,408,069	\$4,473,223	\$4,448,790
Percentage contributed	107%	104%	128%
Net OPEB obligation	\$1,361,831	\$1,126,111	\$ (56,124)

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

	Fiscal Year Ended September 30		
	2011	2012	2013
Unfunded AAL	\$44,716,286	\$42,584,913	\$42,584,913
Actuarial value of plan assets	7,998,488	14,074,339	14,074,339
Actuarial accrued liability	52,714,774	56,659,252	56,659,252
Funded	15%	25%	25%
Annual covered payroll – December 31,	\$9,023,093	\$8,713,876	\$8,713,876
Ratio of UAAL to covered payroll	496%	489%	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, 2012, 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.

# NOTES TO FINANCIAL STATEMENTS

## GENESEE COUNTY

## EXHIBIT A-13

### 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, 2012 is presented below:

	<u>Balance Jan. 1, 2012</u>	<u>Additions (Reductions)</u>	<u>Balance Dec. 31, 2012</u>	<u>Due In One Year</u>
1.625% to 6.0% Interceptor and treatment facilities .....	\$ 104,546,556	\$ 3,388,570		
.....		(6,555,000)	\$101,380,126	\$6,700,000
2.5% to 7.375% District No. 3.....	32,688,516	29,999		
.....		(2,719,250)	29,999,265	2,835,000
2.50% to 5.00% Water supply system .....	40,245,000	(1,260,000)	38,985,000	1,310,000
Subtotal.....	177,480,072	(7,115,681)	170,364,391	10,845,000
Unamortized note premium .....	408,948	( 90,443)	318,505	22,584
	<u>\$177,889,020</u>	<u>\$ 7,206,124</u>	<u>\$170,682,896</u>	<u>\$10,867,584</u>

The annual requirements to pay principal and interest on the outstanding obligations for Water and Waste Services at December 31, 2012 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013 .....	\$ 10,845,000	\$5,654,333	\$16,499,333
2014 .....	11,180,000	5,317,264	16,497,264
2015 .....	11,540,000	4,966,431	16,506,431
2016 .....	11,645,000	4,604,434	16,249,434
2017 .....	10,830,000	4,250,159	15,080,159
2018-2022.....	48,350,000	16,663,484	65,013,484
2023-2027.....	46,570,000	8,859,989	55,429,989
2028-2032.....	17,869,391	2,250,274	20,119,665
2033 .....	1,535,000	75,406	1,610,406
Total .....	<u>\$170,364,391</u>	<u>\$52,641,774</u>	<u>\$223,006,165</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 \$115,370,449. For the year ended December 31, 2012, net revenues of the system were \$12,895,721 compared to the annual debt requirements of \$7,623,037.

In the next 6 to 12 months the County may issue an estimated \$18,000,000 to \$31,000,000 of water revenue refunding bonds with a limited tax general obligation pledge to refund certain outstanding water revenue bond issues for debt service savings.

Karegnondi Water Authority – See Note Q

**Capital Assets -** The summary of capital assets for Water and Waste Services at December 31, 2012 is displayed on the following page:

	<u>Balance Jan. 1, 2012</u>	<u>Additions</u>	<u>Reclassifications</u>	<u>Balance Dec. 31, 2012</u>
Proprietary fund capital assets				
Enterprise Funds:				
Capital assets not being depreciated:				
Land .....	\$ 871,021	\$	\$	\$ 871,021
Construction in progress .....	86,046,793	5,697,277	(36,835,568)	54,908,502
Subtotal.....	86,917,814	5,697,277	(36,835,568)	55,779,523
Capital assets being depreciated:				
Distribution & collections systems	278,985,859	1,895,257	29,806,472	310,687,588
Vehicles.....	382,261			382,261
Buildings and equipment.....	5,419,064	435,029	7,045,346	12,899,439
Subtotal.....	284,787,184	8,027,563	36,851,818	323,969,288
Proprietary fund capital assets				
Less accumulated depreciation for:				
Distribution & collections systems	(48,921,258)	(6,327,670)		(55,248,928)
Vehicles.....	(254,852)	(114,514)		(369,366)
Buildings and equipment.....	(3,423,902)	(406,918)		(3,830,820)
Subtotal.....	(52,600,012)	(6,849,102)		(59,449,114)
Net capital assets being depreciated	232,187,172	1,178,461	36,851,818	264,520,174
Total capital assets – Net of depreciation	<u>319,104,986</u>	<u>6,875,738</u>	<u>16,250</u>	<u>320,299,697</u>



	<u>Balance Jan. 1, 2012</u>	<u>Additions</u>	<u>Reclassifications</u>	<u>Balance Dec. 31, 2012</u>
Internal Service Funds:				
Capital assets not being depreciated-				
Construction in progress .....	16,250		(16,250)	
Capital assets being depreciated –				
Buildings and equipment.....	8,628,852	(122,987)		8,505,865
Less accumulated depreciation –				
Buildings and equipment.....	<u>(5,797,381)</u>	<u>(108,558)</u>		<u>(5,905,939)</u>
Net capital assets being depreciated	<u>2,831,471</u>	<u>(231,545)</u>	<u>(16,250)</u>	<u>2,599,926</u>
Total proprietary fund capital assets	<u>\$321,952,707</u>	<u>\$ 946,916</u>	<u>\$ 0</u>	<u>\$322,899,623</u>

## POST-EMPLOYMENT BENEFITS—

### PLAN DESCRIPTION

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

### FUND POLICY

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

### FUNDING PROGRESS

For the year ended December 31, 2012, 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>2010</u>	<u>2011</u>	<u>2012</u>
Annual required contribution (recommended)	\$2,587,823	\$3,933,831	\$3,818,480
Interest on the prior year's net OPEB obligation	121,341	127,528	230,108
Less adjustment to the annual required contribution	<u>(67,411)</u>	<u>(78,511)</u>	<u>(101,338)</u>
Annual OPEB cost	2,641,753	3,982,848	3,947,250

	<u>Fiscal Year Ended December 31</u>		
	<u>2010</u>	<u>2011</u>	<u>2012</u>
Amount contributed:			
Payments of current premiums	(1,395,270)	(1,337,004)	(1,523,879)
Advance funding	<u>(80,595)</u>	<u>(81,360)</u>	<u>(2,500,000)</u>
(Increase) Decrease in net OPEB obligation	(1,165,888)	(2,564,484)	76,629
OPEB obligation – Beginning of year	<u>(2,022,323)</u>	<u>(3,188,211)</u>	<u>(5,752,695)</u>
OPEB obligation – end of year	<u><u>\$(3,188,211)</u></u>	<u><u>\$(5,752,695)</u></u>	<u><u>\$(5,676,066)</u></u>

	<u>Fiscal Year Ended December 31</u>		
	<u>2010</u>	<u>2011</u>	<u>2012</u>
Annual OPEB Costs	\$2,641,753	\$3,982,848	\$3,947,250
Percentage contributed	55.87%	35.61%	101.94%
Net OPEB obligation	\$3,188,211	\$5,752,695	\$5,676,066

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

	<u>Fiscal Year Ended December 31</u>		
	<u>2010</u>	<u>2011</u>	<u>2012</u>
Unfunded AAL	\$35,394,879	\$51,474,408	\$35,486,607
Actuarial value of assets.....	0	0	2,333,369
Actuarial accrued liability.....	25,394,879	51,474,408	37,819,976
Funded	0%	0%	6.17%
Annual covered payroll – December 31	\$8,420,060	\$7,610,890	\$7,312,770
Ratio of UAAL to covered payroll	420.36%	676.33%	485.27%

# NOTES TO FINANCIAL STATEMENTS

## GENESEE COUNTY

## EXHIBIT A-13

### 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 \$2,500,000 was 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, 2013, is presented below:

	<b>Balance Oct. 1, 2012</b>	<b>Additions (Reductions)</b>	<b>Balance Sept. 30, 2013</b>	<b>Due in One Year</b>
Citizens Bank.....	\$ 200,000	\$(50,000)	\$ 150,000	\$ 50,000
3.69% to 6.85% Genesee County Special Assessment debt with governmental commitment.....	292,926	335,097 (147,586)	480,437	146,546
4.0 to 4.25% Genesee County Drainage District #408 Series 2006 Bonds .....	500,000	(125,000)	375,000	125,000
2.0% to 3.15% Genesee County Drainage District Bonds #0017 Series 2011 Bonds .....	<u>2,395,000</u>	<u>(235,000)</u>	<u>2,160,000</u>	<u>235,000</u>
	<u>\$3,387,926</u>	<u>\$ (222,489)</u>	<u>\$ 3,165,437</u>	<u>\$ 556,546</u>

The annual requirements to pay principal and interest on the outstanding obligations for the Drain funds at September 30, 2013, are as follows:

2013/2014 .....	\$641,679
2014/2015 .....	593,601
2015/2016 .....	557,656
2016/2017 .....	347,453
2017/2018 .....	340,395
2019-2022 .....	<u>1,024,411</u>
	3,505,195
Amount representing interest.....	<u>(339,758)</u>
	<u>\$ 3,165,437</u>

The following is a summary of capital assets for the Drain fund at September 30, 2013:

	<b>Balance Oct. 1, 2012</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance Sept. 30, 2013</b>
Capital assets being depreciated:				
Equipment.....	\$1,540,647	\$ 55,791	\$	\$ 1,596,438
Infrastructure.....	24,848,689	58,327		24,907,016
Drain System Retrospective .....	29,376,026			29,376,026
Capital assets not being depreciated:				
Construction in Progress .....	<u>750,989</u>	<u>826,564</u>	<u>(42,273)</u>	<u>1,535,280</u>
Subtotal .....	<u>56,516,351</u>	<u>940,682</u>	<u>(42,273)</u>	<u>57,414,760</u>
Less Allowance for Depreciation ..				
Equipment.....	(1,440,040)	(102,501)		(1,542,541)
Infrastructure.....	(10,781,114)	(2,180,308)		(12,961,422)
Drain System Retrospective .....	<u>(20,131,888)</u>			<u>(20,131,888)</u>
Subtotal .....	<u>(32,353,042)</u>	<u>(2,282,809)</u>		<u>(34,635,851)</u>
Net capital assets being depreciated	<u>23,412,320</u>	<u>(2,168,691)</u>		<u>21,243,269</u>
Total Capital Assets				
Net of depreciation.....	<u>\$24,163,309</u>	<u>\$ (1,342,127)</u>	<u>\$ (42,273)</u>	<u>\$ 22,778,909</u>

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

# **LAND BANK AUTHORITY:**

The summary of long-term debt transactions for the Genesee County Land Bank Authority for the year ended September 30, 2013, is presented below:

	<b>Balance Oct. 1, 2012</b>	<b>Additions</b>	<b>(Reductions)</b>	<b>Balance Sept. 30, 2013</b>	<b>Due In One Year</b>
Promissory Note – Genesee County .....	\$ 510,742	\$	\$ (102,149)	\$ 408,593	\$ 102,149
Berridge Place Project .....	540,000		(260,000)	280,000	280,000
Land Bank Center .....	1,810,000		(45,000)	1,765,000	45,000
GCLB-Berridge Planc, LLC LISC note payable...	1,360,475		(138,709)	1,221,766	16,147
Line of credit .....	200,000		(200,000)	0	
Total note leases .....	<u>4,421,217</u>		<u>(745,858)</u>	<u>3,675,359</u>	<u>443,296</u>
Compensated absences .....	36,338		(5,134)	31,204	
Total long-term .....	<u>\$4,457,555</u>	<u>\$</u>	<u>\$ (750,992)</u>	<u>\$ 3,706,563</u>	<u>\$ 443,296</u>

The annual requirements to pay principal and interest on the outstanding obligations at September 30, 2013, are as follows:

2014 .....	\$ 662,959
2015 .....	1,549,682
2016 .....	249,022
2017 .....	249,950
2018 .....	143,598
2019-2023 .....	723,805
2024-2028 .....	737,830
2029-2033 .....	734,055
2034 .....	<u>147,977</u>
	5,198,878
Amount representing interest.....	<u>(1,523,519)</u>
	<u>\$3,675,359</u>

The following is a summary of capital assets for the Genesee County Land Bank Authority at September 30, 2013:

	<b>Balance Oct. 1, 2012</b>	<b>Additions</b>	<b>Disposals</b>	<b>Balance Sept. 30, 2013</b>
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.....	8,946,972	4,792	(149,835)	8,801,929
Machinery and equipment .....	166,024			166,024
Office equipment.....	197,239			197,239
Vehicles .....	<u>150,524</u>	<u>10,523</u>		<u>161,047</u>
Subtotal .....	<u>9,460,759</u>	<u>15,315</u>	<u>(149,835)</u>	<u>9,326,239</u>
Less Accumulated depreciation:				
Buildings and improvements.....	(1,340,153)	(312,199)	83,251	(1,569,101)
Maintenance and equipment .....	(96,812)	(72,938)		(169,750)
Office equipment.....	(95,632)	(4,160)		(99,792)
Vehicles .....	<u>(103,346)</u>	<u>(36,905)</u>		<u>(140,251)</u>
Subtotal .....	<u>(1,635,944)</u>	<u>(426,202)</u>	<u>83,251</u>	<u>(1,978,894)</u>
Net capital assets being depreciated .....	<u>7,824,816</u>	<u>(410,887)</u>	<u>66,584</u>	<u>7,437,345</u>
Total capital assets – Net of depreciation	<u>\$ 7,909,124</u>	<u>\$ (410,887)</u>	<u>\$ (66,584)</u>	<u>\$ 7,431,653</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 \$16,441,819 to bring the investment balance to \$1,939,000.

Subsequent to September 30, 2013, the Authority entered into a \$3,000,000 line of credit with a bank and the County has pledged its limited tax full faith and credit on the line.

## NOTES TO FINANCIAL STATEMENTS

### GENESEE COUNTY

### EXHIBIT A-13

#### BROWNFIELD AUTHORITY:

The summary of long-term debt transactions for the Genesee County Brownfield Authority for the year ended September 30, 2013 is presented below:

	<u>Balance</u> <u>Oct. 1, 2012</u>	<u>Additions</u>	<u>(Reductions)</u>	<u>Balance</u> <u>Sept. 30, 2013</u>	<u>Due In</u> <u>One Year</u>
Unamortized note premium .....	\$ 406,984		(\$ 17,695)	\$ 389,289	\$17,695
3.0% to 5.0% Genesee County Brownfield Authority . Series 2005 Tax Increment Bonds, Subject to redemption prior to maturity.....	<u>12,610,000</u>		<u>(245,000)</u>	<u>12,265,000</u>	<u>255,000</u>
Total.....	<u>\$ 13,016,984</u>	<u>\$</u>	<u>(\$ 262,695)</u>	<u>\$12,654,289</u>	<u>\$272,695</u>

The annual requirements to pay principal and interest on the outstanding obligations at September 30, 2013, are as follows:

2014 .....	\$ 843,500
2015 .....	852,900
2016 .....	861,500
2017 .....	874,200
2018 .....	880,575
2019-2023 .....	4,523,500
2024-2028 .....	4,747,125
2029-2033 .....	4,980,500
2034-2035 .....	<u>2,059,500</u>
	20,623,300
Amount representing interest.....	<u>(8,258,300)</u>
	<u>\$12,365,000</u>

#### GENESEE HEALTH SYSTEM:

**Property and Equipment:** The following table summarizes the changes in the components of the Genesee Health Systems capital assets:

	<u>Transfer of</u> <u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending</u> <u>Balance</u>
Capital assets not being depreciated:				
Construction in progress.....	\$ 34,888	\$ 946,968	\$	\$ 981,856
Capital assets being depreciated:				
Building improvements .....	2,225,580	677,627		2,903,207
Vehicles and equipment .....	<u>2,046,565</u>	<u>147,830</u>	<u>(24,680)</u>	<u>2,169,715</u>
Subtotal.....	<u>4,272,145</u>	<u>825,457</u>	<u>(24,680)</u>	<u>5,072,922</u>
Less accumulated depreciation for:				
Building improvements .....	(474,137)	(137,416)		(611,553)
Vehicles and equipment .....	<u>(1,413,050)</u>	<u>(94,315)</u>	<u>24,680</u>	<u>(1,482,685)</u>
Subtotal.....	<u>(1,887,187)</u>	<u>(231,731)</u>	<u>24,680</u>	<u>(2,094,238)</u>
Net capital assets being depreciated .....	<u>2,384,958</u>	<u>593,726</u>		<u>2,978,684</u>
Total capital assets, net of depreciation.....	<u>\$ 2,419,846</u>	<u>\$ 1,540,694</u>	<u>\$</u>	<u>\$3,960,540</u>

During the nine month period ended September 30, 2013, all the assets of Genesee County Community Mental Health Agency were transferred to the authority. This transfer is reflected above as a transfer of beginning balances.

#### POST-EMPLOYMENT BENEFITS-

##### PLAN DESCRIPTION

The Genesee Health System retiree healthcare plan (the "Plan") is a single-employer defined benefit healthcare plan provides health insurance benefits, including medical, prescriptions, dental, and optical coverage to certain retirees and their beneficiaries, which are advance-funded on a discretionary basis. It is a single-employer defined benefit healthcare plan administered by the Authority, which was closed to new hires as of May 2008. Plan assets are held in trust by a third party administrator.

##### FUND POLICY

The contribution requirements of Plan members and the Authority are established and may be amended by the Authority Board of Directors. The required contribution is based on actuarially determined financed rates, with an additional amount to prefund benefits as determined annually by the Agency. For the nine month period ended September 30, 2013, the Authority contributed \$7,729,092 to the Plan, while plan members receiving benefits contributed \$0.

## FUNDING PROGRESS

The Authority's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC). The ARC was calculated using the projected unit credit actuarial cost method. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The following table shows the components of the Authority's annual OPEB cost for the nine month period, the amount actually contributed to the Plan, and changes in the Authority's net OPEB asset:

Annual required contribution	\$ 7,437,503
Interest on net OPEB asset	(96,248)
Adjustment to annual required contribution	<u>247,286</u>
Net OPEB cost (expense)	\$ 7,588,541
Amount contributed:	
Payment of current premiums	<u>7,729,092</u>
Change in net OPEB obligation	140,551
Net OPEB asset, beginning of the year	<u>461,523</u>
Net OPEB asset, end of the year	<u>\$ 602,074</u>

		Fiscal Year Ended September 30			
	2011	2012*	2012**	2013***	
Annual OPEB costs	\$5,308,643	\$8,772,109	\$1,740,748	\$7,377,734	
Percentage contributed	151.5%	73.4%	75.6%	104.8%	
Net OPEB asset	\$1,179,411	\$1,604,133	\$1,179,411	\$ 602,074	

\*During the year ended September 30, 2012, the Authority switched from a 30 year amortization period to a 10 year amortization period.

\*\*This represents the three month period ended December 31, 2012.

\*\*\* This represents the nine month period ended September 30, 2013.

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

Unfunded AAL	\$56,477,931
Actuarial value of plan assets	14,599,442
Actuarial accrued liability	41,878,489
Funded	386.85%
Annual covered payroll	\$17,335,736
Ratio of UAAL to covered payroll	325.78%

## ACTUARIAL METHODS AND ASSUMPTIONS

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

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

In the December 31, 2011 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions includes (a) a rate of return on investments of 8.0%; (b) projected salary increases of 5.0% attributable to inflation; (c) additional projected salary increases ranging from 0.0% to 4.03%, depending on age, attributable to seniority/merit; and (d) projected healthcare benefit increases of 4.5% to 9.0%. The actuarial value of assets was determined based on market value. The unfunded actuarial accrued liability is being amortized on a level dollar basis over 25 years on a closed basis. The remaining amortization period at December 31, 2011, the date of the latest actuarial valuation, was 10 years.

# NOTES TO FINANCIAL STATEMENTS

## GENESEE COUNTY

## EXHIBIT A-13

### NOTE O - RESTATEMENT OF NET POSITION

**Restatement:** Net position and fund balances at September 30, 2012, were restated to correct beginning balances. Net position and fund balances were restated for the following reasons:

- 1) To properly account for the year end change from December to September.
- 2) To properly account for refund of payments for special assessments, overpayment received from the State, and an adjustment to the net OPEB obligation to reflect the balance in the actuarial valuation.

	<u>As Previously Reported</u>	<u>Adjustments</u>	<u>Restated Amounts</u>
Component units:			
Net Position			
Economic Development	\$ 813,204	\$ (41,576) <sup>(1)</sup>	\$ 771,628
Road Commission	\$ 204,416,884	\$ (108,352) <sup>(2)</sup>	\$ 204,308,532

### NOTE P - GASB UPCOMING ACCOUNTING PRONOUNCEMENTS DISCLOSURE

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.

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 non-employer 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 – KAREGNONDI WATER AUTHORITY

Effective August 1, 2013, the County entered into an agreement with the Karegnondi Water Authority (KWA) and the City of Flint to issue debt to acquire, construct, and operate a water supply system (System). The debt will not exceed \$300,000,000. The County's share of the debt is 65.8 percent or an amount not to exceed \$197,400,000. As of the date of the audit report, the debt has not been issued.

The intake facility and the site for the System were financed through the issuance of bonds by the County in the principal amount of \$35,000,000 in October, 2013, with the understanding that the County would make the intake facility available to KWA for use by KWA as part of the System. The County has pledged its limited tax full faith and credit as additional security for the bonds. The intake facility is currently under construction and is expected to be completed in October 2014.

In order to provide finished water to the County's customers, the County will be required to build a new water treatment plant, reservoir, pump station and approximately 5 miles of water main. To finance the construction cost, the County anticipates issuance of approximately \$60,000,000 of water revenue bonds with a limited tax general obligation pledge of the County. The new water treatment plant, reservoir, pump station and water main are expected to be constructed and fully operational on or before May 1, 2016, the date on which the System is expected to be fully operational.

Effective October 1, 2013 the County entered into a contract with KWA to supply up to 42 million gallons per day of untreated water. The charges to be paid by the County consist of an annual fixed or capital fee and an annual commodity or operations and maintenance fee. The County expects to pay such charges from the revenues of its water supply system as an operation and maintenance expense in the same manner that it presently pays for water furnished by the Detroit Water and Sewerage Department (DWSD).

The County is also a voting member of KWA. The County joined KWA in 2013 based on the expectation that the purchase of water for the County will be more economical in the future than continuing to purchase water from the DWSD.

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

	General Employees Retirement System	Employees' Qualified Excess Arrangement (QEBA)	Employees' Fringe Benefit (VEBA)	Total
Statement of Net Position:				
Cash and investments	\$ 444,425,721	\$	\$ 46,821,976	\$ 491,247,697
Other assets	2,854,857		279,996	3,134,853
Liabilities	<u>(28,328,589)</u>	<u>                    </u>	<u>(4,164,247)</u>	<u>(32,492,836)</u>
Net Position	<u>418,951,989</u>	<u>                    </u>	<u>42,937,725</u>	<u>461,889,714</u>
Statement of Changes in Net Position:				
Investment Income	47,787,800		2,992,469	50,780,269
Contributions	16,720,259		10,665,685	27,385,944
Benefit payments	(40,062,306)		(13,916,914)	(53,979,220)
Other decreases	<u>(3,632,436)</u>	<u>(983)</u>	<u>(42,379)</u>	<u>(3,675,798)</u>
Change in Net Position	<u>\$ 20,813,317</u>	<u>\$ (983)</u>	<u>\$ (301,139)</u>	<u>\$ (20,511,195)</u>

# NOTES TO FINANCIAL STATEMENTS

## GENESEE COUNTY

## EXHIBIT A-13

### NOTE S - FUND BALANCE CONSTRAINTS

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

	<u>General Fund</u>	<u>County Health</u>	<u>Community Action Resource Department</u>	<u>Community Development</u>	<u>Other Governmental Funds</u>	<u>Total</u>
<b>Fund Balances:</b>						
<b>Nonspendable:</b>						
Long-term advance to Internal Service Fund	\$ 1,840,809					\$ 1,840,809
Long-term advance to Component Unit					\$ 1,765,000	1,765,000
Prepayments:	20,690	\$ 22,020			4,023	46,733
Inventory:			\$ 485,062	\$ 638,400	137,018	1,260,480
<b>Restricted for:</b>						
Non-Major Special Revenue:						
Community Enrichment and Development					356,692	356,692
Drug Forfeiture					43,759	43,759
Emergency Medical Services					720,963	720,963
Health Care Services					571,809	571,809
Solid Waste Planning Activities					296,065	296,065
Senior Services					2,904,020	2,904,020
Social Services					116,299	116,299
Veterans Millage					471,776	471,776
<b>Committed to:</b>						
Non-Major Special Revenue:						
Planning Commission:						
Contractual disallowances					59,994	59,994
Local match on grant					15,000	15,000
<b>Assigned to:</b>						
Costs and settlements of contractual disallowances, claims and litigation	1,000,000					1,000,000
Programs:						
Mental Health						-
County Health		2,517,028				2,517,028
Non-Major Special Revenue:						
Child Care					3,873,041	3,873,041
Community Enrichment and Development					588	588
Law Enforcement					205,835	205,835
Parks and Recreation					4,816,894	4,816,894
Planning Commission						
-Compensated absences					65,346	65,346
Capital Projects:						
Capital Improvement					721,280	721,280
Jail Site Remediation					7,321	7,321
<b>Unassigned:</b>	\$ 9,455,182		\$ (928,728)			8,526,454
Administration of Justice					(583,117)	(583,117)
Law Enforcement					(29,900)	(29,900)
Planning					97,322	97,322
Hughes & Hatcher Center Debt Service					(1,710,110)	(1,710,110)
Total fund balances	\$ 12,316,681	\$ 2,539,048	\$ (443,666)	\$ 638,400	\$ 14,926,918	\$ 29,977,381



**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, 2013				
	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
<b>OPERATING REVENUE</b>				
<b>TAXES</b>				
Current property taxes.....	\$ 43,459,630	\$ 44,652,148	\$ 45,261,951	\$ 609,803
<b>LICENSES AND PERMITS</b>				
Dog licenses .....	710,000	617,448	666,466	49,018
Other.....	158,050	248,676	243,348	(5,328)
TOTALS	868,050	866,124	909,814	43,690
<b>FINES AND FORFEITURES</b>				
Ordinance fines and costs.....	1,980,993	1,738,676	1,538,459	(200,217)
Bond forfeitures .....	39,500	23,090	26,330	3,240
TOTALS	2,020,493	1,761,766	1,564,789	(196,977)
<b>USE OF MONEY AND PROPERTY</b>				
Interest earned .....	245,000	58,688	58,600	(88)
<b>OTHER INTERGOVERNMENTAL REVENUES</b>				
Federal revenue.....	235,000	216,615	223,108	6,493
Probate judges salaries .....	285,010	188,390	206,271	17,881
Revenue sharing.....	7,620,146	7,541,499	7,541,499	
State liquor tax.....	2,943,273	3,125,820	3,263,945	138,125
State cigarette tax.....	2,640	22,524	22,524	
Other.....	3,530,264	3,241,981	3,239,591	(2,390)
TOTALS	14,616,333	14,336,829	14,496,938	160,109
<b>CHARGES FOR SERVICES</b>				
Animal Shelter .....	81,400	52,311	55,193	2,882
District Court.....	3,486,279	2,630,706	2,693,118	62,412
Friend of the Court.....	679,971	679,971	679,971	
Probate Court .....	145,200	148,806	148,529	(277)
Probation fees .....	33,000	33,698	33,490	(208)
County Treasurer.....	584,500	903,327	899,203	(4,124)
County Clerk .....	1,212,470	1,266,056	1,282,100	16,044
Register of Deeds .....	1,550,700	1,724,931	1,683,310	(41,621)
Sheriff .....	1,665,062	1,857,664	1,902,480	44,816
Other services .....	2,019,461	1,297,544	1,311,818	14,274
TOTALS	11,458,043	10,595,014	10,689,212	94,198
OTHER REVENUE.....	593,249	572,483	655,134	82,651
TOTAL OPERATING REVENUE	73,260,798	72,843,052	73,636,438	793,386
<b>TRANSFERS IN</b>				
Enterprise Funds .....	3,622,642	4,868,642	4,734,725	(133,917)
Special Revenue Funds.....	1,719,604	1,936,203	1,956,570	20,367
Capital Projects Funds.....			32,259	32,259
Debt Service Funds.....		17	18	1
TOTAL TRANSFERS IN	5,342,246	6,804,862	6,723,572	(81,290)
	<u>\$ 78,603,044</u>	<u>\$ 79,647,914</u>	<u>\$ 80,360,010</u>	<u>\$ 712,096</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, 2013				
	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
<b>LEGISLATIVE</b>				
Board of Commissioners.....	\$ 705,103	\$ 918,343	\$ 922,513	\$ (4,170)
<b>MANAGEMENT AND PLANNING</b>				
Board Coordinator.....	247,778	244,208	241,514	2,694
Boundary Commission.....	200			
County Clerk.....	2,749,011	2,435,402	2,345,564	89,838
County Treasurer.....	1,489,518	1,442,774	1,463,753	(20,979)
Drain Commission.....	1,246,486	1,210,390	1,213,167	(2,777)
Elections Clerk.....	672,516	740,468	724,161	16,307
Equalization.....	1,069,270	913,157	917,622	(4,465)
GIS.....	187,473	174,192	170,580	3,612
Register of Deeds.....	564,609	635,418	616,674	18,744
TOTALS	8,226,861	7,796,009	7,693,035	102,974
<b>ADMINISTRATION OF JUSTICE</b>				
Adult Probation.....	339,656	330,006	329,855	151
Circuit Court.....	10,625,168	9,924,755	9,987,394	(62,639)
District Court.....	6,188,268	5,385,439	5,473,378	(87,939)
Jury Board.....	278,581	259,093	258,148	945
Probate Court.....	2,137,938	2,046,618	2,057,863	(11,245)
Prosecutor.....	4,437,370	4,436,214	4,455,811	(19,597)
Court Services.....	200,384	185,620	185,537	83
TOTALS	24,207,365	22,567,745	22,747,986	(180,241)
<b>LAW ENFORCE/ COMMUNITY PROTECTION</b>				
Office of Emergency Preparedness.....	166,373	154,685	154,330	355
Sheriff Administration.....	2,882,042	2,892,873	2,915,776	(22,903)
Sheriff Marine Division.....	45,675	24,228	25,086	(858)
Detective Division.....	524,011	879,553	886,730	(7,177)
Sheriff Security.....	17,763,165	16,885,505	16,627,752	257,753
TOTALS	21,381,266	20,836,844	20,609,674	227,170
<b>HUMAN SERVICES</b>				
Veterans Burial.....	46,276	15,716	15,716	
Veterans Information Center.....	129,157	36,735	36,649	86
TOTALS	175,433	52,451	52,365	86

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

Fiscal Year Ended September 30, 2013				
	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
OTHER				
Other.....	\$ (1,251,782)	\$ 2,279,488	\$ 2,696,188	\$ (416,700)
Contribution to Component Unit - Mental Health Services.....	2,775,000	2,775,000	2,775,000	
TOTALS	<u>1,523,218</u>	<u>5,054,488</u>	<u>5,471,188</u>	<u>(416,700)</u>
CAPITAL OUTLAY				
Circuit Court.....		200,609	200,605	4
County Sheriff.....		9,450	6,172	3,278
District Court.....		22,600		22,600
Prosecutors.....		28,800	27,903	897
All others.....			1,225	(1,225)
TOTALS		<u>261,459</u>	<u>235,905</u>	<u>25,554</u>
TOTAL EXPENDITURES	<u>56,219,246</u>	<u>57,487,339</u>	<u>57,732,666</u>	<u>(245,327)</u>
APPROPRIATIONS				
Special Revenue:				
Administration of Justice Funds.....	3,435,597	3,465,203	3,476,676	(11,473)
Child Care.....	9,627,151	9,550,470	9,550,470	
Community Enrichment and Development Funds.....	104,966	36,385	22,710	13,675
County Health.....	2,680,597	2,658,158	2,658,158	
Law Enforcement Funds.....	98,375	103,850	103,847	3
Mental Health.....	925,000	865,000	925,000	(60,000)
Parks and Recreation.....	61,011	61,011	61,011	
Planning Commission.....	408,572	393,572	393,572	
Social Services.....	15,500	15,500	15,500	
TOTALS	<u>17,356,769</u>	<u>17,149,149</u>	<u>17,206,944</u>	<u>(57,795)</u>
Debt Service and Capital Projects:				
Debt Service Funds.....	<u>2,650,782</u>	<u>2,689,337</u>	<u>2,751,216</u>	<u>(61,879)</u>
	2,650,782	2,689,337	2,751,216	(61,879)
Internal Service:				
Administrative Services.....		85,513	67,133	18,380
Vehicles and Equipment.....		5,410	4,489	921
Building and Grounds.....		102,778	70,442	32,336
TOTALS		<u>193,701</u>	<u>142,064</u>	<u>51,637</u>
TOTAL APPROPRIATIONS	<u>20,007,551</u>	<u>20,032,187</u>	<u>20,100,224</u>	<u>(68,037)</u>
TOTAL EXPENDITURES AND APPROPRIATIONS	<u>\$ 76,226,797</u>	<u>\$ 77,519,526</u>	<u>\$ 77,832,890</u>	<u>\$ (313,364)</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 are not 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, 2013				
	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
GENESEE HEALTH SERVICES 12/31/12				
General Fund appropriation.....	\$ 3,700,000	\$ 3,700,000	\$ 925,000	\$ (2,775,000)
Federal grants.....	6,214,695	6,253,628	1,231,478	(5,022,150)
State grants.....	21,277,601	21,277,601	4,477,801	(16,799,800)
Charges for services.....	119,886,149	120,891,957	27,841,645	(93,050,312)
Other.....	1,382,000	1,364,000	785,018	(578,982)
TOTALS	<u>\$ 152,460,445</u>	<u>\$ 153,487,186</u>	<u>\$ 35,260,942</u>	<u>\$ (118,226,244)</u>
COUNTY HEALTH				
General Fund appropriation.....	\$ 3,147,478	\$ 3,125,039	\$ 3,079,023	\$ (46,016)
Licenses and permits.....	992,630	992,630	1,031,768	39,138
Federal grants.....	1,009,430	5,304,849	5,262,724	(42,125)
State grants.....	8,477,053	4,265,613	2,770,726	(1,494,887)
Charges for services.....	160,313	217,313	355,765	138,452
Other.....	945,111	1,359,838	2,345,317	985,479
TOTALS	<u>\$ 14,732,015</u>	<u>\$ 15,265,282</u>	<u>\$ 14,845,323</u>	<u>\$ (419,959)</u>
COMMUNITY ACTION RESOURCE DEPARTMENT				
Federal grants.....	\$ 24,477,400	\$ 24,477,400	\$ 22,841,798	(1,635,602)
State grants.....	654,697	654,697	1,403,379	748,682
Other.....	3,131,758	3,131,758	4,039,962	908,204
Transfers in.....			640,742	640,742
TOTALS	<u>\$ 28,263,855</u>	<u>\$ 28,263,855</u>	<u>\$ 28,925,881</u>	<u>\$ 662,026</u>
COMMUNITY DEVELOPMENT				
Federal grants.....	\$ 3,366,735	\$ 3,366,735	\$ 3,366,735	
Other.....	109,446	109,446	109,446	
TOTALS	<u>\$ 3,476,181</u>	<u>\$ 3,476,181</u>	<u>\$ 3,476,181</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, 2013				
	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
<b>GENESEE HEALTH SERVICES 12/31/12</b>				
Board administration.....	\$ 11,165,232	\$ 11,616,649	\$ 2,891,772	\$ 8,724,877
Managed care.....	23,299,672	22,142,242	2,088,620	20,053,622
Residential services.....	30,398,585	30,398,585	7,442,990	22,955,595
Adult services.....	29,025,515	29,240,791	7,337,280	21,903,511
Clinical services.....	7,436,792	7,479,885	1,315,059	6,164,826
State hospitals.....	8,079,896	8,079,896	1,883,559	6,196,337
Developmental disabilities.....	25,040,498	25,407,114	5,341,139	20,065,975
Inpatient services.....	9,160,857	9,160,857	3,493,016	5,667,841
Substance abuse services.....	9,872,388	10,043,218	2,380,671	7,662,547
Employee benefits.....		1,073,561	1,073,651	(90)
Capital outlay.....		81,028	81,028	
<b>TOTALS</b>	<b>\$ 153,479,435</b>	<b>\$ 154,723,826</b>	<b>\$ 35,328,785</b>	<b>\$ 119,395,041</b>
<b>COUNTY HEALTH</b>				
Personnel services.....	\$ 5,877,507	\$ 5,857,075	\$ 5,308,506	\$ 548,569
Fringe benefits.....	4,105,071	4,081,949	3,375,957	705,992
Supplies and services.....	4,858,859	5,478,409	4,881,923	596,486
Capital outlay.....	14,322	15,322		15,322
<b>TOTALS</b>	<b>\$ 14,855,759</b>	<b>\$ 15,432,755</b>	<b>\$ 13,566,386</b>	<b>\$ 1,866,369</b>
<b>COMMUNITY ACTION RESOURCE DEPARTMENT</b>				
Personnel services.....	\$ 12,168,622	\$ 12,168,622	\$ 6,819,016	\$ 5,349,606
Fringe benefits.....	6,394,700	6,394,700	3,971,261	2,423,439
Supplies and services.....	10,314,488	10,314,488	18,067,079	(7,752,591)
Capital outlay.....	55,437	55,437	250,810	(195,373)
Transfers out.....			361,911	(361,911)
<b>TOTALS</b>	<b>\$ 28,933,247</b>	<b>\$ 28,933,247</b>	<b>\$ 29,470,077</b>	<b>\$ (536,830)</b>
<b>COMMUNITY DEVELOPMENT</b>				
Supplies and services.....	\$ 891,494	\$ 891,494	\$ 891,494	\$
Program grants.....	3,470,886	3,470,886	3,470,886	
<b>TOTALS</b>	<b>\$ 4,362,380</b>	<b>\$ 4,362,380</b>	<b>\$ 4,362,380</b>	<b>\$</b>

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

**PENSION AND OPEB SYSTEM SCHEDULE OF FUNDING PROGRESS  
REQUIRED SUPPLEMENTARY INFORMATION**

**GENESEE COUNTY**

**Exhibit B-5**

The schedule of funding progress for the Pension System as of December 31<sup>st</sup> is as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio (Percent)	Covered Payroll	UAAL as a Percentage of Covered Payroll
2007	\$ 461,349,321	\$ 514,859,339	\$ 53,510,018	89.6%	\$ 68,341,150	78.3%
2008	\$ 439,812,757	\$ 527,639,697	\$ 87,826,940	83.4%	\$ 67,720,817	129.69%
2009	\$ 424,482,866	\$ 543,307,372	\$ 118,824,506	78.1%	\$ 65,511,481	181.38%
2010	\$ 401,700,454	\$ 564,033,044	\$ 162,332,590	71.2%	\$ 57,794,546	280.88%
2011	\$ 365,262,318	\$ 549,929,631	\$ 184,667,313	66.4%	\$ 52,236,539	353.52%
2012	\$ 387,979,375	\$ 559,390,939	\$ 171,411,564	69.4%	\$ 49,736,813	344.64%

The schedule of employer contributions for the Pension System as of December 31<sup>st</sup> is as follows:

Fiscal Year Ended	Actuarial Valuation Date	Annual Required Contribution	Percentage Contributed
2007	2005	\$12,996,937	100%
2008	2006	\$11,949,881	100%
2009	2007	\$12,096,241	100%
2010	2008	\$12,727,882	100%
2011	2009	\$11,942,380	100%
2012	2010	\$14,354,446	100%

The information presented above was determined as part of the actuarial valuations at the dates indicated. Additional information as of December 31, 2012, the latest actuarial valuation, follows:

Amortization method	Level percent-of-payroll, Open
Amortization period	25 years
Asset valuation method	4-year smoothed market
Actuarial assumptions:	
Investment rate of return	8.00%
Projected salary increases	3.00% to 7.03%
Includes inflation at	3%
Cost of living adjustments	None

The schedule of funding progress for the OPEB System as of September 30<sup>th</sup> is as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio (Percent)	Covered Payroll	UAAL as a Percentage of Covered Payroll
2007	\$ 30,427,079	\$ 179,150,908	\$ 148,723,829	17.0%	\$ 58,387,145	2.55%
2010	\$ 41,579,396	\$ 286,696,396	\$ 245,117,000	15.0%	\$ 58,028,000	422.41%
2012	\$ 43,313,587	\$ 308,208,023	\$ 264,894,436	14.0%	\$ 36,987,137	716.18%

The schedule of employer contributions for the OPEB System as of September 30<sup>th</sup> is as follows:

Fiscal Year Ended	Actuarial Valuation Date	Annual Required Contribution	Percentage Contributed
2011	2010	\$18,708,000	52%
2012	2012	\$18,549,049	65%
2013	2012	\$18,549,049	51%

The information presented above was determined as part of the actuarial valuations at the dates indicated. Additional information as of September 30, 2012, the latest actuarial valuation, follows:

Amortization method	Level percent-of-payroll
Amortization period	30 years
Actuarial assumptions:	
Investment rate of return	8.00%
Projected salary increases	3%
Medical inflation rate	8%, Graded down to 5% in 0.5% increments over 7 years
Cost of living adjustments	None



**COMBINING  
FUND FINANCIAL STATEMENTS  
NONMAJOR GOVERNMENTAL FUNDS**

# COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS

## GENESEE COUNTY

## Exhibit C-1

		<b>Special Revenue</b>
Cash and cash equivalents - Note C.....	\$	3,241,665
Investments - Note C.....		6,252,595
Interest and accounts receivable.....		167,401
Due from other governmental units.....		8,455,502
Due from other County funds -- Note L.....		7,278,310
Due from component unit - Land Bank Authority.....		
Long-term advance to component unit.....		
Prepaid expenses.....		4,023
Supplies inventory.....		137,018
Other assets.....		5,227
<b>TOTAL ASSETS</b>	<b>\$</b>	<b>25,541,741</b>
Accounts payable.....	\$	1,876,169
Accrued payroll.....		555,007
Other accrued liabilities and deposits.....		256,261
Due to other governmental units.....		2,470,429
Due to other County funds -- Note L.....		4,994,752
Deferred revenue - Note K.....		1,245,696
<b>TOTAL LIABILITIES</b>		<b>11,398,314</b>
Fund balances:		
Nonspendable.....		141,041
Restricted.....		5,481,383
Committed.....		74,994
Assigned.....		8,961,704
Unassigned.....		(515,695)
<b>TOTAL FUND BALANCES</b>		<b>14,143,427</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$</b>	<b>25,541,741</b>

September 30, 2013

Debt Service	Capital Projects	Total Nonmajor Governmental Funds
\$ 55,995	\$ 901,817	\$ 4,199,477
		6,252,595
		167,401
4,467	84,355	8,544,324
13,402		7,291,712
725		725
1,765,000		1,765,000
150		4,173
		137,018
		5,227
<u>\$ 1,839,739</u>	<u>\$ 986,172</u>	<u>\$ 28,367,652</u>

\$	\$ 234	\$ 1,876,403
		555,007
		256,261
		2,470,429
19,624	257,337	5,271,713
<u>1,765,225</u>		<u>3,010,921</u>
<u>1,784,849</u>	<u>257,571</u>	<u>13,440,734</u>

1,765,000		1,906,041
		5,481,383
		74,994
	728,601	9,690,305
(1,710,110)		(2,225,805)
<u>54,890</u>	<u>728,601</u>	<u>14,926,918</u>

<u>\$ 1,839,739</u>	<u>\$ 986,172</u>	<u>\$ 28,367,652</u>
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# **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.....	\$ 24,297,792
Licenses and permits.....	6,740
Fines and forfeitures.....	104,845
Use of money and property.....	134,494
Federal grants--Note G.....	25,517,422
State grants--Note G.....	10,198,848
Other intergovernmental revenues.....	5,391,666
Charges for services.....	7,096,472
Other.....	1,142,978
TOTAL REVENUES	<u>73,891,257</u>
Expenditures:	
Current operations:	
Management and planning.....	
Administration of justice.....	12,428,509
Law enforcement and community protection.....	11,871,620
Human services.....	40,103,507
Community enrichment and development.....	14,687,753
Other.....	634,425
Capital outlay.....	1,985,740
Debt service--Note E:	
Principal payments.....	
Interest.....	
TOTAL EXPENDITURES	<u>81,711,554</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(7,820,297)</u>
Other financing sources (uses):	
Transfers-In.....	14,432,092
Transfers-Out.....	(4,645,787)
TOTAL OTHER FINANCING SOURCES (USES)	<u>9,786,305</u>
NET CHANGE IN FUND BALANCES	1,966,008
Fund balance at beginning of year.....	12,177,419
FUND BALANCE AT END OF YEAR	<u>\$ 14,143,427</u>

**Government - Fiscal Year Ended September 30, 2013**

		<b>Total Nonmajor Governmental Funds</b>	
<b>Debt Service</b>	<b>Capital Projects</b>		
\$ 141,259		\$ 24,439,051	
		6,740	
		104,845	
311,253		445,747	
		25,517,422	
	\$ 691,863	10,890,711	
		5,391,666	
		7,096,472	
	838	1,143,816	
<u>452,512</u>	<u>692,701</u>	<u>75,036,470</u>	
		12,428,509	
		11,871,620	
		40,103,507	
		14,687,753	
750	3,283	638,458	
	996,079	2,981,819	
2,365,000		2,365,000	
<u>1,249,358</u>		<u>1,249,358</u>	
<u>3,615,108</u>	<u>999,362</u>	<u>86,326,024</u>	
<u>(3,162,596)</u>	<u>(306,661)</u>	<u>(11,289,554)</u>	
3,159,687		17,591,779	
(18)	(393,371)	(5,039,176)	
<u>3,159,669</u>	<u>(393,371)</u>	<u>12,552,603</u>	
(2,927)	(700,032)	1,263,049	
<u>57,817</u>	<u>1,428,633</u>	<u>13,663,869</u>	
<u>\$ 54,890</u>	<u>\$ 728,601</u>	<u>\$ 14,926,918</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.

**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.

**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.

**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.

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

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

# COMBINING BALANCE SHEET--NONMAJOR SPECIAL REVENUE FUNDS

## GENESEE COUNTY

## Exhibit D-1

	Accommodation Ordinance Tax	Administration of Justice	Child Care
<b>ASSETS</b>			
Cash and cash equivalents.....	\$ 413,240	\$	\$
Investments.....			
Interest and accounts receivable.....		17,983	
Due from other governmental units.....		2,361,411	1,302,579
Due from other County funds.....			3,101,214
Prepaid expenses.....			
Supplies inventory.....			
Other assets.....		1,893	
<b>TOTAL ASSETS</b>	<b>\$ 413,240</b>	<b>\$ 2,381,287</b>	<b>\$ 4,403,793</b>
<b>LIABILITIES AND FUND BALANCES</b>			
Accounts payable.....	\$ 309,930	\$ 80,333	\$ 439,688
Accrued payroll.....		185,215	
Other accrued liabilities and deposits.....		163,014	91,064
Due to other governmental units.....		1,718	
Due to other County funds.....	103,310	1,560,877	
Deferred revenue.....		973,247	
<b>TOTAL LIABILITIES</b>	<b>413,240</b>	<b>2,964,404</b>	<b>530,752</b>
<b>Fund balances:</b>			
Nonspendable.....			
Restricted.....			
Committed.....			
Assigned.....			3,873,041
Unassigned.....		(583,117)	
<b>TOTAL FUND BALANCES</b>	<b>0</b>	<b>(583,117)</b>	<b>3,873,041</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 413,240</b>	<b>\$ 2,381,287</b>	<b>\$ 4,403,793</b>

**Fiscal Year Ended September 30, 2013**

<b>Community Enrichment and Development</b>	<b>Drug Forfeiture</b>	<b>Emergency Medical Services</b>	<b>Flint City Lockup</b>	<b>Health Care Services</b>
\$	\$ 81,757	\$ 1,047,064	\$	\$ 491,606 1,000,000
30,735 179,460 741,399			741,087	
1,037		550		
<u>\$ 952,631</u>	<u>\$ 81,757</u>	<u>\$ 1,047,614</u>	<u>\$ 741,087</u>	<u>\$ 1,491,606</u>
\$ 359,521 19,312	\$	\$ 11,881 61,518	\$ 7,947 53,125	
6,673		253,252	680,015	919,797
209,845	37,998			
<u>595,351</u>	<u>37,998</u>	<u>326,651</u>	<u>\$ 741,087</u>	<u>\$ 919,797</u>
356,692	43,759	720,963		571,809
588				
<u>357,280</u>	<u>43,759</u>	<u>720,963</u>	<u>0</u>	<u>571,809</u>
<u>\$ 952,631</u>	<u>\$ 81,757</u>	<u>\$ 1,047,614</u>	<u>\$ 741,087</u>	<u>\$ 1,491,606</u>

# COMBINING BALANCE SHEET-NONMAJOR SPECIAL REVENUE FUNDS-CONTINUED

## GENESEE COUNTY

## Exhibit D-1 Continued

	Law Enforcement	Parks and Recreation	Planning Commission
<b>ASSETS</b>			
Cash and cash equivalents.....	\$	\$	\$ 115,719
Investments.....		5,252,595	
Interest and accounts receivable.....	41,637	22,185	54,861
Due from other governmental units.....	438,065	51,182	283,531
Due from other County funds.....		103,310	132,296
Prepaid expenses.....		4,023	
Supplies inventory.....		137,018	
Other assets.....	400		
<b>TOTAL ASSETS</b>	<u>\$ 480,102</u>	<u>\$ 5,570,313</u>	<u>\$ 586,407</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Accounts payable.....	\$ 36,490	\$ 197,604	\$ 5,324
Accrued payroll.....	27,634	98,504	44,672
Other accrued liabilities and deposits.....		2,183	
Due to other governmental units.....			
Due to other County funds.....	239,029	293,179	
Deferred revenue.....	1,014	20,908	2,684
<b>TOTAL LIABILITIES</b>	<u>304,167</u>	<u>612,378</u>	<u>52,680</u>
<b>Fund balances:</b>			
Nonspendable.....		141,041	
Restricted.....			296,065
Committed.....			74,994
Assigned.....	205,835	4,816,894	65,346
Unassigned.....	(29,900)		97,322
<b>TOTAL FUND BALANCES</b>	<u>175,935</u>	<u>4,957,935</u>	<u>533,727</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 480,102</u>	<u>\$ 5,570,313</u>	<u>\$ 586,407</u>

Fiscal Year Ended September 30, 2013

Senior Services	Sheriff Contracted Services	Social Services	Veterans Millage	Michigan Strategic Fund/ Work Force Development Agency	Total
\$ 310,865	\$	\$ 266,299	\$ 515,115	\$	\$ 3,241,665
					6,252,595
					167,401
	526,856			2,571,331	8,455,502
3,200,091					7,278,310
					4,023
					137,018
			1,347		5,227
<u>\$ 3,510,956</u>	<u>\$ 526,856</u>	<u>\$ 266,299</u>	<u>\$ 516,462</u>	<u>\$ 2,571,331</u>	<u>\$ 25,541,741</u>
\$ 413,481	\$	\$	\$ 13,970	\$	\$ 1,876,169
5,522	50,790		8,715		555,007
					256,261
		150,000		2,312,038	2,470,429
187,933	476,066		22,001	259,293	4,994,752
					1,245,696
<u>606,936</u>	<u>526,856</u>	<u>150,000</u>	<u>44,686</u>	<u>2,571,331</u>	<u>11,398,314</u>
					141,041
2,904,020		116,299	471,776		5,481,383
					74,994
					8,961,704
					(515,695)
<u>2,904,020</u>	<u>0</u>	<u>116,299</u>	<u>471,776</u>	<u>0</u>	<u>14,143,427</u>
<u>\$ 3,510,956</u>	<u>\$ 526,856</u>	<u>\$ 266,299</u>	<u>\$ 516,462</u>	<u>\$ 2,571,331</u>	<u>\$ 25,541,741</u>

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

**GENESEE COUNTY**

**Exhibit D-2**

	<b>Accommodation Ordinance Tax</b>	<b>Administration of Justice</b>	<b>Child Care</b>
Revenues:			
Taxes.....	\$ 1,290,905	\$	\$
Licenses and permits.....			
Fines and forfeitures.....			
Use of money and property.....			
Federal grants.....		7,623,146	87,498
State grants.....		1,882,743	5,284,643
Other intergovernmental revenue.....		7,698	
Charges for services.....		920,063	410,125
Other.....		86,599	323,839
<b>TOTAL REVENUES</b>	<b>1,290,905</b>	<b>10,520,249</b>	<b>6,106,105</b>
Expenditures:			
Current Operations:			
Management and planning.....		12,428,509	
Administration of justice.....			
Law enforcement and community protection.....			11,728,566
Human services.....			
Community enrichment and development.....	973,179		
Other.....			
Capital outlay.....		964,007	
<b>TOTAL EXPENDITURES</b>	<b>973,179</b>	<b>13,392,516</b>	<b>11,728,566</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>317,726</b>	<b>(2,872,267)</b>	<b>(5,622,461)</b>
Other financing sources (uses):			
Transfers-In.....		3,476,676	9,550,470
Transfers-Out.....	(317,726)	(5,527)	(1,449,494)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(317,726)</b>	<b>3,471,149</b>	<b>8,100,976</b>
<b>NET CHANGE IN FUND BALANCES</b>		<b>598,882</b>	<b>2,478,515</b>
Fund balances at beginning of year.....		(1,181,999)	1,394,526
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 0</b>	<b>\$ (583,117)</b>	<b>\$ 3,873,041</b>

**Fiscal Year Ended September 30, 2013**

<b>Community Enrichment and Development</b>	<b>Drug Forfeiture</b>	<b>Emergency Medical Services</b>	<b>Flint City Lockup</b>	<b>Health Care Services</b>
\$	\$	\$ 4,005,455	\$	\$ 8,307,166
	104,845			
84,613		2,315		4,940
212,270			610	
			2,306,874	
2,493,267				
213,992				
<u>3,004,142</u>	<u>104,845</u>	<u>4,007,770</u>	<u>2,307,484</u>	<u>8,312,106</u>
		3,940,940	2,299,444	9,514,181
2,668,120				
	65,726			
706,570		53,556		
<u>3,374,690</u>	<u>65,726</u>	<u>3,994,496</u>	<u>2,299,444</u>	<u>9,514,181</u>
<u>(370,548)</u>	<u>39,119</u>	<u>13,274</u>	<u>8,040</u>	<u>(1,202,075)</u>
181,161				
<u>(128,146)</u>	<u>(69,825)</u>			<u>(420,865)</u>
53,015	<u>(69,825)</u>	0	0	<u>(420,865)</u>
(317,533)	(30,706)	13,274	8,040	(1,622,940)
674,813	74,465	707,689	(8,040)	2,194,749
<u>\$ 357,280</u>	<u>\$ 43,759</u>	<u>\$ 720,963</u>	<u>\$ 0</u>	<u>\$ 571,809</u>

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

**GENESEE COUNTY**

**Exhibit D-2 continued**

	<b>Law Enforcement</b>	<b>Parks and Recreation</b>	<b>Planning Commission</b>
Revenues:			
Taxes.....	\$	\$ 4,025,337	\$ 6,740
Licenses and permits.....			
Fines and forfeitures.....		109,263	
Use of money and property.....			
Federal grants.....	1,592,162		555,263
State grants.....	877,116	52,241	
Other intergovernmental revenue.....	231,227		
Charges for services.....	207,045	1,889,301	1,176,671
Other.....	111,717	406,088	743
<b>TOTAL REVENUES</b>	<b>3,019,267</b>	<b>6,482,230</b>	<b>1,739,417</b>
Expenditures:			
Current Operations:			
Management and planning.....			
Administration of justice.....			
Law enforcement and community protection.....	2,952,807		2,059,521
Human services.....		4,825,893	
Community enrichment and development.....		568,699	
Other.....		257,050	2,369
Capital outlay.....			
<b>TOTAL EXPENDITURES</b>	<b>2,952,807</b>	<b>5,651,642</b>	<b>2,061,890</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>66,460</b>	<b>830,588</b>	<b>(322,473)</b>
Other financing sources (uses):			
Transfers-In.....	126,976	687,737	393,572
Transfers-Out.....	(1,766)	(1,202,999)	
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>125,210</b>	<b>(515,262)</b>	<b>393,572</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>191,670</b>	<b>315,326</b>	<b>71,099</b>
Fund balances at beginning of year.....	(15,735)	4,642,609	462,628
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 175,935</b>	<b>\$ 4,957,935</b>	<b>\$ 533,727</b>



**Fiscal Year Ended September 30, 2013**

Senior Services	Sheriff Contracted Services	Social Services	Veterans Millage	Michigan Strategic Fund/ Work Force Development Agency	Total
\$ 5,815,184	\$	\$	\$ 853,745	\$	\$ 24,297,792
					6,740
17,729			247		104,845
				15,574,740	134,494
	574	288,182	20,000	1,580,469	25,517,422
	2,845,867				10,198,848
					5,391,666
					7,096,472
					1,142,978
<u>5,832,913</u>	<u>2,846,441</u>	<u>288,182</u>	<u>873,992</u>	<u>17,155,209</u>	<u>73,891,257</u>
					12,428,509
	2,678,429				11,871,620
		286,772		16,514,467	40,103,507
5,820,533			400,028		14,687,753
					634,425
			2,188		1,985,740
<u>5,820,533</u>	<u>2,678,429</u>	<u>286,772</u>	<u>402,216</u>	<u>16,514,467</u>	<u>81,711,554</u>
<u>12,380</u>	<u>168,012</u>	<u>1,410</u>	<u>471,776</u>	<u>640,742</u>	<u>(7,820,297)</u>
		15,500			14,432,092
(408,697)				(640,742)	(4,645,787)
<u>(408,697)</u>	<u>0</u>	<u>15,500</u>	<u>0</u>	<u>(640,742)</u>	<u>9,786,305</u>
(396,317)	168,012	16,910	471,776		1,966,008
<u>3,300,337</u>	<u>(168,012)</u>	<u>99,389</u>			<u>12,177,419</u>
<u>\$ 2,904,020</u>	<u>\$ 0</u>	<u>\$ 116,299</u>	<u>\$ 471,776</u>	<u>\$ 0</u>	<u>\$ 14,143,427</u>

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

## **GENESEE COUNTY**

## **Exhibit D-3**

Fiscal Year Ended September 30, 2013				
	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
<b>ACCOMMODATION ORDINANCE TAX</b>				
Taxes.....	\$ 1,000,000	\$ 1,000,000	\$ 1,290,905	\$ 290,905
TOTALS	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>	<u>\$ 1,290,905</u>	<u>\$ 290,905</u>
<b>ADMINISTRATION OF JUSTICE</b>				
General Fund appropriation.....	\$ 4,033,203	\$ 4,033,203	\$ 3,476,676	\$ (556,527)
Federal grants.....	7,130,796	7,130,796	7,623,146	492,350
State grants.....	2,218,601	2,218,601	1,882,743	(335,858)
Charges for services.....	812,434	812,434	920,063	107,629
Other intergovernmental revenue.....			7,698	7,698
Other.....	37,004	37,004	86,599	49,595
TOTALS	<u>\$ 14,232,038</u>	<u>\$ 14,232,038</u>	<u>\$ 13,996,925</u>	<u>\$ (235,113)</u>
<b>CHILD CARE</b>				
General Fund appropriation.....	\$ 9,627,151	\$ 9,550,470	\$ 9,550,470	\$
Federal grants.....	90,000	90,000	87,498	(2,502)
State grants.....	7,425,234	7,419,309	5,284,643	(2,134,666)
Charges for services.....	299,890	299,890	410,125	110,235
Other.....	381,742	381,742	323,839	(57,903)
TOTALS	<u>\$ 17,824,017</u>	<u>\$ 17,741,411</u>	<u>\$ 15,656,575</u>	<u>\$ (2,084,836)</u>
<b>COMMUNITY ENRICHMENT AND DEVELOPMENT</b>				
General Fund appropriation.....	\$ 36,385	\$ 36,385	\$ 22,710	\$ (13,675)
Other Transfers-In.....			158,451	158,451
Federal grants.....	186,100	186,100	84,613	(101,487)
State grants.....	112,276	112,276	212,270	99,994
Charges for services.....	395,087	395,087	2,493,267	2,098,180
Other.....	9,600	9,600	213,992	204,392
TOTALS	<u>\$ 739,448</u>	<u>\$ 739,448</u>	<u>\$ 3,185,303</u>	<u>\$ 2,445,855</u>
<b>DRUG FORFEITURES</b>				
Fines and forfeitures.....	\$ 81,716	\$ 81,716	\$ 104,845	\$ 23,129
TOTALS	<u>\$ 81,716</u>	<u>\$ 81,716</u>	<u>\$ 104,845</u>	<u>\$ 23,129</u>
<b>EMERGENCY MEDICAL SERVICES</b>				
Taxes.....	\$ 3,951,933	\$ 3,951,933	\$ 4,005,455	\$ 53,522
Use of money and property.....	3,000	3,000	2,315	(685)
TOTALS	<u>\$ 3,954,933</u>	<u>\$ 3,954,933</u>	<u>\$ 4,007,770</u>	<u>\$ 52,837</u>
<b>FLINT CITY LOCKUP</b>				
Other intergovernmental revenue.....	\$ 2,224,727	\$ 2,224,727	\$ 2,306,874	\$ 82,147
State grants.....			610	610
TOTALS	<u>\$ 2,224,727</u>	<u>\$ 2,224,727</u>	<u>\$ 2,307,484</u>	<u>\$ 82,757</u>
<b>HEALTH CARE SERVICES</b>				
Taxes.....	\$ 8,153,359	\$ 8,153,359	\$ 8,307,166	\$ 153,807
Use of money and property.....			4,940	4,940
TOTALS	<u>\$ 8,153,359</u>	<u>\$ 8,153,359</u>	<u>\$ 8,312,106</u>	<u>\$ 158,747</u>

Fiscal Year Ended September 30, 2013				
	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance with Final Budget- Positive (Negative)
<b>LAW ENFORCEMENT</b>				
General Fund appropriation.....	\$ 98,375	\$ 98,375	\$ 126,976	\$ 28,601
Licenses and permits.....				0
Federal grants.....	503,149	503,149	1,592,162	1,089,013
State grants.....	799,247	799,247	877,116	77,869
Charges for services.....	136,528	136,528	207,045	70,517
Other.....	379,515	379,515	111,717	(267,798)
Other Transfers-In.....	44,793	44,793		(44,793)
Other intergovernmental revenue.....			231,227	231,227
TOTALS	<u>\$ 1,961,607</u>	<u>\$ 1,961,607</u>	<u>\$ 3,146,243</u>	<u>\$ 1,184,636</u>
<b>PARKS AND RECREATION</b>				
General Fund appropriation.....	\$ 100,011	\$ 100,011	\$ 100,011	\$
Taxes.....	4,166,933	4,166,933	4,025,337	(141,596)
Use of money and property.....	105,000	105,000	109,263	4,263
State grants.....	5,000	5,000	52,241	47,241
Other Transfers-In.....			587,726	587,726
Charges for services.....	1,251,050	1,251,050	1,889,301	638,251
Other.....	295,829	295,829	406,088	110,259
TOTALS	<u>\$ 5,923,823</u>	<u>\$ 5,923,823</u>	<u>\$ 7,169,967</u>	<u>\$ 1,246,144</u>
<b>PLANNING COMMISSION</b>				
General Fund appropriation.....	\$ 408,572	\$ 393,572	\$ 393,572	\$
Licenses and permits.....			6,740	6,740
Federal grants.....	1,901,671	1,901,671	555,263	(1,346,408)
State grants.....				0
Charges for services.....	1,020,488	1,020,488	1,176,671	156,183
Other.....	234,250	234,250	743	(233,507)
TOTALS	<u>\$ 3,564,981</u>	<u>\$ 3,549,981</u>	<u>\$ 2,132,989</u>	<u>\$ (1,416,992)</u>
<b>SENIOR SERVICES</b>				
Taxes.....	\$ 5,899,389	\$ 5,899,389	\$ 5,815,184	(84,205)
Use of money and property.....	2,475	2,475	17,729	15,254
TOTALS	<u>\$ 5,901,864</u>	<u>\$ 5,901,864</u>	<u>\$ 5,832,913</u>	<u>\$ (68,951)</u>
<b>SHERIFF CONTRACTED SERVICES</b>				
Other intergovernmental revenue.....	\$ 2,845,867	\$ 2,845,867	\$ 2,845,867	\$
State grants.....	574	574	574	
TOTALS	<u>\$ 2,846,441</u>	<u>\$ 2,846,441</u>	<u>\$ 2,846,441</u>	<u>\$</u>
<b>SOCIAL SERVICES</b>				
General Fund appropriation.....	\$ 15,500	\$ 15,500	\$ 15,500	\$
State grants.....	288,182	288,182	288,182	
TOTALS	<u>\$ 303,682</u>	<u>\$ 303,682</u>	<u>\$ 303,682</u>	<u>\$</u>
<b>VETERANS MILLAGE</b>				
Taxes.....	\$ 815,336	\$ 815,336	\$ 853,745	38,409
State grants.....			20,000	20,000
Use of money and property.....			247	247
TOTALS	<u>\$ 815,336</u>	<u>\$ 815,336</u>	<u>\$ 873,992</u>	<u>\$ 58,656</u>
<b>MICHIGAN STRATEGIC FUND/WORKFORCE DEVELOPMENT ACT</b>				
Federal grants.....	\$ 15,574,740	\$ 15,574,740	\$ 15,574,740	\$
State grants.....	1,580,469	1,580,469	1,580,469	
TOTALS	<u>\$ 17,155,209</u>	<u>\$ 17,155,209</u>	<u>\$ 17,155,209</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, 2013**

	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>ACCOMMODATION ORDINANCE TAX</b>				
Supplies and services.....	\$ 706,000	\$ 706,000	\$ 973,179	\$ (267,179)
Transfer to Parks and Recreation.....	294,000	294,000	317,726	(23,726)
<b>TOTALS</b>	<b>\$ 1,000,000</b>	<b>\$ 1,000,000</b>	<b>\$ 1,290,905</b>	<b>\$ (290,905)</b>
<b>ADMINISTRATION OF JUSTICE</b>				
Personnel services.....	\$ 6,403,962	\$ 6,403,962	\$ 5,956,177	\$ 447,785
Fringe benefits.....	4,333,760	4,333,760	3,934,888	398,872
Supplies and services.....	2,920,055	2,920,055	2,535,773	384,282
Capital outlay.....	703,522	703,522	964,006	(260,484)
Other.....			1,672	(1,672)
Transfer out.....			5,527	(5,527)
<b>TOTALS</b>	<b>\$ 14,361,299</b>	<b>\$ 14,361,299</b>	<b>\$ 13,398,043</b>	<b>\$ 963,256</b>
<b>CHILD CARE</b>				
Foster care.....	\$ 1,685,740	\$ 1,685,740	\$ 1,401,013	\$ 284,727
Private institutional care.....	8,820,442	8,965,612	4,487,919	4,477,693
Juvenile detention center.....	4,467,629	4,464,585	3,718,094	746,491
Training schools.....	2,691,424	2,692,624	2,121,540	571,084
Transfer out.....			1,449,494	(1,449,494)
<b>TOTALS</b>	<b>\$ 17,665,235</b>	<b>\$ 17,808,561</b>	<b>\$ 13,178,060</b>	<b>\$ 4,630,501</b>
<b>COMMUNITY ENRICHMENT AND DEVELOPMENT</b>				
Personnel services.....	\$ 249,762	\$ 249,762	\$ 907,114	\$ (657,352)
Fringe benefits.....	159,923	159,923	405,572	(245,649)
Supplies and services.....	175,583	175,583	1,046,285	(870,702)
Capital outlay.....	100,000	100,000	706,570	(606,570)
Other.....			309,149	(309,149)
Transfers out.....	54,180	54,180	128,146	(73,966)
<b>TOTALS</b>	<b>\$ 739,448</b>	<b>\$ 739,448</b>	<b>\$ 3,502,836</b>	<b>\$ (2,763,388)</b>
<b>DRUG FORFEITURES</b>				
Personnel services.....	\$ 48,232	\$ 48,323	\$ 36,424	\$ 11,899
Fringe benefits.....	33,484	33,484	28,064	5,420
Supplies and services.....			1,238	(1,238)
Transfers out.....			69,825	(69,825)
<b>TOTALS</b>	<b>\$ 81,716</b>	<b>\$ 81,807</b>	<b>\$ 135,551</b>	<b>\$ (53,744)</b>
<b>EMERGENCY MEDICAL SERVICES</b>				
Personnel services.....	\$ 2,193,652	\$ 2,193,652	\$ 1,771,517	\$ 422,135
Fringe benefits.....	1,714,951	1,714,951	1,301,652	413,299
Supplies and services.....	956,675	956,675	867,771	88,904
Capital outlay.....			53,556	(53,556)
<b>TOTALS</b>	<b>\$ 4,865,278</b>	<b>\$ 4,865,278</b>	<b>\$ 3,994,496</b>	<b>\$ 870,782</b>
<b>FLINT CITY LOCKUP</b>				
Personnel services.....	\$ 1,011,097	\$ 1,011,097	\$ 1,223,494	\$ (212,397)
Fringe benefits.....	895,388	895,388	877,660	17,728
Supplies and services.....	318,242	318,242	198,290	119,952
<b>TOTALS</b>	<b>\$ 2,224,727</b>	<b>\$ 2,224,727</b>	<b>\$ 2,299,444</b>	<b>\$ (74,717)</b>
<b>HEALTH CARE SERVICES</b>				
Supplies and services.....	\$ 8,153,359	\$ 8,153,359	\$ 9,514,181	\$ (1,360,822)
Transfers out.....			420,865	(420,865)
<b>TOTALS</b>	<b>\$ 8,153,359</b>	<b>\$ 8,153,359</b>	<b>\$ 9,935,046</b>	<b>\$ (1,781,687)</b>

Fiscal Year Ended September 30, 2013				
	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance with Final Budget- Positive (Negative)
<b>LAW ENFORCEMENT</b>				
Personnel services.....	\$ 633,193	\$ 633,193	\$ 680,821	\$ (47,628)
Fringe benefits.....	435,657	435,657	456,037	(20,380)
Supplies and services.....	785,668	785,668	1,796,485	(1,010,817)
Other.....	32,792	32,792	8,230	24,562
Capital outlay.....			11,234	(11,234)
Transfers out.....			1,766	(1,766)
TOTALS	<u>\$ 1,887,310</u>	<u>\$ 1,887,310</u>	<u>\$ 2,954,573</u>	<u>\$ (1,067,263)</u>
<b>PARKS AND RECREATION</b>				
Personnel services.....	\$ 2,118,620	\$ 2,118,620	\$ 2,085,285	\$ 33,335
Fringe benefits.....	968,644	968,644	805,845	162,799
Supplies and services.....	1,579,228	1,579,228	1,935,843	(356,615)
Other.....	726,324	726,324	567,619	158,705
Capital outlay.....	15,000	15,000	257,050	(242,050)
Transfers out.....	516,007	516,007	1,202,999	(686,992)
TOTALS	<u>\$ 5,923,823</u>	<u>\$ 5,923,823</u>	<u>\$ 6,854,641</u>	<u>\$ (930,818)</u>
<b>PLANNING COMMISSION</b>				
Personnel services.....	\$ 1,194,104	\$ 1,022,104	\$ 904,536	\$ 117,568
Fringe benefits.....	775,222	958,222	842,867	115,355
Supplies and services.....	1,593,286	1,582,286	312,118	1,270,168
Capital outlay.....	2,369	2,369	2,369	
TOTALS	<u>\$ 3,564,981</u>	<u>\$ 3,564,981</u>	<u>\$ 2,061,890</u>	<u>\$ 1,503,091</u>
<b>SENIOR SERVICES</b>				
Personnel services.....	\$ 199,593	\$ 199,593	\$ 205,123	\$ (5,530)
Supplies and services.....	85,775	85,775	42,258	43,517
Programs and grants.....	5,747,818	5,747,818	5,573,152	174,666
Transfers out.....	408,697	408,697	408,697	0
TOTALS	<u>\$ 6,441,883</u>	<u>\$ 6,441,883</u>	<u>\$ 6,229,230</u>	<u>\$ 212,653</u>
<b>SHERIFF CONTRACTED SERVICES</b>				
Personnel services.....	\$ 1,359,330	\$ 1,359,330	\$ 1,359,330	\$
Fringe benefits.....	1,091,226	1,091,226	1,091,226	
Supplies and services.....	227,873	227,873	227,873	
TOTALS	<u>\$ 2,678,429</u>	<u>\$ 2,678,429</u>	<u>\$ 2,678,429</u>	<u>\$ 0</u>
<b>SOCIAL SERVICES</b>				
State programs.....	\$ 286,772	\$ 286,772	\$ 286,772	\$
TOTALS	<u>\$ 286,772</u>	<u>\$ 286,772</u>	<u>\$ 286,772</u>	<u>\$</u>
<b>VETERANS MILLAGE</b>				
Personnel services.....	\$ 369,461	\$ 369,461	\$ 196,754	\$ 172,707
Supplies and services.....	364,059	364,059	203,274	160,785
Capital outlay.....	67,600	67,600	2,188	65,412
Transfers out.....	15,000	15,000		15,000
TOTALS	<u>\$ 816,120</u>	<u>\$ 816,120</u>	<u>\$ 402,216</u>	<u>\$ 413,904</u>
<b>MICHIGAN STRATEGIC FUND/WORKFORCE DEVELOPMENT A</b>				
Personnel services.....	\$ 30,280	\$ 30,280	\$ 30,280	\$
Fringe benefits.....	21,030	21,030	21,030	
Supplies and services.....	16,468,040	16,468,040	16,463,157	4,883
Transfers out.....	635,859	635,859	640,742	(4,883)
TOTALS	<u>\$ 17,155,209</u>	<u>\$ 17,155,209</u>	<u>\$ 17,155,209</u>	<u>\$</u>

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

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## NON-MAJOR DEBT SERVICE FUNDS

**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 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.

**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

September 30, 2013			
	Capital Improvement	Courthouse Square	GCCARD Warehouse
<b>ASSETS</b>			
Cash and cash equivalents.....	\$ 1,605	\$	\$
Prepaid Expense.....		150	
Due from other funds.....			
Due from other governmental units.....			
Due from component unit.....			
Long term advance to component unit.....			
<b>TOTAL ASSETS</b>	<b>\$ 1,605</b>	<b>\$ 150</b>	<b>\$ 0</b>
<b>LIABILITIES AND FUND BALANCES</b>			
Due to other funds.....	\$ 1,605	\$ 150	\$
Deferred revenue.....			
<b>TOTAL LIABILITIES</b>	<b>\$ 1,605</b>	<b>\$ 150</b>	<b>\$ 0</b>
<b>Fund balances:</b>			
Nonspendable.....			
Unassigned.....			
<b>TOTAL FUND BALANCES</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 1,605</b>	<b>\$ 150</b>	<b>\$ 0</b>

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Hughes & Hatcher Center	JCI Energy Bond	Note Series 2011	1998 Refinancing	2012 Refunding	Total
\$ 54,390	\$	\$	\$	\$	\$ 55,995
					150
	13,402				13,402
	4,467				4,467
725					725
1,765,000					1,765,000
<u>\$ 1,820,115</u>	<u>\$ 17,869</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,839,739</u>

\$ 1,765,225	\$ 17,869	\$	\$	\$	\$ 19,624
<u>\$ 1,765,225</u>	<u>\$ 17,869</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,784,849</u>

1,765,000					1,765,000
(1,710,110)					(1,710,110)
54,890	0	0	0	0	54,890

<u>\$ 1,820,115</u>	<u>\$ 17,869</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,839,739</u>
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# **COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--NON-MAJOR DEBT SERVICE FUNDS**

**GENESEE COUNTY**

**Exhibit E-2**

**Fiscal Year Ended September 30, 2013**

	<b>Capital Improvement</b>	<b>Courthouse Square</b>	<b>GCCARD Warehouse</b>
Revenues:			
Tax Revenue.....	\$	\$	\$
Use of money and property.....			
<b>TOTAL REVENUES</b>	<b>\$ 0</b>	<b>0</b>	<b>0</b>
Expenditures:			
Current Operations:			
Debt Service:			
Other.....		75	
Principal Payments.....	240,000	1,180,000	115,000
Interest and Fiscal Charges.....	30,336	479,750	49,824
<b>TOTAL EXPENDITURES</b>	<b>270,336</b>	<b>1,659,825</b>	<b>164,824</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(270,336)</b>	<b>(1,659,825)</b>	<b>(164,824)</b>
Transfers in (out):			
Transfers-In.....	270,336	1,659,825	164,824
Transfers-Out.....			
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>270,336</b>	<b>1,659,825</b>	<b>164,824</b>
<b>NET CHANGE IN FUND BALANCES</b>			
Fund balances at beginning of year.....			
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>

<b>Hughes &amp; Hatcher Center</b>	<b>JCI Energy Bond</b>	<b>Note Series 2011</b>	<b>1998 Refinancing</b>	<b>2012 Refunding</b>	<b>Total</b>
\$	\$	\$	\$	\$	\$
146,468	141,259	18			141,259
146,468	164,767	18			311,253
146,468	306,026	18	0	0	452,512
225			450		750
45,000	300,000		85,000	400,000	2,365,000
101,468	428,517		12,000	147,463	1,249,358
146,693	728,517	0	97,450	547,463	3,615,108
(225)	(422,491)	18	(97,450)	(547,463)	(3,162,596)
	422,491		97,450	544,761	3,159,687
		(18)			(18)
0	422,491	(18)	97,450	544,761	3,159,669
(225)				(2,702)	(2,927)
55,115				2,702	57,817
\$ 54,890	\$ 0	\$ 0	\$ 0	\$ 0	\$ 54,890

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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.

**KRONOS Workforce** - To account for the funding proceeds and project costs related to implementing a time and attendance system relating to payroll.

COMBINING BALANCE SHEET--CAPITAL PROJECT FUNDS

GENESEE COUNTY

Exhibit F-1

	Accommodation Ordinance Tax	Bray Road Parks and Recreation	Capital Improvement
ASSETS			
Cash and cash equivalents.....		\$	\$ 730,563
Due from other governmental units.....	\$		
TOTAL ASSETS	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 730,563</u>
LIABILITIES AND FUND BALANCES			
Accounts payable.....			\$
Due to other county funds.....	\$	\$	9,283
TOTAL LIABILITIES	<u>0</u>	<u>0</u>	<u>9,283</u>
Fund balances:			
Assigned.....			721,280
TOTAL FUND BALANCES	<u>0</u>	<u>0</u>	<u>721,280</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 730,563</u>

September 30, 2013

Courthouse Square	GCCARD Lippincott	Jail Site Remediation	JCI Energy	Kronos Workforce	Total
		\$ 7,555	\$ 163,699	\$ 84,355	\$ 901,817
\$ 0	\$ 0	\$ 7,555	\$ 163,699	\$ 84,355	\$ 84,355
					\$ 986,172
		\$ 234	\$ 163,699	\$ 84,355	\$ 257,337
\$ 0	\$ 0	234	163,699	84,355	257,571
		7,321			728,601
0	0	7,321	0	0	728,601
\$ 0	\$ 0	\$ 7,555	\$ 163,699	\$ 84,355	\$ 986,172

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

**GENESEE COUNTY**

**Exhibit F-2**

	<b>Accommodation Ordinance Tax</b>	<b>Bray Road Parks and Recreation</b>	<b>Capital Improvement</b>
Revenues:			
State grants.....	\$	\$	\$ 175,548
Other.....			
<b>TOTAL REVENUES</b>	<b>0</b>	<b>0</b>	<b>175,548</b>
Expenditures:			
Current Operations:			
Capital outlay.....		63,140	
Other.....			
<b>TOTAL EXPENDITURES</b>	<b>0</b>	<b>63,140</b>	<b>0</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>0</b>	<b>(63,140)</b>	<b>175,548</b>
Other financing sources (uses):			
Transfers in (out):			
Transfers-In.....			
Transfers-Out.....	(61,118)	(158,412)	
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(61,118)</b>	<b>(158,412)</b>	<b>0</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(61,118)</b>	<b>(221,552)</b>	<b>175,548</b>
Fund balance at beginning of year.....	61,118	221,552	545,732
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 721,280</b>

**Fiscal Year Ended September 30, 2013**

<b>Courthouse Square</b>	<b>GCCARD Lippincott</b>	<b>Jail Site Remediation</b>	<b>JCI Energy</b>	<b>Kronos Workforce</b>	<b>Total</b>
\$	\$	\$	\$	\$	\$
		139	699	516,315	691,863
0	0	139	699	516,315	692,701
	255,997		160,627	516,315	996,079
		3,283			3,283
0	255,997	3,283	160,627	516,315	999,362
0	(255,997)	(3,144)	(159,928)	0	(306,661)
					0
(10,142)			(163,699)		(393,371)
(10,142)	0	0	(163,699)	0	(393,371)
(10,142)	(255,997)	(3,144)	(323,627)		(700,032)
10,142	255,997	10,465	323,627		1,428,633
\$ 0	\$ 0	\$ 7,321	\$ 0	\$ 0	\$ 728,601

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

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## 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 stern wheeler 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, 2013				
Business Type Activities - Non-Major Enterprise Funds				
	Non-Major Parks and Recreation	Non-Major Commissary	Non-Major Parking Meter	Total
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents.....	\$ 950,748	\$ 216,151	\$ 230,765	\$ 1,397,664
Investments.....	948,811			948,811
Due from other governmental units.....			73,356	73,356
Supplies inventory.....		34,448		34,448
Prepayments.....	23,448			23,448
TOTAL CURRENT ASSETS	1,923,007	250,599	304,121	2,477,727
<b>CAPITAL ASSETS</b>				
Land.....	694,032		12,078	706,110
Land improvements.....	3,086,571			3,086,571
Buildings and improvements.....	1,181,214			1,181,214
Equipment.....	3,703,757		217,099	3,920,856
TOTAL CAPITAL ASSETS	8,665,574	0	229,177	8,894,751
Less allowances for depreciation.....	7,808,128		229,177	8,037,305
TOTAL CAPITAL ASSETS, NET	857,446	0	0	857,446
TOTAL ASSETS	\$ 2,780,453	\$ 250,599	\$ 304,121	\$ 3,335,173
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Accounts payable.....	\$ 24,074	\$	\$ 28,100	\$ 52,174
Accrued payroll.....	13,980			13,980
Other accrued liabilities and deposits.....	969		55,154	56,123
Due to other funds.....	17,725			17,725
Current portion of notes/bonds payable.....	28,500			28,500
TOTAL CURRENT LIABILITIES	85,248	0	83,254	168,502
<b>LONG-TERM DEBT</b>				
Net OPEB obligation.....	213,750			213,750
Notes/bonds payable exclusive of current portion.....	18,000			18,000
TOTAL LONG-TERM DEBT	231,750	0	0	231,750
TOTAL LIABILITIES	316,998	0	83,254	400,252
<b>NET POSITION :</b>				
Restricted for parks & recreation non expendable.....	948,811			948,811
Net investment in capital assets.....	810,946			810,946
Unrestricted.....	703,698	250,599	220,867	1,175,164
TOTAL NET POSITION	2,463,455	250,599	220,867	2,934,921
TOTAL LIABILITIES AND NET POSITION	\$ 2,780,453	\$ 250,599	\$ 304,121	\$ 3,335,173

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

**GENESEE COUNTY**

**Exhibit G-2**

Fiscal Year Ended September 30, 2013				
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.....	\$ 353,734	\$ 534,689	\$ 322,516	\$ 1,210,939
TOTAL OPERATING REVENUES	<u>353,734</u>	<u>534,689</u>	<u>322,516</u>	<u>1,210,939</u>
Operating expenses:				
Salaries and fringe benefits.....	612,655			612,655
Supplies and other operating expenses.....	232,073	340,779	349,854	922,706
Depreciation.....	102,775			102,775
TOTAL OPERATING EXPENSES	<u>947,503</u>	<u>340,779</u>	<u>349,854</u>	<u>1,638,136</u>
OPERATING INCOME (LOSS)	<u>(593,769)</u>	<u>193,910</u>	<u>(27,338)</u>	<u>(427,197)</u>
Non-operating revenues (expenses):				
Investment earnings (loss).....	72,148	(4,761)		67,387
Interest expense.....	(3,600)			(3,600)
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>68,548</u>	<u>(4,761)</u>	<u>0</u>	<u>63,787</u>
INCOME (LOSS) BEFORE TRANSFERS	<u>(525,221)</u>	<u>189,149</u>	<u>(27,338)</u>	<u>(363,410)</u>
Transfers-in.....	545,000			545,000
Transfers-out.....	(29,100)			(29,100)
TOTAL TRANSFERS	<u>515,900</u>	<u>0</u>	<u>0</u>	<u>515,900</u>
CHANGE IN NET POSITION	<u>(9,321)</u>	<u>189,149</u>	<u>(27,338)</u>	<u>152,490</u>
Net position at beginning of year.....	2,472,776	61,450	248,205	2,782,431
NET POSITION AT END OF YEAR	<u>\$ 2,463,455</u>	<u>\$ 250,599</u>	<u>\$ 220,867</u>	<u>\$ 2,934,921</u>

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

**GENESEE COUNTY**

**Exhibit G-3**

Fiscal Year Ended September 30, 2013				
Business Type Activities - Non-Major Enterprise Funds				
	Non-Major Parks and Recreation	Non-Major Commissary	Non-Major Parking Meter	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Cash received from customers.....	\$ 353,734	\$ 534,689	\$ 322,965	\$ 1,211,388
Cash payments to suppliers for goods and services.....	(210,251)	(342,428)	(349,510)	(902,189)
Cash payments to employees for services.....	(530,590)			(530,590)
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	(387,107)	192,261	(26,545)	(221,391)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Transfers-in from other funds.....	545,000			545,000
Transfers-out to other funds.....	(29,100)			(29,100)
NET CASH USED FOR NONCAPITAL FINANCING ACTIVITIES	515,900	0	0	515,900
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Principal paid on long-term debt.....	(25,500)			(25,500)
NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	(25,500)	0	0	(25,500)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Interest and dividends on investments.....		(4,761)		(4,761)
NET CASH (USED FOR) INVESTING ACTIVITIES	0	(4,761)	0	(4,761)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	103,293	187,500	(26,545)	264,248
Cash and cash equivalents at beginning of year.....	847,455	28,651	257,310	1,133,416
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 950,748</u>	<u>\$ 216,151</u>	<u>\$ 230,765</u>	<u>\$ 1,397,664</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:</b>				
Operating income (loss).....	\$ (593,769)	\$ 193,910	\$ (27,338)	\$ (427,197)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation.....	102,775			102,775
Change in assets and liabilities:				
(Increase) decrease in supplies inventory.....		(1,649)		(1,649)
Increase (decrease) in accounts payable and related items.....	(28,916)		(2,700)	(31,616)
Increase (decrease) in accrued payroll.....	(22,335)			(22,335)
Increase (decrease) in other accrued liabilities and deposits.....	72,373		3,493	75,866
Increase in net OPEB liability.....	82,765			82,765
Net cash provided by (used for) operating activities.....	<u>\$ (387,107)</u>	<u>\$ 192,261</u>	<u>\$ (26,545)</u>	<u>\$ (221,391)</u>
Noncash investing activities - increase in fair value of investments.....	<u>\$ 72,148</u>	<u>\$</u>	<u>\$</u>	<u>\$ 72,148</u>

**COMBINING  
FINANCIAL STATEMENTS  
INTERNAL SERVICE FUNDS**

## INTERNAL SERVICE FUNDS

### GENESEE COUNTY

#### ADMINISTRATIVE SERVICES

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

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

**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 oversee 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.....	1,141
Due from other governmental units.....	543
Due from other county funds.....	4,309,152
Supplies inventory.....	
Prepayments.....	231,263
TOTAL CURRENT ASSETS	<u>4,542,099</u>
PROPERTY AND EQUIPMENT	
Construction in progress.....	\$ 40,938
Land.....	
Buildings and improvements.....	
Equipment.....	3,265,776
TOTAL PROPERTY AND EQUIPMENT	<u>3,306,714</u>
Less allowances for depreciation.....	2,681,417
TOTAL PROPERTY AND EQUIPMENT, NET	<u>625,297</u>
TOTAL ASSETS	<u>\$ 5,167,396</u>
LIABILITIES AND NET POSITION	
CURRENT LIABILITIES	
Accounts payable.....	\$ 93,418
Accrued payroll.....	1,347,288
Accrued liabilities and deposits payable.....	
Due to other governmental units.....	694,132
Due to other county funds.....	770,313
Compensated absences.....	3,578,426
Current portion of notes/bonds payable.....	
TOTAL CURRENT LIABILITIES	<u>6,483,577</u>
LONG-TERM DEBT	
General, workers compensation claim and IBNR liability.....	
Long-term advance.....	
Notes/bonds payable exclusive of current portion.....	638,800
TOTAL LONG-TERM DEBT	<u>638,800</u>
TOTAL LIABILITIES	<u>7,122,377</u>
NET POSITION	
Restricted for:	
Net investment in capital assets.....	625,297
Capital improvement per lease agreement .....	
Unrestricted (deficit) .....	(2,580,278)
TOTAL NET POSITION (DEFICIT)	<u>\$ (1,954,981)</u>



September 30, 2013

Vehicles and Equipment	Building and Grounds	Self-Insured Medicals	Self Funded Prop./Casualty Program	Total
\$	\$	\$ 39,361	\$ 672,704	\$ 712,065
17,485			9,101,599	9,101,599
128	268,165		59,636	78,262
164,254	6,160	2,594,312		268,836
45,164				7,073,878
7,449	17,369	624,919	220,329	45,164
234,480	291,694	3,258,592	10,054,268	1,101,329
				18,381,133
				40,938
131,033	62,463			193,496
176,430	2,305,394			2,481,824
5,501,214	1,526,301			10,293,291
5,808,677	3,894,158			13,009,549
4,851,008	2,693,239			10,225,664
957,669	1,200,919			2,783,885
\$ 1,192,149	\$ 1,492,613	\$ 3,258,592	\$ 10,054,268	\$ 21,165,018
\$ 134,810	\$ 266,725	\$ 27,209	\$ 32,888	\$ 555,050
4,666	28,154		2,583	1,382,691
	70,646	178,775		178,775
	347,557	144,196	3,534	764,778
				1,265,600
4,189			1,562,869	3,578,426
143,665	713,082	350,180	1,601,874	1,567,058
				9,292,378
			2,561,998	2,561,998
1,840,809				1,840,809
11,683				650,483
1,852,492	0	0	2,561,998	5,053,290
1,996,157	713,082	350,180	4,163,872	14,345,668
941,797	1,200,919			2,768,013
(1,745,805)	89,786			89,786
(804,008)	(511,174)	2,908,412	5,890,396	3,961,551
\$	\$ 779,531	\$ 2,908,412	\$ 5,890,396	\$ 6,819,350

# **COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION--INTERNAL SERVICE FUNDS**

## **GENESEE COUNTY**

## **Exhibit H-2**

	<u>Administrative Services</u>
Operating revenues:	
Charges for services.....	\$ 6,137,848
TOTAL OPERATING REVENUES	<u>6,137,848</u>
Operating expenses:	
Salaries and fringe benefits.....	3,546,930
Supplies and other operating expenses.....	2,532,406
Depreciation.....	394,860
TOTAL OPERATING EXPENSES	<u>6,474,196</u>
OPERATING INCOME (LOSS)	<u>(336,348)</u>
Non-operating revenues (expenses):	
Interest income.....	
Interest expense.....	
Gain (loss) on sale of property and equipment.....	
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>0</u>
INCOME (LOSS) BEFORE TRANSFERS	<u>(336,348)</u>
Transfers in (out):	
Transfers-in.....	151,329
Transfers-out.....	
TOTAL TRANSFERS IN (OUT)	<u>151,329</u>
CHANGE IN NET POSITION	<u>(185,019)</u>
Net Position (Deficit) at beginning of year.....	(1,769,962)
NET POSITION (DEFICIT) AT END OF YEAR	<u>\$ (1,954,981)</u>

**Fiscal Year Ended September 30, 2013**

<b>Vehicles and Equipment</b>	<b>Building and Grounds</b>	<b>Self-Insured Medicals</b>	<b>Self Funded Prop./Casualty Program</b>	<b>Total</b>
\$ 1,681,993	\$ 4,652,502	\$ 9,930,133	\$ 2,697,038	\$ 25,099,514
1,681,993	4,652,502	9,930,133	2,697,038	25,099,514
218,697	1,291,947		124,924	5,182,498
1,642,637	2,999,818	10,425,349	2,740,522	20,340,732
444,494	245,886			1,085,240
2,305,828	4,537,651	10,425,349	2,865,446	26,608,470
(623,835)	114,851	(495,216)	(168,408)	(1,508,956)
		85	199,258	199,343
(1,099)				(1,099)
46,934			505,157	552,091
45,835	0	85	704,415	750,335
(578,000)	114,851	(495,131)	536,007	(758,621)
538,688	70,442			760,459
				0
538,688	70,442			760,459
(39,312)	185,293	(495,131)	536,007	1,838
(764,696)	594,238	3,403,543	5,354,389	6,817,512
\$ (804,008)	\$ 779,531	\$ 2,908,412	\$ 5,890,396	\$ 6,819,350

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

## **GENESEE COUNTY**

## **Exhibit H-3**

	<b>Administrative Services</b>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from customers.....	\$ 6,264,303
Cash payments to suppliers for goods and services.....	(2,833,113)
Cash payments to employees for services.....	(3,067,157)
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	<u>364,033</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Advances (to) from other governmental units, County units and funds.....	560,598
Transfers-in from other funds.....	151,329
NET CASH PROVIDED BY (USED FOR) NONCAPITAL FINANCING ACTIVITIES	<u>711,927</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Acquisition and construction of capital assets.....	(577,650)
Principal paid on long-term debt.....	(498,310)
Interest paid on long-term debt.....	
Proceeds from sale of equipment.....	
NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(1,075,960)</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>0</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>0</u>
Cash and cash equivalents at beginning of year.....	
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 0</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:	
Operating income (loss).....	\$ (336,348)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation.....	394,860
Change in assets and liabilities:	
(Increase) decrease in interest and accounts receivable.....	126,455
(Increase) decrease in supplies inventory.....	
(Increase) decrease in prepayment and other current assets.....	(131,217)
Increase (decrease) in accounts payable and related items.....	(169,489)
Increase (decrease) in accrued payroll.....	479,772
Increase (decrease) in other accrued liabilities and deposits.....	
Net cash provided by (used for) operating activities.....	<u><u>\$ 364,033</u></u>

**Fiscal Year Ended September 30, 2013**

<b>Vehicle and Equipment</b>	<b>Building and Grounds</b>	<b>Self Insured Medicals</b>	<b>Self-Funded Prop./Casualty Program</b>	<b>Total</b>
\$ 1,501,759	\$ 4,378,177	\$ 9,786,601	\$ 3,043,863	\$ 24,974,703
(1,558,214)	(2,932,619)	(10,670,280)	(3,093,801)	(21,088,027)
(218,161)	(1,291,438)		(124,827)	(4,701,583)
<u>(274,616)</u>	<u>154,120</u>	<u>(883,679)</u>	<u>(174,765)</u>	<u>(814,907)</u>
91,874	(30,518)	922,955		1,544,909
538,688	70,442			760,459
<u>630,562</u>	<u>39,924</u>	<u>922,955</u>	<u>0</u>	<u>2,305,368</u>
(398,163)	(194,044)			(1,169,857)
(3,619)				(501,929)
(1,099)				(1,099)
46,935				46,935
<u>(355,946)</u>	<u>(194,044)</u>			<u>(1,625,950)</u>
			(5,536,260)	(5,536,260)
			5,784,484	5,784,484
		85	199,596	199,681
<u>0</u>	<u>0</u>	<u>85</u>	<u>447,820</u>	<u>447,905</u>
0	0	39,361	273,055	312,416
			399,649	399,649
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 39,361</u>	<u>\$ 672,704</u>	<u>\$ 712,065</u>
\$ (623,835)	\$ 114,851	\$ (495,216)	\$ (168,408)	\$ (1,508,956)
444,494	245,885			1,085,239
(180,234)				(180,234)
(10,533)	(274,326)	(143,532)	629,867	327,931
(7,449)				(7,449)
102,406	(17,369)		62,713	16,533
535	84,570	(174,735)	9,140	(249,979)
	509		97	480,378
		(70,196)	(708,174)	(778,370)
<u>\$ (274,616)</u>	<u>\$ 154,120</u>	<u>\$ (883,679)</u>	<u>\$ (174,765)</u>	<u>\$ (814,907)</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 POSITION  
FIDUCIARY FUNDS**

**GENESEE COUNTY**

**Exhibit I-1**

		<u>Pension</u>
		<u>Pension Trust Fund Retirement 12/31/12</u>
<b>ASSETS</b>		
Cash and short-term cash investments.....	\$	30,939,616
Cash and inv. held as collateral for securities lending.....		3,211,330
<b>TOTAL CASH AND CASH EQUIVALENTS</b>		<u>34,150,946</u>
Receivables:		
Prepaid expenses.....		565,862
Other receivables.....		2,288,995
Accrued interest and dividends.....		<u>2,854,857</u>
<b>TOTAL RECEIVABLES</b>		<u>2,854,857</u>
Investments at fair value:		
U.S. Government securities.....		66,678,492
Foreign Govts. and Agencies.....		75,438,520
Corporate bonds.....		40,482,207
Common stocks.....		66,751,963
Preferred stocks.....		38,923
Money market.....		
Mutual funds.....		97,027,985
Real Estate.....		23,839,634
Hedge fund of funds.....		40,017,051
<b>TOTAL INVESTMENTS</b>		<u>410,274,775</u>
<b>TOTAL ASSETS</b>		<u>447,280,578</u>
<b>LIABILITIES</b>		
Accounts payable.....		25,117,259
IBNR liability.....		
Amounts due broker under securities lending agreement.....		3,211,330
<b>TOTAL LIABILITIES</b>		<u>28,328,589</u>
<b>NET POSITION</b>		
Held in trust for pension benefits and other purposes.....	\$	<u>418,951,989</u>

**Fiscal Year ended September 30, 2013**

**and Other Employee Benefit Trust Funds**

Employees' Qualified Excess Benefit Arrangement (QEBA)	Employees' Fringe Benefit (VEBA)	Total
\$	\$ 285,883	\$ 31,225,499
		3,211,330
0	285,883	34,436,829
	176,214	176,214
	103,782	565,862
0	279,996	2,392,777
		3,134,853
	6,239,499	72,917,991
	24,191,655	99,630,175
	8,100,735	48,582,942
	7,031,313	73,783,276
	73,573	112,496
	570,065	570,065
	329,253	97,357,238
		23,839,634
		40,017,051
0	46,536,093	456,810,868
0	47,101,972	494,382,550
	3,642,319	28,759,578
	501,818	501,818
	20,110	3,231,440
	4,164,247	32,492,836
<u>\$ 0</u>	<u>\$ 42,937,725</u>	<u>\$ 461,889,714</u>

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

**GENESEE COUNTY**

**Exhibit I-2**

	<u>Pension</u>	<u>€</u>
	<u>Retirement</u>	<u>12/31/12</u>
ADDITIONS		
Contributions:		
Employer.....	\$	14,398,418
Plan members.....		2,321,841
Total contributions		<u>16,720,259</u>
Investment earnings:		
Net increase/(decrease)		
in fair value of investments.....		42,047,042
Interest.....		4,605,654
Dividends.....		2,601,260
Total investment earnings.....		<u>49,253,956</u>
Less investment expense.....		<u>1,520,656</u>
Net investment earnings.....		<u>47,733,300</u>
Securities lending income:		
Interest and fees.....		27,341
Borrower rebates and bank fees.....		27,159
Net securities lending income.....		<u>54,500</u>
Total additions.....		<u>64,508,059</u>
DEDUCTIONS		
Benefits.....		40,062,306
Refunds of contributions.....		270,198
Administrative expenses.....		283,040
Transfer to other pensions plans.....		<u>3,079,198</u>
Total deductions.....		<u>43,694,742</u>
Change in net position.....		<u>20,813,317</u>
Net position - Held in trust for pension benefits and other purposes - beginning of the year.....		<u>398,138,672</u>
Net position - Held in trust for pension benefits and other purposes - end of the year.....	\$	<u>418,951,989</u>

Fiscal year ended September 30, 2013

and Other Employee Benefit Trust Funds

Employees' Qualified Excess Benefit Arrangement (QEBA)	Employees' Fringe Benefit (VEBA)	Total
\$	\$ 9,524,252	\$ 23,922,670
	1,141,433	3,463,274
	10,665,685	27,385,944
	2,513,878	44,560,920
1	668,265	5,273,920
	543,991	3,145,251
1	3,726,134	52,980,091
	733,665	2,254,321
1	2,992,469	50,725,770
		27,341
		27,159
		54,500
1	13,658,154	78,166,214
	13,916,914	53,979,220
		270,198
984	30,648	314,672
	11,731	3,090,929
984	13,959,293	57,655,019
(983)	(301,139)	20,511,195
983	43,238,864	441,378,519
\$ 0	\$ 42,937,725	\$ 461,889,714

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

## **Exhibit I-3**

		<div> <div>Balances</div> <div>October 1, 2012</div> </div>
TRUST AND AGENCY FUNDS		
ASSETS		
Cash and cash equivalents.....	\$	18,833,263
Accounts receivable.....		1,594
	\$	<u>18,834,857</u>
LIABILITIES		
Accounts payable.....	\$	18,834,857
	\$	<u>18,834,857</u>
LIBRARY PENAL FINES		
ASSETS		
Cash and cash equivalents.....	\$	114,066
LIABILITIES		
Accounts payable.....	\$	114,066
	\$	<u>114,066</u>
TOTALS ALL AGENCY FUNDS		
ASSETS		
Cash and cash equivalents.....	\$	18,947,329
Accounts receivable.....		1,594
	\$	<u>18,948,923</u>
LIABILITIES		
Accounts payable.....	\$	18,948,923
	\$	<u>18,948,923</u>

**Year Ended September 30, 2013**

<b>Additions</b>	<b>Deductions</b>	<b>Balances September 30, 2013</b>
\$ 174,866,535	\$ 171,796,335	\$ 21,903,463
7,753	5,692	3,655
<u>\$ 174,874,288</u>	<u>\$ 171,802,027</u>	<u>\$ 21,907,118</u>
\$ 173,632,200	\$ 170,559,939	\$ 21,907,118
<u>\$ 173,632,200</u>	<u>\$ 170,559,939</u>	<u>\$ 21,907,118</u>
\$ 400,354	\$ 388,944	\$ 125,476
\$ 1,389,023	\$ 1,377,613	\$ 125,476
<u>\$ 1,389,023</u>	<u>\$ 1,377,613</u>	<u>\$ 125,476</u>
\$ 175,266,889	\$ 172,185,279	\$ 22,028,939
7,753	5,692	3,655
<u>\$ 175,274,642</u>	<u>\$ 172,190,971</u>	<u>\$ 22,032,594</u>
\$ 175,021,223	\$ 171,937,552	\$ 22,032,594
<u>\$ 175,021,223</u>	<u>\$ 171,937,552</u>	<u>\$ 22,032,594</u>

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## **CAPITAL ASSETS<sup>(1)</sup>**

<sup>(1)</sup>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 position.

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

**GENESEE COUNTY**

**Exhibit J-1**

	<b>Fiscal Year ended September 30, 2013</b>	
	<b>Total</b>	<b>Land</b>
<b>MANAGEMENT AND PLANNING</b>		
Board Coordinator.....	\$ 6,758	\$
County Clerk.....	161,683	
County Treasurer.....	148,119	
Drain Commission.....	727,799	
Equalization.....	121,407	
Register of Deeds.....	256,902	
Planning.....	556,280	
	<u>1,978,948</u>	
<b>ADMINISTRATION OF JUSTICE</b>		
Circuit Court.....	40,320,644	443,315
District Court.....	2,862,344	155,992
Friend of the Court.....	1,085,428	
Community Corrections.....	1,280	
Jury Board.....	5,350	
Probate Court.....	19,437	
Prosecutor.....	154,040	
	<u>44,448,523</u>	<u>599,307</u>
<b>LAW ENFORCEMENT AND COMMUNITY PROTECTION</b>		
Animal Shelter.....	2,370,023	
Office of Emergency Preparedness.....	4,136,443	
Public Safety.....	29,678,351	1,800
	<u>36,184,817</u>	<u>1,800</u>
<b>HUMAN SERVICES</b>		
Veteran's Information.....	4,480	
Buildings and Grounds-McCree.....	13,270	
GVRC.....	1,623,000	
GCCARD.....	6,832,747	
County Health.....	3,326,093	325,000
Medical Examiner.....	41,497	
	<u>11,841,087</u>	<u>325,000</u>
<b>COMMUNITY ENRICHMENT AND DEVELOPMENT</b>		
Cooperative Extension.....	389,949	
Remonumentation.....	38,805	
Community Development.....	2,812	
	<u>431,566</u>	
<b>GENESEE HEALTH SERVICES</b>	<u>4,226,005</u>	
<b>GENERAL</b>		
Land and Improvements.....	3,707,571	2,620,804
Buildings and Improvements.....	27,719,452	
Equipment.....	708,279	
	<u>32,135,302</u>	<u>2,620,804</u>
<b>TOTAL GENERAL GOVERNMENT</b>	<u>131,246,248</u>	<u>3,546,911</u>
<b>RECREATION</b>	<u>28,278,594</u>	<u>7,671,621</u>
<b>TOTAL CAPITAL ASSETS ALLOCATED TO FUNCTIONS</b>	<u>\$ 159,524,842</u>	<u>\$ 11,218,532</u>
Construction in Progress.....	<u>8,250</u>	
<b>TOTAL CAPITAL ASSETS</b>	<u>\$ 159,533,092</u>	

Land Improvements	Buildings and Improvements	Equipment
\$	\$	\$
		6,758
		161,683
	505,225	148,119
		222,574
		121,407
		256,902
		556,280
	505,225	1,473,723
42,692	39,063,712	770,925
18,578	2,521,927	165,847
	823,192	262,236
		1,280
		5,350
		19,437
		154,040
61,270	42,408,831	1,379,115
	2,321,616	48,407
	51,295	4,085,148
13,075	27,933,174	1,730,302
13,075	30,306,085	5,863,857
		4,480
		13,270
	1,623,000	
	4,680,822	2,151,925
	2,450,761	550,332
		41,497
0	8,754,583	2,761,504
	363,710	26,239
		38,805
		2,812
	363,710	67,856
		4,226,005
1,086,767	27,719,452	708,279
1,086,767	27,719,452	708,279
1,161,112	110,057,886	16,480,339
7,693,096	9,981,225	2,932,652
\$ 8,854,208	\$ 120,039,111	\$ 19,412,991

**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, 2013				
	Capital Assets October 1, 2012	Additions	Deletions	Reclassifications	Capital Assets September 30, 2013
<b>MANAGEMENT AND PLANNING</b>					
Board Coordinator.....	\$ 6,758	\$	\$	\$	\$ 6,758
County Clerk.....	161,683				161,683
County Treasurer.....	148,119				148,119
Drain Commission.....	727,799				727,799
Equalization.....	120,181	1,226			121,407
Register of Deeds.....	333,418		76,516		256,902
Planning.....	553,912	2,368			556,280
	<u>2,051,870</u>	<u>3,594</u>	<u>76,516</u>	<u>0</u>	<u>1,978,948</u>
<b>ADMINISTRATION OF JUSTICE</b>					
Circuit Court.....	40,099,439	221,205			40,320,644
District Court.....	2,906,628		44,284		2,862,344
Friend of the Court.....	125,422	960,006			1,085,428
Community Corrections.....	1,280				1,280
Jury Board.....	5,350				5,350
Probate Court.....	23,441		4,004		19,437
Prosecutor.....	142,737	11,303			154,040
	<u>43,304,297</u>	<u>1,192,514</u>	<u>48,288</u>	<u>0</u>	<u>44,448,523</u>
<b>LAW ENFORCEMENT AND COMMUNITY PROTECTION</b>					
Animal Shelter.....	2,370,023				2,370,023
Office of Emergency Preparedness.....	4,136,443				4,136,443
Public Safety.....	29,607,388	70,963			29,678,351
	<u>36,113,854</u>	<u>70,963</u>	<u>0</u>	<u>0</u>	<u>36,184,817</u>
<b>HUMAN SERVICES</b>					
Veteran's Information.....	2,293	2,187			4,480
Buildings and Ground-McCree .....	13,270				13,270
GVR.....	1,623,000				1,623,000
GCCARD.....	6,364,415	506,807	38,474		6,832,748
County Health.....	3,436,832		110,739		3,326,093
Medical Examiner.....	41,497				41,497
	<u>11,481,307</u>	<u>508,994</u>	<u>149,213</u>	<u>0</u>	<u>11,841,088</u>
<b>COMMUNITY ENRICHMENT AND DEVELOPMENT</b>					
Cooperative Extension.....	389,949				389,949
Remuneration.....	38,805				38,805
Community Development.....	2,812				2,812
	<u>431,566</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>431,566</u>
<b>GENESEE HEALTH SERVICES</b> .....	<u>4,226,005</u>				<u>4,226,005</u>
<b>GENERAL</b>					
Land and Improvements.....	3,707,571				3,707,571
Buildings and Improvements.....	27,558,825	160,627			27,719,452
Equipment.....	191,964	516,315			708,279
	<u>31,458,360</u>	<u>676,942</u>	<u>0</u>	<u>0</u>	<u>32,135,302</u>
<b>TOTAL GENERAL GOVERNMENT</b>	<u>129,067,259</u>	<u>2,453,007</u>	<u>274,017</u>	<u>0</u>	<u>131,246,249</u>
<b>RECREATION</b> .....	<u>27,033,748</u>	<u>1,244,846</u>			<u>28,278,594</u>
<b>TOTAL CAPITAL ASSETS ALLOCATED TO FUNCTIONS</b>	<u>156,101,007</u>	<u>3,697,853</u>	<u>274,017</u>	<u>0</u>	<u>159,524,843</u>
Construction in Progress.....		8,250			8,250
<b>TOTAL CAPITAL ASSETS</b>	<u>\$ 156,101,007</u>	<u>\$ 3,706,103</u>	<u>\$ 274,017</u>	<u>\$ 0</u>	<u>159,533,093</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.

**Genesee Health System Authority** - To account for the operations of providing mental health services within the County.

# COMBINING BALANCE SHEET--COMPONENT UNIT BROWNFIELD AUTHORITY

## GENESEE COUNTY

## Exhibit K-1

	September 30, 2013		
	Brownfield Authority	Adjustments	Statement of Net Position
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents.....	\$ 18,155	\$	\$ 18,155
Investments.....	970,000		970,000
Current portion of land contract.....	225,000		225,000
Other assets - Land contract receivable.....	2,475,000		2,475,000
<b>TOTAL CURRENT ASSETS</b>	<b>\$ 3,688,155</b>	<b>\$ 0</b>	<b>\$ 3,688,155</b>
<b>LIABILITIES AND NET POSITION</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable.....	\$	\$	\$ 0
Due to primary government.....	500		500
Accrued interest payable.....		247,333	247,333
Deferred revenue.....	2,475,000	(2,475,000)	0
Funds held in escrow.....	225,000		225,000
Unamortized note premium.....		389,289	389,289
Current portion debt.....		255,000	255,000
<b>TOTAL CURRENT LIABILITIES</b>	<b>2,700,500</b>	<b>(1,583,378)</b>	<b>1,117,122</b>
<b>LONG-TERM DEBT</b>			
Notes/bonds payable exclusive of current portion....		12,110,000	12,110,000
<b>TOTAL LONG-TERM DEBT</b>	<b>0</b>	<b>12,110,000</b>	<b>12,110,000</b>
<b>TOTAL LIABILITIES</b>	<b>2,700,500</b>	<b>10,526,622</b>	<b>13,227,122</b>
<b>FUND BALANCES/NET POSITION</b>			
Reserved for:			
Unrestricted .....	987,655	(987,655)	0
<b>TOTAL FUND BALANCES</b>	<b>987,655</b>	<b>(987,655)</b>	<b>0</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 3,688,155</b>		
<b>NET POSITION:</b>			
Unrestricted (deficit) .....		\$ (9,538,967)	\$ (9,538,967)



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

**GENESEE COUNTY**

**Exhibit K-2**

	<b>Brownfield Authority</b>	<b>Adjustments</b>	<b>Statement of Activities</b>
Operating revenues:			
Use of money and property.....	\$ 2,620	\$	\$ 2,620
Charges for services.....	270,004		270,004
Other.....			0
<b>TOTAL OPERATING REVENUES</b>	<b>272,624</b>	<b>0</b>	<b>272,624</b>
Operating expenses:			
Interest expense.....	148,501	428,221	576,722
Debt service.....	245,000	(245,000)	0
Other.....	500		500
<b>TOTAL OPERATING EXPENSES</b>	<b>394,001</b>	<b>183,221</b>	<b>577,222</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(121,377)</b>	<b>(183,221)</b>	<b>(304,598)</b>
Operating transfers in (out):			
Transfer in from primary government.....			0
<b>REVENUE AND OTHER FINANCING SOURCES UNDER (OVER)</b>			
<b>EXPENDITURES AND OTHER FINANCING USES</b>		<b>(304,598)</b>	<b>(304,598)</b>
<b>CHANGE IN NET POSITION</b>	<b>0</b>	<b>(304,598)</b>	<b>(304,598)</b>
Fund balances/net position (deficit) at beginning of year.....	1,109,032	(10,343,401)	(9,234,369)
<b>FUND BALANCES/NET POSITION (DEFICIT) AT END OF YEAR</b>	<b>\$ 1,109,032</b>	<b>\$ (10,647,999)</b>	<b>\$ (9,538,967)</b>

# COMBINING BALANCE SHEET--COMPONENT UNIT DRAIN SPECIAL ASSESSMENT

## GENESEE COUNTY

## Exhibit K-3

	Drain Capital Projects	Drain Internal Service
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents.....	\$ 2,313,732	\$ 1,483,835
Short term investments.....		
Special assessment receivable.....	4,846,447	
Interest receivable.....		
Inventory.....		60,812
Machinery and equipment.....		53,896
Construction in progress.....		
Capital assets infrastructure.....		
<b>TOTAL CURRENT ASSETS</b>	<b>\$ 7,160,179</b>	<b>\$ 1,598,543</b>
<b>LIABILITIES AND NET POSITION</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable.....	\$ 83,529	\$ 15
Accrued payroll.....		11,125
Yearly drain orders payable.....		
Bonds payable.....		
Contracts payable.....	582,970	
Interest payable.....		
Deposits payable security bond.....	6,680	
Advance from Primary Government.....	500,000	
Deferred revenues.....		
<b>TOTAL LIABILITIES</b>	<b>1,173,179</b>	<b>11,140</b>
<b>FUND BALANCES/NET POSITION</b>		
Reserved for:		
Net investment in capital assets.....		53,896
Unrestricted .....	5,987,000	1,533,507
<b>TOTAL FUND BALANCES</b>	<b>5,987,000</b>	<b>1,587,403</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 7,160,179</b>	<b>\$ 1,598,543</b>

September 30, 2013

Drain Chapter 20 Debt & Capital Projects		Totals	Adjustments	Statement of Net Position	
\$	441,430	\$	4,238,997	\$	4,238,997
	201,629		201,629		201,629
			4,846,447		4,846,447
			60,812		60,812
			53,896		53,896
			1,535,282		1,535,282
			21,189,731		21,189,731
		0			
<u>\$</u>	<u>643,059</u>	<u>\$</u>	<u>9,401,781</u>	<u>\$</u>	<u>22,725,013</u>
				<u>\$</u>	<u>32,126,794</u>
\$		\$	83,544	\$	83,544
			11,125		11,125
			480,437		480,437
			2,685,000		2,685,000
		582,970			582,970
			29,453		29,453
		6,680			6,680
		500,000			500,000
<u></u>	<u>0</u>	<u></u>	<u>1,184,319</u>	<u></u>	<u>3,194,890</u>
					<u>4,379,209</u>
			53,896		53,896
<u>643,059</u>		<u>8,163,566</u>	<u>19,530,123</u>		<u>27,693,689</u>
<u>643,059</u>		<u>8,217,462</u>	<u>19,530,123</u>		<u>27,747,585</u>
<u>\$</u>	<u>643,059</u>	<u>\$</u>	<u>9,401,781</u>	<u>\$</u>	<u>22,725,013</u>
				<u>\$</u>	<u>32,126,794</u>

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

**GENESEE COUNTY**

**Exhibit K-4**

	<b>Drain Capital Projects</b>	<b>Drain Internal Service</b>
Operating revenues:		
Taxes.....	\$ 1,396,914	\$
Use of money and property.....	582	
Charges for services.....	12,857	633,935
Other revenue.....	253,856	
<b>TOTAL OPERATING REVENUES</b>	<b>1,664,209</b>	<b>633,935</b>
Operating expenses:		
Current:		
Other.....	2,151,137	581,785
Depreciation.....		102,501
Debt Service:		
Interest expense.....	98,457	
<b>TOTAL OPERATING EXPENSES</b>	<b>2,249,594</b>	<b>684,286</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(585,385)</b>	<b>(50,351)</b>
Other financing sources (uses)		
Proceeds from notes.....	335,097	
Proceeds from bonds.....		
Principal payments.....	(557,586)	
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(222,489)</b>	<b>0</b>
<b>REVENUE AND OTHER FINANCING SOURCES UNDER (OVER)</b>		
<b>EXPENDITURES AND OTHER FINANCING USES</b>	<b>(807,874)</b>	<b>(50,351)</b>
<b>CHANGE IN NET POSITION</b>	<b>(807,874)</b>	<b>(50,351)</b>
Fund balances/net position at beginning of year.....	6,794,874	1,637,754
<b>FUND BALANCES/NET POSITION AT END OF YEAR</b>	<b>\$ 5,987,000</b>	<b>\$ 1,587,403</b>

<b>Drain Chapter 20 Debt &amp; Capital Projects</b>	<b>Totals</b>	<b>Adjustments</b>	<b>Statement of Activities</b>
\$	\$	\$	\$
	1,396,914		1,396,914
472	1,054		1,054
	646,792		646,792
	253,856		253,856
<u>472</u>	<u>2,298,616</u>	<u>0</u>	<u>2,298,616</u>
	2,732,922	(850,622)	1,882,300
	102,501	2,180,308	2,282,809
	98,457	4,002	102,459
<u>0</u>	<u>2,933,880</u>	<u>1,333,688</u>	<u>4,267,568</u>
<u>472</u>	<u>(635,264)</u>	<u>(1,333,688)</u>	<u>(1,968,952)</u>
	335,097	(335,097)	
	0		
	(557,586)	557,586	0
<u>0</u>	<u>(222,489)</u>	<u>222,489</u>	<u>0</u>
<u>472</u>	<u>(857,753)</u>	<u>(1,111,199)</u>	<u>(1,968,952)</u>
472	(857,753)	(1,111,199)	(1,968,952)
642,587	9,075,215	20,641,322	29,716,537
<u>\$ 643,059</u>	<u>\$ 8,217,462</u>	<u>\$ 19,530,123</u>	<u>\$ 27,747,585</u>

# COMBINING BALANCE SHEET--COMPONENT UNIT GENESEE HEALTH SYSTEM AUTHORITY

## GENESEE COUNTY

## Exhibit K-5

	September 30, 2013		
	Genesee Health System	Adjustments	Statement of Net Position
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents.....	\$ 41,269,263	\$	\$ 41,269,263
Investments.....	16,315,285		16,315,285
Accounts receivable, net.....	2,479,240		2,479,240
Due from other governments.....	1,893,933		1,893,933
Due from other funds.....	2,552,862	(2,552,862)	0
Prepays.....	731,938		731,938
Capital assets not being depreciated.....	981,856		981,856
Capital assets being depreciated, net.....	2,978,684		2,978,684
Net other postemployment benefit asset.....	602,074		602,074
TOTAL CURRENT ASSETS	<u>\$ 69,805,135</u>	<u>\$ (2,552,862)</u>	<u>\$ 67,252,273</u>
 <b>LIABILITIES AND NET POSITION</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable.....	\$ 15,894,597	\$	\$ 15,894,597
Accrued liabilities.....	642,190		642,190
Due to other governments.....	20,985,130		20,985,130
Due to other funds.....	2,552,862	(2,552,862)	0
Due to primary government.....	19,040		19,040
Unearned revenue.....	8,663,795		8,663,795
Compensated absences, current portion.....	863,148		863,148
TOTAL CURRENT LIABILITIES	<u>49,620,762</u>	<u>(2,552,862)</u>	<u>47,067,900</u>
 <b>NON CURRENT LIABILITIES</b>			
Compensated absences	367,863		367,863
TOTAL LIABILITIES	<u>49,988,625</u>	<u>(2,552,862)</u>	<u>47,435,583</u>
 <b>FUND BALANCES/NET POSITION</b>			
Reserved for:			
Net investment in capital assets.....	3,960,540		3,960,540
Restricted for:			
Contract losses.....	8,512,654		8,512,654
Employee benefits	602,074		602,074
Unrestricted .....	6,741,422		6,741,422
TOTAL FUND BALANCES	<u>19,816,690</u>	<u>0</u>	<u>19,816,690</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 69,805,315</u>		
 <b>NET POSITION:</b>			
Unrestricted (deficit) .....		\$ 0	<u>\$ 19,816,690</u>

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

**GENESEE COUNTY**

**Exhibit K-6**

	<b>Genesee Health System</b>	<b>Adjustments</b>	<b>Statement of Activities</b>
Operating revenues:			
Federal grants.....	\$ 83,123,098	\$	\$ 83,123,098
State grants.....	14,464,527		14,464,527
Charges for services.....	9,193,077	(5,049,609)	4,143,468
Other.....	1,641,875		1,641,875
<b>TOTAL OPERATING REVENUES</b>	<b>108,422,577</b>	<b>(5,049,609)</b>	<b>103,372,968</b>
Operating expenses:			
Board administration.....	9,973,483	32,417	10,005,900
Managed care.....	6,455,303		6,455,303
Residential services.....	22,192,036		22,192,036
Adult services.....	23,118,776		23,118,776
Clinical services.....	4,090,522		4,090,522
State hospitals.....	5,363,786		5,363,786
Developmental disabilities.....	16,074,616		16,074,616
Inpatient services.....	8,721,759		8,721,759
Substance abuse services.....	9,292,677		9,292,677
Health center.....	1,403,046		1,403,046
Employee benefits.....	4,217,454	(4,217,454)	0
Other expenses.....	864,572	(864,572)	0
<b>TOTAL OPERATING EXPENSES</b>	<b>111,768,030</b>	<b>(5,049,609)</b>	<b>106,718,421</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(3,345,453)</b>	<b>0</b>	<b>(3,345,453)</b>
Nonoperating revenues (expenses):			
Interest revenue.....	37,528		37,528
Gain on sale of capital assets.....	300		300
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b>37,828</b>		<b>37,828</b>
Operating transfers in (out):			
Transfer in from primary government.....	2,775,000		2,775,000
Special item -Transfer of operations from Primary Government..	20,349,315		20,349,315
<b>TOTAL TRANSFERS</b>	<b>23,124,315</b>		<b>23,124,315</b>
<b>CHANGE IN NET POSITION</b>	<b>19,816,690</b>		<b>19,816,690</b>
Fund balances/net position (deficit) at beginning of year.....			0
<b>FUND BALANCES/NET POSITION (DEFICIT) AT END OF YEAR</b>	<b>\$ 19,816,690</b>	<b>\$</b>	<b>\$ 19,816,690</b>

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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 POSITION BY COMPONENT

### GENESEE COUNTY

Table 1

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental activities:										
Net investment in										
capital assets	\$ 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	\$ 71,579,693
Restricted	-	-	-	41,013,071	31,787,518	11,717,237	20,241,229	18,852,892	23,010,572	19,786,947
Unrestricted	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	6,226,971
Total governmental activities net position	\$ 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	\$ 97,593,611
Business-type activities:										
Net investment in										
capital assets	\$ 5,486,788	\$ 4,746,425	\$ 4,884,340	\$ 4,843,600	\$ 4,762,075	\$ 4,650,120	\$ 4,555,525	\$ 3,972,995	\$ 3,815,056	\$ 3,313,080
Restricted	5,596,895	6,588,273	8,059,145	7,899,456	8,231,695	7,284,048	10,444,480	10,177,613	10,816,391	11,294,215
Unrestricted	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	7,266,391
Total business-type activities net position	\$ 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	\$ 21,873,686
Primary government:										
Net investment in										
capital assets	\$ 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	\$ 74,892,773
Restricted	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	31,081,162
Unrestricted	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	13,493,362
Total primary government net position	\$ 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	\$ 119,467,297

## 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
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
2013	69,503,562	-	-	3,263,945	22,524	72,790,031

# CHANGES IN GOVERNMENTAL NET POSITION

## GENESEE COUNTY

Table 3

Expenses	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Governmental activities:</b>										
Legislative	\$ 927,251	\$ 919,415	\$ 1,016,026	\$ 1,069,833	\$ 1,214,248	\$ 1,017,849	\$ 696,041	\$ 628,524	\$ 1,023,886	\$ 981,519
Management and planning	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	12,901,085
Administration of justice	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	38,945,070
Law enforcement and community protection	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	36,508,812
Human services	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	130,931,244
Community enrichment and development	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	18,255,901
General support services	201,566	229,806	330,176	278,423	280,225	244,885	140,579	84,645	-	-
Other	3,166,480	1,015,465	-	-	-	-	-	-	-	-
Interest on long-term debt	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	1,101,895
Total governmental activities expenses	298,552,098	322,712,807	325,904,556	343,420,337	359,470,238	369,100,953	379,332,131	364,773,598	340,136,289	237,629,526
<b>Business-type activities:</b>										
Commissary	260,464	275,728	307,663	297,833	325,880	351,625	371,173	354,096	323,556	340,779
Delinquent Tax	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	4,757,339
Parks and recreation enterprise	1,510,269	1,454,358	1,786,317	1,654,706	1,094,510	865,909	862,088	1,282,486	888,622	951,103
Parking Meter	-	-	-	-	-	-	-	-	-	-
Total business-type activities expenses	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	6,398,075
Total primary government expenses	\$ 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	\$ 244,028,601
<b>General Revenues and Other Changes in Net Position</b>										
<b>Program Revenues</b>										
<b>Governmental activities:</b>										
Charges for services:	\$ 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	\$ 4,993,877
Management and planning	4,207,446	4,339,188	4,030,973	4,994,718	5,155,752	5,023,773	4,222,485	6,931,157	4,037,271	4,853,624
Administration of justice	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	1,775,139
Law enforcement and community protection	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	26,945,416
Human services	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	4,438,810
Community enrichment and development	-	-	-	-	-	-	-	-	-	-
Legislative	108,447,493	106,485,973	102,973,924	110,619,729	108,102,706	121,062,036	128,746,641	105,673,071	113,688,537	81,285,904
Operating grants and contributions	-	-	-	1,993,000	1,960,000	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	197,010,121	203,699,179	201,136,475	209,197,160	221,280,243	239,339,200	256,746,357	247,483,324	241,020,792	124,342,532
<b>Business-type activities:</b>										
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Charges for services:	458,052	473,796	467,888	490,221	506,601	534,613	566,448	530,954	534,150	534,689
Commissary	9,632,038	-	7,827,298	6,659,293	9,478,156	10,814,957	12,173,759	11,492,245	13,231,301	12,727,040
Delinquent Tax	413,848	777,295	1,402,855	1,419,368	663,320	296,384	275,921	282,369	328,714	353,734
Parks and recreation enterprise	-	-	-	-	-	-	-	-	-	-
Parking Meter	-	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	10,503,938	1,251,091	9,698,041	8,568,882	10,668,077	11,645,954	13,016,128	12,397,886	14,179,074	13,937,979
Total primary government program revenues	\$ 207,514,059	\$ 204,950,270	\$ 210,834,516	\$ 217,766,042	\$ 231,948,320	\$ 250,985,154	\$ 269,762,485	\$ 259,881,210	\$ 255,147,861	\$ 138,280,511
<b>Net (expense)/revenue</b>										
Governmental activities	\$ (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)	\$ (113,286,994)
Business-type activities	4,394,035	(3,365,764)	3,186,657	2,701,685	4,238,642	4,689,060	6,545,252	6,542,525	7,787,795	7,538,904
Total primary government net expense	\$ (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)	\$ (105,748,090)

# CHANGES IN GOVERNMENTAL NET POSITION

## GENESEE COUNTY

Table 3 Continued

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Governmental activities:</b>										
<b>Taxes:</b>										
Current property taxes	\$ 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	\$ 69,503,562
State income tax	5,929,005	-	-	-	-	-	-	-	-	-
Single business tax	1,352,579	-	-	-	-	-	-	-	-	-
State liquor tax	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	3,263,945
State cigarette tax	77,147	250,829	272,636	257,589	210,485	149,948	108,601	72,008	7,514,973	22,524
Use of money and investments	4,092,363	5,632,975	3,528,890	4,132,787	3,040,092	2,340,338	741,489	614,576	988,717	504,347
Other unrestricted intergovernmental revenues	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	16,031,090
Other unrestricted revenues	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	8,173,635
Unrestricted contributions	3,866,178	4,071,075	-	-	-	-	-	-	-	-
Transfers	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	4,889,264
Total governmental activities	109,271,579	124,793,986	130,598,912	148,782,676	125,485,818	119,387,407	112,369,219	105,435,759	100,462,978	102,388,367
<b>Business-type activities:</b>										
<b>Taxes</b>										
Use of money and investments	346,553	5,883,971	470,787	578,579	199,878	64,499	79,000	18,635	117,862	71,437
Other unrestricted intergovernmental revenues	-	329,329	-	-	-	-	-	-	-	-
Transfers	(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)	(4,889,264)
Total business-type activities	(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)	(4,817,827)
Total primary government	\$ 100,788,844	\$ 123,097,488	\$ 125,810,278	\$ 144,551,125	\$ 121,806,714	\$ 114,918,403	\$ 102,473,032	\$ 99,826,331	\$ 94,893,731	\$ 97,570,540
<b>Change in Net Position</b>										
Governmental activities	\$ 7,729,602	\$ 5,780,358	\$ 5,830,831	\$ 14,559,499	\$ (12,704,177)	\$ (10,374,346)	\$ (10,216,555)	\$ (11,860,515)	\$ 1,347,481	\$ (28,366,573)
Business-type activities	(4,088,700)	(5,052,262)	(1,601,977)	(1,529,866)	559,538	220,056	(3,350,935)	933,097	2,218,548	2,721,077
Total primary government	\$ 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	\$ (25,645,496)

## DEMOGRAPHIC AND ECONOMIC STATISTICS

### GENESEE COUNTY

Table 4

Fiscal Year	Population <sup>1</sup>	Personal Income	Per Capita Personal Income <sup>2</sup>	School Enrollment <sup>3</sup>	Unemployment Rate <sup>4</sup>
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
2013	418,408	13,565,279,000	32,421	71,734	8.4

Data sources

<sup>1</sup>Bureau of the Census

<sup>2</sup>Bureau of the Census

<sup>3</sup>Genesee Intermediate School District

<sup>4</sup>State of Michigan

### PRINCIPAL EMPLOYERS

#### GENESEE COUNTY

#### CURRENT YEAR AND NINE YEARS AGO

Table 5

Employer	2013			2004		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
General Motors Corp	3,417	1	16.19 %	17,019	1	44.26 %
Genesys Health System	3,265	2	15.47	3,265	3	8.49
Hurley Medical Center	2,650	3	12.56	2,510	5	6.53
Square D	2,500	4	11.85			0.00
McLaren Medical Center	2,500	5	11.85	2,400	6	6.24
Flint Metal Center	2,180	6	10.33			0.00
United States Postal Service	1,200	7	5.69			0.00
General Motors Corp., Powertr	1,200	8	5.69			0.00
Flint, City of	1,100	9	5.21	1,311	8	3.41
Genesee County	1,093	10	5.18	1,200	9	3.12
Delphi Automotive				4,932	2	12.83
Flint Community Schools				3,200	4	8.32
Meijer				1,563	7	4.07
Citizens Bank				1,048	10	2.73
Total	21,105		100.00 %	38,448		100.00 %

Source: Flint Genesee Economic Growth Alliance.

# CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

## GENESEE COUNTY

Table 6

	2004	2005	2006
<b>Revenues</b>			
Taxes	\$ 61,506,389	\$ 82,360,302	\$ 86,840,515
Licenses and permits	1,135,328	1,396,599	1,238,421
Fines and forfeitures	2,634,086	2,371,011	2,473,432
Use of money and property	4,796,954	4,174,354	3,795,451
Federal grants	58,521,771	55,359,347	47,636,776
State grants	50,345,235	51,065,065	55,337,148
Other intergovernmental revenues	14,845,416	8,167,368	8,454,322
Charges for services	88,562,628	97,560,370	98,162,552
Other	15,806,629	16,366,979	17,063,294
Total revenues	<u>298,154,436</u>	<u>318,821,395</u>	<u>321,001,911</u>
<b>Expenditures</b>			
Current operations:			
Legislative	924,581	920,466	1,018,198
Management and planning	10,548,857	12,302,328	11,387,914
Administration of justice	36,280,906	36,094,472	36,092,505
Law enforcement and community protection	32,194,935	31,504,040	33,575,804
Human services	192,932,327	202,020,809	212,013,445
Community enrichment and development	7,539,899	7,774,226	9,134,039
General support services	199,860	228,656	230,987
Other	12,177,907	26,975,242	13,958,517
Capital outlay	4,380,397	8,194,847	2,826,643
Debt service principal	3,427,248	2,827,248	2,779,000
Debt service interest	1,641,983	1,840,218	1,521,960
Contribution to Component Unit			
Total expenditures	<u>302,248,900</u>	<u>330,682,552</u>	<u>324,539,012</u>
Excess of revenues over (under) expenditures	(4,094,464)	(11,861,157)	(3,537,101)
<b>Other financing sources (uses)</b>			
Proceeds from notes	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	40,524,638	48,184,559	47,404,927
Transfers out	(27,010,834)	(38,273,955)	(43,701,772)
Total other financing sources (uses)	<u>14,796,384</u>	<u>13,579,056</u>	<u>3,703,155</u>
Special item - transfer of operations to Genesee Health System			
Net change in fund balances	<u>\$ 10,701,920</u>	<u>\$ 1,717,899</u>	<u>\$ 166,054</u>
Debt service as a percentage of noncapital expenditures	1.7%	1.4%	1.3%

2007	2008	2009	2010	2011	2012	2013
\$ 110,748,784	\$ 96,475,936	\$ 84,534,288	\$ 85,251,366	\$ 78,932,682	\$ 71,952,310	\$ 69,701,002
1,463,997	1,514,703	1,759,640	1,694,977	1,854,593	1,924,672	1,948,321
2,715,541	2,190,518	2,139,682	1,971,211	1,772,585	1,661,433	1,669,634
4,394,915	3,309,684	1,173,100	741,489	584,791	988,717	504,347
63,486,445	53,919,149	64,989,753	86,579,730	73,284,999	71,737,757	58,443,265
47,133,284	54,183,557	56,072,284	38,180,819	31,189,792	32,395,619	19,542,617
6,733,314	8,069,683	8,159,750	8,803,198	16,507,241	16,372,713	20,195,582
96,582,431	111,217,537	116,804,045	127,999,717	136,394,763	125,661,111	46,014,914
13,876,995	11,822,662	9,740,510	9,864,457	6,967,623	8,052,652	8,709,303
347,135,706	342,703,429	345,373,052	361,086,964	347,489,069	330,746,984	226,728,985
1,074,904	1,211,126	902,798	902,798	947,599	947,599	922,513
11,746,542	13,061,601	8,778,867	8,778,867	7,865,341	7,868,993	7,693,035
39,616,056	41,179,919	38,628,589	38,215,218	36,282,698	35,741,313	35,176,495
34,349,956	36,662,783	36,543,125	36,125,761	34,342,325	34,229,888	33,448,876
227,256,969	242,138,776	258,536,374	260,262,424	245,341,608	232,854,546	119,009,023
6,762,148	7,140,903	8,818,413	15,642,043	13,284,627	14,570,111	19,050,134
278,953	279,291	133,851	133,851	-	-	-
13,447,187	8,954,222	5,139,994	4,996,815	8,085,126	3,902,366	3,334,646
2,004,138	1,145,240	3,552,291	1,830,924	7,508,169	4,417,263	3,549,562
2,536,000	2,599,000	2,711,000	2,944,500	1,899,500	2,289,500	2,365,000
1,544,866	1,496,932	1,438,967	1,172,487	1,194,751	1,489,810	1,249,358
340,617,719	355,869,793	365,184,269	371,005,688	356,751,744	338,311,389	228,573,642
6,517,987	(13,166,364)	(19,811,217)	(9,918,724)	(9,262,675)	(7,564,405)	(1,844,657)
		1,150,000		9,015,784	4,830,000	
72,052,311	73,025,131	71,978,284	73,489,202	47,401,425	36,985,768	28,960,116
(68,010,760)	(70,417,354)	(62,187,903)	(66,299,852)	(59,611,520)	(32,645,268)	(25,501,311)
4,041,551	2,607,777	10,940,381	7,189,350	(3,194,311)	9,170,500	3,458,805
						(17,467,946)
\$ 10,559,538	\$ (10,558,587)	\$ (8,870,836)	\$ (2,729,374)	\$ (12,456,986)	\$ 1,606,095	\$ (15,853,798)
1.2%	1.1%	1.1%	1.1%	0.8%	1.1%	1.6%

## DIRECT AND OVERLAPPING<sup>1</sup> PROPERTY TAX RATES

### GENESEE COUNTY

Table 7

Fiscal Year	Millage Rates - Direct County Taxes <sup>2</sup>						Schools
	General Operating	County Parks	County Emergency Medical Services	Senior Citizens	Health Services	Total Direct Taxes <sup>3</sup>	
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
2013	5.51	0.48	0.48	0.7	1.00	8.17	28.44

Source: Genesee County Equalization

<sup>1</sup> 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).

<sup>2</sup> 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.

<sup>3</sup> The maximum County millage rate allowed by Headlee Amendment for 2013 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	
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
2013	5,837,245,297	1,712,997,352	250,527,317	122,092,317

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
1.94	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
2.82	3.54	6.99	1.25	0.48	0.20	51.89

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

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

Personal Property	Total Value	Tax Rate (Mills)	Estimated Actual Value	Taxable Value as a % of Actual
\$ 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%
668,382,581	8,591,244,864	8.17	17,993,098,216	47.75%

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

## PRINCIPAL PROPERTY TAX PAYERS

### GENESEE COUNTY

Table 9

Taxpayer	2013			2004		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Consumers Energy	\$ 221,742,449	1	41.31 %	\$ 217,049,593	2	24.25 %
General Motors Corp	105,956,400	2	19.74	399,543,981	1	44.63
3341 South Linden Road Holdings LLC	49,129,300	3	9.15			
Wal-Mart/Sam's	41,076,788	4	7.65			
Edward Rose Assoc ETAL	25,660,242	5	4.78	24,725,509	5	2.76
Meijer Inc/Good Will Co Inc	25,407,943	6	4.73	18,823,796	9	2.10
Comcast Cablevision	19,356,902	7	3.61			
MAGNA	17,894,400	8	3.33			
Michigan Electric Transmission Co LLC	15,979,400	9	2.98			
The Kroger Co	14,617,238	10	2.72			
Delphi Automotive				103,786,500	3	11.59
Genesee Investors II LLC				54,203,750	4	6.06
VEMCO Inc				20,205,286	6	2.26
CP Limited Partnership				19,982,589	7	2.23
Home Depot				19,539,584	8	2.18
Ring Screw				17,391,940	10	1.94
Totals	<u>\$ 536,821,062</u>		<u>100.00 %</u>	<u>\$ 895,252,528</u>		<u>100.00 %</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
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	94.6	5,039,055	92,823,015	100.0
2007	2008	96,962,513	91,098,930	93.9	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
2012	2013	71,888,548	68,418,662	95.2	3,469,886	71,888,548	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 Value <sup>1</sup> of Property	Per Capita <sup>2</sup>
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
2013	23,529,284	54,890	23,474,394	0.13	54

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

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

<sup>2</sup>Population 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 County <sup>1</sup>	Amount Applicable Genesee County
County at Large	\$74,545,784	100.0 %	\$74,545,784
School Districts	451,636,399	80.6	364,215,030
Cities and Villages	44,758,092	96.8	43,317,714
Townships	43,402,812	100.0	43,402,812
County-issued Bonds paid by local municipalities	147,876,600	150.4	222,422,384
Airport Authority	10,605,000	100.0	10,605,000
Mott Community College and Genesee Intermediate School District	48,250,000	89.3	43,067,720
Subtotal, overlapping debt			486,793,276
Genesee County direct debt			314,783,168
Total direct and overlapping debt			\$801,576,444

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.

<sup>1</sup>The 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
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			
2013	23,529,284			

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

<sup>1</sup> 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	2006	2007
General Fund:					
Nonspendable					
Reserved	\$ 3,382,233	\$ 3,237,607	\$ 3,540,891	\$ 3,598,597	\$ 3,887,892
Committed					
Assigned					
Unreserved	15,560,534	15,757,245	15,292,806	9,801,036	7,501,262
Unassigned					
Total General Fund	<u>\$ 18,942,767</u>	<u>\$ 18,994,852</u>	<u>\$ 18,833,697</u>	<u>\$ 13,399,633</u>	<u>\$ 11,389,154</u>
All other governmental funds					
Nonspendable					
Restricted					
Committed					
Reserved	\$ 7,021,921	\$ 1,700,659	\$ 1,306,925	\$ 23,309,614	\$ 32,511,561
Assigned					
Unreserved	28,466,346	44,437,446	46,710,234	30,363,231	33,675,733
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>	<u>\$ 53,672,845</u>	<u>\$ 66,187,294</u>

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

<b>Business - Type Activities</b>		<b>Total Primary Government</b>	<b>Percentage of Personal Income</b>	<b>Per Capita <sup>1</sup></b>
<b>General Obligation Bonds</b>	<b>Delinquent Tax Notes</b>			
\$609,000	\$14,617,000	\$51,563,320	0.44	118
463,500	16,484,000	53,650,694	0.44	123
307,500	21,795,000	55,894,540	0.45	128
253,500	29,742,000	71,132,804	0.56	163
217,500	67,592,090	93,322,772	0.73	214
178,500	70,441,250	94,561,250	0.74	217
138,000	55,451,292	76,586,292	0.60	176
97,500	50,652,792	78,863,576	0.62	181
72,000	42,300,000	68,195,784	0.53	156
46,500	35,800,000	59,375,784	0.44	142

2008	2009	2010	2011*	2012	2013
\$ 4,148,176	\$ 3,757,229	\$ 3,219,465	\$ 3,141,810	\$ 2,671,645	\$ 1,861,499
			-	-	-
			1,000,000	1,000,000	1,000,000
6,780,668	1,071,157	7,955,013	7,667,575	8,074,634	9,455,182
\$ 10,928,844	\$ 4,828,386	\$ 11,174,478	\$ 11,809,385	\$ 11,746,279	\$ 12,316,681
			\$ 3,888,383	\$ 4,677,877	\$ 3,051,523
			13,168,565	7,625,603	5,481,383
			84,974	74,994	74,994
\$ 32,653,060	\$ 520,606	\$ 3,300,415	24,514,865	25,202,726	12,207,333
20,259,026	36,333,372	35,401,231	(2,498,714)	(1,373,786)	(1,444,423)
			(1,846,569)	(1,754,885)	(1,710,110)
\$ 52,912,086	\$ 36,853,978	\$ 38,701,646	\$ 37,311,504	\$ 34,452,529	\$ 17,660,700

## LEGAL DEBT MARGIN

### GENESEE COUNTY

Table 15

	2004	2005	2006
<b>Calculation of Debt Limit:</b>			
State Equalized Valuation	\$12,294,546,948	\$13,035,032,411	\$13,695,827,367
10% of Taxable Value	1,229,454,695	1,303,503,241	1,369,582,737
<b>Calculation of Debt Subject to Limit:</b>			
Total Long-Term Debt	36,946,320	37,166,698	34,099,540
Plus Business Type Tax Notes	14,617,000	16,484,000	21,795,000
Component Unit Debt:			
Brownfield Authority		5,000,000	5,000,000
Land Bank Authority		56,814	445,942
Water and Waste Services	100,165,000	117,465,000	115,596,420
Road Commission	5,016,814	3,765,617	2,761,480
Drain Fund	2,173,708	1,718,859	2,950,407
<b>Less: Debt Not Subject to Limit:</b>			
Non-Bonded Debt	1,446,897	822,315	439,072
Road Commission Debt Not Subject to Legal Debt Limit	4,415,000	3,330,000	2,385,000
Water and Waste Service Sewer Bonds	71,470,000	74,905,000	74,006,420
Drain Fund Special Assessment Debt	1,268,708	863,859	615,407
<b>Net Debt Subject to Limit</b>	<b>80,318,237</b>	<b>101,735,814</b>	<b>105,202,890</b>
<b>Legal Debt Margin</b>	<b>1,149,136,458</b>	<b>1,201,767,427</b>	<b>1,264,379,847</b>
<b>Net Debt Subject to Limit as % of Debt Limit</b>	<b>6.53%</b>	<b>7.80%</b>	<b>7.68%</b>

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

## PLEDGED-REVENUE COVERAGE

### GENESEE COUNTY

Table 16

Fiscal Year	Water and Sewer Revenue Bonds				
	Gross	Applicable	Net	Debt Service	
	Revenues	Expenses	Revenues	Principal	Interest
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
2012	52,560,768	39,665,047	12,895,721	10,845,000	5,654,333

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

2007	2008	2009	2010	2011	2012	2013
\$14,156,934,349	\$13,698,999,172	\$12,466,321,796	\$10,798,912,285	\$9,950,805,569	\$9,183,568,010	\$8,996,549,108
1,415,693,435	1,369,899,917	1,246,632,178	1,079,891,228	995,080,557	918,356,801	899,654,911
41,390,804	35,730,682	40,120,000	21,135,000	28,113,284	25,888,275	23,545,157
29,742,000	57,592,090	70,441,250	55,550,000	50,652,792	42,300,000	35,800,000
5,000,000	13,035,000	13,035,000	12,930,000	12,820,000	12,610,000	12,365,000
434,515	3,577,506	3,588,685	3,990,785	3,647,890	3,060,742	2,453,593
144,697,048	168,034,033	168,070,641	176,945,058	169,411,610	177,889,020	170,682,896
7,532,542	16,186,229	14,063,032	18,440,726	18,797,421	14,913,122	11,525,000
4,662,036	3,860,052	3,088,767	2,608,758	1,910,916	3,387,926	3,165,437
349,652	255,048	174,531	80,883	0	19,491	15,873
8,750,000	12,520,000	15,906,283	18,440,726	16,105,931	13,839,092	11,525,000
104,302,048	122,864,033	124,305,641	134,315,058	127,956,610	137,235,072	131,379,391
782,036	670,052	588,767	798,758	400,916	292,926	480,437
119,275,209	161,706,459	171,432,153	137,964,902	140,890,456	128,662,504	116,136,382
1,296,418,226	1,208,193,458	1,075,200,025	941,926,326	854,190,101	789,694,297	783,518,529
8.54%	11.80%	13.75%	12.78%	14.16%	14.01%	12.91%

Special Assessment Bonds			
Coverage	Special Assessment	Debt Service	
		Principal	Interest
0.210174327			
0.203022001			
0.142960858			
0.146379738			
0.347738062			
0.468953239			
0.840178459			
0.935974792			
0.652141086			
0.781590444			

# FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION

## GENESEE COUNTY

Table 17

Function	2004	2005	2006	2007
Animal Shelter	12	12	13	13
Board Office	16	15	15	15
Building & Grounds	26	26	25	24
Circuit Court	40	46	49	49
Controller	17	17	17	17
Cooperative Extension	3	3	3	1
Corporation Counsel	5	6	6	6
County Clerk	38	37	40	34
Court Services	10	6	7	5
District Court	63	63	63	61
Emergency Management	4	4	4	1
Equalization	11	10	7	9
Equity & Diversity	2	3	3	3
Family Court	33	32	34	33
Friend of the Court	99	101	101	100
GCCARD	105	94	89	81
Genesee Valley Regional Ctr.	40	41	42	43
GIS	1	3	2	2
Human Resources	9	8	7	8
Medical Examiner				
Information Technology (IT)	22	20	19	19
Parks & Recreation	28	29	28	28
Planning	20	19	20	22
Probate Court	26	24	24	24
Prosecutor	73	68	71	67
Public Health	165	158	152	150
Purchasing	7	6	7	6
Register of Deeds	12	11	11	10
Senior Services				
Sheriff	273	264	265	259
Surface Water Management	21	19	22	20
Treasurer	23	19	18	19
Veteran's Info. Center	3	3	3	3
Total	1,207	1,167	1,167	1,132

Source: Government Human Resources Office.



2008	2009	2010	2011	2012	2013
11	11	7	6	7	9
15	14	14	13	12	12
22	21	14	15	13	13
48	45	46	47	41	39
16	14	11	10	9	9
5	5	5	2.5	2.5	2.5
36	34	30	29	24	24
5	6	3	3	3	3
58	57	52	49	47	47
3	3	1	1	1	1
8	9	8	6	8	7
2	1	1			
34	32	25	23	33	34
95	94	84	79	78	74
95	126	105	109	69	46
41	44	43	42	38	37
2	1	1	1	1	1
8	7	8	7	7	5
			5	5	5.5
18	19	14	14	14	17
27	25	25	23	24	22
22	23	24	22	17	16
23	22	20	20	15	15
70	70	58	55	53	55
144	142	105	95	100	96.5
5	5	5	3.5	3.5	2.5
8	7	10	10	11	10
			3	3	3
259	248	234	217	236	234
17	16	15	19	13	13
17	15	13	12	12	12
3	3	3	2	2	3
1,117	1,119	984	943	902	868

# OPERATING INDICATORS BY FUNCTION

## GENESEE COUNTY

Table 18

Function/Program	2004	2005	2006	2007
Board Office Committee Meeting Log:				
Public Works	20	20	20	23
Finance/Budget	8	16	30	31
Governmental Operations	23	25	27	23
Human Services	23	21	25	24
Community & Economic Development	12	10	14	8
Board of Commissioners	29	28	39	30
Building & Grounds:				
Centrally Generated Work Orders	2,011	2,048	2,001	2,018
Circuit Court:				
Number of Civil Cases	2,144	2,144	1,895	1,881
Number of Criminal	2,116	2,067	2,149	2,353
Number of Family Cases	10,457	9,993	7,085	9,051
Controllers:				
Number of Checks	42,607	37,585	37,410	42,430
Cooperative Extension:				
4-H Volunteers	10,009	9,236	13,976	443
Master Gardener Volunteers	360	422	371	309
Residents Served	29,088	36,092	49,391	65,716
County Clerk General Election Data:				
Registered Voters	335,361	154,140	338,530	351,082
Ballots Cast	214,718	22,168	165,346	35,656
Percent Voting	64.0%	14.4%	48.8%	10.2%
Birth Certificates	6,527	6,490	6,602	6,432
Civil Cases Filed	7,086	6,789	6,865	2,304
Criminal Cases Filed	2,006	1,984	2,060	1,836
Death Certificates	4,229	4,202	4,285	4,020
Divorces	2,489	2,384	2,411	7,536
Marriage Licenses	2,882	2,782	2,579	2,532
District Court:				
Number of Civil Cases	18,406	18,368	20,185	22,913
Number of Criminal/Traffic Cases	58,338	57,988	62,437	59,427
Equalization:				
Number of Parcel Counts	209,709	212,626	207,759	209,079
Friend of the Court:				
Number of Active Cases	54,903	55,472	55,577	55,530
Health:				
Infant Deaths	75	52	59	50

<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
23	20	19	21	21	22
25	32	22	25	42	25
23	25	24	22	23	22
21	22	23	22	23	22
10	12	8	12	8	9
27	28	40	29	27	32
2,251	1,914	2,116	1,429	1,446	2,011
2,134	1,995	1,898	1,822	2,375	2,250
2,184	2,015	1,911	1,910	2,181	3,530
9,877	9,457	9,622	9,426	7,681	6,725
48,050	63,503	47,595	47,928	49,145	31,826
55	71	116	116	143	147
318	329	308	322	317	215
58,080	48,041	75,265	78,347	77,625	70,645
347,432	163,782	335,069	247,059	336,607	331,984
221,583	22,722	135,010	54,271	204,026	41,606
63.8%	13.9%	40.3%	22.0%	60.6%	12.5%
6,056	5,902	5,696	5,061	4,938	5,441
2,134	2,010	2,325	2,250	2,346	6,493
2,184	2,014	1,910	1,797	1,852	1,980
4,353	4,361	4,407	4,012	4,387	6,261
2,141	2,072	2,205	5,321	5,156	1,875
2,330	2,233	2,227	1,964	2,062	2,096
23,941	22,866	21,718	20,113	22,511	20,013
58,872	56,360	56,141	48,770	47,373	44,250
209,639	209,360	212,566	211,313	210,849	207,469
56,223	55,472	54,920	51,294	51,599	50,833
56	53	34	18	37	37

# OPERATING INDICATORS BY FUNCTION

## GENESEE COUNTY

Table 18 (Continued)

Function/Program	2004	2005	2006	2007
Health:				
Smoking Rates	26.8%	25.2%	25.2%	25.6%
Gonorrhea Cases	1,972	1,664	1,682	1,594
Parks and Recreation:				
Huckleberry RR/Crossroad Village Attendance	146,163	143,007	152,113	159,715
Planning Commission				
Road Reconstruction, Resurfacing & Restoration				
Lane Miles	41.8	63.3	67.7	146.5
Cost	13,888,596	37,824,377	40,162,522	70,114,676
Streets				
Miles	1.3	1.6	2.2	3.2
Cost	402,663	515,474	154,840	356,523
Sidewalks				
Feet	600	3,200	4,600	2,500
Cost	31,324	128,596	214,995	138,449
Probate Court:				
Number of Probate Cases	2,746	2,605	3,267	3,037
Prosecutors:				
Felony Warrants (more than 1 year)	3,246	3,101	3,407	3,467
Misdemeanor Warrants (more than 1 year)	14	25	34	
Misdemeanor Warrants (less than 1 year)	1,489	1,292	1,250	1,141
Purchasing:				
Number of Purchase Orders	1,905	1,733	1,628	1,228
Register of Deeds:				
Annual Recorded Documents	130,944	123,414	111,178	99,573
Sheriff Department:				
Number of Inmates Booked	12,209	12,032	12,454	12,580
Traffic Accidents	1,213	1,231	919	1,495
Traffic Violations	2,807	2,155	2,356	3,372
OUIL Arrests	125	72	76	140
Driving With License Suspended Arrests	408	318	372	604
Felony Arrests	359	403	391	286
Misdemeanor Arrests	997	967	604	1,250
Treasurers:				
Number of Cash Receipts	65,621	53,196	49,473	55,202
Veterans Information Services:				
Veteran Services	25,466	25,265	27,763	27,707
Veterans Burial Services	110	134	103	112
Soldiers Relief Commission Services	215	190	148	161
Veterans Trust Applications	87	61	48	46

Source: Various county departments.

<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
25.6%	24.6%	25.0%	25.0%	23.0%	23.0%
1,313	1,157	709	787	1,243	1,050
134,853	139,289	143,460	140,419	138,282	141,279
55.0	65	69	52	74	172
58,161,496	19,544,927	10,080,375	12,295,326	16,364,802	29,373,316
2.5	2	3	4	3	3
270,000	203,783	198,304	299,405	127,855	81,083
800	1,500	3,500	1,320	5,500	0
61,396	152,711	114,946	138,685	115,744	0
2,817	3,205	3,134	2,888	3,066	3,012
3,408	3,040	2,860	2,985	3,287	2,929
1,187	1,108	1,029	1,074	818	907
1,398	1,082	909	875	980	1,195
85,915	81,874	86,670	86,564	93,781	90,447
12,133	11,460	10,436	10,429	11,657	14,866
1,345	259	1,120	1,117	1,097	893
3,868	1,804	3,356	1,332	1,270	650
97	154	163	108	117	68
422	474	1,374	431	348	248
271	242	387	163	222	163
589	703	1,415	751	594	563
57,872	58,376	72,702	55,667	56,237	60,220
29,239	29,875	40,656	39,410	29,441	47,400
141	141	209	143	132	103
140	246	270	180	148	252
91	85	95	74	131	116

# CAPITAL ASSET STATISTICS BY FUNCTION

## GENESEE COUNTY

Table 19

Function/Program	2004	2005	2006	2007
Buildings & Grounds:				
Administration Bldg.	1	1	1	1
Animal Control	1	1	1	1
Clinics	3	3	3	3
Courts	6	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	1,162	1,171	1,177	1,183
MIS:				
Computers	840	850	855	850
Parks & Recreation:				
Acreage	10,939	10,939	10,939	10,939
Beaches	4	4	4	3
Bicycle Path	5	5	6	6
Boat Launches	3	3	3	4
Campgrounds	1	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	3	3	5	5
Snowmobile Areas	4	4	5	5
Spray Park	1	1	1	1
Stepping Stone Falls	1	1	1	1

2008	2009	2010	2011	2012	2013
1	1	1	1	1	1
1	1	1	1	1	1
3	3	3	3	2	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
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
1,187	1,126	1,195	1,109	1,112	1,112
875	890	890	920	1,110	1,186
10,939	10,939	10,939	10,939	10,939	10,939
3	3	3	3	3	3
7	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
7	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	2004	2005	2006	2007
Sheriff:				
Housing Cells	355	355	355	355
Isolation Rooms	6	6	6	6
Safety Cells	6	6	6	6
Medical Cells	9	9	9	6
Patrol Vehicles	21	50	50	18
Boats	9	5	5	4
Paramedic Vehicles	9	15	15	15
Motorcycles		8	8	8
Jet Skis				4



<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
355	355	355	355	355	355
6	6	6	6	6	6
6	6	6	6	6	6
9	9	7	7	7	7
18	10	22	22	16	16
3	3	5	5	5	4
15	15	15	15	15	15
8	6	8	8	8	8
2	2	2	2	2	2

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## **Committees of the Board of Commissioners**

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

### **Community & Economic Development Committee**

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

### **Finance and Finance/Budget Committee**

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

### **Human Services Committee**

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

### **Governmental Operations Committee**

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

### **Public Works Committee**

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

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



# **Genesee County, Michigan**

**Controller's Office  
1101 Beach Street—3rd Floor  
Flint, MI 48502  
Phone: 810.257.2627**