



# **Genesee County, Michigan**

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## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**Fiscal Year Ended  
September 30, 2014**



Government Finance Officers Association

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**Genesee County  
Michigan**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2013**

Executive Director/CEO

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

# GENESEE COUNTY, MICHIGAN

September 30, 2014

### Board of Commissioners

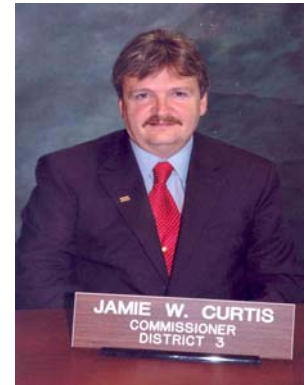
Jamie W. Curtis, Chairperson of the Board



Omar A. Sims



Brenda Clack



Jamie W. Curtis



John Northrup



Mark Young



Tony Brown



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Pegge Adams

**Prepared by:**  
Controller's Office

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

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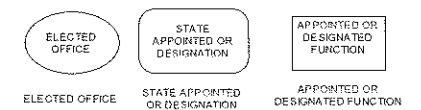
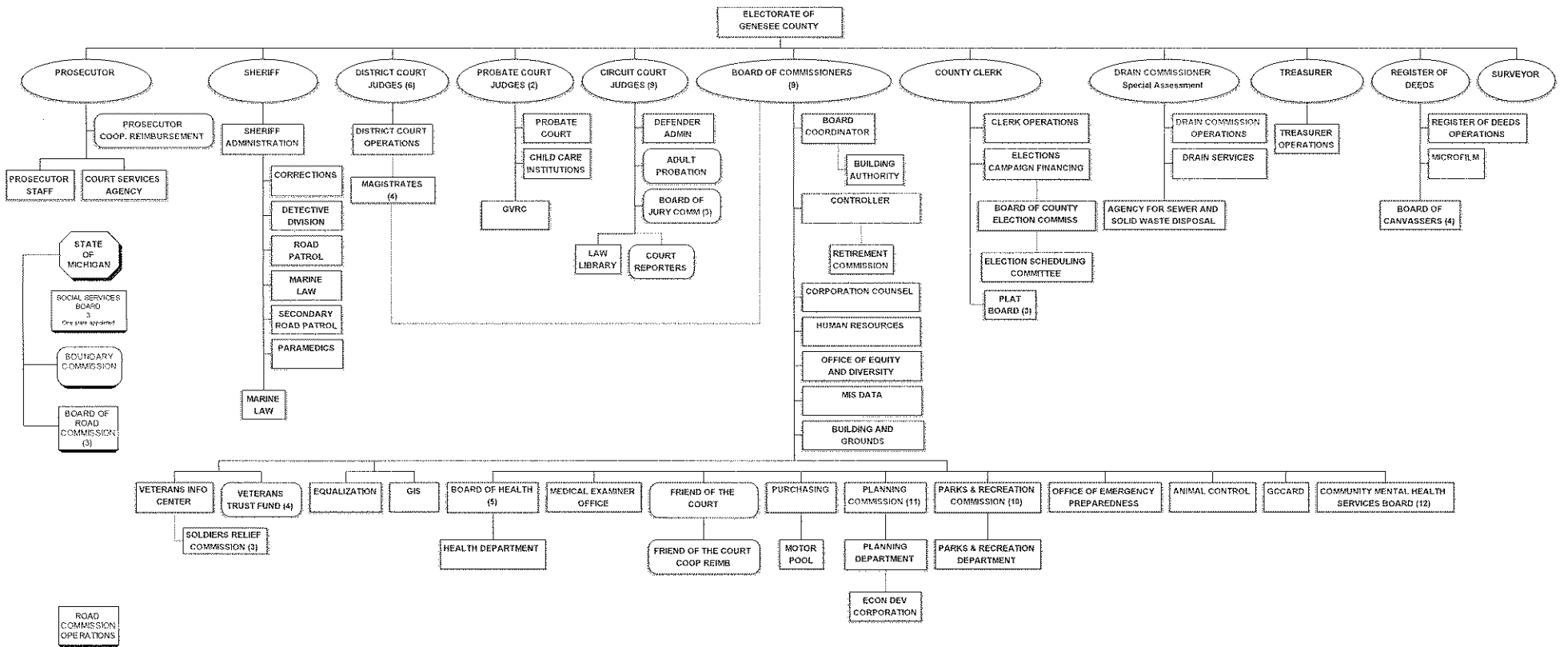
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# **I. INTRODUCTORY SECTION**

**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, 2015

The Comprehensive Annual Financial Report of Genesee County for the fiscal period ended September 30, 2014 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, 2014. 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 Genesee County Building Authority, Genesee County Employees Retirement System, Genesee County Road Commission, Water and Waste Services, Economic Development Corporation, Drains, Genesee County Land Bank Authority, Brownfield Authority, Storm Water Management System, and Genesee Health Services, 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 \$237.5 million for governmental and business-type activities and net position of \$109.3 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 upward 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 number 1 in the country, and Kettering's Mechanical Engineering program number 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. In the recent years, 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 2014 fall enrollment of 8,574 students topped last year's enrollment of 8,555. 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 22 percent last fall to 663 students compared to 543 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 2013/2014 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**

In November 2014, Michigan State University's College of Human Medicine (MSU-CHM) unveiled its new medical education and public

health research space in downtown 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 was 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 opened 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 billion in revenue for 2014. 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 5.8% increase in ridership for 2014, with Southwest Airlines up 22.8%, United up 12.3% and American up 2.7%. 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 completion targeted for the summer of 2016.

##### **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 values were up in 2014. According to the Zillow Home Value Index, median home value in Genesee County in 2014 was \$80,300, up 4.1% from \$77,000 in 2013. Zillow predicts they will rise 3.9% in 2015. The median list price per square foot in Genesee County is \$36 up from \$27 last year. The median price of homes currently listed in Genesee County is \$94,900, up from \$75,000 last year and the median price of homes that sold is \$113,400, up from \$111,275 last year.

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 2014. A further reduction of 1% is expected in 2015. 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 66% 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 2013/2014 adopted budget estimated expenditures at approximately \$81 million, a reduction of 21%. 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 2013/2014. Between positions not filled because of the hiring freeze as well as positions eliminated through layoff of existing staff, the County has eliminated 233 positions since 2007. These position eliminations have resulted in a significant decrease in General Fund spending. The County's General Fund fund balance increased \$1,190,323 during 2013/2014 from \$12,316,681 at September 30, 2013 to \$13,507,004 at September 30, 2014.

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 2013 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 2013/2014 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 2014 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 above the inflation rate, voters must approve an increase in the millage.

The Headlee provisions were still applicable for Genesee County in 2014 with the result that the property tax millage rate for general operations was limited to 5.5072 mills while the millage rate for Paramedics was limited to 0.4847 mills, Parks and Recreation was limited to 0.7500 mills, Senior Services was 0.7000 mills, Health Services was 1.0000 mill, Veteran Services was 0.1000 mill, Michigan State University Extension was 0.0400 mills and Animal Control was 0.200 mills. 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 2013 to maintain property taxes at the allowable limit had a positive effect on the 2014 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 were 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**

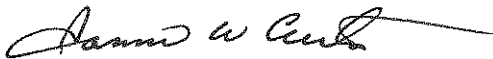
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Genesee County, Michigan for its comprehensive annual financial report for the fiscal period ended September 30, 2013, the thirty-fifth consecutive 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

### **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, 2014, 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 opinions on these financial statements based on our audit. We 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 and 1.2 percent of the assets and revenues, respectively of the aggregate remaining fund information. 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 17 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 8.2 and 53.8 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 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.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, 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, Genesee County Drain Commissioner Division of Water and Waste Services, and Genesee County Storm Water Management System.

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, 2014, 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 discussed in Note P to the basic financial statements, in 2014, the County adopted new accounting guidance GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

As explained in Note C, the financial statements include investments valued at \$219,512,411 (45 percent of total investments for the aggregate remaining funds) at September 30, 2014 and at \$191,881,667 (41 percent of total investments for the aggregate remaining funds) at September 30, 2013, 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 Supplementary Information**

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

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 fund financial statements, as identified in the table of contents as other supplemental information, and introductory section and statistical section, as identified in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining fund financial statements, as identified in the table of contents as other supplemental 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 combining fund financial statements, as identified in the table of contents as other supplemental information, are 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 it.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2015 on our consideration of Genesee County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Genesee County's internal control over financial reporting and compliance.

*Plante & Moran, PLLC*

March 18, 2015

# 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, 2014. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found 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 \$109,346,168 (net position). Of this amount, \$3,603,779 (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 \$10,121,129. Governmental activities decreased by \$12,537,967 while Business-type activities increased by \$2,416,838.
- As of the close of the current fiscal year, Genesee County's governmental funds reported combined ending fund balances of \$27,818,820, a decrease of \$2,158,561 in comparison with the prior year. Approximately 16% of this total amount, \$4,353,207 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 \$10,967,280, 18% of total General Fund expenditures.
- Genesee County's total debt was increased by the issuance of delinquent tax notes in the amount of \$35,400,000 during the current fiscal year for various projects and refunding issues which was offset by total payments of \$39,834,441.

### 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 \$109,346,168 at the close of the most recent fiscal year.

A significant portion of Genesee County's net position (65%) 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>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
Current and other assets	\$81,767,356	\$76,130,833	\$63,185,302	\$55,608,797	\$144,952,658	\$131,739,630
Capital assets	<u>89,346,821</u>	<u>95,124,850</u>	<u>3,220,759</u>	<u>3,359,580</u>	<u>92,567,580</u>	<u>98,484,430</u>
Total assets	<u>171,114,177</u>	<u>171,255,683</u>	<u>66,406,061</u>	<u>58,968,377</u>	<u>237,520,238</u>	<u>230,224,060</u>
Long-term liabilities outstanding	68,742,598	61,161,047	41,241,812	36,161,184	109,984,410	97,322,231
Other liabilities	<u>17,315,935</u>	<u>12,501,025</u>	<u>873,725</u>	<u>933,507</u>	<u>18,189,660</u>	<u>13,434,532</u>
Total liabilities	<u>86,058,533</u>	<u>73,662,072</u>	<u>42,115,537</u>	<u>37,094,691</u>	<u>128,174,070</u>	<u>110,756,763</u>

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
Net position:						
Net investment in capital assets	\$ 67,667,449	\$ 71,579,693	\$ 3,202,759	\$ 3,313,080	\$ 70,870,208	\$ 74,892,773
Restricted	21,204,021	19,786,947	13,668,160	11,294,215	34,872,181	31,081,162
Unrestricted	<u>(3,815,826)</u>	<u>6,226,971</u>	<u>7,419,605</u>	<u>7,266,391</u>	<u>3,603,779</u>	<u>13,493,362</u>
Total net position	<u>\$ 85,055,644</u>	<u>\$ 97,593,611</u>	<u>\$24,290,524</u>	<u>\$21,873,686</u>	<u>\$109,346,168</u>	<u>\$119,467,297</u>

An additional portion of Genesee County's net position (32%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$3,603,779) 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 \$10,121,129. Governmental activities decreased \$12,537,967 and business-type activities increased by \$2,416,838. The decrease in governmental activities is the continuation of a trend since 2008, when the County began recording retiree health care costs based on the actuary's recommended contributions. The County has funded approximately half of the actuarially recommended contribution, which results in a growing liability and a reduction in net position each year.

Key elements affecting these changes are as follows:

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

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
Revenues:						
Program revenues:						
Charges for services (A)	\$21,893,896	\$43,056,628	\$ 14,149,856	\$13,937,979	\$36,043,752	\$ 56,994,607
Operating grants and contributions (A)	54,456,149	81,285,904	-	-	54,456,149	81,285,904
Capital grants and contributions	-	-	-	-	-	-
General revenues:						
Taxes	72,321,538	72,790,031	-	-	72,321,538	72,790,031
Use of money and investments	471,242	504,347	88,443	71,437	559,685	575,784
Other intergovernmental revenues	20,830,071	16,031,090	-	-	20,830,071	16,031,090
Other unrestricted revenues	<u>4,825,964</u>	<u>8,173,635</u>	<u>-</u>	<u>-</u>	<u>4,825,964</u>	<u>8,173,635</u>
Total revenues	174,798,860	221,841,635	14,238,299	14,009,416	189,037,159	235,851,051
Expenses:						
Legislative	926,118	981,519	-	-	926,118	981,519
Management and planning	12,916,484	12,901,085	-	-	12,916,484	12,901,085
Administration of justice	40,391,800	38,949,070	-	-	40,391,800	38,949,070
Law enforcement/commun. protec.	37,144,127	36,508,812	-	-	37,144,127	36,508,812
Human services (A)	78,030,826	130,931,244	-	-	78,030,826	130,931,244
Community enrichment/develop	21,619,139	16,255,901	-	-	21,619,139	16,255,901
General support services	-	-	-	-	-	-
Other	-	-	-	-	-	-
Interest on long-term debt	1,130,701	1,101,895	-	-	1,130,701	1,101,895
Commissary	-	-	268,348	340,779	268,348	340,779
Delinquent Tax	-	-	5,284,078	4,757,339	5,284,078	4,757,339
Parks & Recreation Enterprise	-	-	1,078,445	951,103	1,078,445	951,103
Parking Meter	-	-	368,222	349,854	368,222	349,854
Total Expenses	<u>192,159,195</u>	<u>237,629,526</u>	<u>6,999,093</u>	<u>6,399,075</u>	<u>199,158,288</u>	<u>244,028,601</u>
Increase (decrease) in net position before transfers	(17,360,335)	(15,787,891)	7,239,206	7,610,341	(10,121,129)	(8,177,550)
Transfers	<u>4,822,368</u>	<u>4,889,264</u>	<u>(4,822,368)</u>	<u>(4,889,264)</u>		
Special item – transfer of operations to Genesee Health Systems		<u>(17,467,946)</u>				<u>(17,467,946)</u>
Change in net position	(12,537,967)	(28,366,573)	2,416,838	2,721,077	(10,121,129)	(25,645,496)
Beginning of year net position (as restated)	<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>
End of year net position	<u>\$ 85,055,644</u>	<u>\$ 97,593,611</u>	<u>\$ 24,290,524</u>	<u>\$21,873,686</u>	<u>\$109,346,168</u>	<u>\$119,467,297</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 position 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 \$1,190,323 increase in fund balance.
- Operating grants for governmental activities remain a large part of the overall budget. These grants support a variety of community services in the county.

### 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 \$27,818,820, a decrease of \$2,158,561 in comparison with the prior year. Approximately 16% of this total amount, (\$4,353,207) constitutes unassigned fund balance, which is available for spending at the government's discretion.

The General Fund unassigned fund balance totaled \$10,967,280, while total fund balance increased to \$13,507,004. 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 18% of total General Fund expenditures, while total fund balance represents 22% of that same amount.

At the end of the current fiscal year, the total fund balance of county health was increased to \$3,098,409. The fund balance represents 23% 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 2013/2014 General Fund budget anticipating the use of \$0 of fund balance. During 2013/2014 General Fund revenues were more than budgeted revenues by \$295,558 while expenditures were under the budget by \$807,022.
- County Health - In the 2013/2014 fiscal year, the County Health Department anticipated expenditures of \$14,686,709. The actual amount of expenditures was \$13,612,556. This variance, combined with other variances in revenue items resulted in the Health Department fund balance increasing by \$559,361.
- Community Action Resource Department – The fund balance of the Community Action Resource Department decreased during the 2013/2014 fiscal year by a total of \$1,374,918. 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 \$7,419,605. The total increase in net position for all proprietary funds was \$2,416,838.

### 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 \$1,152,623. The major budgetary increases/decreases are summarized as follows:

- A positive overall variance of \$295,558 in various General Fund revenues occurred due to the anticipated revenue received for current property taxes and other operating revenues.
- A \$46,646 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 \$1,339,796 was allocated to other expenses to cover furlough days savings being less than anticipated due to delays in union contract settlements.
- A \$64,302 increase was allocated to various departments to cover Capital Outlay which is allocated during the year on an as needed basis.
- A \$120,192 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 were less than the amended budget, resulting in a \$1,190,323 increase in fund balance.

### 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, 2014, amounts to \$92,567,580 (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 \$277,394,663. Of this amount, \$153,478,897 comprises debt backed by the full faith and credit of the government, \$333,890 is special assessment debt for which the government is liable in the event of default by the property owners subject to the assessment and \$5,745,000 is Michigan Transportation bonds for which are payable with Act 51 money.

Genesee County's total debt, including component units, increased by \$17,857,580 during the current fiscal year. 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 \$924,039,288, 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 6.3 percent, which is a decrease from a rate of 8.4 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 2014 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, 2014

GENESEE COUNTY

Exhibit A-1

	Governmental Activities	Business-type Activities	Total	Component Units
<b>ASSETS</b>				
Cash and cash equivalents.....	\$ 3,632,579	\$ 4,894,553	\$ 8,527,132	\$ 58,436,334
Investments.....	12,058,728	15,501,852	27,560,580	16,777,131
Current and delinquent taxes receivable (net allowance \$1,116,143).....	14,405,076	42,250,823	56,655,899	
Special assessments receivable.....				30,665,737
Interest and accounts receivable (net allowance \$2,994,243).....	16,292,312	4,824,619	21,116,931	14,855,345
Loan receivables - Net of reserve.....				88,911
Due from other governmental units.....	23,908,369	2,196,903	26,105,272	27,036,136
Due from component unit.....	17,742	364,416	382,158	5,345,234
Current portion of land contract.....				337,500
Internal balances.....	6,908,811	(6,908,811)		
Inventory.....	978,183	34,448	1,012,631	1,975,141
Prepayments.....	1,469,799	26,499	1,496,298	1,361,410
Other assets.....	23,055		23,055	2,263,916
Restricted assets:				
Cash.....				27,949,959
Deposits and advances.....	352,702		352,702	141,223
Net OPEB asset.....				2,320,297
Long term advances to component unit.....	1,720,000		1,720,000	
Investment in joint venture.....				1,939,000
Intangible assets - Net.....				60
Capital assets not being depreciated.....	11,450,217	3,145,718	14,595,935	20,795,553
Capital assets (net of accumulated depreciation).....	77,896,604	75,041	77,971,645	524,477,362
<b>Total assets</b>	<b>171,114,177</b>	<b>66,406,061</b>	<b>237,520,238</b>	<b>736,766,249</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred charge on refunding				36,249
				36,249
<b>LIABILITIES</b>				
Accounts payable.....	5,136,825	597,561	5,734,386	27,277,652
Accrued payroll.....	2,166,827	22,639	2,189,466	12,209
Other accrued liabilities and deposits.....	234,969	253,520	488,489	1,912,039
Accrued interest payable.....	424,137		424,137	28,281
Due to other governmental units.....	3,860,035	5	3,860,040	34,352,584
Due to component unit.....	5,345,234		5,345,234	382,158
Funds held in escrow.....				225,000
Advances from other funds.....				0
Unamortized note premium.....				371,594
Long-term advances from primary government.....				1,720,000
Compensated absences, current portion.....				1,160,277
Unearned revenue.....	147,908		147,908	2,435,647
Current portion debt.....	7,082,984	11,919,376	19,002,360	15,623,463
Liabilities payable from restricted assets:				
Accounts payable.....				5,439,808
Net OPEB obligation.....	39,607,443	522,436	40,129,879	6,492,526
Long term debt.....	22,052,171	28,800,000	50,852,171	199,834,671
<b>Total liabilities</b>	<b>86,058,533</b>	<b>42,115,537</b>	<b>128,174,070</b>	<b>297,267,909</b>
<b>NET POSITION</b>				
Net investment in capital assets.....	67,667,449	3,202,759	70,870,208	379,171,242
Restricted:				
Special Revenue:				
County health.....	553,699		553,699	
Community development.....	15,264,689		15,264,689	
Community enrichment and development.....	421,655		421,655	
Drug forfeiture.....	71,305		71,305	
Emergency medical services.....	641,323		641,323	
Health care services.....	621,117		621,117	
Planning-solid waste activities.....	307,998		307,998	
Senior services.....	2,509,484		2,509,484	
Social services.....	92,094		92,094	
Veterans millage.....	720,657		720,657	
Retirement of delinquent tax notes payable.....		12,636,623	12,636,623	
Parks & recreation non expendable.....		1,031,537	1,031,537	
Programs.....				1,121,480
Unrestricted	(3,815,826)	7,419,605	3,603,779	59,241,867
<b>Total net position</b>	<b>\$ 85,055,644</b>	<b>\$ 24,290,524</b>	<b>\$ 109,346,168</b>	<b>\$ 439,534,589</b>

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

**STATEMENT OF ACTIVITIES - GOVERNMENTAL, BUSINESS-TYPE,  
AND COMPONENT UNITS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

**GENESEE COUNTY**

**Exhibit A-2**

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Primary government:			
Governmental activities:			
Legislative.....	\$ 926,118		
Management and planning.....	12,916,484	5,529,950	828,492
Administration of justice.....	40,391,800	6,138,354	6,930,359
Law enforcement and community protection.....	37,144,127	2,400,755	1,533,979
Human services.....	78,030,826	3,466,719	39,886,046
Community enrichment and development.....	21,619,139	4,358,118	5,277,273
Interest on long-term debt.....	1,130,701		
<b>Total governmental activities</b>	<b>192,159,195</b>	<b>21,893,896</b>	<b>54,456,149</b>
Business-type Activities:			
Commissary.....	268,348	463,231	
Delinquent Tax.....	5,284,078	12,919,058	
Parks and Recreation Enterprise.....	1,078,445	463,458	
Parking Meter.....	368,222	304,109	
<b>Total business-type activities</b>	<b>6,999,093</b>	<b>14,149,856</b>	<b>0</b>
<b>Total primary government</b>	<b>\$ 199,158,288</b>	<b>\$ 36,043,752</b>	<b>\$ 54,456,149</b>
Component units:			
Road Commission.....	\$ 40,166,248	\$ 10,456,158	\$ 31,942,336
Water and Waste Services.....	54,792,975	52,629,628	
Economic Development Corporation.....	13,659		
Drains.....	4,116,572	830,109	
Land Bank Authority.....	23,351,306	4,468,383	15,174,684
Brownfield Authority.....	567,055	238,628	
Storm Water Management System.....	447,569		278,970
Genesee Health System Authority.....	142,103,163	3,514,317	130,158,585
<b>Total Component Units</b>	<b>\$ 265,558,547</b>	<b>\$ 72,137,223</b>	<b>\$ 177,554,575</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>
	\$ (926,118)		\$ (926,118)	
	(6,558,042)		(6,558,042)	
	(27,323,087)		(27,323,087)	
	(33,209,393)		(33,209,393)	
	(34,678,061)		(34,678,061)	
	(11,983,748)		(11,983,748)	
	(1,130,701)		(1,130,701)	
<u>\$ 0</u>	<u>(115,809,150)</u>	<u>\$ 0</u>	<u>(115,809,150)</u>	<u>\$ 0</u>
		194,883	194,883	
		7,634,980	7,634,980	
		(614,987)	(614,987)	
		(64,113)	(64,113)	
<u>0</u>	<u>0</u>	<u>7,150,763</u>	<u>7,150,763</u>	<u>0</u>
<u>\$ 0</u>	<u>(115,809,150)</u>	<u>7,150,763</u>	<u>(108,658,387)</u>	<u>0</u>
\$ 223,439				2,232,246
				(1,939,908)
				(13,659)
2,031,164				(1,255,299)
525,506				(3,182,733)
				(328,427)
				(168,599)
3,700,000				(4,730,261)
<u>\$ 6,480,109</u>				<u>(9,386,640)</u>
.....	68,707,461		68,707,461	
.....	3,597,131		3,597,131	
.....	16,946		16,946	
.....	471,242	88,443	559,685	(534,232)
.....	20,830,071		20,830,071	0
.....	4,825,964		4,825,964	
.....				2,878,287
.....	4,822,368	(4,822,368)		
.....	103,271,183	(4,733,925)	98,537,258	2,344,055
.....	0		0	(8,534,269)
.....	(12,537,967)	2,416,838	(10,121,129)	(5,917,840)
.....	97,593,611	21,873,686	119,467,297	453,986,698
.....	<u>\$ 85,055,644</u>	<u>\$ 24,290,524</u>	<u>\$ 109,346,168</u>	<u>\$ 439,534,589</u>

**GENESEE COUNTY**

Cash and cash equivalents - Note C.....	\$	
Current and delinquent taxes receivable.....		14,405,076
Investments - Note C.....		
Interest and accounts receivable.....		593,817
Due from other governmental units.....		1,737,102
Due from other county funds -- Note L.....		23,904,540
Due from component unit -- Note L.....		
Inventory.....		
Prepayments.....		245,021
Other assets.....		
Deposits and advances.....		352,702
Long term advance to component unit.....		
Long-term advances.....		1,294,703
		<hr/>
TOTAL ASSETS	\$	42,532,961

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September 30, 2014

County Health	Community Action Resource Department	Community Development	Other Governmental Funds	Total Governmental Funds
\$	\$	\$	\$ 2,828,612	\$ 2,828,612
				14,405,076
			4,254,626	4,254,626
408,249		14,859,830	405,400	16,267,296
302,554	10,650,757	696,516	10,520,730	23,907,659
3,812,963	136,272	39,215	8,421,878	36,314,868
17,362		380		17,742
	362,834	422,400	148,647	933,881
11,384			62,664	319,069
	17,534		5,521	23,055
				352,702
			1,720,000	1,720,000
				1,294,703
<u>\$ 4,552,512</u>	<u>\$ 11,167,397</u>	<u>\$ 16,018,341</u>	<u>\$ 28,368,078</u>	<u>\$ 102,639,289</u>

**GENESEE COUNTY**

	<b>General</b>
Accounts payable.....	\$ 469,191
Accrued payroll.....	1,076,385
Other accrued liabilities and deposits.....	3,184
Due to other governmental units.....	
Due to other county funds -- Note L.....	18,115,410
Due to component unit -- Note L.....	5,331,627
Unearned revenue.....	
TOTAL LIABILITIES	<u>24,995,797</u>
Deferred inflows of resources:	
Unavailable property taxes.....	3,945,002
Unavailable grant revenue.....	<u>85,158</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>4,030,160</u>
Fund equities:	
Fund balances - Notes F, G and S:	
Nonspendable.....	1,539,724
Restricted.....	
Committed.....	
Assigned.....	1,000,000
Unassigned.....	<u>10,967,280</u>
TOTAL FUND EQUITIES	<u>13,507,004</u>
LIABILITIES DEFERRED INFLOWS OF RESOURCES AND FUND EQUITIES	<u>\$ 42,532,961</u>

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September 30, 2014

County Health	Community Action Resource Department	Community Development	Other Governmental Funds	Total Governmental Funds
\$ 140,036	\$ 819,896	\$ 575,454	\$ 2,258,600	\$ 4,263,177
235,270	88,432		630,886	2,030,973
14,289			217,496	234,969
375,431		95,150	2,915,500	3,386,081
287,840	10,520,056	70,033	4,038,593	33,031,932
592		13,015		5,345,234
			88,400	88,400
1,053,458	11,428,384	753,652	10,149,475	48,380,766
				3,945,002
400,645	1,557,597	14,842,289	5,609,012	22,494,701
400,645	1,557,597	14,842,289	5,609,012	26,439,703
11,384	362,834	422,400	1,931,319	4,267,661
153,054			5,385,633	5,538,687
			74,994	74,994
2,933,971			9,650,300	13,584,271
	(2,181,418)		(4,432,655)	4,353,207
3,098,409	(1,818,584)	422,400	12,609,591	27,818,820
\$ 4,552,512	\$ 11,167,397	\$ 16,018,341	\$ 28,368,078	\$ 102,639,289

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

## GENESEE COUNTY

## Exhibit A-3-3

September 30, 2014

Fund balances of governmental funds	\$ 27,818,820
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	89,346,821
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds:	
Property taxes	3,945,002
Grant receivable	20,774,701
Rental income from component units	1,720,000
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	10,617,035
Net OPEB liability	(39,607,443)
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>(29,559,292)</u>
Net position of governmental activities	<u><u>\$ 85,055,644</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**

	<u>General</u>
Revenues:	
Taxes--Note H.....	\$ 45,301,522
Licenses and permits.....	884,571
Fines and forfeitures.....	1,396,012
Use of money and property.....	119,421
Federal grants--Note G.....	228,094
State grants--Note G.....	5,513
Other intergovernmental revenues.....	15,001,279
Charges for services.....	9,866,402
Other.....	<u>1,103,506</u>
TOTAL REVENUES	<u>73,906,320</u>
Expenditures:	
Current operations:	
Legislative.....	871,194
Management and planning.....	7,740,566
Administration of justice.....	22,990,359
Law enforcement and community protection.....	22,318,412
Human services.....	1,223,466
Community enrichment and development.....	
General support services.....	
Other.....	2,183,409
Capital outlay.....	32,564
Contribution to Component Units-Genesee Health System Authority.....	3,700,000
Debt service:	
Principal payments.....	
Interest.....	
TOTAL EXPENDITURES	<u>61,059,970</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>12,846,350</u>
Other financing sources (uses):	
Transfers-In.....	7,328,260
Transfers-Out.....	<u>(18,984,287)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(11,656,027)</u>
NET CHANGE IN FUND BALANCES	1,190,323
Fund balance at beginning of year.....	<u>12,316,681</u>
FUND BALANCE AT END OF YEAR	<u><u>\$ 13,507,004</u></u>

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

**Fiscal Year Ended September 30, 2014**

<b>County Health</b>	<b>Community Action Resource Department</b>	<b>Community Development</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$	\$	\$	\$	\$
1,037,914			24,224,389	69,525,911
			92,340	2,014,825
			30,356	1,426,368
			351,821	471,242
4,743,609	13,673,410	3,779,182	18,227,040	40,651,335
2,521,798	1,050,714		9,052,265	12,630,290
2,370,572			5,883,662	23,255,513
301,462			7,189,591	17,357,455
265,013	2,501,200	94,053	918,707	4,882,479
<u>11,240,368</u>	<u>17,225,324</u>	<u>3,873,235</u>	<u>65,970,171</u>	<u>172,215,418</u>
				871,194
				7,740,566
			12,546,542	35,536,901
			10,998,278	33,316,690
13,612,556	18,160,196		36,857,054	69,853,272
		4,089,235	13,947,441	18,036,676
				0
			2,024,698	4,208,107
	78,233		392,416	503,213
				3,700,000
			2,340,000	2,340,000
			1,130,701	1,130,701
<u>13,612,556</u>	<u>18,238,429</u>	<u>4,089,235</u>	<u>80,237,130</u>	<u>177,237,320</u>
<u>(2,372,188)</u>	<u>(1,013,105)</u>	<u>(216,000)</u>	<u>(14,266,959)</u>	<u>(5,021,902)</u>
2,931,549			17,806,696	28,066,505
	(361,813)		(5,857,064)	(25,203,164)
<u>2,931,549</u>	<u>(361,813)</u>	<u>0</u>	<u>11,949,632</u>	<u>2,863,341</u>
559,361	(1,374,918)	(216,000)	(2,317,327)	(2,158,561)
2,539,048	(443,666)	638,400	14,926,918	29,977,381
<u>\$ 3,098,409</u>	<u>\$ (1,818,584)</u>	<u>\$ 422,400</u>	<u>\$ 12,609,591</u>	<u>\$ 27,818,820</u>

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

## GENESEE COUNTY

## Exhibit A-5

Fiscal Year Ended September 30, 2014

Net change in fund balances--total governmental funds \$ (2,158,561)

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	503,213
-Loss on disposals	(2,237,970)
-Depreciation expense	(4,231,011)
Increase in net OPEB liability	(10,512,407)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	4,892,891
---	-----------

Change in accrued interest	(136,622)
----------------------------	-----------

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	2,311,500
--	-----------

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>(969,000)</u>
---	------------------

Change in net position of governmental activities	<u>\$ (12,537,967)</u>
---	------------------------

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

		<b>Business Type Activities -</b>
		<b>Delinquent Taxes</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents.....	\$	3,433,768
Investments.....		14,470,314
Current and delinquent property taxes receivable, less allowance for uncollectibles of \$1,113,772 .....		42,250,823
Interest and accounts receivable, less allowance \$3,061,381.....		4,761,095
Due from other governmental units.....		2,101,186
Due from other county funds.....		1,096,258
Due from component unit.....		364,416
Supplies inventory.....		
Prepayments.....		17,119
<b>TOTAL CURRENT ASSETS</b>		<b>68,494,979</b>
<b>CAPITAL ASSETS</b>		
Construction in progress.....		
Land.....		2,439,608
Land improvements.....		
Buildings and improvements.....		
Equipment.....		507,486
<b>TOTAL CAPITAL ASSETS</b>		<b>2,947,094</b>
Less allowances for depreciation.....		503,172
<b>TOTAL CAPITAL ASSETS, NET</b>		<b>2,443,922</b>
<b>TOTAL ASSETS</b>	<b>\$</b>	<b>70,938,901</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable.....	\$	547,999
Accrued payroll.....		
Other accrued liabilities and deposits.....		195,711
Due to other governmental units.....		5
Due to other County funds.....		7,757,997
Unearned revenue.....		
Compensated absences.....		
Current portion of general, workers compensation claim and IBNR liability..		
Current portion of notes/bonds payable.....		11,901,376
<b>TOTAL CURRENT LIABILITIES</b>		<b>20,403,088</b>
<b>LONG-TERM DEBT</b>		
Net OPEB obligation.....		192,456
General and workers' compensation claim/Liability.....		
Long-term advance.....		
Compensated absences.....		
Notes/bonds payable exclusive of current portion.....		28,800,000
<b>TOTAL LONG-TERM DEBT</b>		<b>28,992,456</b>
<b>TOTAL LIABILITIES</b>		<b>49,395,544</b>
<b>NET POSITION:</b>		
Restricted for:		
Retirement of delinquent tax notes payable.....		12,636,623
Parks & recreation non-expendable.....		
Capital improvement.....		
Net investment in capital assets.....		2,443,922
Unrestricted.....		6,462,812
<b>TOTAL Net Position</b>	<b>\$</b>	<b>21,543,357</b>

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



September 30, 2014		Governmental Activities- Internal Service Funds
Enterprise Funds		
Non-Major Enterprise Funds	Total	
\$ 1,460,785	\$ 4,894,553	\$ 803,967
1,031,538	15,501,852	7,804,102
	42,250,823	
63,524	4,824,619	25,016
95,717	2,196,903	710
	1,096,258	6,277,788
	364,416	
34,448	34,448	44,302
9,380	26,499	1,150,730
<u>2,695,392</u>	<u>71,190,371</u>	<u>16,106,615</u>
		100,652
706,110	3,145,718	193,496
3,086,571	3,086,571	
1,181,214	1,181,214	2,481,824
3,808,936	4,316,422	9,701,111
<u>8,782,831</u>	<u>11,729,925</u>	<u>12,477,083</u>
8,005,994	8,509,166	9,326,398
<u>776,837</u>	<u>3,220,759</u>	<u>3,150,685</u>
<u>\$ 3,472,229</u>	<u>\$ 74,411,130</u>	<u>\$ 19,257,300</u>
\$ 49,562	\$ 597,561	\$ 873,648
22,639	22,639	135,854
57,809	253,520	131,000
0	5	473,954
247,072	8,005,069	2,651,913
		59,508
		3,027,650
		1,363,392
18,000	11,919,376	158,942
<u>395,082</u>	<u>20,798,170</u>	<u>8,875,861</u>
329,980	522,436	
		2,265,595
		1,294,703
		668,146
0	28,800,000	302,645
<u>329,980</u>	<u>29,322,436</u>	<u>4,531,089</u>
<u>725,062</u>	<u>50,120,606</u>	<u>13,406,950</u>
	12,636,623	
1,031,537	1,031,537	
		122,754
758,837	3,202,759	2,689,097
956,793	7,419,605	3,038,499
<u>\$ 2,747,167</u>	<u>\$ 24,290,524</u>	<u>\$ 5,850,350</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.....	\$	12,919,058
Ticket, permit & concession sales.....		
TOTAL OPERATING REVENUES		<u>12,919,058</u>
Operating expenses:		
Salaries and fringe benefits.....		495,315
Supplies and other operating expenses.....		4,541,283
Depreciation.....		58,212
TOTAL OPERATING EXPENSES		<u>5,094,810</u>
OPERATING INCOME (LOSS)		<u>7,824,248</u>
Non-operating revenues (expenses):		
Investment earnings.....		5,612
Interest expense.....		(189,268)
Gain (loss) on sale of property and equipment.....		
Contribution to Component Units-Land Bank Authority & Brownfield.....		(536,000)
TOTAL NON-OPERATING REVENUES (EXPENSES)		<u>(719,656)</u>
INCOME (LOSS) BEFORE TRANSFERS		<u>7,104,592</u>
Transfers-in.....		
Transfers-out.....		(4,500,000)
TOTAL TRANSFERS		<u>(4,500,000)</u>
CHANGE IN NET POSITION		<u>2,604,592</u>
Net position at beginning of year.....		18,938,765
NET POSITION AT END OF YEAR	\$	<u><u>21,543,357</u></u>

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

Year Ended September 30, 2014		Governmental
Type Activities - Enterprise Funds		Activities-
Non-Major		Internal
Enterprise		Service
Funds	Total	Funds
\$	\$	\$
	12,919,058	23,559,215
1,230,798	1,230,798	
1,230,798	14,149,856	23,559,215
661,341	1,156,656	5,327,657
971,334	5,512,617	20,612,389
80,609	138,821	797,601
1,713,284	6,808,094	26,737,647
(482,486)	7,341,762	(3,178,432)
82,831	88,443	188,176
(1,731)	(190,999)	(846)
	(536,000)	599,075
81,100	(638,556)	786,405
(401,386)	6,703,206	(2,392,027)
469,457	469,457	1,423,027
(255,825)	(4,755,825)	
213,632	(4,286,368)	1,423,027
(187,754)	2,416,838	(969,000)
2,934,921	21,873,686	6,819,350
\$ 2,747,167	\$ 24,290,524	\$ 5,850,350

# 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.....	\$ 41,015,599
Cash payment for delinquent taxes.....	(27,556,528)
Cash payments to suppliers for goods and services.....	(4,629,804)
Cash payments to employees for services.....	
Other operating revenues.....	671,103
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	<u>9,500,370</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Borrowing under delinquent tax notes payable.....	35,400,000
Repayments under delinquent tax notes payable.....	(30,498,624)
Interest paid on delinquent tax notes payable.....	(190,281)
Advances (repayments) to other governmental units, County units and funds.....	(2,595,957)
Transfer to component unit.....	(536,000)
Transfers-in from other funds.....	
Transfers-out to other funds.....	
NET CASH PROVIDED BY (USED FOR) NONCAPITAL FINANCING ACTIVITIES	<u>1,579,138</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Acquisition and construction of capital assets.....	
Principal paid on long-term debt.....	
Interest paid on long-term debt.....	
Proceeds from sale of long-term debt.....	
NET CASH PROVIDED BY (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES	<u>0</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of investment securities.....	(66,462,623)
Proceeds from sale and maturities of investment securities.....	58,302,070
Interest and dividends on investments earnings (loss).....	5,624
NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES	<u>(8,154,929)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,924,579
Cash and cash equivalents at beginning of year.....	509,189
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 3,433,768</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:	
Operating income (loss).....	\$ 7,824,248
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation.....	58,212
Provision for uncollectible accounts.....	(42,084)
Change in assets and liabilities:	
(Increase) decrease in current and delinquent property taxes receivable.....	3,508,226
(Increase) decrease in interest and accounts receivable.....	(2,255,026)
(Increase) decrease in supplies inventory.....	
Increase in net OPEB liability.....	192,456
(Increase) decrease in prepayment and other current assets.....	(17,119)
Increase (decrease) in accounts payable and related items.....	231,457
Increase (decrease) in accrued payroll.....	
Increase (decrease) in other accrued liabilities and deposits.....	
Net cash provided by (used for) operating activities.....	<u>\$ 9,500,370</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, 2014		Governmental	
Activities - Enterprise Funds		Activities-	
Non-Major		Internal	
Enterprise		Service	
Funds	Total	Funds	
\$ 1,217,923	\$ 42,233,522	\$ 28,299,166	
	(27,556,528)		
(998,528)	(5,628,332)	(21,236,362)	
(502,924)	(502,924)	(7,095,923)	
	671,103		
<u>(283,529)</u>	<u>9,216,841</u>	<u>(33,119)</u>	
	35,400,000		
	(30,498,624)		
	(190,281)		
225,000	(2,370,957)	(2,623,860)	
	(536,000)		
469,457	469,457	1,570,578	
<u>(255,825)</u>	<u>(255,825)</u>	<u>(147,551)</u>	
<u>438,632</u>	<u>2,017,770</u>	<u>(1,200,833)</u>	
	0	(757,140)	
(28,500)	(28,500)	(4,550)	
		(846)	
		119,693	
<u>(28,500)</u>	<u>(28,500)</u>	<u>(642,843)</u>	
	(66,462,623)	(5,324,539)	
	58,302,070	7,144,421	
<u>(63,418)</u>	<u>(57,794)</u>	<u>188,176</u>	
<u>(63,418)</u>	<u>(8,218,347)</u>	<u>2,008,058</u>	
63,185	2,987,764	131,263	
1,397,601	1,906,790	672,704	
<u>\$ 1,460,786</u>	<u>\$ 4,894,554</u>	<u>\$ 803,967</u>	
\$ (482,486)	\$ 7,341,762	\$ (3,178,434)	
80,609	138,821	797,601	
	(42,084)		
	3,508,226	0	
(22,362)	(2,277,388)	4,900,772	
0	0	861	
116,230	308,686		
82,725	65,606	(49,400)	
(45,851)	185,606	(31,776)	
(14,674)	(14,674)	(1,768,267)	
2,280	2,280	(704,476)	
<u>\$ (283,529)</u>	<u>\$ 9,216,841</u>	<u>\$ (33,119)</u>	
<u>82,725</u>	<u>82,725</u>		

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

**GENESEE COUNTY**

**Exhibit A-9**

	September 30, 2014	
	Total Pension and Employee Fringe Benefit (VEBA)	Agency Funds
	Trust Fund	
<b>ASSETS</b>		
Cash and short-term cash investments.....	\$ 13,226,416	\$ 23,742,508
Cash and investments held as collateral for securities lending.....	4,631,829	
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>17,858,245</b>	<b>23,742,508</b>
Receivables:		
Prepaid expenses.....	474,854	
Other receivables.....	1,569,887	5,068
Accrued interest and dividends.....	1,578,377	
<b>TOTAL RECEIVABLES</b>	<b>3,623,118</b>	<b>5,068</b>
Investments at fair value:		
U.S. government securities.....	41,100,168	
Foreign govts. and agencies.....	139,115,741	
Corporate bonds.....	62,278,772	
Common stocks.....	96,734,949	
Preferred stocks.....	278,365	
Money market.....	700,660	
Mutual funds.....	65,231,341	
Real estate.....	21,734,150	
Hedge fund of funds.....	50,348,267	
<b>TOTAL INVESTMENTS</b>	<b>477,522,413</b>	
<b>TOTAL ASSETS</b>	<b>499,003,776</b>	<b>23,747,576</b>
<b>LIABILITIES</b>		
Accounts payable.....	9,764,664	23,747,576
IBNR liability.....	723,000	
Amounts due broker under securities lending agreement.....	4,650,693	
<b>TOTAL LIABILITIES</b>	<b>15,138,357</b>	<b>23,747,576</b>
<b>NET POSITION</b>		
Held in trust for pension benefits and other purposes.....	<b>\$ 483,865,419</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, 2014</b>
	<b>Total Pension</b> <b>and Employee</b> <b>Benefit</b> <b>Trust Fund</b>
<b>ADDITIONS</b>	
Contributions:	
Employer.....	\$ 22,203,001
Plan members.....	3,954,304
Total contributions.....	<u>26,157,305</u>
Investment earnings:	
Net increase	
in fair value of investments.....	47,450,474
Interest.....	5,036,234
Dividends.....	2,341,294
Total investment earnings.....	<u>54,828,002</u>
Less investment expense.....	<u>1,261,379</u>
Net investment earnings.....	<u>53,566,623</u>
Total additions.....	<u>79,723,928</u>
Securities lending income:	
Interest and fees.....	5,107
Borrower rebates and bank fees.....	4,233
Net securities lending income.....	<u>9,340</u>
Total additions .....	<u>79,733,268</u>
<b>DEDUCTIONS</b>	
Benefits.....	55,968,318
Refunds of contributions.....	141,412
Administrative expenses.....	269,385
Transfer to other pensions plans.....	<u>1,378,448</u>
Total deductions.....	<u>57,757,563</u>
Change in net position.....	21,975,705
Net position - Held in trust for pension benefits and other purposes - beginning of the year.....	461,889,714
Net position - Held in trust for pension benefits and other purposes - end of the year.....	<u>\$ 483,865,419</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 9/30/14	Water and Waste Services 12/31/13	Economic Development Corporation 09/30/14
<b>ASSETS</b>			
Cash and cash equivalents.....	\$ 6,354,228	\$ 6,420,043	\$ 659,897
Investments.....	15,278,982		
Special Assessments and Lease Receivable.....	3,542,400	17,109,265	
Interest and accounts receivable.....	80,967	10,429,173	550
Loan receivables - Net of reserve.....			88,911
Due from other governmental units.....	6,674,210	5,154,003	
Current portion of land contract.....			
Due from primary government.....			
Advances to other funds.....			
Inventory.....	1,189,610	40,619	
Prepayments.....	361,777	483,765	1,300
Other assets.....			
Restricted Assets:			
Cash and cash equivalents.....	4,208,324	23,741,635	
Net OPEB asset.....	2,320,297		
Investment in joint venture.....			
Intangible assets - Net.....			
Capital assets not being depreciated.....	765,759	19,585,281	
Capital assets net of depreciation.....	183,907,659	311,718,900	
<b>TOTAL ASSETS</b>	<b>224,684,213</b>	<b>394,682,684</b>	<b>750,658</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Deferred charge on refunding.....		36,249	
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>0</b>	<b>36,249</b>	<b>0</b>
<b>LIABILITIES</b>			
Accounts payable.....	2,487,075	4,376,843	520
Accrued payroll.....			
Other accrued liabilities and deposits.....	702,477		
Accrued interest payable.....			
Due to other governmental units.....		150	
Due to Primary Government.....			
Funds held in escrow.....			
Advances from other funds.....			
Unamortized note premium.....			
Unearned revenue.....	2,027,933		
Payable from restricted assets:			
Accounts payable.....	570,985	4,857,143	
Long-term advance from primary government.....			
Current portion debt.....	2,251,821	11,835,000	
Long-term debt.....	8,287,904	175,448,580	
Compensated absences.....			
Net OPEB obligation.....		5,197,070	
<b>TOTAL LIABILITIES</b>	<b>16,328,195</b>	<b>201,714,786</b>	<b>520</b>
<b>NET POSITION</b>			
Net investment in capital assets.....	175,188,418	180,089,795	
Restricted for:			
Programs.....			741,657
Debt service.....			
Unrestricted (deficit).....	33,167,600	12,914,352	8,481
<b>TOTAL NET POSITION (DEFICIT)</b>	<b>\$ 208,356,018</b>	<b>\$ 193,004,147</b>	<b>\$ 750,138</b>

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



Drains 9/30/14	Land Bank Authority 9/30/14	Brownfield Authority 09/30/14	Storm Water Management System 09/30/14	Genesee Health System Authority 09/30/14	Total
\$ 3,491,192 201,848 4,290,985	\$ 1,704,195 5,723,087 594,505 9,462,869 13,015 141,223 704,667 2,490 13,916	\$ 352,166 144,300  337,500     2,250,000	\$ 263,292 100,000  11,226	\$ 39,191,321 1,052,001  3,750,150  5,733,828  5,332,219  512,078	\$ 58,436,334 16,777,131 30,665,737 14,855,345 88,911 27,036,136 337,500 5,345,234 141,223 1,975,141 1,361,410 2,263,916  27,949,959 2,320,297 1,939,000 60 20,795,553 524,477,362 736,766,249
40,245	1,939,000 60 84,308 3,357,357	3,083,966	374,518	4,630,939 60,202,536	524,477,362 736,766,249
29,246,982	23,740,692	3,083,966	374,518	60,202,536	736,766,249
0	0	0	0	0	36,249 36,249
47,462 12,209 45,545 28,281	6,037,380 166,477 364,796 406,571	1,000 243,083  225,000 371,594	34,940	14,292,432 754,457 34,352,434 17,362 1,143	27,277,652 12,209 1,912,039 28,281 34,352,584 382,158 225,000 0 371,594 2,435,647
11,680	1,720,000 1,261,642 1,654,297	275,000 11,835,000			5,439,808 1,720,000 15,623,463 199,834,671
2,608,890				1,160,277 1,295,456	1,160,277 6,492,526
2,754,067	11,611,163	12,950,677	34,940	51,873,561	297,267,909
18,613,822	648,268			4,630,939	379,171,242
40,245			339,578		1,121,480 0
7,838,848	11,481,261	(9,866,711)		3,698,036	59,241,867
\$ 26,492,915	\$ 12,129,529	\$ (9,866,711)	\$ 339,578	\$ 8,328,975	\$ 439,534,589

**STATEMENT OF ACTIVITIES  
COMPONENT UNITS**

**GENESEE COUNTY**

**Exhibit A-12**

	Program Revenues				Road Commission 9/30/14
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Component units:					
Road Commission.....	\$ 40,166,248	\$ 10,456,158	\$ 31,942,336	\$	\$ 2,232,246
Water and Waste Services.....	54,792,975	52,629,628		223,439	
Economic Development Corporation..	13,659				
Drains.....	4,116,572	830,109		2,031,164	
Land Bank Authority.....	23,351,306	4,468,383	15,174,684	525,506	
Brownfield Authority.....	567,055	238,628			
Storm Water Management System....	447,569		278,970		
Genesee Health System Authority.....	142,103,163	3,514,317	130,158,585	3,700,000	
Total Component Units	<u>\$ 265,558,547</u>	<u>\$ 72,137,223</u>	<u>\$ 177,554,575</u>	<u>\$ 6,480,109</u>	<u>2,232,246</u>
Revenues:					
Taxes and special assessments.....					1,124,745
Use of money and investments.....					285,591
Other intergovernmental revenues.....					
Unrestricted contributions.....					3,829
Total general revenues and transfers.....					<u>1,414,165</u>
Special item - transfer of operations to Genesee Health Services.....					
Change in net position.....					3,646,411
Net position - beginning of the year (deficit) as restated.....					<u>204,709,607</u>
Net position - end of year (deficit).....					<u>\$ 208,356,018</u>

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

### Component Units

45

# 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 inflow. Revenues for 2014 include property taxes levied principally on December 1, 2013 and substantially collected in early 2014. The "2013 property taxes" assessed on December 31, 2013, become a lien on December 1, 2013, and are to be collected principally by February 28, 2014. Also, for the year ended September 30, 2007 the state legislature 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, 2014 levy is also recognized as revenue for the year ended September 30, 2014 to the extent that it is available. Other significant revenue susceptible to accrual include expenditure reimbursement type grants, certain inter-governmental revenues and 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 County Health Fund accounts for the operations of providing health protection and health services, the main revenue sources are Federal and State grants.

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

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

The government reports the following major enterprise funds:

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

The government reports the following fiduciary funds:

The Pension 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.

# NOTES TO FINANCIAL STATEMENTS

## GENESEE COUNTY

## EXHIBIT A-13

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.

	<u>Total Revenue</u>	<u>Total Expenditures</u>
<u>General Fund</u>		
Amounts per operating statement	\$73,906,320	\$61,059,970
Animal Shelter Fund budgeted separately from the General Fund	(26,358)	(1,046,637)
Medical Examiner Fund budgeted separately from the General Fund	(218,719)	(1,223,466)
Amounts per budget statements	<u>\$73,661,243</u>	<u>\$58,789,867</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 ranging from \$1,500 for equipment to \$100,000 for infrastructure 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 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 expensed at the time they are incurred. 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.

**Deferred Outflows/Inflows of Resources:** In addition to assets, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has a deferred outflow in the Component Units-Water and Waste Services, Economic Development Corporation and government-wide statements related to bond refunding loss that is being amortized.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. There are also deferred inflows in the governmental funds for unavailable grant revenue and property tax revenue.

**Net Position Flow Assumption:** Sometimes the County will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the County's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

**Fund Balance Flow Assumption:** Sometimes the County will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the County's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, 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.

# NOTES TO FINANCIAL STATEMENTS

## GENESEE COUNTY

## EXHIBIT A-13

**Fund Balance Policies:** 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.

### 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: First Merit 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 \$63,808,810 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)	\$ 1,575,646	Counterparty's trust dept
Corporate bonds (self insurance)	1,587,729	Counterparty's trust dept
Corporate stocks (self insurance)	2,868,891	Counterparty's trust dept
Mutual funds (self insurance)	455,643	Counterparty's trust dept
U.S. gov or agency bond or note (VEBA)	598,449	Counterparty's trust dept
Corporate bonds (VEBA)	7,394,649	Counterparty's trust dept
Corporate stock (VEBA)	8,464,230	Counterparty's trust dept
Foreign gov and agency (VEBA)	24,452,148	Counterparty's trust dept
U.S. gov or agency bond or note (pension)	40,501,719	Counterparty's trust dept
Foreign gov and agency (pension)	114,663,593	Counterparty's trust dept
Corporate bonds (pension)	54,884,123	Counterparty's trust dept
Corporate stocks (pension)	88,347,791	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)	\$1,575,646	\$401,274	\$1,194,372	\$
Corporate bonds (self insurance)	1,587,729	383,093	1,204,636	
Money market funds (self insurance)	37,120	37,120		
U.S. gov or agency bond or notes (VEBA)	598,449		598,449	
Corporate bonds (VEBA)	6,616,188	962,875	5,653,313	
Foreign gov (VEBA)	528,281		528,281	
Private placement (VEBA)	250,180		250,180	
Asset backed (pension)	2,344,779		500,000	1,844,779
U.S. gov or agency bond or notes (pension)	479,393	41,300	80,091	358,003
U.S. gov mortgage backed (pension)	3,408,756		94,122	3,314,634
U.S. gov tips (pension)	1,860,335		1,547,775	312,560
U.S. gov treasuries, notes and bonds (pension)	30,444,101	3,461,764	19,107,554	7,874,783
Corporate bonds (pension)	36,927,818	967,244	41,626,846	8,269,258
Corporate bonds (pension)	4,309,134			4,309,134
Foreign corporate (pension)	9,856,579	1,032,016	7,140,226	1,684,337
Foreign gov (pension)	2,877,344		2,023,171	854,173
Private placement (pension)	14,683,985		13,435,530	1,248,455

**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)	\$1,575,646	AA+	S&P
Money Market (self insurance)	857,922	Not Rated	N/A
Corporate bonds (self insurance)	171,917	A-	S&P
Corporate bonds (self insurance)	718,974	BBB+	S&P
Corporate bonds (self insurance)	361,326	BBB	S&P
Corporate bonds (self insurance)	159,052	BBB-	S&P
Corporate bonds (self insurance)	176,460	BB	S&P
Corporate bonds (VEBA)	780,549	AA	S&P
Corporate bonds (VEBA)	1,332,002	A	S&P
Corporate bonds (VEBA)	3,397,187	BBB	S&P
Corporate bonds (VEBA)	1,106,450	BB	S&P
Private Placement (VEBA)	250,180	BBB	S&P
Foreign government bonds (VEBA)	225,281	BB	S&P
Foreign government bonds (VEBA)	303,000	Not Rated	N/A
U.S. gov agency securities (VEBA)	598,449	AA	S&P
Asset backed (pension)	104,875	AAA	S&P
Asset backed (pension)	116,161	AA	S&P
Asset backed (pension)	283,350	A	S&P
Asset backed (pension)	63,440	BB	S&P
Asset backed (pension)	47,574	B	S&P
Asset backed (pension)	738,882	CCC and Below	S&P
Asset backed (pension)	990,497	Not Rated	N/A
Corporate bonds (pension)	1,365,480	AA	S&P
Corporate bonds (pension)	10,031,481	A	S&P
Corporate bonds (pension)	18,429,143	BBB	S&P
Corporate bonds (pension)	4,310,893	BB	S&P
Corporate bonds (pension)	2,339,624	B	S&P
Corporate bonds (pension)	275,600	CCC and Below	S&P
Corporate bonds (pension)	175,598	Not Rated	N/A
Corporate CMO (pension)	502,886	AAA	S&P
Corporate CMO (pension)	365,469	A	S&P
Corporate CMO (pension)	412,534	BBB	S&P
Corporate CMO (pension)	229,364	BB	S&P
Corporate CMO (pension)	116,028	B	S&P
Corporate CMO (pension)	820,843	CCC and Below	S&P
Corporate CMO (pension)	1,862,009	Not Rated	N/A
Private placements (pension)	418,980	AA	S&P
Private placements (pension)	2,046,101	A	S&P
Private placements (pension)	5,888,038	BBB	S&P
Private placements (pension)	2,728,089	BB	S&P
Private placements (pension)	1,495,631	B	S&P
Private placements (pension)	2,107,146	Not Rated	N/A

## NOTES TO FINANCIAL STATEMENTS

### GENESEE COUNTY

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<u>Investment</u>	<u>Fair Value</u>	<u>Rating</u>	<u>Rating Organization</u>
Foreign corporate bonds (pension)	450,113	AAA	S&P
Foreign corporate bonds (pension)	362,358	AA	S&P
Foreign corporate bonds (pension)	2,324,996	A	S&P
Foreign corporate bonds (pension)	4,330,307	BBB	S&P
Foreign corporate bonds (pension)	201,500	BB	S&P
Foreign corporate bonds (pension)	314,750	B	S&P
Foreign corporate bonds (pension)	1,872,555	Not Rated	N/A
Foreign government bonds (pension)	1,479,304	A	S&P
Foreign government bonds (pension)	635,647	BBB	S&P
Foreign government bonds (pension)	762,393	Not Rated	N/A
U.S. government agency (pension)	358,003	AA	S&P
U.S. government agency (pension)	51,763	BBB	S&P
U.S. government agency (pension)	69,628	Not Rated	N/A
U.S. government mortgage backed (pension)	3,408,756	Not Rated	N/A
U.S. government TIPS (pension)	1,860,335	Not Rated	N/A
U.S. government treasuries, notes and bonds (pension)	30,444,101	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>
Australian Dollar	\$ 1
Brazilian Real	1,031,740
Canadian Dollar	62,718
Euro	53,556
Great British Pounds	10,585,789
Mexican Peso	447,563
Norwegian Kroner	2
Hong Kong Dollar	3,820,987
Philippine Peso	147,497
Swedish Krona	179,183
Taiwan Dollar	76,750

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 Pension System lends securities to broker-dealers and banks for collateral that will be returned for the same securities in the future. The Pension 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, 2013, only United States currency was received as collateral.

The Pension System did not impose any restrictions during the fiscal year on the amount of loans made on its behalf by the custodial bank. The Pension System presently owns \$246,496 of Sigma Finance Medium Term Note which is a defaulted investment. The Pension 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, 2013, the Pension 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 Pension System as of December 31, 2013 was \$4,631,829 and \$4,489,568 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, 2014 is summarized as follows:

<u>Governmental activities:</u>	<u>Balance Oct. 1, 2013</u>	<u>Additions</u>	<u>Disposals</u>	<u>Reclassifications</u>	<u>Balance Sept. 30, 2014</u>
Capital assets not being depreciated					
Land.....	\$ 11,349,565	\$	\$	\$	\$ 11,349,565
Construction in progress.....	49,188	59,714		(8,250)	100,562
Subtotal .....	11,398,753	59,714		(8,250)	11,450,217

<b>Governmental activities:</b>	<b>Balance Oct. 1, 2013</b>	<b>Additions</b>	<b>Disposals</b>	<b>Reclassifications</b>	<b>Balance Sept. 30, 2014</b>
Capital assets being depreciated:					
Land improvements .....	8,916,672				8,916,672
Buildings and improvements .....	122,520,930		363,709		122,157,221
Machinery and equipment .....	29,706,497	1,601,717	5,987,659	8,250	25,328,805
Subtotal .....	161,144,099	1,601,717	6,351,368	8,250	156,402,698
Less accumulated depreciation for:					
Land improvements .....	39,724	6,246			45,970
Buildings .....	56,223,489	3,413,121	363,710		59,272,900
Machinery and equipment .....	21,154,789	1,609,245	3,576,810		19,187,224
Subtotal .....	77,418,002	5,028,612	3,940,520		78,506,094
Governmental activities					
Capital assets, net of depreciation .....	<u>\$ 95,124,850</u>	<u>\$ (3,367,181)</u>	<u>\$ 2,410,848</u>		<u>\$ 89,346,821</u>
<b>Business type activities:</b>	<b>Balance Oct. 1, 2013</b>	<b>Additions</b>	<b>Disposals</b>	<b>Reclassifications</b>	<b>Balance Sept. 30, 2014</b>
Capital assets not being depreciated:					
Land .....	\$ 3,145,718	\$	\$	\$	\$ 3,145,718
Capital assets being depreciated:					
Buildings .....	1,181,215				1,181,215
Land improvements .....	3,086,571				3,086,571
Machinery and equipment .....	4,428,341		111,920		4,316,421
Subtotal .....	8,696,127		111,920		8,584,207
Less accumulated depreciation for:					
Buildings .....	1,130,496	34,245			1,164,741
Land improvements .....	3,086,571				3,086,571
Machinery and equipment .....	4,265,198	104,576	111,920		4,257,854
Subtotal .....	8,482,265	138,821	111,920		8,509,166
Business type activities					
Capital assets, net of depreciation .....	<u>\$ 3,359,580</u>	<u>\$ (138,821)</u>	<u>\$</u>	<u>\$</u>	<u>\$ 3,220,759</u>

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

Governmental activities:	
Administration of Justice .....	\$ 1,271,481
Law Enforcement and Community Protection .....	927,162
Human Services .....	523,544
Community Enrichment and Development .....	511,006
General Support Services .....	106,934
Other .....	890,883
Internal service fund depreciation is charged to the various functions based on their usage of the assets	797,602
Total governmental activities .....	<u>\$ 5,028,612</u>
Business type activities:	
Delinquent tax revolving .....	\$ 58,212
Parks and Recreation .....	80,609
Total business type activities .....	<u>\$ 138,821</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, 2013</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance Sept 30, 2014</b>	<b>Due within One Year</b>
Government Activities:					
Internal Service Fund Equipment Notes .....	\$ 15,873	\$ 450,266	\$ (4,551)	\$ 461,588	\$ 158,942
Capital Improvement Bonds 2011, Proceeds were used to					
Renovate various County Buildings .....	605,000		(65,000)	540,000	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 .....	4,430,000		(440,000)	3,990,000	450,000

# NOTES TO FINANCIAL STATEMENTS

## GENESEE COUNTY

## EXHIBIT A-13

	<u>Balance Oct. 1, 2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance Sept 30, 2014</u>	<u>Due within One Year</u>
JCI Energy Bonds 2010, Debt was issued to perform numerous Energy efficiency improvements on most County Buildings...	7,515,784		(340,000)	7,175,784	380,000
3.7% to 5.0% Genesee County Building Authority Bonds, Series 2000, Callable after May 1, 2008 .....	108,500		(66,500)	42,000	42,000
4.75% to 5.7% Genesee County Bonds Series 2004-B Capital Improvement Bonds, Bonds maturing before April 1, 2014 not subject to redemption prior to maturity.....	1,765,000		(45,000)	1,720,000	50,000
3.00% to 5.00% Genesee County Refunding Bonds Bonds maturing on or prior to May 1, 2015 shall not be subject to redemption prior to maturity. Bonds maturing on or after May 1, 2016 may be subject to prior redemption	8,415,000		(1,240,000)	7,175,000	1,300,000
6.34% Capital Improvement Bonds, Series 2008 maturing on or prior to November 1, 2018 not be subject to Redemption prior to maturity.....	690,000		(115,000)	575,000	115,000
Total Bonds and Notes .....	<u>23,545,157</u>	<u>450,266</u>	<u>(2,316,051)</u>	<u>21,679,372</u>	<u>2,560,942</u>
Self-Insurance Claim Liability .....	<u>4,124,867</u>	<u>2,604,307</u>	<u>(3,100,187)</u>	<u>3,628,987</u>	<u>1,363,392</u>
Self-Insured Medicals .....	<u>178,775</u>		<u>(47,775)</u>	<u>131,000</u>	<u>131,000</u>
Compensated absences .....	<u>4,217,226</u>	<u>3,321,874</u>	<u>(3,843,304)</u>	<u>3,695,796</u>	<u>3,027,650</u>
Total Governmental Activities .....	<u>32,066,025</u>	<u>6,376,447</u>	<u>(9,307,317)</u>	<u>29,135,155</u>	<u>7,082,984</u>
Business Type Activities					
Parks and Recreation Fund:					
3.7% to 5.0% Genesee County Building Authority Bonds, Series 1998, Callable after May 1, 2008, at par plus accrued interest to date .....	46,500		(28,500)	18,000	18,000
Delinquent Tax Fund:					
Variable rate Delinquent tax notes .....	<u>35,800,000</u>	<u>35,400,000</u>	<u>(30,498,624)</u>	<u>40,701,376</u>	<u>11,901,376</u>
Total Business-type Activities .....	<u>35,846,500</u>	<u>35,400,000</u>	<u>(30,527,124)</u>	<u>40,719,376</u>	<u>11,919,376</u>
Total Long-term Debt .....	<u>\$ 67,912,525</u>	<u>\$41,776,447</u>	<u>\$(39,834,441)</u>	<u>\$69,854,531</u>	<u>\$19,002,360</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, 2014 are as follows:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2015 .....	\$2,554,029	\$ 1,024,991	\$18,000	\$ 900
2016 .....	2,644,820	907,481		
2017 .....	2,769,739	785,589		
2018 .....	2,745,000	657,725		
2019 .....	2,875,000	525,695		
2020/2024 .....	5,415,000	1,301,915		
2025/2029 .....	2,050,784	350,731		
2030/2034 .....	625,000	110,864		
TOTALS .....	<u>\$21,679,372</u>	<u>\$ 5,664,991</u>	<u>\$18,000</u>	<u>\$ 900</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, 2014, the County's debt limit amounted to \$924,039,288 and indebtedness subject to the limitation aggregated \$153,478,897.

### 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, 2014.

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, 2014 was \$5,092,101 with \$3,628,987 accrued as a liability for incurred losses and expenses. An actuarial study projected a required reserve of \$0.0 million for 2014. 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, 2014 and 2013 is as follows:

	<u>Year Ended 9/30/14</u>	<u>Year Ended 9/30/13</u>
Claims Liability (beginning of year) .....	\$4,124,867	\$4,549,999
Claims incurred during the period .....	1,735,688	1,851,619
Changes in estimate for claims of prior periods .....	868,619	(323,705)
Payments on claims .....	<u>(3,100,187)</u>	<u>(1,953,046)</u>
Claims liability (end of year) .....	<u>\$3,628,987</u>	<u>\$4,124,867</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, 2014 was \$2,592,406 with \$131,000 accrued as a liability for incurred losses and expenses.

A reconciliation of the claims liability for the year ended September 30, 2014 is as follows:

	<u>Pharmaceuticals</u>	<u>Medical</u>	<u>Total Insurance</u>
Claims Liability (beginning of year) .....	\$ 28,636	\$ 50,139	\$ 178,775
Claims incurred during the period .....	75,364	(6,139)	69,225
Payments on claims .....	<u>(52,000)</u>	<u>(65,000)</u>	<u>(117,000)</u>
Claims liability (end of year) .....	<u>\$ 52,000</u>	<u>\$ 79,000</u>	<u>\$ 131,000</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 \$1,294,703 and prepaids in the amount of \$245,021.

The following funds were in a deficit at year end:

Component Unit:	
Brownfield Authority	\$9,866,711
Major Special Revenue:	
Community Action Resource Department	1,818,584
Nonmajor Special Revenue:	
Sheriff Contracted Services	52,005
Internal Service Funds:	
Administrative Services	2,335,392
Vehicles and Equipment	36,857

# NOTES TO FINANCIAL STATEMENTS

## GENESEE COUNTY

## EXHIBIT A-13

### 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 and personal property in Genesee County for the 2013 levy was assessed at \$9,240,392,881 and equalized at \$9,240,392,881 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.

By agreement with various taxing authorities, the County purchases at face value the real property taxes receivable returned delinquent each March 1. These receivables (\$42,250,823 at September 30, 2014) 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 \$41,021,233 in 2014, are used to service the notes payable. Principal and interest paid on the notes payable in 2014 amounted to \$30,688,905.

### 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 Genesee Health System Authority (formerly 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, 2013, the date of the latest actuarial valuation, was comprised of 793 active plan members, 75 inactive vested members and 1,657 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, 2014, 2013, and 2012, are summarized as follows:

Fiscal Year End	Annual Pension Costs (APC)	% of APC Contributed	Net Pension Obligation (Asset)
09/30/12	\$12,232,054	100.0%	0
09/30/13	14,736,420	86.4%	0
09/30/14	16,047,170	100.0%	0

### ACTUARIAL METHODS AND ASSUMPTIONS

In the December 31, 2013 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

	12/31/2011	12/31/2012	12/31/2013
Actuarial Valuation as of			
Actuarial Value of Assets	\$365,262,318	\$387,979,375	\$409,675,263
Actuarial Accrued Liability (Entry Age)	549,929,631	559,390,939	548,195,654
Unfunded AAL	184,667,313	171,411,564	138,520,391
Funded Ratio	66.4%	69.4%	74.7%
Covered Payroll	52,236,539	49,736,813	47,627,546
UAAL as a % of Covered Payroll	353.5%	344.6%	290.8%

## 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, 2014, employer and employee contributions to the plan were \$2,759,434 and \$1,652,316, 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, 2014. At that time the liability was determined to be \$344,160,043 with the computed contribution as a percentage of payroll (based on 30-year amortization of the unfunded liability) to be 57.18% or \$19,066,021.

The County has been working to systematically increase contributions into the VEBA to eventually equal the ARC (annual required contribution). 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, and 20% in 2011/2012, 2012/2013, and 2013/2014 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, 2014 in an amount of \$40,129,879.

## FUNDING PROGRESS

Fiscal Year Ended September 30			
	2012	2013	2014
Annual required contribution (recommended)	\$ 18,549,049	\$18,549,049	\$19,066,021
Interest on the prior year's net OPEB obligation	797,853	1,211,518	1,764,582
Adjustment to the annual required contribution	<u>(443,250)</u>	<u>(1,018,580)</u>	<u>(1,483,563)</u>
Annual OPEB cost	18,903,652	18,741,987	19,347,040
Amount contributed	<u>12,009,195</u>	<u>9,524,252</u>	<u>8,626,867</u>
(Increase) in net OPEB Liability	(6,894,457)	(9,217,735)	(10,720,173)
OPEB Liability – beginning of year	<u>(13,297,514)</u>	<u>(20,191,971)</u>	<u>(29,409,706)</u>
OPEB Liability – end of year	<u>\$ (20,191,971)</u>	<u>\$ (29,409,706)</u>	<u>\$ (40,129,879)</u>

Fiscal Year Ended September 30			
	2012	2013	2014
Annual OPEB Costs	\$18,903,652	\$18,741,987	\$19,347,040
Percentage contributed	64%	51%	45%
Net OPEB obligation	(20,191,971)	(29,409,706)	(40,129,879)

## NOTES TO FINANCIAL STATEMENTS

### GENESEE COUNTY

### EXHIBIT A-13

Valuation Date September 30	Plan Year Ended September 30		
	2010	2012	2014
Value of Assets at September 30	\$ 41,579,376	\$ 43,313,587	\$41,485,721
Actuarial Accrued Liability	286,696,396	308,208,023	344,160,043
Unfunded AAL	245,117,000	264,894,436	302,674,322
Funded Ratio	15%	14%	12%
Annual Covered Payroll	\$ 58,028,000	36,987,137	33,343,864
Ratio of UAAL to Covered Payroll	422.41%	716.18%	907.74%

#### ACTUARIAL METHODS AND ASSUMPTIONS

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

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

In the September 30, 2014 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, 2014 was 30 years.

#### NOTE J – LEASES

The County is party to numerous operating leases, aggregate rental expenses which were approximately \$76,467 for the year ended September 30, 2014 exclusive of the amount paid to a related organization described below. Minimum future rental payments under existing leases are not significant.

#### NOTE K – DEFERRED INFLOWS/OUTFLOWS OF RESOURCES

At the end of the current fiscal year, the various components of deferred inflows of resources are as follows:

	Governmental Funds
Property taxes unavailable	\$ 3,945,002
Long-term receivable	1,720,000
Revenue in grant funds not collected in allotted time period	20,774,701
Total governmental funds deferred inflows	<u>\$26,439,703</u>

At the end of the current fiscal year, the various components of deferred outflows of resources are as follows:

	Component Units
Water and Waste Services-Deferred charge of refunding	\$ 36,249

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

##### Interfund Receivable and Payables:

	Interfund Receivable	Interfund Payable
Government Funds:		
General Fund:		
County Health .....	\$	\$ 3,488,712
Genesee County Community Action Resource Department .....	10,383,234	
Community Development .....		39,215
Enterprise .....	7,959,173	922,820
Non-major Special Revenue .....	2,987,365	8,162,228
Capital Projects .....	12,400	
Internal Service .....	<u>2,562,368</u>	<u>5,502,435</u>
Total General Fund .....	<u>23,904,540</u>	<u>18,115,410</u>



Interfund Receivable and Payables continued:

	Interfund Receivable	Interfund Payable
County Health:		
General Fund.....	3,488,712	
Genesee County Community Action Resource Department .....		7,638
Non-major Special Revenue.....	324,251	
Internal Service.....		<u>280,202</u>
Total County Health .....	<u>3,812,963</u>	<u>287,840</u>
Genesee County Community Action Resource Department:		
General Fund.....		10,383,234
County Health.....	7,638	
Non-major Special Revenue.....	128,634	
Internal Service.....		<u>136,822</u>
Total Genesee County Community Action Resource Department ..	<u>136,272</u>	<u>10,520,056</u>
Community Development:		
General Fund.....	39,215	
Non-major Special Revenue.....		69,633
Internal Service.....		<u>400</u>
Total Community Development .....	<u>39,215</u>	<u>70,033</u>
Non-major Special Revenue Funds:		
General Fund.....	8,162,228	2,987,365
County Health.....		324,251
Genesee County Community Action Resource Department .....		128,634
Community Development .....	69,633	
Non-major Special Revenue.....	100,973	100,973
Enterprise .....		173,438
Internal Service.....	<u>89,044</u>	<u>311,532</u>
Total Non-major Special Revenue Funds.....	<u>8,421,878</u>	<u>4,026,193</u>
Capital Projects:		
General Fund.....		<u>12,400</u>
Total Non-major Capital Projects Funds .....		<u>12,400</u>
Total Governmental Funds.....	<u>36,314,868</u>	<u>33,031,932</u>
Enterprise:		
General Fund.....	922,820	7,959,173
Non-major Special Revenue.....	173,438	
Internal Service.....		<u>45,896</u>
Total Delinquent Tax.....	<u>1,096,258</u>	<u>8,005,069</u>
Total Business Type Activity.....	<u>1,096,258</u>	<u>8,005,069</u>
Internal Service Funds:		
General Fund.....	5,502,435	2,562,368
County Health .....	280,202	
Genesee Community Action Resource Department.....	136,822	
Community Development .....	400	
Non-major Special Revenue.....	311,532	89,044
Enterprise .....	45,896	
Internal Service.....	<u>501</u>	<u>501</u>
Total Internal Service Funds ..	<u>6,277,788</u>	<u>2,651,913</u>
Total Interfund Receivables/Payables .....	<u>\$43,688,914</u>	<u>\$43,688,914</u>
Due to/from primary government and component units:		
Component unit Land Bank Authority.....	\$ 13,015	\$ 364,796
Component unit Genesee Health Systems .....	5,332,219	17,362
Primary government Major General Fund .....		5,331,627
Primary government Major Special Revenue Health Department.....	17,362	592
Primary government Major Special Revenue Community Development .....	380	13,015
Primary government Delinquent Taxes .....	<u>364,416</u>	<u>0</u>
Total Primary Government and Component Unit Interfund Receivables/Payables	<u>\$5,727,392</u>	<u>\$5,727,392</u>

# NOTES TO FINANCIAL STATEMENTS

## GENESEE COUNTY

## EXHIBIT A-13

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 .....	\$1,720,000	
Component unit – Land Bank Authority.....		\$1,720,000
Primary Government – General Fund .....	1,294,703	
Primary Government – Vehicles and Equipment .....		<u>1,294,703</u>
Total Primary Government and Component Unit Long-term Advances .....	<u>\$3,014,703</u>	<u>\$3,014,703</u>

### Interfund Transfers In and Out:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major Funds:		
General:		
County Health.....	\$	\$ 2,607,298
Enterprise .....	4,725,000	
Non-major Special Revenue.....	2,603,260	13,697,762
Debt .....		2,559,035
Internal.....		<u>120,192</u>
Total General Fund .....	<u>7,328,260</u>	<u>18,984,287</u>
County Health:		
General... ..	2,607,298	
Non-major Special Revenue.....	<u>324,251</u>	
Total County Health.....	<u>2,931,549</u>	<u>0</u>
Genesee County Community Action Resource Department (GCCARD)		
County Health.....		
GCCARD .....		
Non-major Special Revenue... ..		
Debt .....		<u>361,813</u>
Total GCCARD .....		<u>361,813</u>
Non-major Special Revenue:		
General .....	13,697,762	2,603,260
County Health .....		324,251
Enterprise .....		469,457
Debt .....		18,495
Non-major Special Revenue.....	1,138,766	1,138,766
Internal.....		<u>1,302,835</u>
Total Non-major Special Revenue Funds.....	<u>14,836,528</u>	<u>5,857,064</u>
Debt:		
General .. ..	2,559,035	
County Health .....		
GCCARD .....	361,813	
Debt .....		
Capital....		
Non-major Special Revenue.....	18,495	
Enterprise .....	<u>30,825</u>	
Total Debt Service Funds . .....	<u>2,970,168</u>	
Total Governmental Funds .....	<u>28,066,505</u>	<u>25,203,164</u>
Enterprise:		
General .. ..		4,725,000
Debt .....		30,825
Non-major Special Revenue.....	469,457	
Enterprise .....		
Internal....		
Total Enterprise Funds .....	<u>469,457</u>	<u>4,755,825</u>
Internal Services:		
General .....	120,192	
Non-major Special Revenue.....	<u>1,302,835</u>	
Total Internal Service Funds.....	<u>1,423,027</u>	
Total Transfers In/Out .....	<u>\$29,958,989</u>	<u>\$29,958,989</u>

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

#### NOTE M - EXCESSES OF EXPENDITURES OVER APPROPRIATIONS

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

<u>Fund</u>	<u>Excess</u>
<u>General Fund</u>	<u>Expenditures</u>
Board of Commissioners .....	\$ 1,895
Board Coordinator .....	216
County Clerk .....	13,243
Treasurer .....	4,804
GIS.....	5,706
Register of Deeds .....	1,262
Adult Probation .....	2,697
District Court .....	15,879
Probate Court .....	2,218
Prosecutor .....	9,733
Office of Emergency Preparedness.....	47,828
Appropriations:	
Administration of Justice Funds.....	3,646
<b>Other Non-major Governmental Funds</b>	
Accommodation Ordinance Tax .....	304,407
Community Enrichment and Development.....	2,323,493
Emergency Medical Services .....	252,874
Flint City Lockup.....	343,054
Health Care Services.....	764,085
Law Enforcement.....	71,949
Parks and Recreation.....	2,859,503
Sheriff Contracted Services.....	313,392

The cause of the budget overruns were unanticipated expenditures.

#### 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 \$25,687,769 of bank deposits (checking and high balance savings accounts) that were uninsured and uncollateralized. At year end, the Economic Development Corporation had \$103,604 of bank deposits (checking and high balance savings accounts) that were uninsured and uncollateralized. At year end, the Water and Waste Services Division had \$7,442,603 of bank deposits (checking and high balance savings accounts) that were uninsured and uncollateralized. At year end, the Drain Commission had \$393,475 of bank deposits (checking and high balance savings accounts) that were uninsured and uncollateralized. At year end, the Land Bank Authority had \$1,514,430 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 \$28,799 of bank deposits (checking and savings accounts) that were uninsured and uncollateralized. At year end, the Genesee Health System had \$39,213,184 of bank deposits (checking and savings accounts) that were uninsured and uncollateralized.

## NOTES TO FINANCIAL STATEMENTS

### GENESEE COUNTY

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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	\$24,519,778	\$24,519,778
Land Bank Authority:		
<u>Investment</u>	<u>Fair Value</u>	<u>Less than one year</u>
Governmental security pooled fund	\$1,514,430	\$1,514,430
Genesee Health System:		
<u>Investment</u>	<u>Fair Value</u>	<u>Less than one year</u>
Governmental security pooled fund	\$1,000,000	\$1,000,000
Mutual funds	52,001	52,001

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	\$24,519,778	N/A	N/A
Land Bank Authority:			
<u>Investment</u>	<u>Fair Value</u>	<u>Rating</u>	<u>Rating Organization</u>
Governmental security pool	\$1,514,430	N/A	N/A
Genesee Health System:			
<u>Investment</u>	<u>Fair Value</u>	<u>Rating</u>	<u>Rating Organization</u>
Governmental security pooled fund	\$1,000,000	N/A	N/A
Mutual funds	52,001	N/A	N/A

Concentration of credit risk – State law limits allowable investments but does not limit concentration of credit risk. The Road Commission's investment policy does not have specific limits in excess of State law on concentration of credit risk. At year end, the Road Commission's investments are comprised of a single investment account; the MERS Total Market Fund.

#### ROAD COMMISSION:

**Restricted Cash and Cash Equivalents:** Certain resources are set aside for performance/escrow deposits, unexpended proceeds from special assessment district notes and unexpended bond proceeds.

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

	<u>Balance</u> <u>October 1, 2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>September 30, 2014</u>
MTF notes	\$ 7,210,000	\$	\$(1,465,000)	\$ 5,745,000
Recovery Zone Bond	4,315,000		( 575,000)	3,740,000
Total notes and leases	11,525,000		(2,040,000)	9,485,000
Compensated absences	1,068,539		( 13,814)	1,054,725
Total long-term debt	\$ 12,593,539	\$	\$(2,053,814)	\$10,539,725

The outstanding bonds and notes payable at September 30, 2014, 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, 2014</u>	<u>Due Within One Year</u>
Michigan Transportation Fund notes:					
2006A Issue.....	August 1, 2016	4.00%	\$285,000-295,000	\$ 580,000	\$285,000
2007 Issue.....	September 30, 2017	3.70-4.00	480,000-525,000	1,505,000	480,000
2008 Issue.....	August 1, 2018	3.00-4.00	435,000-515,000	1,895,000	435,000
2009 Issue.....	August 1, 2019	2.00-3.30	330,000-380,000	<u>1,765,000</u>	<u>330,000</u>
Total Notes .....				5,745,000	1,530,000
Recovery Zone Bond 2010 Issue.....	August 1, 2020	4.34	585,000-665,000	3,740,000	585,000
Compensated absences .....				<u>1,054,725</u>	<u>136,821</u>
				<u>\$10,539,725</u>	<u>\$2,251,821</u>

Annual requirements to pay principal and interest on the outstanding obligations at September 30, 2014, are as follows:

	<u>Long-term debt</u>
Year Ended 9-30-2015 .....	\$2,486,748
9-30-2016 .....	2,486,197
9-30-2017 .....	2,181,607
9-30-2018 .....	1,639,016
09-30-2019 .....	1,094,394
09-30-2020 .....	<u>693,861</u>
Amount representing interest .....	<u>(1,096,823)</u>
	<u>\$ 9,485,000</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, 2014, 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 \$21,235,815 compared to the annual debt requirements of \$2,487,494.

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

	<u>Balance Oct. 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance Sept. 30, 2014</u>
Capital assets not being depreciated:				
Land and improvements .....	\$ 478,816	\$	\$	\$ 478,816
Construction in progress.....	479,185	285,733	479,185	285,733
Depletable assets .....	<u>1,210</u>			<u>1,210</u>
Subtotal .....	959,211	285,733	479,185	765,759
Capital assets being depreciated:				
Land improvements .....	2,256,082	111,761		2,367,843
Buildings and improvements.....	9,759,764	951,827	22,822	10,688,769
Equipment:				
Road.....	26,583,280	2,801,443	2,022,060	27,362,663
Shop .....	575,013	62,984	6,852	631,145
Engineering .....	126,654	29,575		156,229
Yard and Storage .....	605,038			605,038
Office .....	<u>1,439,929</u>	<u>24,585</u>	<u>99,111</u>	<u>1,365,403</u>
Total .....	41,345,760	3,982,175	2,150,845	43,177,090
Infrastructure-Roads .....	368,317,698	15,134,660		383,452,358
Infrastructure-Bridges.....	<u>30,267,002</u>	<u>1,324,818</u>		<u>31,591,820</u>
Subtotal .....	<u>439,930,460</u>	<u>20,441,653</u>	<u>2,150,845</u>	<u>458,221,268</u>

# NOTES TO FINANCIAL STATEMENTS

## GENESEE COUNTY

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Capital assets continued:	<u>Balance</u> <u>Oct. 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Sept. 30, 2014</u>
Less accumulated depreciation for:				
Land improvements .....	(651,614)	(113,004)		(764,618)
Buildings and improvements.....	(6,658,729)	(384,268)	(22,822)	(7,020,175)
Equipment:				
Road.....	(21,273,036)	(2,154,205)	(1,992,604)	(21,434,637)
Shop .....	(384,178)	(28,933)	(6,852)	(406,259)
Engineering .....	(86,269)	(6,999)		(93,268)
Yard and storage.....	(507,747)	(10,607)		(518,354)
Office .....	(975,805)	(127,365)	(99,111)	(1,004,059)
Subtotal.....	<u>(30,537,378)</u>	<u>(2,825,381)</u>	<u>(2,121,389)</u>	<u>(31,241,370)</u>
Infrastructure-Bridges .....	(8,393,082)	(791,032)		(9,184,114)
Infrastructure-Roads .....	<u>(220,969,069)</u>	<u>(12,919,056)</u>		<u>(233,888,125)</u>
Subtotal.....	<u>(259,899,529)</u>	<u>(16,535,469)</u>	<u>(2,121,389)</u>	<u>(274,313,609)</u>
Total net capital assets.....	<u>\$180,990,142</u>	<u>\$ 4,191,917</u>	<u>\$ 508,641</u>	<u>\$184,673,418</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, 2014, the Road Commission has estimated the cost of providing retiree health-care benefits through an actuarial valuation as of September 30, 2014. 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 September 30</u>		
	<u>2012</u>	<u>2013</u>	<u>2014</u>
Annual required contribution (recommended)	\$4,536,548	\$4,501,630	\$2,824,459
Interest on the prior year's net OPEB obligation	102,137	88,459	(4,209)
Less adjustment to the annual required contribution	<u>(165,462)</u>	<u>(141,299)</u>	<u>(4,754)</u>
Annual OPEB cost	\$4,473,223	\$4,448,790	\$2,825,004
Amount contributed:			
Payments of current premiums	(2,708,943)	(2,684,373)	(2,089,177)
Advance funding	<u>(2,000,000)</u>	<u>(3,000,000)</u>	<u>(3,000,000)</u>
Decrease in net OPEB obligation	(235,720)	(1,235,583)	(2,264,173)
OPEB obligation – beginning of year as restated	<u>1,361,831</u>	<u>1,179,459</u>	<u>(56,124)</u>
OPEB obligation (asset) – end of year	<u>\$ 1,126,111</u>	<u>\$ (56,124)</u>	<u>\$(2,320,297)</u>

	<u>Fiscal Year Ended September 30</u>		
	<u>2012</u>	<u>2013</u>	<u>2014</u>
Annual OPEB Costs	\$4,473,223	\$4,448,790	\$2,825,004
Percentage contributed	104%	128%	180%
Net OPEB obligation	\$1,126,111	\$ (56,124)	\$(2,320,297)

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

	<u>Fiscal Year Ended September 30</u>		
	<u>2012</u>	<u>2013</u>	<u>2014</u>
Unfunded AAL	\$42,584,913	\$42,584,913	\$(23,953,496)
Actuarial value of plan assets	14,074,339	14,074,339	24,519,778
Actuarial accrued liability	56,659,252	56,659,252	48,473,274
Funded	25%	25%	51%
Annual covered payroll – September 30,	\$8,713,876	\$8,713,876	\$8,866,075
Ratio of UAAL to covered payroll	489%	489%	270%

## 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.

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, 2014 was 24 years.

## WATER AND WASTE SERVICES:

**Restricted Assets:** Certain assets are restricted by Water and Waste Services bond ordinances for capital outlay. In addition, unspent bond proceeds and County capital improvement fees are restricted for the construction of water collection and sewage disposal systems projects. When an expense is incurred that allows the use of restricted assets (such as bond debt principal and interest), those assets are applied before utilizing any unrestricted assets.

In 2013, total restricted cash in the Water Supply System Fund within Water and Waste Services of \$23,741,635 is comprised of \$23,192,995 related to unspent bond proceeds and \$548,640 related to restriction by bond ordinance. The liabilities payable from restricted assets include construction accounts payable in the amount of \$4,424,066 which will be paid from the unspent bond proceeds and accrued interest payable of \$615,077 which will be paid from restricted cash for bond ordinances and unrestricted cash from operations.

**Long-term Debt:** The summary of long-term debt transactions for the Water and Waste Services for the year ended December 31, 2013 is presented below:

	<u>Balance Jan. 1, 2013</u>	<u>Additions (Reductions)</u>	<u>Balance Dec. 31, 2013</u>	<u>Due In One Year</u>
1.625% to 6.0% Interceptor and treatment facilities .....	\$ 101,380,126	\$ 410,897		
.....		(6,670,000)	\$95,121,023	\$6,835,000
2.5% to 7.375% District No. 3.....	29,999,265			
.....		(11,485,000)	18,514,265	2,970,000
2.50% to 5.00% Water supply system .....	38,985,000	35,000,000		
.....		(1,310,000)	72,675,000	2,030,000
Subtotal.....	<u>170,364,391</u>	<u>15,945,897</u>	<u>186,310,288</u>	<u>11,835,000</u>
Unamortized note premium .....	<u>318,505</u>	<u>654,787</u>	<u>973,292</u>	<u>0</u>
	<u>\$170,682,896</u>	<u>\$ 16,600,684</u>	<u>\$187,283,580</u>	<u>\$11,835,000</u>

The annual requirements to pay principal and interest on the outstanding obligations for Water and Waste Services at December 31, 2013 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014 .....	\$ 11,835,000	\$6,159,841	\$17,994,841
2015 .....	11,740,000	5,802,902	17,542,902
2016 .....	11,755,000	5,563,425	17,318,425
2017 .....	11,030,000	5,313,164	16,343,164
2018 .....	10,275,000	5,052,667	15,327,667
2019-2023.....	48,360,000	21,939,056	70,299,056
2024-2028.....	47,995,000	13,439,616	61,434,616
2029-2033.....	22,490,288	5,731,450	28,221,738
2034-2038.....	<u>10,830,000</u>	<u>1,807,344</u>	<u>12,637,344</u>
Total .....	<u>\$186,310,288</u>	<u>\$70,809,465</u>	<u>\$257,119,753</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

## NOTES TO FINANCIAL STATEMENTS

### GENESEE COUNTY

### EXHIBIT A-13

revenues of the water and sewer system. The remaining principal and interest to be paid on the bonds total \$170,944,321. For the year ended December 31, 2013, net revenues of the system were \$12,340,914 compared to the annual debt requirements of \$7,610,379.

Karegnondi Water Authority – See Note R

**Capital Assets** - The summary of capital assets for Water and Waste Services at December 31, 2013 is displayed below:

	<u>Balance Jan. 1, 2013</u>	<u>Additions (Deletions)</u>	<u>Reclassifications</u>	<u>Balance Dec. 31, 2013</u>
Proprietary fund capital assets				
Enterprise Funds:				
Capital assets not being depreciated:				
Land .....	\$ 871,021	\$ 1,515,795	\$	\$ 2,386,816
Construction in progress .....	54,908,502	14,776,785		
		(49,641)	(52,437,181)	17,198,465
Subtotal .....	<u>55,779,523</u>	<u>16,242,939</u>	<u>(52,437,181)</u>	<u>19,585,281</u>
Capital assets being depreciated:				
Distribution & collections systems	310,687,588	50,788	51,916,075	362,654,451
Vehicles .....	382,261		260,168	642,429
Buildings and equipment .....	12,899,439	183,131	260,938	13,343,508
Subtotal .....	<u>323,969,288</u>	<u>233,919</u>	<u>52,437,181</u>	<u>376,640,388</u>
Proprietary fund capital assets				
Less accumulated depreciation for:				
Distribution & collections systems	(55,248,928)	(7,250,528)		(62,499,456)
Vehicles .....	(369,366)	(87,725)	(52,034)	(509,125)
Buildings and equipment .....	(3,830,820)	(612,966)	52,034	(4,391,752)
Subtotal .....	<u>(59,449,114)</u>	<u>(7,951,219)</u>		<u>(67,400,333)</u>
Net capital assets being depreciated	<u>264,520,174</u>	<u>7,717,300</u>	<u>52,437,181</u>	<u>309,240,055</u>
Total capital assets – Net of depreciation	<u>320,299,697</u>	<u>8,525,639</u>		<u>328,825,336</u>
Internal Service Funds:				
Capital assets being depreciated –				
Buildings and equipment .....	8,505,865	268,648		8,774,513
Less accumulated depreciation –				
Buildings and equipment .....	(5,905,939)	(389,729)		(6,295,668)
Net capital assets being depreciated	<u>2,599,926</u>	<u>(121,081)</u>		<u>2,478,845</u>
Total proprietary fund capital assets	<u>\$322,899,623</u>	<u>\$ 8,404,558</u>	<u>\$ 0</u>	<u>\$331,304,181</u>

**Construction Commitments** – The Water and Waste Division has active construction projects at year end. The projects include improvements and extensions to the water and sewage disposal systems. At year end, the Division's commitments with contractors are as follows:

	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Water supply system .....	<u>\$16,052,724</u>	<u>\$29,560,184</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, 2013, the Division has estimated the cost of providing retiree healthcare benefits through an actuarial valuation as of December 31, 2013. 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 December 31		
	2011	2012	2013
Annual required contribution (recommended)	\$3,933,831	\$3,818,480	\$2,523,914
Interest on the prior year's net OPEB obligation	127,528	230,108	283,120
Less adjustment to the annual required contribution	<u>(78,511)</u>	<u>(101,338)</u>	<u>(83,122)</u>
Annual OPEB cost	3,982,848	3,947,250	2,723,912

	Fiscal Year Ended December 31		
	2011	2012	2013
Amount contributed:			
Payments of current premiums	\$(1,337,004)	\$(1,523,879)	\$(1,442,340)
Advance funding	<u>(81,360)</u>	<u>(2,500,000)</u>	<u>(1,760,568)</u>
(Increase) Decrease in net OPEB obligation	(2,564,484)	76,629	478,996
OPEB obligation – Beginning of year	<u>(3,188,211)</u>	<u>(5,752,695)</u>	<u>(5,676,066)</u>
OPEB obligation – end of year	<u><u>\$(5,752,695)</u></u>	<u><u>\$(5,676,066)</u></u>	<u><u>\$(5,197,070)</u></u>

	Fiscal Year Ended December 31		
	2011	2012	2013
Annual OPEB Costs	\$3,982,848	\$3,947,250	\$2,723,912
Percentage contributed	35.61%	101.94%	117.60%
Net OPEB obligation	\$5,752,695	\$5,676,066	\$5,197,070

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

	Fiscal Year Ended December 31		
	2011	2012	2013
Unfunded AAL	\$51,474,408	\$35,486,607	\$48,045,278
Actuarial value of assets.....	0	2,333,369	4,580,978
Actuarial accrued liability .....	51,474,408	37,819,976	52,626,256
Funded	0%	6.17%	8.70%
Annual covered payroll – December 31	\$7,610,890	\$7,312,770	\$7,092,691
Ratio of UAAL to covered payroll	676.33%	485.27%	677.39%

## 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, 2013 actuarial valuation, the individual entry age actuarial cost method was used. The actuarial assumptions included a 6.0 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.

# NOTES TO FINANCIAL STATEMENTS

## GENESEE COUNTY

## EXHIBIT A-13

### DRAIN COMMISSION:

The summary of long-term debt transactions for the Drain funds for the year ended September 30, 2014, is presented below:

	<b>Balance Oct. 1, 2013</b>	<b>Additions (Reductions)</b>	<b>Balance Sept. 30, 2014</b>	<b>Due in One Year</b>
Citizens Bank.....	\$ 150,000	\$(50,000)	\$ 100,000	\$ 50,000
3.69% to 6.85% Genesee County Special Assessment debt with governmental commitment.....	480,437	(146,547)	333,890	110,332
4.0 to 4.25% Genesee County Drainage District #408 Series 2006 Bonds .....	375,000	(125,000)	250,000	125,000
2.0% to 3.15% Genesee County Drainage District Bonds #0017 Series 2011 Bonds .....	<u>2,160,000</u>	<u>(235,000)</u>	<u>1,925,000</u>	<u>240,000</u>
	<u>\$3,165,437</u>	<u>\$(556,547)</u>	<u>\$ 2,608,890</u>	<u>\$ 525,332</u>

The annual requirements to pay principal and interest on the outstanding obligations for the Drain funds at September 30, 2014, are as follows:

2014/2015 .....	\$593,601
2015/2016 .....	557,656
2016/2017 .....	347,453
2017/2018 .....	340,395
2018/2023 .....	<u>1,024,411</u>
	2,863,516
Amount representing interest.....	<u>(254,626)</u>
	<u>\$ 2,608,890</u>

The following is a summary of capital assets for the Drain fund at September 30, 2014:

	<b>Balance Oct. 1, 2013</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance Sept. 30, 2014</b>
Capital assets being depreciated:				
Equipment.....	\$1,596,438	\$	\$ (19,398)	\$ 1,577,040
Infrastructure.....	24,907,016	1,830,333		26,737,349
Drain System Retrospective .....	29,376,026			29,376,026
Capital assets not being depreciated:				
Construction in Progress .....	<u>1,535,280</u>	<u>31,429</u>	<u>(1,206,505)</u>	<u>360,204</u>
Subtotal .....	<u>57,414,760</u>	<u>1,861,762</u>	<u>(1,225,903)</u>	<u>58,050,619</u>
Less Allowance for Depreciation ..				
Equipment.....	(1,542,541)	(12,704)	19,398	(1,535,847)
Infrastructure.....	(12,961,422)	(2,198,749)		(15,160,171)
Drain System Retrospective .....	<u>(20,131,888)</u>			<u>(20,131,888)</u>
Subtotal .....	<u>(34,635,851)</u>	<u>(2,211,453)</u>	<u>19,398</u>	<u>(36,827,906)</u>
Net capital assets being depreciated	<u>21,243,269</u>	<u>(381,120)</u>		<u>21,243,269</u>
Total Capital Assets				
Net of depreciation.....	<u>\$22,778,909</u>	<u>\$ (349,691)</u>	<u>\$ (1,206,505)</u>	<u>\$ 21,222,713</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, 2014, is presented below:

	<b>Balance Oct. 1, 2013</b>	<b>Additions</b>	<b>(Reductions)</b>	<b>Balance Sept. 30, 2014</b>	<b>Due In One Year</b>
Promissory Note – Genesee County .....	\$ 408,593	\$	\$ (102,148)	\$ 306,445	\$ 102,148
Berridge Place Project.....	280,000		(280,000)		
Land Bank Center.....	1,765,000		(45,000)	1,720,000	50,000
GCLB-Berridge Planc, LLC LISC note payable ...	1,221,766		(148,369)	1,073,397	1,073,397
Line of credit .....		<u>1,500,000</u>		<u>1,500,000</u>	
Total note leases .....	<u>3,675,359</u>	<u>1,500,000</u>	<u>(575,517)</u>	<u>4,599,842</u>	<u>1,225,545</u>
Compensated absences.....	31,204	65,493	(60,600)	36,097	36,097
Total long-term .....	<u>\$3,706,563</u>	<u>\$1,565,493</u>	<u>\$(636,117)</u>	<u>\$ 4,635,939</u>	<u>\$1,261,642</u>

The annual requirements to pay principal and interest on the outstanding obligations at September 30, 2014, are as follows:

2015 .....	\$2,917,461
2016 .....	249,022
2017 .....	249,950
2018 .....	143,598
2019 .....	145,628
2020-2024 .....	725,377
2025-2029 .....	737,240
2030-2034 .....	<u>735,422</u>
	5,903,698
Amount representing interest.....	<u>(1,303,856)</u>
	<u>\$4,599,842</u>

The line of credit is capped at \$3,000,000 and is due and payable on February 1, 2016. The county has pledged its limited tax full faith and credit on the line and is obligated to levy ad valorem taxes on all taxable property within its boundaries for such purpose, subject to applicable constitutional, statutory and charter limitations as to rate and amount.

The following is a summary of capital assets for the Genesee County Land Bank Authority at September 30, 2014:

	<u>Balance Oct. 1, 2013</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance Sept. 30, 2014</u>
Capital assets not being depreciated:				
Land .....	\$ 84,308	\$	\$	\$ 84,308
Construction in progress-Bldgs.....				
Subtotal.....	<u>84,308</u>			<u>84,308</u>
Capital assets being depreciated:				
Buildings and improvements.....	8,801,929	877,279	(4,822,069)	4,857,139
Machinery and equipment .....	166,024	30,998		197,022
Office equipment.....	197,239	3,821	(75,260)	125,800
Vehicles .....	<u>161,047</u>	<u>22,739</u>		<u>183,786</u>
Subtotal .....	<u>9,326,239</u>	<u>934,837</u>	<u>(4,897,329)</u>	<u>5,363,747</u>
Less Accumulated depreciation:				
Buildings and improvements.....	(1,569,101)	(131,971)	910,693	(790,379)
Maintenance and equipment .....	(169,750)	(26,624)	51,563	(144,811)
Office equipment.....	(99,792)	(4,510)		(104,302)
Vehicles .....	<u>(140,251)</u>	<u>(18,441)</u>		<u>(158,692)</u>
Subtotal .....	<u>(1,978,894)</u>	<u>(181,546)</u>	<u>962,256</u>	<u>(1,198,184)</u>
Net capital assets being depreciated .....	<u>7,437,345</u>	<u>753,291</u>	<u>(3,935,073)</u>	<u>4,165,563</u>
Total capital assets – Net of depreciation	<u>\$ 7,431,653</u>	<u>\$ 753,291</u>	<u>\$(3,935,073)</u>	<u>\$ 4,249,871</u>

The Authority's 1 percent ownership interest in 607 East Second Avenue, LLC (LLC) is accounted for in the statement of net position 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. As of September 30, 2014 the investment balance in 607 East Second Avenue, LLC remained unchanged.

The Authority has 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.

#### BROWNFIELD AUTHORITY:

The summary of long-term debt transactions for the Genesee County Brownfield Authority for the year ended September 30, 2014 is presented below:

	<u>Balance Oct. 1, 2013</u>	<u>Additions</u>	<u>(Reductions)</u>	<u>Balance Sept. 30, 2014</u>	<u>Due In One Year</u>
Unamortized note premium .....	\$ 389,289		(\$ 17,695)	\$ 371,594	\$17,695
3.0% to 5.0% Genesee County Brownfield Authority . Series 2005 Tax Increment Bonds, Subject to redemption prior to maturity.....	<u>12,365,000</u>		<u>(255,000)</u>	<u>12,110,000</u>	<u>275,000</u>
Total.....	<u>\$ 12,754,289</u>	<u>\$</u>	<u>(\$ 272,695)</u>	<u>\$12,481,594</u>	<u>\$292,695</u>

## NOTES TO FINANCIAL STATEMENTS

### GENESEE COUNTY

### EXHIBIT A-13

The annual requirements to pay principal and interest on the outstanding obligations at September 30, 2014, are as follows:

2015 .....	\$ 852,900
2016 .....	861,500
2017 .....	874,200
2018 .....	880,575
2019 .....	885,700
2020-2024 .....	4,570,945
2025-2029 .....	4,793,000
2030-2034 .....	5,025,750
2035 .....	<u>1,035,230</u>
	19,779,800
Amount representing interest.....	<u>(7,669,800)</u>
	<u>\$12,110,000</u>

#### GENESEE HEALTH SYSTEM:

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Construction in progress.....	\$ 981,856	\$	\$ (981,856)	\$ 0
Capital assets being depreciated:				
Building improvements .....	2,903,207	1,346,240		4,249,447
Vehicles and equipment .....	<u>2,169,715</u>	<u>715,478</u>	<u>(13,971)</u>	<u>2,871,222</u>
Subtotal.....	<u>5,072,922</u>	<u>2,061,718</u>	<u>(13,971)</u>	<u>7,120,669</u>
Less accumulated depreciation for:				
Building improvements .....	(611,553)	(272,200)		(883,753)
Vehicles and equipment .....	<u>(1,482,685)</u>	<u>(137,263)</u>	<u>13,971</u>	<u>(1,605,977)</u>
Subtotal.....	<u>(2,094,238)</u>	<u>(409,463)</u>	<u>13,971</u>	<u>(2,489,730)</u>
Net capital assets being depreciated .....	<u>2,978,684</u>	<u>1,652,255</u>		<u>4,630,939</u>
Total capital assets, net of depreciation .....	<u>\$ 3,960,540</u>	<u>\$1,652,255</u>	<u>\$(981,856)</u>	<u>\$4,630,939</u>

#### POST-EMPLOYMENT BENEFITS-

##### PLAN DESCRIPTION

The Genesee Health System retiree healthcare plan (the "Plan") is a single-employer defined benefit healthcare plan that provides health insurance benefits, including medical, prescriptions, dental, and optical coverage to certain retirees and their beneficiaries, that 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.

##### FUNDING 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 year ended September 30, 2014, the Authority contributed \$8,102,098 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, the amount actually contributed to the Plan, and changes in the Authority's net OPEB asset:

	<u>2013</u>	<u>2014</u>
Annual required contribution	\$ 7,437,503	\$ 9,947,449
Interest on net OPEB asset	(96,248)	(48,167)
Adjustment to annual required contribution	<u>247,286</u>	<u>100,346</u>
Net OPEB cost (expense)	\$ 7,588,541	\$ 9,999,628
Amount contributed:		
Payment of current premiums	<u>7,729,092</u>	<u>8,102,098</u>
Change in net OPEB obligation	140,551	(1,897,530)
Net OPEB asset, beginning of the year	<u>461,523</u>	<u>602,074</u>
Net OPEB asset (liability), end of the year	<u>\$ 602,074</u>	<u>\$(1,295,456)</u>

	<u>Fiscal Year Ended September 30</u>			
	<u>2012*</u>	<u>2012**</u>	<u>2013***</u>	<u>2014</u>
Annual OPEB costs	\$8,772,109	\$1,740,748	\$7,377,734	\$9,999,628
Percentage contributed	73.4%	75.6%	104.8%	81.0%
Net OPEB asset (liability)	\$1,604,133	\$1,179,411	\$602,074	\$(1,295,456)

\*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:

	<u>12/31/2011</u>	<u>12/31/2013</u>
Unfunded AAL	\$41,878,489	\$22,208,025
Actuarial value of plan assets	14,599,442	28,516,956
Actuarial accrued liability	56,477,931	50,724,981
Funded	25.8%	56.2%
Annual covered payroll	\$13,986,796	\$12,563,949
Ratio of UAAL to covered payroll	299.4%	176.8%

## 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. 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, 2013 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 3.5% 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 26 years on a closed basis. The remaining amortization period at December 31, 2013, the date of the latest actuarial valuation, was 6 years.

## NOTE O - RESTATEMENT OF NET POSITION

**Restatement:** Net position and fund balances at September 30, 2013, were restated to correct beginning balances. Net position and fund balances were restated for the following reasons:

- 1) To properly account for the implementation of the new standard, prepaid bond issuance costs were expensed.
- 2) To properly account for an adjustment to capital assets that were not capitalized in a prior year.

	<u>As Previously Reported</u>	<u>Adjustments</u>	<u>Restated Amounts</u>
Component units:			
Net Position			
Water and Waste Services	<u>\$ 194,205,888</u>	<u>\$ (679,048) <sup>(1)</sup></u>	<u>\$ 193,526,840</u>
Road Commission	<u>\$ 204,701,947</u>	<u>\$ (7,660) <sup>(2)</sup></u>	<u>\$ 204,709,607</u>

# NOTES TO FINANCIAL STATEMENTS

## GENESEE COUNTY

## EXHIBIT A-13

### NOTE P – CHANGE IN ACCOUNTING

During the current year, the County adopted GASB statement number 65, *Items Previously Reported as Assets and Liabilities*. The objective of this statement is to establish standards that reclassify certain items that were previously reported as assets and liabilities and instead to classify them as deferred inflows of resources, deferred outflows of resources, or as outflows of resources.

As a result of implementing this statement, the following assets and liabilities have been reclassified, as indicated:

Item	Amount	Prior Reporting Classification/Treatment	New Classification After Adoption of GASB Statement No. 65
Primary Government:			
Property taxes billed, not collected within 60 days	\$ 3,945,002	Liability	Deferred inflow of resources
Revenue in governmental funds not collected within 60 or 90 days of year end	22,494,701	Liability	Deferred inflow of resources
Component Unit-Water and Waste Services:			
Deferred charge on refunding	36,249	Adjustment to the bonds payable liability	Deferred outflow of resources
Bond issuance costs	679,048	Asset	Outflow of resources (an expense)

### NOTE Q - GASB UPCOMING ACCOUNTING PRONOUNCEMENTS DISCLOSURE

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 Genesee County Employees Retirement System, this standard will be adopted for the year ended December 31, 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 R – KAREGNONDI WATER AUTHORITY

Karegnondi Water Authority (KWA) was formed in 2013 for the purpose of constructing a new raw water supply system (System). Effective August 1, 2013, the County entered into an agreement with KWA and the City of Flint (Agreement) to issue debt to acquire, construct, and operate the System, which is expected to be operational in 2016. 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, and the City of Flint's share of the debt is 34.2 percent or an amount not to exceed \$102,600,000. As of September 30, 2014, the KWA debt outstanding was as follows:

County's share	\$145,089,000
Flint's share	<u>75,411,000</u>
Total	<u>\$220,500,000</u>

The County and the City of Flint expect to make their respective payments of principal and interest on the bonds from revenues collected from charges imposed on the customers of their respective water supply systems. The County and the City of Flint have each pledged their limited tax full faith and credit for the payment of their respective bond obligations, and are obligated to levy ad valorem taxes on all taxable property within their boundaries for such purpose, subject to applicable constitutional, statutory and charter tax limitations as to rate and amount.

If Flint fails to pay any of its obligations on the bonds, the County is obligated under its contract with KWA to make such payments within one day of being notified of Flint's failure to pay. If the County is required to make a payment for Flint under the Agreement and KWA recovers any funds from the pursuit of its remedies under its raw water supply contract with Flint, KWA shall reimburse the County from such funds for any payments made. Also, to the extent permitted by law, the capacity that Flint acquired in the System pursuant to its raw water supply contract, shall be transferred to the County until Flint has repaid the County for any additional payments made by the County for each month or fraction thereof that the payments remain unpaid after the due date of the amount paid by the County as a result of Flint to fulfill its payment obligations under the Agreement.

KWA has retained the services of Water and Waste Services Division (Division) to administer the design and construction of the raw water supply system. In addition, it is expected that KWA will contract with the Division for operation and maintenance of the raw water supply system after the system is completed and operational. KWA has no employees of its own, with all current and future services expected to be rendered by the Division employees.

The Division has entered into certain contracts with the Authority as a local unit so as to acquire a supply of raw water. This raw water supply system is expected to come on line in 2016 and will allow the Division to cease purchasing finished water from the Detroit Water and Sewerage Department (DWSD), currently done so via contract with the City of Flint.

In August 2013, the Division entered into a Water Purchase Contract with KWA which provides the Division with 42 million gallons per day of capacity, out of a total KWA capacity of 60 million gallons per day. This arrangement in effect means the Division will provide KWA with 70 percent of its total operating revenue over the coming years.

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.

Complete financial statements of KWA can be obtained from the Division's administrative office.

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

	General Employees Retirement System	Employees' Fringe Benefit (VEBA)	Total
Statement of Net Position:			
Cash and investments	\$ 451,406,829	\$ 43,973,829	\$ 495,380,658
Other assets	3,053,241	569,877	3,623,118
Liabilities	<u>(12,123,969)</u>	<u>(3,014,388)</u>	<u>(15,138,357)</u>
Net Position	<u>442,336,101</u>	<u>41,529,318</u>	<u>483,865,419</u>
Statement of Changes in Net Position:			
Investment Income	50,069,148	3,506,815	53,575,963
Contributions	16,534,941	9,622,364	26,157,305
Benefit payments	(41,416,119)	(14,552,199)	(55,968,318)
Other decreases	<u>(1,803,858)</u>	<u>14,613</u>	<u>(1,789,245)</u>
Change in Net Position	<u>\$ 23,384,112</u>	<u>\$ (1,408,407)</u>	<u>\$ 21,975,705</u>

# NOTES TO FINANCIAL STATEMENTS

## GENESEE COUNTY

## EXHIBIT A-13

### NOTE T - 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	\$ 1,294,703					\$ 1,294,703
Long-term advance to Component Unit					\$ 1,720,000	1,720,000
Debt Service					8	8
Prepayments	245,021	\$ 11,384			62,664	319,069
Inventory:			\$ 362,834	\$ 422,400	148,647	933,881
<b>Restricted for:</b>						
Health Department		153,054				153,054
Non-Major Special Revenue:						
Community Enrichment and Development					421,655	421,655
Drug Forfeiture					71,305	71,305
Emergency Medical Services					641,323	641,323
Health Care Services					621,117	621,117
Solid Waste Planning Activities					307,998	307,998
Senior Services					2,509,484	2,509,484
Social Services					92,094	92,094
Veterans Millage					720,657	720,657
<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:						
County Health		2,933,971				2,933,971
Non-Major Special Revenue:						
Child Care					4,735,526	4,735,526
Community Enrichment and Development					41,718	41,718
Law Enforcement					304,072	304,072
Parks and Recreation					3,769,256	3,769,256
Planning Commission-Compensated absences					74,284	74,284
Capital Projects					725,444	725,444
<b>Unassigned:</b>	10,967,280		(2,181,418)			8,785,862
Administration of Justice					(1,612,135)	(1,612,135)
Community Enrichment and Development					(72,643)	(72,643)
Flint City Lockup					(306,604)	(306,604)
Law Enforcement					(48,499)	(48,499)
Planning					193,340	193,340
Sheriff Contracted Services					(52,005)	(52,005)
Michigan Strategic Fund/Workforce Dev. Agency					(856,824)	(856,824)
Hughes & Hatcher Center Debt Service					(1,664,885)	(1,664,885)
Kronos Workforce					(12,400)	(12,400)
Total fund balances	\$ 13,507,004	\$ 3,098,409	\$ (1,818,584)	\$ 422,400	\$ 12,609,591	\$ 27,818,820



**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, 2014				
	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
<b>OPERATING REVENUE</b>				
<b>TAXES</b>				
Current property taxes.....	\$ 43,479,532	\$ 45,153,829	\$ 45,301,522	\$ 147,693
<b>LICENSES AND PERMITS</b>				
Dog licenses .....	618,000	617,448	681,939	64,491
Other.....	264,000	203,743	202,632	(1,111)
TOTALS	882,000	821,191	884,571	63,380
<b>FINES AND FORFEITURES</b>				
Ordinance fines and costs.....	1,771,600	1,296,640	1,346,858	50,218
Bond forfeitures .....	30,750	60,776	49,154	(11,622)
TOTALS	1,802,350	1,357,416	1,396,012	38,596
<b>USE OF MONEY AND PROPERTY</b>				
Interest earned .....	308,917	127,275	119,421	(7,854)
<b>OTHER INTERGOVERNMENTAL REVENUES</b>				
Federal revenue.....	215,000	293,240	228,094	(65,146)
Probate judges salaries .....	188,390	188,390	188,390	0
Revenue sharing.....	7,901,561	7,909,913	7,909,913	
State liquor tax.....	3,053,091	3,502,104	3,597,131	95,027
State cigarette tax.....	0	16,946	16,946	
Other.....	3,275,530	3,214,200	3,277,076	62,876
TOTALS	14,633,572	15,124,793	15,217,550	92,757
<b>CHARGES FOR SERVICES</b>				
Animal Shelter .....	56,000	33,446	38,113	4,667
District Court.....	2,765,159	2,411,266	2,433,507	22,241
Friend of the Court.....	587,177	587,177	587,177	
Probate Court .....	151,250	153,546	156,264	2,718
Probation fees .....	33,000	33,000	32,240	(760)
County Treasurer.....	860,850	851,245	886,608	35,363
County Clerk .....	1,238,500	1,233,040	1,260,587	27,547
Register of Deeds .....	1,650,700	1,505,000	1,359,463	(145,537)
Sheriff .....	1,786,682	1,765,711	1,802,302	36,591
Other services .....	1,458,251	1,293,907	1,260,932	(32,975)
TOTALS	10,587,569	9,867,338	9,817,193	(50,145)
OTHER REVENUE.....	626,950	899,535	924,974	25,439
TOTAL OPERATING REVENUE	72,320,890	73,351,377	73,661,243	309,866
<b>TRANSFERS IN</b>				
Enterprise Funds .....	4,725,000	4,725,000	4,725,000	0
Special Revenue Funds.....	2,515,341	2,617,568	2,603,260	(14,308)
Capital Projects Funds.....			0	0
Debt Service Funds.....			0	0
TOTAL TRANSFERS IN	7,240,341	7,342,568	7,328,260	(14,308)
	<u>\$ 79,561,231</u>	<u>\$ 80,693,945</u>	<u>\$ 80,989,503</u>	<u>\$ 295,558</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, 2014				
	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
<b>LEGISLATIVE</b>				
Board of Commissioners.....	\$ 822,653	\$ 869,299	\$ 871,194	\$ (1,895)
<b>MANAGEMENT AND PLANNING</b>				
Board Coordinator.....	242,493	219,006	219,222	(216)
County Clerk.....	2,638,396	2,416,313	2,429,556	(13,243)
County Treasurer.....	1,752,122	1,409,699	1,414,503	(4,804)
Drain Commission.....	1,241,041	1,196,219	1,195,970	249
Elections Clerk.....	660,073	752,267	728,586	23,681
Equalization.....	1,013,743	970,053	968,309	1,744
GIS.....	169,475	170,931	176,637	(5,706)
Register of Deeds.....	747,641	606,521	607,783	(1,262)
TOTALS	8,464,984	7,741,009	7,740,566	443
<b>ADMINISTRATION OF JUSTICE</b>				
Adult Probation.....	327,936	321,608	324,305	(2,697)
Circuit Court.....	10,281,348	10,025,882	9,915,785	110,097
District Court.....	5,703,482	5,494,052	5,509,931	(15,879)
Jury Board.....	288,551	287,747	287,486	261
Probate Court.....	2,138,785	2,036,082	2,038,300	(2,218)
Prosecutor.....	4,746,971	4,710,886	4,720,619	(9,733)
Court Services.....	206,854	202,717	193,933	8,784
TOTALS	23,693,927	23,078,974	22,990,359	88,615
<b>LAW ENFORCE/ COMMUNITY PROTECTION</b>				
Office of Emergency Preparedness.....	179,211	160,738	208,566	(47,828)
Sheriff Administration.....	2,674,739	2,615,147	2,584,026	31,121
Sheriff Marine Division.....	42,085	42,885	32,342	10,543
Detective Division.....	782,272	864,584	863,216	1,368
Sheriff Security.....	17,181,930	17,910,450	17,583,625	326,825
TOTALS	20,860,237	21,593,804	21,271,775	322,029

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

Fiscal Year Ended September 30, 2014				
	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
OTHER				
Other.....	\$ 1,131,111	\$ 2,470,907	\$ 2,183,409	\$ 287,498
Contribution to Component Unit - Mental Health Services.....	3,700,000	3,700,000	3,700,000	0
TOTALS	<u>4,831,111</u>	<u>6,170,907</u>	<u>5,883,409</u>	<u>287,498</u>
CAPITAL OUTLAY				
County Sheriff.....		8,769	0	8,769
District Court.....		48,244	25,275	22,969
All others.....		7,289	7,289	0
TOTALS		<u>64,302</u>	<u>32,564</u>	<u>31,738</u>
TOTAL EXPENDITURES	<u>58,672,912</u>	<u>59,518,295</u>	<u>58,789,867</u>	<u>728,428</u>
APPROPRIATIONS				
Special Revenue:				
Administration of Justice Funds.....	3,534,875	3,536,141	3,539,787	(3,646)
Child Care.....	9,485,986	9,485,986	9,485,986	0
Community Enrichment and Development Funds.....	0	0	0	0
County Health.....	2,549,240	2,607,298	2,607,298	0
Law Enforcement Funds.....	100,984	223,652	223,652	0
Parks and Recreation.....	52,939	52,939	52,939	0
Planning Commission.....	381,006	379,898	379,898	0
Social Services.....	15,500	15,500	15,500	0
TOTALS	<u>16,120,530</u>	<u>16,301,414</u>	<u>16,305,060</u>	<u>(3,646)</u>
Debt Service and Capital Projects:				
Debt Service Funds.....	2,635,111	2,641,275	2,559,035	82,240
	<u>2,635,111</u>	<u>2,641,275</u>	<u>2,559,035</u>	<u>82,240</u>
Internal Service:				
Administrative Services.....		79,000	79,000	0
Vehicles and Equipment.....		4,799	4,799	0
Building and Grounds.....		36,393	36,393	0
TOTALS		<u>120,192</u>	<u>120,192</u>	<u>0</u>
TOTAL APPROPRIATIONS	<u>18,755,641</u>	<u>19,062,881</u>	<u>18,984,287</u>	<u>78,594</u>
TOTAL EXPENDITURES AND APPROPRIATIONS	<u>\$ 77,428,553</u>	<u>\$ 78,581,176</u>	<u>\$ 77,774,154</u>	<u>\$ 807,022</u>

NOTE - The County implemented GASB No. 54 in 2013, refer to Note B. As a result, the Animal Shelter and Medical Examiner Funds are now 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, 2014				
	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
<b>COUNTY HEALTH</b>				
General Fund appropriation.....	\$ 3,016,121	\$ 2,931,549	\$ 2,931,549	\$ 0
Licenses and permits.....	992,630	992,630	1,037,914	45,284
Federal grants.....	355,200	4,714,861	4,743,609	28,748
State grants.....	7,122,520	2,803,517	2,521,798	(281,719)
Charges for services.....	160,313	200,821	301,462	100,641
Other intergovernmental revenue.....	584,744	538,052	2,370,572	1,832,520
Other.....	2,169,122	2,279,875	265,013	(2,014,862)
TOTALS	<u>\$ 14,400,650</u>	<u>\$ 14,461,305</u>	<u>\$ 14,171,917</u>	<u>\$ (289,388)</u>
<b>COMMUNITY ACTION RESOURCE DEPARTMENT</b>				
Federal grants.....	\$ 15,437,521	\$ 15,437,521	\$ 13,673,410	(1,764,111)
State grants.....	507,130	507,130	1,050,714	543,584
Charges for services.....	150,000	150,000	0	(150,000)
Other.....	2,546,814	2,546,814	2,501,200	(45,614)
TOTALS	<u>\$ 18,641,465</u>	<u>\$ 18,641,465</u>	<u>\$ 17,225,324</u>	<u>\$ (1,416,141)</u>
<b>COMMUNITY DEVELOPMENT</b>				
Federal grants.....	\$ 3,779,182	\$ 3,779,182	\$ 3,779,182	
Other.....	94,053	94,053	94,053	
TOTALS	<u>\$ 3,873,235</u>	<u>\$ 3,873,235</u>	<u>\$ 3,873,235</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, 2014				
	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
COUNTY HEALTH				
Personnel services.....	\$ 5,889,924	\$ 5,489,901	\$ 5,133,801	\$ 356,100
Fringe benefits.....	3,962,068	3,820,039	3,365,797	454,242
Supplies and services.....	4,767,142	5,354,213	5,112,958	241,255
Capital outlay.....	11,400	22,556		22,556
TOTALS	<u>\$ 14,630,534</u>	<u>\$ 14,686,709</u>	<u>\$ 13,612,556</u>	<u>\$ 1,074,153</u>
COMMUNITY ACTION RESOURCE DEPARTMENT				
Personnel services.....	\$ 5,951,427	\$ 5,951,427	\$ 2,578,713	\$ 3,372,714
Fringe benefits.....	3,319,637	3,319,637	1,290,316	2,029,321
Supplies and services.....	9,262,770	9,262,770	14,291,167	(5,028,397)
Capital outlay.....	107,631	107,631	78,233	29,398
Transfers out.....			361,813	(361,813)
TOTALS	<u>\$ 18,641,465</u>	<u>\$ 18,641,465</u>	<u>\$ 18,600,242</u>	<u>\$ 41,223</u>
COMMUNITY DEVELOPMENT				
Supplies and services.....	\$ 2,344,226	\$ 2,344,226	\$ 2,344,226	\$
Program grants.....	1,745,009	1,745,009	1,745,009	
TOTALS	<u>\$ 4,089,235</u>	<u>\$ 4,089,235</u>	<u>\$ 4,089,235</u>	<u>\$</u>

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
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%
2013	\$409,675,263	\$548,195,654	\$138,520,391	74.7%	\$47,627,546	290.8%

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
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%
2013	2011	\$13,576,134	86.4%

The information presented above was determined as part of the actuarial valuations at the dates indicated. Additional information as of December 31, 2013, 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%
2014	\$41,485,721	\$344,160,043	\$302,674,322	12.0%	\$33,343,864	907.74%

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	64%
2013	2012	\$18,549,049	51%
2014	2014	\$19,066,021	50%

The information presented above was determined as part of the actuarial valuations at the dates indicated. Additional information as of September 30, 2014, 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.....	\$	2,049,045
Investments - Note C.....		4,254,626
Interest and accounts receivable.....		405,400
Due from other governmental units.....		10,507,330
Due from other County funds -- Note L.....		8,421,878
Due from component unit - Land Bank Authority.....		
Long-term advance to component unit.....		
Prepaid expenses.....		62,664
Supplies inventory.....		148,647
Other assets.....		5,521
<b>TOTAL ASSETS</b>	<b>\$</b>	<b>25,855,111</b>
Accounts payable.....	\$	2,258,600
Accrued payroll.....		630,886
Other accrued liabilities and deposits.....		217,496
Due to other governmental units.....		2,915,500
Due to other County funds -- Note L.....		4,026,193
Unearned revenue - Note K.....		88,400
<b>TOTAL LIABILITIES</b>		<b>10,137,075</b>
Deferred inflows of resources:		
Unavailable grant revenue.....		3,876,612
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>		<b>3,876,612</b>
Fund balances:		
Nonspendable.....		211,311
Restricted.....		5,385,633
Committed.....		74,994
Assigned.....		8,924,856
Unassigned.....		(2,755,370)
<b>TOTAL FUND BALANCES</b>		<b>11,841,424</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$</b>	<b>25,855,111</b>

September 30, 2014

Debt Service	Capital Projects	Total Nonmajor Governmental Funds
\$ 54,123	\$ 725,444	\$ 2,828,612
		4,254,626
		405,400
1,000	12,400	10,520,730
		8,421,878
		0
1,720,000		1,720,000
		62,664
		148,647
		5,521
<u>\$ 1,775,123</u>	<u>\$ 737,844</u>	<u>\$ 28,368,078</u>

\$	\$	\$ 2,258,600
		630,886
		217,496
		2,915,500
	12,400	4,038,593
		88,400
<u>0</u>	<u>12,400</u>	<u>10,149,475</u>
<u>1,720,000</u>	<u>12,400</u>	<u>5,609,012</u>
<u>1,720,000</u>	<u>12,400</u>	<u>5,609,012</u>
1,720,008		1,931,319
		5,385,633
		74,994
	725,444	9,650,300
(1,664,885)	(12,400)	(4,432,655)
<u>55,123</u>	<u>713,044</u>	<u>12,609,591</u>
<u>\$ 1,775,123</u>	<u>\$ 737,844</u>	<u>\$ 28,368,078</u>

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

## **GENESEE COUNTY**

## **Exhibit C-2**

		<u>Primary</u>
		<u>Special Revenue</u>
Revenues:		
Taxes--Note H.....	\$	23,968,142
Licenses and permits.....		92,340
Fines and forfeitures.....		30,356
Use of money and property.....		105,552
Federal grants--Note G.....		18,227,040
State grants--Note G.....		9,034,571
Other intergovernmental revenues.....		5,883,662
Charges for services.....		7,189,591
Other.....		918,698
	<b>TOTAL REVENUES</b>	<u>65,449,952</u>
Expenditures:		
Current operations:		
Management and planning.....		12,546,542
Administration of justice.....		10,998,278
Law enforcement and community protection.....		36,857,054
Human services.....		13,947,441
Community enrichment and development.....		2,019,782
Other.....		362,322
Capital outlay.....		
Debt service--Note E:		
Principal payments.....		
Interest.....		
	<b>TOTAL EXPENDITURES</b>	<u>76,731,419</u>
	<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(11,281,467)</u>
Other financing sources (uses):		
Transfers-In.....		14,836,528
Transfers-Out.....		(5,857,064)
	<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>8,979,464</u>
	<b>NET CHANGE IN FUND BALANCES</b>	<b>(2,302,003)</b>
Fund balance at beginning of year.....		14,143,427
	<b>FUND BALANCE AT END OF YEAR</b>	<u><u>\$ 11,841,424</u></u>

**Government - Fiscal Year Ended September 30, 2014**

		<b>Total Nonmajor Governmental Funds</b>	
<b>Debt Service</b>	<b>Capital Projects</b>		
\$ 256,247		\$ 24,224,389	
		92,340	
		30,356	
246,269		351,821	
		18,227,040	
	\$ 17,694	9,052,265	
		5,883,662	
		7,189,591	
	9	918,707	
<u>502,516</u>	<u>17,703</u>	<u>65,970,171</u>	
		12,546,542	
		10,998,278	
		36,857,054	
		13,947,441	
1,750	3,166	2,024,698	
	30,094	392,416	
2,340,000		2,340,000	
1,130,701		1,130,701	
<u>3,472,451</u>	<u>33,260</u>	<u>80,237,130</u>	
<u>(2,969,935)</u>	<u>(15,557)</u>	<u>(14,266,959)</u>	
2,970,168		17,806,696	
0	0	(5,857,064)	
<u>2,970,168</u>	<u>0</u>	<u>11,949,632</u>	
233	(15,557)	(2,317,327)	
54,890	728,601	14,926,918	
<u>\$ 55,123</u>	<u>\$ 713,044</u>	<u>\$ 12,609,591</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.....	\$	\$	\$
Investments.....			
Interest and accounts receivable.....		2,869	
Due from other governmental units.....		3,330,835	2,274,518
Due from other County funds.....	403,592		3,019,224
Prepaid expenses.....			
Supplies inventory.....			
Other assets.....			
<b>TOTAL ASSETS</b>	<u>\$ 403,592</u>	<u>\$ 3,333,704</u>	<u>\$ 5,293,742</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Accounts payable.....	\$ 302,619	\$ 118,287	\$ 462,545
Accrued payroll.....		224,176	
Other accrued liabilities and deposits.....		118,951	95,671
Due to other governmental units.....		1,718	
Due to other County funds.....	100,973	1,853,269	
Unearned revenue.....			
<b>TOTAL LIABILITIES</b>	<u>403,592</u>	<u>2,316,401</u>	<u>558,216</u>
Deferred inflows of resources:			
Unavailable grant revenue.....		2,629,438	
<b>TOTAL DEFERRED INCLOWS OF RESOURCES</b>	<u>0</u>	<u>2,629,438</u>	<u>0</u>
Fund balances:			
Nonspendable.....			
Restricted.....			
Committed.....			
Assigned.....			4,735,526
Unassigned.....		(1,612,135)	
<b>TOTAL FUND BALANCES</b>	<u>0</u>	<u>(1,612,135)</u>	<u>4,735,526</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$ 403,592</u>	<u>\$ 3,333,704</u>	<u>\$ 5,293,742</u>

**Fiscal Year Ended September 30, 2014**

<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>
\$	\$	\$	\$	\$ 1,009,649
63,205				
73,048			249,461	
737,005	128,764	938,518	57,195	
521		5,000		
<u>\$ 873,779</u>	<u>\$ 128,764</u>	<u>\$ 943,518</u>	<u>\$ 306,656</u>	<u>\$ 1,009,649</u>
\$ 350,375	\$	\$ 53,598	\$ 5,511	
17,235		62,261	49,874	
16,394		186,336	251,271	388,532
27,657	57,459			
<u>411,661</u>	<u>57,459</u>	<u>302,195</u>	<u>\$ 306,656</u>	<u>\$ 388,532</u>
71,388			249,409	
<u>71,388</u>	<u>0</u>	<u>0</u>	<u>249,409</u>	<u>0</u>
421,655	71,305	641,323	57,195	621,117
41,718				
<u>(72,643)</u>			<u>(306,604)</u>	
<u>390,730</u>	<u>71,305</u>	<u>641,323</u>	<u>(249,409)</u>	<u>621,117</u>
<u>\$ 873,779</u>	<u>\$ 128,764</u>	<u>\$ 943,518</u>	<u>\$ 306,656</u>	<u>\$ 1,009,649</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.....	\$	\$	\$ 168,547
Investments.....		4,254,626	
Interest and accounts receivable.....	224,619	47,976	66,731
Due from other governmental units.....	280,042	51,284	568,777
Due from other County funds.....		100,973	69,633
Prepaid expenses.....		549	4,920
Supplies inventory.....		148,647	
Other assets.....			
<b>TOTAL ASSETS</b>	<u>\$ 504,661</u>	<u>\$ 4,604,055</u>	<u>\$ 878,608</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Accounts payable.....	\$ 51,187	\$ 386,956	\$ 158,875
Accrued payroll.....	39,503	117,959	60,695
Other accrued liabilities and deposits.....		2,874	
Due to other governmental units.....			
Due to other County funds.....	155,518	160,773	218
Unearned revenue.....			3,284
<b>TOTAL LIABILITIES</b>	<u>246,208</u>	<u>668,562</u>	<u>223,072</u>
Deferred inflows of resources:			
Unavailable grant revenue.....	<u>2,880</u>	<u>17,041</u>	
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>2,880</u>	<u>17,041</u>	<u>0</u>
Fund balances:			
Nonspendable.....		149,196	4,920
Restricted.....			307,998
Committed.....			74,994
Assigned.....	304,072	3,769,256	74,284
Unassigned.....	(48,499)		193,340
<b>TOTAL FUND BALANCES</b>	<u>255,573</u>	<u>3,918,452</u>	<u>655,536</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$ 504,661</u>	<u>\$ 4,604,055</u>	<u>\$ 878,608</u>

Fiscal Year Ended September 30, 2014

Senior Services	Sheriff Contracted Services	Social Services	Veterans Millage	Michigan Strategic Fund/ Work Force Development Agency	Total
\$ 870,849	\$	\$	\$	\$	\$ 2,049,045
					4,254,626
					405,400
	542,301			3,137,064	10,507,330
2,180,678		92,094	751,397		8,421,878
					62,664
					148,647
					5,521
<u>\$ 3,051,527</u>	<u>\$ 542,301</u>	<u>\$ 92,094</u>	<u>\$ 751,397</u>	<u>\$ 3,137,064</u>	<u>\$ 25,855,111</u>
\$ 355,415	\$ 318	\$	\$ 12,914	\$	\$ 2,258,600
7,085	52,098				630,886
					217,496
				2,897,388	2,915,500
179,543	492,258		17,826	239,676	4,026,193
					88,400
<u>542,043</u>	<u>544,674</u>	<u>0</u>	<u>30,740</u>	<u>3,137,064</u>	<u>10,137,075</u>
	<u>49,632</u>			<u>856,824</u>	<u>3,876,612</u>
<u>0</u>	<u>49,632</u>	<u>0</u>	<u>0</u>	<u>856,824</u>	<u>3,876,612</u>
					211,311
2,509,484		92,094	720,657		5,385,633
					74,994
					8,924,856
	<u>(52,005)</u>			<u>(856,824)</u>	<u>(2,755,370)</u>
<u>2,509,484</u>	<u>(52,005)</u>	<u>92,094</u>	<u>720,657</u>	<u>(856,824)</u>	<u>11,841,424</u>
<u>\$ 3,051,527</u>	<u>\$ 542,301</u>	<u>\$ 92,094</u>	<u>\$ 751,397</u>	<u>\$ 3,137,064</u>	<u>\$ 25,855,111</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.....	\$ 1,304,407	\$	\$
Licenses and permits.....			
Fines and forfeitures.....			
Use of money and property.....			
Federal grants.....		4,750,157	85,137
State grants.....		2,180,202	4,851,206
Other intergovernmental revenue.....		3,070	
Charges for services.....		1,065,079	441,282
Other.....		24,550	382,275
<b>TOTAL REVENUES</b>	<b>1,304,407</b>	<b>8,023,058</b>	<b>5,759,900</b>
Expenditures:			
Current Operations:			
Management and planning.....		12,546,542	
Administration of justice.....			
Law enforcement and community protection.....			12,251,168
Human services.....			
Community enrichment and development.....	983,305		
Other.....			
Capital outlay.....		18,325	
<b>TOTAL EXPENDITURES</b>	<b>983,305</b>	<b>12,564,867</b>	<b>12,251,168</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>321,102</b>	<b>(4,541,809)</b>	<b>(6,491,268)</b>
Other financing sources (uses):			
Transfers-In.....		3,544,496	9,485,986
Transfers-Out.....	(321,102)	(31,705)	(2,132,233)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(321,102)</b>	<b>3,512,791</b>	<b>7,353,753</b>
<b>NET CHANGE IN FUND BALANCES</b>		<b>(1,029,018)</b>	<b>862,485</b>
Fund balances at beginning of year.....		(583,117)	3,873,041
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 0</b>	<b>\$ (1,612,135)</b>	<b>\$ 4,735,526</b>

**Fiscal Year Ended September 30, 2014**

<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>
\$	\$	\$ 3,959,804	\$	\$ 8,177,547
	30,356			
92,230		168		1,730
178,845				
247,112	55,788		2,318,372	651,980
2,144,105				
323,204				
<u>2,985,496</u>	<u>86,144</u>	<u>3,959,972</u>	<u>2,318,372</u>	<u>8,831,257</u>
		4,039,612	2,567,781	8,457,698
2,841,693	2,000			
42,797				
<u>2,884,490</u>	<u>2,000</u>	<u>4,039,612</u>	<u>2,567,781</u>	<u>8,457,698</u>
101,006	84,144	(79,640)	(249,409)	373,559
27,350				
(94,906)	(56,598)			(324,251)
<u>(67,556)</u>	<u>(56,598)</u>	<u>0</u>	<u>0</u>	<u>(324,251)</u>
33,450	27,546	(79,640)	(249,409)	49,308
357,280	43,759	720,963		571,809
<u>\$ 390,730</u>	<u>\$ 71,305</u>	<u>\$ 641,323</u>	<u>\$ (249,409)</u>	<u>\$ 621,117</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.....	\$ 86,180	\$ 3,963,531	\$ 6,160
Licenses and permits.....			
Fines and forfeitures.....		95,917	
Use of money and property.....			
Federal grants.....	534,974		652,923
State grants.....	763,430	52,492	157,875
Other intergovernmental revenue.....	131,764		
Charges for services.....	159,685	2,184,826	1,194,614
Other.....	41,289	125,554	21,826
<b>TOTAL REVENUES</b>	<b>1,717,322</b>	<b>6,422,320</b>	<b>2,033,398</b>
Expenditures:			
Current Operations:			
Management and planning.....			
Administration of justice.....			
Law enforcement and community protection.....	1,861,336		
Human services.....			2,291,487
Community enrichment and development.....		3,793,559	
Other.....		2,017,782	
Capital outlay.....		301,200	
<b>TOTAL EXPENDITURES</b>	<b>1,861,336</b>	<b>6,112,541</b>	<b>2,291,487</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(144,014)</b>	<b>309,779</b>	<b>(258,089)</b>
Other financing sources (uses):			
Transfers-In.....	223,652	1,159,646	379,898
Transfers-Out.....		(2,508,908)	
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>223,652</b>	<b>(1,349,262)</b>	<b>379,898</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>79,638</b>	<b>(1,039,483)</b>	<b>121,809</b>
Fund balances at beginning of year.....	175,935	4,957,935	533,727
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 255,573</b>	<b>\$ 3,918,452</b>	<b>\$ 655,536</b>



**Fiscal Year Ended September 30, 2014**

<b>Senior Services</b>	<b>Sheriff Contracted Services</b>	<b>Social Services</b>	<b>Veterans Millage</b>	<b>Michigan Strategic Fund/ Work Force Development Agency</b>	<b>Total</b>
\$ 5,738,848	\$	\$	\$ 824,005	\$	\$ 23,968,142
					92,340
					30,356
7,176			561		105,552
				12,111,619	18,227,040
	1,968	313,535		535,018	9,034,571
	2,475,576				5,883,662
					7,189,591
					918,698
<u>5,746,024</u>	<u>2,477,544</u>	<u>313,535</u>	<u>824,566</u>	<u>12,646,637</u>	<u>65,449,952</u>
					12,546,542
	2,529,549				10,998,278
		353,240		13,503,461	36,857,054
5,753,199			575,685		13,947,441
					2,019,782
					362,322
<u>5,753,199</u>	<u>2,529,549</u>	<u>353,240</u>	<u>575,685</u>	<u>13,503,461</u>	<u>76,731,419</u>
<u>(7,175)</u>	<u>(52,005)</u>	<u>(39,705)</u>	<u>248,881</u>	<u>(856,824)</u>	<u>(11,281,467)</u>
		15,500			14,836,528
<u>(387,361)</u>					<u>(5,857,064)</u>
<u>(387,361)</u>	<u>0</u>	<u>15,500</u>	<u>0</u>	<u>0</u>	<u>8,979,464</u>
(394,536)	(52,005)	(24,205)	248,881	(856,824)	(2,302,003)
<u>2,904,020</u>		<u>116,299</u>	<u>471,776</u>		<u>14,143,427</u>
<u>\$ 2,509,484</u>	<u>\$ (52,005)</u>	<u>\$ 92,094</u>	<u>\$ 720,657</u>	<u>\$ (856,824)</u>	<u>\$ 11,841,424</u>

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

## **GENESEE COUNTY**

## **Exhibit D-3**

Fiscal Year Ended September 30, 2014				
	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	\$ 1,304,407	\$ 304,407
TOTALS	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>	<u>\$ 1,304,407</u>	<u>\$ 304,407</u>
<b>ADMINISTRATION OF JUSTICE</b>				
General Fund appropriation.....	\$ 3,362,706	\$ 3,362,706	\$ 3,544,496	\$ 181,790
Licenses and permits.....	5,000	5,000		(5,000)
Federal grants.....	466,484	466,484	4,750,157	4,283,673
State grants.....	7,988,931	7,988,931	2,180,202	(5,808,729)
Charges for services.....	1,472,380	1,472,380	1,065,079	(407,301)
Other intergovernmental revenue.....			3,070	3,070
Other.....	8,500	8,500	24,550	16,050
TOTALS	<u>\$ 13,304,001</u>	<u>\$ 13,304,001</u>	<u>\$ 11,567,554</u>	<u>\$ (1,736,447)</u>
<b>CHILD CARE</b>				
General Fund appropriation.....	\$ 9,485,986	\$ 9,485,986	\$ 9,485,986	\$
Federal grants.....	90,000	90,000	85,137	(4,863)
State grants.....	7,415,634	7,415,634	4,851,206	(2,564,428)
Charges for services.....	220,000	220,000	441,282	221,282
Other.....	737,197	737,197	382,275	(354,922)
TOTALS	<u>\$ 17,948,817</u>	<u>\$ 17,948,817</u>	<u>\$ 15,245,886</u>	<u>\$ (2,702,931)</u>
<b>COMMUNITY ENRICHMENT AND DEVELOPMENT</b>				
General Fund appropriation.....	\$	\$	\$	\$ 0
Other Transfers-In.....			27,350	27,350
Federal grants.....	96,746	96,746	92,230	(4,516)
State grants.....	139,996	139,996	178,845	38,849
Charges for services.....	419,162	419,162	2,144,105	1,724,943
Other intergovernmental revenue.....			247,112	247,112
Other.....			323,204	323,204
TOTALS	<u>\$ 655,904</u>	<u>\$ 655,904</u>	<u>\$ 3,012,846</u>	<u>\$ 2,356,942</u>
<b>DRUG FORFEITURES</b>				
Fines and forfeitures.....	\$ 30,356	\$ 30,356	\$ 30,356	\$ 0
Other intergovernmental revenue.....	55,788	55,788	55,788	0
TOTALS	<u>\$ 86,144</u>	<u>\$ 86,144</u>	<u>\$ 86,144</u>	<u>\$ 0</u>
<b>EMERGENCY MEDICAL SERVICES</b>				
Taxes.....	\$ 3,866,485	\$ 3,866,485	\$ 3,959,804	\$ 93,319
Use of money and property.....			168	168
TOTALS	<u>\$ 3,866,485</u>	<u>\$ 3,866,485</u>	<u>\$ 3,959,972</u>	<u>\$ 93,487</u>
<b>FLINT CITY LOCKUP</b>				
Other intergovernmental revenue.....	\$ 2,424,329	\$ 2,224,727	\$ 2,318,372	93,645
TOTALS	<u>\$ 2,424,329</u>	<u>\$ 2,224,727</u>	<u>\$ 2,318,372</u>	<u>\$ 93,645</u>
<b>HEALTH CARE SERVICES</b>				
Taxes.....	\$ 8,017,864	\$ 8,017,864	\$ 8,177,547	\$ 159,683
Use of money and property.....			1,730	1,730
Other intergovernmental revenue.....			651,980	651,980
TOTALS	<u>\$ 8,017,864</u>	<u>\$ 8,017,864</u>	<u>\$ 8,831,257</u>	<u>\$ 813,393</u>

Fiscal Year Ended September 30, 2014				
	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance with Final Budget- Positive (Negative)
<b>LAW ENFORCEMENT</b>				
General Fund appropriation.....	\$ 100,984	\$ 100,984	\$ 100,984	\$ 0
Licenses and permits.....	129,230	129,230	85,280	(43,950)
Federal grants.....	523,925	523,925	534,974	11,049
State grants.....	761,720	761,720	763,430	1,710
Charges for services.....	17,574	17,574	159,685	142,111
Other.....	233,500	233,500	41,289	(192,211)
Other Transfers-In.....	25,053	25,053	122,668	97,615
Other intergovernmental revenue.....			131,764	131,764
TOTALS	<u>\$ 1,791,986</u>	<u>\$ 1,791,986</u>	<u>\$ 1,940,074</u>	<u>\$ 148,088</u>
<b>PARKS AND RECREATION</b>				
General Fund appropriation.....	\$ 52,939	\$ 52,939	\$ 52,939	\$
Taxes.....	4,076,457	4,076,457	3,963,531	(112,926)
Use of money and property.....	87,000	87,000	95,917	8,917
State grants.....	5,000	5,000	52,492	47,492
Other Transfers-In.....			1,106,707	1,106,707
Charges for services.....	1,519,550	1,519,550	2,184,826	665,276
Other.....	21,000	21,000	125,554	104,554
TOTALS	<u>\$ 5,761,946</u>	<u>\$ 5,761,946</u>	<u>\$ 7,581,966</u>	<u>\$ 1,820,020</u>
<b>PLANNING COMMISSION</b>				
General Fund appropriation.....	\$ 381,006	\$ 379,898	\$ 379,898	\$
Licenses and permits.....	6,000	6,000	6,160	160
Federal grants.....	1,899,547	1,899,547	652,923	(1,246,624)
State grants.....		182,960	157,875	(25,085)
Charges for services.....	1,202,428	1,202,428	1,194,614	(7,814)
Other.....	125,089	140,089	21,826	(118,263)
TOTALS	<u>\$ 3,614,070</u>	<u>\$ 3,810,922</u>	<u>\$ 2,413,296</u>	<u>\$ (1,397,626)</u>
<b>SENIOR SERVICES</b>				
Taxes.....	\$ 5,612,488	\$ 5,612,488	\$ 5,738,848	\$ 126,360
Use of money and property.....	2,475		7,176	7,176
TOTALS	<u>\$ 5,614,963</u>	<u>\$ 5,612,488</u>	<u>\$ 5,746,024</u>	<u>\$ 133,536</u>
<b>SHERIFF CONTRACTED SERVICES</b>				
Other intergovernmental revenue.....	\$ 2,216,157	\$ 2,216,157	\$ 2,475,576	\$ 259,419
State grants.....			1,968	1,968
TOTALS	<u>\$ 2,216,157</u>	<u>\$ 2,216,157</u>	<u>\$ 2,477,544</u>	<u>\$ 261,387</u>
<b>SOCIAL SERVICES</b>				
General Fund appropriation.....	\$ 15,500	\$ 15,500	\$ 15,500	\$
State grants.....	313,535	313,535	313,535	
TOTALS	<u>\$ 329,035</u>	<u>\$ 329,035</u>	<u>\$ 329,035</u>	<u>\$</u>
<b>VETERANS MILLAGE</b>				
Taxes.....	\$ 829,850	\$ 829,850	\$ 824,005	(5,845)
State grants.....	20,000	20,000		(20,000)
Use of money and property.....			561	561
TOTALS	<u>\$ 849,850</u>	<u>\$ 849,850</u>	<u>\$ 824,566</u>	<u>\$ (25,284)</u>
<b>MICHIGAN STRATEGIC FUND/WORKFORCE DEVELOPMENT ACT</b>				
Federal grants.....	\$ 12,111,619	\$ 12,111,619	\$ 12,111,619	\$
State grants.....	535,018	535,018	535,018	
TOTALS	<u>\$ 12,646,637</u>	<u>\$ 12,646,637</u>	<u>\$ 12,646,637</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, 2014**

	<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	\$ 983,305	\$ (277,305)
Transfer to Parks and Recreation.....	294,000	294,000	321,102	(27,102)
<b>TOTALS</b>	<b>\$ 1,000,000</b>	<b>\$ 1,000,000</b>	<b>\$ 1,304,407</b>	<b>\$ (304,407)</b>
<b>ADMINISTRATION OF JUSTICE</b>				
Personnel services.....	\$ 6,187,178	\$ 6,187,178	\$ 5,853,844	\$ 333,334
Fringe benefits.....	4,398,651	4,398,651	3,997,798	400,853
Supplies and services.....	2,791,428	2,791,428	2,421,817	369,611
Capital outlay.....	104,055	104,055	18,325	85,730
Other.....	3,850	3,850	273,083	(269,233)
Transfer out.....	0	0	31,705	(31,705)
<b>TOTALS</b>	<b>\$ 13,485,162</b>	<b>\$ 13,485,162</b>	<b>\$ 12,596,572</b>	<b>\$ 888,590</b>
<b>CHILD CARE</b>				
Foster care.....	\$ 1,718,140	\$ 1,718,140	\$ 1,075,860	\$ 642,280
Private institutional care.....	9,072,009	9,072,009	5,832,208	3,239,801
Juvenile detention center.....	4,466,044	4,466,044	3,578,807	887,237
Training schools.....	2,692,624	2,692,624	1,764,293	928,331
Transfer out.....			2,132,233	(2,132,233)
<b>TOTALS</b>	<b>\$ 17,948,817</b>	<b>\$ 17,948,817</b>	<b>\$ 14,383,401</b>	<b>\$ 3,565,416</b>
<b>COMMUNITY ENRICHMENT AND DEVELOPMENT</b>				
Personnel services.....	\$ 178,359	\$ 178,359	\$ 947,456	\$ (769,097)
Fringe benefits.....	113,777	113,777	391,835	(278,058)
Supplies and services.....	260,017	260,017	1,496,599	(1,236,582)
Capital outlay.....	100,000	100,000	42,797	57,203
Other.....	3,750	3,750	5,803	(2,053)
Transfers out.....			94,906	(94,906)
<b>TOTALS</b>	<b>\$ 655,903</b>	<b>\$ 655,903</b>	<b>\$ 2,979,396</b>	<b>\$ (2,323,493)</b>
<b>DRUG FORFEITURES</b>				
Supplies and services.....	\$ 2,000	\$ 2,000	\$ 2,000	\$ 0
Transfers out.....	56,598	56,598	56,598	0
<b>TOTALS</b>	<b>\$ 58,598</b>	<b>\$ 58,598</b>	<b>\$ 58,598</b>	<b>\$ 0</b>
<b>EMERGENCY MEDICAL SERVICES</b>				
Personnel services.....	\$ 1,545,950	\$ 1,545,950	\$ 1,812,333	\$ (266,383)
Fringe benefits.....	1,243,281	1,243,281	1,384,803	(141,522)
Supplies and services.....	997,507	997,507	842,476	155,031
<b>TOTALS</b>	<b>\$ 3,786,738</b>	<b>\$ 3,786,738</b>	<b>\$ 4,039,612</b>	<b>\$ (252,874)</b>
<b>FLINT CITY LOCKUP</b>				
Personnel services.....	\$ 1,158,895	\$ 1,011,097	\$ 1,367,157	\$ (356,060)
Fringe benefits.....	978,586	895,388	1,014,834	(119,446)
Supplies and services.....	286,848	318,242	185,790	132,452
<b>TOTALS</b>	<b>\$ 2,424,329</b>	<b>\$ 2,224,727</b>	<b>\$ 2,567,781</b>	<b>\$ (343,054)</b>
<b>HEALTH CARE SERVICES</b>				
Supplies and services.....	\$ 8,017,864	\$ 8,017,864	\$ 8,457,698	\$ (439,834)
Transfers out.....			324,251	(324,251)
<b>TOTALS</b>	<b>\$ 8,017,864</b>	<b>\$ 8,017,864</b>	<b>\$ 8,781,949</b>	<b>\$ (764,085)</b>

Fiscal Year Ended September 30, 2014				
	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance with Final Budget- Positive (Negative)
<b>LAW ENFORCEMENT</b>				
Personnel services.....	\$ 641,025	\$ 641,025	\$ 750,667	\$ (109,642)
Fringe benefits.....	399,314	399,314	498,397	(99,083)
Supplies and services.....	649,474	649,474	546,595	102,879
Other.....			65,677	(65,677)
Capital outlay.....	2,500	2,500		2,500
Transfers out.....	97,074	97,074		97,074
TOTALS	<u>\$ 1,789,387</u>	<u>\$ 1,789,387</u>	<u>\$ 1,861,336</u>	<u>\$ (71,949)</u>
<b>PARKS AND RECREATION</b>				
Personnel services.....	\$ 2,119,783	\$ 2,119,783	\$ 2,178,711	\$ (58,928)
Fringe benefits.....	886,944	886,944	741,200	145,744
Supplies and services.....	825,259	825,259	873,648	(48,389)
Other.....	1,925,960	1,925,960	2,017,782	(91,822)
Capital outlay.....	4,000	4,000	301,200	(297,200)
Transfers out.....			2,508,908	(2,508,908)
TOTALS	<u>\$ 5,761,946</u>	<u>\$ 5,761,946</u>	<u>\$ 8,621,449</u>	<u>\$ (2,859,503)</u>
<b>PLANNING COMMISSION</b>				
Personnel services.....	\$ 1,219,726	\$ 1,069,726	\$ 987,049	\$ 82,677
Fringe benefits.....	725,529	875,529	733,139	142,390
Supplies and services.....	1,668,815	1,888,167	571,299	1,316,868
TOTALS	<u>\$ 3,614,070</u>	<u>\$ 3,833,422</u>	<u>\$ 2,291,487</u>	<u>\$ 1,541,935</u>
<b>SENIOR SERVICES</b>				
Personnel services.....	\$ 148,217	\$ 160,576	\$ 161,820	\$ (1,244)
Fringe benefits.....	65,871	72,753	73,541	(788)
Supplies and services.....	58,322	58,322	44,411	13,911
Programs and grants.....	5,592,236	5,595,236	5,473,427	121,809
Transfers out.....	387,361	387,361	387,361	0
TOTALS	<u>\$ 6,252,007</u>	<u>\$ 6,274,248</u>	<u>\$ 6,140,560</u>	<u>\$ 133,688</u>
<b>SHERIFF CONTRACTED SERVICES</b>				
Personnel services.....	\$ 1,023,858	\$ 1,023,858	\$ 1,258,795	\$ (234,937)
Fringe benefits.....	991,299	991,299	1,119,522	(128,223)
Supplies and services.....	201,000	201,000	151,232	49,768
TOTALS	<u>\$ 2,216,157</u>	<u>\$ 2,216,157</u>	<u>\$ 2,529,549</u>	<u>\$ (313,392)</u>
<b>SOCIAL SERVICES</b>				
State programs.....	\$ 353,240	\$ 353,240	\$ 353,240	\$
TOTALS	<u>\$ 353,240</u>	<u>\$ 353,240</u>	<u>\$ 353,240</u>	<u>\$</u>
<b>VETERANS MILLAGE</b>				
Personnel services.....	\$ 274,262	\$ 274,262	\$ 222,833	\$ 51,429
Fringe benefits.....	119,593	119,593	77,123	42,470
Supplies and services.....	358,509	379,206	275,729	103,477
Capital outlay.....	70,000	52,988		52,988
Transfers out.....				0
TOTALS	<u>\$ 822,364</u>	<u>\$ 826,049</u>	<u>\$ 575,685</u>	<u>\$ 250,364</u>
<b>MICHIGAN STRATEGIC FUND/WORKFORCE DEVELOPMENT ACT</b>				
Personnel services.....	\$ 14,222	\$ 14,222	\$ 14,222	\$
Fringe benefits.....	9,885	9,885	9,885	
Supplies and services.....	13,479,354	13,479,354	13,479,354	0
TOTALS	<u>\$ 13,503,461</u>	<u>\$ 13,503,461</u>	<u>\$ 13,503,461</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.

**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, 2014		
	Capital Improvement	Courthouse Square	GCCARD Warehouse
<b>ASSETS</b>			
Cash and cash equivalents.....	\$	\$	\$
Due from other governmental units.....			
Long term advance to component unit.....			
TOTAL ASSETS	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Deferred inflows of resources:			
Unavailable revenue.....	\$	\$	\$
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Fund balances:			
Nonspendable.....			
Unassigned.....			
TOTAL FUND BALANCES	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

---

Hughes & Hatcher Center	JCI Energy Bond	1998 Refinancing	2012 Refunding	Total
\$ 54,115	\$ 8	\$	\$	\$ 54,123
1,000				1,000
1,720,000				1,720,000
<u>\$ 1,775,115</u>	<u>\$ 8</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,775,123</u>

\$ 1,720,000	\$	\$	\$	\$ 1,720,000
<u>\$ 1,720,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,720,000</u>

1,720,000	8			1,720,008
(1,664,885)				(1,664,885)
<u>55,115</u>	<u>8</u>	<u>0</u>	<u>0</u>	<u>55,123</u>
<u>\$ 1,775,115</u>	<u>\$ 8</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,775,123</u>

# **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, 2014**

	<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.....		900	
Principal Payments.....	65,000	1,240,000	115,000
Interest and Fiscal Charges.....	21,720	420,750	42,164
<b>TOTAL EXPENDITURES</b>	<b>86,720</b>	<b>1,661,650</b>	<b>157,164</b>
REVENUES OVER (UNDER) EXPENDITURES	(86,720)	(1,661,650)	(157,164)
Transfers in (out):			
Transfers-In.....	86,720	1,661,650	157,164
Transfers-Out.....			
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>86,720</b>	<b>1,661,650</b>	<b>157,164</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>1998 Refinancing</b>	<b>2012 Refunding</b>	<b>Total</b>
\$	\$	\$	\$	\$
144,968	256,247			256,247
144,968	101,301			246,269
	357,548	0	0	502,516
525		325		1,750
45,000	340,000	95,000	440,000	2,340,000
99,218	410,629	7,750	128,470	1,130,701
144,743	750,629	103,075	568,470	3,472,451
225	(393,081)	(103,075)	(568,470)	(2,969,935)
	393,089	103,075	568,470	2,970,168
0	393,089	103,075	568,470	2,970,168
225	8			233
54,890				54,890
\$ 55,115	\$ 8	\$ 0	\$ 0	\$ 55,123

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**COMBINING  
FINANCIAL STATEMENTS  
CAPITAL PROJECT FUNDS**

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## CAPITAL PROJECT FUNDS

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

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

**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

September 30, 2014				
	Capital Improvement	Jail Site Remediation	Kronos Workforce	Total
<b>ASSETS</b>				
Cash and cash equivalents.....	\$ 721,280	\$ 4,164	\$	\$ 725,444
Due from other governmental units.....			12,400	12,400
<b>TOTAL ASSETS</b>	<u>\$ 721,280</u>	<u>\$ 4,164</u>	<u>\$ 12,400</u>	<u>\$ 737,844</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Due to other county funds.....	\$	\$	\$ 12,400	12,400
<b>TOTAL LIABILITIES</b>	<u>0</u>	<u>0</u>	<u>12,400</u>	<u>12,400</u>
Deferred inflows of resources:				
Unavailable grant revenue.....			12,400	12,400
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>			<u>12,400</u>	<u>12,400</u>
Fund balances:				
Assigned.....	721,280	4,164		725,444
Unassigned.....			(12,400)	(12,400)
<b>TOTAL FUND BALANCES</b>	<u>721,280</u>	<u>4,164</u>	<u>(12,400)</u>	<u>713,044</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$ 721,280</u>	<u>\$ 4,164</u>	<u>\$ 12,400</u>	<u>\$ 737,844</u>

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

**GENESEE COUNTY**

**Exhibit F-2**

	<b>Capital Improvement</b>	<b>Jail Site Remediation</b>	<b>Kronos Workforce</b>	<b>Total</b>
Revenues:				
State grants.....	\$	\$	\$ 17,694	17,694
Other.....		9		9
<b>TOTAL REVENUES</b>	<b>0</b>	<b>9</b>	<b>17,694</b>	<b>17,703</b>
Expenditures:				
Current Operations:				
Capital outlay.....			30,094	30,094
Other.....		3,166		3,166
<b>TOTAL EXPENDITURES</b>	<b>0</b>	<b>3,166</b>	<b>30,094</b>	<b>33,260</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>0</b>	<b>(3,157)</b>	<b>(12,400)</b>	<b>(15,557)</b>
Other financing sources (uses):				
Transfers in (out):				
Transfers-In.....				0
Transfers-Out.....				0
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>0</b>	<b>(3,157)</b>	<b>(12,400)</b>	<b>(15,557)</b>
Fund balance at beginning of year.....	721,280	7,321		728,601
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 721,280</b>	<b>\$ 4,164</b>	<b>\$ (12,400)</b>	<b>\$ 713,044</b>

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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, 2014				
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.....	\$ 961,300	\$ 353,214	\$ 146,271	\$ 1,460,785
Investments.....	1,031,538			1,031,538
Interest and accounts receivable.....		63,524		63,524
Due from other governmental units.....			95,717	95,717
Supplies inventory.....		34,448		34,448
Prepayments.....	9,380			9,380
<b>TOTAL CURRENT ASSETS</b>	<b>2,002,218</b>	<b>451,186</b>	<b>241,988</b>	<b>2,695,392</b>
<b>CAPITAL ASSETS</b>				
Land.....	706,110		12,078	718,188
Land improvements.....	3,074,493			3,074,493
Buildings and improvements.....	1,181,214			1,181,214
Equipment.....	3,591,837		217,099	3,808,936
<b>TOTAL CAPITAL ASSETS</b>	<b>8,553,654</b>	<b>0</b>	<b>229,177</b>	<b>8,782,831</b>
Less allowances for depreciation.....	7,776,817		229,177	8,005,994
<b>TOTAL CAPITAL ASSETS, NET</b>	<b>776,837</b>	<b>0</b>	<b>0</b>	<b>776,837</b>
<b>TOTAL ASSETS</b>	<b>\$ 2,779,055</b>	<b>\$ 451,186</b>	<b>\$ 241,988</b>	<b>\$ 3,472,229</b>
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Accounts payable.....	\$ 16,163	\$ 5,599	\$ 27,800	\$ 49,562
Accrued payroll.....	22,639			22,639
Other accrued liabilities and deposits.....	375		57,434	57,809
Due to other funds.....	22,072	225,000		247,072
Current portion of notes/bonds payable.....	18,000			18,000
<b>TOTAL CURRENT LIABILITIES</b>	<b>79,249</b>	<b>230,599</b>	<b>85,234</b>	<b>395,082</b>
<b>LONG-TERM DEBT</b>				
Net OPEB obligation.....	329,980			329,980
Notes/bonds payable exclusive of current portion.....				0
<b>TOTAL LONG-TERM DEBT</b>	<b>329,980</b>	<b>0</b>	<b>0</b>	<b>329,980</b>
<b>TOTAL LIABILITIES</b>	<b>409,229</b>	<b>230,599</b>	<b>85,234</b>	<b>725,062</b>
<b>NET POSITION :</b>				
Restricted for parks & recreation non expendable.....	1,031,537			1,031,537
Net investment in capital assets.....	758,837			758,837
Unrestricted.....	579,452	220,587	156,754	956,793
<b>TOTAL NET POSITION</b>	<b>2,369,826</b>	<b>220,587</b>	<b>156,754</b>	<b>2,747,167</b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 2,779,055</b>	<b>\$ 451,186</b>	<b>\$ 241,988</b>	<b>\$ 3,472,229</b>



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

**GENESEE COUNTY**

**Exhibit G-2**

Fiscal Year Ended September 30, 2014				
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.....	\$ 463,458	\$ 463,231	\$ 304,109	\$ 1,230,798
TOTAL OPERATING REVENUES	<u>463,458</u>	<u>463,231</u>	<u>304,109</u>	<u>1,230,798</u>
Operating expenses:				
Salaries and fringe benefits.....	661,341			661,341
Supplies and other operating expenses.....	334,764	268,348	368,222	971,334
Depreciation.....	80,609			80,609
TOTAL OPERATING EXPENSES	<u>1,076,714</u>	<u>268,348</u>	<u>368,222</u>	<u>1,713,284</u>
OPERATING INCOME (LOSS)	<u>(613,256)</u>	<u>194,883</u>	<u>(64,113)</u>	<u>(482,486)</u>
Non-operating revenues (expenses):				
Investment earnings (loss).....	82,726	105		82,831
Interest expense.....	(1,731)			(1,731)
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>80,995</u>	<u>105</u>	<u>0</u>	<u>81,100</u>
INCOME (LOSS) BEFORE TRANSFERS	<u>(532,261)</u>	<u>194,988</u>	<u>(64,113)</u>	<u>(401,386)</u>
Transfers-in.....	469,457			469,457
Transfers-out.....	(30,825)	(225,000)		(255,825)
TOTAL TRANSFERS	<u>438,632</u>	<u>(225,000)</u>	<u>0</u>	<u>213,632</u>
CHANGE IN NET POSITION	<u>(93,629)</u>	<u>(30,012)</u>	<u>(64,113)</u>	<u>(187,754)</u>
Net position at beginning of year.....	2,463,455	250,599	220,867	2,934,921
NET POSITION AT END OF YEAR	<u>\$ 2,369,826</u>	<u>\$ 220,587</u>	<u>\$ 156,754</u>	<u>\$ 2,747,167</u>

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

**GENESEE COUNTY**

**Exhibit G-3**

Fiscal Year Ended September 30, 2014				
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.....	\$ 463,458	\$ 463,231	\$ 291,234	\$ 1,217,923
Cash payments to suppliers for goods and services.....	(360,051)	(262,749)	(375,728)	(998,528)
Cash payments to employees for services.....	(502,924)			(502,924)
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	(399,517)	200,482	(84,494)	(283,529)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Net advances (repayments) to other governmental funds.....		225,000		225,000
Transfers-in from other funds.....	469,457			469,457
Transfers-out to other funds.....	(30,825)	(225,000)		(255,825)
NET CASH PROVIDED BY (USED FOR) NONCAPITAL FINANCING ACTIVITIES	438,632	0	0	438,632
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Principal paid on long-term debt.....	(28,500)			(28,500)
NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	(28,500)	0	0	(28,500)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Interest and dividends on investments.....		(63,418)		(63,418)
NET CASH (USED FOR) INVESTING ACTIVITIES	0	(63,418)	0	(63,418)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	10,615	137,064	(84,494)	63,185
Cash and cash equivalents at beginning of year.....	950,685	216,151	230,765	1,397,601
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 961,300</u>	<u>\$ 353,215</u>	<u>\$ 146,271</u>	<u>\$ 1,460,786</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:</b>				
Operating income (loss).....	\$ (613,256)	\$ 194,883	\$ (64,113)	\$ (482,486)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation.....	80,609			80,609
Change in assets and liabilities:				
(Increase) decrease in accounts receivable.....			(22,362)	(22,362)
(Increase) decrease in supplies inventory.....				0
(Increase) decrease in prepay & other current assets.....	82,725			82,725
Increase (decrease) in accounts payable and related items.....	(51,151)	5,599	(299)	(45,851)
Increase (decrease) in accrued payroll.....	(14,674)			(14,674)
Increase (decrease) in other accrued liabilities and deposits.....			2,280	2,280
Increase in net OPEB liability.....	116,230			116,230
Net cash provided by (used for) operating activities.....	<u>\$ (399,517)</u>	<u>\$ 200,482</u>	<u>\$ (84,494)</u>	<u>\$ (283,529)</u>
Noncash investing activities - increase in fair value of investments.....	<u>\$ 82,725</u>	<u>\$</u>	<u>\$</u>	<u>\$ 82,725</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.....	4,313
Due from other governmental units.....	
Due from other county funds.....	3,703,549
Supplies inventory.....	
Prepayments.....	142,132
TOTAL CURRENT ASSETS	<u>3,849,994</u>
PROPERTY AND EQUIPMENT	
Construction in progress.....	\$ 100,652
Land.....	
Buildings and improvements.....	
Equipment.....	3,663,596
TOTAL PROPERTY AND EQUIPMENT	<u>3,764,248</u>
Less allowances for depreciation.....	2,837,052
TOTAL PROPERTY AND EQUIPMENT, NET	<u>927,196</u>
TOTAL ASSETS	<u>\$ 4,777,190</u>
LIABILITIES AND NET POSITION	
CURRENT LIABILITIES	
Accounts payable.....	\$ 110,078
Accrued payroll.....	95,394
Accrued liabilities and deposits payable.....	
Due to other governmental units.....	372,116
Due to other county funds.....	2,388,933
Unearned revenue.....	
Compensated absences.....	3,027,650
Current portion of general, workers compensation claim and IBNR liability.....	
Current portion of notes/bonds payable.....	154,462
TOTAL CURRENT LIABILITIES	<u>6,148,633</u>
LONG-TERM DEBT	
General, workers compensation claim and IBNR liability.....	
Long-term advance.....	
Compensated absences.....	668,146
Notes/bonds payable exclusive of current portion.....	295,803
TOTAL LONG-TERM DEBT	<u>963,949</u>
TOTAL LIABILITIES	<u>7,112,582</u>
NET POSITION	
Restricted for:	
Net investment in capital assets.....	476,930
Capital improvement per lease agreement .....	
Unrestricted (deficit) .....	(2,812,322)
TOTAL NET POSITION (DEFICIT)	<u>\$ (2,335,392)</u>

September 30, 2014

Vehicles and Equipment	Building and Grounds	Self-Insured Medicals	Self Funded Prop./Casualty Program	Total
\$	\$	\$	\$	\$
			803,967	803,967
			7,804,102	7,804,102
678			20,025	25,016
710				710
721		2,573,518		6,277,788
44,302				44,302
10,769	14,434	683,382	300,013	1,150,730
57,180	14,434	3,256,900	8,928,107	16,106,615
				100,652
131,033	62,463			193,496
176,430	2,305,394			2,481,824
4,511,214	1,526,301			9,701,111
4,818,677	3,894,158			12,477,083
3,539,378	2,949,968			9,326,398
1,279,299	944,190			3,150,685
\$ 1,336,479	\$ 958,624	\$ 3,256,900	\$ 8,928,107	\$ 19,257,300
\$	\$	\$	\$	\$
61,183	152,395	533,328	16,664	873,648
6,128	31,544		2,788	135,854
		131,000		131,000
	101,838			473,954
	75,247	166	187,567	2,651,913
	59,508			59,508
				3,027,650
			1,363,392	1,363,392
4,480				158,942
71,791	420,532	664,494	1,570,411	8,875,861
			2,265,595	2,265,595
1,294,703				1,294,703
				668,146
6,842				302,645
1,301,545	0	0	2,265,595	4,531,089
1,373,336	420,532	664,494	3,836,006	13,406,950
1,267,977	944,190			2,689,097
	122,754			122,754
(1,304,834)	(528,852)	2,592,406	5,092,101	3,038,499
\$ (36,857)	\$ 538,092	\$ 2,592,406	\$ 5,092,101	\$ 5,850,350

# **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.....	\$ 5,361,966
TOTAL OPERATING REVENUES	<u>5,361,966</u>
Operating expenses:	
Salaries and fringe benefits.....	3,610,087
Supplies and other operating expenses.....	2,098,045
Depreciation.....	206,014
TOTAL OPERATING EXPENSES	<u>5,914,146</u>
OPERATING INCOME(LOSS)	<u>(552,180)</u>
Non-operating revenues (expenses):	
Interest income.....	
Interest expense.....	
Gain (loss) on sale of property and equipment.....	(2,066)
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>(2,066)</u>
INCOME (LOSS) BEFORE TRANSFERS	<u>(554,246)</u>
Transfers in (out):	
Transfers-in.....	173,835
Transfers-out.....	
TOTAL TRANSFERS IN (OUT)	<u>173,835</u>
CHANGE IN NET POSITION	<u>(380,411)</u>
Net Position (Deficit) at beginning of year.....	(1,954,981)
NET POSITION (DEFICIT) AT END OF YEAR	<u>\$ (2,335,392)</u>



**Fiscal Year Ended September 30, 2014**

<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>
\$ 1,603,439	\$ 4,121,691	\$ 10,225,457	\$ 2,246,662	\$ 23,559,215
1,603,439	4,121,691	10,225,457	2,246,662	23,559,215
239,728	1,343,263		134,579	5,327,657
1,552,410	2,799,532	10,541,632	3,620,770	20,612,389
334,859	256,728			797,601
2,126,997	4,399,523	10,541,632	3,755,349	26,737,647
(523,558)	(277,832)	(316,175)	(1,508,687)	(3,178,432)
		169	188,007	188,176
(846)				(846)
78,756			522,385	599,075
77,910	0	169	710,392	786,405
(445,648)	(277,832)	(316,006)	(798,295)	(2,392,027)
1,212,799	36,393			1,423,027
				0
1,212,799	36,393	0		1,423,027
767,151	(241,439)	(316,006)	(798,295)	(969,000)
(804,008)	779,531	2,908,412	5,890,396	6,819,350
\$ (36,857)	\$ 538,092	\$ 2,592,406	\$ 5,092,101	\$ 5,850,350

# COMBINING STATEMENT OF CASH FLOWS- INTERNAL SERVICE FUNDS

## GENESEE COUNTY

## Exhibit H-3

	<u>Administrative Services</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from customers.....	\$ 5,964,940
Cash payments to suppliers for goods and services.....	(2,314,270)
Cash payments to employees for services.....	(5,383,411)
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	<u>(1,732,741)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Advances (to) from other governmental units, County units and funds.....	1,618,621
Transfers-in from other funds.....	173,835
Transfers-out to other funds.....	
NET CASH PROVIDED BY (USED FOR) NONCAPITAL FINANCING ACTIVITIES	<u>1,792,456</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Acquisition and construction of capital assets.....	(100,652)
Principal paid on long-term debt.....	
Interest paid on long-term debt.....	
Proceeds from sale of equipment.....	40,937
NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(59,715)</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	0
Cash and cash equivalents at beginning of year.....	
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 0</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:	
Operating income (loss).....	\$ (552,180)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation.....	206,014
Change in assets and liabilities:	
(Increase) decrease in interest and accounts receivable.....	602,974
(Increase) decrease in supplies inventory.....	
(Increase) decrease in prepayment and other current assets.....	89,132
Increase (decrease) in accounts payable and related items.....	(305,356)
Increase (decrease) in accrued payroll.....	(1,773,325)
Increase (decrease) in other accrued liabilities and deposits.....	
Net cash provided by (used for) operating activities.....	<u>\$ (1,732,741)</u>

**Fiscal Year Ended September 30, 2014**

<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>
\$ 1,783,198	\$ 4,455,524	\$ 13,809,231	\$ 2,286,273	\$ 28,299,166
(1,628,498)	(2,882,248)	(10,382,821)	(4,028,525)	(21,236,362)
(238,265)	(1,339,873)		(134,374)	(7,095,923)
<u>(83,565)</u>	<u>233,403</u>	<u>3,426,410</u>	<u>(1,876,626)</u>	<u>(33,119)</u>
(546,106)	(269,796)	(3,426,579)		(2,623,860)
1,212,799	36,393	147,551		1,570,578
		(147,551)		(147,551)
<u>666,693</u>	<u>(233,403)</u>	<u>(3,426,579)</u>	<u>0</u>	<u>(1,200,833)</u>
(656,488)				(757,140)
(4,550)				(4,550)
(846)				(846)
78,756				119,693
<u>(583,128)</u>				<u>(642,843)</u>
			(5,324,539)	(5,324,539)
			7,144,421	7,144,421
		169	188,007	188,176
<u>0</u>	<u>0</u>	<u>169</u>	<u>2,007,889</u>	<u>2,008,058</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>131,263</u>	<u>131,263</u>
			672,704	672,704
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 803,967</u>	<u>\$ 803,967</u>
\$ (523,560)	\$ (277,832)	\$ (316,175)	\$ (1,508,687)	\$ (3,178,434)
334,859	256,728			797,601
				0
179,759	274,325	3,583,774	259,940	4,900,772
861				861
(3,320)	2,935	(58,463)	(79,684)	(49,400)
(73,627)	(85,651)	265,049	167,809	(31,776)
1,463	3,390		205	(1,768,267)
	59,508	(47,775)	(716,209)	(704,476)
<u>(83,565)</u>	<u>233,403</u>	<u>3,426,410</u>	<u>(1,876,626)</u>	<u>(33,119)</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**

		<b>Pension</b>
		<b>Pension Trust Fund Retirement 12/31/13</b>
<b>ASSETS</b>		
Cash and short-term cash investments.....	\$	13,218,625
Cash and inv. held as collateral for securities lending.....		4,631,829
<b>TOTAL CASH AND CASH EQUIVALENTS</b>		<b>17,850,454</b>
Receivables:		
Prepaid expenses.....		1,569,887
Other receivables.....		1,483,354
Accrued interest and dividends.....		
<b>TOTAL RECEIVABLES</b>		<b>3,053,241</b>
Investments at fair value:		
U.S. Government securities.....		40,501,719
Foreign Govts. and Agencies.....		114,663,593
Corporate bonds.....		54,884,123
Common stocks.....		88,347,791
Preferred stocks.....		201,293
Money market.....		
Mutual funds.....		62,875,439
Real Estate.....		21,734,150
Hedge fund of funds.....		50,348,267
<b>TOTAL INVESTMENTS</b>		<b>433,556,375</b>
<b>TOTAL ASSETS</b>		<b>454,460,070</b>
<b>LIABILITIES</b>		
Accounts payable.....		7,492,140
IBNR liability.....		
Amounts due broker under securities lending agreement.....		4,631,829
<b>TOTAL LIABILITIES</b>		<b>12,123,969</b>
<b>NET POSITION</b>		
Held in trust for pension benefits and other purposes.....	\$	442,336,101



**Fiscal Year ended September 30, 2014**

**and Other Employee Benefit Trust Funds**

<b>Employees' Fringe Benefit (VEBA)</b>	<b>Total</b>
\$ 7,791	\$ 13,226,416
	4,631,829
7,791	17,858,245
474,854	474,854
	1,569,887
95,023	1,578,377
569,877	3,623,118
598,449	41,100,168
24,452,148	139,115,741
7,394,649	62,278,772
8,387,158	96,734,949
77,072	278,365
700,660	700,660
2,355,902	65,231,341
	21,734,150
	50,348,267
43,966,038	477,522,413
44,543,706	499,003,776
2,272,524	9,764,664
723,000	723,000
18,864	4,650,693
3,014,388	15,138,357
<u>\$ 41,529,318</u>	<u>\$ 483,865,419</u>

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

**GENESEE COUNTY**

**Exhibit I-2**

		<b>Pension</b>
		<b>Retirement 12/31/13</b>
<b>ADDITIONS</b>		
Contributions:		
Employer.....	\$	13,576,134
Plan members.....		2,958,807
Total contributions		16,534,941
Investment earnings:		
Net increase/(decrease)		
in fair value of investments.....		44,841,477
Interest.....		4,576,722
Dividends.....		1,697,868
Total investment earnings.....		51,116,067
Less investment expense.....		1,056,259
Net investment earnings.....		50,059,808
Securities lending income:		
Interest and fees.....		5,107
Borrower rebates and bank fees.....		4,233
Net securities lending income.....		9,340
Total additions.....		66,604,089
<b>DEDUCTIONS</b>		
Benefits.....		41,416,119
Refunds of contributions.....		141,412
Administrative expenses.....		302,988
Transfer to other pensions plans.....		1,359,458
Total deductions.....		43,219,977
Change in net position.....		23,384,112
Net position - Held in trust for pension benefits and other purposes - beginning of the year.....		418,951,989
Net position - Held in trust for pension benefits and other purposes - end of the year.....	\$	442,336,101

**Fiscal year ended September 30, 2014**

**and Other Employee Benefit Trust Funds**

<b>Employees' Fringe Benefit (VEBA)</b>	<b>Total</b>
\$ 8,626,867	\$ 22,203,001
995,497	3,954,304
<u>9,622,364</u>	<u>26,157,305</u>
2,608,997	47,450,474
459,512	5,036,234
643,426	2,341,294
<u>3,711,935</u>	<u>54,828,002</u>
205,120	1,261,379
<u>3,506,815</u>	<u>53,566,623</u>
	5,107
	<u>4,233</u>
	9,340
<u>13,129,179</u>	<u>79,733,268</u>
14,552,199	55,968,318
	141,412
(33,603)	269,385
18,990	1,378,448
<u>14,537,586</u>	<u>57,757,563</u>
(1,408,407)	21,975,705
42,937,725	461,889,714
<u>\$ 41,529,318</u>	<u>\$ 483,865,419</u>

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

## **Exhibit I-3**

		<u>Balances</u> <u>October 1, 2013</u>
TRUST AND AGENCY FUNDS		
ASSETS		
Cash and cash equivalents.....	\$	21,903,463
Accounts receivable.....		3,655
	\$	<u>21,907,118</u>
LIABILITIES		
Accounts payable.....	\$	21,907,118
	\$	<u>21,907,118</u>
LIBRARY PENAL FINES		
ASSETS		
Cash and cash equivalents.....	\$	125,476
LIABILITIES		
Accounts payable.....	\$	125,476
	\$	<u>125,476</u>
TOTALS ALL AGENCY FUNDS		
ASSETS		
Cash and cash equivalents.....	\$	22,028,939
Accounts receivable.....		3,655
	\$	<u>22,032,594</u>
LIABILITIES		
Accounts payable.....	\$	22,032,594
	\$	<u>22,032,594</u>

**Year Ended September 30, 2014**

<b>Additions</b>	<b>Deductions</b>	<b>Balances September 30, 2014</b>
\$ 125,560,373	\$ 123,844,756	\$ 23,619,080
7,828	6,415	5,068
<u>\$ 125,568,201</u>	<u>\$ 123,851,171</u>	<u>\$ 23,624,148</u>
\$ 161,162,304	\$ 159,445,274	\$ 23,624,148
<u>\$ 161,162,304</u>	<u>\$ 159,445,274</u>	<u>\$ 23,624,148</u>
\$ 414,185	\$ 416,233	\$ 123,428
\$ 1,442,331	\$ 1,444,379	\$ 123,428
<u>\$ 1,442,331</u>	<u>\$ 1,444,379</u>	<u>\$ 123,428</u>
125,974,558	124,260,989	\$ 23,742,508
7,828	6,415	5,068
<u>\$ 125,982,386</u>	<u>\$ 124,267,404</u>	<u>\$ 23,747,576</u>
\$ 162,604,635	\$ 160,889,653	\$ 23,747,576
<u>\$ 162,604,635</u>	<u>\$ 160,889,653</u>	<u>\$ 23,747,576</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, 2014</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.....	128,696	
Register of Deeds.....	264,177	
Planning.....	538,442	
	<u>1,975,674</u>	
<b>ADMINISTRATION OF JUSTICE</b>		
Circuit Court.....	40,342,121	443,316
District Court.....	2,887,619	155,992
Friend of the Court.....	1,103,753	
Community Corrections.....	1,280	
Jury Board.....	5,350	
Probate Court.....	19,437	
Prosecutor.....	154,040	
	<u>44,513,600</u>	<u>599,308</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.....	6,910,981	
County Health.....	3,326,093	325,000
Medical Examiner.....	41,497	
	<u>11,919,321</u>	<u>325,000</u>
<b>COMMUNITY ENRICHMENT AND DEVELOPMENT</b>		
Cooperative Extension.....	10,630	
Remonumentation.....	38,805	
Community Development.....	2,812	
	<u>52,247</u>	
<b>GENERAL</b>		
Land and Improvements.....	3,707,571	2,620,804
Buildings and Improvements.....	27,719,452	
Equipment.....	738,373	
	<u>32,165,396</u>	<u>2,620,804</u>
<b>TOTAL GENERAL GOVERNMENT</b>	<u>126,811,055</u>	<u>3,546,912</u>
<b>RECREATION.....</b>	<u>28,564,777</u>	<u>7,671,621</u>
<b>TOTAL CAPITAL ASSETS ALLOCATED TO FUNCTIONS</b>	<u>\$ 155,375,832</u>	<u>\$ 11,218,533</u>
Construction in Progress.....	<u>0</u>	
<b>TOTAL CAPITAL ASSETS</b>	<u>\$ 155,375,832</u>	



Land Improvements	Buildings and Improvements	Equipment
\$	\$	\$
		6,758
		161,683
	505,225	148,119
		222,574
		128,696
		264,177
		538,442
	505,225	1,470,449
42,692	39,063,712	792,401
18,578	2,521,927	191,122
	823,192	280,561
		1,280
		5,350
		19,437
		154,040
61,270	42,408,831	1,444,191
	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	
	4,680,821	2,230,160
	2,450,761	550,332
		41,497
0	8,754,582	2,839,739
		10,630
		38,805
		2,812
		52,247
1,086,767	27,719,452	738,373
1,086,767	27,719,452	738,373
1,161,112	109,694,175	12,408,856
7,693,096	9,981,225	3,218,835
\$ 8,854,208	\$ 119,675,400	\$ 15,627,691

**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, 2014					
	Capital Assets October 1, 2013	Additions	Deletions	Reclassifications	Capital Assets September 30, 2014
<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.....	121,407	7,289			128,696
Register of Deeds.....	256,902	7,275			264,177
Planning.....	556,280		17,838		538,442
	<u>1,978,948</u>	<u>14,564</u>	<u>17,838</u>	<u>0</u>	<u>1,975,674</u>
<b>ADMINISTRATION OF JUSTICE</b>					
Circuit Court.....	40,320,644	35,522	14,045		40,342,121
District Court.....	2,862,344	25,275			2,887,619
Friend of the Court.....	1,085,428	18,325			1,103,753
Community Corrections.....	1,280				1,280
Jury Board.....	5,350				5,350
Probate Court.....	19,437				19,437
Prosecutor.....	154,040				154,040
	<u>44,448,523</u>	<u>79,122</u>	<u>14,045</u>	<u>0</u>	<u>44,513,600</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.....	29,678,351				29,678,351
	<u>36,184,817</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>36,184,817</u>
<b>HUMAN SERVICES</b>					
Veteran's Information.....	4,480				4,480
Buildings and Ground-McCree .....	13,270				13,270
GVRG.....	1,623,000				1,623,000
GCCARD.....	6,832,748	78,233			6,910,981
County Health.....	3,326,093				3,326,093
Medical Examiner.....	41,497				41,497
	<u>11,841,088</u>	<u>78,233</u>	<u>0</u>	<u>0</u>	<u>11,919,321</u>
<b>COMMUNITY ENRICHMENT AND DEVELOPMENT</b>					
Cooperative Extension.....	389,949		379,319		10,630
Remonumentation.....	38,805				38,805
Community Development.....	2,812				2,812
	<u>431,566</u>	<u>0</u>	<u>379,319</u>	<u>0</u>	<u>52,247</u>
<b>GENESEE HEALTH SERVICES</b>					
	<u>4,226,005</u>		<u>4,226,005</u>		<u>0</u>
<b>GENERAL</b>					
Land and Improvements.....	3,707,571				3,707,571
Buildings and Improvements.....	27,719,452				27,719,452
Equipment.....	708,279	30,094			738,373
	<u>32,135,302</u>	<u>30,094</u>	<u>0</u>	<u>0</u>	<u>32,165,396</u>
<b>TOTAL GENERAL GOVERNMENT</b>	<u>131,246,249</u>	<u>202,013</u>	<u>4,637,207</u>	<u>0</u>	<u>126,811,055</u>
<b>RECREATION</b> .....	<u>28,278,594</u>	<u>301,200</u>	<u>15,017</u>		<u>28,564,777</u>
<b>TOTAL CAPITAL ASSETS ALLOCATED TO FUNCTIONS</b>	<u>159,524,843</u>	<u>503,213</u>	<u>4,652,224</u>	<u>0</u>	<u>155,375,832</u>
Construction in Progress.....	8,250			(8,250)	0
<b>TOTAL CAPITAL ASSETS</b>	<u>\$ 159,533,093</u>	<u>\$ 503,213</u>	<u>\$ 4,652,224</u>	<u>\$ (8,250)</u>	<u>155,375,832</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, 2014		
	Brownfield Authority	Adjustments	Statement of Net Position
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents.....	\$ 352,166	\$	\$ 352,166
Investments.....	144,300		144,300
Current portion of land contract.....	337,500		337,500
Other assets - Land contract receivable.....	2,250,000		2,250,000
<b>TOTAL CURRENT ASSETS</b>	<u>\$ 3,083,966</u>	<u>\$ 0</u>	<u>\$ 3,083,966</u>
<b>LIABILITIES AND NET POSITION</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable.....	\$ 1,000	\$	\$ 1,000
Due to primary government.....			0
Accrued interest payable.....		243,083	243,083
Funds held in escrow.....	225,000		225,000
Unamortized note premium.....		371,594	371,594
Current portion debt.....		275,000	275,000
<b>TOTAL CURRENT LIABILITIES</b>	<u>226,000</u>	<u>889,677</u>	<u>1,115,677</u>
<b>LONG-TERM DEBT</b>			
Notes/bonds payable exclusive of current portion....		11,835,000	11,835,000
<b>TOTAL LONG-TERM DEBT</b>	<u>0</u>	<u>11,835,000</u>	<u>11,835,000</u>
<b>TOTAL LIABILITIES</b>	<u>226,000</u>	<u>12,724,677</u>	<u>12,950,677</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows.....	2,362,500	(2,362,500)	0
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS</b>	<u>2,588,500</u>	<u>10,362,177</u>	<u>12,950,677</u>
<b>FUND BALANCES/NET POSITION</b>			
Reserved for:			
Unrestricted .....	2,857,966	(495,466)	2,362,500
<b>TOTAL FUND BALANCES</b>	<u>2,857,966</u>	<u>(495,466)</u>	<u>2,362,500</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 3,083,966</u>		
<b>NET POSITION:</b>			
Unrestricted (deficit) .....		<u>\$ (12,229,211)</u>	<u>\$ (9,866,711)</u>

**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.....	\$ 683	\$	\$ 683
Charges for services.....	238,628		238,628
Other.....			0
TOTAL OPERATING REVENUES	<u>239,311</u>	<u>0</u>	<u>239,311</u>
Operating expenses:			
Interest expense.....	475,999	90,556	566,555
Debt service.....	255,000	(255,000)	0
Other.....	500		500
TOTAL OPERATING EXPENSES	<u>731,499</u>	<u>(164,444)</u>	<u>567,055</u>
OPERATING INCOME (LOSS)	<u>(492,188)</u>	<u>164,444</u>	<u>(327,744)</u>
Other financing sources (uses):			
Transfer in from primary government.....			0
REVENUE AND OTHER FINANCING SOURCES UNDER (OVER)			
EXPENDITURES AND OTHER FINANCING USES		<u>(327,744)</u>	<u>(327,744)</u>
CHANGE IN NET POSITION	0	(327,744)	(327,744)
Fund balances/net position (deficit) at beginning of year.....	1,109,032	(10,647,999)	(9,538,967)
FUND BALANCES/NET POSITION (DEFICIT) AT END OF YEAR	<u>\$ 1,109,032</u>	<u>\$ (10,975,743)</u>	<u>\$ (9,866,711)</u>

# 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.....	\$ 1,506,862	\$ 1,542,703
Short term investments.....		
Special assessment receivable.....	4,290,985	
Interest receivable.....		
Inventory.....		40,245
Machinery and equipment.....		41,192
Construction in progress.....		
Capital assets infrastructure.....		
<b>TOTAL CURRENT ASSETS</b>	<b>\$ 5,797,847</b>	<b>\$ 1,624,140</b>
<b>LIABILITIES AND NET POSITION</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable.....	\$ 46,546	\$ 916
Accrued payroll.....		12,209
Yearly drain orders payable.....		
Bonds payable.....		
Contracts payable.....	45,545	
Interest payable.....		
Deposits payable security bond.....	11,680	
<b>TOTAL LIABILITIES</b>	<b>103,771</b>	<b>13,125</b>
<b>FUND BALANCES/NET POSITION</b>		
Reserved for:		
Net investment in capital assets.....		41,192
Restricted .....		40,245
Unrestricted .....	5,694,076	1,529,578
<b>TOTAL FUND BALANCES/NET POSITION</b>	<b>5,694,076</b>	<b>1,611,015</b>
<b>TOTAL LIABILITIES AND FUND BALANCES/NET POSITION</b>	<b>\$ 5,797,847</b>	<b>\$ 1,624,140</b>



**September 30, 2014**

Drain Chapter 20 Debt & Capital Projects		Totals	Adjustments	Statement of Net Position	
\$	441,627	\$	3,491,192	\$	3,491,192
	201,848		201,848		201,848
			4,290,985		4,290,985
			40,245		40,245
			41,192		41,192
			360,205		360,205
			20,821,315		20,821,315
			0		0
<u>\$</u>	<u>643,475</u>	<u>\$</u>	<u>8,065,462</u>	<u>\$</u>	<u>21,181,520</u>
				<u>\$</u>	<u>29,246,982</u>
\$		\$	47,462	\$	47,462
			12,209		12,209
			333,890		333,890
			2,275,000		2,275,000
			45,545		45,545
			28,281		28,281
			11,680		11,680
<u></u>	<u>0</u>	<u></u>	<u>116,896</u>	<u></u>	<u>2,754,067</u>
			41,192		18,613,822
			40,245		40,245
	643,475		7,867,129		7,838,848
	643,475		(28,281)		26,492,915
			18,544,349		26,492,915
<u>\$</u>	<u>643,475</u>	<u>\$</u>	<u>8,065,462</u>	<u>\$</u>	<u>21,181,520</u>
				<u>\$</u>	<u>29,246,982</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.....	\$ 1,045,132	\$
Use of money and property.....	213	
Charges for services.....	(22,564)	852,673
Other revenue.....	986,032	
<b>TOTAL OPERATING REVENUES</b>	<b>2,008,813</b>	<b>852,673</b>
Operating expenses:		
Current:		
Other.....	1,650,056	829,060
Depreciation.....		
Debt Service:		
Interest expense.....	95,135	
<b>TOTAL OPERATING EXPENSES</b>	<b>1,745,191</b>	<b>829,060</b>
<b>OPERATING INCOME (LOSS)</b>	<b>263,622</b>	<b>23,613</b>
Other financing sources (uses)		
Proceeds from notes.....		
Proceeds from bonds.....		
Principal payments.....	(556,546)	
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(556,546)</b>	<b>0</b>
<b>REVENUE AND OTHER FINANCING SOURCES UNDER (OVER) EXPENDITURES AND OTHER FINANCING USES</b>	<b>(292,924)</b>	<b>23,613</b>
<b>CHANGE IN NET POSITION</b>	<b>(292,924)</b>	<b>23,613</b>
Fund balances/net position at beginning of year.....	5,987,000	1,587,403
<b>FUND BALANCES/NET POSITION AT END OF YEAR</b>	<b>\$ 5,694,076</b>	<b>\$ 1,611,016</b>

<b>Drain Chapter 20 Debt &amp; Capital Projects</b>	<b>Totals</b>	<b>Adjustments</b>	<b>Statement of Activities</b>
\$	\$	\$	\$
	1,045,132		1,045,132
416	629		629
	830,109		830,109
	986,032		986,032
416	2,861,902	0	2,861,902
	2,479,116	(655,255)	1,823,861
	0	2,198,749	2,198,749
	95,135	(1,173)	93,962
0	2,574,251	1,542,321	4,116,572
416	287,651	(1,542,321)	(1,254,670)
	0		
	0		
0	(556,546)	556,546	0
	(556,546)	556,546	0
416	(268,895)	(985,775)	(1,254,670)
416	(268,895)	(985,775)	(1,254,670)
643,059	8,217,462	19,530,123	27,747,585
\$ 643,475	\$ 7,948,567	\$ 18,544,348	\$ 26,492,915

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

**GENESEE COUNTY**

**Exhibit K-5**

	September 30, 2014		
	Genesee Health System	Adjustments	Statement of Net Position
<b>ASSETS</b>			
Cash and cash equivalents.....	\$ 39,191,321	\$	\$ 39,191,321
Investments.....	1,052,001		1,052,001
Accounts receivable, net.....	3,750,150		3,750,150
Due from other governments.....	5,733,828		5,733,828
Due from primary government.....	5,332,219		5,332,219
Due from other funds.....	3,739,409	(3,739,409)	0
Prepays.....	512,078		512,078
NONCURRENT ASSETS			0
Capital assets being depreciated, net.....	4,630,939		4,630,939
Net other postemployment benefit asset.....			0
<b>TOTAL ASSETS</b>	<u>\$ 63,941,945</u>	<u>\$ (3,739,409)</u>	<u>\$ 60,202,536</u>
<b>LIABILITIES AND NET POSITION</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable.....	\$ 14,292,432	\$	\$ 14,292,432
Accrued liabilities.....	754,457		754,457
Due to other governments.....	34,352,434		34,352,434
Due to primary government.....	17,362		17,362
Due to other funds.....	3,739,409	(3,739,409)	0
Unearned revenue.....	1,143		1,143
Compensated absences, current portion.....	862,970		862,970
<b>TOTAL CURRENT LIABILITIES</b>	<u>54,020,207</u>	<u>(3,739,409)</u>	<u>50,280,798</u>
<b>NON CURRENT LIABILITIES</b>			
Compensated absences	297,307		297,307
Net other post employment benefits	1,295,456		1,295,456
<b>TOTAL LIABILITIES</b>	<u>55,612,970</u>		<u>51,873,561</u>
<b>FUND BALANCES/NET POSITION</b>			
Reserved for:			
Net investment in capital assets.....	4,630,939		4,630,939
Unrestricted .....	3,698,036		3,698,036
<b>TOTAL FUND BALANCES/NET POSITION</b>	<u>8,328,975</u>	<u>0</u>	<u>8,328,975</u>
<b>TOTAL LIABILITIES AND FUND BALANCES/NET POSITION</b>	<u>\$ 63,941,945</u>	<u>\$ 0</u>	<u>\$ 60,202,536</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.....	\$ 113,967,526	\$	\$ 113,967,526
State grants.....	16,191,059		16,191,059
Charges for services.....	10,493,130	(6,978,813)	3,514,317
Local grants and contributions.....	3,700,000		3,700,000
Other.....	1,753,795		1,753,795
<b>TOTAL OPERATING REVENUES</b>	<b>146,105,510</b>	<b>(6,978,813)</b>	<b>139,126,697</b>
Operating expenses:			
Board administration.....	14,805,757	(180,587)	14,625,170
Managed care.....	6,358,181		6,358,181
Residential services.....	28,912,691		28,912,691
Adult services.....	28,957,057		28,957,057
Clinical services.....	6,523,726		6,523,726
State hospitals.....	7,958,621		7,958,621
Developmental disabilities.....	21,778,443		21,778,443
Inpatient services.....	13,638,633		13,638,633
Substance abuse services.....	11,379,338		11,379,338
Health center.....	1,971,303		1,971,303
Employee benefits.....	5,773,825	(5,773,825)	0
Other expenses.....	1,024,401	(1,024,401)	0
<b>TOTAL OPERATING EXPENSES</b>	<b>149,081,976</b>	<b>(6,978,813)</b>	<b>142,103,163</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(2,976,466)</b>	<b>0</b>	<b>(2,976,466)</b>
Nonoperating revenues (expenses):			
Interest revenue.....	22,620		22,620
Gain on sale of capital assets.....	400		400
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b>23,020</b>		<b>23,020</b>
Other financing sources (uses):			
Special item -Transfer of operations to Region 10.....	(8,534,269)		(8,534,269)
<b>TOTAL TRANSFERS</b>	<b>(8,534,269)</b>		<b>(8,534,269)</b>
<b>CHANGE IN NET POSITION</b>	<b>(11,487,715)</b>		<b>(11,487,715)</b>
Net position at beginning of year.....	19,816,690		19,816,690
<b>FUND BALANCES/NET POSITION (DEFICIT) AT END OF YEAR</b>	<b>\$ 8,328,975</b>	<b>\$</b>	<b>\$ 8,328,975</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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities:										
Net investment in										
capital assets	\$ 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	\$ 67,667,449
Restricted	-	-	41,013,071	31,787,518	11,717,237	20,241,229	18,852,892	23,010,572	19,786,947	21,204,021
Unrestricted	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	(3,815,826)
Total governmental activities										
net position	<u>\$ 138,166,607</u>	<u>\$ 143,997,438</u>	<u>\$ 158,556,937</u>	<u>\$ 147,519,844</u>	<u>\$ 137,138,141</u>	<u>\$ 106,681,033</u>	<u>\$ 124,612,703</u>	<u>\$ 125,636,557</u>	<u>\$ 97,593,611</u>	<u>\$ 85,055,644</u>
Business-type activities:										
Net investment in										
capital assets	\$ 4,746,425	\$ 4,884,340	\$ 4,843,600	\$ 4,762,075	\$ 4,650,120	\$ 4,555,525	\$ 3,972,895	\$ 3,815,056	\$ 3,313,080	\$ 3,202,759
Restricted	6,588,273	8,059,145	7,899,456	8,231,695	7,284,048	10,444,490	10,177,613	10,816,391	11,294,215	13,668,160
Unrestricted	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	7,419,605
Total business-type activities										
net position	<u>\$ 23,160,565</u>	<u>\$ 21,558,588</u>	<u>\$ 20,028,722</u>	<u>\$ 18,921,176</u>	<u>\$ 18,698,099</u>	<u>\$ 15,793,150</u>	<u>\$ 16,934,062</u>	<u>\$ 19,152,609</u>	<u>\$ 21,873,686</u>	<u>\$ 24,290,524</u>
Primary government:										
Net investment in										
capital assets	\$ 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	\$ 70,870,208
Restricted	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	34,872,181
Unrestricted	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	3,603,779
Total primary government										
net position	<u>\$ 161,327,172</u>	<u>\$ 165,556,026</u>	<u>\$ 178,585,659</u>	<u>\$ 166,441,020</u>	<u>\$ 155,836,240</u>	<u>\$ 152,474,183</u>	<u>\$ 141,546,765</u>	<u>\$ 144,789,166</u>	<u>\$ 119,467,297</u>	<u>\$ 109,346,168</u>

## 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
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
2014	68,707,461	-	-	3,597,131	16,946	72,321,538



# CHANGES IN GOVERNMENTAL NET POSITION

## GENESEE COUNTY

Table 3

Expenses	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities:										
Legislative	\$ 919,415	\$ 1,016,026	\$ 1,069,833	\$ 1,214,248	\$ 1,017,849	\$ 696,041	\$ 628,524	\$ 1,023,886	\$ 981,519	\$ 926,118
Management and planning	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	12,916,484
Administration of justice	37,721,807	37,466,674	39,276,030	41,936,773	40,753,810	39,946,657	37,138,790	40,587,961	38,949,070	40,391,800
Law enforcement and community protection	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	37,144,127
Human services	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	78,030,826
Community enrichment and development	7,952,030	10,198,345	9,609,647	10,089,211	9,062,996	20,266,580	19,144,172	17,005,313	16,255,901	21,619,139
General support services	229,806	330,176	278,423	280,225	244,885	140,579	84,645	-	-	-
Other	1,015,465	-	-	-	-	-	-	-	-	-
Interest on long-term debt	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	1,130,701
Total governmental activities expenses	322,712,807	325,904,556	343,420,337	359,470,238	369,100,953	379,332,131	364,779,598	340,136,289	237,629,526	192,159,195
Business-type activities:										
Commissary	275,728	307,663	297,833	325,880	351,625	371,173	354,096	323,556	340,779	268,348
Delinquent Tax	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	5,284,078
Parks and recreation enterprise	1,454,358	1,786,317	1,654,706	1,094,510	865,909	862,088	1,282,486	888,622	951,103	1,078,445
Parking Meter	-	-	-	-	-	-	71,042	65,795	-	-
Total business-type activities expenses	4,606,855	6,511,384	5,867,197	6,429,435	6,956,894	6,470,876	5,855,361	6,391,279	6,399,075	6,999,993
Total primary government expenses	\$ 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	\$ 199,158,288
General Revenues and Other Changes in Net Position										
Program Revenues										
Governmental activities:										
Charges for services:	\$ 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	\$ 5,529,950
Management and planning	4,339,188	4,030,973	4,994,718	5,155,752	5,023,773	4,222,465	6,931,157	4,037,271	4,853,624	6,138,354
Administration of justice	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	2,400,755
Law enforcement and community protection	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	3,466,719
Human services	2,300,229	2,319,598	1,334,426	2,244,379	2,346,760	2,414,531	2,193,851	2,197,367	4,436,810	4,358,118
Community enrichment and development	-	-	-	-	-	-	103,791	52,505	-	-
Legislative	-	-	-	-	-	-	103,791	-	-	-
Operating grants and contributions	106,495,973	102,973,924	110,619,729	108,102,706	121,062,036	128,746,641	105,673,071	113,688,537	81,285,904	54,456,149
Capital grants and contributions	-	-	1,995,000	1,960,000	-	-	-	-	-	-
Total governmental activities program revenues	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	76,350,045
Business-type activities:										
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Charges for services:	473,796	467,888	490,221	506,601	534,613	566,448	530,954	534,150	534,689	463,231
Commissary	-	7,827,298	6,659,293	9,478,156	10,814,957	12,173,759	11,492,245	13,231,301	12,727,040	12,919,058
Delinquent Tax	777,295	1,402,855	1,419,368	683,320	296,384	275,921	282,369	328,714	353,734	463,458
Parks and recreation enterprise	-	-	-	-	-	-	92,318	84,909	322,516	304,109
Parking Meter	-	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	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	14,149,856
Total primary government program revenues	\$ 204,950,270	\$ 210,834,516	\$ 217,766,042	\$ 231,948,320	\$ 250,985,154	\$ 269,762,485	\$ 259,881,210	\$ 255,199,866	\$ 138,280,511	\$ 90,499,901
Net (expense)/revenue	\$ (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)	\$ (115,809,150)
Governmental activities	(3,365,764)	3,186,657	2,701,585	4,238,642	4,689,060	6,545,252	6,542,525	7,787,795	7,538,904	7,150,763
Business-type activities	(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)	(108,658,387)
Total primary government net expense										

# CHANGES IN GOVERNMENTAL NET POSITION

## GENESEE COUNTY

Table 3 Continued

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities:										
Taxes:										
Current property taxes	\$ 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	\$ 68,707,461
Single business tax	-	-	-	-	-	-	-	-	-	-
State income tax	-	-	-	-	-	-	-	-	-	-
State liquor tax	2,082,636	2,160,880	2,254,464	2,439,661	2,327,635	2,339,105	2,377,680	2,840,464	3,263,945	3,597,131
State cigarette tax	250,829	272,636	257,589	210,485	149,948	108,601	72,008	7,514,973	22,524	16,946
Use of money and investments	5,632,975	3,528,890	4,132,787	3,040,092	2,340,338	741,489	614,576	988,717	504,347	471,242
Other unrestricted intergovernmental revenues	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	20,830,071
Other unrestricted revenues	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	4,825,964
Unrestricted contributions	4,071,075	-	-	-	-	-	-	-	-	-
Transfers	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	4,822,368
Total governmental activities	124,793,986	130,598,912	148,782,676	125,485,818	119,387,407	112,359,219	105,435,759	100,462,978	102,388,367	103,271,183
Business-type activities:										
Taxes	5,883,971	-	-	-	-	-	-	-	-	-
Use of money and investments	329,329	470,787	578,579	199,878	64,499	79,000	18,635	117,882	71,437	88,443
Other unrestricted intergovernmental revenues	-	-	-	-	-	-	-	-	-	-
Transfers	(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)	(4,822,368)
Total business-type activities	(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)	(4,793,925)
Total primary government	\$ 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	\$ 98,537,258
<b>Change in Net Position</b>										
Governmental activities	\$ 5,780,358	\$ 5,830,831	\$ 14,559,489	\$ (12,704,177)	\$ (10,374,346)	\$ (10,216,555)	\$ (11,860,515)	\$ 1,347,481	\$ (28,366,573)	\$ (12,537,967)
Business-type activities	(5,052,262)	(1,601,977)	(1,529,866)	559,538	220,056	(3,350,935)	933,097	2,218,548	2,721,077	2,416,838
Total primary government	\$ 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)	\$ (10,121,129)

# 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>
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
2014	415,376	13,708,667,000	33,003	70,475	6.3

Data sources

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

<sup>2</sup>Bureau of Economic Analysis, U.S. Department of Commerce

<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	2014			2005		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Genesys Health Care System	3,265	1	15.47 %	3,265	3	8.49 %
McLaren Health Care Corporation	3,014	2	14.28	2,400	7	6.24
General Motors Corp. Assembly	2,821	3	13.37	17,019	1	44.26
Hurley Medical Center	2,811	4	13.32	2,510	5	6.53
Baker College	2,800	5	13.27			
Square D	2,500	6	11.85	2,500	6	6.50
Flint Metal Center, Vehicle Mfg. Operating Div.	2,180	7	10.33			
A 1 Flint LLC	1,500	8	7.11			
General Motors Corp. Assembly Stamping facility	1,415	9	6.70			
United States Postal Service	1,200	10	5.69			
Delphi Automotive				4,932	2	12.83
Flint Community Schools				3,200	4	8.32
Meijer Inc.				1,563	8	4.07
Flint, City of				1,311	9	3.41
Genesee County				1,200	10	3.12
Total	23,506		111.39 %	39,900		103.77 %

Source: Flint Genesee Economic Growth Alliance.

# CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

## GENESEE COUNTY

Table 6

	2005	2006	2007
<b>Revenues</b>			
Taxes	\$ 82,360,302	\$ 86,840,515	\$ 110,748,784
Licenses and permits	1,396,599	1,238,421	1,463,997
Fines and forfeitures	2,371,011	2,473,432	2,715,541
Use of money and property	4,174,354	3,795,451	4,394,915
Federal grants	55,359,347	47,636,776	63,486,445
State grants	51,065,065	55,337,148	47,133,284
Other intergovernmental revenues	8,167,368	8,454,322	6,733,314
Charges for services	97,560,370	98,162,552	96,582,431
Other	16,366,979	17,063,294	13,876,995
Total revenues	<u>318,821,395</u>	<u>321,001,911</u>	<u>347,135,706</u>
<b>Expenditures</b>			
Current operations:			
Legislative	920,466	1,018,198	1,074,904
Management and planning	12,302,328	11,387,914	11,746,542
Administration of justice	36,094,472	36,092,505	39,616,056
Law enforcement and community protection	31,504,040	33,575,804	34,349,956
Human services	202,020,809	212,013,445	227,256,969
Community enrichment and development	7,774,226	9,134,039	6,762,148
General support services	228,656	230,987	278,953
Other	26,975,242	13,958,517	13,447,187
Capital outlay	8,194,847	2,826,643	2,004,138
Debt service principal	2,827,248	2,779,000	2,536,000
Debt service interest	1,840,218	1,521,960	1,544,866
Contribution to Component Unit			
Total expenditures	<u>330,682,552</u>	<u>324,539,012</u>	<u>340,617,719</u>
Excess of revenues over (under) expenditures	(11,861,157)	(3,537,101)	6,517,987
<b>Other financing sources (uses)</b>			
Proceeds from notes	17,486,536		
Discount sale of bonds	(41,969)		
Payment to refund bond escrow	(13,776,115)		
Transfers in	48,184,559	47,404,927	72,052,311
Transfers out	(38,273,955)	(43,701,772)	(68,010,760)
Total other financing sources (uses)	<u>13,579,056</u>	<u>3,703,155</u>	<u>4,041,551</u>
Special item - transfer of operations to Genesee Health System			
Net change in fund balances	<u>\$ 1,717,899</u>	<u>\$ 166,054</u>	<u>\$ 10,559,538</u>
Debt service as a percentage of noncapital expenditures	1.4%	1.3%	1.2%

	2008	2009	2010	2011	2012	2013	2014
\$	96,475,936	\$ 84,534,288	\$ 85,251,366	\$ 78,932,682	\$ 71,952,310	\$ 69,701,002	\$ 69,525,911
	1,514,703	1,759,640	1,694,977	1,854,593	1,924,672	1,948,321	2,014,825
	2,190,518	2,139,682	1,971,211	1,772,585	1,661,433	1,669,634	1,426,368
	3,309,684	1,173,100	741,489	584,791	988,717	504,347	471,242
	53,919,149	64,989,753	86,579,730	73,284,999	71,737,757	58,443,265	40,651,335
	54,183,557	56,072,284	38,180,819	31,189,792	32,395,619	19,542,617	12,630,290
	8,069,683	8,159,750	8,803,198	16,507,241	16,372,713	20,195,582	23,255,513
	111,217,537	116,804,045	127,999,717	136,394,763	125,661,111	46,014,914	17,357,455
	11,822,662	9,740,510	9,864,457	6,967,623	8,052,652	8,709,303	4,882,479
	342,703,429	345,373,052	361,086,964	347,489,069	330,746,984	226,728,985	172,215,418
	1,211,126	902,798	902,798	947,599	947,599	922,513	871,194
	13,061,601	8,778,867	8,778,867	7,865,341	7,868,993	7,693,035	7,740,566
	41,179,919	38,628,589	38,215,218	36,282,698	35,741,313	35,176,495	35,536,901
	36,662,783	36,543,125	36,125,761	34,342,325	34,229,888	33,448,876	33,316,690
	242,138,776	258,536,374	260,262,424	245,341,608	232,854,546	119,009,023	69,853,272
	7,140,903	8,818,413	15,642,043	13,284,627	14,570,111	19,050,134	18,036,676
	279,291	133,851	133,851	-	-	-	-
	8,954,222	5,139,994	4,996,815	8,085,126	3,902,366	3,334,646	4,208,107
	1,145,240	3,552,291	1,830,924	7,508,169	4,417,263	3,549,562	503,213
	2,599,000	2,711,000	2,944,500	1,899,500	2,289,500	2,365,000	2,340,000
	1,496,932	1,438,967	1,172,487	1,194,751	1,489,810	1,249,358	1,130,701
						2,775,000	3,700,000
	355,869,793	365,184,269	371,005,688	356,751,744	338,311,389	228,573,642	177,237,320
	(13,166,364)	(19,811,217)	(9,918,724)	(9,262,675)	(7,564,405)	(1,844,657)	(5,021,902)
		1,150,000		9,015,784	4,830,000		
	73,025,131	71,978,284	73,489,202	47,401,425	36,985,768	28,960,116	28,066,505
	(70,417,354)	(62,187,903)	(66,299,852)	(59,611,520)	(32,645,268)	(25,501,311)	(25,203,164)
	2,607,777	10,940,381	7,189,350	(3,194,311)	9,170,500	3,458,805	2,863,341
						(17,467,946)	
\$	(10,558,587)	\$ (8,870,836)	\$ (2,729,374)	\$ (12,456,986)	\$ 1,606,095	\$ (15,853,798)	\$ (2,158,561)
	1.1%	1.1%	1.1%	0.8%	1.1%	1.6%	2.0%

## 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	Veterans	Total Direct Taxes <sup>3</sup>	
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	0.1	8.27	28.44
2014	5.51	0.48	0.48	0.7	1.00	0.1	8.27	28.50

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 rates apply 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) no more must be done.

<sup>3</sup> The maximum County millage rate allowed by Headlee Amendment for 2014 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	
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
2014	5,893,132,429	1,675,421,185	235,571,997	124,919,520

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
1.85	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	51.99
2.82	3.54	6.93	1.22	0.48	0.23	51.99

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

that the rate of inflation exclusive of net additions in property values due to new construction. Otherwise, a rate rollback

Personal Property	Total Value	Tax Rate (Mills)	Estimated Actual Value	Taxable Value as a % of Actual
\$ 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%
668,282,291	8,591,144,574	8.27	17,993,098,216	47.75%
630,476,780	8,559,521,911	8.27	18,480,785,762	46.32%

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

## PRINCIPAL PROPERTY TAX PAYERS

### GENESEE COUNTY

Table 9

Taxpayer	2014			2005		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Consumers Energy	\$ 233,222,030	1	43.42 %	\$ 218,420,721	2	24.72 %
General Motors ETAL	95,945,279	2	17.87	388,963,126	1	44.04
Wal-Mart/Sam's	40,898,945	3	7.62			
3341 South Linden Road Holdings LLC	34,181,800	4	6.36			
Meijer Inc/Good Will Co Inc	31,039,592	5	5.79	17,907,369	9	2.03
Edward Rose Assoc ETAL	25,960,437	6	4.83	26,502,482	5	3.00
Genesys Regional Medical ETAL	22,247,771	7	4.14			
Magna ETAL	22,046,606	8	4.10			
Michigan Electric Transmission Co LLC	16,017,000	9	2.98			
Comcast Cablevision	15,524,628	10	2.89			
Delphi Automitive				100,117,970	3	11.33
Genesee Investors II LLC				55,394,100	4	6.27
VEMCO Inc				20,636,200	6	2.34
Home Depot				19,843,609	7	2.25
Ring Screw				18,697,306	8	2.12
Ramco-Gershenson Properties				16,786,602	10	1.90
Totals	<u>\$ 537,084,088</u>		<u>100.00 %</u>	<u>\$ 883,269,485</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
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
2013	2014	71,229,062	67,541,004	94.8	3,688,058	71,229,062	100.0



# **RATIOS OF GENERAL BONDED DEBT OUTSTANDING** **GENESEE COUNTY**

**Table 11**

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Less: Amounts Available in Debt Service Fund</b>	<b>Total</b>	<b>Percentage of Estimated Actual Taxable Value<sup>1</sup> of Property</b>	<b>Per Capita<sup>2</sup></b>
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
2014	21,217,784	55,123	21,162,661	0.11	51

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**

	<b>Net Debt Outstanding</b>	<b>Percentage Applicable Genesee County<sup>1</sup></b>	<b>Amount Applicable Genesee County</b>
County at Large	\$72,670,784	100.0 %	\$72,670,784
School Districts	438,539,954	80.5	353,103,592
Cities and Villages	50,015,196	191.9	95,991,118
Townships	41,833,459	100.0	41,833,459
County-issued Bonds paid			
by local municipalities	173,210,980	142.0	245,881,764
Airport Authority	10,430,000	100.0	10,430,000
Mott Community College and Genesee Intermediate School District	54,055,000	87.3	47,187,911
Subtotal, overlapping debt			481,151,340
Genesee County direct debt			385,947,288
Total direct and overlapping debt			\$867,098,628

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
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	19,491		
2013	23,529,284	15,873		
2014	21,217,784	461,588		

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

	2004	2005	2006	2007
General Fund:				
Nonspendable				
Reserved	\$ 3,237,607	\$ 3,540,891	\$ 3,598,597	\$ 3,887,892
Committed				
Assigned				
Unreserved	15,757,245	15,292,806	9,801,036	7,501,262
Unassigned				
Total General Fund	<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	\$ 1,700,659	\$ 1,306,925	\$ 23,309,614	\$ 32,511,561
Assigned				
Unreserved	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>\$ 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

Business - Type Activities				
General Obligation Bonds	Delinquent Tax Notes	Total Primary Government	Percentage of Personal Income	Per Capita <sup>1</sup>
\$ 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	59,391,657	0.44	142
18,000	40,701,376	62,398,748	0.46	150

2008	2009	2010	2011*	2012	2013	2014
\$ 4,148,176	\$ 3,757,229	\$ 3,219,465	\$ 3,141,810	\$ 2,671,645	\$ 1,861,499	\$ 1,539,724
			-	-	-	-
			-	-	-	-
6,780,668	1,071,157	7,955,013	1,000,000	1,000,000	1,000,000	1,000,000
			7,667,575	8,074,634	9,455,182	10,967,280
\$ 10,928,844	\$ 4,828,386	\$ 11,174,478	\$ 11,809,385	\$ 11,746,279	\$ 12,316,681	\$ 13,507,004
			\$ 3,888,383	\$ 4,677,877	\$ 3,051,523	\$ 2,727,937
			13,168,565	7,625,603	5,481,383	5,538,687
			84,974	74,994	74,994	74,994
\$ 32,653,060	\$ 520,606	\$ 3,300,415	24,514,865	25,202,726	12,207,333	12,584,271
20,259,026	36,333,372	35,401,231				
			(2,498,714)	(1,373,786)	(1,444,423)	(4,936,788)
			-	-	-	(12,400)
			(1,846,569)	(1,754,885)	(1,710,110)	(1,664,885)
\$ 52,912,086	\$ 36,853,978	\$ 38,701,646	\$ 37,311,504	\$ 34,452,529	\$ 17,660,700	\$ 14,311,816

## LEGAL DEBT MARGIN

### GENESEE COUNTY

Table 15

	2005	2006	2007
<b>Calculation of Debt Limit:</b>			
State Equalized Valuation	\$13,035,032,411	\$13,695,827,367	\$14,156,934,349
10% of Taxable Value	1,303,503,241	1,369,582,737	1,415,693,435
<b>Calculation of Debt Subject to Limit:</b>			
Total Long-Term Debt	37,166,698	34,099,540	41,390,804
Plus Business Type Tax Notes	16,484,000	21,795,000	29,742,000
Component Unit Debt:			
Brownfield Authority	5,000,000	5,000,000	5,000,000
Land Bank Authority	56,814	445,942	434,515
Water and Waste Services	117,465,000	115,596,420	144,697,048
Road Commission	3,765,617	2,761,480	7,532,542
Drain Fund	1,718,859	2,950,407	4,662,036
<b>Less: Debt Not Subject to Limit:</b>			
Non-Bonded Debt	822,315	439,072	349,652
Road Commission Debt Not Subject to Legal Debt Limit	3,330,000	2,385,000	8,750,000
Water and Waste Service Sewer Bonds	74,905,000	74,006,420	104,302,048
Drain Fund Special Assessment Debt	863,859	615,407	782,036
<b>Net Debt Subject to Limit</b>	<b>101,735,814</b>	<b>105,202,890</b>	<b>119,275,209</b>
<b>Legal Debt Margin</b>	<b>1,201,767,427</b>	<b>1,264,379,847</b>	<b>1,296,418,226</b>
<b>Net Debt Subject to Limit as % of Debt Limit</b>	<b>7.80%</b>	<b>7.68%</b>	<b>8.54%</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 Revenues	Applicable Expenses	Net Revenues	Debt Service	
				Principal	Interest
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
2013	52,629,628	40,288,714	12,340,914	11,835,000	6,159,841

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

<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
\$13,698,999,172 1,369,899,917	\$12,466,321,796 1,246,632,178	\$10,798,912,285 1,079,891,228	\$9,950,805,569 995,080,557	\$9,183,568,010 918,356,801	\$8,996,549,108 899,654,911	\$9,240,392,881 924,039,288
35,730,682 57,592,090	40,120,000 70,441,250	21,135,000 55,550,000	28,113,284 50,652,792	25,888,275 42,300,000	23,545,157 35,800,000	21,679,372 40,701,376
13,035,000 3,577,506 168,034,033 16,186,229 3,860,052	13,035,000 3,588,685 168,070,641 14,063,032 3,088,767	12,930,000 3,990,785 176,945,058 18,440,726 2,608,758	12,820,000 3,647,890 169,411,610 18,797,421 1,910,916	12,610,000 3,060,742 177,889,020 14,913,122 3,387,926	12,365,000 2,453,593 170,682,896 11,525,000 3,165,437	12,110,000 3,526,445 187,283,580 9,485,000 2,608,890
255,048 12,520,000 122,864,033 670,052	174,531 15,906,283 124,305,641 588,767	80,883 18,440,726 134,315,058 798,758	0 16,105,931 127,956,610 400,916	19,491 13,839,092 137,235,072 292,926	15,873 11,525,000 131,379,391 480,437	461,588 9,485,000 113,635,288 333,890
161,706,459 1,208,193,458	171,432,153 1,075,200,025	137,964,902 941,926,326	140,890,456 854,190,101	128,662,504 789,694,297	116,136,382 783,518,529	153,478,897 770,560,391
11.80%	13.75%	12.78%	14.16%	14.01%	12.91%	16.61%

### Special Assessment Bonds

<b>Coverage</b>	<b>Special Assessment</b>	<b>Debt Service</b>		<b>Coverage</b>
		<b>Principal</b>	<b>Interest</b>	
0.203022001				
0.142960858				
0.146379738				
0.347738062				
0.468953239				
0.840178459				
0.935974792				
0.652141086				
0.781590444				
0.685802892				

# FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION

## GENESEE COUNTY

Table 17

Function	2005	2006	2007	2008
Animal Shelter	12	13	13	11
Board Office	15	15	15	15
Building & Grounds	26	25	24	22
Circuit Court	46	49	49	48
Controller	17	17	17	16
Cooperative Extension	3	3	1	
Corporation Counsel	6	6	6	5
County Clerk	37	40	34	36
Court Services	6	7	5	5
District Court	63	63	61	58
Emergency Management	4	4	1	3
Equalization	10	7	9	8
Equity & Diversity	3	3	3	2
Family Court	32	34	33	34
Friend of the Court	101	101	100	95
GCCARD	94	89	81	95
Genesee Valley Regional Ctr.	41	42	43	41
GIS	3	2	2	2
Human Resources	8	7	8	8
Medical Examiner				
Information Technology (IT)	20	19	19	18
Parks & Recreation	29	28	28	27
Planning	19	20	22	22
Probate Court	24	24	24	23
Prosecutor	68	71	67	70
Public Health	158	152	150	144
Purchasing	6	7	6	5
Register of Deeds	11	11	10	8
Senior Services				
Sheriff	264	265	259	259
Surface Water Management	19	22	20	17
Treasurer	19	18	19	17
Veteran's Info. Center	3	3	3	3
Total	1,167	1,167	1,132	1,117

Source: Government Human Resources Office.

2009	2010	2011	2012	2013	2014
11	7	6	7	9	9
14	14	13	12	12	13
21	14	15	13	13	15
45	46	47	41	39	42
14	11	10	9	9	13
5	5	2.5	2.5	2.5	2.5
34	30	29	24	24	24
6	3	3	3	3	3
57	52	49	47	47	50
3	1	1	1	1	1
9	8	6	8	7	7
1	1				
32	25	23	33	34	35
94	84	79	78	74	78
126	105	109	69	46	48
44	43	42	38	37	41
1	1	1	1	1	1
7	8	7	7	5	5
		5	5	5.5	6
19	14	14	14	17	14
25	25	23	24	22	22
23	24	22	17	16	19
22	20	20	15	15	14
70	58	55	53	55	53
142	105	95	100	96.5	99
5	5	3.5	3.5	2.5	3.5
7	10	10	11	10	10
		3	3	3	3
248	234	217	236	234	234
16	15	19	13	13	15
15	13	12	12	12	14
3	3	2	2	3	5
1,119	984	943	902	868	899

# OPERATING INDICATORS BY FUNCTION

## GENESEE COUNTY

Table 18

Function/Program	2005	2006	2007	2008
Board Office Committee Meeting Log:				
Public Works	20	20	23	23
Finance/Budget	16	30	31	25
Governmental Operations	25	27	23	23
Human Services	21	25	24	21
Community & Economic Development	10	14	8	10
Board of Commissioners	28	39	30	27
Building & Grounds:				
Centrally Generated Work Orders	2,048	2,001	2,018	2,251
Circuit Court:				
Number of Civil Cases	2,144	1,895	1,881	2,134
Number of Criminal	2,067	2,149	2,353	2,184
Number of Family Cases	9,993	7,085	9,051	9,877
Controllers:				
Number of Checks	37,585	37,410	42,430	48,050
Cooperative Extension:				
4-H Volunteers	9,236	13,976	443	55
Master Gardener Volunteers	422	371	309	318
Residents Served	36,092	49,391	65,716	58,080
County Clerk General Election Data:				
Registered Voters	154,140	338,530	351,082	347,432
Ballots Cast	22,168	165,346	35,656	221,583
Percent Voting	14.4%	48.8%	10.2%	63.8%
Birth Certificates	6,490	6,602	6,432	6,056
Civil Cases Filed	6,789	6,865	2,304	2,134
Criminal Cases Filed	1,984	2,060	1,836	2,184
Death Certificates	4,202	4,285	4,020	4,353
Divorces	2,384	2,411	7,536	2,141
Marriage Licenses	2,782	2,579	2,532	2,330
District Court:				
Number of Civil Cases	18,368	20,185	22,913	23,941
Number of Criminal/Traffic Cases	57,988	62,437	59,427	58,872
Equalization:				
Number of Parcel Counts	212,626	207,759	209,079	209,639
Friend of the Court:				
Number of Active Cases	55,472	55,577	55,530	56,223
Health:				
Infant Deaths	52	59	50	56



<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
20	19	21	21	22	21
32	22	25	42	25	23
25	24	22	23	22	22
22	23	22	23	22	22
12	8	12	8	9	12
28	40	29	27	32	30
1,914	2,116	1,429	1,446	2,011	2,378
1,995	1,898	1,822	2,375	2,250	1,885
2,015	1,911	1,910	2,181	3,530	2,297
9,457	9,622	9,426	7,681	6,725	7,825
63,503	47,595	47,928	49,145	31,826	32,353
71	116	116	143	147	214
329	308	322	317	215	186
48,041	75,265	78,347	77,625	70,645	69,215
163,782	335,069	247,059	336,607	331,984	331,890
22,722	135,010	54,271	204,026	41,606	132,760
13.9%	40.3%	22.0%	60.6%	12.5%	40.0%
5,902	5,696	5,061	4,938	5,441	5,246
2,010	2,325	2,250	2,346	6,493	5,980
2,014	1,910	1,797	1,852	1,980	1,960
4,361	4,407	4,012	4,387	6,261	4,447
2,072	2,205	5,321	5,156	1,875	1,755
2,233	2,227	1,964	2,062	2,096	2,321
22,866	21,718	20,113	22,511	20,013	18,316
56,360	56,141	48,770	47,373	44,250	41,816
209,360	212,566	211,313	210,849	207,469	204,871
55,472	54,920	51,294	51,599	50,833	48,518
53	34	18	37	37	25

# OPERATING INDICATORS BY FUNCTION

## GENESEE COUNTY

Table 18 (Continued)

Function/Program	2005	2006	2007	2008
Health:				
Smoking Rates	25.2%	25.2%	25.6%	25.6%
Gonorrhea Cases	1,664	1,682	1,594	1,313
Parks and Recreation:				
Huckleberry RR/Crossroad Village Attendance	143,007	152,113	159,715	134,853
Planning Commission				
Road Reconstruction, Resurfacing & Restoration				
Lane Miles	63.3	67.7	146.5	55.0
Cost	37,824,377	40,162,522	70,114,676	58,161,496
Streets				
Miles	1.6	2.2	3.2	2.5
Cost	515,474	154,840	356,523	270,000
Sidewalks				
Feet	3,200	4,600	2,500	800
Cost	128,596	214,995	138,449	61,396
Probate Court:				
Number of Probate Cases	2,605	3,267	3,037	2,817
Prosecutors:				
Felony Warrants (more than 1 year)	3,101	3,407	3,467	3,408
Misdemeanor Warrants (more than 1 year)	25	34		
Misdemeanor Warrants (less than 1 year)	1,292	1,250	1,141	1,187
Purchasing:				
Number of Purchase Orders	1,733	1,628	1,228	1,398
Register of Deeds:				
Annual Recorded Documents	123,414	111,178	99,573	85,915
Sheriff Department:				
Number of Inmates Booked	12,032	12,454	12,580	12,133
Traffic Accidents	1,231	919	1,495	1,345
Traffic Violations	2,155	2,356	3,372	3,868
OUIL Arrests	72	76	140	97
Driving With License Suspended Arrests	318	372	604	422
Felony Arrests	403	391	286	271
Misdemeanor Arrests	967	604	1,250	589
Treasurers:				
Number of Cash Receipts	53,196	49,473	55,202	57,872
Veterans Information Services:				
Veteran Services	25,265	27,763	27,707	29,239
Veterans Burial Services	134	103	112	141
Soldiers Relief Commission Services	190	148	161	140
Veterans Trust Applications	61	48	46	91

Source: Various county departments.

<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
24.6%	25.0%	25.0%	23.0%	23.0%	23.0%
1,157	709	787	1,243	1,050	756
139,289	143,460	140,419	138,282	141,279	121,000
65	69	52	74	172	111
19,544,927	10,080,375	12,295,326	16,364,802	29,373,316	43,677,734
2	3	4	3	3	1
203,783	198,304	299,405	127,855	81,083	131,753
1,500	3,500	1,320	5,500	0	3,020
152,711	114,946	138,685	115,744	0	153,097
3,205	3,134	2,888	3,066	3,012	3,015
3,040	2,860	2,985	3,287	2,929	3,298
1,108	1,029	1,074	818	907	912
1,082	909	875	980	1,195	1,221
81,874	86,670	86,564	93,781	90,447	86,981
11,460	10,436	10,429	11,657	14,866	15,771
259	1,120	1,117	1,097	893	1,021
1,804	3,356	1,332	1,270	650	895
154	163	108	117	68	89
474	1,374	431	348	248	284
242	387	163	222	163	314
703	1,415	751	594	563	1,089
58,376	72,702	55,667	56,237	60,220	59,536
29,875	40,656	39,410	29,441	47,400	98,324
141	209	143	132	103	99
246	270	180	148	252	379
85	95	74	131	116	68

# CAPITAL ASSET STATISTICS BY FUNCTION

## GENESEE COUNTY

Table 19

Function/Program	2005	2006	2007	2008
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	
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
Motor Pool	1	1	1	1
MSU Extension	1	1	1	1
Parking Structures	2	2	2	2
Drains:				
Number of Drains	1,171	1,177	1,183	1,187
Information Technology:				
Computers	850	855	850	875
Parks & Recreation:				
Acreage	10,939	10,939	10,939	10,939
Beaches	4	4	3	3
Bicycle Path	5	6	6	7
Boat Launches	3	3	4	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	5	5	7
Snowmobile Areas	4	5	5	5
Spray Park	1	1	1	1
Stepping Stone Falls	1	1	1	1

2009	2010	2011	2012	2013	2014
1	1	1	1	1	1
1	1	1	1	1	1
3	3	3	2	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	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
1,126	1,195	1,109	1,112	1,112	1,113
890	890	920	1,110	1,186	821
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	2005	2006	2007	2008
Sheriff:				
Housing Cells	355	355	355	355
Isolation Rooms	6	6	6	6
Safety Cells	6	6	6	6
Medical Cells	9	9	6	9
Patrol Vehicles	50	50	18	18
Boats	5	5	4	3
Paramedic Vehicles	15	15	15	15
Motorcycles	8	8	8	8
Jet Skis			4	2

Sources: Various county departments.

2009	2010	2011	2012	2013	2014
355	355	355	355	355	355
6	6	6	6	6	6
6	6	6	6	6	6
9	7	7	7	7	7
10	22	22	16	16	16
3	5	5	5	4	3
15	15	15	15	15	13
6	8	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**