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GENESEE COUNTY

✧ *Michigan* ✧

Comprehensive Annual Financial Report For Fiscal Year Ended September 30, 2015

**Prepared by
The Genesee County Controller's Office**

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

GENESEE COUNTY, MICHIGAN

September 30, 2015

Board of Commissioners

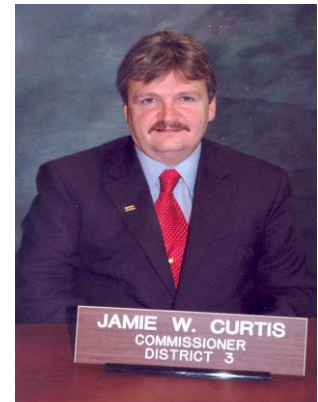
Jamie W. Curtis, Chairperson of the Board



Bryant Nolden



Brenda Clack



Jamie W. Curtis



John Northrup



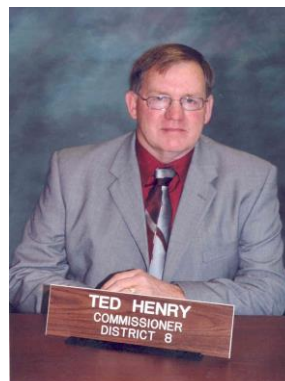
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Keith Francis
Controller

The Board of County Commissioners
Genesee County
Flint, Michigan

March 28, 2016

The Comprehensive Annual Financial Report of Genesee County for the fiscal period ended September 30, 2015 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, 2015. 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 \$239.7 million for governmental and business-type activities and net position of \$4.4 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 2016 fall enrollment was 7,078 students. 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 continues to increase. 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 \$240 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 opened 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 11th 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 offers flights with Southwest Airlines, Delta, American and United.

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 property values were up in 2015 for the second consecutive year following six years of declining values from 2008 through 2013. Total assessed values increased 5.51% in 2015. Notably, residential values increased 7.9% in 2015 and included \$13 million from Del Webb Grand Reserve in Grand Blanc Township. New major commercial and industrial investments totaled \$16.7 million and included \$8.3 million from American Spiralweld Pipe in the City of Flint, and \$3 million from Cornerstone in the City of Fenton.

Using a \$20.1 million dollar grant received from MSHDA (Michigan State Housing Development Authority), the Genesee County Land Bank Authority continues 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.

FINANCIAL OUTLOOK

Genesee County continues to experience financial challenges as it recovers from the 2008 economic collapse. The County has experienced a 27.8% reduction in total taxable value from a peak of \$11.8 billion in 2007 to \$8.6 billion in 2015. On a positive note, 2015 taxable value increased 1.7%, the first increase in seven years. A small increase, less than 1%, is expected in 2016. 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 67% of total General Fund operating revenues.

In response to the economic collapse and resulting reduction in revenues, the Board of Commissioners made significant reductions in almost all departments and programs to avert a financial crisis.

The General Fund 2009 adopted budget called for expenditures totaling approximately \$103 million. Just six years later, the General Fund 2015 adopted budget estimated expenditures at approximately \$83 million, a reduction of 20%.

As a result of expenditure cuts including reduction in staffing through attrition and concessionary employee contracts, the county's financial operations have steadily improved in recent years. The General Fund fund balance grew to \$18.1 million, or 22.5% of expenditures, at the close of fiscal 2015.

The Board of Commissioners adopted a balanced budget for 2016.

ACCOUNTING AND FINANCIAL POLICIES

The County's accounting records for general governmental operations are maintained on a modified accrual basis, with revenue recorded when available and measurable and expenditures 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 2014 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 2015 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.

The County maintains budgetary control using features of the County's accounting system. The objective of these controls is to ensure compliance with legal provisions in the annual adopted County budget approved by the Board of Commissioners. All amendments to the adopted County budget, with the exception of limited authority for line-item transfers given to the County Controller, require Board review and approval.

The County'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 2015 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 0.7500 mills, Senior Services 0.7000 mills, Health Services 1.0000 mill, Veteran Services 0.1000 mill, Michigan State University Extension 0.0400 mills and Animal Control 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 2014 to maintain property taxes at the allowable limit had a positive effect on the 2015 revenues.

MAJOR INITIATIVES

During 2013 the State awarded the County a grant for the cost of an automated time and attendance system to replace the manual procedures that were used in the County. This automated time and attendance system reduced personnel costs by improving time and attendance controls and procedures.

In December 2014, the Board of Commissioners approved the consolidation of two separate District Court districts within the boundaries of Genesee County, the 67th district, which consisted of the county of Genesee except the city of Flint, and the 68th district, which consisted of the city of Flint. The consolidation was recommended by the Michigan Supreme Court State Court

Administrative Office in order to more effectively utilize judicial resources throughout Genesee County.

In September 2015, the County launched Project ERP, an initiative to replace and upgrade the County's legacy financial management system. Project ERP began in October with the implementation of CGI Advantage360®, a software as a service (SaaS) enterprise resource planning (ERP) solution.

CGI was selected by the Michigan Municipal Services Authority (MMSA) through Michigan's MiDEAL initiative, an extended purchase program allowing local government entities to use state contracts for purchasing goods and services. In Michigan, CGI Advantage360 provides localities, large and small, budget constrained or not, with common access to a proven budget, financial, procurement and human resource management solution at increasingly reduced subscription rates.

Several factors made this the right choice for Genesee County. First, MMSA carefully vetted this solution based on best financial practices for Michigan local governments. Second, CGI Advantage is built for government and reflects the county's specific needs and concerns for leveraging technology to improve operating efficiency and better serve the citizens of Genesee County. Third, the SaaS approach provides all of the benefits of ownership without the overhead costs required to operate and maintain a complex enterprise solution. Lastly, there is grant funding available through MMSA to Genesee County to offset the implementation cost.

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, 2014, the thirty-sixth 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,

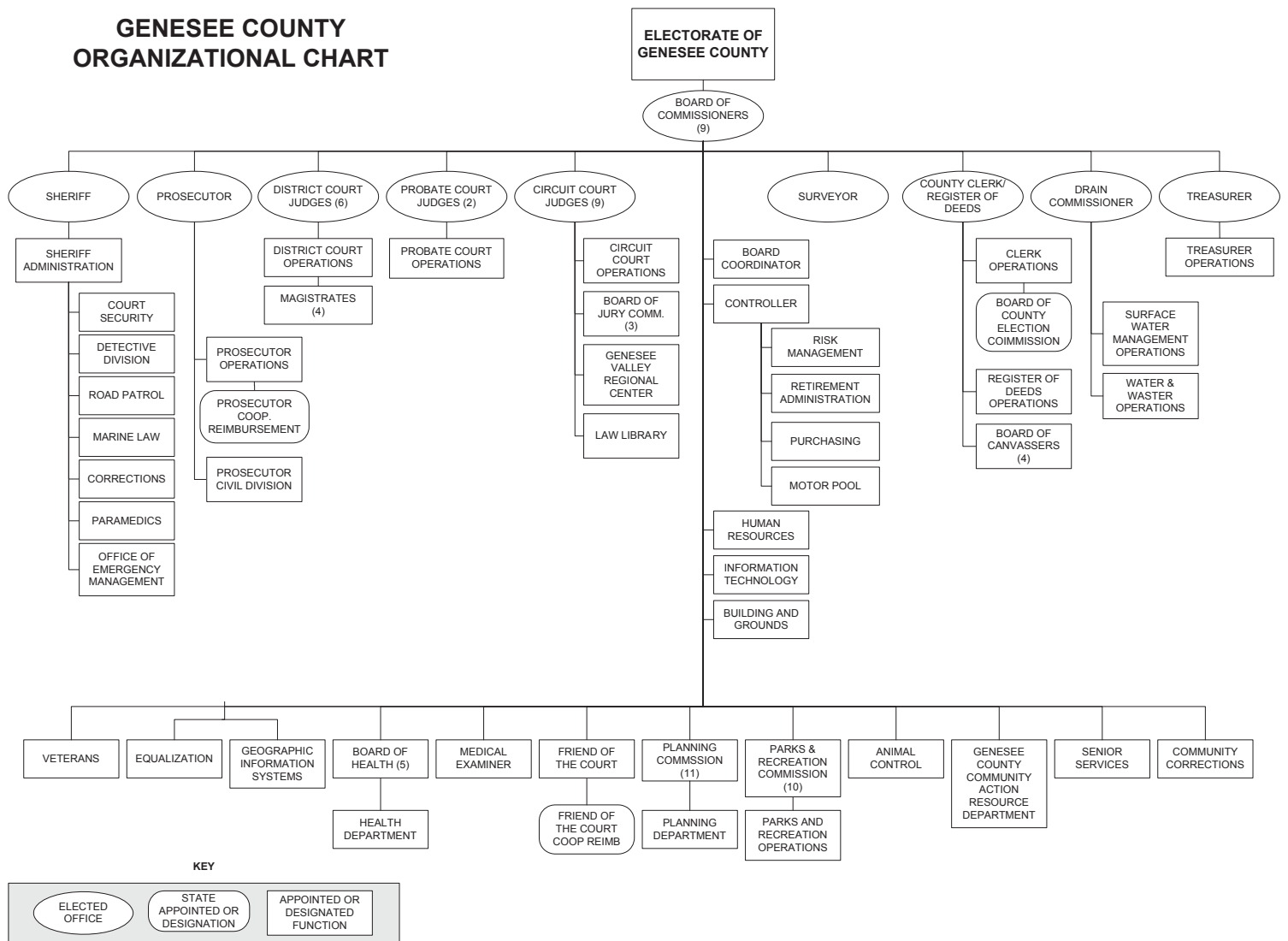


Commissioner Jamie W. Curtis
Chairperson of the Board of Commissioners



Keith Francis
Controller

GENESEE COUNTY ORGANIZATIONAL CHART



Independent Auditor's Report

To the Board of Commissioners
Genesee County, Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Genesee County, Michigan (the "County") as of and for the year ended September 30, 2015, 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 1.1 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, Economic Development Corporation and Genesee Health Systems Authority; collectively, these entities comprise 30 and 67 percent of the assets and revenue, respectively, of the aggregate discretely presented 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, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the following entities were not audited in accordance with *Government Auditing Standards*: Economic Development Corporation, Genesee County Drain Commissioner Division of Water and Waste Services, and Genesee County Storm Water Management System.

To the Board of Commissioners
Genesee County, Michigan

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, 2015, 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 2 to the basic financial statements, in 2015, the County adopted new accounting guidance GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. As a result, the government-wide statements and the proprietary funds measure the cost of pension benefits as the employment services are rendered, rather than as they are funded; any unfunded pension liability is reported as a liability. The beginning net position has been adjusted to reflect this liability. Our opinion has not been modified with respect to this matter.

As explained in Note 4, the financial statements include investments valued at \$205,125,069 (41 percent of total investments for the aggregate remaining funds) at September 30, 2015 and at \$219,512,411 (45 percent of total investments for the aggregate remaining funds) at September 30, 2014, 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.

To the Board of Commissioners
Genesee County, Michigan

Other Matters

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the major fund budgetary comparison schedules, schedule of changes in the net pension liability and related ratios, schedule of pension contributions, and other postemployment benefits system schedules, as identified in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the 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.

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

The other supplemental information is the responsibility of management and was derived from and relates 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 other supplemental information is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

To the Board of Commissioners
Genesee County, Michigan

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2016 on our consideration of Genesee County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Genesee County's internal control over financial reporting and compliance.

Plante & Morse, PLLC

March 28, 2016

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, 2015. 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 \$4,362,113 (net position).
- The government's total net position decreased by \$11,249,988. Governmental activities decreased by \$11,942,510 while Business-type activities increased by \$692,522.
- As of the close of the current fiscal year, Genesee County's governmental funds reported combined ending fund balances of \$35,769,381, an increase of \$7,950,561 in comparison with the prior year. Approximately 42 percent of this total amount, \$15,039,335, 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 \$15,964,753, 25 percent of total General Fund expenditures.
- Genesee County's total governmental activities long-term debt was \$23,157,898, a decrease of \$2,217,270 from the prior year. Business-type activities debt was \$43,530,000, an increase of \$2,810,624 from the prior year, due to the issuance of delinquent tax notes in the amount of \$34,930,000 during the current fiscal year offset by total payments of \$32,119,376.

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 supplemental 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.

Genesee County, Michigan

Management's Discussion and Analysis (Continued)

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 Funds.

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 on pages 16-19 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, Michigan

Management's Discussion and Analysis (Continued)

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.

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 on pages 20-24 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 Funds. 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 Funds. 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 on pages 25-28 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 on pages 29-30 of this report.

Genesee County, Michigan

Management's Discussion and Analysis (Continued)

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 on pages 31-34 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 on pages 35-86 of this report.

Other Information - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplemental information concerning Genesee County's progress in funding its obligation to provide pension benefits to its employees. Required supplemental information can be found on pages 87-97 of this report.

The combining statements for nonmajor governmental funds, enterprise funds, internal service funds, and fiduciary funds are presented as other supplemental information beginning on page 98 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. As shown in the schedule below, Genesee County's assets exceeded liabilities by \$4,362,113 at the close of the most recent fiscal year. This compares to \$109,346,168 at the close of the prior fiscal year, a decrease of \$104,984,055. This decrease was due primarily to the recording of the net pension liability of \$108,661,954, as required by GASB statement number 68. While GASB 68 requires that the entire net pension liability be recorded as a claim on the County's assets as of the end of the fiscal year, the County funds the pension obligation on a going concern basis over time. The County's actuary opined that the County's retirement system is being financed in accordance with a sound funding objective of funding benefits as they accrue.

A significant portion of Genesee County's total net position, \$70,608,945, 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, Michigan

Management's Discussion and Analysis (Continued)

	Genesee County Net Position						
	Governmental Activities		Business-type Activities		Total		
	2014*	2015	2014*	2015	2014*	2015	Change
Other assets	\$ 81,767,356	\$ 84,207,411	\$ 63,185,302	\$ 65,770,333	\$ 144,952,658	\$ 149,977,744	\$ 5,025,086
Capital assets	89,346,821	85,665,246	3,220,759	4,068,658	92,567,580	89,733,904	(2,833,676)
Total assets	171,114,177	169,872,657	66,406,061	69,838,991	237,520,238	239,711,648	2,191,410
Deferred outflows of resources	-	10,457,650	-	61,108	-	10,518,758	10,518,758
Current liabilities	17,315,935	14,422,884	873,725	815,777	18,189,660	15,238,661	(2,950,999)
Long-term liabilities	68,742,598	186,044,050	41,241,812	44,585,582	109,984,410	230,629,632	120,645,222
Total liabilities	86,058,533	200,466,934	42,115,537	45,401,359	128,174,070	245,868,293	117,694,223
Net position:							
Net investment in capital assets	67,667,449	66,540,287	3,202,759	4,068,658	70,870,208	70,608,945	(261,263)
Restricted	21,204,021	22,991,275	13,668,160	13,674,949	34,872,181	36,666,224	1,794,043
Unrestricted	(3,815,826)	(109,668,189)	7,419,605	6,755,133	3,603,779	(102,913,056)	(106,516,835)
Total net position	\$85,055,644	\$ (20,136,627)	\$ 24,290,524	\$ 24,498,740	\$ 109,346,168	\$ 4,362,113	\$ (104,984,055)

*Amounts have not been restated for the implementation of GASB 68 and 71

An additional portion of Genesee County's total net position, \$36,666,224, represents resources that are subject to external restrictions on how they may be used.

As shown in the schedule below, the net position of the County's governmental activities decreased by \$11,942,510 in the current year compared to a decrease of \$12,537,967 in the prior year. Compared to the prior year, revenues increased by \$9,447,772, expenditures increased by \$8,012,747, and transfers decreased by \$839,568 in the current year. The net position of the business-type activities increased by \$692,522 in the current year compared to an increase of \$2,416,838 in the prior year. Compared to the prior year, operating income was lower by \$1,417,194 due primarily to reduced revenues in the Delinquent Tax Revolving Fund and lower operating expenses.

Key revenue and expenditure elements affecting these changes in the governmental activities and business-type activities are as follows:

Genesee County, Michigan

Management's Discussion and Analysis (Continued)

	Governmental Activities			Percent Change
	2014	2015	Change	
Revenue				
Program revenue:				
Charges for services	\$ 21,893,896	\$ 19,685,236	\$ (2,208,660)	-10%
Operating grants	67,376,307	72,908,386	5,532,079	8%
Capital grants	-	54,538	54,538	0%
General revenue:				
Property taxes	68,707,461	75,444,697	6,737,236	10%
State liquor and cigarette tax	3,614,077	3,764,943	150,866	4%
State-shared revenue	7,909,913	9,865,339	1,955,426	25%
Investment earnings	471,242	293,780	(177,462)	-38%
Other revenue	4,825,964	2,229,713	(2,596,251)	-54%
Total revenue	174,798,860	184,246,632	9,447,772	5%
Program Expenses				
Management and planning	12,916,484	10,057,818	(2,858,666)	-22%
Administration of justice	40,391,800	41,352,242	960,442	2%
Law enforcement and community protection	37,144,127	40,604,622	3,460,495	9%
Human service	78,030,826	92,040,083	14,009,257	18%
Legislative	926,118	1,920,677	994,559	107%
Community enrichment and development	21,619,139	13,134,199	(8,484,940)	-39%
Interest on long-term debt	1,130,701	1,062,301	(68,400)	-6%
Total expenses	192,159,195	200,171,942	8,012,747	4%
Transfers	4,822,368	3,982,800	(839,568)	-17%
Change in Net Position	<u>\$ (12,537,967)</u>	<u>\$ (11,942,510)</u>	<u>\$ 595,457</u>	-5%

Genesee County, Michigan

Management's Discussion and Analysis (Continued)

	Business-type Activities			Percent
	2014	2015	Change	Change
Operating revenue	\$ 14,149,856	\$ 11,358,850	\$ (2,791,006)	-20%
Operating expenses, other than depreciation	6,669,273	5,371,901	(1,297,372)	-19%
Depreciation and amortization	<u>138,821</u>	<u>62,381</u>	<u>(76,440)</u>	-55%
Operating Income	7,341,762	5,924,568	(1,417,194)	-19%
Interest income	88,443	20,328	(68,115)	-77%
Interest expense	190,999	398,732	207,733	109%
Nonoperating expenses	<u>536,000</u>	<u>870,842</u>	<u>334,842</u>	62%
Transfers In	469,457	1,242,200	772,743	165%
Transfers Out	<u>4,755,825</u>	<u>5,225,000</u>	<u>469,175</u>	10%
Change in Net Position	<u>\$ 2,416,838</u>	<u>\$ 692,522</u>	<u>\$ (1,724,316)</u>	-71%

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.

Genesee County, Michigan

Management's Discussion and Analysis (Continued)

The following table shows the total governmental fund activity, on a modified accrual basis:

	Governmental Funds			Percent
	2014	2015	Change	Change
Revenue				
Property taxes	\$ 69,525,911	\$ 74,540,294	\$ 5,014,383	7%
Charges for services	17,357,455	15,562,682	(1,794,773)	-10%
Licenses and permits	2,014,825	1,816,567	(198,258)	-10%
State-shared revenue	7,909,913	9,865,339	1,955,426	25%
Federal, state, and local grants	68,627,225	81,002,408	12,375,183	18%
Fines and forfeitures	1,426,368	1,487,348	60,980	4%
Interest and rentals	471,242	1,185,555	714,313	152%
Other	<u>4,882,479</u>	<u>3,087,187</u>	<u>(1,795,292)</u>	-37%
Total revenue	172,215,418	188,547,380	16,331,962	9%
Expenditures				
Current:				
Management and planning	7,740,566	8,567,506	826,940	11%
Administration of justice	35,536,901	35,642,835	105,934	0%
Law enforcement and community protect	33,316,690	34,478,930	1,162,240	3%
Human service	73,553,272	87,725,494	14,172,222	19%
Legislative	871,194	849,702	(21,492)	-2%
Community enrichment and development	22,244,783	12,543,301	(9,701,482)	-44%
Capital outlay	503,213	175,051	(328,162)	-65%
Debt service	<u>3,470,701</u>	<u>3,438,801</u>	<u>(31,900)</u>	-1%
Total expenditures	<u>177,237,320</u>	<u>183,421,620</u>	<u>6,184,300</u>	3%
Excess of Revenue (Under) Over				
Expenditures	(5,021,902)	5,125,760	10,147,662	-202%
Other Financing Sources				
Transfers - Net	2,863,341	2,824,801	(38,540)	-1%
Issuance of debt/debt defeasance	<u>-</u>	<u>-</u>	<u>-</u>	100%
Total other financing sources	2,863,341	2,824,801	(38,540)	-1%
Net Change in Fund Balances	(2,158,561)	7,950,561	10,109,122	-468%
Fund Balances - Beginning of year	<u>29,977,381</u>	<u>27,818,820</u>	<u>(2,158,561)</u>	-7%
Fund Balances - End of year	<u>\$ 27,818,820</u>	<u>\$ 35,769,381</u>	<u>\$ 7,950,561</u>	29%

Genesee County, Michigan

Management's Discussion and Analysis (Continued)

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 \$35,769,381, an increase of \$7,950,561 over the prior year. The increase over the prior year was due primarily to higher property tax revenues from voter-approved millages for parks and animal control, increased state revenue sharing, and increased federal and state grants for law enforcement and human services, and corresponding expenditure increases. Approximately 42 percent of the ending fund balance, \$15,039,335, constitutes unassigned fund balance, which is available for spending at the government's discretion.

The General Fund unassigned fund balance totaled \$15,964,753, while total fund balance increased to \$18,058,169. 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 25 percent of total General Fund expenditures, while total fund balance represents 29 percent of that same amount.

At the end of the current fiscal year, the total fund balance of the County Health Fund was \$2,674,019. The fund balance represents 18 percent of total county health expenditures.

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

- General Fund - The Genesee County Board of Commissioner passed a 2014/2015 General Fund budget anticipating the use of \$0 of fund balance. During 2014/2015 General Fund revenues were more than budgeted revenues by \$1,629,736 while expenditures were under the budget by \$2,111,807.
- Community Action Resource Department - The fund balance of the Community Action Resource Department increased during the 2014/2015 fiscal year by a total of \$1,481,225. This in was attributable to increased funding from the Federal and State governments and expenditure cuts 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 \$6,755,133. The total increase in net position for all proprietary funds was \$692,522.

Genesee County, Michigan

Management's Discussion and Analysis (Continued)

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 \$119,417 and operating transfers out were reduced by \$932,040, resulting in an increase to budgeted fund balance of \$812,623.

Overall during the year, actual General Fund revenues were more than the amended budgetary estimates, and actual expenditures were less than the amended budget, resulting in a \$4,554,166 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 \$89,733,904 (net of accumulated depreciation). This investment in capital assets included land, buildings and system improvements, machinery and equipment, and park facilities.

The County has no current plans for any major infrastructure capital projects. Accordingly, capital expenditures are limited to those needed to maintain the structural integrity of the County's property, plant, and equipment. Additional information on Genesee County's capital assets can be found in Note 5 of this report.

Debt - At the end of the current fiscal year, Genesee County had total debt outstanding of \$257,639,540. Of this amount, \$147,931,519 comprises debt backed by the full faith and credit of the government, \$532,558 is special assessment debt for which the government is liable in the event of default by the property owners subject to the assessment, and \$4,215,000 is Michigan Transportation bonds for which are payable with Act 51 money.

Genesee County's total debt, including component units, decreased by \$18,035,123 during the current fiscal year. Genesee County maintained its "A" rating from Standard & Poor's and "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 state equalized valuation. The current debt limitation for Genesee County is \$974,958,200, which is \$827,026,681 higher than Genesee County's outstanding general obligation debt subject to the 10 percent limit.

Additional information on Genesee County's long-term debt can be found in Note 7 of this report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for Genesee County is currently 5.1 percent, which is a decrease from a rate of 6.3 percent a year ago. This decrease is attributed to local conditions and is reflective of state and national trends.
- The government expects no increase in property tax revenues due to flat taxable property values in 2016. Inflationary trends in the region compare favorably to national indices.

Genesee County, Michigan

Management's Discussion and Analysis (Continued)

- 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 2015/2016 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.

Genesee County

Statement of Net Position September 30, 2015

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and cash equivalents	\$ 4,101,565	\$ 4,802,533	\$ 8,904,098	\$ 62,600,400
Investments	13,932,975	23,441,674	37,374,649	16,476,076
Receivables:				
Current and delinquent taxes receivable	24,863,927	40,352,162	65,216,089	-
Land contract receivable	-	-	-	1,113,551
Interest and accounts receivable (net allowance \$1,293,973)	15,288,425	4,542,084	19,830,509	16,657,815
Lease receivable	-	-	-	3,925,000
Due from other governmental units	13,872,361	887,240	14,759,601	17,160,122
Loan receivable	-	-	-	415,609
Bond proceeds receivable	-	-	-	4,679,146
Special assessments receivable	-	-	-	6,877,136
Due from primary government	-	-	-	5,175
Internal balances	8,267,318	(8,267,318)	-	-
Inventory	1,303,555	11,958	1,315,513	2,055,162
Prepaid expenses and other assets	857,285	-	857,285	1,431,211
Restricted cash and cash equivalents	50,000	-	50,000	190,389,992
Investment in joint ventures	-	-	-	1,939,000
Net OPEB asset	-	-	-	4,615,654
Long-term advance to component unit	1,670,000	-	1,670,000	-
Capital assets:				
Assets not subject to depreciation	11,417,653	3,523,844	14,941,497	65,843,056
Assets subject to depreciation	74,247,593	544,814	74,792,407	515,611,986
Loan receivable	-	-	-	2,025,000
Deposit with pipe supplier	-	-	-	33,960,593
Lease receivable	-	-	-	42,774,265
Land contract receivable	-	-	-	5,314,386
Total assets	169,872,657	69,838,991	239,711,648	995,870,335
Deferred Outflows of Resources				
Deferred charge on refunding	-	-	-	47,710
Deferred outflows related to pensions	10,457,650	61,108	10,518,758	19,223,954
Total deferred outflows of resources	10,457,650	61,108	10,518,758	19,271,664
Liabilities				
Accounts payable	6,987,965	450,973	7,438,938	17,408,940
Due to other governmental units	2,707,675	-	2,707,675	26,564,502
Due to component units	5,175	-	5,175	-
Accrued liabilities and other	4,640,169	364,804	5,004,973	7,702,306
Unearned revenue	81,900	-	81,900	8,142,767
Noncurrent liabilities:				
Due within one year:				
Compensated absences	3,362,948	-	3,362,948	1,106,487
Current portion of general, workers compensation claim and IBNR liability	1,120,908	-	1,120,908	-
Current portion of long-term debt	2,644,845	14,600,000	17,244,845	14,690,841

The Notes to Financial Statements are an
Integral Part of this Statement.

Genesee County

Statement of Net Position (Continued) September 30, 2015

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Liabilities (Continued)				
Noncurrent liabilities (Continued):				
Due in more than one year:				
Payable from restricted assets	\$ -	\$ -	\$ -	\$ 15,987,408
Compensated absences	669,991	-	669,991	1,252,887
General, workers compensation claim, and IBNR liability	2,791,908	-	2,791,908	-
Funds held in escrow	-	-	-	225,000
Long-term advance from primary government	-	-	-	1,670,000
Net OPEB obligation	50,942,649	424,315	51,366,964	5,192,543
Net pension liability	108,030,687	631,267	108,661,954	56,899,714
Long-term debt	16,480,114	28,930,000	45,410,114	448,376,517
Total liabilities	200,466,934	45,401,359	245,868,293	605,219,912
Deferred Inflows of Resources - Pensions	-	-	-	167,718
Net Position (Deficit)				
Net investment in capital assets	66,540,287	4,068,658	70,608,945	382,477,915
Restricted for:				
County health	1,197,493	-	1,197,493	-
Community development	15,411,092	-	15,411,092	-
Flint city lockup	8,808	-	8,808	-
Drug forfeiture	97,268	-	97,268	-
Emergency medical services	568,316	-	568,316	-
Health care services	1,244,085	-	1,244,085	-
Retirement of delinquent tax notes payable	-	12,709,062	12,709,062	-
Parks and recreation non-expendable	-	965,887	965,887	-
Social services	91,612	-	91,612	-
Veterans millage	918,409	-	918,409	-
Planning - Solid waste activities	775,283	-	775,283	-
Programs	48	-	48	1,587,244
Animal control	271,078	-	271,078	-
Senior services	2,252,638	-	2,252,638	-
Capital improvement per lease agreement	155,145	-	155,145	-
Unrestricted	(109,668,189)	6,755,133	(102,913,056)	25,689,210
Total net position (deficit)	<u>\$ (20,136,627)</u>	<u>\$ 24,498,740</u>	<u>\$ 4,362,113</u>	<u>\$ 409,754,369</u>

Genesee County

Functions/Programs	Expenses	Program Revenue		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
Management and planning	\$ 10,057,818	\$ 5,155,908	\$ 361,768	\$ -
Administration of justice	41,352,242	6,080,395	12,393,542	42,138
Law enforcement and community protection	40,604,622	2,278,905	6,933,273	-
Human services	92,040,083	3,562,013	49,612,053	-
Legislative	1,920,677	-	-	-
Community enrichment and development	13,134,199	2,608,015	3,607,750	12,400
Interest on long-term debt	1,062,301	-	-	-
Total governmental activities	200,171,942	19,685,236	72,908,386	54,538
Business-type activities:				
Commissary	56,591	235,294	-	-
Delinquent Taxes	5,240,349	10,390,672	-	-
Parks and Recreation - Enterprise	976,582	334,853	-	-
Parking Meter Fund	368,521	336,218	-	-
Total business-type activities	6,642,043	11,297,037	-	-
Total primary government	<u>\$ 206,813,985</u>	<u>\$ 30,982,273</u>	<u>\$ 72,908,386</u>	<u>\$ 54,538</u>
Component units:				
Road Commission	\$ 51,185,456	\$ 8,907,823	\$ 22,587,831	\$ 8,164,918
Water and Waste Services	60,427,661	60,095,548	-	-
Economic Development Corporation	13,042	-	6,750	-
Drains	4,713,979	829,833	-	-
Land Bank Authority	18,676,045	5,815,056	16,547,491	39,042
Brownfield Authority	574,067	241,590	-	-
Storm Water Management System	619,235	-	633,608	-
Genesee Health System	146,383,532	2,587,174	145,114,601	-
Total component units	<u>\$ 282,593,017</u>	<u>\$ 78,477,024</u>	<u>\$ 184,890,281</u>	<u>\$ 8,203,960</u>
General revenue:				
Property taxes				
State liquor tax				
State-shared revenue				
Unrestricted - Investment income				
Unrestricted - Other				
Total general revenue				
Transfers				

Change in Net Position

Net Position (Deficit) - Beginning of year - As restated (Note 2)

Net Position (Deficit) - End of year

Statement of Activities Year Ended September 30, 2015

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
\$ (4,540,142)	\$ -	\$ (4,540,142)	\$ -
(22,836,167)	-	(22,836,167)	-
(31,392,444)	-	(31,392,444)	-
(38,866,017)	-	(38,866,017)	-
(1,920,677)	-	(1,920,677)	-
(6,906,034)	-	(6,906,034)	-
(1,062,301)	-	(1,062,301)	-
(107,523,782)	-	(107,523,782)	-
-	178,703	178,703	-
-	5,150,323	5,150,323	-
-	(641,729)	(641,729)	-
-	(32,303)	(32,303)	-
-	4,654,994	4,654,994	-
(107,523,782)	4,654,994	(102,868,788)	-
-	-	-	(11,524,884)
-	-	-	(332,113)
-	-	-	(6,292)
-	-	-	(3,884,146)
-	-	-	3,725,544
-	-	-	(332,477)
-	-	-	14,373
-	-	-	1,318,243
-	-	-	(11,021,752)
75,444,697	-	75,444,697	2,939,285
3,764,943	-	3,764,943	-
9,865,339	-	9,865,339	-
293,780	20,328	314,108	2,807,658
2,229,713	-	2,229,713	6,029,985
91,598,472	20,328	91,618,800	11,776,928
3,982,800	(3,982,800)	-	-
(11,942,510)	692,522	(11,249,988)	755,176
(8,194,117)	23,806,218	15,612,101	408,999,193
\$ (20,136,627)	\$ 24,498,740	\$ 4,362,113	\$ 409,754,369

Genesee County

Governmental Funds Balance Sheet September 30, 2015

	General Fund	County Health	Community Action Resource Department	Community Development	Nonmajor Funds	Total
Assets						
Cash and cash equivalents (Note 4)	\$ -	\$ -	\$ -	\$ 57,788	\$ 3,231,289	\$ 3,289,077
Investments	-	-	-	-	4,700,000	4,700,000
Receivables:						
Current and delinquent taxes receivable	24,863,927	-	-	-	-	24,863,927
Interest and accounts receivable	58,005	187,881	1,986	14,829,584	143,587	15,221,043
Due from other governmental units	1,649,135	-	5,190,687	689,957	6,336,533	13,866,312
Due from other county funds	9,059,173	3,478,793	301,614	92	11,251,482	24,091,154
Long-term advances	1,076,558	-	-	-	-	1,076,558
Inventory	-	-	496,627	604,896	155,084	1,256,607
Prepaid expenses and other assets	16,858	17,999	7,614	-	214,288	256,759
Restricted cash and cash equivalents	-	-	-	-	50,000	50,000
Long term advance to component unit	-	-	-	-	1,670,000	1,670,000
Total assets	\$ 36,723,656	\$ 3,684,673	\$ 5,998,528	\$ 16,182,317	\$ 27,752,263	\$ 90,341,437
Liabilities						
Accounts payable	\$ 887,200	\$ 185,082	\$ 903,464	\$ 583,691	\$ 3,554,690	\$ 6,114,127
Due to other governmental units	4,661	170,489	-	57,774	2,127,728	2,360,652
Due to component units	-	-	-	5,175	-	5,175
Due to other funds	10,790,798	312,602	5,193,172	110,957	2,128,094	18,535,623
Accrued liabilities and other	2,044,153	307,613	123,504	13,628	1,196,746	3,685,644
Unearned revenue	-	-	-	-	81,900	81,900
Total liabilities	13,726,812	975,786	6,220,140	771,225	9,089,158	30,783,121
Deferred Inflows of Resources -						
Unavailable revenue (Note 12)	4,938,675	34,868	115,747	14,806,196	3,893,449	23,788,935
Fund Balances (Deficits)						
Nonspendable:						
Inventory	-	-	496,627	604,896	155,084	1,256,607
Prepays	16,858	9,654	-	-	214,288	240,800
Long-term receivable	1,076,558	-	-	-	-	1,076,558
Restricted:						
Health department	-	1,197,493	-	-	-	1,197,493
Drug forfeiture	-	-	-	-	97,268	97,268
Emergency medical services	-	-	-	-	568,316	568,316
Animal control	-	-	-	-	271,078	271,078
Social services	-	-	-	-	91,612	91,612
Senior services	-	-	-	-	2,252,638	2,252,638
Health services plan	-	-	-	-	1,244,085	1,244,085
Veterans millage	-	-	-	-	918,409	918,409
Solid waste planning activities	-	-	-	-	774,983	774,983

Genesee County

Governmental Funds Balance Sheet (Continued) September 30, 2015

	General Fund	County Health	Community Action Resource Department	Community Development	Nonmajor Fund	Total
Fund Balances (Deficits) (Con't)						
Assigned:						
Debt service	-	-	-	-	302,330	302,330
Costs and settlements of contractual disallowances, claims, and litigation	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000
Child care	-	-	-	-	3,252,371	3,252,371
Parks and recreation	-	-	-	-	2,922,744	2,922,744
Animal control	-	-	-	-	228,921	228,921
Health department	-	1,466,872	-	-	-	1,466,872
Administration of justice	-	-	-	-	168,276	168,276
Community enrichment and development	-	-	-	-	457,182	457,182
Law enforcement	-	-	-	-	219,154	219,154
Capital improvements	-	-	-	-	722,349	722,349
Unassigned	15,964,753	-	(833,986)	-	(91,432)	15,039,335
Total fund balances (deficits)	18,058,169	2,674,019	(337,359)	604,896	14,769,656	35,769,381
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 36,723,656</u>	<u>\$ 3,684,673</u>	<u>\$ 5,998,528</u>	<u>\$ 16,182,317</u>	<u>\$ 27,752,263</u>	<u>\$ 90,341,437</u>

Genesee County

Governmental Funds Reconciliation of the Balance Sheet to the Statement of Net Position September 30, 2015

Fund Balance Reported in Governmental Funds	\$ 35,769,381
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and are not reported in the funds	82,573,442
Deferred outflows of resources - Pension difference between projected and actual investment earnings, change in actuarial assumptions, and contributions made to the plan after the measurement date	9,629,995
Property taxes, grants, and other receivables that are collected after year end, such that they are not available to pay bills outstanding as of year end, are not recognized in the funds	23,788,935
Bonds payable and capital lease obligations are not due and payable in the current period and are not reported in the funds	(18,815,784)
Accrued interest is not due and payable in the current period and is not reported in the funds	(441,214)
Employee compensated absences are payable over a long period of years and do not represent a claim on current financial resources; therefore, they are not reported as fund liabilities	(12,631)
Obligations for other postemployment benefits are not due and payable in the current period and are not reported in the funds.	(50,942,649)
Net pension liability does not present a claim on current financial resources and is not reported as a fund liability	(99,480,755)
Internal Service Funds are included as part of governmental activities	<u>(2,205,347)</u>
Net Position (Deficit) of Governmental Activities	<u>\$ (20,136,627)</u>

Genesee County

Governmental Funds

Statement of Revenue, Expenditures, and Changes in Fund Balances

Year Ended September 30, 2015

	General Fund	County Health	Community Action Resource Department	Community Development	Nonmajor Funds	Total
Revenue						
Property taxes	\$ 46,231,563	\$ -	\$ -	\$ -	\$ 28,308,731	\$ 74,540,294
Licenses and permits	675,700	1,016,490	-	-	124,377	1,816,567
Federal grants	290,248	4,165,445	18,026,828	3,605,157	22,982,193	49,069,871
Other intergovernmental revenues	17,073,889	7,228,047	2,822,573	-	14,673,367	41,797,876
Charges for services	10,035,362	313,117	-	-	5,214,203	15,562,682
Fines and forfeitures	1,461,385	-	-	-	25,963	1,487,348
Interest income	128,559	-	-	-	110,918	239,477
Rental income	-	-	779,405	-	166,673	946,078
Other	816,786	197,849	248,225	143,536	1,680,791	3,087,187
Total revenue	76,713,492	12,920,948	21,877,031	3,748,693	73,287,216	188,547,380
Expenditures						
Current:						
Management and planning	8,567,506	-	-	-	-	8,567,506
Administration of justice	23,597,915	-	-	-	12,044,920	35,642,835
Law enforcement and community protection	21,922,251	-	-	-	12,556,679	34,478,930
Human services	5,034,230	14,854,049	20,032,279	-	47,804,936	87,725,494
Legislative	849,702	-	-	-	-	849,702
Community enrichment and development	2,785,598	-	-	3,566,197	6,191,506	12,543,301
Capital outlay	26,780	-	65,409	-	82,862	175,051
Debt service	-	-	-	-	3,438,801	3,438,801
Total expenditures	62,783,982	14,854,049	20,097,688	3,566,197	82,119,704	183,421,620
Excess of Revenue Over (Under) Expenditures	13,929,510	(1,933,101)	1,779,343	182,496	(8,832,488)	5,125,760
Other Financing Sources (Uses)						
Transfers in	8,400,105	1,508,711	55,020	-	18,228,608	28,192,444
Transfers out	(17,778,450)	-	(353,138)	-	(7,236,055)	(25,367,643)
Net Change in Fund Balances	4,551,165	(424,390)	1,481,225	182,496	2,160,065	7,950,561
Fund Balances (Deficit) - Beginning of year	13,507,004	3,098,409	(1,818,584)	422,400	12,609,591	27,818,820
Fund Balances (Deficit) - End of year	\$ 18,058,169	\$ 2,674,019	\$ (337,359)	\$ 604,896	\$ 14,769,656	\$ 35,769,381

Genesee County

Governmental Funds **Reconciliation of the Statement of Revenue, Expenditures,** **and Changes in Fund Balances of Governmental Funds** **to the Statement of Activities** **Year Ended September 30, 2015**

Net Change in Fund Balances - Total Governmental Funds	\$ 7,950,561
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:

Capital outlay	526,803
Depreciation expense	(4,138,332)
Net book value of assets disposed of	(14,772)

Revenues are recorded in the statement of activities when earned; they are not reported in the funds until collected or collectible within 60 days of year end	(2,650,768)
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Repayment of bond principal is an expenditure in the governmental funds, but not in the statement of activities (where it reduces long-term debt)	2,376,500
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Increases in the obligation for other postemployment benefits are recorded when earned in the statement of activities	(11,335,206)
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Change in the net pension liability and related deferred inflows and outflows is recorded when incurred in the statement of activities	(3,802,031)
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Internal Service Funds are included as part of governmental activities	<u>(855,265)</u>
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Change in Net Position of Governmental Activities	<u>\$ (11,942,510)</u>
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Genesee County

Proprietary Funds Statement of Net Position September 30, 2015

	Enterprise Funds			Governmental Activities
	Delinquent Taxes	Nonmajor Enterprise Funds	Total	Internal Service Funds
Assets				
Current assets:				
Cash and cash equivalents (Note 4)	\$ 3,211,389	\$ 1,591,144	\$ 4,802,533	\$ 812,488
Investments (Note 4)	22,475,787	965,887	23,441,674	9,232,975
Receivables:				
Current and delinquent taxes receivable	40,352,162	-	40,352,162	-
Interest and accounts receivable	4,542,084	-	4,542,084	67,382
Due from other governmental units	804,658	82,582	887,240	6,049
Due from other county funds	836,092	-	836,092	5,767,722
Inventory	-	11,958	11,958	46,948
Prepaid expenses and other assets	-	-	-	600,526
Total current assets	72,222,172	2,651,571	74,873,743	16,534,090
Noncurrent assets - Capital assets:				
Assets not subject to depreciation	2,812,109	711,735	3,523,844	193,496
Assets subject to depreciation	360	544,454	544,814	2,898,308
Total assets	75,034,641	3,907,760	78,942,401	19,625,894
Deferred Outflows of Resources -				
Deferred outflows related to pensions	61,108	-	61,108	827,655
Liabilities				
Current liabilities:				
Accounts payable	363,460	87,513	450,973	873,838
Due to other governmental units	-	-	-	347,023
Due to other funds	8,854,350	249,060	9,103,410	3,055,935
Accrued liabilities and other	282,825	81,979	364,804	513,311
Compensated absences	-	-	-	3,350,317
Current portion of general, workers compensation claim and IBNR liability (Note 8)	-	-	-	1,120,908
Current portion of long-term debt	14,600,000	-	14,600,000	154,845
Total current liabilities	24,100,635	418,552	24,519,187	9,416,177
Noncurrent liabilities:				
Long-term advance	-	-	-	1,076,558
Compensated absences	-	-	-	669,991
General, workers compensation claim, and IBNR liability (Note 8)	-	-	-	2,791,908
Net OPEB obligation (Note 11)	204,248	220,067	424,315	-
Net pension liability (Note 9)	631,267	-	631,267	8,549,932
Long-term debt	28,930,000	-	28,930,000	154,330
Total noncurrent liabilities	29,765,515	220,067	29,985,582	13,242,719
Total liabilities	53,866,150	638,619	54,504,769	22,658,896
Net Position (Deficit)				
Net investment in capital assets	2,812,469	1,256,189	4,068,658	2,782,629
Restricted:				
Retirement of delinquent tax notes payable	12,709,062	-	12,709,062	-
Parks and recreation non-expendable	-	965,887	965,887	-
Capital improvement per lease agreement	-	-	-	155,145
Unrestricted	5,708,068	1,047,065	6,755,133	(5,143,121)
Total net position (deficit)	\$ 21,229,599	\$ 3,269,141	\$ 24,498,740	\$ (2,205,347)

The Notes to Financial Statements are an
Integral Part of this Statement.

Genesee County

Proprietary Funds Statement of Revenue, Expenses, and Changes in Net Position Year Ended September 30, 2015

	Enterprise Funds			Governmental Activities
	Nonmajor			Internal Service
	Delinquent Taxes	Enterprise Funds	Total	Funds
Operating Revenue				
Other sales to customers	\$ -	\$ 571,512	\$ 571,512	\$ -
Charges for sales and services	10,452,485	334,853	10,787,338	6,654
Charges to other funds	-	-	-	25,733,644
Total operating revenue	10,452,485	906,365	11,358,850	25,740,298
Operating Expenses				
Salaries and fringe benefits	516,417	535,150	1,051,567	6,369,306
Supplies and other operating expenses	3,587,771	732,563	4,320,334	20,711,519
Depreciation	3,954	58,427	62,381	935,066
Total operating expenses	4,108,142	1,326,140	5,434,282	28,015,891
Operating Income (Loss)	6,344,343	(419,775)	5,924,568	(2,275,593)
Nonoperating Revenue (Expenses)				
Investment earnings	20,225	103	20,328	153,997
Contribution to component units - Land Bank Authority and Brownfield	(734,000)	-	(734,000)	-
Interest expense	(398,207)	(525)	(398,732)	(577)
Other nonoperating expenses	-	(75,029)	(75,029)	-
Gain on sale of assets	-	-	-	108,909
Debt issuance cost	(61,813)	-	(61,813)	-
Total nonoperating (expenses) revenue	(1,173,795)	(75,451)	(1,249,246)	262,329
Income (Loss) - Before contributions	5,170,548	(495,226)	4,675,322	(2,013,264)
Transfers In	-	1,242,200	1,242,200	1,157,999
Transfers Out	(5,000,000)	(225,000)	(5,225,000)	-
Change in Net Position	170,548	521,974	692,522	(855,265)
Net Position (Deficit) - Beginning of year - As restated (Note 2)	21,059,051	2,747,167	23,806,218	(1,350,082)
Net Position (Deficit) - End of year	\$ 21,229,599	\$ 3,269,141	\$ 24,498,740	\$ (2,205,347)

Genesee County

Proprietary Funds Statement of Cash Flows Year Ended September 30, 2015

	Enterprise Funds			Governmental
	Delinquent Taxes	Nonmajor Enterprise Funds	Total	Activities Internal Service Funds
Cash Flows from Operating Activities				
Receipts from customers	\$ 12,351,147	\$ 919,501	\$ 13,270,648	\$ 25,625,418
Receipts from interfund services and reimbursements	260,165	-	260,165	619,113
Payments to suppliers	(2,278,835)	(588,843)	(2,867,678)	(20,299,059)
Payments to employees	(1,871,093)	(715,446)	(2,586,539)	(5,335,963)
Internal activity - Payments to other funds	1,096,353	-	1,096,353	404,022
Claims paid	-	-	-	283,829
Other receipts (payments)	1,879,954	-	1,879,954	(42,091)
Net cash provided by (used in) operating activities	11,437,691	(384,788)	11,052,903	1,255,269
Cash Flows from Noncapital Financing Activities				
Transfers from other funds	-	1,242,200	1,242,200	1,157,999
Contributions to component units	(734,000)	-	(734,000)	-
Transfers to other funds	(5,000,000)	(225,000)	(5,225,000)	-
Repayments of loans from other funds	-	-	-	(218,145)
Net cash (used in) provided by noncapital financing activities	(5,734,000)	1,017,200	(4,716,800)	939,854
Cash Flows from Capital and Related Financing Activities				
Issuance of bonds	34,930,000	-	34,930,000	-
Proceeds from sales of capital assets	-	-	-	117,178
Purchase of capital assets	(372,501)	(537,778)	(910,279)	(985,508)
Principal and interest paid on capital debt	(32,436,508)	(93,553)	(32,530,061)	(51,755)
Issuance cost related to delinquent tax notes	(61,813)	-	(61,813)	-
Net cash provided by (used in) capital and related financing activities	2,059,178	(631,331)	1,427,847	(920,085)
Cash Flows from Investment Activities				
Interest received on investments	20,225	129,277	149,502	153,997
Purchase of investment securities	(8,005,473)	-	(8,005,473)	-
Proceeds from sale and maturities of investment securities	-	-	-	(1,428,873)
Net cash (used in) provided by investing activities	(7,985,248)	129,277	(7,855,971)	(1,274,876)
Net (Decrease) Increase in Cash and Cash Equivalents	(222,379)	130,358	(92,021)	162
Cash and Cash Equivalents - Beginning of year	3,433,768	1,460,786	4,894,554	812,326
Cash and Cash Equivalents - End of year	\$ 3,211,389	\$ 1,591,144	\$ 4,802,533	\$ 812,488

Genesee County

Proprietary Funds Statement of Cash Flows (Continued) Year Ended September 30, 2015

	Enterprise Funds			Governmental Activities
	Nonmajor			Internal Service
	Delinquent Taxes	Enterprise Funds	Total	Funds
Reconciliation of Operating Income to Net Cash from Operating Activities				
Operating income (loss)	\$ 6,344,343	\$ (419,775)	\$ 5,924,568	\$ (2,275,593)
Adjustments to reconcile operating income (loss) to net cash from operating activities:				
Depreciation and amortization	3,954	58,427	62,381	935,066
Changes in assets and liabilities:				
Receivables	3,778,616	13,136	3,791,752	(47,546)
Due from others	260,165	-	260,165	509,688
Inventories	-	22,490	22,490	(2,645)
Prepaid and other assets	17,119	9,379	26,498	550,207
Accounts payable	(184,544)	37,949	(146,595)	(135,103)
Due to others	1,096,353	-	1,096,353	404,022
Estimated claims liability	-	-	-	283,829
Accrued and other liabilities	121,685	(106,394)	15,291	1,033,344
Net cash provided by (used in) operating activities	<u>\$ 11,437,691</u>	<u>\$ (384,788)</u>	<u>\$ 11,052,903</u>	<u>\$ 1,255,269</u>

Genesee County

Fiduciary Funds Statement of Fiduciary Net Position September 30, 2015

	Total Pension and Employee Fringe Benefit (VEBA) Trust		Agency Funds
	Fund		
Assets			
Cash and cash equivalents	\$ 15,420,833	\$	7,977,278
Investments:			
Negotiable CDs	-		9,302,997
U.S. government securities	39,962,066		-
Foreign governments and agencies	12,489,109		-
Preferred stock	36,707		-
Foreign equity	83,008,249		-
Common stock	127,982,348		-
Corporate bonds	64,361,341		-
Real estate	33,708,553		-
Mutual funds	29,107,744		-
Hedge fund-of-funds	76,676,385		-
Cash and investments held as collateral for securities lending	4,548,308		-
Receivables:			
Interest and accounts receivable	1,552,395		-
Contributions receivable	627,571		970
Accounts receivable - Pending trades	235,714		-
Prepaid expenses and other assets	538,574		-
	<u>490,255,897</u>		<u>\$ 17,281,245</u>
Total assets			
Liabilities			
Accounts payable	1,799,499	\$	17,182,104
Due to other governmental units	-		99,141
IBNR liability	953,500		-
Obligations under securities lending agreements	4,548,308		-
Accounts payable - Pending trades	2,531,518		-
	<u>9,832,825</u>		<u>\$ 17,281,245</u>
Total liabilities			
Net Position Held in Trust for Pension and Other Employee Benefits			
	<u>\$ 480,423,072</u>		

Genesee County

Fiduciary Funds Statement of Changes in Fiduciary Net Position Year Ended September 30, 2015

	Total Pension and Employee Fringe Benefit (VEBA) Trust Fund
Additions	
Investment income:	
Interest and dividends	\$ 9,398,531
Net increase in fair value of investments	23,003,746
Investment-related expenses	<u>(1,956,411)</u>
Net investment income	30,445,866
Securities lending income - Interest and dividends	41,185
Contributions:	
Employer	23,869,061
Plan members	<u>3,616,113</u>
Total contributions	<u>27,485,174</u>
Total additions	57,972,225
Deductions	
Benefits	58,944,661
Refunds of contributions	278,284
Transfer to other pension plans	1,705,993
Administrative expenses	<u>485,634</u>
Total deductions	<u>61,414,572</u>
Net Decrease in Net Position Held in Trust	(3,442,347)
Net Position Held in Trust for Pension and Other Employee Benefits -	
Beginning of year	<u>483,865,419</u>
Net Position Held in Trust for Pension and Other Employee Benefits -	
End of year	<u>\$ 480,423,072</u>

Genesee County

	Road Commission 9/30/15	Water and Waste Services 12/31/14	Economic Development Corp 9/30/15	Drains 9/30/15
Assets				
Cash and cash equivalents	\$ 6,927,156	\$ 11,721,520	\$ 117,321	\$ 3,046,476
Investments	11,222,020	-	-	202,050
Receivables:				
Land contract receivable	-	-	-	-
Interest and accounts receivable	47,560	11,726,954	1,699	-
Lease receivable	-	3,925,000	-	-
Due from other governmental units	8,571,086	2,252,636	-	-
Loan receivable	-	-	78,109	-
Bond proceeds receivable	-	4,679,146	-	-
Special assessments receivable	2,470,977	-	-	4,406,159
Due from primary government	-	-	-	-
Inventory	1,071,315	35,715	-	47,598
Prepaid expenses and other assets	376,975	488,339	14	-
Restricted cash and cash equivalents	7,530,032	182,303,648	556,312	-
Investment in joint ventures	-	-	-	-
Net OPEB asset	4,615,654	-	-	-
Capital assets:				
Assets not subject to depreciation	841,439	64,593,383	-	323,926
Assets subject to depreciation	180,936,976	307,347,287	-	19,169,034
Loan receivable	-	-	-	-
Deposit with pipe supplier	-	33,960,593	-	-
Lease receivable	-	42,774,265	-	-
Land contract receivable	-	-	-	-
Total assets	224,611,190	665,808,486	753,455	27,195,243
Deferred Outflows of Resources				
Deferred charge on refunding	-	47,710	-	-
Deferred outflows related to pensions	12,644,581	-	-	-
Total deferred outflows of resources	12,644,581	47,710	-	-
Liabilities				
Accounts payable	1,351,876	4,795,221	3,881	207,188
Due to other governmental units	-	-	-	-
Accrued liabilities and other	655,964	-	-	62,558
Unearned revenue	8,004,786	-	-	-
Due within one year:				
Compensated absences	134,863	-	-	-
Current portion of long-term debt	2,195,000	11,495,000	-	564,519
Due in more than one year:				
Payable from restricted assets	668,893	15,318,515	-	-
Compensated absences	987,848	-	-	-
Funds held in escrow	-	-	-	-
Long-term advance from primary government	-	-	-	-
Net OPEB obligation	-	5,192,543	-	-
Net pension liability	24,065,922	-	-	-
Long-term debt	5,175,000	428,822,719	-	1,819,039
Total liabilities	43,240,152	465,623,998	3,881	2,653,304
Deferred Inflows of Resources - Pensions	-	-	-	-
Net Position				
Net investment in capital assets	174,408,415	183,506,588	-	17,109,402
Restricted - Programs	-	488,210	744,521	-
Unrestricted	19,607,204	16,237,400	5,053	7,432,537
Total net position	\$ 194,015,619	\$ 200,232,198	\$ 749,574	\$ 24,541,939

Component Units
Statement of Net Position
September 30, 2015

Land Bank Authority 9/30/15	Brownfield Authority 9/30/15	Storm Water Management System 9/30/15	Genesee Health System Authority 9/30/15	Total
\$ 4,592,050	\$ 108,926	\$ 306,888	\$ 35,780,063	\$ 62,600,400
-	-	-	5,052,006	16,476,076
1,113,551	-	-	-	1,113,551
1,502,328	-	-	3,379,274	16,657,815
-	-	-	-	3,925,000
972,814	-	112,287	5,251,299	17,160,122
-	337,500	-	-	415,609
-	-	-	-	4,679,146
-	-	-	-	6,877,136
5,175	-	-	-	5,175
900,534	-	-	-	2,055,162
162,649	-	-	403,234	1,431,211
-	-	-	-	190,389,992
1,939,000	-	-	-	1,939,000
-	-	-	-	4,615,654
84,308	-	-	-	65,843,056
3,119,992	-	-	5,038,697	515,611,986
-	2,025,000	-	-	2,025,000
-	-	-	-	33,960,593
-	-	-	-	42,774,265
5,314,386	-	-	-	5,314,386
19,706,787	2,471,426	419,175	54,904,573	995,870,335
-	-	-	-	47,710
-	-	-	6,579,373	19,223,954
-	-	-	6,579,373	19,271,664
1,173,738	-	64,662	9,812,374	17,408,940
-	-	-	26,564,502	26,564,502
171,412	238,500	-	6,573,872	7,702,306
-	-	-	137,981	8,142,767
45,301	-	-	926,323	1,106,487
141,322	295,000	-	-	14,690,841
-	-	-	-	15,987,408
-	-	-	265,039	1,252,887
-	225,000	-	-	225,000
1,670,000	-	-	-	1,670,000
-	-	-	-	5,192,543
-	-	-	32,833,792	56,899,714
648,165	11,911,594	-	-	448,376,517
3,849,938	12,670,094	64,662	77,113,883	605,219,912
-	-	-	167,718	167,718
2,414,813	-	-	5,038,697	382,477,915
-	-	354,513	-	1,587,244
13,442,036	(10,198,668)	-	(20,836,352)	25,689,210
\$ 15,856,849	\$ (10,198,668)	\$ 354,513	\$ (15,797,655)	\$ 409,754,369

Genesee County

	Program Revenues				Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Road Commission	Water and Waste Services
Component units:						
Road Commission	\$ 51,185,456	\$ 8,907,823	\$ 22,587,831	\$ 8,164,918	\$ (11,524,884)	\$ -
Water and Waste Services	60,427,661	60,095,548	-	-	-	(332,113)
Economic Development Corporation	13,042	-	6,750	-	-	-
Drains	4,713,979	829,833	-	-	-	-
Land Bank Authority	18,676,045	5,815,056	16,547,491	39,042	-	-
Brownfield Authority	574,067	241,590	-	-	-	-
Storm Water Management System	619,235	-	633,608	-	-	-
Genesee Health System	146,383,532	2,587,174	145,114,601	-	-	-
Total component units	\$ 282,593,017	\$ 78,477,024	\$ 184,890,281	\$ 8,203,960	(11,524,884)	(332,113)
General revenues:						
Property taxes and special assessments					1,071,417	-
Interest income					241,267	2,552,882
Other					147,561	5,007,282
Total general revenues					1,460,245	7,560,164
Change in Net Position					(10,064,639)	7,228,051
Net Position (Deficit) - Beginning of year (Note 2)					204,080,258	193,004,147
Net Position (Deficit) - End of year					\$ 194,015,619	\$ 200,232,198

Component Units
Statement of Activities
Year Ended September 30, 2015

Net (Expense) Revenue and Changes in Net Position						
Economic Development Corporation	Drains	Land Bank Authority	Brownfield Authority	Storm Water Management System	Genesee Health System	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (11,524,884)
-	-	-	-	-	-	(332,113)
(6,292)	-	-	-	-	-	(6,292)
-	(3,884,146)	-	-	-	-	(3,884,146)
-	-	3,725,544	-	-	-	3,725,544
-	-	-	(332,477)	-	-	(332,477)
-	-	-	-	14,373	-	14,373
-	-	-	-	-	1,318,243	1,318,243
(6,292)	(3,884,146)	3,725,544	(332,477)	14,373	1,318,243	(11,021,752)
-	1,867,868	-	-	-	-	2,939,285
5,728	548	1,776	520	562	4,375	2,807,658
-	64,754	-	-	-	810,388	6,029,985
5,728	1,933,170	1,776	520	562	814,763	11,776,928
(564)	(1,950,976)	3,727,320	(331,957)	14,935	2,133,006	755,176
750,138	26,492,915	12,129,529	(9,866,711)	339,578	(17,930,661)	408,999,193
\$ 749,574	\$ 24,541,939	\$ 15,856,849	\$ (10,198,668)	\$ 354,513	\$ (15,797,655)	\$ 409,754,369

Note I - Summary of Significant Accounting Policies

The following is a summary of the significant accounting policies used by Genesee County:

Reporting Entity

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 (nine 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 the 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. There was no activity in the current year.

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

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.

Note I - Summary of Significant Accounting Policies (Continued)

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 30th fiscal year end.

Economic Development Corporation - An entity responsible for the administration of the revolving loan program. This loan program makes low interest loans available to businesses located within Genesee County. The Board of the Economic Development Corporation (EDC) is appointed by the Board of Commissioners. The Board of Commissioners can remove Board members of the EDC if they so choose. The Corporation has converted to a September 30th 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, and 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.

Note I - Summary of Significant Accounting Policies (Continued)

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.

Accounting and Reporting Principles

The County follows accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. Accounting and financial reporting pronouncements are promulgated by the Government Accounting Standards Board.

Report Presentation

Governmental accounting principles require that financial reports include two different perspectives, the government-wide perspective and the fund-based perspective. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. The government-wide financial statements are presented on the economic resources measurement focus and the full accrual basis of accounting. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The statements also present a schedule reconciling these amounts to the modified accrual-based presentation found in the fund-based statements.

Note I - Summary of Significant Accounting Policies (Continued)

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.

Fund Accounting

The County accounts for its various activities in several different funds, in order to demonstrate accountability for how we have spent certain resources - separate funds allow us to show the particular expenditures for which specific revenues were used. The various funds are aggregated into three broad fund types:

Governmental Funds include all activities that provide general governmental services that are not business type activities. This includes the General Fund, special revenue funds, debt service funds, capital project funds, and permanent funds. The County reports the following funds as 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.

Note I - Summary of Significant Accounting Policies (Continued)

Proprietary Funds distinguish operating revenue and expenses from nonoperating 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 nonoperating revenue and expenses. 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 County's 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.

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. 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 Employees' Fringe Benefits (VEBA) Fund accounts for employee and employer contributions, investment income, and accumulated assets set aside with the intent to accumulate adequate funds to defray part of the cost of retiree medical benefits in future years.
- The Trust and Agency Funds account for assets held by the County as an agent for individuals, private organizations, other governments, and other funds.

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

Note I - Summary of Significant Accounting Policies (Continued)

Interfund Activity - During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Furthermore, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

Basis of Accounting

The governmental funds use the current financial resources measurement focus and the modified accrual basis of accounting. This basis of accounting is intended to better demonstrate accountability for how the County has spent its resources.

Expenditures are reported when the goods are received or the services are rendered. Capital outlays are reported as expenditures (rather than as capital assets) because they reduce the ability to spend resources in the future; conversely, employee benefit costs that will be funded in the future (such as pension and retiree health care related costs or sick and vacation pay) are not counted until they come due for payment. In addition, debt service expenditures, claims, and judgments are recorded only when payment is due.

Note I - Summary of Significant Accounting Policies (Continued)

Revenues are not recognized until they are collected, or collected soon enough after the end of the year that they are available to pay for obligations outstanding at the end of the year. 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 of year end to be available for recognition. The following major revenue sources meet the availability criterion: state-shared revenue, property tax revenue, court fines, and interest associated with the current fiscal period. Conversely, property taxes and federal grant reimbursements will be collected after the period of availability; receivables have been recorded for these, along with a "deferred inflow of resources."

Proprietary funds and fiduciary funds use the economic resources measurement focus and the full accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Specific Balances and Transactions

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 and Prepaid Items - 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.

Capital Assets - Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities 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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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:

Capital Asset Class	Lives
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. At September 30, 2015, the County reported deferred outflows of resources related to pensions for governmental activities and business-type activities. See the table in Note 9 for governmental and business-type activities and Note 14 for component units for amounts and when they will be recognized in pension expense. In the component units, Water and Waste Services and the Economic Development Corporation, a deferred outflow of resources related to bond refunding loss that is being amortized.

Note I - Summary of Significant Accounting Policies (Continued)

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.

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.

Note 1 - Summary of Significant Accounting Policies (Continued)

- Assigned - Intent to spend resources on specific purposes expressed by the Board of Commissioners.
- Unassigned - Amounts that do not fall into any other category above. This is the residual classification for amounts in the General Fund and represents fund balance that has not been assigned to other funds and has not been restricted, committed, or assigned to specific purposes in the General Fund. In other governmental funds, only negative unassigned amounts are reported, if any, and represent expenditures incurred for specific purposes exceeding the amounts previously restricted, committed, or assigned to those purposes.

Property Taxes

The County property tax is levied each July 1 for operations and each December 1 for all others 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 percent of current market value. Real and personal property in Genesee County for the 2015 levy was assessed at \$9,749,581,995 and equalized at \$9,749,581,995 representing 50 percent of estimated current market value. The County operating tax rate is currently 5.5072 mills with an additional 0.75 mills voted for parks, 0.4847 mills for paramedics, 0.7 mills for senior services, 1.0 mill for health services, 0.1 mills for veterans, 0.04 mills for the MSU extension, and 0.2 mills for animal control.

By agreement with various taxing authorities, the County purchases at face value the real property taxes receivable returned delinquent each March 1. These receivables (\$44,894,246 at September 30, 2015) are pledged to a bank for payment of notes payable, the proceeds of which were used to liquidate the amounts due the General Fund and various other funds and governmental agencies for purchase of the receivables and to provide funds for current operations. Subsequent collections on delinquent taxes receivable, plus interest and collection fees thereon and investment earnings, are used to extinguish the debt.

Collections of delinquent taxes, which include interest, penalties, fees, and investment earnings, amounting to \$39,918,763 in 2015, are used to service the notes payable. Principal and interest paid on the notes payable in 2015 amounted to \$32,517,583.

Note I - Summary of Significant Accounting Policies (Continued)

Pension - Genesee County offers a defined benefit pension plan to its employees. The County records a net pension liability for the difference between the total pension liability calculated by the actuary and the pension plan's fiduciary net position. For purposes of measuring the net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the GCERS Pension Plan and additions to/deductions from the pension plan's fiduciary net position have been determined on the same basis as they are reported by the pension plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The General, Special Revenue, DTR, and Internal Service Funds will be used to liquidate the net pension liability, based on whichever fund an employee or retiree is assigned and to which the employee's pension costs are charged.

Other Postemployment Benefit Costs - The County offers retiree health care benefits to retirees. The County receives an actuarial valuation to compute the annual required contribution (ARC) necessary to fund the obligation over the remaining amortization period. In the governmental funds, OPEB costs are recognized as contributions are made. For the government-wide statements and proprietary funds, the County reports the full accrual cost equal to the current year required contribution, adjusted for interest and "adjustment to the ARC" on the beginning of year underpaid amount, if any. The General, Special Revenue, DTR, and Internal Service Funds will be used to liquidate the other postemployment benefit obligation, based on whichever fund an employee or retiree is assigned and to which the employee's other postemployment benefit costs are charged.

Compensated Absences (Vacation and Sick Leave) - It is the County's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. 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 percent of their current annual earned vacation. There is no liability for unpaid accumulated sick leave since the County does not have a policy to pay any amounts when employees separate from service with the County. All vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only for employee terminations as of year end. All other accrued compensated absences are reported in the government-wide financial statements; generally the funds that report each employee's compensation (the General Fund, Major Special Revenue Funds, Internal Services Funds, and Delinquent Tax Revolving Fund, primarily) are used to liquidate the obligation.

Note 1 - Summary of Significant Accounting Policies (Continued)

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

Note 2 - Change in Accounting

During the current year, the County adopted GASB statement number 68, *Accounting and Financial Reporting for Pensions*. As a result, the government-wide statements and the proprietary funds now include a liability for our unfunded pension costs. Some of the changes in this net pension liability will be recognized immediately as part of the pension expense measurement, and part will be deferred and recognized over future years. Refer to Note 9 for further details. This change does not impact the General Fund or any other governmental fund.

The effect of this change is as follows:

	Governmental Activities	Business-type Activities	Delinquent Taxes	Internal Service Funds	Component Units
Net position - September 30, 2014 - As previously reported	\$ 85,055,644	\$ 24,290,524	\$ 21,543,357	\$ 5,850,350	\$439,534,589
Adjustment to record beginning net pension liability	<u>(93,249,761)</u>	<u>(484,306)</u>	<u>(484,306)</u>	<u>(7,200,432)</u>	<u>(30,535,396)</u>
Net position (deficit) - September 30, 2014 - As restated	<u>\$ (8,194,117)</u>	<u>\$ 23,806,218</u>	<u>\$ 21,059,051</u>	<u>\$ (1,350,082)</u>	<u>\$408,999,193</u>

Note 3 - Stewardship, Compliance, and Accountability

Fund Deficits - As of September 30, 2015, the following funds were in a deficit at year-end:

Component Unit -	
Brownfield Authority	\$ 10,198,668
Major Special Revenue -	
Community Action Resource	
Department	337,359
Internal Service Fund -	
Administrative Services	8,080,651

Note 4 - 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 matures 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) authorize 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.

Note 4 - Deposits and Investments (Continued)

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

Custodial Credit Risk of Bank Deposits - Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. At year end, the County had \$36,779,507 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 with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Custodial Credit Risk 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:

Investment Type	Carrying Value	How Held
U.S. gov or agency bond or note (self insurance)	\$ 1,564,111	Counterparty's trust dept
Corporate bonds (self insurance)	1,553,536	Counterparty's trust dept
Corporate stocks (self insurance)	2,658,370	Counterparty's trust dept
Mutual funds (self insurance)	944,463	Counterparty's trust dept
U.S. gov or agency bond or note (VEBA)	665,963	Counterparty's trust dept
Corporate bonds (VEBA)	6,227,547	Counterparty's trust dept
Common stock (VEBA)	16,634,683	Counterparty's trust dept
Foreign gov and agency (VEBA)	461,584	Counterparty's trust dept
Mutual funds (VEBA)	8,028,484	Counterparty's trust dept
U.S. gov or agency bond or note (pension)	39,296,103	Counterparty's trust dept
Foreign gov and agency (pension)	95,035,774	Counterparty's trust dept
Corporate bonds (pension)	58,133,794	Counterparty's trust dept
Common stocks (pension)	111,347,665	Counterparty's trust dept

Note 4 - Deposits and Investments (Continued)

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:

At year end, the County had the following investments and maturities:

Type of Investment	Fair Value	Less than 1 year	1-10 Years	More than 10 Years
U.S. gov or agency bond or notes (self insurance)	\$ 1,564,111	\$ 20,258	\$ 1,543,853	\$ -
Corporate bonds (self insurance)	1,553,536	151,760	1,401,776	-
Money market funds (self insurance)	962,430	962,430	-	-
U.S. gov or agency bond or notes (VEBA)	665,963	-	665,963	-
Corporate bonds (VEBA)	6,227,547	734,436	5,493,111	-
Foreign gov (VEBA)	299,697	-	299,697	-
Asset backed (pension)	1,604,214	-	500,000	1,104,214
U.S. gov or agency bond or notes (pension)	359,954	10,075	74,369	275,510
U.S. gov mortgage backed (pension)	3,951,814	-	83,752	3,868,062
U.S. gov tips (pension)	3,505,030	-	1,546,830	1,958,200
U.S. gov treasuries, notes, and bonds (pension)	28,466,262	5,255,312	18,490,302	4,720,648
Corporate bonds (pension)	3,013,043	-	-	3,013,043
Corporate bonds (pension)	39,709,604	687,005	27,441,094	11,581,505
Foreign corporate (pension)	10,516,563	756,988	7,353,451	2,406,124
Foreign gov (pension)	2,426,555	-	1,646,573	779,982
Private placement (pension)	15,904,384	1,336,577	12,017,867	2,549,940
Total	<u>\$ 120,730,707</u>	<u>\$ 9,914,841</u>	<u>\$ 78,558,638</u>	<u>\$ 32,257,228</u>

Note 4 - Deposits and Investments (Continued)

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:

Investment	Fair Value	Rating	Rating Organization
U.S. gov agency securities (self insurance)	\$ 1,564,111	AA+	S&P
Money market (self insurance)	962,430	AA M	S&P
Corporate bonds (self insurance)	25,000	A-	S&P
Corporate bonds (self insurance)	334,707	BBB+	S&P
Corporate bonds (self insurance)	474,164	BBB	S&P
Corporate bonds (self insurance)	517,307	BBB-	S&P
Corporate bonds (self insurance)	171,494	BB-	S&P
Corporate bonds (self insurance)	30,864	CCC+	S&P
Corporate bonds (VEBA)	457,591	AA	S&P
Corporate bonds (VEBA)	744,109	A	S&P
Corporate bonds (VEBA)	2,590,759	BBB	S&P
Corporate bonds (VEBA)	2,385,306	BB	S&P
		CCC and	
Corporate bonds (VEBA)	49,782	Below	S&P
Foreign government bonds (VEBA)	299,697	Not Rated	N/A
U.S. gov agency securities (VEBA)	152,943	AA	S&P
U.S. gov agency securities (VEBA)	513,020	Not Rated	N/A
Asset backed (pension)	203,353	AAA	S&P
Asset backed (pension)	59,785	AA	S&P
Asset backed (pension)	131,052	A	S&P
Asset backed (pension)	40,910	BB	S&P
		CCC and	
Asset backed (pension)	669,114	Below	S&P
Asset backed (pension)	500,000	Not Rated	N/A
Corporate bonds (pension)	1,354,856	AA	S&P
Corporate bonds (pension)	8,852,530	A	S&P
Corporate bonds (pension)	20,549,686	BBB	S&P
Corporate bonds (pension)	6,094,445	BB	S&P
Corporate bonds (pension)	2,409,602	B	S&P
		CCC and	
Corporate bonds (pension)	283,575	Below	S&P

Note 4 - Deposits and Investments (Continued)

Investment	Fair Value	Rating	Rating Organization
Corporate bonds (pension)	\$ 164,910	Not Rated	N/A
Corporate CMO (pension)	224,876	AAA	S&P
Corporate CMO (pension)	355,317	A	S&P
Corporate CMO (pension)	346,535	BBB	S&P
Corporate CMO (pension)	196,114	BB	S&P
Corporate CMO (pension)	99,943	B	S&P
		CCC and	
Corporate CMO (pension)	479,109	Below	S&P
Corporate CMO (pension)	1,311,149	Not Rated	N/A
Private placements (pension)	412,996	AA	S&P
Private placements (pension)	2,219,820	A	S&P
Private placements (pension)	5,286,805	BBB	S&P
Private placements (pension)	4,132,322	BB	S&P
Private placements (pension)	1,386,219	B	S&P
		CCC and	
Private placements (pension)	409,000	Below	N/A
Private placements (pension)	2,057,222	Not Rated	S&P
Foreign corporate bonds (pension)	359,306	AA	S&P
Foreign corporate bonds (pension)	2,193,107	A	S&P
Foreign corporate bonds (pension)	4,403,023	BBB	S&P
Foreign corporate bonds (pension)	253,750	BB	S&P
Foreign corporate bonds (pension)	509,800	B	S&P
Foreign corporate bonds (pension)	2,797,577	Not Rated	N/A
Foreign government bonds (pension)	521,029	A	S&P
Foreign government bonds (pension)	387,489	BBB	S&P
Foreign government bonds (pension)	347,740	BB	S&P
Foreign government bonds (pension)	1,170,297	Not Rated	N/A
U.S. government agency (pension)	275,510	AA	S&P
U.S. government agency (pension)	10,075	BB	S&P
U.S. government agency (pension)	74,369	Not Rated	N/A
U.S. government mortgage backed (pension)	3,951,814	Not Rated	N/A
U.S. government TIPS (pension)	3,505,030	Not Rated	N/A
U.S. government treasuries, notes and bonds (pension)	28,466,262	Not Rated	N/A
Total	<u>\$ 120,730,707</u>		

Note 4 - Deposits and Investments (Continued)

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

	<u>Fair Value (in \$)</u>
Euro	\$ 9,506,236
Great British pounds	130,458
Mexican peso	432,405
South African rand	12,219
Norwegian kroner	2

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

Securities lending - As permitted by state statutes and under the provisions of a securities lending authorization agreement, the System lends securities to broker-dealers and banks for collateral that will be returned for the same securities in the future. The System's custodial bank manages the securities lending program and receives cash as collateral. Borrowers are required to deliver collateral for each loan equal to not less than 100 percent of the market value of the loaned securities. During the year ended December 31, 2014, only United States currency was received as collateral.

The System did not impose any restrictions during the fiscal year on the amount of loans made on its behalf by the custodial bank. The System presently owns \$246,496 of Sigma Finance Medium Term Note which is a defaulted investment. The System elected to repay the liability over a five-year period. There were no other failures by any borrowers to return loaned securities or pay distributions thereon during the fiscal year.

Note 4 - Deposits and Investments (Continued)

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, 2014, the System had no credit risk exposure to borrowers with the exception of Sigma Finance. The collateral based on cost and the fair market value of the underlying securities on loan for the System as of December 31, 2014 was \$4,548,308 and \$4,369,103, respectively, which consisted of short-term money market mutual funds and U.S. corporate commercial paper.

Note 5 - Capital Assets

Capital asset activity at September 30, 2015 is summarized as follows:

	Balance October 1, 2014	Reclassifications	Additions	Disposals	Balance September 30, 2015
Governmental Activities					
Capital assets not being depreciated:					
Land	\$ 11,412,028	\$ -	\$ 5,625	\$ -	\$ 11,417,653
Construction in progress	100,652	(100,652)	-	-	-
Subtotal	11,512,680	(100,652)	5,625	-	11,417,653
Capital assets being depreciated:					
Buildings and improvements	118,085,187	-	90,780	(188,876)	117,987,091
Machinery and equipment	29,558,420	-	1,131,309	(1,056,060)	29,633,669
Land improvements	8,700,241	100,652	183,925	-	8,984,818
Subtotal	156,343,848	100,652	1,406,014	(1,244,936)	156,605,578
Accumulated depreciation:					
Buildings and improvements	59,272,900	-	3,408,885	(181,513)	62,500,272
Machinery and equipment	19,187,224	-	1,658,711	(1,040,444)	19,805,491
Land improvements	45,970	-	6,252	-	52,222
Subtotal	78,506,094	-	5,073,848	(1,221,957)	82,357,985
Net capital assets being depreciated	77,837,754	100,652	(3,667,834)	(22,979)	74,247,593
Net capital assets	\$ 89,350,434	\$ -	\$ (3,662,209)	\$ (22,979)	\$ 85,665,246

Notes to Financial Statements September 30, 2015

Note 5 - Capital Assets (Continued)

Business-type Activities	Balance October 1, 2014	Reclassifications	Additions	Disposals	Balance September 30, 2015
Capital assets not being depreciated - Land	\$ 3,145,718	\$ -	\$ 378,126	\$ -	\$ 3,523,844
Capital assets being depreciated:					
Buildings and improvements	1,181,215	-	-	-	1,181,215
Machinery and equipment	4,316,421	-	10,189	-	4,326,610
Land improvements	3,086,571	-	521,964	-	3,608,535
Subtotal	8,584,207	-	532,153	-	9,116,360
Accumulated depreciation:					
Buildings and improvements	1,155,792	-	14,148	-	1,169,940
Machinery and equipment	4,266,802	-	43,973	-	4,310,775
Land improvements	3,086,571	-	4,260	-	3,090,831
Subtotal	8,509,165	-	62,381	-	8,571,546
Net capital assets being depreciated	75,042	-	469,772	-	544,814
Net capital assets	\$ 3,220,760	\$ -	\$ 847,898	\$ -	\$ 4,068,658

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

Governmental activities:

Administration of Justice	\$ 1,239,824
Law Enforcement and Community Protection	886,117
Human Services	475,801
Community Enrichment and Development	553,680
General Support Services	90,349
Other	893,011
Internal service fund depreciation is charged to the various functions based on their usage of the assets	935,066
Total governmental activities	<u>\$ 5,073,848</u>

Business-type activities:

Delinquent Tax Revolving	\$ 3,954
Parks and Recreation	58,427
Total business-type activities	<u>\$ 62,381</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.

Genesee County

Notes to Financial Statements September 30, 2015

Note 6 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

Receivable Fund	Payable Fund	Amount
Due to/from Other Funds		
General Fund	Delinquent Taxes	\$ 8,834,173
	Nonmajor enterprise funds	225,000
	Total General Fund	9,059,173
County Health	General Fund	2,979,924
	Nonmajor governmental funds	498,869
	Total County Health	3,478,793
Genesee County Community Action Resource Department	Community Development	45,015
	Nonmajor governmental funds	256,599
	Total Genesee County Community Action Resource Department	301,614
Community Development	Nonmajor governmental funds	92
Nonmajor governmental funds	General Fund	3,903,457
	Genesee County Community Action Resource Department	5,052,359
	Community Development	65,577
	Nonmajor governmental funds	896,669
	Internal Service	1,333,420
	Total nonmajor governmental funds	11,251,482
Delinquent Taxes	General Fund	749,400
	Nonmajor governmental funds	86,692
	Total Delinquent Taxes	836,092

Note 6 - Interfund Receivables, Payables, and Transfers (Continued)

Receivable Fund	Payable Fund	Amount
Internal Service Funds	General Fund	\$ 3,158,017
	County Health	312,602
	Genesee Community Action	
	Resource Department	140,813
	Community Development	365
	Nonmajor governmental funds	389,173
	Delinquent Taxes	20,177
	Nonmajor enterprise funds	24,060
	Internal Service	<u>1,722,515</u>
	Total Internal Service Funds	<u>5,767,722</u>
	Total	<u>\$ 30,694,968</u>

Receivable Fund	Payable Fund	Amount
Advances from/to Other Funds		
Primary Government - General Fund	Primary Government - Vehicles and Equipment	<u>\$ 1,076,558</u>

Receivable Fund	Payable Fund	Amount
Due to/from Primary Government and Component Units		
Component Unit - Land Bank Authority	Primary Government - Community Development	\$ 5,175
Primary Government - Hughes & Hatcher Debt Service Fund	Component unit - Land Bank Authority	1,670,000

Note - The interfund receivables/payables exist due to the fact that the County uses a pooled cash management account for substantially all funds.

Long-term Advances: 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.

The due to Hughes & Hatcher from Genesee County Land Bank was for improvements of the Land Bank Center and will mature on October 1, 2024 and is paid in yearly principal and interest installments with interest at rates ranging from 4.75 percent to 5.75 percent.

Genesee County

Notes to Financial Statements September 30, 2015

Note 6 - Interfund Receivables, Payables, and Transfers (Continued)

Interfund transfers reported in the fund financial statements are comprised of the following:

Transfers In	Transfers Out	Amount
General Fund	Nonmajor governmental funds	\$ 3,178,105
	Delinquent Taxes	5,000,000
	Nonmajor enterprise funds	225,000
	Total General Fund	8,403,105
County Health	General Fund	1,009,842
	Nonmajor governmental funds	498,869
	Total County Health	1,508,711
Genesee County Community Action Resource Department (GCCARD)	General Fund	55,020
Nonmajor governmental funds	General Fund	16,656,463
	Genesee County Community Action Resource Department (GCCARD)	353,138
	Nonmajor governmental funds	1,216,007
	Total Nonmajor governmental funds	18,225,608
Nonmajor enterprise funds	Nonmajor governmental funds	1,242,200
Internal Service Funds	General Fund	54,125
	Nonmajor governmental funds	1,103,874
	Total Internal Service Funds	1,157,999
	Total	\$ 30,592,643

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

Note 7 - Long-term Debt

Long-term debt of the County is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
Internal Service Fund Equipment Notes	\$ 461,588	\$ -	\$ (152,413)	\$ 309,175	\$ 154,845
Capital Improvement Bonds 2011, Proceeds were used to renovate various County buildings	540,000	-	(65,000)	475,000	75,000
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	3,990,000	-	(450,000)	3,540,000	465,000
JCI Energy Bonds 2010, Debt was issued to perform numerous energy efficiency improvements on most County buildings	7,175,784	-	(380,000)	6,795,784	420,000
3.7% to 5.0% Genesee County Building Authority Bonds, Series 2000, Callable after May 1, 2008	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	1,720,000	-	(50,000)	1,670,000	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	7,175,000	-	(1,300,000)	5,875,000	1,365,000
6.34% Capital Improvement Bonds, Series 2008 maturing on or prior to November 1, 2018 not be subject to redemption prior to maturity	575,000	-	(115,000)	460,000	115,000
Total	21,679,372	-	(2,554,413)	19,124,959	2,644,845
Compensated absences	3,695,796	4,734,332	(4,397,189)	4,032,939	3,362,948
Total governmental activities	\$ 25,375,168	\$ 4,734,332	\$ (6,951,602)	\$ 23,157,898	\$ 6,007,793

Note 7 - Long-term Debt (Continued)

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
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	\$ 18,000	\$ -	\$ (18,000)	\$ -	\$ -
Delinquent Tax Fund:					
Variable rate Delinquent tax notes	40,701,376	34,930,000	(32,101,376)	43,530,000	14,600,000
Total bonds payable	<u>\$ 40,719,376</u>	<u>\$ 34,930,000</u>	<u>\$ (32,119,376)</u>	<u>\$ 43,530,000</u>	<u>\$ 14,600,000</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 1).

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

The annual requirements to pay principal and interest on the obligations outstanding at September 30, 2015 are as follows:

Years Ending September 30	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2016	\$ 2,644,845	\$ 907,481	\$ 3,552,326	\$ 14,600,000	\$ -	\$ 14,600,000
2017	2,769,739	785,589	3,555,328	28,930,000	-	28,930,000
2018	2,745,000	657,725	3,402,725	-	-	-
2019	2,875,000	525,695	3,400,695	-	-	-
2020	1,240,000	422,327	1,662,327	-	-	-
2021-2025	2,173,905	1,039,879	3,213,784	-	-	-
2026-2030	2,362,068	203,693	2,565,761	-	-	-
2031-2035	2,314,402	75,240	2,389,642	-	-	-
Total	<u>\$ 19,124,959</u>	<u>\$ 4,617,629</u>	<u>\$ 23,742,588</u>	<u>\$ 43,530,000</u>	<u>\$ -</u>	<u>\$ 43,530,000</u>

By statute, the County general obligation debt is restricted to 10 percent 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, 2015, the County's debt limit amounted to \$974,958,200 and indebtedness subject to the limitation aggregated \$147,931,519.

Subsequent to year end, the County Board of Commissioners has approved issuing approximately \$60 million in bonds for a new water treatment plant. However, as of the date of the report, the bonds have not yet been issued.

Note 8 - 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, 2015.

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, 2015 was \$4,355,104, with \$3,912,816 accrued as a liability for incurred losses and expenses. An actuarial study projected a required reserve of \$0.0 million for 2015. 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, 2015 and 2014 is as follows:

	Year Ended September 30, 2015	Year Ended September 30, 2014
Claims liability (beginning of year)	\$ 3,628,987	\$ 4,124,867
Claims incurred during the period	1,615,781	1,735,688
Changes in estimate for claims of prior periods	390,252	868,619
Payments on claims	(1,722,204)	(3,100,187)
Claims liability (end of year)	<u>\$ 3,912,816</u>	<u>\$ 3,628,987</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 the General Fund balance sheet.

**Note 8 - Contingencies, Claims, Risk Management, and Litigation
(Continued)**

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, 2015 was \$2,139,808, with \$133,800 accrued as a liability for incurred losses and expenses.

A reconciliation of the claims liability for the years ended September 30, 2015 and 2014 are as follows:

	2015		
	Pharmaceuticals	Medical	Total Insurance
Claims liability (beginning of year)	\$ 52,000	\$ 79,000	\$ 131,000
Claims incurred during the period	(30,800)	(57,800)	(88,600)
Changes in estimate for claims of prior periods	-	-	-
Payments on claims	91,400	-	91,400
Claims liability (end of year)	<u>\$ 112,600</u>	<u>\$ 21,200</u>	<u>\$ 133,800</u>
	2014		
	Pharmaceuticals	Medical	Total Insurance
Claims liability (beginning of year)	\$ 28,636	\$ 50,139	\$ 78,775
Claims incurred during the period	75,364	(6,139)	69,225
Changes in estimate for claims of prior periods	-	100,000	100,000
Payments on claims	(52,000)	(65,000)	(117,000)
Claims liability (end of year)	<u>\$ 52,000</u>	<u>\$ 79,000</u>	<u>\$ 131,000</u>

Note 9 - Retirement Plans - Defined Benefit Plan

Plan Description - The County administers a contributory agent multi-employer defined benefit pension plan known as the Genesee County Employees Retirement System (GCERS or the "System"). 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 or on the State of Michigan's website.

Note 9 - Retirement Plans - Defined Benefit Plan (Continued)

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. GCERS is regulated under the Genesee County Employees' Retirement System Ordinance, the sections of which have been approved by the State of Michigan Pension Commission. All new-hire general County and Community Mental Health employees hired after November 20, 2017 may only join the defined contribution plan.

Benefits Provided - The Plan provides certain retirement, disability, and death benefits to plan members and beneficiaries. PA 427 of 1984, as amended, established and amends the benefit provisions of the participants in GCERS.

The GCERS plan covers union and nonunion County employees.

The plan provides for vesting of benefits after eight 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 2.4 - 2.5 percent 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.

Benefit terms provide for annual cost-of-living adjustments to each employee's retirement allowance subsequent to the employee's retirement date. The annual adjustments are between 1.75 and 3 percent, noncompounding.

Benefit terms, within the parameters established by GCERS, are generally established and amended by authority of the County Commissioners, generally after negotiations of these terms with the affected unions. The covered employees' benefit terms may be subject to binding arbitration in certain circumstances.

Employees Covered by Benefit Terms - At the December 31, 2014 measurement date, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	996
Inactive plan members entitled to but not yet receiving benefits	38
Active plan members	<u>220</u>
Total employees covered by GCERS	<u><u>1,254</u></u>

Note 9 - Retirement Plans - Defined Benefit Plan (Continued)

Contributions - Article 9, Section 24 of the State of Michigan constitution requires that financial benefits arising on account of employee service rendered in each year be funded during that year. Accordingly, GCERS retains an independent actuary to determine the annual contribution. The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by the GCERS retirement board. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The employer may establish contribution rates to be paid by its covered employees.

For the year ended September 30, 2015, the active employee contribution rate was between 5.0 and 9.0 percent of annual pay and the County's average contribution rate was 54.36 percent of annual payroll.

Net Pension Liability

The net pension liability reported at September 30, 2015 was determined using a measure of the total pension liability and the pension net position as of December 31, 2014. The December 31, 2014 total pension liability was determined by an actuarial valuation performed as of that date.

Changes in the net pension liability during the measurement year were as follows:

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance at December 31, 2013	\$ 343,240,689	\$ 243,712,131	\$ 99,528,558
Service cost	2,441,909	-	2,441,909
Interest	22,786,858	-	22,786,858
Differences between expected and actual experience	3,421,029	-	3,421,029
Changes in assumptions	5,189,777	-	5,189,777
Contributions - Employer	-	7,679,505	(7,679,505)
Contributions - Employee	-	1,144,877	(1,144,877)
Net investment income	-	16,143,654	(16,143,654)
Benefit payments, including refunds	(26,514,618)	(26,514,618)	-
Administrative expenses	-	(261,859)	261,859
Net changes	7,324,955	(1,808,441)	9,133,396
Balance at December 31, 2014	<u>\$ 350,565,644</u>	<u>\$ 241,903,690</u>	<u>\$ 108,661,954</u>

Net pension liabilities related to the component units are disclosed in Note 16.

Note 9 - Retirement Plans - Defined Benefit Plan (Continued)

Assumption Changes - As of the measurement date, December 31, 2014, the mortality table used by GCERS was updated to the RP 2000 Combined Healthy Mortality Table. This change in assumptions changed the total pension liability as noted in the table above.

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

For the year ended September 30, 2015, the County recognized pension expense of \$13,262,325. At September 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>
Difference between expected and actual experience	\$ 1,408,659
Changes in assumptions	2,136,965
Net difference between projected and actual earnings on pension plan investments	4,950
Employer contributions to the plan subsequent to the measurement date	<u>6,968,184</u>
Total	<u><u>\$ 10,518,758</u></u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows. These amounts are exclusive of the employer contributions to the plan made subsequent to the measurement date of \$6,968,184, which will impact the net pension liability in fiscal year 2016, rather than pension expense.

<u>Years Ending September 30</u>	<u>Amount</u>
2016	\$ 3,546,860
2017	1,238
2018	1,238
2019	1,238

Note 9 - Retirement Plans - Defined Benefit Plan (Continued)

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

Inflation	3.0 %	
Salary increases	3-7.03 %	Across the board increases along with merit and longevity increases that range from .17 percent up to 4.03 percent
Discount rate	6.88 %	

Mortality rates were based on the RP 2000 Combined Healthy Mortality Table.

Discount Rate - The discount rate used to measure the total pension liability was 6.88 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

Projected Cash Flows

Based on those assumptions, the pension plan's fiduciary net position was not projected to be available to make all projected future benefit payments of current active and inactive employees; therefore, the discount rate incorporates both the assumed rate of return of 8.0 percent, and a municipal bond rate which was 3.8 percent. The source of that bond rate was the S&P Muni Bond 20 year high grade index.

The long-term expected rate of return on pension plan investments was determined using a model in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The nominal long-term expected rate of return for the plan as a whole was 8.0 percent. The target allocation by class is as follows:

Asset Class	Target Allocation (%)
U.S. Equities Active or Passive	30 %
Non-U.S. Equities	20 %
Global Fixed Income	30 %
Commercial Real Estate	10 %
Alternative Investment Hedge Funds	10 %

Note 9 - Retirement Plans - Defined Benefit Plan (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the net pension liability of the County, calculated using the discount rate of 6.88 percent, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.88 percent) or 1 percentage point higher (7.88 percent) than the current rate:

	1% Decrease (5.88%)	Current Discount Rate (6.88%)	1% Increase (7.88%)
Net pension liability of the County	\$ 146,564,473	\$ 108,661,954	\$ 76,470,529

Pension Plan Fiduciary Net Position - Detailed information about the Plan's fiduciary net position is available in the separately issued financial report. For the purpose of measuring the net pension liability, deferred outflows of resources, and deferred inflows of resources related to pension and pension expense, information about the Plan's fiduciary net position and addition to/deduction from fiduciary net position have been determined on the same basis as they are reported by the plan. The plan uses the economic resources measurement focus and the full accrual basis of accounting. Investments are stated at fair value. Contribution revenue is recorded as contributions are due pursuant to legal requirements. Benefit payments and refunds of employee contributions are recognized as expense when due and payable in accordance with the benefit terms.

Note 10 - Defined Contribution Pension Plan

The County offers a defined contribution pension plan as an alternative to the defined benefit pension plan. The International City Managers Association (ICMA) Retirement Corporation administers the plan, and the County Board of Commissioners has authority over plan provisions and contribution requirements. All employees are eligible to participate in this plan, if not participating in the defined benefit plan.

The County is required to contribute 8 percent to 10 percent of eligible employees' annual covered payroll, and employees are required to contribute either 3 percent or 7 percent of covered payroll. Employees are fully vested after five years of service. During the year ended September 30, 2015, employer and employee contributions to the plan were \$2,939,371 and \$1,746,343, respectively.

Note 11 - Other Postemployment Benefits

Plan Description - Genesee County provides other postemployment 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-employment 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 percent or \$19,066,021.

Funding Progress - For the year ended September 30, 2015, the County 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 costs 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:

Annual required contribution (recommended)	\$ 19,066,021
Interest on the prior year's net OPEB obligation	2,407,793
Less adjustment to the annual required contribution	<u>(2,024,340)</u>
Annual OPEB cost	19,449,474
Amounts contributed:	
Payments of current premiums	(8,212,389)
Advance funding	<u>-</u>
Increase in net OPEB obligation	11,237,085
OPEB Obligation - Beginning of year	<u>40,129,879</u>
OPEB Obligation - End of year	<u>\$ 51,366,964</u>

Note 11 - Other Postemployment Benefits (Continued)

Employer contributions and annual OPEB cost data for the current and two preceding years were as follows:

Fiscal Year Ended	Actuarial Valuation Date	Annual Required Contribution	Annual OPEB Costs	Employer Contributions		Net OPEB Obligation
				Percentage of ARC Contributed	Percentage OPEB Costs Contributed	
9/30/15	9/30/14	\$ 19,066,021	\$ 19,449,474	43.1 %	42.2 %	\$ 51,366,964
9/30/14	9/30/14	19,066,021	19,347,040	45.2	44.6	40,129,879
9/30/13	9/30/12	18,549,049	18,741,989	51.3	50.8	20,191,971

The funding progress of the plan is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (Percent) (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll
9/30/14	41,485,721	344,160,043	302,674,322	12.1	33,343,864	907.7
9/30/13	43,313,587	308,208,023	264,894,436	14.1	36,987,137	716.2
9/30/12	41,579,376	286,696,396	245,117,020	14.5	58,028,000	422.4

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 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.

Note 11 - Other Postemployment Benefits (Continued)

In the September 30, 2014 actuarial valuation, the individual entry age actuarial cost method was used. The actuarial assumptions included a 6 percent 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 percent in year one, decreasing by 0.5 percent annually until year seven, and then remaining at 5 percent. 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 12 - 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	\$ 4,852,301
Long-term receivable	1,670,000
Revenue in grant funds not collected in allotted time period	<u>17,266,634</u>
Total governmental funds deferred inflows	<u>\$ 23,788,935</u>

Note 13 - Karegnondi Water Authority

Karegnondi Water Authority (KWA) was formed in 2013 for the purpose of constructing a new raw water supply system (the "System"). Effective August 1, 2013, the County entered into an agreement with KWA and the City of Flint (the "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, 2015, 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.

Note 13 - Karegnondi Water Authority (Continued)

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 (the "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 14 - 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	\$ 449,836,711	\$ 37,463,932	\$ 487,300,643
Other assets	2,269,099	686,155	2,955,254
Liabilities	(7,486,062)	(2,346,763)	(9,832,825)
Net Position	<u>\$ 444,619,748</u>	<u>\$ 35,803,324</u>	<u>\$ 480,423,072</u>
Statement of Changes in Net Position:			
Investment income	\$ 29,818,352	\$ 668,699	\$ 30,487,051
Contributions	18,289,382	9,195,792	27,485,174
Benefit payments	(43,375,147)	(15,569,514)	(58,944,661)
Other decreases	(2,448,940)	(20,971)	(2,469,911)
Change in Net Position	<u>\$ 2,283,647</u>	<u>\$ (5,725,994)</u>	<u>\$ (3,442,347)</u>

Note 15 - Upcoming Accounting Pronouncements

In February 2015, the Governmental Accounting Standards Board issued GASB Statement No. 72, *Fair Value Measurement and Application*. The requirements of this statement will enhance comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and acceptable valuation techniques. This statement also will enhance fair value application guidance and related disclosures in order to provide information to financial statement users about the impact of fair value measurements on a government's financial position. GASB Statement No. 72 is required to be adopted for years beginning after June 15, 2015. The County is currently evaluating the impact this standard will have on the financial statements when adopted during the County's 2015-2016 fiscal year.

Note 15 - Upcoming Accounting Pronouncements (Continued)

In June 2015, the GASB issued two new standards addressing accounting and financial reporting by state and local governments for postemployment benefits other than pensions (OPEB). GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, addresses reporting by OPEB plans whereas GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, addresses accounting and reporting by employer governments that provide OPEB benefits to their employees. Along with the currently required statement of fiduciary net position and statement of changes in fiduciary net position, OPEB plans will now be required to include in the financial statements more extensive footnote disclosures and required supplemental information related to the measurement of the OPEB liabilities for which assets have been accumulated. In addition, the County will, after adoption of GASB Statement No. 75, recognize on the face of the financial statements its net OPEB liability. The County is currently evaluating the impact these standards will have on the financial statements when adopted. GASB Statement No. 74 is effective for fiscal years beginning after June 15, 2016 whereas GASB Statement No. 75 is effective one year later.

In August 2015, the GASB issued Statement No. 77, *Tax Abatement Disclosures*. This statement will require governments to disclose in their financial statements information related to tax abatement agreements. The County is currently evaluating the impact this standard will have on the financial statements when adopted during the 2016-2017 fiscal year.

NOTE 16 - 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 4. 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 \$21,081,248 of bank deposits (checking and high balance savings accounts) that were uninsured and uncollateralized. At year end, the Economic Development Corporation had \$306,316 of bank deposits (checking and high balance savings accounts) that were uninsured and uncollateralized. At year end, the Water and Waste Services Division had \$10,062,884 of bank deposits (checking and high balance savings accounts) that were uninsured and uncollateralized. At year end, the Drain Commission had \$441,810 of bank deposits (checking and high balance savings accounts) that were uninsured and uncollateralized. At year end, the Land Bank Authority had \$4,596,617 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 \$334,903 of bank deposits (checking and savings accounts) that were uninsured and uncollateralized. At year end, the Genesee Health System had \$14,061,666 of bank deposits (checking and savings accounts) that were uninsured and uncollateralized.

KWA (component unit of Water and Waste Services) had no bank deposits subject to custodial credit risk (uninsured and uncollateralized). There was \$120,000,000 of investment securities (held in repurchase agreements) that were uninsured and unregistered, with securities held by the counter party or by its trust department or agent but no in KWA's name.

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	\$25,918,009	\$25,918,009
Genesee Health System:		
<u>Investment</u>	<u>Fair Value</u>	<u>Less than one year</u>
Mutual funds	\$2,000,006	\$2,000,006
Water and Waste		
<u>Investment</u>	<u>Fair Value</u>	<u>Less than one year</u>
Repurchase agreement	\$120,000,000	\$120,000,000

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

Road Commission:			Rating
<u>Investment</u>	<u>Fair Value</u>	<u>Rating</u>	<u>Organization</u>
MERS total Market Fund	\$25,918,009	N/A	N/A
Genesee Health System:			Rating
<u>Investment</u>	<u>Fair Value</u>	<u>Rating</u>	<u>Organization</u>
Mutual funds	\$2,000,006	N/A	N/A

Concentration of Credit risk – More than 73 percent of KWA's investments in a repurchase agreement with Duette Bank; these investment are 73 percent of KWA's total investments.

NOTE 16 - COMPONENT UNIT DISCLOSURES (Continued)**ROAD COMMISSION:**

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

	Balance October 1, 2014	Additions	Reductions	Balance September 30, 2015
MTF notes	\$ 5,745,000	\$	\$(1,530,000)	\$ 4,215,000
Recovery Zone Bond	3,740,000		(585,000)	3,155,000
Total notes and leases	<u>9,485,000</u>		<u>(2,115,000)</u>	<u>7,370,000</u>
Compensated absences	1,054,725	67,986		1,122,711
Total long-term debt	<u>\$ 10,539,725</u>	<u>\$ 67,986</u>	<u>\$(2,115,000)</u>	<u>\$ 8,492,711</u>

The outstanding bonds and notes payable at September 30, 2015, 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:

Obligation Payables	Final Payment Due	Interest Rate or Range	Annual Principal Payment or Range	Outstanding Balance Sept. 30, 2015	Due Within One Year
Michigan Transportation Fund notes:					
2006A Issue.....	August 1, 2016	4.00%	\$295,000	\$295,000	\$295,000
2007 Issue	September 30, 2017	4.00	500,000-525,000	1,025,000	500,000
2008 Issue	August 1, 2018	3.75-4.00	460,000-515,000	1,460,000	460,000
2009 Issue	August 1, 2019	2.50-3.30	340,000-380,000	<u>1,435,000</u>	<u>340,000</u>
Total Notes				4,215,000	1,595,000
Recovery Zone Bond 2010 Issue.....	August 1, 2020	4.34	600,000-665,000	3,155,000	600,000
Compensated absences				<u>1,122,711</u>	<u>134,863</u>
				<u>\$8,492,711</u>	<u>\$2,329,863</u>

Annual requirements to pay principal and interest on the outstanding obligations at September 30, 2015, are as follows:

	Long-term debt
Year Ended 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>(725,075)</u>
	<u>\$ 7,370,000</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, 2015, the Road Commission is within the statutory limit of Act 143.

Future Revenues Pledged for Debt Payment: The Road Commission Board has irrevocably appropriated and pledged the money received and to be received by the County from the Michigan Transportation Fund (the "Transportation Fund") for highway and road purposes pursuant to Act 51, Public Acts of Michigan, 1951, as amended ("Act 51") to the extent necessary to pay the above principal of and interest on the Michigan Transportation Notes. Proceeds from the bonds provided financing for the construction of the road projects. During the current year, Act 51 revenues were \$20,688,883 compared to the annual debt requirements of \$2,881,580.

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

NOTE 16 - COMPONENT UNIT DISCLOSURES (Continued)

	Balance Oct. 1, 2014	Additions	Deletions	Balance Sept. 30, 2015
Capital assets not being depreciated:				
Land and improvements	\$ 478,816	\$	\$	\$ 478,816
Construction in progress	285,733	307,483	231,803	361,413
Depletable assets	1,210			1,210
Subtotal	765,759	307,483	231,803	841,439
Capital assets being depreciated:				
Land improvements	2,367,843			2,367,843
Buildings and improvements	10,688,769	71,183	7,329	10,752,623
Equipment:				
Road	27,362,663	1,961,933	1,139,991	28,184,605
Shop	631,145			631,145
Engineering	156,229	14,640		170,869
Yard and Storage	605,038			605,038
Office	1,365,403	25,841		1,391,244
Total	43,177,090	2,073,597	1,147,320	44,103,367
Infrastructure-Roads	383,452,358	9,374,053		392,826,411
Infrastructure-Bridges	31,591,820	2,541,694		34,133,514
Subtotal	458,221,268	13,989,344	1,147,320	471,063,292
Capital assets continued:				
Less accumulated depreciation for:				
Land improvements	(764,618)	(117,558)		(882,176)
Buildings and improvements	(7,020,175)	(469,282)	(6,116)	(7,483,341)
Equipment:				
Road	(21,434,637)	(2,054,323)	(1,135,794)	(22,353,166)
Shop	(406,259)	(26,760)		(433,019)
Engineering	(93,268)	(9,204)		(102,472)
Yard and storage	(518,354)	(10,607)		(528,961)
Office	(1,004,059)	(128,949)		(1,133,008)
Subtotal	(31,241,370)	(2,816,683)	(1,141,910)	(32,916,143)
Infrastructure-Bridges	(9,184,114)	(864,587)		(10,048,701)
Infrastructure-Roads	(233,888,125)	(13,273,347)		(247,161,472)
Subtotal	(274,313,609)	(16,954,617)	(1,141,910)	(290,126,316)
Total net capital assets	\$184,673,418	\$ (2,657,790)	\$ (237,213)	\$181,778,415

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.

DEFINED BENEFIT PENSION PLAN —

PLAN DESCRIPTION

The Road Commission participates in an agent multiple-employer defined benefit pension plan (Genesee County Employees Retirement System, also known as GCERS). The complete plan description is included in Note 9.

BENEFITS PROVIDED

The provided benefits are included in Note 9.

EMPLOYEES COVERED BY BENEFIT TERMS

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

Inactive plan members or beneficiaries currently receiving benefits	221
Inactive plan members entitled to but not yet receiving benefits	7
Active plan members	<u>129</u>
Total employees covered by GCERS	<u>357</u>

CONTRIBUTION REQUIREMENTS

Details of contribution requirements are included in Note 9.

NOTE 16 - COMPONENT UNIT DISCLOSURES (Continued)

For the year ended September 30, 2015, the Road Commission's actuarially determined contribution rate was 23.29% of annual covered payroll. Road Commission employees are required to contribute 3% to 5% of their annual covered payroll.

NET PENSION LIABILITY

The net pension liability reported at September 30, 2015 was determined using a measure of the total pension liability and the pension net position as of December 31, 2014. The December 31, 2014 total pension liability was determined by an actuarial valuation performed as of that date. Changes in the net pension liability during the year were as follows:

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance at December 31, 2013	\$77,566,794	\$57,259,788	\$20,307,006
Service cost	1,066,416	-	1,066,416
Interest	5,180,093	-	5,180,093
Differences between actual and expected experience	1,414,322	-	1,414,322
Changes in assumptions	2,209,936	-	2,209,936
Employer contributions	-	1,963,904	(1,963,904)
Employee contributions	-	337,372	(337,372)
Net investment income	-	3,873,404	(3,873,404)
Benefit payments	(5,615,902)	(5,615,902)	-
Administrative expenses	-	(62,829)	62,829
Net changes	<u>4,254,865</u>	<u>495,949</u>	<u>3,758,916</u>
Balance at December 31, 2014	<u>\$81,821,659</u>	<u>\$57,755,737</u>	<u>\$24,065,922</u>

PENSION EXPENSE AND DEFERRED OUTFLOWS of RESOURCES RELATED TO PENSIONS

During the year the Road Commission recognized pension expense of \$7,058,503. At year-end, the Road Commission reported deferred outflows of resources from the following sources:

Description	Deferred Outflows of Resources
Difference between expected and actual experience	\$ 6,629,808
Changes in assumptions (new mortality tables)	4,242,966
Net difference between projected and actual earnings on pension plan investments	457,825
Employer contributions to the plan subsequent to the measurement date	<u>1,313,982</u>
Total	<u>\$ 12,644,581</u>

The amounts reported as deferred outflows of resources related to pensions, excluding the employer contributions to the plan made subsequent to the measurement date of \$1,313,982, will be recognized as pension expense as follows:

Years Ending September 30,	Amount
2016	\$ 3,738,714
2017	3,738,714
2018	3,738,714
2019	114,457

The amount reported as deferred outflows of resources related to employer contributions to the plan made subsequent to the measurement date of \$1,313,982 will impact the net pension liability in fiscal year 2015/2016, as opposed to being amortized to pension expense over a period of years.

ACTUARIAL ASSUMPTIONS

Details of actuarial assumptions are included in Note 9.

SENSITIVITY OF THE NET PENSION LIABILITY TO CHANGES IN THE DISCOUNT RATE

The following presents the Road Commission's net pension liability, calculated using the discount rate of 6.88%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1% lower (5.88%) or 1% higher (7.88%) than the current rate:

	1% Decrease (5.88%)	Current Discount Rate (6.88%)	1% Increase (7.88%)
Net pension liability	\$ 32,742,513	\$ 24,065,922	\$ 16,696,707

PENSION PLAN FIDUCIARY NET POSITION

Details of the pension plan fiduciary net position are included in Note 9.

NOTE 16 - COMPONENT UNIT DISCLOSURES (Continued)**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, 2015, 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>2013</u>	<u>2014</u>	<u>2015</u>
Annual required contribution (recommended)	\$4,501,630	\$2,824,459	\$2,633,346
Interest on the prior year's net OPEB obligation	88,459	(4,209)	(174,022)
Less adjustment to the annual required contribution	<u>(141,299)</u>	<u>4,754</u>	<u>199,730</u>
Annual OPEB cost	\$4,448,790	\$2,825,004	\$2,659,054
Amount contributed:			
Payments of current premiums	(2,684,373)	(2,089,177)	(3,031,334)
Advance funding	<u>(3,000,000)</u>	<u>(3,000,000)</u>	<u>(1,923,077)</u>
Decrease in net OPEB obligation	(1,235,583)	(2,264,173)	(2,295,357)
OPEB obligation – beginning of year as restated	<u>1,179,459</u>	<u>(56,124)</u>	<u>(2,320,297)</u>
OPEB obligation (asset) – end of year	\$ <u>(56,124)</u>	\$ <u>(2,320,297)</u>	\$ <u>(4,615,654)</u>

	<u>Fiscal Year Ended September 30</u>		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
Annual OPEB Costs	\$4,448,790	\$2,825,004	\$2,659,054
Percentage contributed	128%	181%	200%
Net OPEB obligation	\$(56,124)	\$(2,320,297)	\$(4,615,654)

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

	<u>Fiscal Year Ended September 30</u>		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
Unfunded AAL	\$42,584,913	\$(23,953,496)	\$(23,953,496)
Actuarial value of plan assets	14,074,339	24,519,778	24,519,778
Actuarial accrued liability	56,659,252	48,473,274	48,473,274
Funded	25%	51%	51%
Annual covered payroll – September 30,	\$8,713,876	\$8,866,075	\$8,866,075
Ratio of UAAL to covered payroll	489%	270%	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.

NOTE 16 - COMPONENT UNIT DISCLOSURES (Continued)

In the September 30, 2014, 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:

Long-term Debt: The summary of long-term debt transactions for the Water and Waste Services for the year ended December 31, 2014 is presented below:

	<u>Balance Jan. 1, 2014</u>	<u>Additions (Reductions)</u>	<u>Balance Dec. 31, 2014</u>	<u>Due In One Year</u>
1.625% to 6.0% Interceptor and treatment facilities	\$ 95,121,023			
.....		(6,835,000)	\$88,286,023	\$6,990,000
2.5% to 7.375% District No. 3	18,514,265			
.....		(5,295,000)	13,219,265	2,320,000
2.50% to 5.00% Water supply system	72,675,000	30,285,000		
.....		(33,395,000)	69,565,000	2,185,000
Subtotal	<u>186,310,288</u>	<u>(15,240,000)</u>	<u>171,070,288</u>	<u>11,495,000</u>
Unamortized note premium	<u>973,292</u>	<u>1,352,443</u>	<u>2,325,735</u>	<u>0</u>
	<u>\$187,283,580</u>	<u>\$ (13,887,557)</u>	<u>\$173,396,023</u>	<u>\$11,495,000</u>

The annual requirements to pay principal and interest on the outstanding obligations for Water and Waste Services at December 31, 2014 are as follows:

Business-type Activities			
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	11,495,000	6,062,500	17,557,500
2016	11,470,000	5,725,138	17,195,138
2017	10,720,000	5,403,932	16,123,932
2018	9,965,000	5,090,993	15,055,993
2019	9,680,000	4,776,669	14,456,669
2020-2024	46,835,000	19,406,204	66,241,204
2025-2029	44,070,000	11,037,013	55,107,013
2030-2034	17,950,288	4,566,242	22,516,530
2035-2039	8,885,000	1,225,231	10,110,231
Total	<u>\$171,070,288</u>	<u>\$63,292,922</u>	<u>\$234,364,210</u>

Component Unit Activities - KWA			
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015		11,591,133	11,591,133
2016		11,127,488	11,127,488
2017	2,052,500	11,127,488	13,179,988
2018	4,190,000	11,044,863	15,234,863
2019	4,375,000	10,861,863	15,236,863
2020-2024	24,960,000	51,213,440	76,173,440
2025-2029	31,715,000	44,461,015	76,176,015
2030-2034	40,847,500	35,328,132	76,175,632
2035-2039	52,425,000	23,752,782	76,177,282
2040-2044	59,935,000	8,624,869	68,559,869
Total	<u>\$220,500,000</u>	<u>\$219,133,073</u>	<u>\$439,633,073</u>

KWA also has a capital lease of \$35,000,000

Current Refundings: During the year, the Division issued \$30,285,000 in revenue refunding bonds with an effective interest rate of 3.8 percent. The bond issued included a bond premium of \$1,615,531. The proceeds of these bonds were used to refund \$2,925,000 of outstanding Series 2003 Water Supply System Revenue Bonds with an average interest rate of 3.4 percent, \$15,420,000 of outstanding Series 2003B Water Supply System Revenue Bonds with an average interest rate of 4.5 percent, and \$13,020,000 of outstanding Series 2004 Water Supply System Revenue Bonds with an average interest rate of 4.0 percent. As a result, the bonds are considered to be defeased and the liability for the bonds has been removed from the Enterprise Funds liabilities. The refunding reduced total debt service payments over the next 20 years by \$3,387,005, which represents an economic gain of \$2,664,841.

NOTE 16 - COMPONENT UNIT DISCLOSURES (Continued)

Future Revenues Pledged for Debt Payment: The Water and Waste Services Division has pledged substantially all revenue of the Water and Sewer Fund, net of operating expenses, to repay the above Genesee County Drain Commissioner water and sewer revenue bonds. Proceeds from the bonds provided financing for the construction of the water and waste systems described above. The bonds are payable solely from the net revenues of the water and sewer system. The remaining principal and interest to be paid on the bonds total \$157,425,611. For the year ended December 31, 2014, net revenues of the system were \$17,403,367 compared to the annual debt requirements of \$8,925,564.

Karegnondi Water Authority – See Note 12

Related Party: During fiscal year 2013, the Karegnondi Water Authority (the "Authority") was formed. The Authority has retained the services of the Division to administer the design and construction of the raw water supply system. In addition, it is expected that the Authority will contract with the Division for operation and maintenance of the raw water supply system after the system is completed and operational. The Authority has no employees of its own, with all current and future services expected to be rendered by 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 new raw water supply system is expected to be utilized by the Division in late 2017, at which time the Division will cease purchasing finished water from the Detroit Water and Sewerage Department.

In August 2013, the Division entered into a Water Purchase Contract with the Authority which provides the Division with 42 MGD of capacity, out of a total Authority capacity of 60 MGD. This arrangement in effect means the Division will provide the Authority with 70 percent of its total operating revenue over the coming years. In addition, the Division has entered into a Financing Contract with the Authority which obligates the Division to pay to the Authority approximately 65.8 percent of the Authority's debt service. A copy of the Financing Contract can be viewed in the Authority's Official Statement.

During the year, The Division recorded a lease receivable related to the Division's \$35 million bond issuance in 2013 for construction of an intake facility and two pump stations. Recording of the receivable was a result of modification of a supply contract with KWA in April 2014, effectively stating the Division is to turn over title to the aforementioned facilities to KWA upon redemption of the bonds. Based on contract terms, GASB Statement No. 62, paragraph 213 requires KWA to treat facilities as a capital lease and record as construction in progress the cost of land and other construction costs previously incurred by the Division. The Division reports a lease receivable and KWA reports long-term debt.

The lease agreement qualifies as a capital lease for accounting purposes and therefore has been recorded as a present value of the future minimum lease payments as of the inception date. The future minimum lease obligations (for KWA) and the net present value are as follows:

2015	\$2,529,423
2016	2,526,837
2017	2,527,388
2018	2,527,188
2019	2,527,588
2020-2024	12,636,337
2025-2029	12,639,975
2030-2034	12,632,175
2035-2039	<u>12,637,343</u>
Total	<u>63,184,254</u>
Less amount representing interest	(28,184,254)
Present value	<u>\$35,000,000</u>

NOTE 16 - COMPONENT UNIT DISCLOSURES (Continued)

Capital Assets - The summary of capital assets for Water and Waste Services at December 31, 2014 is displayed below:

	<u>Balance Jan. 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance Dec. 31, 2014</u>
Proprietary fund capital assets				
Enterprise Funds:				
Capital assets not being depreciated:				
Land.....	\$ 2,386,816	\$ 591,203	(664,822)	\$ 2,313,197
Construction in progress	<u>17,198,465</u>	<u>1,561,702</u>	<u>(16,649,788)</u>	<u>2,110,379</u>
Subtotal	<u>19,585,281</u>	<u>2,152,905</u>	<u>(17,314,610)</u>	<u>4,423,576</u>
Capital assets being depreciated:				
Distribution & collections systems	362,654,451	3,987,701	-	366,642,152
Vehicles	642,429	197,313	(22,650)	817,092
Buildings and equipment	<u>13,343,508</u>	<u>42,073</u>	<u>(56,990)</u>	<u>13,328,591</u>
Subtotal	<u>376,640,388</u>	<u>4,227,087</u>	<u>(79,640)</u>	<u>380,787,835</u>
Proprietary fund capital assets				
Less accumulated depreciation for:				
Distribution & collections systems	(62,499,456)	(7,691,919)	-	(70,191,375)
Vehicles	(509,125)	(73,654)	22,650	(560,129)
Buildings and equipment	<u>(4,391,752)</u>	<u>(627,329)</u>	<u>56,990</u>	<u>(4,962,091)</u>
Subtotal	<u>(67,400,333)</u>	<u>(8,392,902)</u>	<u>79,640</u>	<u>(75,713,595)</u>
Net capital assets being depreciated	<u>309,240,055</u>	<u>(4,165,815)</u>		<u>305,074,240</u>
Total capital assets – Net of depreciation	<u>328,825,336</u>	<u>(2,012,910)</u>	<u>(17,314,610)</u>	<u>309,497,816</u>
Internal Service Funds:				
Capital assets being depreciated –				
Buildings and equipment	8,774,513	213,951	(250,542)	8,737,922
Less accumulated depreciation –				
Buildings and equipment	<u>(6,295,668)</u>	<u>(419,745)</u>	<u>250,538</u>	<u>(6,464,875)</u>
Net capital assets being depreciated	<u>2,478,845</u>	<u>(205,794)</u>	<u>(4)</u>	<u>2,273,047</u>
Total proprietary fund capital assets	<u>\$331,304,181</u>	<u>\$ (2,218,704)</u>	<u>\$ (17,314,614)</u>	<u>\$311,770,863</u>
	<u>Balance Jan. 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance Dec. 31, 2014</u>
Component unit - KWA:				
Capital assets not being depreciated:				
Construction in progress	<u>\$ -</u>	<u>\$ 60,169,807</u>	<u>\$ -</u>	<u>\$ 60,169,807</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>\$38,753,017</u>	<u>\$5,949,107</u>
KWA had the water pipeline project in progress during the year. At year end, KWA's commitments with contractors are as follows:		
	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Water pipeline project	<u>\$28,443,815</u>	<u>\$205,515,229</u>

Restricted cash and cash equivalents - Certain assets are restricted by the Division's 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.

Subsequent events - In April 2015, the Division issued limited tax general obligation bonds in the amount of \$60,000,000. These are revenue bonds and are secured first by the revenues of the water system and additional security on the bonds in the County's tax base. The proceeds from the issue will be used to construct a water treatment facility.

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.

NOTE 16 - COMPONENT UNIT DISCLOSURES (Continued)**FUNDING PROGRESS**

For the year ended December 31, 2014, 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:

	<u>Fiscal Year Ended December 31</u>		
	<u>2012</u>	<u>2013</u>	<u>2014</u>
Annual required contribution (recommended)	\$3,818,480	\$2,523,914	\$3,554,246
Interest on the prior year's net OPEB obligation	230,108	283,120	311,824
Less adjustment to the annual required contribution	<u>(101,338)</u>	<u>(83,122)</u>	<u>(127,980)</u>
Annual OPEB cost	3,947,250	2,723,912	3,738,090
Amount contributed:			
Payments of current premiums	(1,523,879)	(1,442,340)	(1,522,617)
Advance funding	<u>(2,500,000)</u>	<u>(1,760,568)</u>	<u>(2,220,000)</u>
(Increase) Decrease in net OPEB obligation	76,629	478,996	(4,527)
OPEB obligation – Beginning of year	<u>(5,752,695)</u>	<u>(5,676,066)</u>	<u>(5,197,070)</u>
OPEB obligation – end of year	<u><u>\$(5,676,066)</u></u>	<u><u>\$(5,197,070)</u></u>	<u><u>\$(5,192,543)</u></u>
	<u>Fiscal Year Ended December 31</u>		
	<u>2012</u>	<u>2013</u>	<u>2014</u>
Annual OPEB Costs	\$3,947,250	\$2,723,912	\$3,738,090
Percentage contributed	101.94%	117.60%	100.10%
Net OPEB obligation	\$5,696,066	\$5,197,070	\$5,192,543

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

	<u>Fiscal Year Ended December 31</u>		
	<u>2012</u>	<u>2013</u>	<u>2014</u>
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 8.0 percent. The UAAL is being amortized as a level percentage of projected payroll over 30 years on an open basis.

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.

NOTE 16 - COMPONENT UNIT DISCLOSURES (Continued)**DRAIN COMMISSION:**

The summary of long-term debt transactions for the Drain funds for the year ended September 30, 2015, is presented below:

	Balance Oct. 1, 2014	Additions (Reductions)	Balance Sept. 30, 2015	Due in One Year
Citizens Bank	\$ 100,000	\$(50,000)	\$ 50,000	\$ 50,000
3.69% to 6.85% Genesee County Special Assessment debt with governmental commitment.....	333,890	300,000 (110,332)	523,558	149,519
4.0 to 4.25% Genesee County Drainage District #408 Series 2006 Bonds.....	250,000	(125,000)	125,000	125,000
2.0% to 3.15% Genesee County Drainage District Bonds #0017 Series 2011 Bonds.....	1,925,000	(240,000)	1,685,000	240,000
	<u>\$2,608,890</u>	<u>\$ (225,332)</u>	<u>\$ 2,383,558</u>	<u>\$ 564,519</u>

The annual requirements to pay principal and interest on the outstanding obligations for the Drain funds at September 30, 2015, are as follows:

2016	\$649,068
2017	411,701
2018	403,581
2019	388,904
2020	258,518
2021-2022	500,176
	<u>2,611,948</u>
Amount representing interest	<u>(228,390)</u>
	<u>\$ 2,383,558</u>

The following is a summary of capital assets for the Drain fund at September 30, 2015:

	Balance Oct. 1, 2014	Additions	Deletions	Balance Sept. 30, 2015
Capital assets being depreciated:				
Equipment	\$1,577,040	\$ 268,271	\$ (290,863)	\$ 1,554,448
Infrastructure	26,737,349	312,016		27,049,365
Drain System Retrospective	29,376,026			29,376,026
Capital assets not being depreciated:				
Construction in Progress	<u>360,204</u>	<u>131,812</u>	<u>(336,981)</u>	<u>155,035</u>
Subtotal.....	<u>58,050,619</u>	<u>712,099</u>	<u>(627,844)</u>	<u>58,134,874</u>
Less Allowance for Depreciation...				
Equipment	(1,535,847)	(34,043)	290,863	(1,279,027)
Infrastructure	(15,160,171)	(2,141,243)		(17,301,414)
Drain System Retrospective	(20,131,888)			(20,131,888)
Subtotal.....	<u>(36,827,906)</u>	<u>(2,175,286)</u>	<u>290,863</u>	<u>(38,712,329)</u>
Net capital assets being depreciated	<u>20,862,509</u>	<u>(1,594,999)</u>	<u>-</u>	<u>19,267,510</u>
Total Capital Assets				
Net of depreciation	<u>\$21,222,713</u>	<u>\$ (1,463,187)</u>	<u>\$ (336,981)</u>	<u>\$ 19,422,545</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, 2015, is presented below:

	Balance Oct. 1, 2014	Additions	(Reductions)	Balance Sept. 30, 2015	Due In One Year
Promissory Note – Genesee County.....	\$ 306,445	\$-	(306,445)	\$ -	\$ -
GCLB-Berridge Place, LLC LISC note payable...	1,073,397	-	(283,910)	789,487	141,322
Line of credit.....	1,500,000	-	(1,500,000)	-	-
Total note leases	<u>2,879,842</u>	<u>-</u>	<u>(2,090,355)</u>	<u>789,487</u>	<u>141,322</u>
Compensated absences	36,097	90,349	(81,145)	45,301	45,301
Total long-term.....	<u>\$2,915,939</u>	<u>\$90,349</u>	<u>\$ (2,171,500)</u>	<u>\$ 834,788</u>	<u>\$186,623</u>

NOTE 16 - COMPONENT UNIT DISCLOSURES (Continued)

The annual requirements to pay principal and interest on the outstanding obligations at September 30, 2015, are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	141,322	34,661	175,983
2016	147,564	33,956	181,520
2017	156,666	24,854	181,520
2018	166,329	15,191	181,520
2019	<u>177,606</u>	<u>4,933</u>	<u>182,539</u>
Total	<u>\$789,487</u>	<u>\$113,595</u>	<u>\$903,082</u>

The line of credit is capped at \$3,000,000. 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, 2015:

	<u>Balance Oct. 1, 2014</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance Sept. 30, 2015</u>
Capital assets not being depreciated:				
Land	\$ 84,308	\$ -	\$ -	\$ 84,308
Capital assets being depreciated:				
Buildings and improvements	4,076,154	3,008	(94,774)	3,984,388
Machinery and equipment	197,022	-	-	197,022
Office equipment	125,800	10,781	-	136,581
Vehicles	<u>183,786</u>	<u>7,500</u>	<u>(3,250)</u>	<u>188,036</u>
Subtotal	<u>4,582,762</u>	<u>21,289</u>	<u>(98,024)</u>	<u>4,506,027</u>
Less Accumulated depreciation:				
Buildings and improvements	(817,600)	(150,584)	28,911	(939,273)
Maintenance and equipment	(144,811)	(16,405)	-	(161,216)
Office equipment	(104,302)	(13,103)	-	(117,405)
Vehicles	<u>(158,692)</u>	<u>(11,887)</u>	<u>2,438</u>	<u>(168,141)</u>
Subtotal	<u>(1,225,405)</u>	<u>(191,979)</u>	<u>31,349</u>	<u>(1,386,035)</u>
Net capital assets being depreciated	<u>3,357,357</u>	<u>(170,690)</u>	<u>(66,675)</u>	<u>3,119,992</u>
Total capital assets – Net of depreciation	<u>\$ 3,441,665</u>	<u>\$ (170,690)</u>	<u>\$ (66,675)</u>	<u>\$ 3,204,300</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, 2015 the investment balance in 607 East Second Avenue, LLC remained unchanged.

BROWNFIELD AUTHORITY:

The summary of long-term debt transactions for the Genesee County Brownfield Authority for the year ended September 30, 2015 is presented below:

	<u>Balance Oct. 1, 2014</u>	<u>Additions</u>	<u>(Reductions)</u>	<u>Balance Sept. 30, 2015</u>	<u>Due In One Year</u>
Unamortized note premium	\$ 371,594	-	(\$ -)	\$ 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>12,110,000</u>		<u>(275,000)</u>	<u>11,835,000</u>	<u>295,000</u>
Total	<u>\$ 12,481,594</u>	<u>\$</u>	<u>(\$ 275,000)</u>	<u>\$12,206,594</u>	<u>\$312,695</u>

NOTE 16 - COMPONENT UNIT DISCLOSURES (Continued)

The annual requirements to pay principal and interest on the outstanding obligations at September 30, 2015, are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	295,000	566,500	861,500
2017	320,000	554,200	874,200
2018	340,000	540,575	880,575
2019	360,000	525,700	885,700
2020	385,000	510,350	895,350
2021-2025	2,360,000	2,252,720	4,612,720
2026-2030	3,290,000	1,553,750	4,843,750
2031-2035	<u>4,485,000</u>	<u>588,125</u>	<u>5,073,125</u>
Total	<u>\$11,835,000</u>	<u>\$7,091,920</u>	<u>\$18,926,920</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 being depreciated:				
Building improvements	\$4,309,923	\$108,508	\$ -	\$4,418,431
Vehicles and equipment	<u>2,810,746</u>	<u>754,092</u>	<u>(15,294)</u>	<u>3,549,544</u>
Subtotal	<u>7,120,669</u>	<u>862,600</u>	<u>(15,294)</u>	<u>7,967,975</u>
Less accumulated depreciation for:				
Building improvements	(883,753)	(272,200)		(883,753)
Vehicles and equipment	<u>(1,605,977)</u>	<u>(137,263)</u>	<u>13,971</u>	<u>(1,605,977)</u>
Subtotal	<u>(2,489,730)</u>	<u>(409,463)</u>	<u>13,971</u>	<u>(2,489,730)</u>
Total capital assets, net of depreciation	<u>\$ 4,630,939</u>	<u>\$409,797</u>	<u>\$(2,039)</u>	<u>\$5,038,697</u>

DEFINED BENEFIT PENSION PLAN —**PLAN DESCRIPTION**

The Genesee Health System participates in an agent multiple-employer defined benefit pension plan (Genesee County Employees Retirement System, also known as GCERS). The complete plan description is included in Note 9.

BENEFITS PROVIDED

The provided benefits are included in Note 9.

EMPLOYEES COVERED BY BENEFIT TERMS

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

Inactive plan members or beneficiaries currently receiving benefits	307
Inactive plan members entitled to but not yet receiving benefits	30
Active plan members	<u>180</u>
Total employees covered by GCERS	<u>517</u>

CONTRIBUTION REQUIREMENTS

Details of contribution requirements are included in Note 9.

For the year ended September 30, 2015, the Genesee Health System's actuarially determined contribution rate was 32.1% of annual covered payroll. Eligible Genesee Health System employees are required to contribute 5% of their annual covered payroll.

NOTE 16 - COMPONENT UNIT DISCLOSURES (Continued)**NET PENSION LIABILITY**

The net pension liability reported at September 30, 2015 was determined using a measure of the total pension liability and the pension net position as of December 31, 2014. The December 31, 2014 total pension liability was determined by an actuarial valuation performed as of that date. Changes in the net pension liability during the year were as follows:

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance at December 31, 2013	\$112,044,656	\$82,163,944	\$29,880,712
Service cost	1,351,737	-	1,351,737
Interest	7,576,741	-	7,576,741
Differences between actual and expected experience	4,373,348	-	4,373,348
Employer contributions	-	4,147,902	(4,147,902)
Employee contributions	-	553,918	(553,918)
Net investment income	-	5,740,032	(5,740,032)
Benefit payments	(6,928,961)	(6,928,961)	-
Rollover to other pension	(1,240,669)	(1,240,669)	-
Administrative expenses	-	(93,106)	93,106
Net changes	<u>5,132,196</u>	<u>2,179,116</u>	<u>2,953,080</u>
Balance at December 31, 2014	<u>\$117,176,852</u>	<u>\$84,343,060</u>	<u>\$32,833,792</u>

PENSION EXPENSE AND DEFERRED OUTFLOWS of RESOURCES RELATED TO PENSIONS

During the year the Genesee Health Systems recognized pension expense of \$1,739,271. At year-end, the Genesee Health System reported deferred outflows of resources from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 3,048,091	\$-
Net difference between projected and actual earnings on pension plan investments	-	167,718
Employer contributions to the plan subsequent to the measurement date	<u>3,531,282</u>	<u>-</u>
Total	<u>\$ 6,579,373</u>	<u>\$167,718</u>

The amounts reported as deferred outflows and inflows of resources related to pensions, excluding the employer contributions to the plan made subsequent to the measurement date of \$1,531,282, will be recognized as pension expense as follows:

Years Ending September 30,	Deferred Outflows of Resources	Deferred Inflows of Resources
2016	\$ 1,325,257	\$41,930
2017	1,325,257	41,930
2018	397,577	41,930
2019	-	41,928

The amount reported as deferred outflows of resources related to employer contributions to the plan made subsequent to the measurement date of \$3,531,282 will impact the net pension liability in fiscal year 2015/2016, as opposed to being amortized to pension expense over a period of years.

ACTUARIAL ASSUMPTIONS

Details of actuarial assumptions are included in Note 9.

SENSITIVITY OF THE NET PENSION LIABILITY TO CHANGES IN THE DISCOUNT RATE

The following presents the Genesee Health System's net pension liability, calculated using the discount rate of 6.88%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1% lower (5.88%) or 1% higher (7.88%) than the current rate:

	1% Decrease (5.88%)	Current Discount Rate (6.88%)	1% Increase (7.88%)
Net pension liability	\$ 44,671,500	\$ 32,833,792	\$ 22,779,771

PENSION PLAN FIDUCIARY NET POSITION

Details of the pension plan fiduciary net position are included in Note 9.

NOTE 16 - COMPONENT UNIT DISCLOSURES (Continued)**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, 2015, the Authority contributed \$8,170,360 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>2014</u>	<u>2015</u>
Annual required contribution	\$ 9,947,449	\$ 7,204,668
Interest on net OPEB asset	(48,167)	110,113
Adjustment to annual required contribution	<u>100,346</u>	<u>(439,877)</u>
Net OPEB cost (expense)	\$ 9,999,628	\$ 6,874,904
Amount contributed:		
Payment of current premiums	<u>(8,102,098)</u>	<u>(8,170,360)</u>
Change in net OPEB obligation	<u>(1,897,530)</u>	<u>(1,295,456)</u>
Net OPEB (asset) obligation, beginning of the year	<u>(602,074)</u>	<u>1,295,456</u>
Net OPEB obligation, end of the year	\$ <u>1,295,456</u>	\$ -

	<u>2013*</u>	<u>Fiscal Year Ended September 30</u>	
		<u>2014</u>	<u>2015</u>
Annual OPEB costs	\$7,377,734	\$9,999,628	\$6,874,904
Percentage contributed	104.8%	81.0%	118.8%
Net OPEB (asset) liability	(\$602,074)	\$1,295,456	\$ -

* 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.

Required Supplemental Information

Genesee County

Required Supplemental Information Budgetary Comparison Schedule - General Fund Year Ended September 30, 2015

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 44,795,860	\$ 44,795,860	\$ 46,231,563	\$ 1,435,703
Licenses and permits	876,550	876,550	675,700	(200,850)
Federal grants	190,000	190,000	290,248	100,248
Other intergovernmental revenues	16,902,515	16,902,515	17,073,889	171,374
Charges for services	9,979,439	9,979,439	9,917,415	(62,024)
Fines and forfeitures	1,415,020	1,415,020	1,461,385	46,365
Interest income	128,500	128,500	128,559	59
Other	509,878	509,878	648,739	138,861
Total revenue	74,797,762	74,797,762	76,427,498	1,629,736
Expenditures				
Current:				
Management and planning:				
Board coordinator	265,401	265,401	235,070	30,331
County treasurer	1,793,402	1,802,526	1,363,035	439,491
County clerk	2,767,377	2,841,166	2,602,024	239,142
Elections clerk	735,834	735,834	854,663	(118,829)
Drain commission	1,380,786	1,380,786	1,260,707	120,079
Equalization	1,058,489	1,058,489	969,168	89,321
GIS	197,885	199,685	173,113	26,572
Retirement	-	-	229,058	(229,058)
Register of deeds	570,347	587,065	567,958	19,107
Other general government	1,000,000	1,155,042	312,710	842,332
Total management and planning	9,769,521	10,025,994	8,567,506	1,458,488
Administration of justice:				
District court costs	6,183,625	6,213,851	5,425,146	788,705
Circuit court	11,023,807	11,030,041	10,391,919	638,122
Adult probation, jury board, and court services	835,624	773,985	694,810	79,175
Probate court	2,110,042	2,113,642	2,090,192	23,450
Prosecutor	4,947,089	4,948,311	4,995,848	(47,537)
Total administration of justice	25,100,187	25,079,830	23,597,915	1,481,915
Law enforcement and community protection:				
Sheriff security	16,538,198	16,995,896	17,695,014	(699,118)
Detective division	738,011	748,245	914,954	(166,709)
Sheriff marine division	23,000	29,292	38,780	(9,488)
Sheriff administration	3,209,017	3,183,356	3,100,239	83,117
Office of emergency preparedness	173,965	173,965	173,264	701
Total law enforcement and community protection	20,682,191	21,130,754	21,922,251	(791,497)
Human services	3,700,000	3,700,000	3,700,000	-

Genesee County

Required Supplemental Information Budgetary Comparison Schedule - General Fund (Continued) Year Ended September 30, 2015

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Expenditures (Continued)				
Current (Continued):				
Legislative - Board of Commissioners	\$ 897,982	\$ 897,982	\$ 849,702	\$ 48,280
Community enrichment and development	3,309,618	2,746,156	2,785,598	(39,442)
Capital outlay	1,800	-	26,780	(26,780)
Total expenditures	63,461,299	63,580,716	61,449,752	2,130,964
Excess of Revenue Over (Under) Expenditures	11,336,463	11,217,046	14,977,746	3,760,700
Other Financing Sources (Uses)				
Transfers in	7,252,820	7,252,820	7,351,870	99,050
Transfers out	(18,589,283)	(17,657,243)	(17,778,450)	(121,207)
Total other financing uses	(11,336,463)	(10,404,423)	(10,426,580)	(22,157)
Net Change in Fund Balance	-	812,623	4,551,166	3,738,543
Fund Balance - Beginning of year	13,507,004	13,507,004	13,507,004	-
Fund Balance - End of year	<u>\$ 13,507,004</u>	<u>\$ 14,319,627</u>	<u>\$ 18,058,170</u>	<u>\$ 3,738,543</u>

Genesee County

Required Supplemental Information Budgetary Comparison Schedule - Major Special Revenue Funds - County Health Year Ended September 30, 2015

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 252,810	\$ 252,810	\$ -	\$ (252,810)
Licenses and permits	1,013,436	1,013,436	1,016,490	3,054
Federal grants	94,862	661,194	4,165,445	3,504,251
Other intergovernmental revenues	8,451,040	9,172,660	7,228,047	(1,944,613)
Charges for services	160,313	160,313	313,117	152,804
Other	150,912	159,177	197,849	38,672
Total revenue	10,123,373	11,419,590	12,920,948	1,501,358
Expenditures - Current - Human services	13,572,802	14,770,868	14,854,049	(83,181)
Excess of Revenue Over (Under) Expenditures	(3,449,429)	(3,351,278)	(1,933,101)	1,418,177
Other Financing Sources - Transfers in	1,210,984	1,210,984	1,508,711	297,727
Net Change in Fund Balance	(2,238,445)	(2,140,294)	(424,390)	1,715,904
Fund Balance - Beginning of year	3,098,409	3,098,409	3,098,409	-
Fund Balance - End of year	<u>\$ 859,964</u>	<u>\$ 958,115</u>	<u>\$ 2,674,019</u>	<u>\$ 1,715,904</u>

Genesee County

Required Supplemental Information Budgetary Comparison Schedule - Major Special Revenue Funds - Community Action Resource Department Year Ended September 30, 2015

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Federal grants	\$ 15,464,716	\$ 15,464,716	\$ 18,026,828	\$ 2,562,112
Other intergovernmental revenues	4,686,860	4,686,860	2,822,573	(1,864,287)
Rental income	775,821	775,821	779,405	3,584
Other	1,035,535	1,035,535	248,225	(787,310)
Total revenue	21,962,932	21,962,932	21,877,031	(85,901)
Expenditures				
Current - Human services	21,596,552	21,596,552	20,032,279	1,564,273
Capital outlay	65,409	65,409	65,409	-
Total expenditures	21,661,961	21,661,961	20,097,688	1,564,273
Excess of Revenue Over Expenditures	300,971	300,971	1,779,343	1,478,372
Other Financing Sources (Uses)				
Transfers in	52,167	52,167	55,020	2,853
Transfers out	(353,138)	(353,138)	(353,138)	-
Net Change in Fund Balance	-	-	1,481,225	1,481,225
Fund Balance - Beginning of year	(1,818,584)	(1,818,584)	(1,818,584)	-
Fund Balance - End of year	<u>\$ (1,818,584)</u>	<u>\$ (1,818,584)</u>	<u>\$ (337,359)</u>	<u>\$ 1,481,225</u>

Genesee County

Required Supplemental Information Budgetary Comparison Schedule - Major Special Revenue Funds - Community Development Year Ended September 30, 2015

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Federal grants	\$ 26,508,646	\$ 26,508,646	\$ 3,605,157	\$ (22,903,489)
Other	3,551,375	3,551,375	143,536	(3,407,839)
Total revenue	30,060,021	30,060,021	3,748,693	(26,311,328)
Expenditures - Current - Community enrichment and development	30,060,021	30,060,021	3,566,197	26,493,824
Net Change in Fund Balance	-	-	182,496	182,496
Fund Balance - Beginning of year	422,400	422,400	422,400	-
Fund Balance - End of year	<u>\$ 422,400</u>	<u>\$ 422,400</u>	<u>\$ 604,896</u>	<u>\$ 182,496</u>

Genesee County

Required Supplemental Information Schedule of Changes in the Net Pension Liability and Related Ratios

	2015
Total Pension Liability	
Service cost	\$ 2,441,909
Interest	22,786,858
Changes in benefit terms	-
Differences between expected and actual experience	3,421,029
Changes in assumptions	5,189,777
Benefit payments, including refunds	(26,514,618)
Net change in total pension liability	7,324,955
Total pension liability - Beginning of year	343,240,689
Total pension liability - End of year	\$ 350,565,644
Plan Fiduciary Net Position	
Contributions - Employer	\$ 7,679,505
Contributions - Member	1,144,877
Net investment income	16,143,654
Administrative expenses	(261,859)
Benefit payments, including refunds	(26,514,618)
Other	-
Net change in plan fiduciary net position	(1,808,441)
Plan fiduciary net position - Beginning of year	243,712,131
Plan fiduciary net position - End of year	\$ 241,903,690
County's net pension liability - Ending	\$ 108,661,954
Plan fiduciary net position as a % of total pension liability	69.00 %
Covered employee payroll	\$ 13,706,964
County's net pension liability as a % of covered employee payroll	792.7 %

Genesee County

Required Supplemental Information Schedule of Pension Contributions

	2015
Actuarially determined contribution	\$ 8,852,715
Contributions in relation to the actuarially determined contribution	8,852,715
Contribution deficiency (excess)	\$ -
Covered employee payroll	\$ 13,706,964
Contributions as a percentage of covered employee payroll	64.6 %

Notes to Schedule of County Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date	Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which the contributions are reported. Contributions for the County's fiscal year ended September 30, 2015 were determined based on the actuarial valuation as of December 31, 2013. The most recent valuation is as of December 31, 2014.
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Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level dollar
Remaining amortization period	25 years, open
Asset valuation method	4 years smoothed market
Inflation	3.00 percent
Salary increases	3.0 - 7.03 percent, including inflation
Investment rate of return	8.0%, net of pension plan investment expense, including inflation
Retirement age	60
Mortality	RP 2000 Combined Healthy Mortality Table
Other information	None

Genesee County

Required Supplemental Information OPEB System Schedule Year Ended September 30, 2015

The schedule of funding progress is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (Percent) (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll
9/30/07	\$ 30,427,079	\$179,150,908	\$148,723,829	17.0	\$ 58,387,145	254.7
9/30/10	41,579,396	286,696,396	245,117,000	14.5	58,028,000	422.4
9/30/12	43,313,587	308,208,023	264,894,436	14.1	36,987,137	716.2
9/30/14	41,485,721	344,160,043	302,674,322	12.1	33,343,864	907.7

The schedule of employer contributions is as follows:

Fiscal Year Ended	Actuarial Valuation Date	Annual Required Contribution *	Percentage Contributed
9/30/11	9/30/10	\$ 18,708,000	52.0
9/30/12	9/30/12	18,549,049	64.0
9/30/13	9/30/12	18,549,049	64.7
9/30/14	9/30/14	19,066,021	45.2
9/30/15	9/30/14	19,066,021	43.1

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 (perpetual)	30 years
Actuarial assumptions:	
Investment rate of return	8.0%
Projected salary increases	3%
	8%, Graded down to 5% in 0.5% increments over 7
Medical inflation rate	years
Cost of living adjustments	None

Genesee County

Note to Required Supplemental Information Year Ended September 30, 2015

Budgetary Information - 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.

	<u>Total Revenue</u>	<u>Total Expenditures</u>
General Fund:		
Amounts per operating statement	\$ 76,713,492	\$ 62,783,982
Medical Examiner Fund budgeted separately from the General Fund	<u>(285,994)</u>	<u>(1,334,230)</u>
Amounts per budget statement	<u>\$ 76,427,498</u>	<u>\$ 61,449,752</u>

Genesee County

Note to Required Supplemental Information (Continued) Year Ended September 30, 2015

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

	Budget	Actual	Variance
General Fund:			
Elections clerk	\$ 735,834	\$ 854,663	\$ (118,829)
Retirement	-	229,058	(229,058)
Prosecutor	4,948,311	4,995,848	(47,537)
Sheriff security	17,070,882	17,770,000	(699,118)
Detective division	748,245	914,954	(166,709)
Sheriff marine division	29,292	38,780	(9,488)
Community enrichment and development	2,746,156	2,785,598	(39,442)
Capital outlay	-	26,780	(26,780)
Transfers out	17,657,243	17,775,450	(118,207)
Other Major governmental funds -			
County Health	14,770,868	14,854,049	(83,181)

The cause of the budget overruns were unanticipated expenditures.

Other Supplemental Information

Genesee County

Other Supplemental Information Nonmajor Governmental Funds Fund Descriptions

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.

Animal Shelter - To account for the operations of the County's Animal Shelter facility. Financing is provided by an annual property tax levy.

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 the Parks and Recreation Enterprise Fund. Financing is provided by General Fund appropriations, an annual property tax levy, and charges for services of operating the parks.

Genesee County

Other Supplemental Information Nonmajor Governmental Funds Fund Descriptions (Continued)

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 - 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.

Nonmajor 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.

Genesee County

Other Supplemental Information Nonmajor Governmental Funds Fund Descriptions (Continued)

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.

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.

Genesee County

Other Supplemental Information Combining Balance Sheet Nonmajor Governmental Funds September 30, 2015

Special Revenue Funds

	Accommodations Ordinance Tax	Administration of Justice	Animal Shelter	Child Care	Community Enrichment and Development	Drug Forfeiture
Assets						
Cash and cash equivalents	\$ -	\$ -	\$ 396,593	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-
Receivables:						
Interest and accounts receivable	-	17,792	2,446	506	3,681	-
Due from other governmental units	-	2,315,455	-	-	57,984	-
Due from other county funds	405,444	295,160	171,093	4,152,818	539,110	138,992
Inventory	-	-	-	-	-	-
Prepaid expenses and other assets	-	-	-	-	1,022	-
Restricted cash and cash equivalents	-	-	-	-	-	-
Long term advance to component unit	-	-	-	-	-	-
Total assets	\$ 405,444	\$ 2,628,407	\$ 570,132	\$ 4,153,324	\$ 601,797	\$ 138,992
Liabilities						
Accounts payable	\$ 304,083	\$ 81,127	\$ 26,273	\$ 782,023	\$ 38,171	\$ -
Due to other governmental units	-	1,718	-	-	-	-
Due to other funds	101,361	5,362	16,796	-	627	-
Accrued liabilities and other	-	440,676	27,064	118,930	16,734	-
Unearned revenue	-	-	-	-	35,972	41,724
Total liabilities	405,444	528,883	70,133	900,953	91,504	41,724
Deferred Inflows of Resources -						
Unavailable revenue	-	1,931,248	-	-	52,089	-
Fund Balances (Deficits)						
Nonspendable:						
Inventory	-	-	-	-	-	-
Prepays	-	-	-	-	1,022	-
Restricted:						
Drug forfeiture	-	-	-	-	-	97,268
Emergency medical services	-	-	-	-	-	-
Animal control	-	-	271,078	-	-	-
Social services	-	-	-	-	-	-
Senior services	-	-	-	-	-	-
Health services plan	-	-	-	-	-	-
Veterans millage	-	-	-	-	-	-
Solid waste planning activities	-	-	-	-	-	-
Assigned:						
Debt service	-	-	-	-	-	-
Child care	-	-	-	3,252,371	-	-
Parks and recreation	-	-	-	-	-	-
Animal control	-	-	228,921	-	-	-
Administration of justice	-	168,276	-	-	-	-
Community enrichment and development	-	-	-	-	457,182	-
Law enforcement	-	-	-	-	-	-
Capital improvements	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances (deficits)	-	168,276	499,999	3,252,371	458,204	97,268
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 405,444	\$ 2,628,407	\$ 570,132	\$ 4,153,324	\$ 601,797	\$ 138,992

Genesee County

Other Supplemental Information Combining Balance Sheet (Continued) Nonmajor Governmental Funds September 30, 2015

	Special Revenue Funds					
	Emergency Medical Services	Flint City Lockup	Health Care Services	Law Enforcement	Parks and Recreation	Planning Commission
Assets						
Cash and cash equivalents	\$ -	\$ -	\$ 786,500	\$ -	\$ (636,883)	\$ 478,472
Investments	-	-	-	-	4,000,000	-
Receivables:						
Interest and accounts receivable	-	-	-	1,810	6,615	83,779
Due from other governmental units	-	291,521	-	562,862	71,013	435,789
Due from other county funds	986,843	-	2,263,356	-	103,434	65,577
Inventory	-	-	-	-	155,084	-
Prepaid expenses and other assets	-	-	-	-	165,832	300
Restricted cash and cash equivalents	-	50,000	-	-	-	-
Long term advance to component unit	-	-	-	-	-	-
Total assets	\$ 986,843	\$ 341,521	\$ 3,049,856	\$ 564,672	\$ 3,865,095	\$ 1,063,917
Liabilities						
Accounts payable	\$ 6,266	\$ 8,808	\$ 1,277,963	\$ 94,689	\$ 303,945	\$ 222,026
Due to other governmental units	-	-	-	-	-	-
Due to other funds	234,280	256,093	527,808	88,854	136,825	92
Accrued liabilities and other	177,981	67,812	-	38,138	164,854	62,312
Unearned revenue	-	-	-	-	-	4,204
Total liabilities	418,527	332,713	1,805,771	221,681	605,624	288,634
Deferred Inflows of Resources -						
Unavailable revenue	-	8,808	-	123,837	15,811	-
Fund Balances (Deficits)						
Nonspendable:						
Inventory	-	-	-	-	155,084	-
Prepays	-	-	-	-	165,832	300
Restricted:						
Drug forfeiture	-	-	-	-	-	-
Emergency medical services	568,316	-	-	-	-	-
Animal control	-	-	-	-	-	-
Social services	-	-	-	-	-	-
Senior services	-	-	-	-	-	-
Health services plan	-	-	1,244,085	-	-	-
Veterans millage	-	-	-	-	-	-
Solid waste planning activities	-	-	-	-	-	774,983
Assigned:						
Debt service	-	-	-	-	-	-
Child care	-	-	-	-	-	-
Parks and recreation	-	-	-	-	2,922,744	-
Animal control	-	-	-	-	-	-
Administration of justice	-	-	-	-	-	-
Community enrichment and development	-	-	-	-	-	-
Law enforcement	-	-	-	219,154	-	-
Capital improvements	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances (deficits)	568,316	-	1,244,085	219,154	3,243,660	775,283
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 986,843	\$ 341,521	\$ 3,049,856	\$ 564,672	\$ 3,865,095	\$ 1,063,917

Genesee County

Other Supplemental Information Combining Balance Sheet (Continued) Nonmajor Governmental Funds September 30, 2015

	Special Revenue Funds					
		Sheriff		Veterans	Michigan Strategic Fund/Work Force Development Agency	
	Senior Services	Contracted Services	Social Services	Millage		Total
Assets						
Cash and cash equivalents	\$ 915,704	\$ -	\$ 2,758	\$ 967,847	\$ -	\$ 2,910,991
Investments	700,000	-	-	-	-	4,700,000
Receivables:						
Interest and accounts receivable	-	26,958	-	-	-	143,587
Due from other governmental units	-	415,310	-	-	2,132,061	6,281,995
Due from other county funds	1,333,420	-	88,854	-	3,000	10,547,101
Inventory	-	-	-	-	-	155,084
Prepaid expenses and other assets	-	-	-	-	-	167,154
Restricted cash and cash equivalents	-	-	-	-	-	50,000
Long term advance to component unit	-	-	-	-	-	-
	<u>\$ 2,949,124</u>	<u>\$ 442,268</u>	<u>\$ 91,612</u>	<u>\$ 967,847</u>	<u>\$ 2,135,061</u>	<u>\$ 24,955,912</u>
Total assets						
Liabilities						
Accounts payable	\$ 403,439	\$ 205	\$ -	\$ 5,672	\$ -	\$ 3,554,690
Due to other governmental units	-	-	-	-	2,126,010	2,127,728
Due to other funds	283,928	385,132	-	27,780	8,618	2,073,556
Accrued liabilities and other	9,119	56,883	-	15,986	257	1,196,746
Unearned revenue	-	-	-	-	-	81,900
	<u>696,486</u>	<u>442,220</u>	<u>-</u>	<u>49,438</u>	<u>2,134,885</u>	<u>9,034,620</u>
Total liabilities						
Deferred Inflows of Resources -						
Unavailable revenue	-	27,729	-	-	9,389	2,168,911
Fund Balances (Deficits)						
Nonspendable:						
Inventory	-	-	-	-	-	155,084
Prepays	-	-	-	-	-	167,154
Restricted:						
Drug forfeiture	-	-	-	-	-	97,268
Emergency medical services	-	-	-	-	-	568,316
Animal control	-	-	-	-	-	271,078
Social services	-	-	91,612	-	-	91,612
Senior services	2,252,638	-	-	-	-	2,252,638
Health services plan	-	-	-	-	-	1,244,085
Veterans millage	-	-	-	918,409	-	918,409
Solid waste planning activities	-	-	-	-	-	774,983
Assigned:						
Debt service	-	-	-	-	-	-
Child care	-	-	-	-	-	3,252,371
Parks and recreation	-	-	-	-	-	2,922,744
Animal control	-	-	-	-	-	228,921
Administration of justice	-	-	-	-	-	168,276
Community enrichment and development	-	-	-	-	-	457,182
Law enforcement	-	-	-	-	-	219,154
Capital improvements	-	-	-	-	-	-
Unassigned	-	(27,681)	-	-	(9,213)	(36,894)
	<u>2,252,638</u>	<u>(27,681)</u>	<u>91,612</u>	<u>918,409</u>	<u>(9,213)</u>	<u>13,752,381</u>
Total fund balances (deficits)						
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 2,949,124</u>	<u>\$ 442,268</u>	<u>\$ 91,612</u>	<u>\$ 967,847</u>	<u>\$ 2,135,061</u>	<u>\$ 24,955,912</u>

Genesee County

Other Supplemental Information Combining Balance Sheet (Continued) Nonmajor Governmental Funds September 30, 2015

Debt Service Funds

	Capital Improvements	Courthouse Square	GCCARD Warehouse	Hughes & Hatcher Center	JCI Energy Efficiency Project	1998 Refinancing
Assets						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 7,982	\$ 294,348	\$ -
Investments	-	-	-	-	-	-
Receivables:						
Interest and accounts receivable	-	-	-	-	-	-
Due from other governmental units	-	-	-	-	-	-
Due from other county funds	-	-	-	-	-	-
Inventory	-	-	-	-	-	-
Prepaid expenses and other assets	-	-	-	47,134	-	-
Restricted cash and cash equivalents	-	-	-	-	-	-
Long term advance to component unit	-	-	-	1,670,000	-	-
Total assets	\$ -	\$ -	\$ -	\$ 1,725,116	\$ 294,348	\$ -
Liabilities						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other governmental units	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Accrued liabilities and other	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-
Deferred Inflows of Resources -						
Unavailable revenue	-	-	-	1,670,000	-	-
Fund Balances (Deficits)						
Nonspendable:						
Inventory	-	-	-	-	-	-
Prepays	-	-	-	47,134	-	-
Restricted:						
Drug forfeiture	-	-	-	-	-	-
Emergency medical services	-	-	-	-	-	-
Animal control	-	-	-	-	-	-
Social services	-	-	-	-	-	-
Senior services	-	-	-	-	-	-
Health services plan	-	-	-	-	-	-
Veterans millage	-	-	-	-	-	-
Solid waste planning activities	-	-	-	-	-	-
Assigned:						
Debt service	-	-	-	7,982	294,348	-
Child care	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-
Animal control	-	-	-	-	-	-
Administration of justice	-	-	-	-	-	-
Community enrichment and development	-	-	-	-	-	-
Law enforcement	-	-	-	-	-	-
Capital improvements	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances (deficits)	-	-	-	55,116	294,348	-
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ -	\$ -	\$ -	\$ 1,725,116	\$ 294,348	\$ -

Genesee County

Other Supplemental Information Combining Balance Sheet (Continued) Nonmajor Governmental Funds September 30, 2015

	Debt Service Funds		Capital Projects Funds			
	2012 Refunding	Total	Capital Improvement	Jail Site Remediation	KRONOS Workforce	Total
Assets						
Cash and cash equivalents	\$ -	\$ 302,330	\$ 16,899	\$ 1,069	\$ -	\$ 17,968
Investments	-	-	-	-	-	-
Receivables:						
Interest and accounts receivable	-	-	-	-	-	-
Due from other governmental units	-	-	-	-	54,538	54,538
Due from other county funds	-	-	704,381	-	-	704,381
Inventory	-	-	-	-	-	-
Prepaid expenses and other assets	-	47,134	-	-	-	-
Restricted cash and cash equivalents	-	-	-	-	-	-
Long term advance to component unit	-	1,670,000	-	-	-	-
Total assets	\$ -	\$ 2,019,464	\$ 721,280	\$ 1,069	\$ 54,538	\$ 776,887
Liabilities						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other governmental units	-	-	-	-	-	-
Due to other funds	-	-	-	-	54,538	54,538
Accrued liabilities and other	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Total liabilities	-	-	-	-	54,538	54,538
Deferred Inflows of Resources -						
Unavailable revenue	-	1,670,000	-	-	54,538	54,538
Fund Balances (Deficits)						
Nonspendable:						
Inventory	-	-	-	-	-	-
Prepays	-	47,134	-	-	-	-
Restricted:						
Drug forfeiture	-	-	-	-	-	-
Emergency medical services	-	-	-	-	-	-
Animal control	-	-	-	-	-	-
Social services	-	-	-	-	-	-
Senior services	-	-	-	-	-	-
Health services plan	-	-	-	-	-	-
Veterans millage	-	-	-	-	-	-
Solid waste planning activities	-	-	-	-	-	-
Assigned:						
Debt service	-	302,330	-	-	-	-
Child care	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-
Animal control	-	-	-	-	-	-
Administration of justice	-	-	-	-	-	-
Community enrichment and development	-	-	-	-	-	-
Law enforcement	-	-	-	-	-	-
Capital improvements	-	-	721,280	1,069	-	722,349
Unassigned	-	-	-	-	(54,538)	(54,538)
Total fund balances (deficits)	-	349,464	721,280	1,069	(54,538)	667,811
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ -	\$ 2,019,464	\$ 721,280	\$ 1,069	\$ 54,538	\$ 776,887

Genesee County

Other Supplemental Information Combining Balance Sheet (Continued) Nonmajor Governmental Funds September 30, 2015

	Total Nonmajor Governmental Funds
Assets	
Cash and cash equivalents	\$ 3,231,289
Investments	4,700,000
Receivables:	
Interest and accounts receivable	143,587
Due from other governmental units	6,336,533
Due from other county funds	11,251,482
Inventory	155,084
Prepaid expenses and other assets	214,288
Restricted cash and cash equivalents	50,000
Long term advance to component unit	1,670,000
Total assets	\$ 27,752,263
Liabilities	
Accounts payable	\$ 3,554,690
Due to other governmental units	2,127,728
Due to other funds	2,128,094
Accrued liabilities and other	1,196,746
Unearned revenue	81,900
Total liabilities	9,089,158
Deferred Inflows of Resources -	
Unavailable revenue	3,893,449
Fund Balances (Deficits)	
Nonspendable:	
Inventory	155,084
Prepays	214,288
Restricted:	
Drug forfeiture	97,268
Emergency medical services	568,316
Animal control	271,078
Social services	91,612
Senior services	2,252,638
Health services plan	1,244,085
Veterans millage	918,409
Solid waste planning activities	774,983
Assigned:	
Debt service	302,330
Child care	3,252,371
Parks and recreation	2,922,744
Animal control	228,921
Administration of justice	168,276
Community enrichment and development	457,182
Law enforcement	219,154
Capital improvements	722,349
Unassigned	(91,432)
Total fund balances (deficits)	14,769,656
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 27,752,263

Genesee County

Other Supplemental Information Combining Statement of Revenue, Expenditures, and Changes in Fund Balances Nonmajor Governmental Funds Year Ended September 30, 2015

Special Revenue Funds

	Accommodations Ordinance Tax	Administration of Justice	Animal Shelter	Child Care	Community Enrichment and Development	Drug Forfeiture
Revenue						
Property taxes	\$ 1,325,486	\$ -	\$ 1,658,255	\$ -	\$ 325,600	\$ -
Licenses and permits	-	-	-	-	51,074	-
Federal grants	-	7,401,087	-	84,421	151,238	22,820
Other intergovernmental revenues	-	1,863,408	-	4,628,930	200,606	-
Charges for services	-	1,058,552	57,764	349,503	314,431	-
Fines and forfeitures	-	-	-	-	-	25,963
Interest income	-	-	-	-	13	-
Rental income	-	-	-	-	-	-
Other	-	157,861	64	196,230	728,461	-
Total revenue	1,325,486	10,480,908	1,716,083	5,259,084	1,771,423	48,783
Expenditures						
Current:						
Administration of justice	-	12,044,920	-	-	-	-
Law enforcement and community protection	-	-	1,387,177	-	-	-
Human services	-	-	-	13,596,405	-	-
Community enrichment and development	999,115	-	-	-	1,612,700	-
Capital outlay	-	-	-	-	20,375	-
Debt service:						
Principal	-	-	-	-	-	-
Interest on long-term debt	-	-	-	-	-	-
Total expenditures	999,115	12,044,920	1,387,177	13,596,405	1,633,075	-
Excess of Revenue Over (Under) Expenditures	326,371	(1,564,012)	328,906	(8,337,321)	138,348	48,783
Other Financing Sources (Uses)						
Transfers in	-	3,369,423	171,093	9,583,244	-	-
Transfers out	(326,371)	(25,000)	-	(2,729,078)	(70,874)	(22,820)
Total other financing sources (uses)	(326,371)	3,344,423	171,093	6,854,166	(70,874)	(22,820)
Net Change in Fund Balances	-	1,780,411	499,999	(1,483,155)	67,474	25,963
Fund Balances (Deficit) - Beginning of year	-	(1,612,135)	-	4,735,526	390,730	71,305
Fund Balances (Deficit) - End of year	\$ -	\$ 168,276	\$ 499,999	\$ 3,252,371	\$ 458,204	\$ 97,268

Genesee County

Other Supplemental Information Combining Statement of Revenue, Expenditures, and Changes in Fund Balances (Continued) Nonmajor Governmental Funds Year Ended September 30, 2015

	Special Revenue Funds					
	Emergency Medical Services	Flint City Lockup	Health Care Services	Law Enforcement	Parks and Recreation	Planning Commission
Revenue						
Property taxes	\$ 4,003,420	\$ -	\$ 8,256,470	\$ -	\$ 6,127,201	\$ -
Licenses and permits	-	-	-	67,083	-	6,220
Federal grants	-	-	-	579,269	-	926,279
Other intergovernmental revenues	-	2,617,556	-	1,373,033	52,593	-
Charges for services	-	-	-	162,455	2,130,198	1,141,300
Fines and forfeitures	-	-	-	-	-	-
Interest income	-	-	4,329	-	98,532	-
Rental income	-	-	-	-	-	-
Other	311	-	-	35,736	467,372	30,315
Total revenue	4,003,731	2,617,556	8,260,799	2,217,576	8,875,896	2,104,114
Expenditures						
Current:						
Administration of justice	-	-	-	-	-	-
Law enforcement and community protection	4,076,738	2,368,147	-	2,352,448	-	-
Human services	-	-	7,138,962	-	4,784,096	2,413,350
Community enrichment and development	-	-	-	-	2,913,398	-
Capital outlay	-	-	-	-	7,949	-
Debt service:						
Principal	-	-	-	-	-	-
Interest on long-term debt	-	-	-	-	-	-
Total expenditures	4,076,738	2,368,147	7,138,962	2,352,448	7,705,443	2,413,350
Excess of Revenue Over (Under) Expenditures	(73,007)	249,409	1,121,837	(134,872)	1,170,453	(309,236)
Other Financing Sources (Uses)						
Transfers in	-	-	-	134,486	1,294,404	428,983
Transfers out	-	-	(498,869)	(36,033)	(3,139,649)	-
Total other financing sources (uses)	-	-	(498,869)	98,453	(1,845,245)	428,983
Net Change in Fund Balances	(73,007)	249,409	622,968	(36,419)	(674,792)	119,747
Fund Balances (Deficit) - Beginning of year	641,323	(249,409)	621,117	255,573	3,918,452	655,536
Fund Balances (Deficit) - End of year	\$ 568,316	\$ -	\$ 1,244,085	\$ 219,154	\$ 3,243,660	\$ 775,283

Genesee County

Other Supplemental Information Combining Statement of Revenue, Expenditures, and Changes in Fund Balances (Continued) Nonmajor Governmental Funds Year Ended September 30, 2015

	Special Revenue Funds					Total
	Senior Services	Sheriff Contracted Services	Social Services	Veterans Millage	Michigan Strategic Fund/Work Force Development Agency	
Revenue						
Property taxes	\$ 5,778,932	\$ -	\$ -	\$ 833,367	\$ -	\$ 28,308,731
Licenses and permits	-	-	-	-	-	124,377
Federal grants	-	-	-	-	13,573,653	22,738,767
Other intergovernmental revenues	-	2,396,493	7,662	15,000	1,474,378	14,629,659
Charges for services	-	-	-	-	-	5,214,203
Fines and forfeitures	-	-	-	-	-	25,963
Interest income	7,829	-	-	214	-	110,917
Rental income	-	-	-	-	-	-
Other	4,313	-	-	2,168	-	1,622,831
Total revenue	5,791,074	2,396,493	7,662	850,749	15,048,031	72,775,448
Expenditures						
Current:						
Administration of justice	-	-	-	-	-	12,044,920
Law enforcement and community protection	-	2,372,169	-	-	-	12,556,679
Human services	5,660,559	-	8,144	-	14,203,420	47,804,936
Community enrichment and development	-	-	-	652,997	-	6,178,210
Capital outlay	-	-	-	-	-	28,324
Debt service:						
Principal	-	-	-	-	-	-
Interest on long-term debt	-	-	-	-	-	-
Total expenditures	5,660,559	2,372,169	8,144	652,997	14,203,420	78,613,069
Excess of Revenue Over (Under) Expenditures	130,515	24,324	(482)	197,752	844,611	(5,837,621)
Other Financing Sources (Uses)						
Transfers in	-	-	-	-	3,000	14,984,633
Transfers out	(387,361)	-	-	-	-	(7,236,055)
Total other financing sources (uses)	(387,361)	-	-	-	3,000	7,748,578
Net Change in Fund Balances	(256,846)	24,324	(482)	197,752	847,611	1,910,957
Fund Balances (Deficit) - Beginning of year	2,509,484	(52,005)	92,094	720,657	(856,824)	11,841,424
Fund Balances (Deficit) - End of year	\$ 2,252,638	\$ (27,681)	\$ 91,612	\$ 918,409	\$ (9,213)	\$ 13,752,381

Genesee County

Other Supplemental Information Combining Statement of Revenue, Expenditures, and Changes in Fund Balances (Continued) Nonmajor Governmental Funds Year Ended September 30, 2015

Debt Service Funds						
	Capital Improvements	Courthouse Square	GCCARD Warehouse	Hughes & Hatcher Center	JCI Energy Efficiency Project	1998 Refinancing
Revenue						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Federal grants	-	-	-	-	243,426	-
Other intergovernmental revenues	-	-	-	-	31,308	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Interest income	-	-	-	-	-	-
Rental income	-	-	-	147,068	19,605	-
Other	-	-	-	-	57,960	-
Total revenue	-	-	-	147,068	352,299	-
Expenditures						
Current:						
Administration of justice	-	-	-	-	-	-
Law enforcement and community protection	-	-	-	-	-	-
Human services	-	-	-	-	-	-
Community enrichment and development	-	750	-	100	-	350
Capital outlay	-	-	-	-	-	-
Debt service:						
Principal	65,000	1,300,000	115,000	50,000	380,000	60,000
Interest on long-term debt	19,388	358,750	34,482	96,967	390,504	3,000
Total expenditures	84,388	1,659,500	149,482	147,067	770,504	63,350
Excess of Revenue Over (Under) Expenditures	(84,388)	(1,659,500)	(149,482)	1	(418,205)	(63,350)
Other Financing Sources (Uses)						
Transfers in	84,388	1,659,500	149,482	-	712,545	63,350
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	84,388	1,659,500	149,482	-	712,545	63,350
Net Change in Fund Balances	-	-	-	1	294,340	-
Fund Balances (Deficit) - Beginning of year	-	-	-	55,115	8	-
Fund Balances (Deficit) - End of year	\$ -	\$ -	\$ -	\$ 55,116	\$ 294,348	\$ -

Genesee County

Other Supplemental Information Combining Statement of Revenue, Expenditures, and Changes in Fund Balances (Continued) Nonmajor Governmental Funds Year Ended September 30, 2015

	Debt Service Funds		Capital Projects Fund			
	2012 Refunding	Total	Capital Improvement	Jail Site Remediation	KRONOS Workforce	Total
Revenue						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Federal grants	-	243,426	-	-	-	-
Other intergovernmental revenues	-	31,308	-	-	12,400	12,400
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Interest income	-	-	-	1	-	1
Rental income	-	166,673	-	-	-	-
Other	-	57,960	-	-	-	-
Total revenue	-	499,367	-	1	12,400	12,401
Expenditures						
Current:						
Administration of justice	-	-	-	-	-	-
Law enforcement and community protection	-	-	-	-	-	-
Human services	-	-	-	-	-	-
Community enrichment and development	-	1,200	-	12,096	-	12,096
Capital outlay	-	-	-	-	54,538	54,538
Debt service:						
Principal	450,000	2,420,000	-	-	-	-
Interest on long-term debt	115,710	1,018,801	-	-	-	-
Total expenditures	565,710	3,440,001	-	12,096	54,538	66,634
Excess of Revenue Over (Under) Expenditures	(565,710)	(2,940,634)	-	(12,095)	(42,138)	(54,233)
Other Financing Sources (Uses)						
Transfers in	565,710	3,234,975	-	9,000	-	9,000
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	565,710	3,234,975	-	9,000	-	9,000
Net Change in Fund Balances	-	294,341	-	(3,095)	(42,138)	(45,233)
Fund Balances (Deficit) - Beginning of year	-	55,123	721,280	4,164	(12,400)	713,044
Fund Balances (Deficit) - End of year	\$ -	\$ 349,464	\$ 721,280	\$ 1,069	\$ (54,538)	\$ 667,811

Genesee County

Other Supplemental Information Combining Statement of Revenue, Expenditures, and Changes in Fund Balances (Continued) Nonmajor Governmental Funds Year Ended September 30, 2015

	Total Nonmajor Governmental Funds
Revenue	
Property taxes	\$ 28,308,731
Licenses and permits	124,377
Federal grants	22,982,193
Other intergovernmental revenues	14,673,367
Charges for services	5,214,203
Fines and forfeitures	25,963
Interest income	110,918
Rental income	166,673
Other	1,680,791
Total revenue	73,287,216
Expenditures	
Current:	
Administration of justice	12,044,920
Law enforcement and community protection	12,556,679
Human services	47,804,936
Community enrichment and development	6,191,506
Capital outlay	82,862
Debt service:	
Principal	2,420,000
Interest on long-term debt	1,018,801
Total expenditures	82,119,704
Excess of Revenue Over (Under) Expenditures	(8,832,488)
Other Financing Sources (Uses)	
Transfers in	18,228,608
Transfers out	(7,236,055)
Total other financing sources (uses)	10,992,553
Net Change in Fund Balances	2,160,065
Fund Balances (Deficit) - Beginning of year	12,609,591
Fund Balances (Deficit) - End of year	\$ 14,769,656

Genesee County

Other Supplemental Information Nonmajor Enterprise Funds Fund Descriptions

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.

Genesee County

Other Supplemental Information Combining Statement of Net Position Nonmajor Enterprise Funds September 30, 2015

	Parks and Recreation - Enterprise	Commissary	Parking Meter Fund	Total
Assets				
Current assets:				
Cash and cash equivalents	\$ 1,074,288	\$ 387,435	\$ 129,421	\$ 1,591,144
Investments	965,887	-	-	965,887
Receivables - Due from other governmental units	-	-	82,582	82,582
Inventory	-	11,958	-	11,958
Total current assets	2,040,175	399,393	212,003	2,651,571
Noncurrent assets - Capital assets:				
Assets not subject to depreciation	711,735	-	-	711,735
Assets subject to depreciation	544,454	-	-	544,454
Total assets	3,296,364	399,393	212,003	3,907,760
Liabilities				
Current liabilities:				
Accounts payable	56,599	-	30,914	87,513
Due to other funds	24,060	225,000	-	249,060
Accrued liabilities and other	25,341	-	56,638	81,979
Total current liabilities	106,000	225,000	87,552	418,552
Noncurrent liabilities -				
Net OPEB obligation	220,067	-	-	220,067
Total liabilities	326,067	225,000	87,552	638,619
Deferred Inflows of Resources	-	-	-	-
Net Position				
Net investment in capital assets	1,256,189	-	-	1,256,189
Restricted for parks and recreation - nonexpendable	965,887	-	-	965,887
Unrestricted	748,221	174,393	124,451	1,047,065
Total net position	\$ 2,970,297	\$ 174,393	\$ 124,451	\$ 3,269,141

Genesee County

Other Supplemental Information

Combining Statement of Revenue, Expenses, and Changes in Net Position

Nonmajor Enterprise Funds

Year Ended September 30, 2015

	Parks and Recreation - Enterprise	Commissary	Parking Meter Fund	Total
Operating Revenue				
Other sales to customers	\$ -	\$ 235,294	\$ 336,218	\$ 571,512
Charges for sales and services	334,853	-	-	334,853
Total operating revenue	334,853	235,294	336,218	906,365
Operating Expenses				
Salaries and fringe benefits	535,150	-	-	535,150
Supplies and other operating expenses	307,451	56,591	368,521	732,563
Depreciation	58,427	-	-	58,427
Total operating expenses	901,028	56,591	368,521	1,326,140
Operating Income (Loss)	(566,175)	178,703	(32,303)	(419,775)
Nonoperating Revenue (Expenses)				
Investment earnings	-	103	-	103
Interest expense	(525)	-	-	(525)
Other nonoperating expenses	(75,029)	-	-	(75,029)
Total nonoperating (expense) revenue	(75,554)	103	-	(75,451)
(Loss) Income - Before contributions	(641,729)	178,806	(32,303)	(495,226)
Transfers In	1,242,200	-	-	1,242,200
Transfers Out	-	(225,000)	-	(225,000)
Change in Net Position	600,471	(46,194)	(32,303)	521,974
Net Position - Beginning of year	2,369,826	220,587	156,754	2,747,167
Net Position - End of year	<u>\$ 2,970,297</u>	<u>\$ 174,393</u>	<u>\$ 124,451</u>	<u>\$ 3,269,141</u>

Genesee County

Other Supplemental Information Combining Statement of Cash Flows Nonmajor Enterprise Funds Year Ended September 30, 2015

	Parks and Recreation - Enterprise	Commissary	Parking Meter Fund	Total
Cash Flows from Operating Activities				
Receipts from customers	\$ 334,853	\$ 235,294	\$ 349,354	\$ 919,501
Payments to suppliers	(257,637)	(39,700)	(291,506)	(588,843)
Payments to employees	(640,748)	-	(74,698)	(715,446)
Net cash (used in) provided by operating activities	(563,532)	195,594	(16,850)	(384,788)
Cash Flows from Noncapital Financing Activities				
Transfers from other funds	1,242,200	-	-	1,242,200
Transfers to other funds	-	(225,000)	-	(225,000)
Net cash (used in) provided by noncapital financing activities	1,242,200	(225,000)	-	1,017,200
Purchase of capital assets	(537,778)	-	-	(537,778)
Cash Flows from Capital and Related Financing Activities				
Principal and interest paid on capital debt	(93,553)	-	-	(93,553)
Net cash provided by (used in) capital and related financing activities	(631,331)	-	-	(631,331)
Cash Flows from Investment Activities -				
Interest received on investments	65,650	63,627	-	129,277
Net Increase (Decrease) in Cash and Cash Equivalents	112,987	34,221	(16,850)	130,358
Cash and Cash Equivalents - Beginning of year	961,301	353,214	146,271	1,460,786
Cash and Cash Equivalents - End of year	\$ 1,074,288	\$ 387,435	\$ 129,421	\$ 1,591,144
Reconciliation of Operating Income to Net Cash from Operating Activities				
Operating (loss) income	\$ (566,175)	\$ 178,703	\$ (32,303)	\$ (419,775)
Adjustments to reconcile operating (loss) income to net cash from operating activities:				
Depreciation and amortization	58,427	-	-	58,427
Changes in assets and liabilities:				
Receivables	-	-	13,136	13,136
Inventories	-	22,490	-	22,490
Prepaid and other assets	9,379	-	-	9,379
Accounts payable	40,435	(5,599)	3,113	37,949
Accrued and other liabilities	(105,598)	-	(796)	(106,394)
Net cash (used in) provided by operating activities	\$ (563,532)	\$ 195,594	\$ (16,850)	\$ (384,788)

Genesee County

Other Supplemental Information Internal Service Funds Fund Descriptions

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 is charged on the basis of programming, central processor, and operator time incurred providing requested services.

Genesee County

Other Supplemental Information Internal Service Funds Fund Descriptions (Continued)

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.

Genesee County

Other Supplemental Information Combining Statement of Net Position Internal Service Funds September 30, 2015

	Administrative Services	Vehicles and Equipment	Building and Grounds	Self Insured Medical	Self Funded Property/ Casualty Program	Total
Assets						
Current assets:						
Cash and cash equivalents	\$ -	\$ -	\$ 4,489	\$ 4,357	\$ 803,642	\$ 812,488
Investments	-	-	-	1,370,064	7,862,911	9,232,975
Receivables:						
Interest and accounts receivable	7,117	8,346	536	-	51,383	67,382
Due from other governmental units	-	629	5,420	-	-	6,049
Due from other county funds	4,042,510	5,212	220,000	1,500,000	-	5,767,722
Inventory	700	46,248	-	-	-	46,948
Prepaid expenses and other assets	312,781	10,534	-	64,771	212,440	600,526
Total current assets	4,363,108	70,969	230,445	2,939,192	8,930,376	16,534,090
Noncurrent - Capital assets:						
Assets not subject to depreciation	-	131,033	62,463	-	-	193,496
Assets subject to depreciation	619,477	1,651,734	627,097	-	-	2,898,308
Total noncurrent assets	619,477	1,782,767	689,560	-	-	3,091,804
Total assets	4,982,585	1,853,736	920,005	2,939,192	8,930,376	19,625,894
Deferred Outflows of Resources -						
Deferred outflows related to pensions	540,407	65,862	154,977	-	66,409	827,655
Liabilities						
Current liabilities:						
Accounts payable	104,152	30,033	58,575	665,584	15,494	873,838
Due to other governmental units	328,190	-	18,833	-	-	347,023
Due to other funds	3,055,493	-	-	-	442	3,055,935
Accrued liabilities and other	210,598	17,972	124,039	133,800	26,902	513,311
Compensated absences	3,350,317	-	-	-	-	3,350,317
Current portion of general, workers compensation claim and IBNR liability	-	-	-	-	1,120,908	1,120,908
Current portion of long-term debt	150,103	4,742	-	-	-	154,845
Total current liabilities	7,198,853	52,747	201,447	799,384	1,163,746	9,416,177
Noncurrent liabilities:						
Long-term advance	-	1,076,558	-	-	-	1,076,558
Compensated absences	669,991	-	-	-	-	669,991
General, workers compensation claim, and IBNR liability	-	-	-	-	2,791,908	2,791,908
Net pension liability	5,582,569	680,378	1,600,958	-	686,027	8,549,932
Long-term debt	152,230	2,100	-	-	-	154,330
Total noncurrent liabilities	6,404,790	1,759,036	1,600,958	-	3,477,935	13,242,719
Total liabilities	13,603,643	1,811,783	1,802,405	799,384	4,641,681	22,658,896
Net Position (Deficit)						
Net investment in capital assets	317,144	1,775,925	689,560	-	-	2,782,629
Capital improvement per lease agreement	-	-	155,145	-	-	155,145
Unrestricted (deficit)	(8,397,795)	(1,668,110)	(1,572,128)	2,139,808	4,355,104	(5,143,121)
Total net position (deficit)	\$ (8,080,651)	\$ 107,815	\$ (727,423)	\$ 2,139,808	\$ 4,355,104	\$ (2,205,347)

Genesee County

Other Supplemental Information

Combining Statement of Revenue, Expenses, and Changes in Net Position

Internal Service Funds

Year Ended September 30, 2015

	Administrative Services	Vehicles and Equipment	Building and Grounds	Self Insured Medical	Self Funded Property/ Casualty Program	Total
Operating Revenue						
Charges for sales and services	\$ 6,654	\$ -	\$ -	\$ -	\$ -	\$ 6,654
Charges to other funds	5,597,552	1,711,283	4,631,706	10,759,671	3,033,432	25,733,644
Total operating revenue	5,604,206	1,711,283	4,631,706	10,759,671	3,033,432	25,740,298
Operating Expenses						
Salaries and fringe benefits	4,537,433	375,346	1,167,074	-	289,453	6,369,306
Supplies and other operating expenses	2,103,617	1,343,063	2,871,373	11,212,872	3,180,594	20,711,519
Depreciation	227,831	452,605	254,630	-	-	935,066
Total operating expenses	6,868,881	2,171,014	4,293,077	11,212,872	3,470,047	28,015,891
Operating (Loss) Income	(1,264,675)	(459,731)	338,629	(453,201)	(436,615)	(2,275,593)
Nonoperating Revenue (Expenses)						
Investment earnings	-	-	-	603	153,394	153,997
Interest expense	-	(577)	-	-	-	(577)
(Loss) gain on sale of assets	(335)	69,697	-	-	39,547	108,909
Total nonoperating (expenses) revenue	(335)	69,120	-	603	192,941	262,329
(Loss) Income - Before contributions	(1,265,010)	(390,611)	338,629	(452,598)	(243,674)	(2,013,264)
Transfers In	124,999	1,033,000	-	-	-	1,157,999
Change in Net Position	(1,140,011)	642,389	338,629	(452,598)	(243,674)	(855,265)
Net Position (Deficit) - Beginning of year (Note 2)	(6,940,640)	(534,574)	(1,066,052)	2,592,406	4,598,778	(1,350,082)
Net Position (Deficit) - End of year	<u>\$ (8,080,651)</u>	<u>\$ 107,815</u>	<u>\$ (727,423)</u>	<u>\$ 2,139,808</u>	<u>\$ 4,355,104</u>	<u>\$ (2,205,347)</u>

Other Supplemental Information Combining Statement of Cash Flows Internal Service Funds Year Ended September 30, 2015

	Administrative Services	Vehicles and Equipment	Building and Grounds	Self Insured Medical	Self Funded Property/ Casualty Program	Total
Cash Flows from Operating Activities						
Receipts from customers	\$ 5,506,293	\$ 1,710,071	\$ 4,626,251	\$ 10,749,371	\$ 3,033,432	\$ 25,625,418
Receipts from interfund services and reimbursements	(241,233)	(3,278)	(220,000)	1,083,818	(194)	619,113
Payments to suppliers	(2,324,817)	(1,375,923)	(3,042,124)	(10,462,004)	(3,094,191)	(20,299,059)
Payments to employees	(3,660,799)	(246,704)	(1,292,214)	2,799	(139,045)	(5,335,963)
Internal activity - Payments to other funds	666,559	-	(75,247)	(166)	(187,124)	404,022
Claims paid	-	-	-	-	283,829	283,829
Other receipts (payments)	(2,804)	(7,587)	(536)	-	(31,164)	(42,091)
Net cash (used in) provided by operating activities	(56,801)	76,579	(3,870)	1,373,818	(134,457)	1,255,269
Cash Flows from Noncapital Financing Activities						
Transfers from other funds	124,999	1,033,000	-	-	-	1,157,999
Repayments of loans from other funds	-	(218,145)	-	-	-	(218,145)
Net cash provided by noncapital financing activities	124,999	814,855	-	-	-	939,854
Cash Flows from Capital and Related Financing Activities						
Proceeds from sales of capital assets	-	77,631	-	-	39,547	117,178
Purchase of capital assets	(21,500)	(964,008)	-	-	-	(985,508)
Principal and interest paid on capital debt	(46,698)	(5,057)	-	-	-	(51,755)
Net cash (used in) provided by capital and related financing activities	(68,198)	(891,434)	-	-	39,547	(920,085)
Cash Flows from Investment Activities						
Interest received on investments	-	-	-	603	153,394	153,997
Proceeds from sale and maturities of investment securities	-	-	-	(1,370,064)	(58,809)	(1,428,873)
Net cash (used in) provided by investing activities	-	-	-	(1,369,461)	94,585	(1,274,876)
Net (Decrease) Increase in Cash and Cash Equivalents	-	-	(3,870)	4,357	(325)	162
Cash and Cash Equivalents - Beginning of year	-	-	8,359	-	803,967	812,326
Cash and Cash Equivalents - End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,489</u>	<u>\$ 4,357</u>	<u>\$ 803,642</u>	<u>\$ 812,488</u>
Balance Sheet Classification of Cash and Cash Equivalents						
Cash and investments	\$ -	\$ -	\$ 4,489	\$ 1,374,421	\$ 8,666,553	\$ 10,045,463
Less amounts classified as investments	-	-	-	(1,370,064)	(7,862,911)	(9,232,975)
Total cash and cash equivalents	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,489</u>	<u>\$ 4,357</u>	<u>\$ 803,642</u>	<u>\$ 812,488</u>

Other Supplemental Information Combining Statement of Cash Flows Internal Service Funds (Continued) Year Ended September 30, 2015

	Administrative Services	Vehicles and Equipment	Building and Grounds	Self Insured Medical	Self Funded Property/ Casualty Program	Total
Reconciliation of Operating (Loss) Income to Net Cash from Operating Activities						
Operating (loss) income	\$ (1,264,675)	\$ (459,731)	\$ 338,629	\$ (453,201)	\$ (436,615)	\$ (2,275,593)
Adjustments to reconcile operating income (loss) to net cash from operating activities:						
Depreciation and amortization	227,831	452,605	254,630	-	-	935,066
Changes in assets and liabilities:						
Receivables	(2,804)	(7,587)	(5,991)	-	(31,164)	(47,546)
Due from others	(339,146)	(4,490)	(220,000)	1,073,518	(194)	509,688
Inventories	(700)	(1,945)	-	-	-	(2,645)
Prepaid and other assets	(170,647)	235	14,434	618,612	87,573	550,207
Accounts payable	(49,853)	(31,150)	(185,185)	132,255	(1,170)	(135,103)
Due to others	666,559	-	(75,247)	(166)	(187,124)	404,022
Estimated claims liability	-	-	-	-	283,829	283,829
Accrued and other liabilities	876,634	128,642	(125,140)	2,800	150,408	1,033,344
Net cash (used in) provided by operating activities	<u>\$ (56,801)</u>	<u>\$ 76,579</u>	<u>\$ (3,870)</u>	<u>\$ 1,373,818</u>	<u>\$ (134,457)</u>	<u>\$ 1,255,269</u>

Other Supplemental Information Fiduciary Funds Fund Descriptions

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.

Genesee County

Other Supplemental Information Statement of Fiduciary Net Position Fiduciary Funds September 30, 2015

	Pension and Other Employee Benefit Trust Funds		
	Pension Trust		Total
	Fund	Employees'	
	Retirement 12/31/14	Fringe Benefit (VEBA)	
Assets			
Cash and cash equivalents	\$ 9,975,162	\$ 5,445,671	\$ 15,420,833
Investments:			
U.S. government securities	39,296,103	665,963	39,962,066
Agency securities	12,027,525	461,584	12,489,109
Commercial paper	36,707	-	36,707
Bankers' acceptances	83,008,249	-	83,008,249
Common stock	111,347,665	16,634,683	127,982,348
Corporate bonds	58,133,794	6,227,547	64,361,341
Real estate	33,708,553	-	33,708,553
Mutual funds	21,079,260	8,028,484	29,107,744
Hedge fund-of-funds	76,676,385	-	76,676,385
Cash and investments held as collateral for securities lending:			
Negotiable CDs	4,341,378	-	4,341,378
Corporate bonds	206,930	-	206,930
Receivables:			
Interest and accounts receivable	1,377,819	174,576	1,552,395
Loan receivable	627,571	-	627,571
Bond proceeds receivable	235,714	-	235,714
Prepaid expenses and other assets	26,995	511,579	538,574
Total assets	<u>452,105,810</u>	<u>38,150,087</u>	<u>490,255,897</u>
Liabilities			
Accounts payable	406,236	1,393,263	1,799,499
IBNR liability	-	953,500	953,500
Obligations under securities lending agreements	4,548,308	-	4,548,308
Accounts payable - Pending trades	2,531,518	-	2,531,518
Total liabilities	<u>7,486,062</u>	<u>2,346,763</u>	<u>9,832,825</u>
Net Position Held in Trust for Pension and Other Employee Benefits	<u>\$ 444,619,748</u>	<u>\$ 35,803,324</u>	<u>\$ 480,423,072</u>

Genesee County

Other Supplemental Information Combining Statement of Changes in Fiduciary Net Position Fiduciary Funds Year Ended September 30, 2015

	Pension Trust Fund Retirement 12/31/14	Employees' Fringe Benefit (VEBA)	Total
Additions			
Investment income:			
Interest and dividends	\$ 8,138,088	\$ 1,260,443	\$ 9,398,531
Net increase (decrease) in fair value of investments	23,405,716	(401,970)	23,003,746
Investment-related expenses	<u>(1,766,637)</u>	<u>(189,774)</u>	<u>(1,956,411)</u>
Net investment income	29,777,167	668,699	30,445,866
Securities lending income - Interest and dividends	41,185	-	41,185
Contributions:			
Employer	15,656,672	8,212,389	23,869,061
Plan members	<u>2,632,710</u>	<u>983,403</u>	<u>3,616,113</u>
Net contributions	<u>18,289,382</u>	<u>9,195,792</u>	<u>27,485,174</u>
Total additions	48,107,734	9,864,491	57,972,225
Deductions			
Benefits	43,375,147	15,569,514	58,944,661
Refunds of contributions	278,284	-	278,284
Transfer to other pension plans	1,686,985	19,008	1,705,993
Administrative expenses	<u>483,671</u>	<u>1,963</u>	<u>485,634</u>
Total deductions	<u>45,824,087</u>	<u>15,590,485</u>	<u>61,414,572</u>
Net Increase (Decrease) in Net Position Held in Trust	2,283,647	(5,725,994)	(3,442,347)
Net Position Held in Trust for Pension and Other Employee Benefits - Beginning of year	<u>442,336,101</u>	<u>41,529,318</u>	<u>483,865,419</u>
Net Position Held in Trust for Pension and Other Employee Benefits - End of year	<u>\$ 444,619,748</u>	<u>\$ 35,803,324</u>	<u>\$ 480,423,072</u>

Genesee County

Other Supplemental Information Statement of Changes in Assets and Liabilities Trust and Agency Funds Year Ended September 30, 2015

	Balance at October 1, 2014	Additions	Reductions	Balance at September 30, 2015
Trust and Agency				
Assets				
Cash and investments	\$ 23,619,080	\$ 112,056,380	\$ (118,494,326)	\$ 17,181,134
Accounts receivable	5,068	8,253	(12,351)	970
Total assets	<u>\$ 23,624,148</u>	<u>\$ 112,064,633</u>	<u>\$ (118,506,677)</u>	<u>\$ 17,182,104</u>
Liabilities - Accounts payable	<u>\$ 23,624,148</u>	<u>\$ 113,306,940</u>	<u>\$ (119,748,984)</u>	<u>\$ 17,182,104</u>
	Balance at October 1, 2014	Additions	Reductions	Balance at September 30, 2015
Library Penal Fine				
Assets - Cash and investments	<u>\$ 123,428</u>	<u>\$ 733,499</u>	<u>\$ (757,786)</u>	<u>\$ 99,141</u>
Liabilities - Due to other governmental units	<u>\$ 123,428</u>	<u>\$ 2,648,383</u>	<u>\$ (2,672,670)</u>	<u>\$ 99,141</u>

Genesee County

Other Supplemental Information Component Unit - Brownfield Authority Fund Based Balance Sheet September 30, 2015

	Brownfield Authority	Full Accrual Adjustments	Total
Assets			
Cash and cash equivalents	\$ 108,926	\$ -	\$ 108,926
Current loan receivable	337,500	-	337,500
Long-term loan receivable	2,025,000	-	2,025,000
Total assets	2,471,426	-	2,471,426
Liabilities			
Accrued liabilities and other:			
Accrued interest payable	-	238,500	238,500
Funds held in escrow	225,000	-	225,000
Long-term debt	-	12,206,594	12,206,594
Total liabilities	225,000	12,445,094	12,670,094
Deferred Inflows of Resources -			
Other deferred inflows	2,250,000	(2,250,000)	-
Fund Balance (Deficit)	\$ (3,574)	-	
Net Position (Deficit)		\$ (10,195,094)	\$ (10,198,668)

Genesee County

Other Supplemental Information Component Unit - Brownfield Authority Fund Based Schedule of Revenues and Expenditures Year Ended September 30, 2015

	Brownfield Authority	Full Accrual Adjustments	Total
Revenue			
Charges for services	\$ 241,590	\$ -	\$ 241,590
Interest income	520	-	520
Other	337,500	(337,500)	-
Total revenue	579,610	(337,500)	242,110
Expenditures - Current			
Principal	275,000	(275,000)	-
Interest	334,817	238,500	573,317
Other	468,833	(468,083)	750
Total expenditures	1,078,650	(504,583)	574,067
Operating Income (Loss)	(499,040)	167,083	(331,957)
Change in Fund Balance/Net Position	(499,040)	167,083	(331,957)
Fund Balance/Net Position (Deficit) - Beginning of year	495,466	(10,362,177)	(9,866,711)
Fund Balance/Net Position (Deficit) - End of year	<u>\$ (3,574)</u>	<u>\$ (10,195,094)</u>	<u>\$ (10,198,668)</u>

Genesee County

Other Supplemental Information Component Unit - Drain Special Assessment Fund Based Balance Sheet September 30, 2015

	SA-Capital Projects	Drains Internal Service Funds	Drains Chapter 20 Debt and Capital Projects	Full Accrual Adjustments	Total
Assets					
Cash and cash equivalents	\$ 1,255,706	\$ 1,348,960	\$ 441,810	\$ -	\$ 3,046,476
Investments	-	-	202,050	-	202,050
Receivables - Special assessments receivable	4,406,159	-	-	-	4,406,159
Inventory	-	47,598	-	-	47,598
Capital assets:					
Assets not subject to depreciation	-	-	-	323,926	323,926
Assets subject to depreciation	-	275,420	-	18,893,614	19,169,034
Total assets	5,661,865	1,671,978	643,860	19,217,540	27,195,243
Liabilities					
Accounts payable	200,796	6,392	-	-	207,188
Accrued liabilities and other	11,680	25,800	-	25,078	62,558
Long-term debt	-	-	-	2,383,558	2,383,558
Total liabilities	212,476	32,192	-	2,408,636	2,653,304
Deferred Inflows of Resources	-	-	-	-	-
Fund Balance	5,449,389	1,639,786	643,860	-	
Net Position					
Net investment in capital assets				16,833,982	17,109,402
Unrestricted				(25,078)	7,432,537
Total net position				\$ 16,808,904	\$ 24,541,939

Genesee County

Other Supplemental Information Component Unit - Drain Special Assessment Fund Based Schedule of Revenues and Expenditures Year Ended September 30, 2015

	SA-Capital Projects	Drains Internal Service Funds	Drains Chapter 20 Debt and Capital Projects	Full Accrual Adjustments	Total
Revenue					
Property taxes	\$ 1,867,868	\$ -	\$ -	\$ -	\$ 1,867,868
Charges for services	-	829,833	-	-	829,833
Interest income	163	-	385	-	548
Other	61,528	3,226	-	-	64,754
Expenditures - Current					
Drains	1,703,540	770,246	-	-	2,473,786
Interest expense	55,706	-	-	(3,201)	52,505
Principal payments	415,000	-	-	(415,000)	-
Depreciation	-	34,043	-	2,153,645	2,187,688
Total expenditures	2,174,246	804,289	-	1,735,444	4,713,979
Surplus (Shortfall)	(244,687)	28,770	385	(1,735,444)	(1,950,976)
Change in Fund Balance/Net Position	(244,687)	28,770	385	(1,735,444)	(1,950,976)
Fund Balance/Net Position - Beginning of year	5,694,076	1,611,016	643,475	18,544,348	26,492,915
Fund Balance/Net Position - End of year	<u>\$ 5,449,389</u>	<u>\$ 1,639,786</u>	<u>\$ 643,860</u>	<u>\$ 16,808,904</u>	<u>\$ 24,541,939</u>

Statistical Section

Genesee County, Michigan

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.

Revenue Capacity:

These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.

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.

Demographic Information:

These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.

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.

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.

Genesee County, Michigan

Financial Trend Information Net Position by Component

	As of September 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015*
Governmental Activities										
Net investment in capital assets	\$ 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	\$ 66,540,287
Restricted	-	41,013,071	31,787,518	11,717,237	20,241,229	18,852,892	23,010,572	19,786,947	20,803,376	22,991,275
Unrestricted	76,773,053	53,409,520	46,266,553	55,427,522	48,973,673	41,178,928	32,695,359	6,226,971	(3,415,181)	(109,668,189)
Total net position	143,997,438	158,556,937	147,519,844	137,138,141	106,681,033	124,612,703	125,636,557	97,593,611	85,055,644	(20,136,627)
Business-type Activities										
Net investment in capital assets	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	4,068,658
Restricted	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	13,674,949
Unrestricted	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	6,755,133
Total net position	21,558,588	20,028,722	18,921,176	18,698,099	15,793,150	16,934,062	19,152,609	21,873,686	24,290,524	24,498,740
Primary Government in Total										
Net investment in capital assets	72,108,725	68,977,946	74,227,848	74,643,502	42,021,656	68,553,778	73,745,682	74,892,773	70,870,208	70,608,945
Restricted	8,059,145	48,912,527	40,019,213	19,001,285	30,685,719	29,030,505	33,826,963	31,081,162	34,471,536	36,666,224
Unrestricted	85,388,156	60,695,186	52,193,959	62,191,453	49,766,808	43,962,482	37,216,521	13,493,362	4,004,424	(102,913,056)
Total net position	\$ 165,556,026	\$ 178,585,659	\$ 166,441,020	\$ 155,836,240	\$ 122,474,183	\$ 141,546,765	\$ 144,789,166	\$ 119,467,297	\$ 109,346,168	\$ 4,362,113

* This year includes the adoption of GASB 68; prior periods have not been restated

Genesee County, Michigan

Financial Trend Information Changes in Governmental Net Position

	As of September 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015*
Expenses										
Legislative	\$ 1,016,026	\$ 1,069,833	\$ 1,214,248	\$ 1,017,849	\$ 696,041	\$ 628,524	\$ 1,023,886	\$ 981,519	\$ 926,118	\$ 1,920,677
Management and planning	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	10,057,818
Administration of justice	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	41,352,242
Law enforcement and community protection	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	40,604,622
Human services	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	92,040,083
Community enrichment and development	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	13,134,199
General support services	330,176	278,423	280,225	244,885	140,579	84,645	-	-	-	-
Interest on long-term debt	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	1,062,301
Total governmental activities	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	200,171,942
Program Revenue										
Charges for services:										
Management and planning	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	5,155,908
Administration of justice	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	6,080,395
Law enforcement and community protection	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	2,278,905
Human services	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	3,562,013
Community enrichment and development	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	2,608,015
Legislative	-	-	-	-	-	103,791	52,505	51,762	-	-
Total charges for services	98,162,551	96,582,431	111,217,537	118,277,164	127,999,716	141,810,253	127,332,255	43,056,628	21,893,896	19,685,236
Operating grants and contributions	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	72,908,386
Capital grants and contributions	-	1,995,000	1,960,000	-	-	-	-	-	-	54,538
Total program revenue	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	92,648,160
Net expense	(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)	(107,523,782)
General Revenue										
Taxes:										
Current property taxes	\$ 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	\$ 75,444,697
State liquor tax	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	3,764,943
State cigarette tax	272,636	257,589	210,485	149,948	108,601	72,008	7,514,973	22,524	16,946	-
Use of money and investments	3,528,890	4,132,787	3,040,092	2,340,338	741,489	614,576	988,717	504,347	471,242	293,780
Other unrestricted intergovernmental revenues	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	9,865,339
Other unrestricted revenues	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	2,229,713
Total general revenue	125,339,491	143,972,546	121,606,836	114,837,904	102,394,032	99,807,696	94,775,849	97,499,103	98,448,815	91,598,472
Special item transfer of operations to Genesee Health Services	-	-	-	-	-	-	-	(17,467,946)	-	-
Transfers in (out)	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	3,982,800
Total Change in net position	5,830,831	14,559,499	(12,704,177)	(10,374,346)	(10,216,555)	(11,860,515)	1,347,481	(28,366,573)	(12,537,967)	(11,942,510)
Net Position - Beginning of year	138,166,607	143,997,438	158,556,937	147,512,487	146,897,588	136,473,218	124,612,703	125,960,184	97,593,611	(8,194,117)
Net Position - End of year	\$ 143,997,438	\$ 158,556,937	\$ 145,852,760	\$ 137,138,141	\$ 136,681,033	\$ 124,612,703	\$ 125,960,184	\$ 97,593,611	\$ 85,055,644	\$ (20,136,627)

* This year includes the adoption of GASB 68; prior periods have not been restated

Genesee County, Michigan

Financial Trend Information Changes in Business-type Net Position

	As of September 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenue										
Charges for services:										
Commissary	\$ 467,888	\$ 490,221	\$ 506,601	\$ 534,613	\$ 566,448	\$ 530,954	\$ 534,150	\$ 534,689	\$ 463,231	\$ 235,294
Delinquent tax	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	10,390,672
Parks and recreation enterprise	1,402,855	1,419,368	683,320	296,384	275,921	282,369	328,714	353,734	463,458	334,853
Parking Meter	-	-	-	-	-	92,318	84,909	322,516	304,109	336,218
Total revenue	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	11,297,037
Expenses										
Commissary	307,663	297,833	325,880	351,625	371,173	354,096	323,556	340,779	268,348	56,591
Delinquent tax	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	5,240,349
Parks and recreation enterprise	1,786,317	1,654,706	1,094,510	865,909	862,088	1,282,486	888,622	951,103	1,078,445	976,582
Parking Meter	-	-	-	-	-	71,042	65,795	349,854	368,222	368,521
Total operating expenses	6,511,384	5,867,197	6,429,435	6,956,894	6,470,876	5,855,361	6,391,279	6,399,075	6,999,093	6,642,043
Net revenue	<u>\$ 3,186,657</u>	<u>\$ 2,701,685</u>	<u>\$ 4,238,642</u>	<u>\$ 4,689,060</u>	<u>\$ 6,545,252</u>	<u>\$ 6,542,525</u>	<u>\$ 7,787,795</u>	<u>\$ 7,538,904</u>	<u>\$ 7,150,763</u>	<u>\$ 4,654,994</u>

Genesee County, Michigan

Financial Trend Information Fund Balances - Governmental Funds

Last 10 Fiscal Years

	As of September 30									
	2006	2007	2008	2009	2010	2011*	2012	2013	2014	2015
General Fund:										
Reserved	\$ 3,598,597	\$ 3,887,892	\$ 4,148,176	\$ 3,757,229	\$ 3,219,465	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	9,801,036	7,501,262	6,780,668	1,071,157	7,955,013	-	-	-	-	-
Nonspendable	-	-	-	-	-	\$3,141,810	\$2,671,645	\$1,861,499	\$1,539,724	1,093,416
Assigned	-	-	-	-	-	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Unassigned	-	-	-	-	-	7,667,575	8,074,634	9,455,182	10,967,280	15,964,753
Total general fund	<u>\$ 13,399,633</u>	<u>\$ 11,389,154</u>	<u>\$ 10,928,844</u>	<u>\$ 4,828,386</u>	<u>\$ 11,174,478</u>	<u>\$ 11,809,385</u>	<u>\$ 11,746,279</u>	<u>\$ 12,316,681</u>	<u>\$ 13,507,004</u>	<u>\$ 18,058,169</u>
All other governmental funds:										
Reserved	\$ 23,309,614	\$ 32,511,561	\$ 32,653,060	\$ 520,606	\$ 3,300,415	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	30,363,231	33,675,733	20,259,026	36,333,372	35,401,231	-	-	-	-	-
Nonspendable	-	-	-	-	-	\$3,888,383	\$4,677,877	\$3,051,523	\$2,727,937	1,480,549
Restricted	-	-	-	-	-	13,168,565	7,625,603	5,481,383	5,538,687	8,440,561
Committed	-	-	-	-	-	84,974	74,994	74,994	74,994	-
Assigned	-	-	-	-	-	24,514,865	25,202,726	12,207,333	12,584,271	8,715,520
Unassigned (deficit)	-	-	-	-	-	(4,345,283)	(3,128,671)	(3,154,533)	(6,614,073)	(925,418)
Total all other governmental funds	<u>\$ 53,672,845</u>	<u>\$ 66,187,294</u>	<u>\$ 52,912,086</u>	<u>\$ 36,853,978</u>	<u>\$ 38,701,646</u>	<u>\$ 37,311,504</u>	<u>\$ 34,452,529</u>	<u>\$ 17,660,700</u>	<u>\$ 14,311,816</u>	<u>\$ 17,711,212</u>

Genesee County, Michigan

Financial Trend Information Changes in Fund Balances - Governmental Funds

Last 10 Fiscal Years

	Year Ended September 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenue										
Taxes	\$86,840,515	\$ 110,748,784	\$ 96,475,936	\$ 84,534,288	\$ 85,251,366	\$ 75,599,656	\$ 71,952,310	\$ 69,701,002	\$ 69,525,911	\$ 74,540,294
Licenses and permits	1,238,421	1,463,997	1,514,703	1,759,640	1,694,977	1,827,107	1,924,672	1,948,321	2,014,825	1,816,567
Fines and forfeitures	2,473,432	2,715,541	2,190,518	2,139,682	1,971,211	1,822,574	1,661,433	1,669,634	1,426,368	1,487,348
Use of money and property	3,795,451	4,394,915	3,309,684	1,173,100	741,489	439,887	988,717	504,347	471,242	1,185,555
Federal grants	47,636,776	63,486,445	53,919,149	64,989,753	86,579,730	73,284,999	71,737,757	58,443,265	40,651,335	49,069,871
State grants	55,337,148	47,133,284	54,183,557	56,072,284	38,180,819	31,189,792	32,395,619	19,542,617	12,630,290	18,272,630
Other intergovernmental revenues	8,454,322	6,733,314	8,069,683	8,159,750	8,803,198	19,673,487	16,372,713	20,195,582	23,255,513	23,525,246
Charges for services	98,162,552	96,582,431	111,217,537	116,804,045	127,999,717	135,766,503	125,661,111	46,014,914	17,357,455	15,562,682
Other	17,063,294	13,876,995	11,822,662	9,740,510	9,864,457	7,031,866	8,052,652	8,709,303	4,882,479	3,087,187
Total revenue	\$321,001,911	347,135,706	342,703,429	345,373,052	361,086,964	346,635,871	330,746,984	226,728,985	172,215,418	188,547,380
Expenditures										
Current:										
Legislative	1,018,198	1,074,904	1,211,126	902,798	902,798	1,077,329	947,599	922,513	871,194	849,702
Management and planning	11,387,914	11,746,542	13,061,601	8,778,867	8,778,867	8,344,975	7,868,993	7,693,035	7,740,566	8,567,506
Administration of justice	36,092,505	39,616,056	41,179,919	38,628,589	38,215,218	36,793,682	35,741,313	35,176,495	35,536,901	35,642,835
Law enforcement and community protection	33,575,804	34,349,956	36,662,783	36,543,125	36,125,761	36,139,028	34,229,888	33,448,876	33,316,690	34,478,930
Human services	212,013,445	227,256,969	242,138,776	258,536,374	260,262,424	245,420,861	232,854,546	121,784,023	69,853,272	87,725,494
Community enrichment and development	9,134,039	6,762,148	7,140,903	8,818,413	15,642,043	13,284,627	14,570,111	19,050,134	21,736,676	12,543,301
General support services	230,987	278,953	279,291	133,851	133,851	154,581	-	-	-	-
Debt service:										
Principal	2,779,000	2,536,000	2,599,000	2,711,000	2,944,500	1,899,500	2,289,500	2,365,000	2,340,000	2,420,000
Interest	1,521,960	1,544,866	1,496,932	1,438,967	1,172,487	1,194,751	1,489,810	1,249,358	1,130,701	1,018,801
Other	13,958,517	13,447,187	8,954,222	5,139,994	4,996,815	8,025,625	3,902,366	3,334,646	4,208,107	-
Capital outlay	2,826,643	2,004,138	1,145,240	3,552,291	1,830,924	7,437,431	4,417,263	3,549,562	503,213	175,051
Total expenditures	324,539,012	340,617,719	355,869,793	365,184,269	371,005,688	359,772,390	338,311,389	228,573,642	177,237,320	183,421,620
Excess of Revenue Over (Under) Expenditures	(3,537,101)	6,517,987	(13,166,364)	(19,811,217)	(9,918,724)	(13,136,519)	(7,564,405)	(1,844,657)	(5,021,902)	5,125,760
Other Financing Sources (Uses)										
Debt issuance	-	-	-	1,150,000	-	9,015,784	4,830,000	-	-	-
Payment to refund bond escrow	-	-	-	-	-	-	(4,895,805)	-	-	-
Sale of fixed assets	-	-	-	-	-	-	-	-	-	-
Transfers in	47,404,927	72,052,311	73,025,131	71,978,284	73,489,202	61,047,758	36,985,768	28,960,116	28,066,505	28,192,444
Transfers out	(43,701,772)	(68,010,760)	(70,417,354)	(62,187,903)	(66,299,852)	(57,474,443)	(32,645,268)	(25,501,311)	(25,203,164)	(25,367,643)
Total other financing sources (uses)	3,703,155	4,041,551	2,607,777	10,940,381	7,189,350	12,589,099	4,274,695	3,458,805	2,863,341	2,824,801
Special Item - Transfer of operations to Genesee Health System	-	-	-	-	-	-	-	(17,467,946)	-	-
Net change in fund balances	166,054	10,559,538	(10,558,587)	(8,870,836)	(2,729,374)	(547,420)	(3,289,710)	(15,853,798)	(2,158,561)	7,950,561
Fund Balances - Beginning of year	66,850,856	67,016,910	77,140,746	66,574,802	52,605,498	49,668,309	49,120,889	45,831,179	29,977,381	27,818,820
Fund Balances - End of year	\$ 67,016,910	\$ 77,576,448	\$ 66,582,159	\$ 57,703,966	\$ 49,876,124	\$ 49,120,889	\$ 45,831,179	\$ 29,977,381	\$ 27,818,820	\$ 35,769,381
Debt service as a percentage of noncapital expenditures	1.31%	1.19%	1.15%	1.13%	1.10%	0.85%	1.10%	1.56%	1.95%	1.91%

Genesee County, Michigan

Revenue Capacity Information Taxable Value by Property Type and Actual Value

Fiscal Year Ended September 30	Taxable Value by Property Type:						Tax rate (mills)	Estimated Actual Value	Taxable Value as a % of Actual
	Real property:								
	Residential	Commercial	Industrial	Agricultural and Other	Personal Property	Total Value			
2006	\$ 7,930,930,667	\$ 1,942,291,432	\$ 462,904,596	\$ 108,960,093	\$ 875,861,401	\$ 11,320,948,189	6.47	\$ 27,391,654,734	41.33%
2007	8,350,676,588	2,064,642,037	465,453,698	114,502,824	854,545,349	11,849,820,496	8.17	28,313,868,698	41.85%
2008	8,350,007,649	2,094,584,863	460,814,189	115,709,217	507,958,414	11,529,074,332	8.17	27,397,998,344	42.08%
2009	7,930,452,065	2,125,973,096	444,413,929	121,736,391	763,503,909	11,386,079,390	8.17	24,932,643,592	45.67%
2010	6,955,393,965	2,009,484,789	387,987,718	120,627,170	662,225,029	10,135,718,671	8.17	21,597,824,570	46.93%
2011	6,466,696,290	1,890,189,839	300,632,882	120,346,797	672,342,830	9,450,208,638	8.17	19,901,611,138	47.48%
2012	5,972,151,496	1,771,241,495	270,729,202	121,614,177	669,493,501	8,805,229,871	8.17	18,367,136,020	47.94%
2013	5,837,245,297	1,712,997,352	250,527,317	122,092,317	668,282,291	8,591,144,574	8.27	17,993,098,216	47.75%
2014	5,893,132,429	1,675,421,185	235,571,997	124,919,520	630,476,780	8,559,521,911	8.78	18,480,785,762	46.32%
2015	6,024,028,382	1,679,748,773	227,245,957	127,372,575	649,931,485	8,708,327,172	8.78	19,499,163,990	44.66%

Note: Under Michigan law, the revenue base is Taxable Value.

Taxes levied in a particular "tax year" become revenue of the subsequent fiscal year

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 types of real and personal property.

Estimated actual value is calculated by doubling assessed value. Tax rates are per \$1,000 of assessed value.

Genesee County, Michigan

Revenue Capacity Information Direct and Overlapping Property Tax Rates

Fiscal Year Ended June 30,	Millage Rates - Direct County Taxes **									Overlapping Taxes							Total Tax Rate
	General Operating	County Parks	County Emergency Medical Services	Senior Services	Health Services	Veterans	MSU Extension	Animal Control	Total Direct Taxes ***	Schools	Mott Community college	Genesee Intermediate School District	Townships, Cities, and Villages	District Library	Airport Authority	Specal Assess.	Direct & Overlapping Rates
2006	5.51	0.48	0.48	-	-	-	-	-	6.47	14.80	1.94	3.32	9.21	0.75	0.48	0.12	37.09
2007	5.51	0.48	0.48	0.70	1.00	-	-	-	8.17	17.92	2.65	3.54	6.93	0.75	0.48	0.11	40.55
2008	5.51	0.48	0.48	0.70	1.00	-	-	-	8.17	17.97	2.65	3.54	6.91	0.75	0.48	0.15	40.62
2009	5.51	0.48	0.48	0.70	1.00	-	-	-	8.17	18.00	2.65	3.54	6.92	0.75	0.48	0.18	40.69
2010	5.51	0.48	0.48	0.70	1.00	-	-	-	8.17	18.00	2.65	3.54	6.77	0.75	0.48	0.22	40.58
2011	5.51	0.48	0.48	0.70	1.00	-	-	-	8.17	18.00	2.98	3.98	7.61	0.75	0.48	0.25	42.22
2012	5.51	0.48	0.48	0.70	1.00	-	-	-	8.17	18.00	2.86	3.53	6.79	1.23	0.48	0.22	41.28
2013	5.51	0.48	0.48	0.70	1.00	0.10	-	-	8.27	28.44	2.82	3.54	6.99	1.25	0.48	0.20	51.99
2014	5.51	0.75	0.48	0.70	1.00	0.10	0.04	0.20	8.78	28.50	2.82	3.54	6.93	1.22	0.48	0.23	52.50
2015	5.51	0.75	0.48	0.70	1.00	0.10	0.04	0.20	8.78	28.50	2.86	3.53	6.93	1.00	0.48	0.23	52.32

Source: Genesee County Equalization

* Overlapping rates are those of local and county governments that apply to property owner within Genesee County. Not all overlapping rates apply to all Genesee County property owners (e.g., the rates for special districts apply only to the proportion of the government's property owners whose property is located within the geographic boundaries of the special district).

** Local and county governments are limited by State Statute (Headlee Amendment) to increase property taxes (without a vote of the public) no more that the rate of inflation exclusive of net additions in property values due to new construction. Otherwise, a rate rollback must be done.

*** The maximum County millage rate allowed by Headlee Amendment for 2015 was 8.78.

Genesee County, Michigan

Revenue Capacity Information Principal Property Taxpayers

Taxpayer	2015 Taxable Value	Percentage of Total Taxable Value	2006 Taxable Value	Rank	Percentage of Total Taxable Value
1 Consumers Energy	\$ 249,241,861	45.21%	\$ 190,819,645	2	21.67%
2 General Motors ETAL	90,495,400	16.41%	397,922,434	1	45.18%
3 Wal-Mart/Sam's	39,347,572	7.14%	30,871,992	5	3.51%
4 LSREF3 Spartan LLC	35,138,400	6.37%	-	-	-
5 Meijer Inc/Good Will Co Inc	29,322,011	5.32%	19,319,784	10	2.19%
6 Edward Rose Assoc ETAL	26,317,497	4.77%	27,836,011	6	3.16%
7 Magna ETAL	23,863,476	4.33%	-	-	-
8 Genesys Regional Medical ETAL	21,595,781	3.92%	-	-	-
9 Comcast Cablevision	19,177,524	3.48%	-	-	-
10 Michigan Electric Transmission Co LLC	16,841,300	3.05%	-	-	-
Delphi Automotive	-	-	94,228,572	3	10.70%
Genesee Investors II LLC (Genesee Valley)	-	-	58,249,120	4	6.61%
Home Depot	-	-	21,416,318	7	2.43%
Kroger	-	-	20,315,510	8	2.31%
Ring Screw Works ETAL	-	-	19,753,329	9	2.24%
Total Taxable Value of Top 10	\$ 551,340,822	6.33%	\$ 880,732,715	7.78%	
Total County Taxable Value	\$ 8,708,327,172		\$ 11,320,948,189		

Source: Genesee County Equalization

Genesee County, Michigan

Revenue Capacity Information Property Tax Levies and Collections

Tax Year	Fiscal Year Ended September 30	Total Levy	Current Collections	Percent Collected	Delinquent Collections	Total Tax Collections	Percent of Total
							Collections to Tax Levy
2005	2006	\$ 69,978,962	\$ 64,674,114	92.4%	\$ 3,337,568	\$ 68,011,682	97.19%
2006	2007	92,823,015	87,783,960	94.6%	5,039,055	92,823,015	100.00%
2007	2008	96,962,513	91,098,930	94.0%	5,863,583	96,962,513	100.00%
2008	2009	97,004,331	90,979,934	93.8%	6,024,397	97,004,331	100.00%
2009	2010	93,767,535	86,508,053	92.3%	7,259,482	93,767,535	100.00%
2010	2011	83,767,765	78,101,948	93.2%	5,665,817	83,767,765	100.00%
2011	2012	77,487,325	72,746,879	93.9%	4,740,446	77,487,325	100.00%
2012	2013	71,888,548	68,418,662	95.2%	3,469,886	71,888,548	100.00%
2013	2014	71,229,062	67,541,004	94.8%	3,688,058	71,229,062	100.00%
2014	2015	75,273,713	68,312,762	90.8%	6,960,951	75,273,713	100.00%

Genesee County, Michigan

Debt Capacity Information Ratios of Outstanding Debt

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental Activities										
General obligation bonds	\$ 33,537,500	\$ 41,001,500	\$ 38,402,500	\$ 23,941,500	\$ 20,997,000	\$ 28,113,284	\$ 25,823,784	\$ 23,529,284	\$ 21,217,784	\$ 18,815,784
Less pledged debt service funds	-	218,170	110,224	109,124	376,404	309,600	57,817	54,890	55,123	349,464
Net general bonded debt	33,537,500	40,783,330	38,292,276	23,832,376	20,620,596	27,803,684	25,765,967	23,474,394	21,162,661	18,466,320
Equipment Notes	254,540	135,804	10,682	-	-	-	19,491	15,873	461,588	309,175
Total	33,792,040	40,919,134	38,302,958	23,832,376	20,620,596	27,803,684	25,785,458	23,490,267	21,624,249	18,775,495
Business-type Activities										
General obligation bonds	307,500	253,500	217,500	178,500	138,000	97,500	72,000	46,500	18,000	-
Delinquent tax notes	21,795,000	29,742,000	67,592,090	70,441,250	55,451,292	50,652,792	42,300,000	35,800,000	40,701,376	43,530,000
Total	22,102,500	29,995,500	67,809,590	70,619,750	55,589,292	50,750,292	42,372,000	35,846,500	40,719,376	43,530,000
Total debt of the government	\$ 55,894,540	\$ 70,914,634	\$ 106,112,548	\$ 94,452,126	\$ 76,209,888	\$ 78,553,976	\$ 68,157,458	\$ 59,336,767	\$ 62,343,625	\$ 62,305,495
Percentage of personal income	0.46%	0.56%	0.86%	0.78%	0.62%	0.60%	0.51%	0.44%	0.45%	0.43%
Total debt per capita *	128	163	214	217	176	181	156	142	150	151

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

* See the Schedule of Demographic and Economic Statistics table for personal income and population data.

Genesee County, Michigan

Debt Capacity Information Ratios of General Bonded Debt Outstanding

Fiscal Year	Governmental General Obligation Bonds	Business General Obligaion Bonds	Less Pledged Debt Service Funds	Net General Obligation Debt	Percent of Estimated Actual Value of Property *	Per capita **
2006	\$ 33,537,500	\$ 307,500	\$ -	\$ 33,845,000	0.12%	78
2007	41,001,500	253,500	218,170	41,036,830	0.14%	93
2008	38,402,500	217,500	110,224	38,509,776	0.14%	88
2009	23,941,500	178,500	109,124	24,010,876	0.10%	57
2010	20,997,000	138,000	376,404	20,758,596	0.10%	49
2011	28,113,284	97,500	309,600	27,901,184	0.14%	66
2012	25,823,784	72,000	57,817	25,837,967	0.14%	61
2013	23,529,284	46,500	54,890	23,520,894	0.13%	56
2014	21,217,784	18,000	55,123	21,180,661	0.11%	51
2015	18,815,784	-	349,464	18,466,320	0.09%	45

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

* See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.

** Population data can be found in the Schedule of Demographic and Economic Statistics table

Genesee County, Michigan

Debt Capacity Information Direct and Overlapping Governmental Activities Debt

Governmental Unit	Debt Outstanding *
Genesee County - Direct County Debt:	
General Obligation Bonds	\$ 8,599,380
Building Authority Bonds **	20,955,000
Total General Obligation Bonds	29,554,380
Revenue Bonds with General Obligation Pledge	209,180,000
Michigan Transportation Fund Bonds	7,075,000
Share of Authority Issued Bonds - Karegnondi Water Supply System, Series 2014	145,530,005
Total Genesee County Direct Debt	391,339,385
Less:	
Revenue Bonds	(209,180,000)
Michigan Transportation Fund Bonds	(7,075,000)
Karegnondi Water Supply System 2014	(145,530,005)
Genesee County Net Direct Debt	29,554,380
Overlapping Debt:	
Cities	46,077,329
Townships	37,790,781
Villages	1,024,717
School Districts	332,334,542
Intermediate School Districts	7,443,758
Community College	40,360,705
Airport Authority	10,075,000
Net Overlapping Debt	475,106,832
Net Direct and Overlapping Debt	\$ 504,661,212

* Source: Municipal Advisory Council of Michigan as of March 8, 2016

** Includes \$11,540,000 of Brownfield Redevelopment Bonds

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

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

Genesee County, Michigan

Debt Capacity Information Legal Debt Margin

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Calculation of Debt Limit										
State equalized valuation (SEV)	\$ 13,695,827,367	\$ 14,156,934,349	\$ 13,698,999,172	\$ 12,466,321,796	\$ 10,798,912,285	\$ 9,950,805,569	\$ 9,183,568,010	\$ 8,996,549,108	\$ 9,240,392,881	\$ 9,749,581,995
Debt limit (10 percent of SEV)	1,369,582,737	1,415,693,435	1,369,899,917	1,246,632,180	1,079,891,229	995,080,557	918,356,801	899,654,911	924,039,288	974,958,200
Calculation of debt subject to limit:										
Total debt	34,099,540	41,390,804	35,730,682	40,120,000	21,135,000	28,113,284	25,888,275	23,545,157	21,679,372	19,124,959
Plus Business Type Tax Notes	21,795,000	29,742,000	57,592,090	70,441,250	55,550,000	50,652,792	42,300,000	35,800,000	40,701,376	43,530,000
Component Unit Debt:										
Brownfield Authority	5,000,000	5,000,000	13,035,000	13,035,000	12,930,000	12,820,000	12,610,000	12,365,000	12,110,000	11,835,000
Land Bank Authority	445,942	434,515	3,577,506	3,588,685	3,990,785	3,647,890	3,060,742	2,453,593	1,806,445	-
Water and Waste Services	115,596,420	144,697,048	168,034,033	168,070,641	176,945,058	169,411,610	177,889,020	170,682,896	187,283,580	173,396,023
Road Commission	2,761,480	7,532,542	16,186,229	14,063,032	18,440,726	18,797,421	14,913,122	11,525,000	9,485,000	7,370,000
Drain Fund	2,950,407	4,662,036	3,860,052	3,088,767	2,608,758	1,910,916	3,387,926	3,165,437	2,608,890	2,383,558
Less debt not subject to limit:										
Non-Bonded Debt	(439,072)	(349,652)	(255,048)	(174,531)	(80,883)	-	(19,491)	(15,873)	(461,588)	(309,175)
Road Commission Debt	(2,385,000)	(8,750,000)	(12,520,000)	(15,906,283)	(18,440,726)	(16,105,931)	(13,839,092)	(11,525,000)	(9,485,000)	(7,370,000)
Water and Waste Service Sewer Bonds	(74,006,420)	(104,302,048)	(122,864,033)	(124,305,641)	(134,315,058)	(127,956,610)	(137,235,072)	(131,379,391)	(113,635,288)	(101,505,288)
Drain Fund Special Assessment Debt	(615,407)	(782,036)	(670,052)	(588,767)	(798,758)	(400,916)	(292,926)	(480,437)	(333,890)	(523,558)
Net debt subject to limit	\$ 105,202,890	\$ 119,275,209	\$ 161,706,459	\$ 171,432,153	\$ 137,964,902	\$ 140,890,456	\$ 128,662,504	\$ 116,136,382	\$ 151,758,897	\$ 147,931,519
Legal debt margin	1,264,379,847	1,296,418,226	1,208,193,458	1,075,200,027	941,926,327	854,190,101	789,694,297	783,518,529	772,280,391	827,026,681
Net debt subject to limit as % of debt limit	7.68%	8.43%	11.80%	13.75%	12.78%	14.16%	14.01%	12.91%	16.42%	15.17%

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.

Genesee County, Michigan

Pledged-revenue Coverage

Fiscal year	Net Revenue	Debt service		Coverage
		Principal	Interest	
2005	\$ 1,675,344	\$ 7,020,000	\$ 4,698,900	0.1430
2006	2,038,623	8,780,000	5,146,948	0.1464
2007	5,265,754	9,200,000	5,942,875	0.3477
2008	6,627,348	8,430,000	5,702,215	0.4690
2009	12,751,617	9,070,000	6,107,272	0.8402
2010	11,084,258	9,375,000	5,842,436	0.9360
2011	10,600,719	10,360,000	5,895,254	0.6521
2012	12,895,721	10,845,000	5,654,333	0.7816
2013	12,340,914	11,835,000	6,159,841	0.6858
2014	17,403,367	11,495,000	6,062,500	0.9912

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

Genesee County, Michigan

Demographic and Economic Information Demographic and Economic Statistics

Fiscal year	Population *	Total Personal Income (in thousands)	Per Capita Personal Income **	School Enrollment ***	Unemployment Rate ****
2006	436,141	\$ 12,146,527	\$ 27,850	84,418	8.1
2007	441,966	12,684,424	28,700	83,240	7.6
2008	436,141	12,379,745	28,385	81,781	10.6
2009	424,043	12,165,474	28,689	78,956	14.6
2010	425,790	12,373,500	29,060	77,306	12.5
2011	425,790	13,004,500	30,542	75,346	10.0
2012	423,720	13,406,200	31,639	73,460	11.2
2013	418,408	13,565,279	32,421	71,734	8.4
2014	415,376	13,708,667	33,003	70,475	6.3
2015	412,895	14,400,945	34,878	67,980	5.1

Data sources

* Bureau of the Census

** Bureau of Economic Analysis, U.S. Department of Commerce

*** Genesee Intermediate School District

**** State of Michigan

Genesee County, Michigan

Demographic and Economic Information Principal Employers

Rank	Employer	Percentage of Total		2006	Rank	Percentage of Total	
		2015	Employment			Employment	
1	Genesys Health Care System	3,265	2%	3,265	3	2%	
2	McLaren Health Care Corporation	3,014	2%	2,400	7	2%	
3	General Motors Corp. Assembly	2,950	2%	12,246	1	8%	
4	Hurley Medical Center	2,811	2%	2,510	5	2%	
5	Baker College	2,800	2%	-		0%	
6	Square D	2,500	2%	2,500	6	2%	
7	Flint Metal Center - Vehicle Mfg. Operating Div.	2,180	2%	-		0%	
8	A I Flint LLC	1,500	1%	-		0%	
9	General Motors Corp. Assembly - Stamping facility	1,396	1%	-		0%	
10	United States Postal Service	1,200	1%	-		0%	
	Delphi Automotive	-	0%	4,932	2	3%	
	Flint Community Schools	-	0%	3,200	4	2%	
	Meijer	-	0%	1,563	8	1%	
	City of Flint	-	0%	1,311	9	1%	
	Genesee County	-	0%	1,287	10	1%	
Total Principal Employers		23,616		35,214			
Total Employment		132,712		146,559			

Source: U.S. Bureau of Labor Statistics

Genesee County, Michigan

Operating Information Full-time Equivalent Government Employees

Function	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Animal Shelter	13	13	11	11	7	6	7	9	9	16
Board Office	15	15	15	14	14	13	12	12	13	11
Building and Grounds	25	24	22	21	14	15	13	13	15	15
Circuit Court	49	49	48	45	46	47	41	39	42	42
Controller	17	17	16	14	11	10	9	9	13	15
Cooperative Extension	3	1	-	-	-	-	-	-	-	-
Corporation Counsel	6	6	5	5	5	3	3	3	3	3
County Clerk	40	34	36	34	30	29	24	24	24	28
Court Services	7	5	5	6	3	3	3	3	3	3
District Court	63	61	58	57	52	49	47	47	50	52
Emergency Management	4	1	3	3	1	1	1	1	1	1
Equalization	7	9	8	9	8	6	8	7	7	7
Equity and Diversity	3	3	2	1	1	-	-	-	-	-
Family Court	34	33	34	32	25	23	33	34	35	27
Friend of the Court	101	100	95	94	84	79	78	74	78	87
GCCARD	89	81	95	126	105	109	69	46	48	
Genesee Valley Regional Ctr.	42	43	41	44	43	42	38	37	41	51
GIS	2	2	2	1	1	1	1	1	1	1
Human Resources	7	8	8	7	8	7	7	5	5	8
Medical Examiner	-	-	-	-	-	5	5	6	6	6
Information Technology (IT)	19	19	18	19	14	14	14	17	14	15
Parks and Recreation	28	28	27	25	25	23	24	22	22	28
Planning	20	22	22	23	24	22	17	16	19	19
Probate Court	24	24	23	22	20	20	15	15	14	15
Prosecutor	71	67	70	70	58	55	53	55	53	55
Public Health	152	150	144	142	105	95	100	97	99	105
Purchasing	7	6	5	5	5	4	4	3	4	4
Register of Deeds	11	10	8	7	10	10	11	10	10	9
Senior Services	-	-	-	-	-	3	3	3	3	3
Sheriff	265	259	259	248	234	217	236	234	234	243
Surface Water Management	22	20	17	16	15	19	13	13	15	24
Treasurer	18	19	17	15	13	12	12	12	14	15
Veteran's Info. Center	3	3	3	3	3	2	2	3	5	6
Total	1,167	1,132	1,117	1,119	984	943	902	868	899	912

Source: Government Human Resources Office.

Genesee County, Michigan

Operating Information Operating Indicators

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Board Office Committee Meeting Log:										
Public Works	20	23	23	20	19	21	21	22	21	22
Finance/Budget	30	31	25	32	22	25	42	25	23	22
Governmental Operations	27	23	23	25	24	22	23	22	22	23
Human Services	25	24	21	22	23	22	23	22	22	22
Community and Economic Development	14	8	10	12	8	12	8	9	12	12
Board of Commissioners	39	30	27	28	40	29	27	32	30	24
Building and Grounds -										
Centrally Generated Work Orders	2,001	2,018	2,251	1,914	2,116	1,429	1,446	2,011	2,378	2,564
Circuit Court:										
Number of Civil Cases	1,895	1,881	2,134	1,995	1,898	1,822	2,375	2,250	1,885	2,106
Number of Criminal	2,149	2,353	2,184	2,015	1,911	1,910	2,181	3,530	2,297	2,116
Number of Family Cases	7,085	9,051	9,877	9,457	9,622	9,426	7,681	6,725	7,825	8,413
Controllers -										
Number of Checks	37,410	42,430	48,050	63,503	47,595	47,928	49,145	31,826	32,353	47,287
Cooperative Extension:										
4-H Volunteers	13,976	443	55	71	116	116	143	147	214	101
Master Gardener Volunteers	371	309	318	329	308	322	317	215	186	150
Residents Served	49,391	65,716	58,080	48,041	75,265	78,347	77,625	70,645	69,215	65,000
County Clerk General Election Data:										
Registered Voters	338,530	351,082	347,432	163,782	335,069	247,059	336,607	331,984	331,890	325,033
Ballots Cast	165,346	35,656	221,583	22,722	135,010	54,271	204,026	41,606	132,760	109,870
Percent Voting	48.8%	10.2%	63.8%	13.9%	40.3%	22.0%	60.6%	12.5%	40.0%	33.8%
Birth Certificates	6,602	6,432	6,056	5,902	5,696	5,061	4,938	5,441	5,246	5,287
Civil Cases Filed	6,865	2,304	2,134	2,010	2,325	2,250	2,346	6,493	5,980	7,453
Criminal Cases Filed	2,060	1,836	2,184	2,014	1,910	1,797	1,852	1,980	1,960	1,868
Death Certificates	4,285	4,020	4,353	4,361	4,407	4,012	4,387	6,261	4,447	4,568
Divorces	2,411	7,536	2,141	2,072	2,205	5,321	5,156	1,875	1,755	1,697
Marriage Licenses	2,579	2,532	2,330	2,233	2,227	1,964	2,062	2,096	2,321	2,351
District Court:										
Number of Civil Cases	20,185	22,913	23,941	22,866	21,718	20,113	22,511	20,013	18,316	18,590
Number of Criminal/Traffic Cases	62,437	59,427	58,872	56,360	56,141	48,770	47,373	44,250	41,816	36,646
Equalization -										
Number of Parcel Counts	207,759	209,079	209,639	209,360	212,566	211,313	210,849	207,469	204,871	203,712
Friend of the Court -										
Number of Active Cases	55,577	55,530	56,223	55,472	54,920	51,294	51,599	50,833	48,518	47,823
Health:										
Infant Deaths	59	50	56	53	34	18	37	37	25	45
Smoking Rates	25.2%	25.6%	25.6%	24.6%	25.0%	25.0%	23.0%	23.0%	23.0%	23.0%
Gonorrhea Cases	1,682	1,594	1,313	1,157	709	787	1,243	1,050	756	773
Parks and Recreation -										
Huckleberry RR/Crossroad Village Attendance	152,113	159,715	134,853	139,289	143,460	140,419	138,282	141,279	157,553	158,396

Genesee County, Michigan

Operating Information Operating Indicators (Continued)

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Planning Commission:										
Road Reconstruction, Resurfacing, and Restoration:										
Lane Miles	68	147	55	65	69	52	74	172	111	82
Cost	40,162,522	70,114,676	58,161,496	19,544,927	10,080,375	12,295,326	16,364,802	29,373,316	43,677,734	12,252,980
Streets:										
Miles	2	3	3	2	3	4	3	3	1	2
Cost	154,840	356,523	270,000	203,783	198,304	299,405	127,855	81,083	131,753	227,770
Sidewalks:										
Feet	4,600	2,500	800	1,500	3,500	1,320	5,500	-	3,020	-
Cost	214,995	138,449	61,396	152,711	114,946	138,685	115,744	-	153,097	-
Probate Court -										
Number of Probate Cases	3,267	3,037	2,817	3,205	3,134	2,888	3,066	3,012	3,015	3,436
Prosecutors:										
Felony Warrants (more than 1 year)	3,407	3,467	3,408	3,040	2,860	2,985	3,287	2,929	3,298	3,251
Misdemeanor Warrants (more than 1 year)	34	-	-	-	-	-	-	-	-	-
Misdemeanor Warrants (less than 1 year)	1,250	1,141	1,187	1,108	1,029	1,074	818	907	912	651
Purchasing -										
Number of Purchase Orders	1,628	1,228	1,398	1,082	909	875	980	1,195	1,221	1,107
Register of Deeds -										
Annual Recorded Documents	111,178	99,573	85,915	81,874	86,670	86,564	93,781	90,447	86,981	94,886
Sheriff Department:										
Number of Inmates Booked	12,454	12,580	12,133	11,460	10,436	10,429	11,657	14,866	15,771	14,926
Traffic Accidents	919	1,495	1,345	259	1,120	1,117	1,097	893	1,021	1,036
Traffic Violations	2,356	3,372	3,868	1,804	3,356	1,332	1,270	650	895	724
OUIL Arrests	76	140	97	154	163	108	117	68	89	124
Driving With License Suspended Arrests	372	604	422	474	1,374	431	348	248	284	386
Felony Arrests	391	286	271	242	387	163	222	163	314	296
Misdemeanor Arrests	604	1,250	589	703	1,415	751	594	563	1,089	1,355
Treasurers -										
Number of Cash Receipts	49,473	55,202	57,872	58,376	72,702	55,667	56,237	60,220	59,536	60,336
Veterans Information Services:										
Veteran Services	27,763	27,707	29,239	29,875	40,656	39,410	29,441	48,605	83,012	107,060
Veterans Burial Services	103	112	141	141	209	143	132	103	275	229
Soldiers Relief Commission Services	148	161	140	246	270	180	148	300	1,401	1,147
Veterans Trust Applications	48	46	91	85	95	74	131	116	336	404

Source: Various county departments.

Genesee County, Michigan

Operating Information Capital Asset Statistics

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Buildings and Grounds:	1	1	1	1	1	1	1	1	1	1
Administration Bldg.	1	1	1	1	1	1	1	1	1	1
Animal Control	3	3	3	3	3	3	2	2	2	2
Clinics	6	6	6	6	6	6	6	6	6	6
Courts	1	1	1	1	1	1	1	1	1	1
Courthouse	1	1	-	-	-	-	-	-	-	-
Dollar Store	1	1	1	1	1	1	1	1	1	1
Drain Commission	-	-	-	-	-	-	1		1	1
Emergency Management Storage Unit	1	1	1	1	1	1	1	1	1	1
Galliver Bldg.	3	3	3	3	3	3	3	3	3	-
GCCARD Bldg.	1	1	1	1	1	1	1	1	1	1
Haley	1	1	1	1	1	1	1	1	1	1
Jail	1	1	1	1	1	1	1	1	1	1
Juv. Detention Ctr.	1	1	1	1	1	1	1	1	1	1
Motor Pool	1	1	1	1	1	1	1	1	1	1
MSU Extension	2	2	2	2	2	2	2	2	2	2
Parking Structures										
Drains - Number of Drains	1,177	1,183	1,187	1,126	1,195	1,109	1,112	1,112	1,113	1,113
Information Technology - Computers	855	850	875	890	890	920	1,110	1,186	821	914

Genesee County, Michigan

Operating Information Capital Asset Statistics (Continued)

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Parks and recreation:										
Acreage	10,939	10,939	10,939	10,939	10,939	10,939	10,939	10,939	10,939	10,939
Beaches	4	3	3	3	3	3	3	3	3	3
Bicycle path	6	6	7	7	7	7	7	7	7	8
Boat launches	3	4	4	4	4	4	4	4	4	4
Campgrounds	1	1	1	1	1	1	1	1	1	1
Disc Golf Course	1	1	1	1	1	1	1	1	1	1
For-Mar Nature Preserve & Arboretum	1	1	1	1	1	1	1	1	1	1
Genesee Belle Paddle Wheel Boat	1	1	1	1	1	1	1	1	1	1
Huckleberry Railroad	1	1	1	1	1	1	1	1	1	1
Picnic Areas	5	5	5	5	5	5	5	5	5	5
Play Areas	5	5	7	7	7	7	7	7	7	7
Snowmobile Areas	5	5	5	5	5	5	5	5	5	5
Spray Park	1	1	1	1	1	1	1	1	1	1
Stepping Stone Falls	1	1	1	1	1	1	1	1	1	1
Sheriff:										
Housing Cells	355	355	355	355	355	355	355	355	355	355
Isolation Rooms	6	6	6	6	6	6	6	6	6	6
Safety Cells	6	6	6	6	6	6	6	6	6	6
Medical Cells	9	6	9	9	7	7	7	7	7	7
Patrol Vehicles	50	18	18	10	22	22	16	16	16	15
Boats	5	4	3	3	5	5	5	4	3	3
Paramedic Vehicles	15	15	15	15	15	15	15	15	13	13
Motorcycles	8	8	8	6	8	8	8	8	8	8
Jet Skis		4	2	2	2	2	2	2	2	2