



MSU COOPERATIVE EXTENSION SERVICES



GENESEE COUNTY PARKS & RECREATION



GENESEE COUNTY PLANNING DEPARTMENT



MSU COOPERATIVE EXTENSION SERVICES

Genesee County, Michigan

COMPREHENSIVE ANNUAL FINANCIAL REPORT



Fiscal Period Ending September 30, 2005
Controller's Department



GENESEE COUNTY PARKS & RECREATION



GENESEE COUNTY PLANNING DEPARTMENT



GENESEE COUNTY PARKS & RECREATION



MSU COOPERATIVE EXTENSION SERVICES

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Genesee County,
Michigan

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2004

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



Carla E. Perry

President

Jeffrey R. Emer

Executive Director

COMPREHENSIVE ANNUAL FINANCIAL REPORT

GENESEE COUNTY, MICHIGAN

September 30, 2005

Board of Commissioners

Richard E. Hammel, Chairperson of the Board



Raynetta P. Speed



Woodrow Stanley



Ted Hammon



John Northrup



Miles T. Gadola



Fred Shaltz



Archie H. Bailey



Richard E. Hammel



Rose Bogardus

Prepared by:
Controller's Office

Controller
George Martini

Independent Auditors'
Plante & Moran, PLLC

Cover displays Community Enrichment & Development Departments of Genesee County

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GENESEE COUNTY

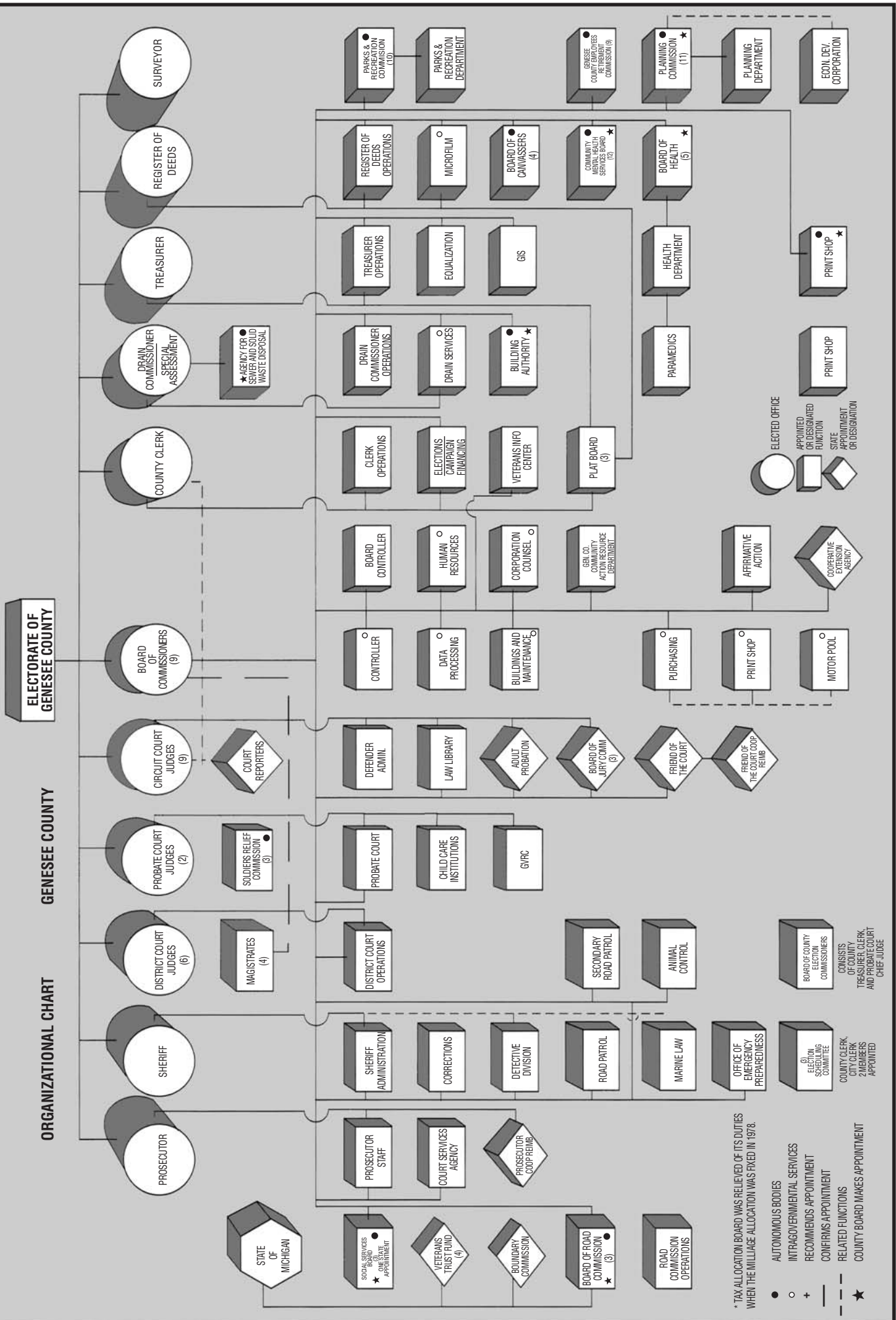
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I. INTRODUCTORY SECTION

The Introductory Section Contains:

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





George Martini

The Board of County Commissioners
Genesee County
Flint, Michigan

CONTROLLER'S OFFICE

1101 Beach Street • 3rd Floor
Flint, Michigan 48502
Phone (810) 257-3040

March 10, 2005

The Comprehensive Annual Financial Report of Genesee County for the fiscal period ended September 30, 2005 is submitted herein. This report was prepared by the County Controller's Department. Responsibility for both the accuracy of the presented data and the completeness and fairness of this presentation, including all disclosures, rests with the County. We believe the data as presented is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the County as measured by the financial activity of its various funds and that all disclosures necessary to enable the reader to gain the maximum understanding of the County's financial activity have been included. A more detailed statement of management's responsibility for the Financial Statements is included in the Financial Section of this report, adjacent to the Auditor's opinion. In addition, the report provides a narrative introduction, overview and analysis to accompany the basic financial statements in the form of the Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

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

THE REPORTING ENTITY AND ITS SERVICES

The funds and entities related to Genesee County included in this Comprehensive Annual Financial Report are considered to be within the overall responsibility of the Board of Commissioners. The criteria used in determining the reporting entity is consistent with the Governmental Accounting Standards Board Codification Section 2100. Based on these criteria, the various funds and account groups shown in the Table of Contents are included in this report. Also included in this report are the Genesee County Road Commission, Water and Waste Services, Drains, Land Bank Authority, Brownfield Authority and the Economic Development Corporation, 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 fourth largest county in the State of Michigan with an approximate population of 436,000. The dominant city of the County is Flint, with an approximate population of 125,000. Further information regarding the description of the County and its operations is included in Note A of the Financial Statements.

Organization of Government Unit

The government structure of Genesee County is based upon the State Constitution and the general laws of the State of Michigan. The County's legislative body and its administrative body for many functions, is the County Board of Commissioners. The Board consists of nine commissioners elected by direct vote from single-member districts. In addition to the nine members of the Board of Commissioners, there are

twenty-two other elected officials serving the County as judicial, administrative, or staff officers. An organization chart depicting the County structure is shown on the page preceding this transmittal letter. The Controller is the Chief Accounting and Financial Officer of the County and assists the Board of Commissioners in fulfilling their responsibilities in the financial area. The County has assets totaling more than \$256.9 million for governmental and business-type activities with net assets in excess of \$161.3 million.

Services Provided

The County is responsible for the management and financing of over 250 municipal services to its citizens. These services are separated into seven major program areas. These areas are: legislative, administration of justice, law enforcement and community protection, human services, community enrichment and development, management and planning, and general support. Approximately 87 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 13 percent are discretionary. The Board's responsibility is to determine if these services should be funded and at what level.

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

ECONOMIC CONDITION AND OUTLOOK

In 2005, Genesee County continued to be impacted by the economic difficulties of the American automakers. Although the unemployment rate dropped from 8.3% in 2004 to 7.8% in 2005 (average annual rate), this was still the second highest unemployment rate of the large county's in the State of Michigan.

Delphi Corporation, an automotive parts supplier that was spun off from General Motors during the 1990's and is Genesee County's second largest employer, filed for bankruptcy protection in late 2005. Although there has been a small reduction in the workforce and products produced in the Genesee County facilities, the Delphi plants continue to produce parts for General Motors and other manufacturers. The County is hopeful that this company will emerge from bankruptcy as a stronger corporation and will continue to have a presence in Genesee County. The property owned by the Delphi Corporation represent .78% of the total taxable property within Genesee County.

At the end of 2005, General Motors, in their latest round of capacity reduction moves, announced that the Flint North engine factory will end production in 2008. This will eliminate in excess of 600 positions at this location. Most of this reduction will probably be made through attrition and retirements. This facility currently manufactures the GM "3800" motor which is highly regarded for its quality but is being phased out for new design products.

Despite the challenges that the auto industry is facing and the consequences that Genesee County faces because of those challenges, General Motors has made a very significant commitment to Flint and Genesee County. Since 1998, General Motors has invested over \$2 billion in new plants and technology in the Genesee County economy. Some of these projects include:

- The new Global V-6 engine facility - \$300 million
- Improvements to Flint Truck Assembly - \$200 million

- The new L-6 engine facility - \$500 million
- (2) new truck production lines - \$900 million
- New press investment at Flint Metal Center - \$100 million
- The Service & Parts Operations (SPO) World Headquarters - \$45 million

These investments highlight General Motor's continuing commitment to the Genesee County area.

A number of the economic development agencies within Flint and Genesee County merged into one entity during 2005. The Genesee Regional Chamber of Commerce is now the single point of contact for business and industry that want to locate or expand in Genesee County. The Genesee Regional Chamber of Commerce's focus is to bring new life into Genesee County by attracting diverse industries through promotion of the county's physical and human resources. A major emphasis is also to retain GM and other related employment.

In 2005, the Chamber reported that new businesses built facilities worth more than \$35 million in new investment in Genesee County that will create 100 new good paying jobs to our economy. A number of existing businesses also expanded their facilities in Genesee County.

Genesee County Historic Crossroads Village continues to draw large numbers of visitors to Genesee County. The County Parks and Recreation Commission has made a number of improvements to facilities throughout the Genesee County parks system. Revenue for these improvements came from the Board of Commissioners, and from state grants to the Parks and Recreation Commission.

Health care is Genesee County's second largest industry. Genesys Health Care Systems, Hurley Medical Center, and McLaren Health Care Corporation employ nearly 8,200 individuals. The economic impact of these three organizations is very significant.

The University of Michigan-Flint recently completed construction of the William S. White classroom at a cost of \$36 million. This facility was built on the former Autoworld property. C. S. Mott Community College recently completed its new Regional Technology Center at a cost of \$35 million, and continues to offer its students new and cutting edge applied technical skills and knowledge, while offering the regions business and industry the ability to provide customized training in the latest technical skills needed by employees in the new work environment of the 21st century.

Kettering University, a top-ten ranked engineering school located in Genesee County recently completed the construction of the C.S. Mott Engineering and Science Center at a cost of \$35 million. This facility will house Kettering's Center for Fuel Cell Systems and Powertrain Integration. This new center will conduct cutting edge research on fuel cell technology. This new center was partially financed by a \$1.8 million grant from the Economic Development Administration and a \$500,000 grant from the State of Michigan.

The above projects highlight the importance of education as a major component of Genesee County's economy. There are nearly 26,000 students at the four major colleges and several smaller colleges in Genesee County. These institutions offer a variety of undergraduate and graduate degree programs.

Finally, the County's tax rate in 2005 was 5.51 mills. This millage rate is reduced from 5.68 mills due to the Michigan Headlee Amendment that limits any increase in the property tax to the annual inflation rate, unless a millage increase election is held. Genesee County voters were not asked to approve a millage increase from 5.51 to 5.68 mills.

LONG-TERM FINANCIAL PLANNING

The Genesee County Board of Commissioners made significant progress toward the implementation of long-term budgeting

practices. The County Board of Commissioners, for the first time, considered not only the 2005/2006 fiscal year budgetary information during the budget process, but also reviewed the budgetary information for the 2006/2007 fiscal year. Although the 2006/2007 budget information was reviewed by the Board of Commissioners, no action was taken to adopt the 2006/2007 budget. It is the intent of the Board of Commissioners to once again review information for the two subsequent fiscal years during the upcoming budget process and adopt a two-year rolling budget for the 2006/2007 and 2007/2008 fiscal years. This new process will make much clearer the impact of the decisions that the Board of Commissioners make for one fiscal year on subsequent fiscal years.

The County Board of Commissioners also reviewed the County's first five-year financial plan subsequent to the completion of the 2005/2006 budget process. This five-year financial plan not only projected revenues and expenditures for all County Departments through September 30, 2010, but also projected staffing needs and capital outlay needs for those five fiscal years. Although the information in a long-term plan can be sobering, it allows the decision makers the ability to see the impact of their decisions on future years and to assist them in making decisions that have a positive impact on the long-term financial health of the organization.

In October, 2003, the County Board of Commissioners approved the creation of a Voluntary Employees Beneficiary Association (VEBA), a trust specifically designed for pre-funding of the costs associated with retiree health care. This trust was designed to segregate the funds being set aside for retiree health care from the general assets of the County and to satisfy the requirements of GASB 43/45 that these funds be separate from general County assets. It also allows the Board of Commissioners to invest these funds similar to the funds set aside for pension obligations with the hope that the investment returns will be much greater than the investments available to the general county.

ACCOUNTING AND FINANCIAL POLICIES

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

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

As a recipient of federal and state financial assistance, the County is responsible for ensuring an adequate internal control structure to ensure compliance with the applicable laws and regulations related to those programs, as well as meet the single audit requirements. The results of the County's 2004 single audit provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

It is anticipated that the 2005 single audit, when completed, will provide the same results. We believe that the County's internal accounting controls adequately safeguard assets and provide reasonable assurances of proper recording of financial transactions.

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

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

Effect of Revenue Limitations

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

The Headlee provisions were still applicable for Genesee County in 2005 with the result that the property tax rates for general operations were limited to 5.5095 mills while the millage rate for both Paramedics and Parks and Recreation was limited to .4849 mills. The millages were reduced from the maximum allowable of 5.68 for general operation and .5 mills for both Parks and Recreation and the Paramedics. 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 2004 to maintain property taxes at the allowable limit had a positive effect on the 2005 revenues.

General Fund Fund Balance

General Motors appealed its property taxes beginning in 1983 for properties located in the City of Flint, Genesee Township, City of Grand Blanc and Grand Blanc Township requesting a rebate for which the County was partially liable. During 1992, settlement was reached on the properties located in the City of Flint and Genesee Township while the City of Grand Blanc and Grand Blanc Township property was settled during 1995. The County's portion of the settlements for the City of Flint and Genesee Township properties totaled \$4,044,869, which has been repaid in nine installments of \$449,430, which began in 1993. The County's portion of the settlement for the City of Grand Blanc and Grand Blanc Township property was \$934,992, which was scheduled to be in nine annual installments of \$103,888, which began in 1997. The last payment was made during 2005.

In recent years expenditures have exceeded revenues. The County, in order to maintain a serviceable level, has used transfers from various funds. The Delinquent Tax Revolving Fund has been the primary source of other financing for the

General Fund. The transfers, along with the use of other funds' fund balances, have stopped the erosion of the General Fund balance.

The transfer from Delinquent Tax revolving to General Fund was \$6,005,037 in 2005, a decrease of \$2,434,134 from 2004. The General Fund fund balance decreased from \$18,994,852 in 2004, to \$18,833,697 in 2005, a decrease of \$161,155 or .85%. The Delinquent Tax Revolving fund experienced a decrease in net assets during 2005 from \$25,362,826 to \$20,215,017, a decrease of \$5,147,809 or 20.3%. Very heavy emphasis during the 2005/2006 budget process on limiting the transfers from Delinquent Tax Revolving to the amount of Delinquent Tax Revolving Net Income together with careful budgeting in the General Fund should enable the County to maintain this level of reserves.

Pension Trust Fund Operations

The fiscal year end for the Genesee County Employees Retirement System did not change to September 30 but instead remains December 31. The statements presented for the Pension system reflect the January 1, 2004 through December 31, 2004 calendar year.

The operations of the Genesee County Employees Retirement System (GCERS) continued to grow as the number of retirees increased from 1,313 to 1,343 or 2.3% during 2004. At December 31, 2004 the GCER's net assets totaled \$449,254,078.

Debt Administration

At September 30, 2005 the County had a number of debt issues outstanding. The issues included \$33,880,000 of general obligation bonds, \$16,484,000 in taxable delinquent property tax notes, \$2,900,000 in capital improvement bonds, and \$386,694 in various capital leases and a land contract. The County has an A+ rating from Standard & Poor's Corporation and an A2 from Moody's Investors Service on general obligation unlimited tax bond issues and on bond issues with tax limitations.

The County debt limit, as defined by statute, is ten percent (10%) of equalized property values or \$1,303,503,241. Total County long-term debt was \$181,656,988 at September 30, 2005 (\$101,735,814 subject to debt limit) of which \$123,006,290 represents amounts issued by Component Units of Genesee County, specifically Water and Waste Services, the Genesee County Road Commission, and the Drain fund.

Summarized on the following page is the debt of the County, including both general obligations and debt secured by the County's pledge of full faith and credit.

	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Net Bonded Debt Per Capita	\$374	\$336	\$275	\$275	\$298
Net Bonded Debt as a Percentage of Assessed Value of Taxable Property	1.3%	1.2%	1.0%	1.3%	1.3%
Debt Service Expenditures as A Percentage of Governmental Expenditures (including Debt Service Expenditures)	1.4%	1.7%	1.9%	1.8%	2.1%

Cash Management

Excess cash during the year was invested in Certificates of Deposit ranging from 7 days to 1 year to maturity, Commercial Paper ranging from 1 to 270 days to maturity and/or other U.S.

Government Instruments with maturities ranging from 3 months to 2 years. Any un-invested funds in the bank checking accounts were swept into interest bearing trust accounts. As checks were presented for payment, monies to cover the checks were transferred from the Trust accounts into the checking accounts. The approximate mix of investments for 2005 was 51.09% in Certificates of Deposit, 24.82% in Commercial Paper, and 24.09% in other U.S. Government Instruments and the trust accounts. The average yield for 2005, except for the pension fund, was approximately 2.75%, which generated interest in the amount of \$2,882,594.

The pension fund portfolio, which includes common stocks, corporate bonds and real estate investments, achieved a total return of 8.53% for 2004, the systems latest fiscal year. The rate of return on pension fund investments is a reflection of the market conditions in 2004.

Since the greater portion of County deposits are not insured and Michigan law prohibits collateralization of government deposits, the County uses an independent rating firm to rate both depository banks and those with which are placed certificates of deposit. The financial position of lesser rated banks are reviewed quarterly with higher rated and major banks reviewed annually by the County staff.

Risk Management

In 2005, the County was self-insured for property and liability insurance up to \$50,000 and \$500,000, 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 insurance coverage. The County is also self-insured for the first \$50,000 of catastrophic coverage for auto physical damage per designated location. The County is self-insured for the first \$500,000 of workers' compensation losses.

The County paid losses within its self-insured retention through an Internal Service Fund. The net assets as of September 30, 2005 were \$6,832,607 with \$2,598,882 accrued as a liability for incurred losses and expenses. An actuarial study projected a required reserve of \$2.6 million for 2005. The County's Risk Manager provides employee accident prevention training and various risk control techniques through a continuing education program.

MAJOR INITIATIVES

Bishop International Airport continues to be Genesee County's economic development star. What was once a sleepy general flight facility has grown into a truly international airport. Today, Bishop International Airport has become the second fastest growing airport in the nation. Facilities continue to grow and improve. In early 2005, Bishop Airport completed a major expansion in the ticketing area of the airport. A major parking expansion was also completed during 2005. At the end of 2005, a \$6 million contract was awarded for the expansion of the baggage carousel facilities. The Bishop International Airport Authority continues to oversee the operation and development of this important economic development asset.

In 2005, the Genesee County Land Bank Authority began negotiations with the owners of the mainly vacant Great Lakes Technology Center to transfer the ownership of this facility to the Land Bank Authority. This world class facility which formerly housed General Motors operations, is a 500,000 square foot facility comprised of Class-A office space together with space for light industrial, retail and recreational activities. Upon completion of the transfer, expected in early 2006, the Land Bank will be partnering with the Genesee Regional Chamber of Commerce to create a new

business incubator. Tenants are already lining up to lease space in this new facility.

In early 2006, the County announced the Genesee Wireless Initiative. This project will be a public-private partnership and will offer the use of public structures in Genesee County to private firms in return for low cost or no cost basic wireless internet access. The private firms involved in the project will be compensated by the ability to sell faster, broadband access at a fee.

When completed, wireless internet will blanket all 642 square miles of Genesee County giving wireless internet access to every citizen and business in our County. This will not only the County to entice businesses to locate in Genesee County, but will offer an expanded methodology of providing governmental services to the residents of Genesee County.

County departments continue to maintain a serviceable level of governmental services, mandated and non-mandated, despite budget reductions in the 2004-2005 FY county budget. This is accomplished through continued improvement of the county computer system, through development of new methods of storage and retrieval of information, and through continued improvements in employee productivity.

AWARDS AND ACKNOWLEDGEMENTS

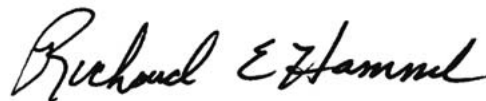
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Genesee County, Michigan for its comprehensive annual financial report for the fiscal period ended September 30, 2004, the twenty-seventh consecutive 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 Richard E. Hammel
Chairperson of the Board of Commissioners



George J. Martini
Controller

II. FINANCIAL SECTION

The Financial Section Contains:

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

MANAGEMENT'S STATEMENT OF RESPONSIBILITY FOR FINANCIAL STATEMENTS

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

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

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

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

Independent Auditors' Report

To the Board of Commissioners
Genesee County
Flint, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Genesee County, Michigan as of and for the year ended September 30, 2005, which collectively comprise the County's basic financial statements as listed in the table of contents, and for the year then ended. These basic financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these basic financial statements based on our audit. We did not audit the financial statements of the Genesee County Community Mental Health Services, a fund of the County and which represents 32 percent and 33 percent, respectively, of the assets and revenues of the governmental funds. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Genesee County Community Mental Health Services, 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above, present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Genesee County, Michigan at September 30, 2005, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis, major budgetary comparison information, and the retirement system analysis of funding progress are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Genesee County's basic financial statements. The introductory section, the combining and individual non-major fund financial statements, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. These combining and individual non-major fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements, and in our opinion, are fairly stated in all material respects to the basic financial statements taken as a whole. The introductory section and the statistical data presented in Tables 1 through 19 have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

In accordance with Government Auditing Standards, we have also issued our report dated March 10, 2006 on our consideration of Genesee County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements. 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 opinions on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

PLANTE & MORAN, PLLC

March 10, 2006

MANAGEMENT'S DISCUSSION AND ANALYSIS

GENESEE COUNTY

As management of Genesee County, we offer readers of the Genesee County's financial statements this narrative overview and analysis of the financial activities of Genesee County for the fiscal year ended September 30, 2005. 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 \$161,327,172 (net assets). Of this amount, \$81,378,031 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets increased by \$728,096. This net increase was attributed to Governmental activities, while Business-type activities showed a decrease; the overall increase is attributed to economic factors.
- As of the close of the current fiscal year, Genesee County's governmental funds reported combined ending fund balances of \$66,850,856, an increase of \$1,717,899 in comparison with the prior year. Approximately 24% of this total amount, \$15,896,103, is available for spending at the government's discretion (unreserved fund balance).
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$15,833,697, 22.3% of total general fund expenditures.
- Genesee County's total debt was increased by the issuance of \$45,450,000 of new debt during the current fiscal year for various projects and refunding issues which was offset by payments of \$43,359,626.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Genesee County's basic financial statements. Genesee County's basic financial statements comprise three components: 1) government-wide financial statement, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of Genesee County's finances, in a manner similar to a private-sector business.

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

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

Both of the government-wide financial statements distinguish functions of Genesee County that are principally supported by taxes and intergovernmental revenues (government activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of Genesee County include legislative, management and planning, administration of justice, law enforcement, human services, community enrichment, general support, and other. The business-type activities of Genesee County include Parks and Recreation System, Jail Commissary and Delinquent Tax Revolving Fund.

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

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

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Genesee County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Genesee County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Genesee County maintains individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and four special revenue funds, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor 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 as Exhibit A-3 and A-4 of this report.

Proprietary Funds Genesee County maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Genesee County uses enterprise funds to account for its Parks and Recreation System, Jail Commissary and Delinquent Tax Revolving Fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among Genesee County's various functions. Genesee County uses internal service funds to account for its fleet of vehicles, building and grounds maintenance, Property and Casualty and other Administrative Services. Because all of these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Parks and Recreation System, Jail Commissary and Delinquent Tax Revolving Fund. Conversely, all internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found as Exhibit A-6, A-7, and A-8 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support Genesee County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

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

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

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

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found as Exhibit A-13 of this report.

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

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

Government-wide Financial Analysis

As noted earlier, net assets may serve overtime as a useful indicator of a government's financial position. In the case of Genesee County, assets exceeded liabilities by \$161,327,172 at the close of the most recent fiscal year.

A significant portion of Genesee County's net assets (31.49% Percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. Genesee County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Genesee County's investments in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

GENESEE COUNTY'S NET ASSETS

	Governmental Activities		Business-type Activities		Total	
	2005	2004	2005	2004	2005	2004
Current and other assets	\$110,372,033	\$102,600,011	\$36,005,500	\$38,479,183	\$146,077,533	\$141,079,196
Capital assets	<u>105,317,637</u>	<u>100,460,604</u>	<u>5,209,925</u>	<u>6,095,788</u>	<u>110,827,562</u>	<u>106,556,392</u>
Total asset	<u>215,689,670</u>	<u>203,060,615</u>	<u>41,215,425</u>	<u>44,574,973</u>	<u>256,905,095</u>	<u>247,635,588</u>

	Governmental Activities		Business-type Activities		Total	
	2005	2004	2005	2004	2005	2004
Long-term liabilities outstanding	39,302,080	38,910,655	16,947,500	15,226,000	56,249,580	54,136,655
Other liabilities	38,220,983	32,788,674	1,107,360	1,136,146	39,328,343	33,924,820
Total liabilities	77,523,063	71,699,329	18,054,860	16,362,146	95,577,923	88,061,475
Net assets:						
Invested in capital assets, net of related debt	68,614,443	64,123,384	4,746,425	5,486,788	73,360,868	66,855,947
Restricted			6,588,273	5,596,895	6,588,273	5,596,895
Unrestricted	69,552,164	65,344,504	11,825,867	17,129,144	81,378,031	87,227,773
Total net assets	\$138,166,607	\$131,467,788	\$23,160,565	\$28,212,827	\$161,327,172	\$159,680,615

An additional portion of Genesee County's net assets (4.5 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$83,224,988) may be used to meet the government's ongoing obligations to citizens and creditors.

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

The government's total net assets increased by \$728,096. This increase represents Governmental activities which is attributed to economic factors.

Governmental Activities Governmental activities increased Genesee County's net assets by \$5,780,358, key elements affecting this change are as follows:

Genesee County's Change in Net Assets

	Governmental Activities		Business-type Activities		Total	
	2005	2004	2005	2004	2005	2004
Revenues:						
Program revenues:						
Charges for services	\$ 97,203,206	\$ 88,562,628	\$ 1,251,091	\$ 10,503,938	\$ 98,454,297	\$ 99,066,566
Operating grants and contributions	106,495,973	108,447,493	-	-	106,495,973	108,447,493
General revenues:						
Taxes	80,016,835	61,506,389	5,883,971	-	85,900,806	61,506,389
Unrestricted contributions	4,071,075	4,154,743	-	-	4,071,075	4,154,743
Use of money and investments	5,632,975	4,092,363	329,329	346,553	5,962,304	4,438,916
Other intergovernmental revenues	24,337,377	26,822,619	-	-	24,337,377	26,822,619
Other unrestricted revenues	2,825,926	3,866,177	-	-	2,825,926	3,866,177
Total revenues	320,583,367	297,452,412	7,464,391	10,850,493	328,047,758	308,302,903
Expenses						
Legislative	919,415	927,251	-	-	919,415	927,251
Management and planning	33,824,940	18,128,369	-	-	33,824,940	18,128,369
Administration of justice	37,721,807	36,764,408	-	-	37,721,807	36,764,408
Law enforcement/commun. protec.	31,940,559	37,074,422	-	-	31,940,559	37,074,422
Human services	207,518,433	193,080,458	-	-	207,518,433	193,080,458
Community enrichment/develop	7,952,030	7,759,423	-	-	7,952,030	7,759,423
General support services	229,806	201,566	-	-	229,806	3,166,480
Other	1,015,465	3,166,480	-	-	1,015,465	1,449,721
Interest on long-term debt	1,590,352	1,449,721	-	-	1,590,352	1,449,721
Commissary	-	-	275,728	260,464	275,728	260,464
Delinquent Tax	-	-	2,876,769	4,339,170	2,876,769	4,339,170
Parks & Recreation Enterprise	-	-	1,454,358	1,510,269	1,454,358	1,510,269
Total Expenses	322,712,807	298,552,098	4,606,855	6,109,903	327,319,662	304,662,001
Increase in net assets before transfers	(2,129,440)	(1,099,686)	2,857,536	4,740,590	728,096	3,640,902
Transfers	7,909,798	8,829,288	(7,909,798)	(8,829,288)		
Change in net assets	5,780,358	7,729,602	(5,052,262)	(4,088,700)	728,096	3,640,902
Net assets – 10/01/2004	132,386,249	123,738,186	28,212,827	32,301,527	160,599,076	156,039,713
Net assets – 09/30/2005	\$138,166,607	\$131,467,788	\$23,160,565	\$28,212,827	\$161,327,172	\$159,680,615

- Implementation of GASB 34 requirements has changed the presentation of this report and is reflected in the net asset balances.
- Reductions to State funding in several key areas such as revenue sharing and program grants has forced cut backs in many areas.

- Due to funding shortages and higher than anticipated costs, Genesee County's General Fund has seen a \$161,155 decrease in fund balance.
- Property taxes increased by \$18,510,446 during the year. Most of this increase is the product of a strong residential growth in the southern portion of the county and a strong housing market spurred by low interest rates.
- Operating grants for governmental activities remain a large part of the overall budget. These grants support a variety of community services in the county.
- For the most part, increases in expenses closely paralleled inflation and growth in the demand for services.

Business-type activities. The net assets for business-type activities decreased by \$5,052,262. Key elements of this decrease are as follows.

- The Delinquent Tax Revolving fund reflects a major portion of the decrease in retained earnings from 2005. The implementation of new requirements as well as the transfer of funds to Governmental activities for support of capital purchases and debt service requirements are reflected in this decrease.

Financial Analysis of the Government's Funds

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

Governmental funds. The focus of Genesee County's governmental funds is to provide information on near-term inflows, outflows, and balances of available resources. Such information is useful in assessing Genesee County's financing requirements. In particular, unreserved 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 \$66,850,856, an increase of \$1,717,899 in comparison with the prior year. Approximately 24% of this total amount (\$15,896,103) constitutes unreserved fund balance, which is available for spending at the government's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed for a variety of other restricted purposes.

The general fund is the chief operating fund of Genesee County. At the end of the current fiscal year, unreserved fund balance of the general fund was \$15,883,697, while total fund balance was decreased to \$18,833,697. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 22.3 percent of total general fund expenditures, while total fund balance represents 26.5 percent of that same amount.

The fund balance of Genesee County's general fund, decreased by \$161,155 during the current fiscal year. Due to:

- State shared revenues to Genesee County were eliminated and the summer tax accelerator program did not cover the loss of funds.

The combined ending fund balances of the remaining major Special Revenue funds total \$26,422,302 at September 30, 2005, an increase of \$7,020,268 over the prior year.

The debt service fund has a total fund balance of \$235,982, all of which is reserved for the payment of debt service. The net decrease in fund balance during the current year in the debt service fund was \$14,915,639. This amount reflects monies being transferred to Fiduciary funds to be used for financing of future post retirement benefits for employees.

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

Unrestricted net assets at the end of the year amounted to \$11,825,867. The total decrease in net assets for all proprietary funds was \$5,052,262. Other factors concerning the finances of these funds have already been addressed in the discussion of Genesee County's business-type activities.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget were relatively minor with no additional appropriations required due to changes in revenue streams. During the year, however, expenditure exceeded budgetary estimates and revenues were less than budgetary estimates, thus the need to draw upon existing 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, 2005, amounts to \$110,671,712 (net of accumulated depreciation). This investment in capital assets included land, buildings and system, improvements, machinery and equipment, and park facilities.

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

Long-term debt. At the end of the current fiscal year, Genesee County had total bonded debt outstanding of \$181,656,988. Of this amount, \$177,363,130 comprises debt backed by the full faith and credit of the government, \$963,858 is special assessment debt for which the government is liable in the event of default by the property owners subject to the assessment and \$3,330,000 is Michigan Transportation bonds for which are payable with Act 51 money.

Genesee County's total debt, including component units, increased by \$22,738,146 during the current fiscal year. The key factor in this increase was due to additions related to expansion in the water supply system and normal debt retirement in the fiscal years budget. Genesee County's (Primary Government) total debt increased by the issuance of \$1,400,000 during the current fiscal year. This amount was issued for the continuing renovation of the Land Reutilization Building.

Genesee County maintains an "A+" rating from Standard & Poor's and Fitch and an "A2" rating from Moody's for general obligation debt.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total assessed valuation. The current debt limitation for Genesee County is \$1,303,503,241, which is significantly in excess of Genesee County's outstanding general obligation debt.

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

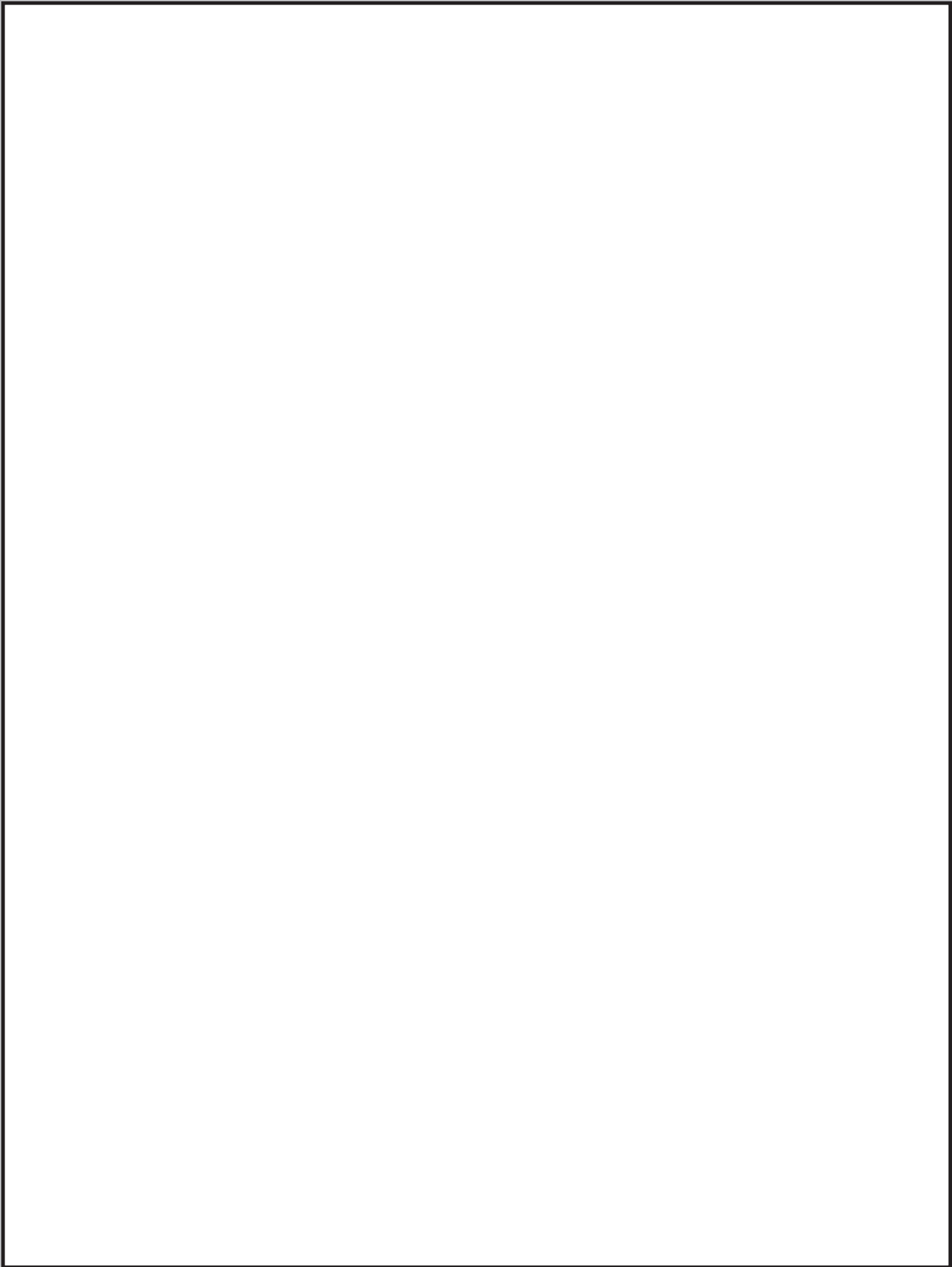
Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for Genesee County is currently 6.9 percent, which is a decrease from a rate of 8.9 percent a year ago. This decrease is attributed to local conditions and is reflective of state and national trends.
- The government expects to see reduced funding from State agencies due to a reduction in tax collections as seen in a nation-wide trend of state and local revenues.
- Inflationary trends in the region compare favorably to national indices.

All of these factors were considered in preparing Genesee County's budget for the 2006 fiscal year.

Request for Information

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



BASIC FINANCIAL STATEMENTS

STATEMENT OF NET ASSETS

September 30, 2005

GENESEE COUNTY

Exhibit A-1

	Governmental Activities	Business-type Activities	Total	Component Units
ASSETS				
Cash and cash equivalents.....	\$ 32,640,856	\$ 3,067,764	\$ 35,708,620	\$ 64,418,063
Investments.....	35,462,447	7,788,223	43,250,670	
Current and delinquent taxes receivable.....	8,098,532	21,746,421	29,844,953	
Special assessments receivable.....				64,950,720
Interest and accounts receivable.....	3,553,471	3,941,208	7,494,679	4,360,080
Due from other governmental units.....	22,886,516	1,014,865	23,901,381	10,438,252
Due from component unit.....	15,227	1,455,908	1,471,135	
Due from primary government.....				61,302
Internal Balances.....	3,731,801	(3,731,801)		
Inventory.....	607,940	37,335	645,275	1,568,852
Prepayments.....	2,835,231	685,577	3,520,808	85,036
Other assets.....	40,012		40,012	
Restricted assets:				
Cash.....				33,972,295
Long term advances to component units.....	500,000		500,000	
Capital assets (net of accumulated depreciation)				
Land.....	19,861,602	3,626,232	23,487,834	156,551,967
Buildings.....	75,430,255	415,419	75,845,674	407,733
Machinery and equipment.....	5,809,370	1,168,274	6,977,644	64,359,098
Construction in progress.....	4,216,410		4,216,410	8,544,428
Total assets	215,689,670	41,215,425	256,905,095	409,717,826
LIABILITIES				
Accounts payable.....	16,531,006	485,499	17,016,505	5,841,875
Accrued payroll.....	2,798,798	21,306	2,820,104	23,966
Accrued vacation.....	5,017,447		5,017,447	
Other accrued liabilities and deposits.....	5,620,218	600,129	6,220,347	757,805
Due to other governmental units.....	3,434,855	426	3,435,281	379,616
Due to component unit.....	61,302		61,302	
Due to primary government.....				1,471,135
Long term advances from primary government...				500,000
Unearned revenue.....	4,757,357		4,757,357	17,743,624
Liabilities payable from restricted assets:				
Accounts payable.....				5,417,892
Noncurrent liabilities:				
Current portion debt.....	3,876,619	16,640,000	20,516,619	9,052,988
Long term debt.....	35,425,461	307,500	35,732,961	118,953,302
Total liabilities	77,523,063	18,054,860	95,577,923	160,142,203
NET ASSETS				
Invested in capital assets, net of related debt....	68,614,443	4,746,425	73,360,868	165,331,644
Restricted for programs and debt service.....		6,588,273	6,588,273	66,875,864
Unrestricted	69,552,164	11,825,867	81,378,031	17,368,115
Total net assets	\$ 138,166,607	\$ 23,160,565	\$ 161,327,172	\$ 249,575,623

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

**STATEMENT OF ACTIVITIES - GOVERNMENTAL, BUSINESS-TYPE,
AND COMPONENT UNITS
FOR THE YEAR ENDED September 30, 2005**

GENESEE COUNTY

Exhibit A-2

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Primary government:			
Governmental activities:			
Legislative	\$ 919,415		
Management and planning	33,824,940	\$ 6,317,835	\$ 588,643
Administration of justice	37,721,807	4,339,188	9,036,514
Law enforcement and community protection	31,940,559	1,366,836	3,865,295
Human services	207,518,433	82,879,118	92,357,041
Community enrichment and development	7,952,030	2,300,229	648,480
General support services	229,806		
Other	1,015,465		
Interest on long-term debt	1,590,352		
Total governmental activities	322,712,807	97,203,206	106,495,973
Business-type Activities:			
Commissary	275,728	473,796	
Delinquent Tax	2,876,769		
Parks and Recreation Enterprise	1,454,358	777,295	
Total business-type activities	4,606,855	1,251,091	0
Total primary government	\$ 327,319,662	\$ 98,454,297	\$ 106,495,973
Component units:			
Brownfield Authority.....	1,692,521		
Drains.....	3,251,690	812,316	
Economic Development Corporation.....	64,389	9,500	
Landbank Authority.....	3,406,705	1,151,793	2,437,000
Road Commission.....	26,300,037	5,373,418	30,853,346
Water and Waste.....	32,465,184	31,417,877	
Total Component Units	\$ 67,180,526	\$ 38,764,904	\$ 33,290,346

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

Net (Expense) Revenue and Changes in Net Assets				
Primary Government				
Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Component Units
	\$ (919,415)		\$ (919,415)	
	(26,918,462)		(26,918,462)	
	(24,346,105)		(24,346,105)	
	(26,708,428)		(26,708,428)	
	(32,282,274)		(32,282,274)	
	(5,003,321)		(5,003,321)	
	(229,806)		(229,806)	
	(1,015,465)		(1,015,465)	
	(1,590,352)		(1,590,352)	
0	(119,013,628)	\$ 0	(119,013,628)	0
		198,068	198,068	
		(2,876,769)	(2,876,769)	
		(677,063)	(677,063)	
0	0	(3,355,764)	(3,355,764)	0
\$ 0	(119,013,628)	(3,355,764)	(122,369,392)	0
				\$ (1,692,521)
				(2,439,374)
				(54,889)
				182,088
				9,926,727
				(1,047,307)
\$ 0				4,874,724
General Revenues:				
Taxes.....	80,016,835	5,883,971	85,900,806	1,619,081
State liquor tax.....	2,092,636		2,092,636	
State cigarette tax.....	250,829		250,829	
Use of money and investments.....	5,632,975	329,329	5,962,304	2,763,171
Other unrestricted intergovernmental revenues.....	21,993,912		21,993,912	214,491
Other unrestricted revenues.....	2,825,926		2,825,926	3,828,893
Unrestricted contributions.....	4,071,075		4,071,075	1,963,618
Transfers.....	7,909,798	(7,909,798)		
Total general revenues and transfers	124,793,986	(1,696,498)	123,097,488	10,389,254
Change in net assets.....	5,780,358	(5,052,262)	728,096	15,263,978
Net assets - beginning.....	132,386,249	28,212,827	160,599,076	234,311,645
Net assets - ending.....	\$ 138,166,607	\$ 23,160,565	\$ 161,327,172	\$ 249,575,623

BALANCE SHEET - ASSETS
GOVERNMENTAL FUNDS

GENESEE COUNTY

Exhibit A-3-1

	General	Mental Health	County Health
Cash and cash equivalents - Note C.....	\$ 18,500	\$ 19,562,660	\$ 4,294,720
Current and delinquent taxes receivable.....	8,098,532		
Investments - Note C.....	5,417	12,289,527	1,257,432
Interest and accounts receivable.....	1,562,344	273,878	447,936
Due from other governmental units.....	2,809,121	1,737,829	891,098
Due from other county funds -- Note K.....	13,267,862		79,317
Due from component unit -- Note K.....			
Supplies inventory.....			
Prepayments.....	1,871,260	683,536	12,359
Other assets.....			
Long-term advances to component unit.....	500,000		
TOTAL ASSETS	<u>\$ 28,133,036</u>	<u>\$ 34,547,430</u>	<u>\$ 6,982,862</u>

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

September 30, 2005

Community Action Resource Department	Workforce Investment Act Program	Other Governmental Funds	Total Governmental Funds
		\$ 8,081,371	\$ 31,957,251
			8,098,532
		12,153,373	25,705,749
		1,182,319	3,466,477
\$ 4,302,647	\$ 3,614,371	9,392,139	22,747,205
3		523,170	13,870,352
15,227			15,227
333,280		230,565	563,845
			2,567,155
34,205		5,807	40,012
			500,000
<u>\$ 4,685,362</u>	<u>\$ 3,614,371</u>	<u>\$ 31,568,744</u>	<u>\$ 109,531,805</u>

BALANCE SHEET - LIABILITIES AND FUND EQUITIES GOVERNMENTAL FUNDS

GENESEE COUNTY

Exhibit A-3-2

	General	Mental Health	County Health
Accounts payable.....	\$ 1,710,586	\$ 5,901,852	\$ 1,348,041
Accrued payroll.....	1,265,525		393,297
Other accrued liabilities and deposits.....	50,803	4,286,871	
Due to other governmental units.....	321,405	1,421,396	181,910
Due to other county funds -- Note K.....	3,766,911	23,227	331,531
Due to component unit -- Note K.....			
Deferred revenue - Note H.....	2,184,109	1,849,014	159,452
TOTAL LIABILITIES	9,299,339	13,482,360	2,414,231
Fund equities:			
Fund balances (deficits) - Notes F and G:			
Reserved for:			
Long-term advances to component units.....	500,000		
Prepayments.....		511,374	
Programs and debt service.....			311,205
Unreserved:			
Designated for:			
Costs and settlements of contractual disallowance's, claims and litigation.....	2,500,000		
Programs and debt service.....		20,553,696	4,257,426
Special revenue programs and debt service.....			
Debt service programs and debt service.....			
Capital projects programs and debt service.....			
Undesignated reported in:			
General Fund.....	15,833,697		
Special Revenue Funds.....			
Capital Projects Funds.....			
TOTAL EQUITIES AND OTHER CREDITS	18,833,697	21,065,070	4,568,631
TOTAL LIABILITIES, EQUITIES AND OTHER CREDITS	\$ 28,133,036	\$ 34,547,430	\$ 6,982,862

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

September 30, 2005

Community Action Resource Department	Workforce Investment Act Program	Other Governmental Funds	Total Governmental Funds
\$ 1,726,680	\$ 1,821,890	\$ 2,651,998	\$ 15,161,047
298,882		694,635	2,652,339
	39,017	1,243,527	5,620,218
	131,860	1,378,284	3,434,855
1,802,553	1,621,604	3,448,005	10,993,831
		61,302	61,302
68,646		496,136	4,757,357
3,896,761	3,614,371	9,973,887	42,680,949
			500,000
			511,374
484,346			795,551
			2,500,000
304,255			25,115,377
		16,324,231	16,324,231
		235,892	235,892
		1,405,289	1,405,289
			15,833,697
		3,567,039	3,567,039
		62,406	62,406
788,601	0	21,594,857	66,850,856
\$ 4,685,362	\$ 3,614,371	\$ 31,568,744	\$ 109,531,805

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

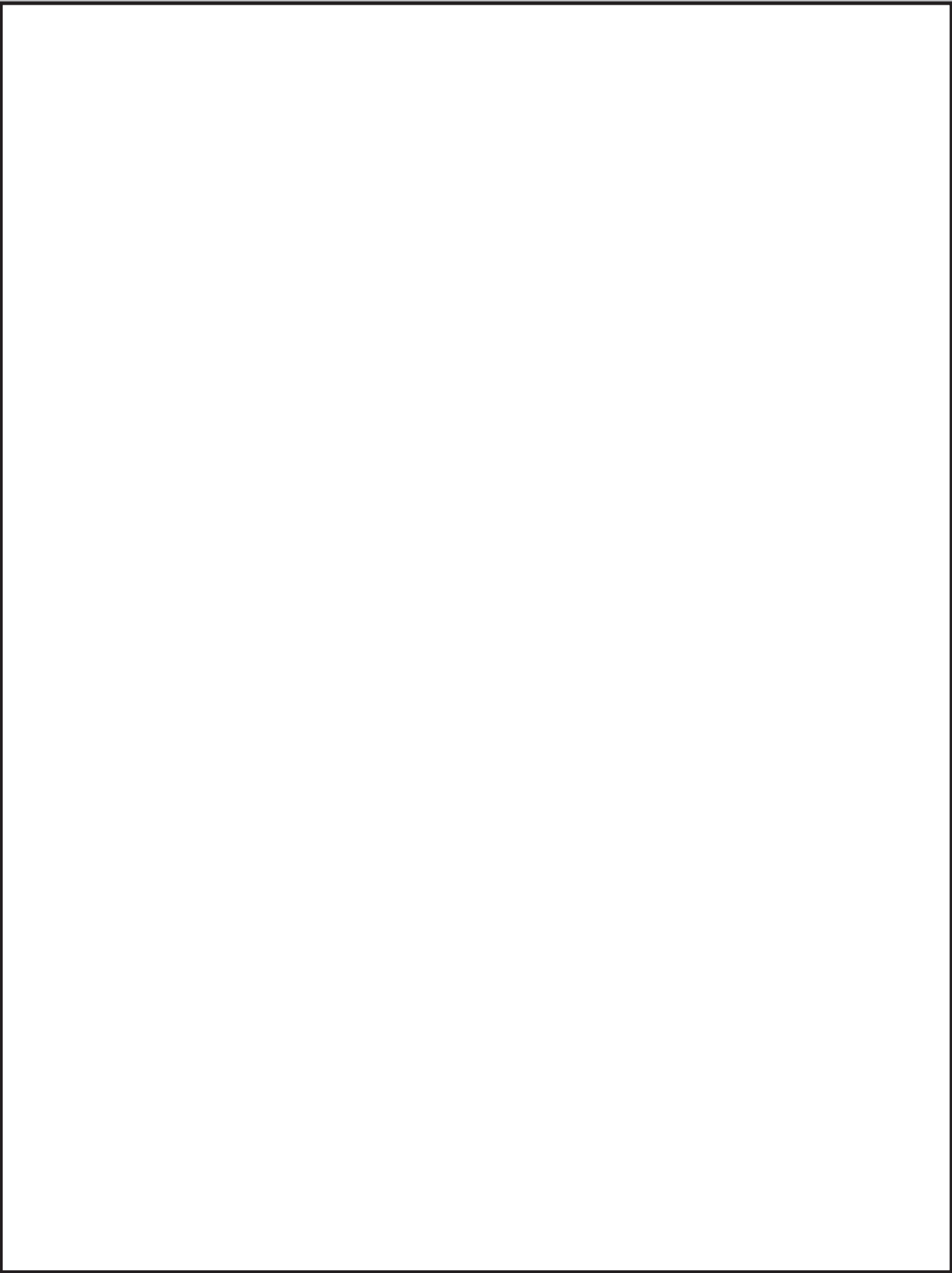
GENESEE COUNTY

Exhibit A-3-3

Fiscal Year Ended September 30, 2005

Fund balances of governmental funds	\$ 66,850,856
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds	105,317,637
Net assets held in internal service funds are classified as held for governmental activities but are not reported in the funds. This amount is the net assets exclusive of capital assets and long term debt which are reported elsewhere in this reconciliation	5,300,194
Long term liabilities, including long term notes and bonds payable are not due in the current period, and therefore, are not reported in the funds.	<u>(39,302,080)</u>
Net assets of governmental activities	<u>\$ 138,166,607</u>

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



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

GENESEE COUNTY

Exhibit A-4

	<u>General</u>	<u>Mental Health</u>
Revenues:		
Taxes--Note H.....	\$ 53,622,524	
Licenses and permits.....	401,780	
Fines and forfeitures.....	2,341,587	
Use of money and property.....	1,056,323	\$ 303,465
Federal grants--Note G.....	850,800	1,422,983
State grants--Note G.....		21,382,397
Other intergovernmental revenues.....	6,437,538	
Charges for services.....	10,966,328	81,699,068
Other.....	2,486,210	424,155
TOTAL REVENUES	<u>78,163,090</u>	<u>105,232,068</u>
Expenditures:		
Current operations:		
Legislative.....	920,466	
Management and planning.....	8,605,320	
Administration of justice.....	26,180,308	
Law enforcement and community protection.....	21,789,344	
Human services.....	2,005,471	102,285,014
Community enrichment and development.....	497,050	
General support services.....	228,656	
Other.....	10,257,543	
Capital outlay.....	507,190	34,575
Debt service:		
Principal payments.....	89,720	
Interest.....		
TOTAL EXPENDITURES	<u>71,081,068</u>	<u>102,319,589</u>
REVENUES OVER(UNDER) EXPENDITURES	<u>7,082,022</u>	<u>2,912,479</u>
Other financing sources (uses):		
Proceeds from notes		
Discount sale of bonds.....		
Payment to refund bond escrow.....		
Transfers in (out):		
Transfers-In.....	17,721,032	2,385,498
Transfers-Out.....	(24,964,209)	
TOTAL OTHER FINANCING SOURCES(USES)	<u>(7,243,177)</u>	<u>2,385,498</u>
NET CHANGE IN FUND BALANCES	(161,155)	5,297,977
Fund balance at beginning of year-as restated.....	18,994,852	15,767,093
FUND BALANCE AT END OF YEAR	<u>\$ 18,833,697</u>	<u>\$ 21,065,070</u>

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

Fiscal Year Ended September 30, 2005

County Health	Community Action Resource Department	Workforce Investment Act Program	Other Governmental Funds	Total Governmental Funds
\$ 655,121			\$ 28,737,778	\$ 82,360,302
			339,698	1,396,599
			29,424	2,371,011
			2,814,566	4,174,354
1,751,297	\$ 21,740,697	\$ 17,137,038	12,456,532	55,359,347
12,588,778	1,453,849	1,475,886	14,164,155	51,065,065
23,149			1,706,681	8,167,368
786,449			4,108,525	97,560,370
2,515,167	8,577,566		2,363,881	16,366,979
<u>18,319,961</u>	<u>31,772,112</u>	<u>18,612,924</u>	<u>66,721,240</u>	<u>318,821,395</u>
				920,466
			3,697,008	12,302,328
			9,914,164	36,094,472
			9,714,696	31,504,040
23,218,369	31,590,793	18,612,924	24,308,238	202,020,809
			7,277,176	7,774,226
				228,656
			16,717,699	26,975,242
81,076	308,030		7,263,976	8,194,847
			2,737,528	2,827,248
			1,840,218	1,840,218
<u>23,299,445</u>	<u>31,898,823</u>	<u>18,612,924</u>	<u>83,470,703</u>	<u>330,682,552</u>
<u>(4,979,484)</u>	<u>(126,711)</u>	<u>0</u>	<u>(16,749,463)</u>	<u>(11,861,157)</u>
			17,486,536	17,486,536
			(41,969)	(41,969)
			(13,776,115)	(13,776,115)
7,724,910	125,550		20,227,569	48,184,559
(802,826)	(219,148)		(12,287,772)	(38,273,955)
<u>6,922,084</u>	<u>(93,598)</u>	<u>0</u>	<u>11,608,249</u>	<u>13,579,056</u>
1,942,600	(220,309)	0	(5,141,214)	1,717,899
2,626,031	1,008,910		26,736,071	65,132,957
<u>\$ 4,568,631</u>	<u>\$ 788,601</u>	<u>\$ 0</u>	<u>\$ 21,594,857</u>	<u>\$ 66,850,856</u>

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

GENESEE COUNTY

Exhibit A-5

Fiscal Year Ended September 30, 2005

Net change in fund balances--total governmental funds	\$ 1,717,899
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Amounts reported for governmental activities in the statement of activities are different because:

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

-Capital outlay	10,257,048
-Depreciation expense	(3,865,821)
-Additions and Deletions	(1,803,436)

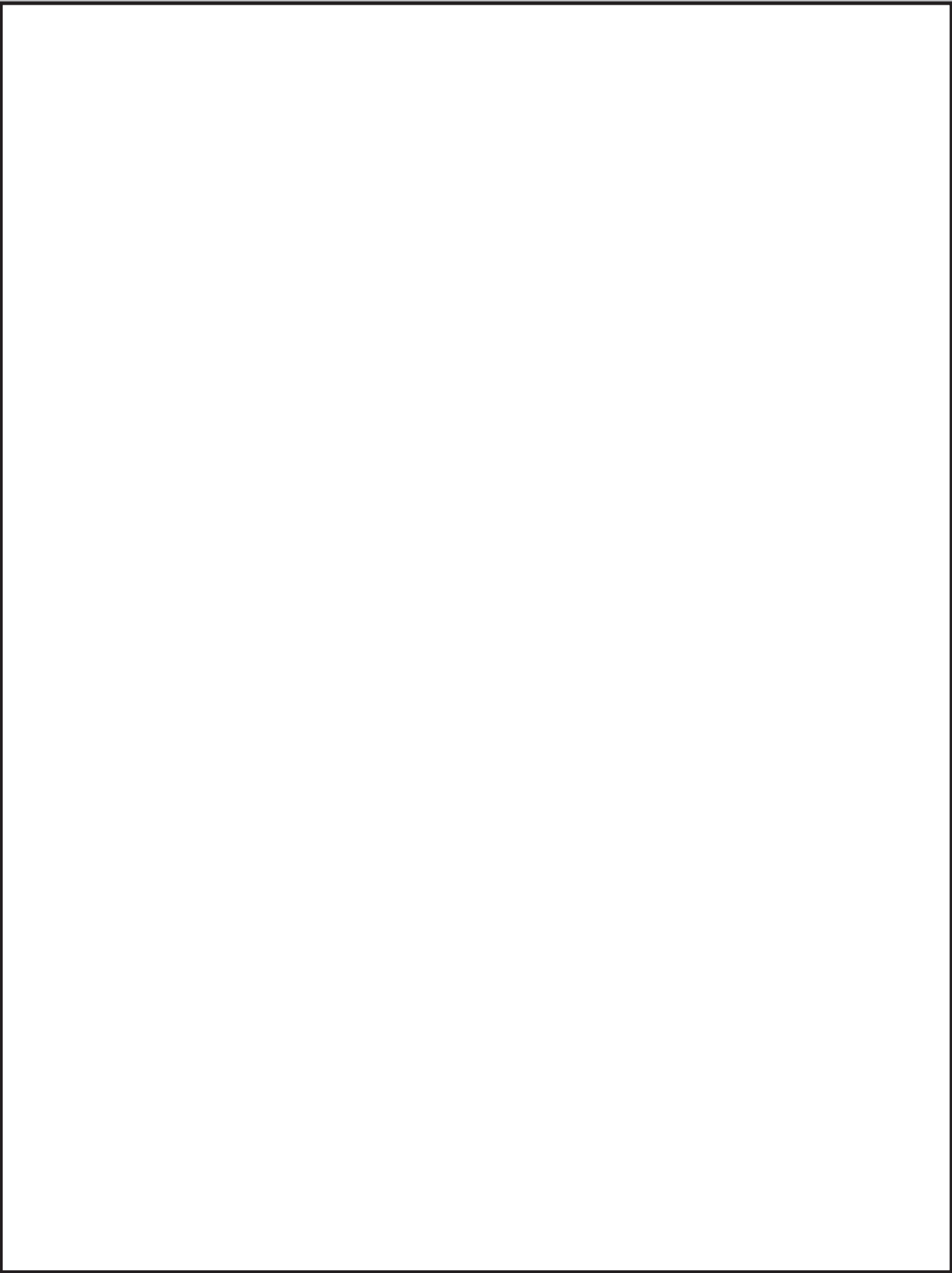
The issuance of long-term debt provides current financial resources to the governmental funds. However, on the statement of net assets, debt proceeds are recorded as a liability when received and do not have any effect on net assets.	(16,475,527)
---	--------------

The payment of principal on long-term debt consumes current financial resources of the governmental funds. However, on the statement of net assets, repayment of principal are recorded as a reduction to long-term debt payable and do not have any effect on net assets	16,081,126
---	------------

The activities of the internal service funds are considered part of governmental activities on the statement of changes in net assets but are not reported in the funds.	<u>(130,931)</u>
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Change in net assets of governmental activities	<u><u>\$ 5,780,358</u></u>
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The notes to the financial statements are an integral part of this statement.



BALANCE SHEET--PROPRIETARY FUNDS

GENESEE COUNTY

Exhibit A-6

	Business Type Activities -	Enterprise Funds
	Delinquent Taxes	Non-Major Enterprise Funds
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents.....	\$ 2,853,830	\$ 213,934
Investments.....	7,000,000	788,223
Current and delinquent property taxes receivable, less allowance for uncollectibles of \$523,333.....	21,746,421	
Interest and accounts receivable.....	3,718,798	222,410
Due from other governmental units.....	1,014,865	
Due from other county funds.....	1,144,262	9,552
Due from component unit.....	1,455,908	
Supplies inventory.....		37,335
Prepayments.....	549,577	136,000
TOTAL CURRENT ASSETS	39,483,661	1,407,454
CAPITAL ASSETS		
Land.....	2,783,818	3,780,603
Buildings and improvements.....		1,172,352
Equipment.....	365,991	3,656,897
TOTAL CAPITAL ASSETS	3,149,809	8,609,852
Less allowances for depreciation.....		6,549,736
TOTAL CAPITAL ASSETS, NET	3,149,809	2,060,116
TOTAL ASSETS	\$ 42,633,470	\$ 3,467,570
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable.....	\$ 457,233	\$ 28,266
Accrued payroll.....		21,306
Accrued vacation and other employee benefits.....		
Other accrued liabilities and deposits.....	591,179	8,950
Due to other governmental units.....	426	
Due to other County funds.....	4,885,615	
Current portion of notes/bonds payable.....	16,484,000	156,000
TOTAL CURRENT LIABILITIES	22,418,453	214,522
LONG-TERM DEBT		
General and workers compensation claim Liability.....		307,500
Notes/bonds payable exclusive of current portion.....		307,500
TOTAL LONG-TERM DEBT	0	307,500
NET ASSETS:		
Restricted for retirement of delinquent tax notes payable.....	6,588,273	
Invested in capital assets net of related debt.....	3,149,809	1,596,616
Unrestricted.....	10,476,935	1,348,932
TOTAL NET ASSETS	20,215,017	2,945,548
TOTAL LIABILITIES AND NET ASSETS	\$ 42,633,470	\$ 3,467,570

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

<u>September 30, 2005</u>		Governmental Activities- Internal Service Funds
<u>Total</u>		
\$ 3,067,764	\$ 686,605	
7,788,223	9,756,698	
21,746,421		
3,941,208	86,994	
1,014,865	139,311	
1,153,814	4,395,020	
1,455,908		
37,335	44,095	
685,577	268,076	
<u>40,891,115</u>	<u>15,376,799</u>	
6,564,421	173,496	
1,172,352	176,430	
4,022,888	26,709,364	
<u>11,759,661</u>	<u>27,059,290</u>	
6,549,736	18,882,096	
5,209,925	8,177,194	
<u>\$ 46,101,040</u>	<u>\$ 23,553,993</u>	
\$ 485,499	\$ 1,396,565	
21,306	70,694	
	5,553,537	
600,129	0	
426		
4,885,615	3,055,808	
16,640,000	132,123	
<u>22,632,975</u>	<u>10,208,727</u>	
	2,598,882	
307,500	254,541	
<u>307,500</u>	<u>2,853,423</u>	
6,588,273		
4,746,425	1,772,062	
11,825,867	8,719,781	
23,160,565	10,491,843	
<u>\$ 46,101,040</u>	<u>\$ 23,553,993</u>	

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

GENESEE COUNTY

Exhibit A-7

	Fiscal Year Ended 9/30/2019	
	Business Type Activities -	
	Delinquent Taxes	Non-Major Enterprise Funds
Operating revenues:		
Charges for sales and services:		
Ticket, permit & concession sales.....		\$ 1,251,091
Taxes.....	\$ 5,883,971	
State revenue.....		
TOTAL OPERATING REVENUES	<u>5,883,971</u>	<u>1,251,091</u>
Operating expenses:		
Salaries and fringe benefits.....		800,880
Supplies and other operating expenses.....	2,515,761	750,220
Depreciation.....		153,812
TOTAL OPERATING EXPENSES	<u>2,515,761</u>	<u>1,704,912</u>
OPERATING INCOME(LOSS)	<u>3,368,210</u>	<u>(453,821)</u>
Non-operating revenues (expenses):		
Investment earnings.....	362,425	1,973
Interest expense.....	(361,008)	(25,174)
Gain (loss) on sale of property and equipment.....		(21,000)
Amortization and Other.....		(14,069)
Contribution to Component Unit-Land Bank Authority.....	(774,284)	
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>(772,867)</u>	<u>(58,270)</u>
INCOME (LOSS) BEFORE TRANSFERS	<u>2,595,343</u>	<u>(512,091)</u>
Transfers-in.....	951,223	810,000
Transfers-out.....	(8,694,375)	(202,362)
TOTAL TRANSFERS	<u>(7,743,152)</u>	<u>607,638</u>
CHANGE IN NET ASSETS	<u>(5,147,809)</u>	<u>95,547</u>
Net assets at beginning of year.....	25,362,826	2,850,001
NET ASSETS AT END OF YEAR	<u>\$ 20,215,017</u>	<u>\$ 2,945,548</u>

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

<u>September 30, 2005</u>	<u>Governmental</u>
	<u>Activities-</u>
	<u>Internal</u>
<u>Total</u>	<u>Service</u>
	<u>Funds</u>
\$ 1,251,091	\$ 20,102,964
5,883,971	
<u>7,135,062</u>	<u>20,102,964</u>
800,880	7,129,289
3,265,981	9,699,245
153,812	1,088,914
<u>4,220,673</u>	<u>17,917,448</u>
<u>2,914,389</u>	<u>2,185,516</u>
364,398	506,365
(386,182)	(8,471)
(21,000)	
(14,069)	(39,251)
<u>(774,284)</u>	
<u>(831,137)</u>	<u>458,643</u>
<u>2,083,252</u>	<u>2,644,159</u>
1,761,223	1,800,010
<u>(8,896,737)</u>	<u>(4,575,100)</u>
<u>(7,135,514)</u>	<u>(2,775,090)</u>
<u>(5,052,262)</u>	<u>(130,931)</u>
28,212,827	10,622,774
<u>\$ 23,160,565</u>	<u>\$ 10,491,843</u>

STATEMENT OF CASH FLOWS- PROPRIETARY FUNDS

GENESEE COUNTY

Exhibit A-8

	<u>Business Type</u>
	<u>Delinquent Taxes</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from customers.....	\$ 5,176,776
Cash payments to suppliers for goods and services.....	(3,190,424)
Cash payments to employees for services.....	
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	<u>1,986,352</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Borrowing under delinquent tax notes payable.....	29,000,000
Repayments under delinquent tax notes payable.....	(27,133,000)
Interest paid on delinquent tax notes payable.....	(361,008)
Advances from other governmental units, County units and funds.....	3,915,363
Repayments to other governmental units, County units and funds.....	
Contributions to other governmental entities.....	(740,112)
Transfers-in from other funds.....	951,223
Transfers-out to other funds.....	(8,694,375)
NET CASH PROVIDED BY (USED FOR) NONCAPITAL FINANCING ACTIVITIES	<u>(3,061,909)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Acquisition and construction of capital assets.....	(162,275)
Proceeds from equipment notes.....	
Principal paid on long-term debt.....	
Interest paid on long-term debt.....	
Proceeds from sale of equipment.....	
NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(162,275)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of investment securities.....	(136,690,561)
Proceeds from sale and maturities of investment securities.....	138,680,088
Interest and dividends on investments.....	461,959
NET CASH PROVIDED BY (USED FOR) IN INVESTING ACTIVITIES	<u>2,451,486</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>1,213,654</u>
Cash and cash equivalents at beginning of year.....	<u>1,640,176</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 2,853,830</u>
RECONCILIATION OF OPERATING INCOME(LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:	
Operating income(loss).....	\$ 3,368,210
Adjustments to reconcile operating income(loss) to net cash provided by (used for) operating activities:	
Depreciation.....	
Provision for uncollectible accounts.....	17,006
Change in assets and liabilities:	
(Increase) decrease in current and delinquent property taxes receivable.....	(724,201)
(Increase) decrease in interest and accounts receivable.....	
(Increase) decrease in supplies inventory.....	
(Increase) decrease in prepayment and other current assets.....	(549,577)
Increase (decrease) in accounts payable and related items.....	(125,086)
Increase (decrease) in accrued payroll.....	
Increase (decrease) in other accrued liabilities and deposits.....	
Net cash provided by (used for) operating activities.....	<u>\$ 1,986,352</u>

Non-cash disclosure - Land and equipment of \$775,966 was transferred by DTR to Land Bank Authority

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

Fiscal Year Ended September 30, 2005
Activities - Enterprise Funds

Non-Major Enterprise Funds	Total
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**Governmental
Activities-
Internal
Service
Funds**

\$ 1,028,681	\$ 6,205,457	\$ 20,056,758
(751,053)	(3,941,477)	(8,533,257)
(805,696)	(805,696)	(7,953,755)
<u>(528,068)</u>	<u>1,458,284</u>	<u>3,569,746</u>

	29,000,000	
	(27,133,000)	0
	(361,008)	
	3,915,363	547,182
(7,249)	(7,249)	
	(740,112)	
810,000	1,761,223	1,800,010
(202,362)	(8,896,737)	(4,575,100)
<u>600,389</u>	<u>(2,461,520)</u>	<u>(2,227,908)</u>

(64,915)	(227,190)	0
	0	(1,210,571)
(145,500)	(145,500)	(360,767)
(36,762)	(36,762)	(8,471)
(21,000)	(21,000)	7,299
<u>(268,177)</u>	<u>(430,452)</u>	<u>(1,572,510)</u>

(80,437)	(136,770,998)	(6,285,702)
	138,680,088	6,682,235
1,973	463,932	457,653
<u>(78,464)</u>	<u>2,373,022</u>	<u>854,186</u>
(274,320)	939,334	623,514
488,254	2,128,430	63,091
<u>\$ 213,934</u>	<u>\$ 3,067,764</u>	<u>\$ 686,605</u>

\$ (453,821)	\$ 2,914,389	2,185,516
153,812	153,812	1,088,914
	17,006	
(222,410)	(946,611)	
	0	(43,626)
(22,911)	(22,911)	14,851
	(549,577)	91,237
1,680	(123,406)	1,031,772
(4,816)	(4,816)	(824,465)
20,398	20,398	25,547
<u>(528,068)</u>	<u>1,458,284</u>	<u>3,569,746</u>

- 0 -

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

GENESEE COUNTY

Exhibit A-9

	September 30, 2005	
	Total Pension and Employee Fringe Benefit (VEBA) Trust Fund	Agency Funds
ASSETS		
Cash and cash equivalents.....	\$ 20,931,136	\$ 9,381,098
Receivables:		
Other receivables.....	726	699,412
Accrued interest and dividends.....	1,409,390	
Due from other county funds.....		94,033
TOTAL RECEIVABLES	22,341,252	10,174,543
Investments at fair value:		
U.S. Government securities.....	65,259,797	
Foreign Govts. and Agencies.....	55,027,516	
Corporate bonds.....	54,916,063	
Common stocks.....	190,854,650	12,500,000
Preferred stocks.....	14,895,905	
Mutual funds.....	49,828,874	
Real Estate.....	15,281,466	
TOTAL INVESTMENTS	446,064,271	12,500,000
TOTAL ASSETS	468,405,523	22,674,543
LIABILITIES		
Refunds payable and other liabilities.....	439,080	22,160,314
Accrued expenses.....	2,997	
Due to other County funds.....	51,686	514,229
TOTAL LIABILITIES	493,763	22,674,543
NET ASSETS		
Held in trust for pension benefits and other purposes.....	\$ 467,911,760	\$ 0

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

GENESEE COUNTY
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS

GENESEE COUNTY

Exhibit A-10

	September 30, 2005
	Total Pension and Employee Benefit Trust Fund
ADDITIONS	
Contributions:	
Employer.....	\$ 26,834,713
Plan members.....	2,148,473
Total contributions	<u>28,983,186</u>
Investment earnings:	
Net (decrease)	
in fair value of investments.....	31,018,298
Interest.....	5,327,239
Dividends.....	4,043,043
Total investment earnings.....	40,388,580
Less investment expense.....	1,941,463
Net investment earnings.....	<u>38,447,117</u>
Total additions.....	<u>67,430,303</u>
DEDUCTIONS	
Benefits.....	25,909,403
Refunds of contributions.....	410,930
Administrative expenses.....	443,369
Transfer to other pensions plans.....	1,483,017
Total deductions.....	<u>28,246,719</u>
Change in net assets.....	39,183,584
Net assets-beginning of the year-as restated.....	428,728,176
Net assets- end of the year.....	<u>\$ 467,911,760</u>

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

STATEMENT OF NET ASSETS COMPONENT UNITS

GENESEE COUNTY

Exhibit A-11

	Road Commission 9/30/05	Water and Waste Services 12/31/04
ASSETS		
Cash and cash equivalents.....	\$ 46,676,868	\$ 10,868,190
Special Assessments and Lease Receivable.....	7,455,020	54,485,000
Interest and accounts receivable.....	336,271	3,179,225
Due from other governmental units.....	7,292,265	1,556,328
Due from other Primary Government.....		
Inventory.....	1,097,027	8,813
Prepayments.....	37,090	36,688
Restricted Assets:		
Cash and cash equivalents.....	834,593	33,137,702
Construction in progress.....		8,544,428
Capital assets net of depreciation.....	54,918,312	156,551,967
TOTAL ASSETS	118,647,446	268,368,341
LIABILITIES		
Accounts payable.....	2,078,290	2,600,939
Accrued Payroll.....		
Other accrued liabilities and deposits.....	744,844	
Due to other governmental units.....	41,803	12,514
Due to Primary Government.....		
Unearned revenue.....	930,049	16,641,150
Payable from Restricted Assets:		
Accounts Payable.....	830,593	4,579,119
Long-term advance from Primary Government.....		
Current portion debt.....	1,013,664	7,530,000
Long-term Debt.....	2,751,953	109,935,000
TOTAL LIABILITIES	8,391,196	141,298,722
NET ASSETS		
Invested in capital assets - Net of related debt.....	51,152,695	107,923,141
Restricted for programs and debt service.....	59,103,555	5,862,192
Unrestricted.....		13,284,286
TOTAL NET ASSETS	\$ 110,256,250	\$ 127,069,619

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

Economic Development Corporation 12/31/04	Drains 9/30/05	Land Bank Authority 9/30/05	Brownfield Authority 09/30/05	Total
\$ 659,599	\$ 2,370,261	\$ 436,212	\$ 3,406,933	\$ 64,418,063
	3,010,700			64,950,720
780,875		237,522		4,533,893
		133,751		8,982,344
		61,302		61,302
	40,460	1,878,460		3,024,760
		11,258		85,036
				33,972,295
				8,544,428
	9,440,786	233,920		221,144,985
<u>1,440,474</u>	<u>14,862,207</u>	<u>2,992,425</u>	<u>3,406,933</u>	<u>409,717,826</u>
319	364,214	747,955	50,158	5,841,875
	14,978	8,988		23,966
	12,081	880		757,805
		325,299		379,616
		1,471,135		1,471,135
		172,425		17,743,624
	8,180			5,417,892
	500,000			500,000
	498,451	10,873		9,052,988
	1,220,407	45,942	5,000,000	118,953,302
<u>319</u>	<u>2,618,311</u>	<u>2,783,497</u>	<u>5,050,158</u>	<u>160,142,203</u>
	7,721,928	177,105		166,974,869
1,319,477	590,640			66,875,864
120,678	3,931,328	31,823	(1,643,225)	15,724,890
<u>\$ 1,440,155</u>	<u>\$ 12,243,896</u>	<u>\$ 208,928</u>	<u>\$ (1,643,225)</u>	<u>\$ 249,575,623</u>

STATEMENT OF ACTIVITIES COMPONENT UNITS

GENESEE COUNTY

Exhibit A-12

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Drains 9/30/05
Component units:				
Drains.....	\$ 3,251,690	\$ 812,316		\$ (2,439,374)
Economic Development Corporation.....	64,389	9,500		
Road Commission.....	26,300,037	5,373,418	\$ 30,853,346	
Water and Waste.....	32,465,184	31,417,877		
Land Bank Authority.....	3,406,705	1,151,793	2,437,000	
Brownfield Authority.....	1,692,521			
Total Component Units	<u>\$ 67,180,526</u>	<u>\$ 38,764,904</u>	<u>\$ 33,290,346</u>	<u>(2,439,374)</u>
Revenues:				
Taxes.....				1,619,081
Unrestricted contributions.....				1,442,454
Use of money and investments.....				13,725
Other intergovernmental revenues.....				214,491
Other unrestricted revenues.....				
Transfers.....				
Total general revenues and transfers				<u>3,289,751</u>
Change in net assets.....				850,377
Net assets - beginning.....				<u>11,393,519</u>
Net assets - ending.....				<u>\$ 12,243,896</u>

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

Net (Expense) Revenue and Changes in Net Assets					
Component Units					
Economic Development Corporation 12/31/04	Road Commission 9/30/05	Water and Waste 12/31/2004	Land Bank Authority 9/30/05	Brownfield Authority 09/30/05	Total
					\$ (2,439,374)
\$ (54,889)					(54,889)
	\$ 9,926,727				9,926,727
		\$ (1,047,307)			(1,047,307)
			\$ 182,088		182,088
				\$ (1,692,521)	(1,692,521)
<u>(54,889)</u>	<u>9,926,727</u>	<u>(1,047,307)</u>	<u>182,088</u>	<u>(1,692,521)</u>	<u>4,874,724</u>
					1,619,081
		499,734	21,430		1,963,618
47,158	2,079,844	567,738	5,410	49,296	2,763,171
					214,491
		3,828,893			3,828,893
					0
<u>47,158</u>	<u>2,079,844</u>	<u>4,896,365</u>	<u>26,840</u>	<u>49,296</u>	<u>10,389,254</u>
<u>(7,731)</u>	<u>12,006,571</u>	<u>3,849,058</u>	<u>208,928</u>	<u>(1,643,225)</u>	<u>15,263,978</u>
<u>1,447,886</u>	<u>98,249,679</u>	<u>123,220,561</u>			<u>234,311,645</u>
<u>\$ 1,440,155</u>	<u>\$ 110,256,250</u>	<u>\$ 127,069,619</u>	<u>\$ 208,928</u>	<u>\$ (1,643,225)</u>	<u>\$ 249,575,623</u>

NOTES TO FINANCIAL STATEMENTS

GENESEE COUNTY

EXHIBIT A-13

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

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

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

Blended Component Units:

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

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

Land Reutilization Council, Inc. – Legally separate entity established to account for real property obtained via property tax foreclosure procedures. The Council is appointed by the County Board of Commissioners.

Discretely Presented Component Units:

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

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

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

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

Genesee County Land Bank Authority – An entity which accounts for the activities of the Authority consisting of acquisition of properties via the delinquent tax state statute sales of property to individuals, commercial entities and nonprofit organizations, rental of properties to individuals, rehabilitation and demolition of properties in preparation for sale or future development.

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.

Complete financial statements of the individual component units can be obtained from their respective administrative offices.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

Separate financial statements are provided for governmental funds, proprietary funds, fiduciary funds, and the component units even though the fiduciary fund statements are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement focus, basis of accounting and financial statement presentation: The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Revenue recognition policies: Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Revenues, which are considered measurable, but not available, are recorded as a receivable and deferred revenue. Revenues for 2005 include property taxes levied principally on December 1, 2004 and substantially collected in early 2005. The "2005 property taxes" assessed on December 31, 2004, become a lien on December 1, 2005, and are to be collected principally in February, 2006. Also, for the year ended September 30, 2005 the state legislative eliminated state shared revenues to Counties. As a compromise, the legislature allowed counties to move the property tax levy to a July 1 date. As a result, the July 1, 2005 levy is also recognized as revenue for the year ended September 30, 2005 to the extent that it is available. Other significant revenue susceptible to accrual include expenditure reimbursement type grants, certain inter-governmental revenues and operating transfers.

The government reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Mental Health Fund accounts for the operations of the County's Mental Health services.

The County Health Fund accounts for the operations of providing health protection and health services.

The Community Action Resource Department Fund accounts for the programs designed to provide health and human services to low income individuals.

The Workforce Investment Act Program Fund accounts for federally funded grant programs to provide job training to eligible individuals.

The government reports the following major proprietary funds:

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

The government reports the following fiduciary funds:

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

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

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

Additionally, the government reports the following fund types:

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

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

NOTES TO FINANCIAL STATEMENTS

GENESEE COUNTY

EXHIBIT A-13

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

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

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

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support Genesee County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

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

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

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

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

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

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

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

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

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

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

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

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

Long Term Obligations: In the government-wide financial statements, and proprietary fund types in the fund financial statements, long term debt and other long term obligations are reported as liabilities in the applicable governmental activities, business type activities or proprietary fund type statement of net asset. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are reported as debt service expenditures.

Fund Equity: In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

NOTE C – DEPOSITS AND INVESTMENTS

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

The pension trust fund is also authorized by Michigan Public Act 314 of 1965, as amended, to invest in certain reverse repurchase agreements, stocks, diversified investment companies, annuity investment contracts, real estate leased to public entities, mortgages, real estate, debt or equity of certain small business, certain state and local government obligations and certain other specified investment vehicles. The employees' fringe benefit (VEBA) fund is authorized by Michigan Public Act 149 of 1999 to invest in similar types of investments as the pension fund.

The County has designated three banks for the deposit of its funds. The investment policy adopted by the Board in accordance with Public Act 196 of 1997 has authorized investments as allowed under State statutory authority as listed above.

The County's cash and investments are subject to several types of risk which are examined in more detail below:

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 \$72,930,000 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. As a result, the County evaluates each financial institution it deposits funds with and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Custodial credit risk of investments – Custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County does not have a policy for custodial credit risk. At year end, the following investment securities were uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the County's name:

Investment Type	Carrying Value	How Held
U.S. gov or agency bond or note	\$ 59,817,000	Counterparty's trust dept
Commercial paper	13,613,000	Counterparty's trust dept
U.S. gov or agency bond or note (insurance trust)	1,143,466	Counterparty's trust dept
Corporate bonds (insurance trust)	1,816,095	Counterparty's trust dept
U.S. gov or agency bond or note (VEBA)	449,496	Counterparty's trust dept
Corporate bonds (VEBA)	5,614,138	Counterparty's trust dept
U.S. gov or agency bond or note (pension)	64,810,301	Counterparty's trust dept
Foreign gov and agency (pension)	55,027,516	Counterparty's trust dept
Corporate bonds (pension)	44,960,566	Counterparty's trust dept
Corporate stocks (pension)	198,728,602	Counterparty's trust dept

NOTES TO FINANCIAL STATEMENTS

GENESEE COUNTY

EXHIBIT A-13

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

<u>Type of Investment</u>	<u>Fair Value</u>	<u>Less than One Year</u>	<u>1-10 Years</u>	<u>Over ten Years</u>
U.S. gov or agency bond or notes	\$ 59,817,000	59,817,000		
Commercial paper	13,613,000	13,613,000		
U.S. gov or agency bond or notes (insurance trust)	1,592,962	149,484	1,443,477	
Corporate bonds (insurance trust)	7,430,233	101,750	7,328,484	
U.S. gov or agency bond or notes (VEBA)	449,496	149,484	300,011	
Corporate bonds (VEBA)	5,614,138	101,750	5,512,389	
U.S. gov or agency bond or notes (pension)	64,810,301		19,925,376	44,884,925
Corporate bonds (pension)	44,960,566		18,787,405	26,173,161

Credit risk – The County's investment policy limits its investment choices to those specified by state statute. As of year end, the credit quality ratings of debt securities are as follows:

<u>Investment</u>	<u>Fair Value</u>	<u>Rating</u>	<u>Rating Organization</u>
Commercial paper	12,000,000	A-1	S&P
Commercial paper	1,613,000	A-1+	S&P
Corporate bonds (insurance)	1,075,425	A	S&P
Corporate bonds (insurance)	740,670	BBB	S&P
Corporate bonds (VEBA)	201,710	AAA	S&P
Corporate bonds (VEBA)	390,861	AA	S&P
Corporate bonds (VEBA)	1,423,106	A	S&P
Corporate bonds (VEBA)	918,814	BBB	S&P
Corporate bonds (VEBA)	2,429,647	Below Grade	S&P
Corporate bonds (VEBA)	250,000	Not Rated	S&P
Corporate bonds (pension)	13,154	AA-	S&P
Corporate bonds (pension)	1,705,507	A+	S&P
Corporate bonds (pension)	2,849,319	A	S&P
Corporate bonds (pension)	1,724,429	A-	S&P
Corporate bonds (pension)	968,954	BBB+	S&P
Corporate bonds (pension)	2,837,274	BBB	S&P
Corporate bonds (pension)	2,222,564	BBB-	S&P
Corporate bonds (pension)	427	CCC+	S&P
Corporate bonds (pension)	225,930	Not Rated	S&P
Convertible bonds (pension)	733,344	A+	S&P
Convertible bonds (pension)	1,913,195	A	S&P
Convertible bonds (pension)	1,960,125	A-	S&P
Convertible bonds (pension)	3,852,150	BBB+	S&P
Convertible bonds (pension)	4,008,012	BBB	S&P
Convertible bonds (pension)	4,285,969	BBB-	S&P
Convertible bonds (pension)	1,347,637	BB+	S&P
Convertible bonds (pension)	933,450	BB-	S&P
Convertible bonds (pension)	852,375	B+	S&P
Convertible bonds (pension)	397,031	B	S&P
Convertible bonds (pension)	2,321,237	Not Rated	S&P
Foreign corporate bonds (pension)	311,072	A	S&P
Foreign corporate bonds (pension)	23,775	Not Rated	S&P
Corporate asset backed (pension)	3,951,958	AAA	S&P
Corporate asset backed (pension)	1,094,578	BBB	S&P
Corporate asset backed (pension)	304,141	Not Rated	S&P
Private placements (pension)	391,760	A	S&P
Private placements (pension)	312,818	BBB+	S&P
Private placements (pension)	1,274,605	BBB	S&P
Private placements (pension)	842,625	BBB-	S&P
Municipal bonds (pension)	561,090	AAA	S&P
Municipal bonds (pension)	740,059	A-	S&P

Foreign currency risk – Foreign currency risk is the risk that an investment denominated in the currency of a foreign country could reduce its U.S. dollar value, as a result of changes in foreign currency exchange rates. The pension system restricts the amount of investments in foreign currency – denominated investments to 20 percent of total pension system investments. The following securities are subject to foreign currency risk:

<u>Security</u>	<u>Foreign currency</u>	<u>Fair value (US\$)</u>
Foreign stocks (pension)	Pound, Canadian dollar, Krone, Euro, Hong Kong dollar, Yen, Peso, New Zealand dollar, Singapore dollar, Won, Franc and U.S. dollar	\$49,541,427
Foreign bonds (pension)	Pound and Euro	3,210,134

Further detail by individual foreign currency is not readily available.

NOTE D-CAPITAL ASSETS

Capital asset activity at September 30, 2005 is summarized as follows:

	<u>Balance Oct. 1, 2004</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance Sept. 30, 2005</u>
Governmental activities:				
Capital assets not being depreciated				
Land	\$ 19,840,139	\$ 42,463	\$ 21,000	\$19,861,602
Construction in Progress	168,916	4,047,494		4,216,410
Subtotal	<u>20,009,055</u>	<u>4,089,957</u>	<u>21,000</u>	<u>24,078,012</u>
Capital assets being depreciated:				
Buildings and improvements	105,683,177	5,716,696	817,264	110,582,609
Machinery and equipment	39,938,422	1,645,333	801,954	40,781,801
Subtotal	<u>145,621,599</u>	<u>7,362,029</u>	<u>1,619,218</u>	<u>151,364,410</u>
Less accumulated depreciation for:				
Buildings	32,416,803	2,735,551		35,152,354
Machinery and equipment	32,753,247	2,219,184		34,972,431
Subtotal	<u>65,170,050</u>	<u>4,954,735</u>	<u>0</u>	<u>70,124,785</u>
Governmental activities				
Capital assets, net of depreciation	<u>\$100,460,604</u>	<u>\$6,497,251</u>	<u>\$1,640,218</u>	<u>\$105,317,637</u>
Business type activities:				
Capital assets not being depreciated:				
Land	\$ 4,372,443	\$ 0	\$ 1,070,159	\$ 3,302,284
Capital assets being depreciated:				
Buildings	1,172,352			1,172,352
Land improvements	3,262,137			3,262,137
Machinery and equipment	3,716,549	430,905	124,566	4,022,888
Subtotal	<u>8,151,038</u>	<u>430,905</u>	<u>124,566</u>	<u>8,457,377</u>
Less accumulated depreciation for:				
Buildings	720,132	36,804		756,936
Land improvements	2,877,609	60,580		2,938,189
Machinery and equipment	2,829,952	56,428	31,769	2,854,611
Subtotal	<u>6,427,693</u>	<u>153,812</u>	<u>0</u>	<u>6,549,736</u>
Business type activities				
Capital assets, net of depreciation	<u>\$ 6,095,788</u>	<u>\$ 277,093</u>	<u>\$ 1,162,956</u>	<u>\$5,209,925</u>

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

Governmental activities:	
Legislative	\$ 0
Administration of Justice	364,834
Law Enforcement and Community Protection	899,894
Human Services	331,639
Community Enrichment and Development	186,477
General Support Services	2,093,472
Other	1,412
Internal service fund depreciation is charged to the various functions based on their usage of the assets	<u>1,077,007</u>
Total governmental activities	<u>\$4,954,735</u>
Business type activities:	
Parks and Recreation	<u>\$ 153,812</u>

NOTES TO FINANCIAL STATEMENTS

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

NOTE E – LONG-TERM DEBT (including current portions)

Long-term debt of the County is as follows:

	Balance Oct. 1, 2004	Additions	Reductions	Balance Sept 20, 2005	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	\$ 609,000	0	(145,500)	463,500	156,000
Delinquent Tax Fund:					
5.0% to 9.7% Delinquent tax notes	<u>14,617,000</u>	<u>29,000,000</u>	<u>(27,133,000)</u>	<u>16,484,000</u>	<u>16,484,000</u>
Total Business Type Activities	<u>15,226,000</u>	<u>29,000,000</u>	<u>(27,278,500)</u>	<u>16,947,500</u>	<u>16,640,000</u>
Government Activities:					
Internal Service Fund Equipment Notes	747,432	0	(360,738)	386,694	132,123
4.0% to 5.1% Genesee County Building Authority Bonds, Series 2002, Bonds maturing May 1, 2013 subject to Mandatory redemption	2,610,000	0	(95,000)	2,515,000	95,000
2.5% to 4.05% Genesee County Building Authority Bonds, Series 2001, Not subject to redemption prior to maturity	1,665,000	0	(180,000)	1,485,000	185,000
2.0% to 4.0% Genesee County Building Authority Bonds, Series 2004, Not subject to redemption prior to maturity	6,145,000	0	(940,000)	5,205,000	980,000
3.7% to 5.0% Genesee County Building Authority Bonds, Series 2000, Callable after May 1, 2008,	1,421,000	0	(339,500)	1,081,500	339,500
3.4% to 5.1% Genesee County Building Authority Bonds, Series 1999, Bonds maturing May 1, 2019 subject to Mandatory redemption	17,590,000	0	(13,870,000)	3,720,000	870,000
4.0% to 4.75% Genesee County Building Authority Bonds, Series 2002-B, Bonds maturing after May 1, 2013, are Subject to redemption prior to maturity	4,555,000	0	(155,000)	4,400,000	155,000
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	0	2,100,000	(40,000)	2,060,000	30,000
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..	0	12,950,000	0	12,950,000	90,000
LRC:					
Variable rate Capital Improvement Bonds, Series 2004 A Subject to redemption on any Interest payment date	1,500,000	0	0	1,500,000	0
Variable rate Capital Improvement Bonds Series 2005 A Subject to redemption on any interest payment date	0	1,400,000	0	1,400,000	0
G.M. Tax Settlement-Grand Blanc Township Property	<u>103,888</u>	<u>0</u>	<u>103,888</u>	<u>0</u>	<u>0</u>
Total Bonds and Notes	<u>36,337,320</u>	<u>16,450,000</u>	<u>(16,081,126)</u>	<u>36,703,194</u>	<u>2,876,619</u>
Self-Insurance Claim Liability	<u>2,573,355</u>	<u>25,527</u>	<u>0</u>	<u>2,598,882</u>	<u>1,000,000</u>
Total Governmental Activities	<u>38,910,675</u>	<u>16,475,527</u>	<u>(16,081,126)</u>	<u>39,302,076</u>	<u>3,876,619</u>
Total Long Term Debt	<u>\$ 54,136,675</u>	<u>\$45,475,527</u>	<u>\$(43,359,626)</u>	<u>\$56,249,576</u>	<u>\$20,516,619</u>

The General Motors property tax appeal settlement for the Grand Blanc Township property was \$934,992 with nine annual installments which began in 1997. Pre-settlement and post-settlement interest was waived for this settlement. The County budgeted for the annual installments out of current operations.

The 2004 Delinquent Tax Notes were issued in the form of a short-term financing investment much like commercial paper. This short-term financing instrument allows the County to obtain a more favorable taxable interest rate. The short-term Delinquent Tax Notes in the amount of \$16,484,000 are classified as a current liability since they roll over on a short-term basis.

During 2005 a portion of the Genesee County Building Authority Bonds – series 1999 refunding bonds were refunded via the issuance of the Series 2005 bonds. All proceeds were transferred to a bond escrow agent and as a result, the portion of the Series 1999 bonds were defeased

and removed as a liability from the County's financial statements. The principal and interest on the old bonds and new bonds are \$19,059,182 and \$19,666,907 respectively. The present value of the gain or the refunding was \$607,725.

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

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

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

The annual requirements to pay principal and interest on the obligations outstanding at September 30, 2005 are as follows:

	Governmental Activities		Business Type Activities	
	Principal	Interest	Principal	Interest
2005/2006	\$ 2,911,116	\$ 1,487,344	\$16,640,000	\$ 21,482
2006/2007	2,654,733	1,476,908	54,000	14,618
2007/2008	3,474,120	1,365,579	36,000	12,215
2008/2009	3,471,725	1,252,152	39,000	10,576
2009/2010	4,229,500	1,109,090	40,500	8,764
2011/2015	8,802,000	4,045,518	138,000	18,540
2016/2020	8,585,000	1,840,857	0	0
2021/2025	1,560,000	399,405	0	0
2026/2030	500,000	206,250	0	0
2031/2035	515,000	147,303	0	0
TOTALS	<u>\$36,703,198</u>	<u>\$13,330,396</u>	<u>\$16,947,500</u>	<u>\$86,195</u>

By statute, the County general obligation debt is restricted to 10% of the equalized value of all property in the County. Certain obligations, such as special assessment notes, are not subject to this limitation. At September 30, 2005, the County's debt limit amounted to \$1,303,503,241 and indebtedness subject to the limitation aggregated \$101,735,814.

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

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

The County is totally self-insured for workers' compensation for all losses, up to \$500,000 each occurrence, and self-insured for property and liability insurance claims up to \$50,000 and \$500,000, 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 paid losses within its self-insured retention through an Internal Service Fund. Net assets for this fund as of September 30, 2005 was \$6,832,608 with \$2,598,882 accrued as a liability for incurred losses and expenses. An actuarial study projected a required reserve of \$2.6 million for 2005. The County's Risk Manager provides employee accident prevention training and various risk control techniques through a continuing education program. There were no reductions in reinsurance coverages or settlements in excess of insurance coverages over the past three years.

A reconciliation of the claims liability for the years ended September 30, 2005 and 2004 is as follows:

	<u>Year Ended 9/30/05</u>	<u>Year Ended 9/30/04</u>
Claims Liability (beginning of year)	\$2,573,335	\$2,478,124
Claims incurred during the period	1,562,141	1,401,628
Changes in estimate for claims of prior periods	(581,584)	(228,238)
Payments on claims	<u>(955,010)</u>	<u>(1,078,179)</u>
Claims liability (end of year)	<u>\$2,598,882</u>	<u>\$2,573,335</u>

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

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

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GENESEE COUNTY

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NOTE G – GENERAL FUND AND CAPITAL PROJECTS RESERVES, DESIGNATIONS, AND DEFICITS

The County receives funds from various federal and state units to finance specific grants. The final determination of revenue amounts is subject to audit by the responsible agencies. Grant fund balance deficits, to the extent not liquidated by future operations, will be absorbed by the General Fund. Additionally, the County is a defendant in numerous legal actions of which Corporation Counsel is not able to provide information as to the probable outcome and extent of potential liability, if any. As a result of these and other matters discussed in Note F, above, the County has established a designation of fund balance in the General Fund in the amount of \$2,500,000 to provide for any audit adjustments of grant revenues, grand fund balance deficits and possible losses resulting from other contingencies, claims, and litigation.

The fund balance of the General Fund has also been reserved for long-term advances to other County units and funds in the amount of \$500,000.

The Hughes and Hatcher Capital Project fund incurred a deficit fund balance at September 30, 2005 of \$164,416. This deficit was caused by the incurrence of costs associated with the renovation of the Hughes and Hatcher facility. It is expected that future rents will eliminate the deficit fund balance.

NOTE H – PROPERTY TAXES

The County property tax is levied each December 1 on the assessed valuation of property located in the County as of the preceding December 31. On December 1, the property tax attachment is an enforceable lien on property and is payable by the last day of the next February following. Assessed values are established annually by the County and are equalized by the State at an estimated 50% of current market value. Real property in Genesee County for the 2005 levy was assessed at \$12,099,905,325 and equalized at \$12,099,905,325 representing 50% of estimated current market value. The County operating tax rate is currently 5.51 mills with an additional .48 mills voted each for parks and paramedics.

By agreement with various taxing authorities, the County purchases at face value the real property taxes receivable returned delinquent each March 1. These receivables (\$21,746,421 at September 30, 2005) 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.

NOTE I – RETIREMENT PLANS

DEFINED BENEFIT PLAN - -

PLAN DESCRIPTION AND PROVISIONS

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

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

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

Membership in the plan at December 31, 2004 the date of the latest actuarial valuation was comprised of 1,454 active plan members, 111 inactive vested members and 1,343 retirees and beneficiaries.

FUNDING POLICY

The Plan provides that participating employers and employees contribute amounts necessary to fund the actuarially determined benefits. Employees immediately become members of GCERS and are required to deposit from .5% to 6.50% of all compensation, including overtime. Deposits are accumulated in individual accounts for each member remaining in service. Upon termination, a member may withdraw the accumulated employee contributions plus any interest credited to his or her account.

The County forwarded \$2,148,473 of pension contributions withheld from employees during the plan year ended December 31, 2004. During 2005 employer contribution rates ranged from 0% to 10.95% of covered payroll.

ACTUARIAL ASSUMPTIONS

Valuation date	December 31, 2004
Actuarial cost method	Individual Entry Age
Amortization method	Level percent-of-payroll
Remaining amortization period	10 years open
Asset valuation method	4 year smoothed market
Investment rate of return	8.00%
Projected salary increases	5.00% to 9.03%
Includes inflation at	5.00%
Post retirement adjustments	Yes, depending on employer group

ANNUAL PENSION COST

The annual pension cost (APC), percentage of APC contributed, and net pension obligation (NPO), for the plan years ended December 31, 2004, 2003, and 2002, are summarized as follows:

Plan Year End	Actuarial Valuation Date	Annual Pension Costs (APC)	% of APC Contributed	Net Pension Obligation (Asset)
12/31/02	12/31/00	6,016,181	100.0 %	0
12/31/03	12/31/01	6,448,412	100.0 %	0
12/31/04	12/31/02	9,088,458	100.0 %	0

The Plan's Schedule of Funding Progress can be found in the Required Supplementary Information section.

DEFINED CONTRIBUTION PLAN - -

The County offers a defined contribution pension plan as an alternative to the defined benefit pension plan. The International City Managers Association (ICMA) Retirement Corporation administers the plan, and the County Board of Commissioners has authority over plan provisions and contribution requirements. All employees are eligible to participate in this plan, if not participating in the Defined Benefit Plan. The County is required to contribute 10% of eligible employees' annual covered payroll, and employees are required to contribute between 3% and 7% of covered payroll. Employees are vested after 5 years of service. During the year ended September 30, 2005, employer and employee contributions to the plan were \$2,820,858 and \$1,370,700, respectively.

OTHER POST-RETIREMENT BENEFITS - -

The employers that participate in the GCERS may provide health care and life insurance benefits to their employees through Genesee County. These benefits are funded through employer contributions to the County's General Fund, and are determined on a "pay as you go" basis and are not pre-funded. The total amount of post retirement benefits paid and expended for the year ended September 30, 2005 was \$9,350,913. Other post-retirement benefits have been negotiated for union employees through union contracts, and for non-union employees authorized by each entity's respective governing body.

Upcoming reporting change:

The Governmental Accounting Standards Board has recently released Statement No. 45, Accounting and Reporting by Employers for Postemployment Benefits Other Than Pensions. The new pronouncement provides guidance for local units of government in recognizing the cost of retiree health care, as well as any "other" postemployment benefits (other than pensions). The new rules will cause the government-wide financial statements to recognize the cost of providing retiree health care coverage over the working life of the employee, rather than at the time the health care premiums are paid. The new pronouncement is effective for the year ending September 30, 2008. Management is currently assessing the impact of this new accounting standard on the County's financial statement for future reporting periods.

NOTE J – LEASES

The County is party to numerous operating leases, aggregate rental expenses which was approximately \$227,359 during the year ended September 30, 2005, exclusive of the amount paid to a related organization described below. Minimum future rental payments under existing leases are not significant.

The Genesee County Community Mental Health Services is committed under various leases for building and office space and vehicles. These leases are considered for accounting purposes to be operating leases and contain renewal options of two to three years. Rental expenditures for the year ended September 30, 2005 are \$464,103.

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

Interfund Receivable and Payables:

Government Funds:

General Fund:

Mental Health.....		
Genesee County Community Action Resource Department	\$1,612,154	
Workforce Investment Act.....	1,619,202	
Proprietary	4,699,102	665,820
Non-major Governmental	1,688,872	9,552
Fiduciary	507,369	26,365
Debt	23,716	
Capital	76,555	
Internal Service.....	3,040,891	3,065,174
Total General Fund	<u>13,267,861</u>	<u>3,766,911</u>

Mental Health:

County Health		23,277
Total Mental Health	<u>0</u>	<u>23,277</u>

County Health:

Mental Health.....	23,277	
Non-major Governmental	56,090	
Internal Service		331,531
Total County Health	<u>79,317</u>	<u>331,531</u>

Genesee County Community Action Resource Department:

General Fund		1,612,154
Internal Service	3	190,399
Total Genesee County Community Action Resource Department ..	<u>3</u>	<u>1,802,553</u>

Workforce Investment Act:

General Fund		1,619,202
Internal Service		2,402
Total Workforce Investment Act.....	<u>0</u>	<u>1,621,604</u>

Non-major Governmental Funds:

General Fund		1,688,872
Major Special Revenue.....		56,090
Proprietary		13,324
Non-major Special Revenue.....	191,580	791,082
Capital Projects.....	4,377	
Fiduciary	2,755	11,324
Internal Service		19,697
Total Non-major Governmental Funds ..	<u>198,712</u>	<u>2,580,389</u>

Debt:

General Fund.....		23,716
Total Debt Service		<u>23,716</u>

Capital Project:

General Fund.....		76,555
Proprietary	324,457	465,119
Non-major Special Revenue.....		4,377
Capital Project		297,851
Total Capital Project Funds....	<u>324,457</u>	<u>843,902</u>
Total Governmental Funds ..	<u>13,870,350</u>	<u>10,993,833</u>

Proprietary:

Delinquent Tax:

General Fund.....	665,820	4,699,102
Non-major Special Revenue.....	13,324	
Capital Project	465,119	26,606
Internal Service		159,907
Total Delinquent Tax	<u>1,144,263</u>	<u>4,885,615</u>

Parks and Recreation:

General Fund.....	9,552	0
Total Parks and Recreation Enterprise.....	<u>9,552</u>	<u>0</u>
Total Business Type Activity ..	<u>1,153,815</u>	<u>4,885,615</u>

Internal Service Funds:

General Fund	3,065,174	3,040,891
County Health.....	331,531	
Genesee Community Action Resource Department	190,399	3
Workforce Investment Act	2,402	
Proprietary	159,907	
Non-major Governmental	619,199	500
Fiduciary	12,048	55
Internal Service.....	14,359	14,359
Total Internal Service Funds ..	<u>4,395,019</u>	<u>3,055,808</u>
Fiduciary Funds:		
Trust and Agency:		
General Fund.....	26,365	507,369
Non-major Special Revenue.....	6,902	2,125
Fiduciary	55,790	55,790
Internal Service.....	4,977	630
Total Fiduciary Funds	<u>94,034</u>	<u>565,914</u>
Total Interfund Receivables/Payables.....	<u>\$19,513,218</u>	<u>\$19,501,170</u>
Due to/from primary government and component units:		
Component unit – Land Bank Authority	\$ 61,302	\$1,471,135
Primary government-Delinquent Tax Fund	1,455,908	
Primary government – GCCARD	15,227	
Primary government - Non-major special revenue	0	61,302
Total Primary Government and Component Unit Interfund Receivables/Payables	<u>\$1,532,437</u>	<u>\$1,532,437</u>

Note—The interfund receivables/payables exist due to the fact that the County uses a pooled cash management account for substantially all funds. The Interfund Receivables/Payables do not agree in this presentation due to the fact that the Retirement System presents December 31, 2004 balances.

Interfund Transfers In/Out:

	Transfers IN	Transfers OUT
Major Funds:		
General:		
Mental Health		2,385,498
County Health.....	700,000	8,636,675
GCCARD		125,550
Proprietary	3,269,499	199
Non-major Special Revenue.....	8,991,232	13,681,152
Capital	185,201	
Internal.....	4,575,100	135,135
Total General Fund	<u>17,721,032</u>	<u>24,964,209</u>
Mental Health:		
General	<u>2,385,498</u>	
Total Mental Health	<u>2,385,498</u>	
County Health:		
General.....	7,724,910	700,000
Non-major Special Revenue...		102,826
Total County Health	<u>7,724,910</u>	<u>802,826</u>
Genesee County Community Action Resource Department (GCCARD)		
General.....	125,550	
Debt.....		219,148
Total GCCARD	<u>125,550</u>	<u>219,148</u>
Non-major Special Revenue:		
General	14,625,217	8,998,732
Major Special Revenue.....	110,326	
Proprietary	89,250	811,103
Non-major Special Revenue.....	425,922	425,922
Internal.....		149,325
Total Non-major Governmental Funds	<u>15,250,715</u>	<u>10,385,082</u>

NOTES TO FINANCIAL STATEMENTS

GENESEE COUNTY

EXHIBIT A-13

Debt:			
	Proprietary	2,555,614	
	Debt	219,148	
	Capital Project	88,278	
	Fiduciary		
	Internal	<u>390,727</u>	
	Total Debt Service Funds	<u>3,253,767</u>	<u>0</u>
Capital Project:			
	General		185,201
	Proprietary	1,723,087	465,119
	Debt		129,519
	Capital Project		<u>1,122,851</u>
	Total Capital Projects Funds	<u>1,723,087</u>	<u>1,902,690</u>
	Total Governmental Funds	<u>48,184,559</u>	<u>38,273,955</u>
Proprietary:			
	General	199	3,269,499
	Proprietary	484,802	484,802
	Non-major Special Revenue	811,103	121,550
	Debt		2,905,100
	Capital Project	465,119	600,236
	Internal		<u>1,515,550</u>
	Total Proprietary Funds	<u>1,761,223</u>	<u>8,896,737</u>
Internal Services:			
	General	135,135	4,575,100
	Proprietary	1,515,550	
	Non-major Special Revenue	<u>149,325</u>	
	Total Internal Service Funds	<u>1,800,010</u>	<u>4,575,100</u>
Total Transfers In/Out		<u>\$51,745,792</u>	<u>\$51,745,792</u>

NOTE L-EXCESSES OF EXPENDITURES OVER APPROPRIATIONS

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

<u>Fund</u>	<u>Excess Expenditures</u>
General Fund	
District Court	\$ 51,213
Prosecutor	148
Road Patrol	69,665
New Paths	60
Community Mental Health	138,219
Other	207,232
Internal Service	4,485
Community Action Resource Department	1,112,321
Other Governmental Funds	
Accommodation Ordinance Tax	211,925
Animal Shelter	8,507
Child Care	264,375
Community Enrichment and Development	835,582
Drug Forfeitures	335,239
Law Enforcement	947,355
Medical Examiner	107,071
Paramedics	143,805
Parks and Recreation	1,386,706

NOTE M-COMPONENT UNIT DISCLOSURES

Deposits and investments:

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

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

The Road Commission has designated two banks for the deposit of funds. The investment policy adopted by the Board of each component unit are in accordance with Public Act 196 of 1997. All component unit deposits and investment policies are in accordance with statutory authority.

The cash and investments of component units are subject to the same types of risks as detailed in Note C. These risks are examined in more detail below:

Custodial credit risk of bank deposits-None of the component units have a deposit policy for custodial credit risk. At year end, the Road Commission had \$36,495,665 of bank deposits (checking and high balance savings accounts) that were uninsured and uncollateralized. At year end, the Economic Development Corporation had \$659,599 of bank deposits (checking and high balance savings accounts) that were uninsured and uncollateralized. At year end, the Water and Waste Services Division had \$36,349,922 of bank deposits (checking and high balance savings accounts) that were uninsured and uncollateralized. At year end, the Drain Commission had \$2,370,361 of bank deposits (checking and high balance savings accounts) that were uninsured and uncollateralized. At year end, the Land Bank Authority had \$641,601 of bank deposits (checking and savings accounts) that were uninsured and uncollateralized.

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

Road Commission:

<u>Type of Investment</u>	<u>Carrying Value</u>	<u>How Held</u>
U.S. gov or agency bond or notes (sweep)	\$11,949,481	Counterparty

Water and Waste Services:

<u>Type of Investment</u>	<u>Carrying Value</u>	<u>How Held</u>
U.S. gov or agency bond or notes (sweep)	\$43,672,600	Counterparty

Brownfield Authority:

<u>Investment Type</u>	<u>Carrying Value</u>	<u>How Held</u>
U.S. gov or agency bond or note	\$ 1,300,000	Counterparty's trust dept

Interest rate risk- Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The 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>
Sweep account	\$11,949,481	\$11,949,481

Water and Waste Services:

<u>Investment</u>	<u>Fair Value</u>	<u>Less than one year</u>
U.S. gov or agency bond or notes (sweep)	\$43,672,600	\$43,672,600

Brownfield Authority:

<u>Type of Investment</u>	<u>Fair Value</u>	<u>Less than one year</u>
U.S. gov or agency bond or notes	\$ 1,300,000	\$1,300,000

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

Road Commission:

<u>Investment</u>	<u>Fair Value</u>	<u>Rating</u>	<u>Organization</u>
Sweep account	\$11,949,481	Not Rated	

NOTES TO FINANCIAL STATEMENTS

GENESEE COUNTY

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Water and Waste Services:

<u>Investment</u>	<u>Fair Value</u>	<u>Rating</u>	<u>Rating Organization</u>
U.S. gov or agency bond or notes (sweep)	\$ 5,623,600	A	S&P
U.S. gov or agency bond or notes (sweep)	10,025,070	A-1	S&P
U.S. gov or agency bond or notes (sweep)	9,254,000	A-2	S&P
U.S. gov or agency bond or notes (sweep)	18,770,000	Not Rated	

Brownfield Authority:

<u>Investment</u>	<u>Fair Value</u>	<u>Rating</u>	<u>Rating Organization</u>
U.S. gov agency bonds or notes	\$ 1,300,000	Not Rated	

Concentration of credit risk-The Commission places no limit on the amount the Commission may invest in any one issuer. More than 5 percent of the Commission's investments are in the U.S. government or agency bond or notes sweep account, these investments are 100% of the Commission's total investments.

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

	<u>General Obligations Bonds & Notes</u>	<u>Capital Lease Obligation</u>	<u>Other</u>	<u>Total</u>
Long-term debt payable at September 30, 2004	\$4,415,000	\$ 597,577	\$ 4,237	\$5,016,814
New Debt:				
Notes Issued				
Lease				
Bonds and Notes Retired	(1,085,000)			(1,085,000)
Lease Payments		(164,174)	(2,023)	(166,197)
Long-term debt payable at September 30, 2005	<u>\$3,330,000</u>	<u>\$433,403</u>	<u>\$ 2,214</u>	<u>\$3,765,617</u>

The outstanding bonds and notes payable at September 30, 2005, and matured interest thereon, are payable to the state of Michigan from the proceeds of state-collected taxes returned to the Road Commission as Act 51 monies. In the case of default, the state treasurer is authorized to withhold future disbursements of Act 51 monies due the Road Commission until the defaulted payments are recovered by the state.

For certain outstanding notes, special assessments have also been levied on specific properties abutting certain road improvements. The collection of the assessments has been pledged as additional security for the payment of the bonds.

The detail of general obligation bonds and loans payable is shown below:

<u>Obligation Payables</u>	<u>Final Payment Due</u>	<u>Interest Rate or Range</u>	<u>Annual Principal Payment or Range</u>	<u>Outstanding Balance Sept. 30, 2005</u>	<u>Due Within One Year</u>
Michigan Transportation Fund notes:					
1996 Issue	August 1, 2006	5.125	95,000	95,000	95,000
1997 Issue	August 1, 2007	4.85	75,000	150,000	75,000
1998 Issue	August 1, 2008	3.8	445,000	1,335,000	445,000
1999 Issue	August 1, 2009	4.85-5.0	75,000	300,000	75,000
2000 Issue	August 1, 2010	4.6-4.8	105,000	525,000	105,000
2001 Issue	August 1, 2011	3.75-4.2	125,000	750,000	125,000
2002 Issue	August 1, 2012	2.8-3.7	25,000	175,000	25,000
Total Notes				3,330,000	
Capital lease obligation				433,403	
Other				2,214	
				<u>\$3,765,617</u>	<u>\$945,000</u>

Annual requirements to pay principal and interest on the outstanding obligations at September 30, 2005, are as follows:

	<u>Long-term debt</u>	<u>Capital leases</u>
Year Ended 9-30-2006	\$1,083,081	\$83,223
9-30-2007	948,810	80,883
9-30-2008	838,983	80,882
9-30-2009	362,625	80,882
9-30-2010	273,115	80,882
Remaining years.....	<u>183,000</u>	<u>80,883</u>
Amount representing interest	<u>(359,614)</u>	<u>(52,018)</u>
	<u>\$3,330,000</u>	<u>\$435,617</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, 2005, the Road Commission is within the statutory limit of Act 143.

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

	<u>Balance Oct. 1, 2003</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance Sept. 30, 2004</u>
Capital assets not being depreciated:				
Land and improvements	\$ 478,816	\$	\$	\$ 478,816
Construction in progress..		1,040,922		1,040,922
Depletable assets	<u>1,210</u>			<u>1,210</u>
Subtotal	<u>480,026</u>	<u>1,040,922</u>		<u>1,520,948</u>
Capital assets being depreciated:				
Land improvements	403,426	61,506		464,932
Buildings and improvements.....	7,625,995	190,057		7,816,053
Equipment:				
Road	18,909,759	1,318,781	1,070,084	19,158,456
Shop	443,059	20,878	11,814	452,123
Engineering	102,746			102,746
Yard and Storage	498,964			498,964
Office	1,148,840	115,515	23,467	1,240,888
Lab	<u>13,408</u>			<u>13,408</u>
Total	<u>29,626,223</u>	<u>3,014,424</u>	<u>1,899,961</u>	<u>29,626,223</u>
Infrastructure-Roads.....	38,479,304	10,306,351		48,785,655
Infrastructure-Bridges.....	<u>1,561,408</u>	<u>47,910</u>		<u>1,609,318</u>
Subtotal.....	<u>69,186,910.935</u>	<u>12,060,998</u>	<u>1,105,365</u>	<u>80,142,543</u>
Less accumulated depreciation for:				
Land improvements	(119,074)	(19,629)		(138,703)
Buildings and improvements.....	(3,509,449)	(295,692)		(3,805,141)
Equipment:				
Road	(13,708,031)	(1,988,950)	(1,068,017)	(14,628,964)
Shop	(295,617)	(23,502)	(11,814)	(307,305)
Engineering	(81,536)	(3,536)		(85,072)
Yard and storage.....	(491,635)	(2,255)		(493,890)
Office	(767,739)	(92,447)	(15,814)	(844,372)
Lab	<u>(13,408)</u>			<u>(13,408)</u>
Subtotal.....	<u>(18,986,489)</u>	<u>(2,456,612)</u>	<u>(1,856,723)</u>	<u>(18,986,489)</u>
Infrastructure-Bridges	(162,255)	(64,372)		(226,627)
Infrastructure-Roads	<u>(3,762,415)</u>	<u>(2,439,282)</u>		<u>(6,201,697)</u>
Subtotal.....	<u>(22,911,159)</u>	<u>(4,929,665)</u>	<u>(1,095,645)</u>	<u>(26,745,179)</u>
Total net capital assets.....	<u>\$46,755,777</u>	<u>\$8,172,255</u>	<u>\$ 9,720</u>	<u>\$54,918,312</u>

The summary of long-term debt transactions for the Water and Waste Services for the year ended December 31, 2004, is presented below:

	<u>Balance Jan. 1, 2004</u>	<u>Additions (Reductions)</u>	<u>Balance Dec. 31, 2004</u>	<u>Due in One Yr</u>
2.50% to 9.50% Interceptor and treatment facilities	\$41,165,000	\$(7,390,000)	\$ 33,775,000	\$4,740,000
3.25% to 9.50% District No. 3.....	29,805,000	12,600,000		
		(1,600,000)	40,805,000	1,745,000
3.70% to 5.60% District No. 7.....	500,000	(175,000)	325,000	75,000
2.50% to 8.00% Water supply system.....	28,695,000	14,960,000		
		(1,095,000)	<u>42,560,000</u>	<u>970,000</u>
	<u>\$100,165,000</u>	<u>\$17,300,000</u>	<u>\$117,465,000</u>	<u>\$7,530,000</u>

NOTES TO FINANCIAL STATEMENTS

GENESEE COUNTY

EXHIBIT A-13

The annual requirements to pay principal and interest on the outstanding obligations for Water and Waste Services at December 31, 2004, are as follows:

	Principal	Interest	Total
2005	\$ 7,530,000	\$ 5,286,079	\$12,816,079
2006	6,930,000	4,912,471	11,842,471
2007	6,950,000	4,782,450	11,732,450
2008	6,690,000	4,324,919	11,014,919
2009	4,905,000	4,025,197	8,930,197
2010-2014	28,120,000	16,558,555	44,678,555
2015-2019	25,650,000	10,049,281	35,699,281
2020-2024	30,690,000	8,667,548	39,357,548
Total	<u>\$117,465,000</u>	<u>\$58,606,500</u>	<u>\$176,071,500</u>

The following is a summary of capital assets for Water and Waste Services at December 31, 2004

	Balance Jan. 1, 2004	Additions	Deletions	Balance Dec. 31, 2004
Proprietary fund capital assets				
Enterprise Funds:				
Capital assets not being depreciated:				
Land	\$ 462,688	\$ 153,166	\$	\$ 615,854
Construction in progress	<u>36,504,220</u>	<u>32,766,375</u>	<u>(15,624,239)</u>	<u>53,646,356</u>
Subtotal	<u>36,966,908</u>	<u>32,919,541</u>	<u>(15,624,239)</u>	<u>54,262,210</u>
Capital assets being depreciated:				
Distribution & collections systems	48,426,024	2,560,815		50,986,839
Buildings and equipment	<u>59,395,558</u>	<u>11,919,229</u>		<u>71,314,787</u>
Subtotal	<u>107,821,582</u>	<u>14,480,044</u>	<u>0</u>	<u>122,301,626</u>
Less accumulated depreciation for:				
Distribution & collections systems	(7,113,343)	(194,258)		(7,307,601)
Buildings and equipment	<u>(14,017,354)</u>	<u>(1,628,868)</u>		<u>(15,646,222)</u>
Subtotal	<u>(21,130,697)</u>	<u>(1,823,126)</u>	<u>0</u>	<u>(22,953,823)</u>
Net capital assets being depreciated	<u>86,690,885</u>	<u>12,656,918</u>	<u>0</u>	<u>99,347,803</u>
Total capital assets – Net of depreciation	<u>123,657,793</u>	<u>45,576,459</u>	<u>(15,624,239)</u>	<u>153,610,013</u>
Internal Service Funds:				
Capital assets not being depreciated –				
Construction in progress	<u>179,595</u>	<u>72,011</u>	<u>(127,654)</u>	<u>123,952</u>
Capital assets being depreciated –				
Buildings and equipment	5,154,460	567,280	(4,300)	5,717,440
Less accumulated depreciation –				
Buildings and equipment	<u>(2,427,555)</u>	<u>(475,323)</u>	<u>3,440</u>	<u>(2,899,438)</u>
Net capital assets being depreciated	<u>2,726,905</u>	<u>91,957</u>	<u>(860)</u>	<u>2,818,002</u>
Total capital assets – Net of depreciation	<u>2,906,500</u>	<u>163,968</u>	<u>(128,514)</u>	<u>2,941,954</u>
Total proprietary fund capital assets	<u>\$126,564,293</u>	<u>\$45,740,427</u>	<u>\$(15,752,753)</u>	<u>\$156,551,967</u>

The summary of long-term debt transactions for the Drain funds for the year ended September 30, 2005, is presented below:

	Balance Oct. 1, 2004	Additions (Reductions)	Balance Sept. 30, 2005	Due in One Yr
3.69% to 6.85% Genesee County Special Assessment debt with governmental commitment	\$ 1,268,708	\$ 200,000 (504,850)	\$ 963,858	\$ 348,451
4.0% to 5.0% Genesee County Drainage District #405 Series 1997 Bonds	305,000	(100,000)	205,000	100,000
4.75 to 5.4% Genesee County Drainage District #1610 Series 2000 Bonds	<u>600,000</u>	<u>(50,000)</u>	<u>600,000</u>	<u>50,000</u>
	<u>\$2,173,708</u>	<u>\$ (454,850)</u>	<u>\$ 1,718,858</u>	<u>\$ 498,451</u>

The annual requirements to pay principal and interest on the outstanding obligations for the Drain funds at September 30, 2005, are as follows:

2005/2006	\$ 565,393
2006/2007	465,868
2007/2008	284,739
2008/2009	191,608
2009/2010	109,825
2010/2014	247,400
2015-2019	<u>108,050</u>
	1,972,883
Amount representing interest.....	<u>(254,025)</u>
	<u>\$1,718,858</u>

The following is a summary of capital assets for the Drain fund at September 30, 2005:

	<u>Balance Oct. 1, 2004</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance Sept. 30, 2005</u>
Capital assets being depreciated:				
Equipment.....	\$1,013,197	\$ 270,000		\$ 1,301,197
Infrastructure.....	8,582,296	1,471,028		10,053,324
Construction in Progress	<u>124,371</u>	<u>8,276</u>	<u>\$ 16,850</u>	<u>115,797</u>
Subtotal	<u>9,737,864</u>	<u>1,729,304</u>	<u>16,850</u>	<u>11,470,318</u>
Less Allowance for Depreciation ..				
Equipment.....	(664,064)	(112,123)		(776,186)
Infrastructure.....	<u>(778,909)</u>	<u>(474,437)</u>		<u>(1,253,346)</u>
Subtotal	<u>(1,442,973)</u>	<u>(586,560)</u>		<u>(2,029,532)</u>
Total Capital Assets				
Net of depreciation.....	<u>\$8,294,892</u>	<u>\$1,142,744</u>	<u>\$ 16,850</u>	<u>\$ 9,440,786</u>

The summary of long-term debt transactions for the Genesee County Land Bank Authority for the year ended September 30, 2005, is presented below:

	<u>Balance Dec. 7, 2004</u>	<u>Additions</u>	<u>(Reductions)</u>	<u>Balance Sept. 30, 2005</u>	<u>Due In One Yr</u>
Vehicle leases.....	<u>\$</u>	<u>\$ 59,450</u>	<u>\$ 2,635</u>	<u>\$ 56,815</u>	<u>\$10,873</u>

The annual requirements to pay principal and interest on the outstanding obligations at September 30, 2005, are as follows:

2005/2006	\$ 13,511
2006/2007	13,513
2007/2008	13,512
2008/2009	13,511
2009-2010	<u>10,133</u>
	64,180
Amount representing interest.....	<u>(7,365)</u>
	<u>\$56,815</u>

The following is a summary of capital assets for the Genesee County Land Bank Authority at September 30, 2005:

	<u>Balance Dec. 7, 2004</u>	<u>Additions</u>	<u>Disposals and Adjustments</u>	<u>Balance Sept. 30, 2005</u>
Capital assets being depreciated:				
Buildings and improvements.....		\$160,431		\$160,431
Maintenance and equipment		19,855		19,855
Office equipment.....		36,165		36,165
Vehicles		<u>68,549</u>		<u>68,549</u>
Subtotal		<u>285,000</u>		<u>285,000</u>
Less Accumulated depreciation:				
Buildings and improvements.....		(28,987)		(28,987)
Maintenance and equipment		(3,446)	(3,071)	(6,517)
Office equipment.....		(6,398)	(2,263)	(8,661)
Vehicles		<u>(4,792)</u>	<u>(2,123)</u>	<u>(6,915)</u>
Subtotal		<u>(43,623)</u>	<u>(7,457)</u>	<u>(51,080)</u>
Total capital assets – Net of depreciation		<u>\$241,377</u>	<u>\$(7,457)</u>	<u>\$233,920</u>

NOTES TO FINANCIAL STATEMENTS

GENESEE COUNTY

EXHIBIT A-13

The summary of long-term debt transactions for the Genesee County Brownfield Authority for the year ended September 30, 2005, is presented below:

	<u>Balance</u> <u>Oct. 1, 2004</u>	<u>Additions</u>	<u>(Reductions)</u>	<u>Balance</u> <u>Sept. 30, 2005</u>	<u>Due In</u> <u>One Yr</u>
3.0% to 5.0% Genesee County Brownfield Authority Series 2005 Tax Increment Bonds, Subject to redemption prior to maturity	\$	\$5,000,000	\$ 0	\$ 5,000,000	\$0

The annual requirements to pay principal and interest on the outstanding obligations at September 30, 2005, are as follows:

2005/2006	\$ 227,987	(interest only)
2006/2007	227,987	(interest only)
2007/2008	227,987	(interest only)
2008/2009	227,987	(interest only)
2009-2010	336,337	
2011-2015	1,685,219	
2016-2020	1,680,130	
2021-2025	1,682,481	
2026-2030	1,673,625	
2031-2035	1,666,877	
	9,636,617	
Amount representing interest.....	(4,636,617)	
	<u>\$5,000,000</u>	

NOTE N-RESTATEMENT OF NET ASSETS

Restatement: Fund Balance at September 30, 2004, of the combining statements for Debt Service Funds and Major Special Revenue-Community Action Resource Department were changed by the reclassification of the GCCARD General Building Fund. Net Assets at September 30, 2004, of the combining statements for Internal Service Funds and Fiduciary Net Assets were changed by the reclassification of the Employee Unemployment Benefit Fund to report it as an Internal Service Fund. The Net Assets at December 31, 2004 were restated for a change in the Road Commission to record a contract receivable/revenue for a road project. The following analysis reports the changes:

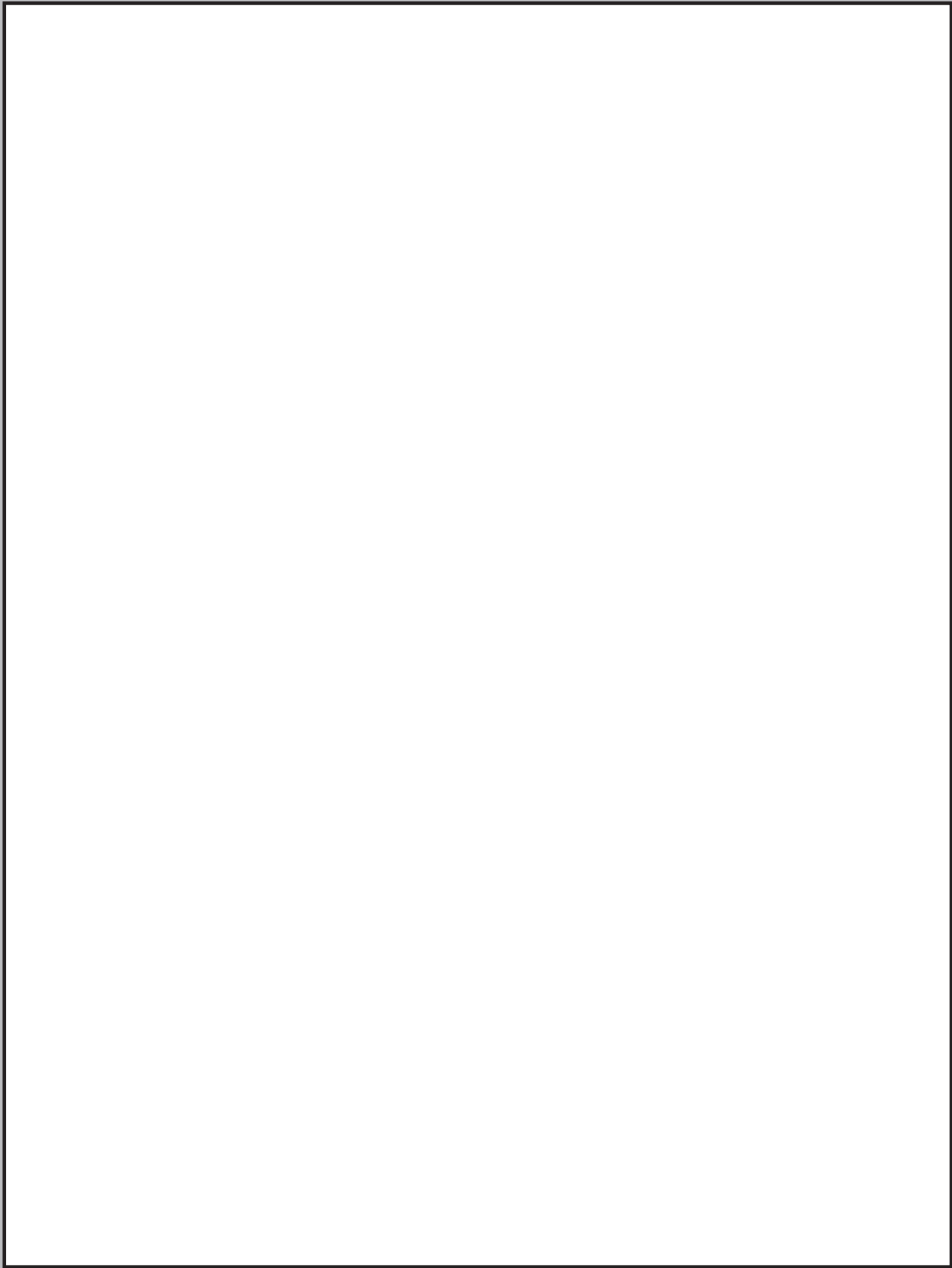
	<u>As Previously</u> <u>Reported</u>	<u>Adjustments</u>	<u>Restated</u> <u>Amounts</u>
Fund Balance			
Debt Service Funds.....	<u>\$14,908,023</u>	<u>\$243,508</u>	<u>\$15,151,531</u>
Fund Balance			
Major Special Revenue-Community Action Resource Department	<u>\$1,252,418</u>	<u>\$(243,508)</u>	<u>\$1,008,910</u>
Net Assets			
Internal Service Funds	<u>\$9,704,313</u>	<u>\$918,461</u>	<u>\$10,622,774</u>
Net Assets			
Fiduciary Funds.....	<u>\$429,646,637</u>	<u>\$(918,461)</u>	<u>\$428,728,176</u>
Net Assets			
Component Units	<u>\$230,676,703</u>	<u>\$3,634,942</u>	<u>\$234,311,645</u>

GENESEE COUNTY EMPLOYEES' RETIREMENT SYSTEM
ANALYSIS OF FUNDING PROGRESS-FOR THE YEAR ENDED DECEMBER 31, 2004
REQUIRED SUPPLEMENTARY INFORMATION

GENESEE COUNTY

Exhibit A-14

Plan Year End	Actuarial Valuation Date	Actuarial Value of Assets (a) (000's)	Actuarial Accrued Liability Entry Age (AAL) (b) (000's)	AAL (Funded) Unfunded (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c) (000's)	UAAL as % of Covered Payroll (b-a)/c)
12/31/04	12/31/04	\$ 404,493	\$ 458,069	\$ 53,576	88.3%	\$ 71,274	75.2%
12/31/03	12/31/03	405,218	433,148	27,930	93.6%	70,143	39.8%
12/31/02	12/31/02	414,126	423,009	8,884	97.9%	68,667	12.9%
12/31/01	12/31/01	425,847	403,159	(22,688)	105.6%	65,765	-34.5%
12/31/00	12/31/00	432,631	399,583	(33,048)	108.3%	63,781	-51.8%
12/31/99	12/31/99	418,745	369,606	(49,139)	113.3%	64,378	-76.3%
12/31/98	12/31/98	380,089	343,752	(36,338)	110.6%	62,450	-58.2%
12/31/97	12/31/97	331,952	324,882	(7,070)	102.2%	61,108	-11.6%
12/31/96	12/31/96	317,581	320,076	2,495	99.2%	65,206	3.8%
12/31/95	12/31/95	299,417	307,598	8,181	97.3%	69,200	11.8%



**SUPPLEMENTARY
INFORMATION
GENERAL AND MAJOR FUNDS**

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

GENESEE COUNTY

Exhibit B-1

	Fiscal Year Ended September 30, 2005			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
OPERATING REVENUE				
TAXES				
Current property taxes.....	\$ 55,099,640	\$ 56,083,725	\$ 53,622,524	\$ (2,461,201)
LICENSES AND PERMITS				
Dog licenses	503,785	297,500	308,503	11,003
Other.....	68,025	100,790	93,277	(7,513)
TOTALS	571,810	398,290	401,780	3,490
FINES AND FORFEITURES				
Ordinance fines and costs.....	1,812,132	1,950,000	2,006,556	56,556
Bond forfeitures	216,860	304,586	335,031	30,445
TOTALS	2,028,992	2,254,586	2,341,587	87,001
USE OF MONEY AND PROPERTY				
Interest earned	450,000	992,780	1,056,323	63,543
FEDERAL GRANTS				
Friend of the Court Incentive.....	580,000	850,800	850,800	0
OTHER INTERGOVERNMENTAL REVENUES				
State income tax.....	7,395,601			0
Single business tax.....	1,560,273			0
Probate judges salaries	198,439	212,388	212,389	1
State liquor tax.....	2,071,825	2,091,599	2,092,636	1,037
State cigarette tax.....	272,685	250,829	250,829	0
Other.....	4,036,238	3,863,719	3,881,684	17,965
TOTALS	15,535,061	6,418,535	6,437,538	19,003
CHARGES FOR SERVICES				
Animal Shelter	118,319	71,800	86,487	14,687
District Court.....	1,983,315	2,078,088	2,124,828	46,740
Friend of the Court.....	878,000	1,190,000	1,181,635	(8,365)
Probate Court	186,180	361,095	318,552	(42,543)
Probation fees	340,214	358,742	364,153	5,411
County Treasurer.....	26,500	42,940	43,815	875
County Clerk	604,000	837,409	864,074	26,665
Register of Deeds	4,317,462	4,679,550	4,305,284	(374,266)
Sheriff	1,707,115	1,505,533	1,330,725	(174,808)
Other services	524,360	341,028	346,775	5,747
TOTALS	10,685,465	11,466,185	10,966,328	(499,857)
OTHER REVENUE.....	871,472	1,951,430	2,486,210	534,780
TOTAL OPERATING REVENUE	85,822,440	80,416,331	78,163,090	(2,253,241)
TRANSFERS IN				
Enterprise Funds	1,900,000	6,030,483	6,707,399	676,916
Special Revenue Funds.....	2,088,878	1,273,624	996,289	(277,335)
Revenue Sharing.....		8,662,142	8,662,143	1
Capital Projects Funds.....			185,201	185,201
Internal Service Funds.....	1,410,032	1,213,055	1,170,000	(43,055)
TOTAL TRANSFERS IN	5,398,910	17,179,304	17,721,032	541,728
	<u>\$ 91,221,350</u>	<u>\$ 97,595,635</u>	<u>\$ 95,884,122</u>	<u>\$ (1,711,513)</u>

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

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

GENESEE COUNTY

Exhibit B-2

	Fiscal Year Ended September 30, 2005			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
LEGISLATIVE				
Board of Commissioners.....	\$ 988,170	\$ 957,130	\$ 920,466	\$ 36,664
MANAGEMENT AND PLANNING				
Board Coordinator.....	361,608	365,673	353,384	12,289
Boundary Commission.....	1,200	1,200	623	577
County Clerk.....	2,744,875	2,617,349	2,558,649	58,700
County Treasurer.....	1,793,660	1,777,979	1,551,218	226,761
Drain Commission.....	1,241,260	1,177,041	1,169,886	7,155
Elections Clerk.....	479,329	574,829	549,287	25,542
Equalization.....	1,763,856	1,608,643	1,557,041	51,602
GIS.....	103,197	86,672	83,824	2,848
Register of Deeds.....	1,065,346	851,028	781,408	69,620
TOTALS	9,554,331	9,060,414	8,605,320	455,094
ADMINISTRATION OF JUSTICE				
Adult Probation.....	283,750	268,726	250,640	18,086
Circuit Court.....	5,174,863	7,173,669	7,044,136	129,533
District Court.....	5,310,719	5,212,317	5,263,530	(51,213)
Friend of the Court.....	2,742,591	2,676,505	2,559,010	117,495
Jury Board.....	282,348	233,618	227,426	6,192
Probate Court.....	5,948,662	6,032,506	5,955,494	77,012
Prosecutor.....	4,280,205	4,233,244	4,233,392	(148)
Court Services.....	685,806	669,284	646,680	22,604
TOTALS	24,708,944	26,499,869	26,180,308	319,561
LAW ENFORCE/ COMMUNITY PROTECTION				
Road Patrol.....	191,502	244,897	314,562	(69,665)
Office of Emergency Preparedness.....	269,629	269,529	264,523	5,006
Sheriff Administration.....	3,110,817	3,262,304	2,836,194	426,110
Sheriff Marine Division.....	185,191	181,916	173,256	8,660
Detective Division.....	1,293,630	1,273,425	1,270,983	2,442
Sheriff Security.....	15,366,311	16,613,194	16,458,916	154,278
New Paths.....	470,850	470,850	470,910	(60)
TOTALS	20,887,930	22,316,115	21,789,344	526,771
HUMAN SERVICES				
Community Mental Health.....	433,475	833,475	971,694	(138,219)
County Health.....	0	947,394	300,706	646,688
Community Action Resourced.....	0	0	551,788	(551,788)
Veterans Burial.....	44,016	40,561	37,906	2,655
Veterans Information Center.....	141,226	143,456	143,377	79
TOTALS	618,717	1,964,886	2,005,471	(40,585)
COMMUNITY ENRICHMENT AND DEVELOPMENT				
Cooperative Extension.....	547,050	549,816	497,050	52,766
GENERAL SUPPORT SERVICES				
Affirmative Action.....	278,665	271,175	228,656	42,519

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

Fiscal Year Ended September 30, 2005				
	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
OTHER				
Other.....	\$ 4,094,651	\$ 1,616,731	\$ 1,779,314	\$ (162,583)
Postretirement Benefits.....	5,920,000	8,433,580	8,478,229	(44,649)
TOTALS	10,014,651	10,050,311	10,257,543	(207,232)
CAPITAL OUTLAY				
Circuit Court.....	22,920	23,920	25,022	(1,102)
County Clerk.....	0		2,572	(2,572)
County Treasurer.....	0	92,000	112,396	(20,396)
District Court.....	10,000	111,950	143,377	(31,427)
Prosecutor.....	19,000	29,186	29,560	(374)
Sheriff.....	0	272,882	174,596	98,286
All others.....	15,399	69,669	19,667	50,002
TOTALS	67,319	599,607	507,190	92,417
DEBT SERVICE				
Principal.....	89,720	89,720	89,720	0
TOTAL EXPENDITURES	67,755,497	72,359,043	71,081,068	1,277,975
APPROPRIATIONS				
Special Revenue:				
Administration of Justice Funds.....	1,572,968	1,598,002	1,601,069	(3,067)
Animal Shelter.....	1,054,152	1,066,152	1,074,359	(8,207)
Child Care.....	9,075,919	9,475,919	9,339,543	136,376
Community Action Resource Department.....	125,550	125,550	125,550	0
Community Enrichment and Development Fund	198,156	198,156	183,520	14,636
County Health.....	7,413,820	8,636,676	8,636,675	1
Law Enforcement Funds.....	434,583	409,583	434,454	(24,871)
Management and Planning.....	103,750	103,750	3,750	100,000
Mental Health.....	2,385,498	2,385,498	2,385,498	0
Parks and Recreation.....	440,587	507,587	445,587	62,000
Planning Commission.....	554,482	554,482	554,482	0
Social Services.....	44,388	44,388	44,388	0
TOTALS	23,403,853	25,105,743	24,828,875	276,868
Internal Service:				
Delinquent Taxes.....	0	0	199	(199)
Administrative Services.....	62,000	99,379	48,879	50,500
Vehicles and Equipment.....	0	3,559	3,559	0
Building and Grounds.....	0	27,911	82,697	(54,786)
TOTALS	62,000	130,849	135,334	(4,485)
TOTAL APPROPRIATIONS	23,465,853	25,236,592	24,964,209	272,383
TOTAL EXPENDITURES AND APPROPRIATIONS	\$ 91,221,350	\$ 97,595,635	\$ 96,045,277	\$ 1,550,358

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

GENESEE COUNTY

Exhibit B-3

	Fiscal Year Ended September 30, 2005		
	Original and Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
MENTAL HEALTH			
General Fund appropriation.....	\$ 2,385,498	\$ 2,385,498	\$ 0
Use of money and property.....		303,465	303,465
Federal grants.....	1,552,092	1,422,983	(129,109)
State grants.....	21,498,154	21,382,397	(115,757)
Charges for services.....	75,577,493	81,699,068	6,121,575
Other.....	367,020	424,155	57,135
TOTALS	<u>\$ 101,380,257</u>	<u>\$ 107,617,566</u>	<u>\$ 6,237,309</u>
COUNTY HEALTH			
General Fund appropriation.....	\$ 8,823,820	\$ 7,724,910	\$ (1,098,910)
Licenses and permits.....	713,600	655,121	(58,479)
Federal grants.....	2,245,408	1,751,297	(494,111)
State grants.....	12,084,857	12,588,778	503,921
Charges for services.....	893,500	786,449	(107,051)
Other intergovernmental revenue.....	38,400	23,149	(15,251)
Other.....	851,499	2,515,167	1,663,668
Other Transfers-In.....	1,523,389		(1,523,389)
TOTALS	<u>\$ 27,174,473</u>	<u>\$ 26,044,871</u>	<u>\$ (1,129,602)</u>
COMMUNITY ACTION RESOURCE DEPARTMENT			
General Fund appropriation.....	\$ 125,550	\$ 125,550	\$ 0
Federal grants.....	24,272,370	21,740,697	(2,531,673)
State grants.....	1,295,362	1,453,849	158,487
Other.....	5,312,372	8,577,566	3,265,194
TOTALS	<u>\$ 31,005,654</u>	<u>\$ 31,897,662</u>	<u>\$ 892,008</u>
WORKFORCE INVESTMENT ACT PROGRAM			
Federal grants.....	\$ 17,137,038	\$ 17,137,038	\$ 0
State grants.....	1,475,886	1,475,886	0
TOTALS	<u>\$ 18,612,924</u>	<u>\$ 18,612,924</u>	<u>\$ 0</u>

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

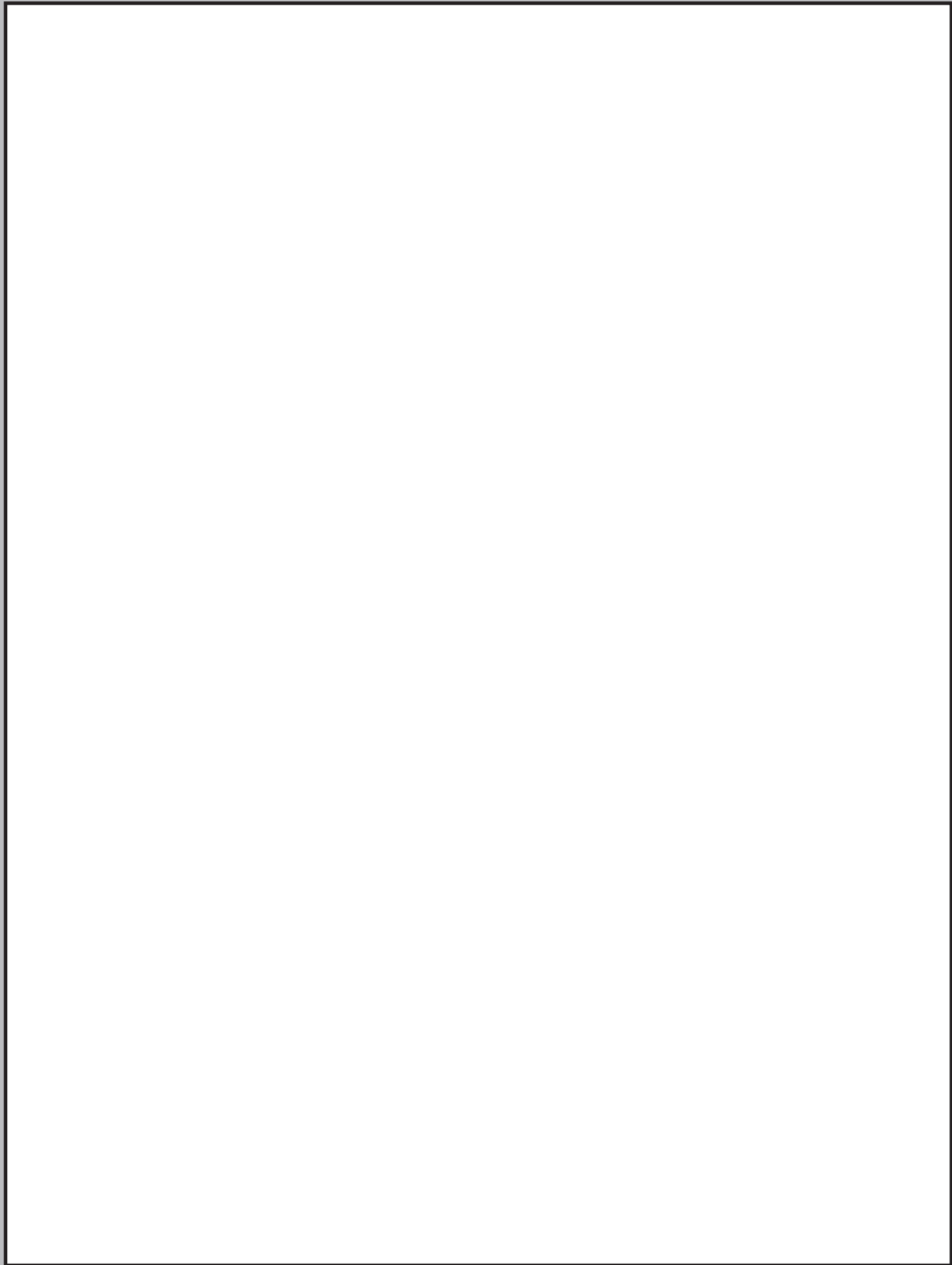
**SCHEDULE OF EXPENDITURES AND OTHER USES--BUDGET AND ACTUAL--
MAJOR SPECIAL REVENUE FUNDS
REQUIRED SUPPLEMENTARY INFORMATION**

GENESEE COUNTY

Exhibit B-4

Fiscal Year Ended September 30, 2005			
	Original and Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
MENTAL HEALTH			
Board administration.....	\$ 11,156,677	\$ 11,652,809	\$ (496,132)
Managed care.....	5,518,144	5,005,067	513,077
Adult services.....	35,778,259	31,159,100	4,619,159
Children's services.....	4,006,370	3,634,730	371,640
Developmentally disabled.....	42,847,460	46,699,667	(3,852,207)
Substance abuse services.....	1,936,411	2,064,808	(128,397)
Employee benefits.....	2,068,833	2,068,833	0
Capital outlay.....	34,575	34,575	0
TOTALS	<u>\$ 103,346,729</u>	<u>\$ 102,319,589</u>	<u>\$ 1,027,140</u>
COUNTY HEALTH			
Personnel services.....	\$ 8,794,591	\$ 7,813,258	\$ 981,333
Fringe benefits.....	4,544,885	3,673,761	871,124
Supplies and services.....	12,773,097	11,731,350	1,041,747
Capital outlay.....	150,135	81,076	69,059
Transfers to general fund.....	700,000	802,826	(102,826)
TOTALS	<u>\$ 26,962,708</u>	<u>\$ 24,102,271</u>	<u>\$ 2,860,437</u>
COMMUNITY ACTION RESOURCE DEPARTMENT			
Personnel services.....	\$ 10,329,631	\$ 10,303,727	\$ 25,904
Fringe benefits.....	4,833,230	4,815,250	17,980
Supplies and services.....	15,643,242	16,471,820	(828,578)
Capital outlay.....	199,551	308,030	(108,479)
Transfer out.....		219,148	(219,148)
TOTALS	<u>\$ 31,005,654</u>	<u>\$ 32,117,975</u>	<u>\$ (1,112,321)</u>
WORKFORCE INVESTMENT ACT PROGRAM			
Personnel services.....	\$ 63,416	\$ 63,416	\$ 0
Fringe benefits.....	19,710	19,710	0
Supplies and services.....	18,529,798	18,529,798	0
TOTALS	<u>\$ 18,612,924</u>	<u>\$ 18,612,924</u>	<u>\$ 0</u>

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



**COMBINING
FUND FINANCIAL STATEMENTS**

NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS

GENESEE COUNTY

Exhibit C-1

	Special Revenue	Debt Service
Cash and cash equivalents - Note C.....	\$ 5,714,053	\$ 235,892
Investments - Note C.....	11,874,047	
Interest and accounts receivable.....	1,181,907	
Due from other governmental units.....	9,368,423	23,716
Due from other County funds -- Note K.....	198,713	
Supplies inventory.....	230,565	
Other assets.....	5,807	
TOTAL ASSETS	\$ 28,573,515	\$ 259,608
Accounts Payable.....	\$ 2,227,974	\$
Accrued payroll.....	694,635	
Other accrued liabilities and deposits.....	1,243,527	
Due to other governmental units.....	1,378,284	
Due to other County funds -- Note K.....	2,580,387	23,716
Due to component unit -- Note K.....	61,302	
Deferred revenue - Note H.....	496,136	
TOTAL LIABILITIES	8,682,245	23,716
Fund balances:		
Unreserved:		
Designated for programs and debt service.....	16,324,231	235,892
Undesignated.....	3,567,039	0
TOTAL FUND BALANCES (DEFICITS)	19,891,270	235,892
TOTAL LIABILITIES, FUND BALANCE (DEFICITS)	\$ 28,573,515	\$ 259,608

September 30, 2005

Capital Projects	Total Nonmajor Governmental Funds
\$ 2,131,426	\$ 8,081,371
279,326	12,153,373
412	1,182,319
	9,392,139
324,457	523,170
	230,565
	5,807
<u>\$ 2,735,621</u>	<u>\$ 31,568,744</u>
\$ 424,024	\$ 2,651,998
	694,635
0	1,243,527
	1,378,284
843,902	3,448,005
	61,302
	496,136
<u>1,267,926</u>	<u>9,973,887</u>
1,405,289	17,965,412
62,406	3,629,445
<u>1,467,695</u>	<u>21,594,857</u>
<u>\$ 2,735,621</u>	<u>\$ 31,568,744</u>

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

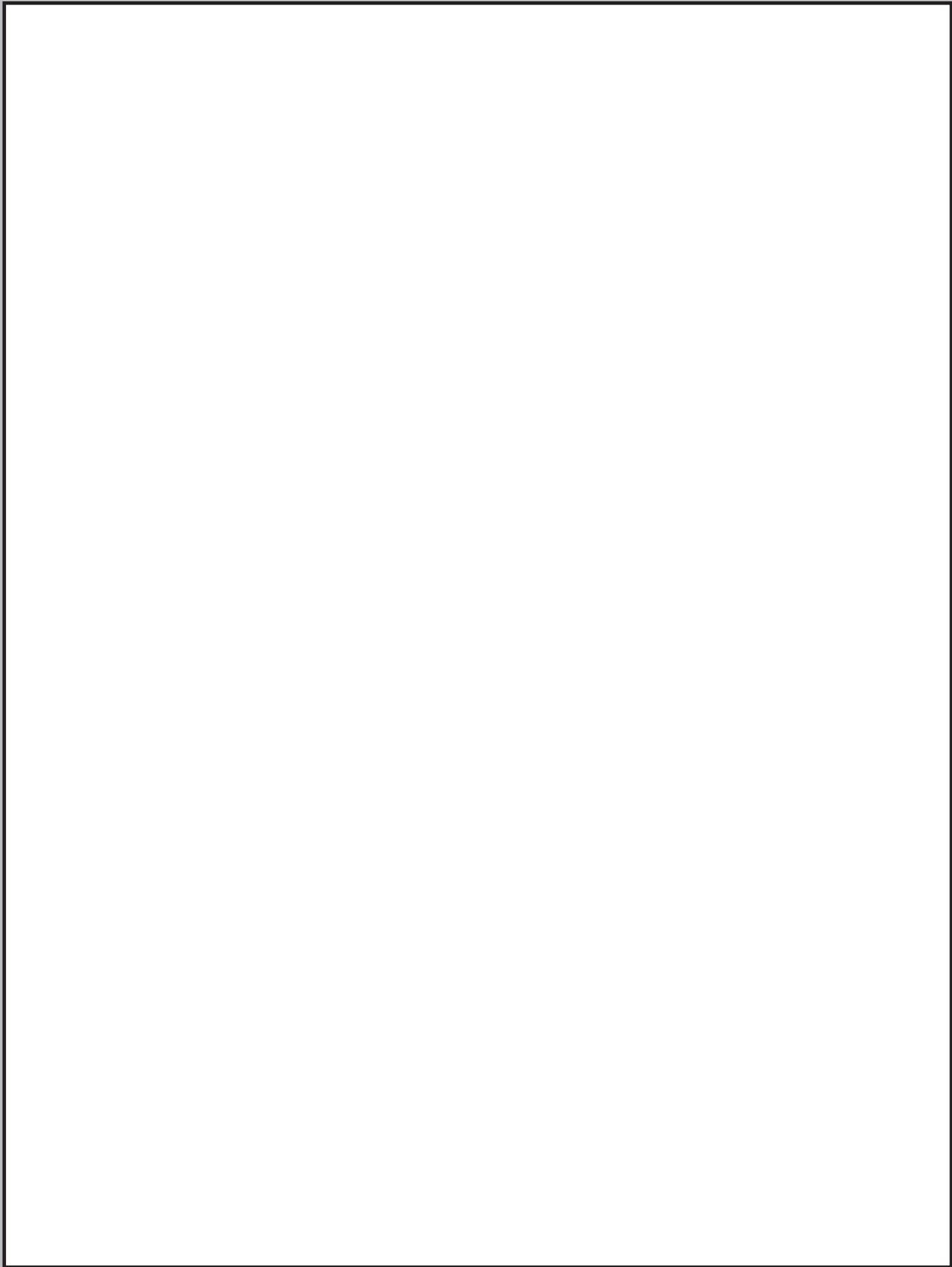
GENESEE COUNTY

Exhibit C-2

	Primary Government-	
	Special Revenue	Debt Service
Revenues:		
Taxes--Note H.....	\$ 28,737,778	
Licenses and permits.....	339,698	
Fines and forfeitures.....	29,424	
Use of money and property.....	420,446	\$ 1,118,248
Federal grants--Note G.....	12,456,532	
State grants--Note G.....	14,164,155	
Other intergovernmental revenues.....	1,706,681	
Charges for services.....	4,108,525	
Other.....	2,363,881	
TOTAL REVENUES	64,327,120	1,118,248
Expenditures:		
Current operations:		
Management and planning.....	3,697,008	
Administration of justice.....	9,914,164	
Law enforcement and community protection.....	9,714,696	
Human services.....	24,308,238	
Community enrichment and development.....	7,277,176	
Other.....	1,789,843	14,927,856
Capital outlay.....	2,616,356	
Debt service--Note E:		
Principal payments.....	7,528	2,730,000
Interest.....		1,840,218
TOTAL EXPENDITURES	59,325,009	19,498,074
REVENUES OVER(UNDER) EXPENDITURES	5,002,111	(18,379,826)
Other financing sources (uses):		
Proceeds from notes		13,986,536
Discount sale of bonds.....		
Payment to refund bond escrow.....		(13,776,115)
Operating Transfers in (out):		
Transfers-In.....	15,250,716	3,253,766
Transfers-Out.....	(10,385,082)	0
TOTAL OTHER FINANCING SOURCES(USES)	4,865,634	3,464,187
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	9,867,745	(14,915,639)
Fund balance (Deficit) at beginning of year.....	10,023,525	15,151,531
FUND BALANCE AT END OF YEAR	\$ 19,891,270	\$ 235,892

Fiscal Year Ended September 30, 2005

Capital Projects	Total Nonmajor Governmental Funds
	\$ 28,737,778
	339,698
	29,424
\$ 1,275,872	2,814,566
	12,456,532
	14,164,155
	1,706,681
	4,108,525
	2,363,881
<u>1,275,872</u>	<u>66,721,240</u>
	3,697,008
	9,914,164
	9,714,696
	24,308,238
	7,277,176
	16,717,699
4,647,620	7,263,976
	2,737,528
	1,840,218
<u>4,647,620</u>	<u>83,470,703</u>
<u>(3,371,748)</u>	<u>(16,749,463)</u>
3,500,000	17,486,536
(41,969)	(41,969)
	(13,776,115)
1,723,087	20,227,569
<u>(1,902,690)</u>	<u>(12,287,772)</u>
<u>3,278,428</u>	<u>11,608,249</u>
(93,320)	(5,141,214)
1,561,015	26,736,071
<u>\$ 1,467,695</u>	<u>\$ 21,594,857</u>



**COMBINING
FINANCIAL STATEMENTS**

NONMAJOR SPECIAL REVENUE FUNDS

NONMAJOR SPECIAL REVENUE FUNDS

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

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

Animal Shelter - to account for the operations of the County's Animal Shelter facility. Financing is provided through appropriations from General Fund.

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

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

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

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

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.

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

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

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

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

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

Medical Examiner - to account for the costs of the medical examiner's office.

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

COMBINING BALANCE SHEET--NONMAJOR SPECIAL REVENUE FUNDS

GENESEE COUNTY

Exhibit D-1

	Accommodation Ordinance Tax	Administration of Justice	Animal Shelter
ASSETS			
Cash and cash equivalents.....	\$ 284,916		\$ 75,379
Investments.....	83,419		22,070
Interest and accounts receivable.....		\$ 2,079	
Due from other governmental units.....		2,725,332	
Due from other County funds.....		3,766	
Supplies inventory.....			
Other assets.....		1,794	
TOTAL ASSETS	<u>\$ 368,335</u>	<u>\$ 2,732,971</u>	<u>\$ 97,449</u>
LIABILITIES AND FUND BALANCES			
Accounts payable.....	\$ 275,376	\$ 119,926	\$ 29,687
Accrued payroll.....		253,949	18,170
Other accrued liabilities and deposits.....			
Due to other governmental units.....		863,348	
Due to other County funds.....	92,959	460,460	6,902
Due to component unit-Land Bank Authority.....			
Deferred revenue.....		13,830	
TOTAL LIABILITIES	<u>368,335</u>	<u>1,711,513</u>	<u>54,759</u>
Fund balances:			
Unreserved:			
Designated for programs.....		1,021,458	42,690
Undesignated.....			
TOTAL FUND BALANCES	<u>0</u>	<u>1,021,458</u>	<u>42,690</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 368,335</u>	<u>\$ 2,732,971</u>	<u>\$ 97,449</u>

September 30, 2005

Child Care	Community Development	Community Enrichment and Development	Drug Forfeiture	Law Enforcement	Medical Examiner
	\$ 40,223 9,071	\$ 1,265,342 370,474	\$ 376,898 106,472		\$ 3,279 960
\$ 2,079 2,009,639	795,304	1,567,497 4,378		\$ 145 1,380,512	3,160
		2,718			1,110
<u>\$ 2,011,718</u>	<u>\$ 844,598</u>	<u>\$ 3,210,409</u>	<u>\$ 483,370</u>	<u>\$ 1,380,657</u>	<u>\$ 8,509</u>
\$ 619,041 43,660	\$ 629,617	\$ 228,771 3,941 1,169,056	\$ 3,303 5,503	\$ 7,864 80,810	\$ 5,760 2,749
253,851	98,749 97,759	61,302 37,841	149,187	892,458	
<u>916,552</u>	<u>844,598</u>	<u>1,500,911</u>	<u>157,993</u>	<u>981,132</u>	<u>8,509</u>
1,095,166		1,709,498	325,377	399,525	
<u>1,095,166</u>	<u>0</u>	<u>1,709,498</u>	<u>325,377</u>	<u>399,525</u>	<u>0</u>
<u>\$ 2,011,718</u>	<u>\$ 844,598</u>	<u>\$ 3,210,409</u>	<u>\$ 483,370</u>	<u>\$ 1,380,657</u>	<u>\$ 8,509</u>

(Continued)

COMBINING BALANCE SHEET-NONMAJOR SPECIAL REVENUE FUNDS-CONTINUED

GENESEE COUNTY

Exhibit D-1 Continued

	Paramedics	Parks and Recreation	Planning Commission
ASSETS			
Cash and cash equivalents.....	\$ 3,371,444		\$ 155,969
Investments.....	987,110	\$ 1,909,961	45,665
Interest and accounts receivable.....		995,051	116,705
Due from other governmental units.....			334,322
Due from other County funds.....		92,959	97,610
Supplies inventory.....		230,565	
Other assets.....			
TOTAL ASSETS	<u>\$ 4,358,554</u>	<u>\$ 3,228,536</u>	<u>\$ 750,271</u>
LIABILITIES AND FUND BALANCES			
Accounts payable.....	\$ 69,151	\$ 195,802	\$ 27,515
Accrued payroll.....	105,562	133,866	
Other accrued liabilities and deposits.....		15,343	59,128
Due to other governmental units.....			
Due to other County funds.....	345,032	159,403	56,633
Due to component unit.....			
Deferred revenue.....		425,992	
TOTAL LIABILITIES	<u>519,745</u>	<u>930,406</u>	<u>143,276</u>
Fund balances:			
Reserved for inventory.....		230,565	
Unreserved:			
Designated for programs.....	3,838,809	687,863	504,993
Undesignated.....		1,379,702	102,002
TOTAL FUND BALANCES	<u>3,838,809</u>	<u>2,298,130</u>	<u>606,995</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 4,358,554</u>	<u>\$ 3,228,536</u>	<u>\$ 750,271</u>

September 30, 2005			
Revenue Sharing Reserve	Social Services	Township Police Support Services	Total
\$ 18,838	\$ 121,765		\$ 5,714,053
8,303,194	35,651		11,874,047
62,688			1,181,907
	294,612	\$ 261,205	9,368,423
			198,713
			230,565
		185	5,807
<u>\$ 8,384,720</u>	<u>\$ 452,028</u>	<u>\$ 261,390</u>	<u>\$ 28,573,515</u>
\$	\$ 16,126	\$ 35	\$ 2,227,974
		46,425	694,635
			1,243,527
	267,000		1,378,284
		214,930	2,580,387
			61,302
			496,136
<u>0</u>	<u>283,126</u>	<u>261,390</u>	<u>8,682,245</u>
			230,565
8,384,720	23,630		16,324,231
	145,272		3,336,474
<u>8,384,720</u>	<u>168,902</u>	<u>0</u>	<u>19,891,270</u>
<u>\$ 8,384,720</u>	<u>\$ 452,028</u>	<u>\$ 261,390</u>	<u>\$ 28,573,515</u>

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

GENESEE COUNTY

Exhibit D-2

	Accommodation Ordinance Tax	Administration of Justice	Animal Shelter
Revenues:			
Taxes.....	\$ 1,221,925		
Licenses and permits.....			
Fines and forfeitures.....			
Use of money and property.....			
Federal grants.....		\$ 4,323,492	
State grants.....		3,862,222	
Other intergovernmental revenue.....			
Charges for services.....		548,044	
Other.....		53,672	\$ 300
TOTAL REVENUES	<u>1,221,925</u>	<u>8,787,430</u>	<u>\$ 300</u>
Expenditures:			
Current Operations:			
Management and planning.....			
Administration of justice.....		9,914,164	
Law enforcement and community protection.....			1,074,659
Human services.....			
Community enrichment and development.....	916,444		
Other.....			
Capital outlay.....		1,792	
Debt Service:			
Principal Payments.....			
TOTAL EXPENDITURES	<u>916,444</u>	<u>9,915,956</u>	<u>1,074,659</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>305,481</u>	<u>(1,128,526)</u>	<u>(1,074,359)</u>
Other financing sources (uses):			
Transfers in (out):			
General Fund appropriations.....		1,363,420	1,074,359
Transfers-In.....		237,650	
Transfers-Out.....	(305,481)	(240,032)	
TOTAL OTHER FINANCING SOURCES (USES)	<u>(305,481)</u>	<u>1,361,038</u>	<u>1,074,359</u>
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>0</u>	<u>232,512</u>	<u>0</u>
Fund balances at beginning of year.....	<u>0</u>	<u>788,946</u>	<u>42,690</u>
FUND BALANCES AT END OF YEAR	<u>\$ 0</u>	<u>\$ 1,021,458</u>	<u>\$ 42,690</u>

Fiscal Year Ended September 30, 2005

Child Care	Community Development	Community Enrichment and Development	Drug Forfeiture	Law Enforcement	Medical Examiner
				\$ 313,067	
			\$ 29,424		
\$ 84,991	\$ 4,546,164	\$ 332,625		2,628,561	
6,812,444		242,637		1,165,174	
		127,231	60,733		
393,601		559,590		16,310	
50,000	602,574	1,096,471		176,568	\$ 27,045
<u>7,341,036</u>	<u>5,148,738</u>	<u>2,358,554</u>	<u>90,157</u>	<u>4,299,680</u>	<u>27,045</u>
15,964,687	5,148,738		414,925	2,550,376	1,073,936
		1,706,205			
		197,167	3,580	2,107,203	
<u>15,964,687</u>	<u>5,148,738</u>	<u>1,903,372</u>	<u>418,505</u>	<u>4,657,579</u>	<u>1,073,936</u>
<u>(8,623,651)</u>	<u>0</u>	<u>455,182</u>	<u>(328,348)</u>	<u>(357,899)</u>	<u>(1,046,891)</u>
9,424,793		187,270		434,454	944,065
		22,139			102,826
		(165,936)	(32,800)	(47,325)	
<u>9,424,793</u>	<u>0</u>	<u>43,473</u>	<u>(32,800)</u>	<u>387,129</u>	<u>1,046,891</u>
801,142	0	498,655	(361,148)	29,230	
<u>294,024</u>	<u>0</u>	<u>1,210,843</u>	<u>686,525</u>	<u>370,295</u>	
<u>\$ 1,095,166</u>	<u>\$ 0</u>	<u>\$ 1,709,498</u>	<u>\$ 325,377</u>	<u>\$ 399,525</u>	<u>\$ 0</u>

(Continued)

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

GENESEE COUNTY

Exhibit D-2 Cont

	Paramedics	Parks and Recreation	Planning Commission
Revenues:			
Taxes.....	\$ 4,093,182	\$ 4,859,175	
Licenses and permits.....			\$ 26,631
Fines and forfeitures.....			
Use of money and property.....	139,109	101,151	
Federal grants.....			540,699
State grants.....		73,218	47,944
Other intergovernmental revenue.....			
Charges for services.....		1,740,639	850,341
Other.....		246,646	110,605
TOTAL REVENUES	<u>4,232,291</u>	<u>7,020,829</u>	<u>1,576,220</u>
Expenditures:			
Current Operations:			
Management and planning.....			2,000,189
Administration of justice.....			
Law enforcement and community protection.....	4,159,881		
Human services.....			
Community enrichment and development.....		4,654,527	
Other.....		1,789,843	
Capital outlay.....	145,723	116,489	40,540
Debt Service:			
Principal Payments.....	7,528		
TOTAL EXPENDITURES	<u>4,313,132</u>	<u>6,560,859</u>	<u>2,040,729</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(80,841)</u>	<u>459,970</u>	<u>(464,509)</u>
Other financing sources (uses):			
Transfers in (out):			
General Fund appropriations.....		445,587	558,482
Transfers-In.....		411,283	
Transfers-Out.....		(915,802)	(15,563)
TOTAL OTHER FINANCING SOURCES (USES)	<u>0</u>	<u>(58,932)</u>	<u>542,919</u>
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>(80,841)</u>	<u>401,038</u>	<u>78,410</u>
Fund balances at beginning of year.....	<u>3,919,650</u>	<u>1,897,092</u>	<u>528,585</u>
FUND BALANCES AT END OF YEAR	<u>\$ 3,838,809</u>	<u>\$ 2,298,130</u>	<u>\$ 606,995</u>

inued

Fiscal Year Ended September 30, 2005			
Revenue Sharing Reserve	Social Services	Township Police Support Services	Total
\$ 18,563,496			\$ 28,737,778
			339,698
			29,424
180,186			420,446
			12,456,532
	\$ 1,960,516		14,164,155
		\$ 1,518,717	1,706,681
			4,108,525
			2,363,881
<u>18,743,682</u>	<u>1,960,516</u>	<u>1,518,717</u>	<u>64,327,120</u>
1,696,819			3,697,008
			9,914,164
		1,514,855	9,714,696
	2,120,877		24,308,238
			7,277,176
			1,789,843
		3,862	2,616,356
			7,528
<u>1,696,819</u>	<u>2,120,877</u>	<u>1,518,717</u>	<u>59,325,009</u>
<u>17,046,863</u>	<u>(160,361)</u>	<u>0</u>	<u>5,002,111</u>
	44,388		14,476,818
			773,898
(8,662,143)			(10,385,082)
<u>(8,662,143)</u>	<u>44,388</u>	<u>0</u>	<u>4,865,634</u>
8,384,720	(115,973)	0	9,867,745
	284,875	0	10,023,525
<u>\$ 8,384,720</u>	<u>\$ 168,902</u>	<u>\$ 0</u>	<u>\$ 19,891,270</u>

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

GENESEE COUNTY

Exhibit D-3

Fiscal Year Ended September 30, 2005			
	Original and Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
ACCOMMODATION ORDINANCE TAX			
Taxes.....	\$ 1,010,000	\$ 1,221,925	\$ 211,925
TOTALS	<u>\$ 1,010,000</u>	<u>\$ 1,221,925</u>	<u>\$ 211,925</u>
ADMINISTRATION OF JUSTICE			
General Fund appropriation.....	\$ 1,575,083	\$ 1,601,070	\$ 25,987
Federal grants.....	3,697,060	4,323,492	626,432
State grants.....	5,094,287	3,862,222	(1,232,065)
Charges for services.....		548,044	548,044
Other intergovernmental revenue.....	47,075	0	(47,075)
Other Transfers-In.....	193,960	53,672	(140,288)
TOTALS	<u>\$ 10,607,465</u>	<u>\$ 10,388,500</u>	<u>\$ (218,965)</u>
ANIMAL SHELTER			
General Fund appropriation.....	\$ 1,066,152	\$ 1,074,359	\$ 8,207
Other Transfers-In.....		300	300
TOTALS	<u>\$ 1,066,152</u>	<u>\$ 1,074,659</u>	<u>\$ 8,507</u>
CHILD CARE			
General Fund appropriation.....	\$ 9,080,119	\$ 9,424,793	\$ 344,674
Federal grants.....	60,000	84,991	24,991
State grants.....	5,949,943	6,812,444	862,501
Charges for services.....	475,000	393,601	(81,399)
Other Transfers-In.....	50,000	50,000	0
TOTALS	<u>\$ 15,615,062</u>	<u>\$ 16,765,829</u>	<u>\$ 1,150,767</u>
COMMUNITY DEVELOPMENT			
Federal grants.....	\$ 4,546,163	\$ 4,546,163	\$ 0
Other.....	602,574	602,574	0
TOTALS	<u>\$ 5,148,737</u>	<u>\$ 5,148,737</u>	<u>\$ 0</u>
COMMUNITY ENRICHMENT AND DEVELOPMENT			
General Fund appropriation.....	\$ 183,517	\$ 187,270	\$ 3,753
Federal grants.....	50,000	332,625	282,625
State grants.....	189,570	242,637	53,067
Charges for services.....	785,000	559,590	(225,410)
Other intergovernmental revenue.....		127,231	127,231
Other.....	11,000	1,096,471	1,085,471
Other Transfers-In.....	14,639	22,139	7,500
TOTALS	<u>\$ 1,233,726</u>	<u>\$ 2,567,963</u>	<u>\$ 1,334,237</u>
DRUG FORFEITURES			
Fines and forfeitures.....	\$ 112,486	\$ 29,424	\$ 29,424
Other intergovernmental revenue.....		60,733	(51,753)
TOTALS	<u>\$ 112,486</u>	<u>\$ 90,157</u>	<u>\$ (22,329)</u>

Fiscal Year Ended September 30, 2005			
	Original and Final Budgeted Amounts	Actual	Variance with Final Budget- Positive (Negative)
LAW ENFORCEMENT			
General Fund appropriation.....	\$ 239,238	\$ 434,454	\$ 195,216
Licenses and permits.....	125,195	313,067	187,872
Federal grants.....	2,493,108	2,628,561	135,453
State grants.....	858,900	1,165,174	306,274
Charges for services.....	500	16,310	15,810
Other intergovernmental revenue.....			0
Other.....	171,532	176,568	5,036
TOTALS	<u>\$ 3,888,473</u>	<u>\$ 4,734,134</u>	<u>\$ 845,661</u>
Medical Examiner			
General Fund appropriation.....	\$	\$ 944,065	\$ 944,065
Other.....	55,100	27,045	(28,055)
Other Transfers-In.....		102,826	102,826
TOTALS	<u>\$ 55,100</u>	<u>\$ 1,073,936</u>	<u>\$ 1,018,836</u>
PARAMEDICS			
Taxes.....	\$ 4,169,327	\$ 4,093,182	\$ (76,145)
Use of money and property.....		139,109	139,109
TOTALS	<u>\$ 4,169,327</u>	<u>\$ 4,232,291</u>	<u>\$ 62,964</u>
PARKS AND RECREATION			
General Fund appropriation.....	\$ 445,587	\$ 445,587	\$ 0
Taxes.....	4,800,918	4,859,176	58,258
Use of money and property.....	40,000	101,150	61,150
Federal grants.....			0
State grants.....		73,218	73,218
Charges for services.....		1,740,639	1,740,639
Other.....	803,450	246,646	(556,804)
Other Transfers-In.....		411,283	411,283
TOTALS	<u>\$ 6,089,955</u>	<u>\$ 7,877,699</u>	<u>\$ 1,787,744</u>
PLANNING COMMISSION			
General Fund appropriation.....	\$ 558,482	\$ 558,482	\$ 0
Licenses and permits.....		26,631	26,631
Federal grants.....	799,042	540,699	(258,343)
State grants.....	126,223	47,944	(78,279)
Charges for services.....	1,143,463	850,341	(293,122)
Other.....	20,000	110,605	90,605
TOTALS	<u>\$ 2,647,210</u>	<u>\$ 2,134,702</u>	<u>\$ (512,508)</u>
REVENUE SHARING RESERVE			
Taxes.....	\$ 18,563,496	\$ 18,563,496	\$ 0
Use of money and property.....	180,186	180,186	0
TOTALS	<u>\$ 18,743,682</u>	<u>\$ 18,743,682</u>	<u>\$ 0</u>
SOCIAL SERVICES			
General Fund appropriation.....	\$ 44,388	\$ 44,388	\$ 0
State grants.....	1,960,516	1,960,516	0
TOTALS	<u>\$ 2,004,904</u>	<u>\$ 2,004,904</u>	<u>\$ 0</u>
TOWNSHIP POLICE SUPPORT SERVICES			
Other intergovernmental revenue.....	\$ 1,541,592	\$ 1,518,717	\$ (22,875)
TOTALS	<u>\$ 1,541,592</u>	<u>\$ 1,518,717</u>	<u>\$ (22,875)</u>

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

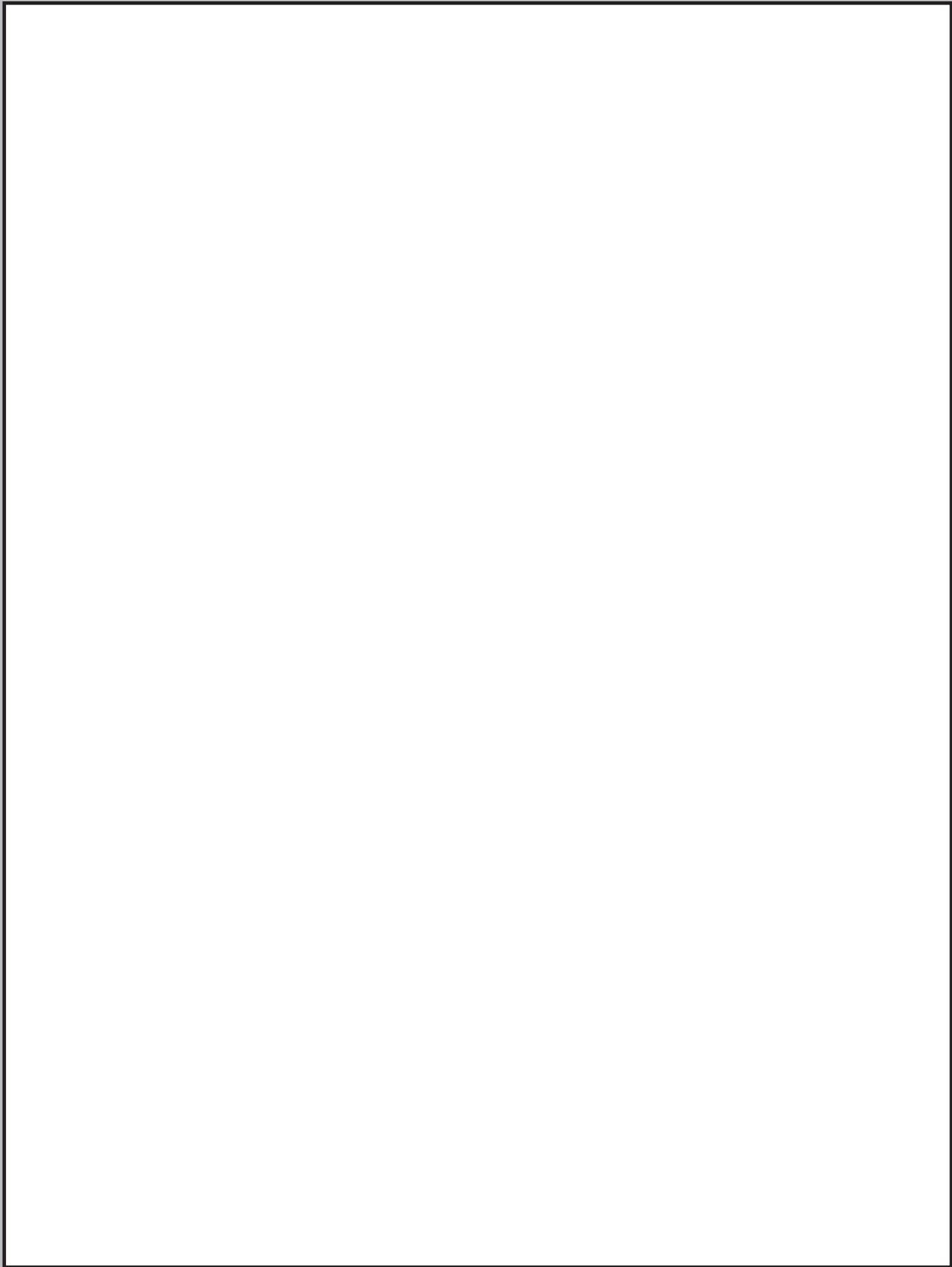
GENESEE COUNTY

Exhibit D-4

Fiscal Year Ended September 30, 2005			
	Original and Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
ACCOMMODATION ORDINANCE TAX			
Supplies and services.....	\$ 761,000	\$ 916,444	\$ (155,444)
Transfer to Parks and Recreation.....	249,000	305,481	(56,481)
TOTALS	<u>\$ 1,010,000</u>	<u>\$ 1,221,925</u>	<u>\$ (211,925)</u>
ADMINISTRATION OF JUSTICE			
Personnel services.....	\$ 5,393,766	\$ 5,197,068	\$ 196,698
Fringe benefits.....	2,652,863	2,316,145	336,718
Supplies and services.....	2,414,041	2,351,448	62,593
Other.....	134,118	49,503	84,615
Capital outlay.....	55,098	1,792	53,306
Other transfers-out.....	5,974	240,032	(234,058)
TOTALS	<u>\$ 10,655,860</u>	<u>\$ 10,155,988</u>	<u>\$ 499,872</u>
ANIMAL SHELTER			
Personnel services.....	\$ 450,519	\$ 460,508	\$ (9,989)
Fringe benefits.....	256,640	217,463	39,177
Supplies and services.....	358,993	396,688	(37,695)
Capital outlay.....			0
TOTALS	<u>\$ 1,066,152</u>	<u>\$ 1,074,659</u>	<u>\$ (8,507)</u>
CHILD CARE			
Foster care.....	\$ 2,119,633	\$ 1,383,933	\$ 735,700
Private institutional care.....	6,489,523	8,180,250	(1,690,727)
Juvenile detention center.....	3,987,154	3,335,435	651,719
Training schools.....	3,104,002	3,065,069	38,933
TOTALS	<u>\$ 15,700,312</u>	<u>\$ 15,964,687</u>	<u>\$ (264,375)</u>
COMMUNITY DEVELOPMENT			
Supplies and services.....	\$ 725,703	\$ 725,703	\$ 0
Program grants.....	4,423,035	4,423,035	0
TOTALS	<u>\$ 5,148,738</u>	<u>\$ 5,148,738</u>	<u>\$ 0</u>
COMMUNITY ENRICHMENT AND DEVELOPMENT			
Personnel services.....	\$ 79,142	\$ 154,881	\$ (75,739)
Fringe benefits.....	37,988	62,193	(24,205)
Supplies and services.....	1,080,596	1,401,855	(321,259)
Other.....	11,000	87,276	(76,276)
Capital outlay.....	25,000	197,167	(172,167)
Other transfers-out.....		165,936	(165,936)
TOTALS	<u>\$ 1,233,726</u>	<u>\$ 2,069,308</u>	<u>\$ (835,582)</u>
DRUG FORFEITURES			
Personnel services.....	\$ 76,772	\$ 148,072	\$ (71,300)
Fringe benefits.....	35,714	65,053	(29,339)
Supplies and services.....		201,800	(201,800)
Capital outlay.....		3,580	
Other transfers-out.....		32,800	(32,800)
TOTALS	<u>\$ 112,486</u>	<u>\$ 451,305</u>	<u>\$ (335,239)</u>

(Continued)

Fiscal Year Ended September 30, 2005			
	Original and Final Budgeted Amounts	Actual	Variance with Final Budget- Positive (Negative)
LAW ENFORCEMENT			
Personnel services.....	\$ 824,262	\$ 1,239,597	\$ (415,335)
Fringe benefits.....	413,715	532,186	(118,471)
Supplies and services.....	211,103	650,613	(439,510)
Other.....	200,892	127,980	72,912
Capital outlay.....	2,107,577	2,107,203	374
Other transfers-out.....		47,325	(47,325)
TOTALS	\$ 3,757,549	\$ 4,704,904	\$ (947,355)
Medical Examiner			
Personnel services.....	\$ 57,517	\$ 71,373	\$ (13,856)
Fringe benefits.....	25,893	52,297	(26,404)
Supplies and services.....	851,155	950,266	(99,111)
Capital outlay.....	32,300		32,300
TOTALS	\$ 966,865	\$ 1,073,936	\$ (107,071)
PARAMEDICS			
Personnel services.....	\$ 2,188,736	\$ 2,271,168	\$ (82,432)
Fringe benefits.....	1,234,329	1,153,701	80,628
Supplies and services.....	607,023	735,012	(127,989)
Capital outlay.....	127,370	145,723	(18,353)
Debt service.....	11,869	7,528	4,341
TOTALS	\$ 4,169,327	\$ 4,313,132	\$ (143,805)
PARKS AND RECREATION			
Personnel services.....	\$ 2,294,215	\$ 2,550,625	\$ (256,410)
Fringe benefits.....	747,589	718,861	28,728
Supplies and services.....	2,725,496	1,385,041	1,340,455
Other.....	282,655	1,789,843	(1,507,188)
Capital outlay.....	40,000	116,489	(76,489)
Other transfers-out.....		915,802	(915,802)
TOTALS	\$ 6,089,955	\$ 7,476,661	\$ (1,386,706)
PLANNING COMMISSION			
Personnel services.....	\$ 1,030,010	\$ 901,747	\$ 128,263
Fringe benefits.....	893,905	689,331	204,574
Supplies and services.....	719,295	409,111	310,184
Capital outlay.....	4,000	40,540	(36,540)
Other transfers-out.....		15,563	15,563
TOTALS	\$ 2,647,210	\$ 2,056,292	\$ 622,044
REVENUE SHARING RESERVE			
Supplies and services.....	\$ 1,696,819	\$ 1,696,819	\$ 0
Other transfers-out.....	8,662,143	8,662,143	0
TOTALS	\$ 10,358,962	\$ 10,358,962	\$ 0
SOCIAL SERVICES			
State programs.....	\$ 2,120,877	\$ 2,120,877	\$ 0
Other transfers-out.....	0	0	0
TOTALS	\$ 2,120,877	\$ 2,120,877	\$ 0
TOWNSHIP POLICE SUPPORT SERVICES			
Personnel services.....	\$ 897,308	\$ 904,177	\$ (6,869)
Fringe benefits.....	493,644	495,153	(1,509)
Supplies and services.....	8,000	5,509	2,491
Other.....	140,140	110,016	30,124
Capital outlay.....	2,500	3,862	(1,362)
TOTALS	\$ 1,541,592	\$ 1,518,717	\$ 22,875



**COMBINING
FINANCIAL STATEMENTS**

DEBT SERVICE FUNDS

DEBT SERVICE FUNDS

Administration Building - To account for residual fund balance resulting after final payment of debt used to construct the County Administration Building under a lease-purchase arrangement with the Genesee County Building Authority.

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

Capital Improvement - To account for the funding and payment of principal and interest on debt issued to finance the rehabilitation of residential structures.

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

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

McCree South Facility - To account for the funding and payment of principal and interest on debt issued to finance the purchase and renovation of the former Wards Building under a lease-purchase arrangement with the Genesee County Building Authority.

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

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.

COMBINING BALANCE SHEET--DEBT SERVICE FUNDS

GENESEE COUNTY

Exhibit E-1

	Administration Building	Burton Clinic	Capital Improvement	Courthouse Square
ASSETS				
Cash and cash equivalents.....	\$ 53,606	\$ 11,476		\$ 84,364
Investments.....				
Due from other governmental units.....				
TOTAL ASSETS	<u>\$ 53,606</u>	<u>\$ 11,476</u>	<u>\$ 0</u>	<u>\$ 84,364</u>
LIABILITIES AND FUND BALANCES				
Accounts payable.....				
Due to other funds.....				
TOTAL LIABILITIES	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Fund balances:				
Unreserved:				
Designated for programs and debt service.....	53,606	11,476		84,364
Undesignated.....				
TOTAL FUND BALANCES (DEFICITS)	<u>53,606</u>	<u>11,476</u>	<u>0</u>	<u>84,364</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 53,606</u>	<u>\$ 11,476</u>	<u>\$ 0</u>	<u>\$ 84,364</u>

September 30, 2005

GCCARD	Hughes & Hatcher Center	McCree South Facility	Post Retirement Benefits	1998 Refinancing	Total
\$ 73,779	\$ 9,977			\$ 2,690	\$ 235,892 0
		23,716			23,716
<u>\$ 73,779</u>	<u>\$ 9,977</u>	<u>\$ 23,716</u>	<u>\$ 0</u>	<u>\$ 2,690</u>	<u>\$ 259,608</u>

					\$
		23,716			23,716
<u>\$ 0</u>	<u>\$ 0</u>	<u>23,716</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>23,716</u>
73,779	9,977			2,690	235,892 0
<u>73,779</u>	<u>9,977</u>	<u>0</u>	<u>0</u>	<u>2,690</u>	<u>235,892</u>
<u>\$ 73,779</u>	<u>\$ 9,977</u>	<u>\$ 23,716</u>	<u>\$ 0</u>	<u>\$ 2,690</u>	<u>\$ 259,608</u>

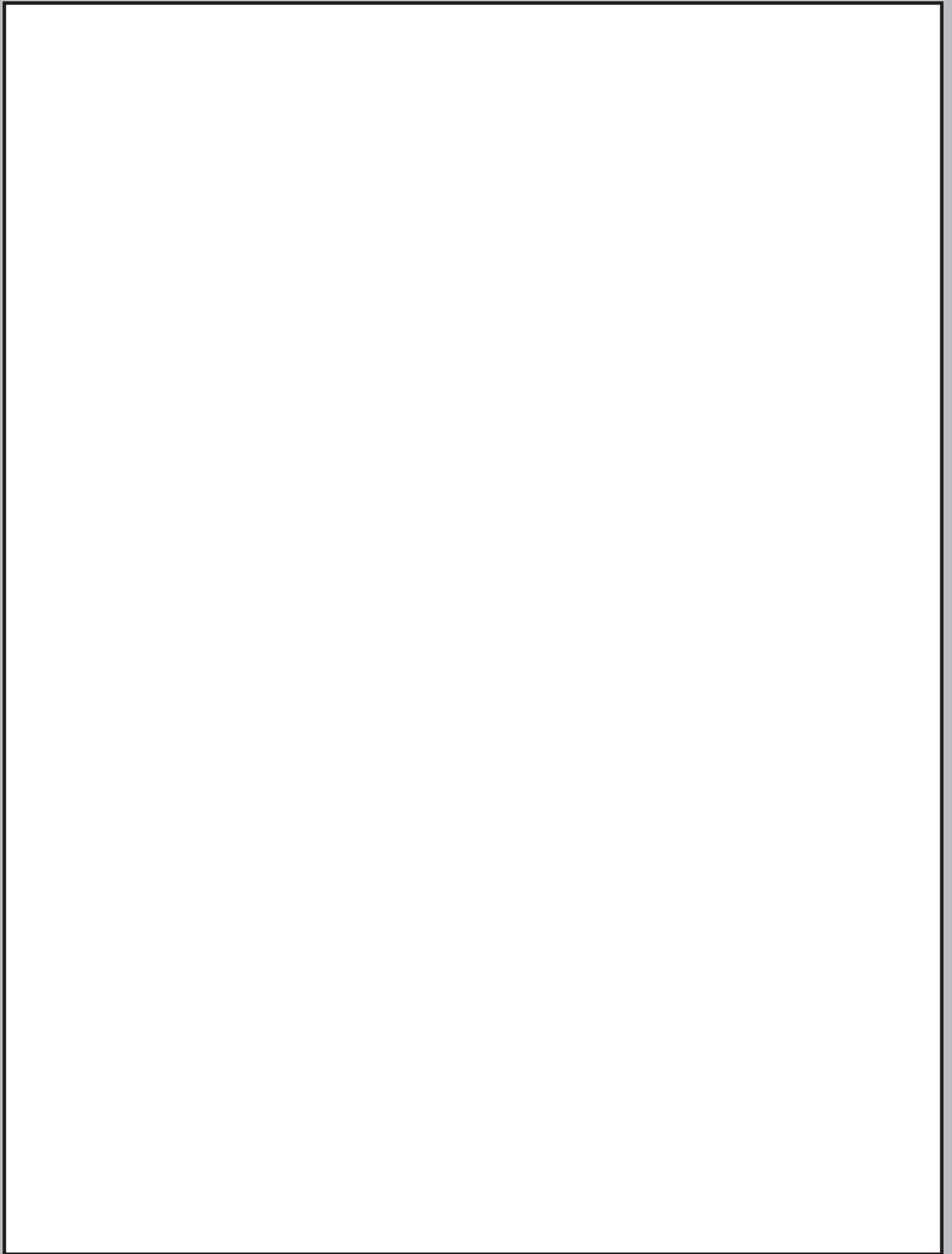
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES--DEBT SERVICE FUNDS**

GENESEE COUNTY

Exhibit E-2

	<u>Administration Building</u>	<u>Burton Clinic</u>	<u>Capital Improvement</u>	<u>Courthouse Square</u>
Revenues:				
Use of money and property.....	\$ 615	240,333		
TOTAL REVENUES	<u>615</u>	<u>\$ 240,333</u>	<u>\$ 0</u>	<u>\$ 0</u>
Expenditures:				
Current Operations:				
Other.....	835	275		550
Debt Service:				
Principal Payments.....		180,000		990,000
Interest and Fiscal Charges.....		60,058	41,241	1,272,477
TOTAL EXPENDITURES	<u>835</u>	<u>240,333</u>	<u>41,241</u>	<u>2,263,027</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(220)</u>	<u>0</u>	<u>(41,241)</u>	<u>(2,263,027)</u>
Other financing sources (uses):				
Proceeds From Refunding Bonds.....				13,986,536
Payment To Ref Bond Escrow.....				(13,776,115)
Transfers in (out):				
Transfers-Out.....				
Transfers-In.....			41,241	2,052,606
TOTAL OTHER FINANCING SOURCES (USES)	<u>0</u>	<u>0</u>	<u>41,241</u>	<u>2,263,027</u>
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>(220)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balances at beginning of year-as restated....	<u>53,826</u>	<u>11,476</u>	<u>0</u>	<u>84,364</u>
FUND BALANCES (DEFICITS) AT END OF YEAR	<u>\$ 53,606</u>	<u>\$ 11,476</u>	<u>\$ 0</u>	<u>\$ 84,364</u>

<u>GCCARD</u>	<u>Hughes & Hatcher Center</u>	<u>McCree South Facility</u>	<u>Post Retirement Benefits</u>	<u>1998 Refinancing</u>	<u>Total</u>
	9,977	\$ 569,746		\$ 297,577	\$ 1,118,248
<u>\$ 0</u>	<u>\$ 9,977</u>	<u>569,746</u>	<u>0</u>	<u>297,577</u>	<u>1,118,248</u>
275		225	14,925,396	300	14,927,856
95,000	40,000	940,000		485,000	2,730,000
123,873	48,278	201,588		92,703	1,840,218
<u>219,148</u>	<u>88,278</u>	<u>1,141,813</u>	<u>14,925,396</u>	<u>578,003</u>	<u>19,498,074</u>
<u>(219,148)</u>	<u>(78,301)</u>	<u>(572,067)</u>	<u>(14,925,396)</u>	<u>(280,426)</u>	<u>(18,379,826)</u>
					13,986,536
					(13,776,115)
					0
<u>219,148</u>	<u>88,278</u>	<u>572,067</u>		<u>280,426</u>	<u>3,253,766</u>
<u>219,148</u>	<u>88,278</u>	<u>572,067</u>	<u>0</u>	<u>280,426</u>	<u>3,464,187</u>
0	9,977	0	(14,925,396)	0	(14,915,639)
<u>73,779</u>		<u>0</u>	<u>14,925,396</u>	<u>2,690</u>	<u>15,151,531</u>
<u>\$ 73,779</u>	<u>\$ 9,977</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,690</u>	<u>\$ 235,892</u>



**COMBINING
FINANCIAL STATEMENTS**

CAPITAL PROJECT FUNDS

CAPITAL PROJECT FUNDS

- Capital Improvement** - To account for the residual proceeds from various capital projects initiated in prior years.
- Courthouse Square** - To account for the funding proceeds and project costs related to the renovation and development of the Courthouse Square project.
- Fenton Court** - To account for the funding proceeds and project costs related to the renovation and development of Court facilities in the City of Fenton.
- Hughes & Hatcher** - To account for the funding proceeds and project costs related to the renovation and development of the Land Bank facilities.
- Jail Site Remediation** - To account for the funding proceeds and project costs related to the remedial activities at the contaminated jail site.
- Land Reutilization Council** - To account for the funding proceeds and project costs related to the rehabilitation of residential structures.

COMBINING BALANCE SHEET--CAPITAL PROJECT FUNDS

GENESEE COUNTY

Exhibit F-1

	Capital Improvement	Courthouse Square	Fenton Court	Hughes & Hatcher Center
ASSETS				
Cash and cash equivalents.....	\$ 226,822		\$ 465,119	
Investments.....		\$ 279,326		
Interest and accounts receivable.....		412		
Due from other County funds.....				\$ 297,851
TOTAL ASSETS	<u>\$ 226,822</u>	<u>\$ 279,738</u>	<u>\$ 465,119</u>	<u>\$ 297,851</u>
LIABILITIES AND FUND BALANCES				
Accounts payable.....				\$ 381,335
Other accrued liabilities and deposits.....				
Due to other County funds.....			\$ 465,119	80,932
TOTAL LIABILITIES	<u>\$ 0</u>	<u>0</u>	<u>465,119</u>	<u>\$ 462,267</u>
Fund balances (deficits):				
Unreserved:				
Undesignated.....	226,822			(164,416)
Designated:				
Courthouse Square Project.....		279,738		
Fenton Court Project.....				
LRC Rehab Project.....				
TOTAL FUND BALANCES(DEFICITS)	<u>226,822</u>	<u>279,738</u>	<u>0</u>	<u>(164,416)</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u>\$ 226,822</u>	<u>\$ 279,738</u>	<u>\$ 465,119</u>	<u>\$ 297,851</u>

Jail Site Remediation	LRC Rehab	Total
\$	\$ 1,439,485	\$ 2,131,426
		279,326
		412
26,606		324,457
<u>\$ 26,606</u>	<u>\$ 1,439,485</u>	<u>\$ 2,735,621</u>

26,606	\$ 16,083	\$ 424,024
		0
\$	297,851	843,902
<u>26,606</u>	<u>\$ 313,934</u>	<u>1,267,926</u>

		62,406
		279,738
	1,125,551	1,125,551
0	1,125,551	1,467,695
<u>\$ 26,606</u>	<u>\$ 1,439,485</u>	<u>\$ 2,735,621</u>

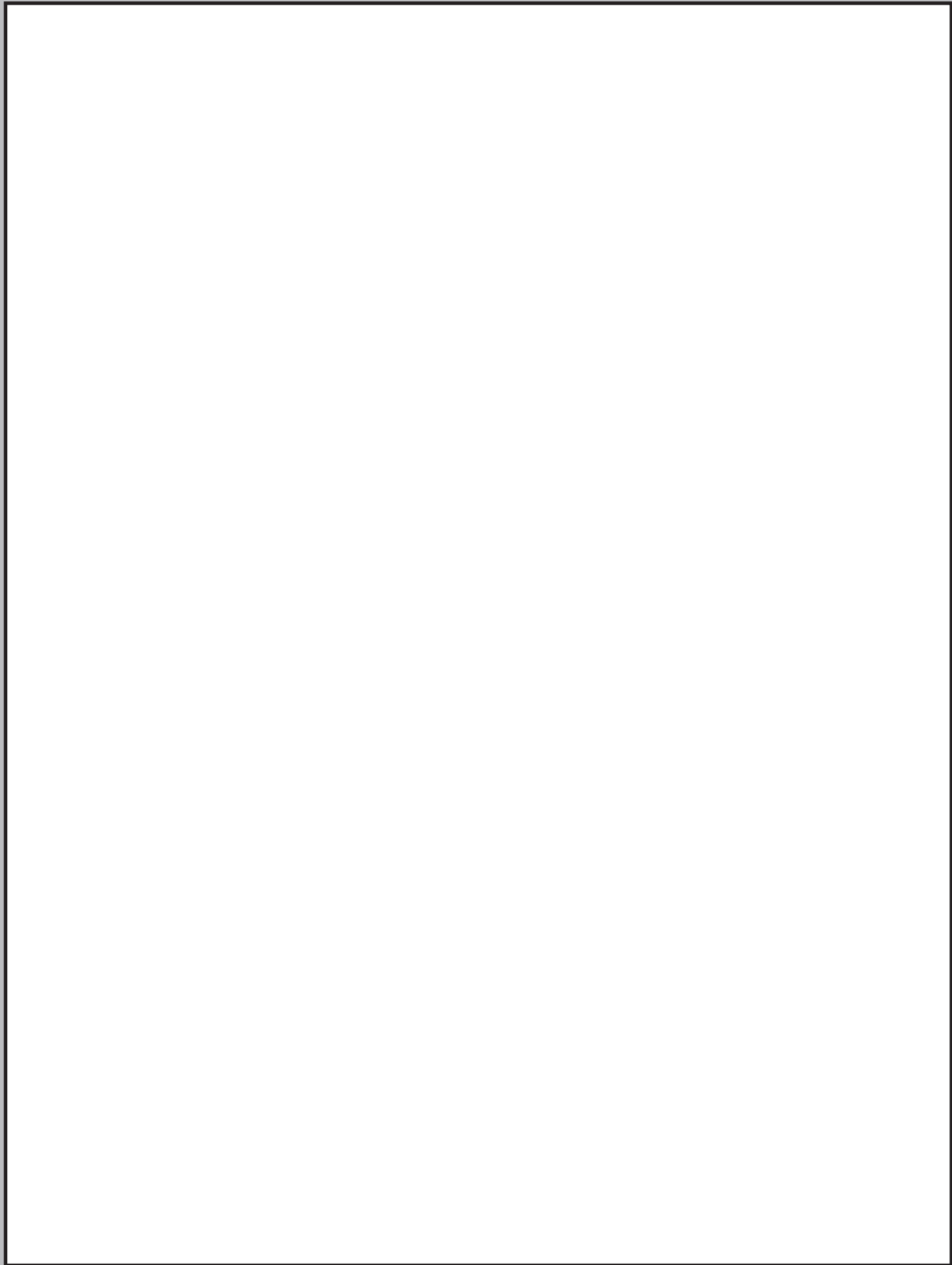
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--CAPITAL PROJECT FUNDS

GENESEE COUNTY

Exhibit F-2

	Capital Improvement	Courthouse Square	Fenton Court	Hughes & Hatcher
Revenues:				
Use of money and property.....		\$ 7,537	\$ 655,788	\$ 368,608
TOTAL REVENUES	\$ 0	7,537	655,788	368,608
Expenditures:				
Current Operations:				
Capital outlay.....		94,045	5,468	3,959,216
TOTAL EXPENDITURES	0	94,045	5,468	3,959,216
REVENUES OVER (UNDER) EXPENDITURES	0	(86,508)	650,320	(3,590,608)
Other financing sources (uses):				
Transfers in (out):				
Proceeds from notes and bonds.....				2,100,000
Discount sale of bonds.....				(41,969)
Transfers-In.....				1,604,047
Transfers-Out.....			(650,320)	(88,278)
TOTAL OTHER FINANCING SOURCES (USES)	0	0	(650,320)	3,573,800
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	0	(86,508)	0	(16,808)
Fund balance (deficit) at beginning of year.....	226,822	366,246	0	(147,608)
FUND BALANCE (DEFICIT) AT END OF YEAR	\$ 226,822	\$ 279,738	\$ 0	\$ (164,416)

Jail Site Remediation	LRC Rehab	Total
\$ 6,750	\$ 237,189	\$ 1,275,872
\$ 6,750	237,189	1,275,872
11,738	577,153	4,647,620
11,738	577,153	4,647,620
(4,988)	(339,964)	(3,371,748)
	1,400,000	3,500,000
		(41,969)
26,606	92,434	1,723,087
	(1,164,092)	(1,902,690)
26,606	328,342	3,278,428
21,618	(11,622)	(93,320)
(21,618)	1,137,173	1,561,015
\$ 0	\$ 1,125,551	\$ 1,467,695



**COMBINING
FINANCIAL STATEMENTS**

NON-MAJOR PROPRIETARY FUNDS

NON-MAJOR PROPRIETARY FUNDS

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

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

COMBINING BALANCE SHEET -- NONMAJOR PROPRIETARY FUNDS

GENESEE COUNTY

Exhibit G-1

	September 30, 2005		
	Business Type Activities - Non-Major Enterprise Funds		
	Non-Major Parks and Recreation	Non-Major Commissary	Total
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents.....	\$ 89,971	\$ 123,963	\$ 213,934
Investments.....	751,929	36,294	788,223
Interest and accounts receivable.....	222,410		222,410
Due from other governmental units.....			0
Due from other county funds.....	9,552		9,552
Supplies inventory.....	21,574	15,761	37,335
Prepayments.....	136,000		136,000
TOTAL CURRENT ASSETS	1,231,436	176,018	1,407,454
CAPITAL ASSETS			
Land.....	3,780,603		3,780,603
Buildings and improvements.....	1,172,352		1,172,352
Equipment.....	3,656,897		3,656,897
TOTAL CAPITAL ASSETS	8,609,852	0	8,609,852
Less allowances for depreciation.....	6,549,736		6,549,736
TOTAL CAPITAL ASSETS, NET	2,060,116	0	2,060,116
TOTAL ASSETS	\$ 3,291,552	\$ 176,018	\$ 3,467,570
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable.....	\$ 28,266		\$ 28,266
Accrued payroll.....	21,306		21,306
Accrued vacation and other employee benefits.....			
Other accrued liabilities and deposits.....	8,950		8,950
Due to other governmental units.....			0
Due to other County funds.....			0
Current portion of notes/bonds payable.....	156,000		156,000
TOTAL CURRENT LIABILITIES	214,522	0	214,522
LONG-TERM DEBT			
General and workers compensation claim Liability.....			
Notes/bonds payable exclusive of current portion.....	307,500		307,500
TOTAL LONG-TERM DEBT	307,500	0	307,500
NET ASSETS:			
Restricted for retirement of delinquent tax notes payable.....			0
Invested in capital assets net of related debt.....	1,596,616		1,596,616
Unrestricted.....	1,172,914	176,018	1,348,932
TOTAL NET ASSETS	2,769,530	176,018	2,945,548
TOTAL LIABILITIES AND NET ASSETS	\$ 3,291,552	\$ 176,018	\$ 3,467,570

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

GENESEE COUNTY

Exhibit G-2

	Fiscal Year Ended September 30, 2005		
	Business Type Activities - Non-Major Enterprise Funds		
	Non-Major Parks and Recreation	Non-Major Commissary	Total
Operating revenues:			
Charges for sales and services:			
Ticket, permit & concession sales.....	\$ 777,295	\$ 473,796	\$ 1,251,091
Taxes.....			0
State revenue.....			
TOTAL OPERATING REVENUES	<u>777,295</u>	<u>473,796</u>	<u>1,251,091</u>
Operating expenses:			
Salaries and fringe benefits.....	800,880		800,880
Supplies and other operating expenses.....	474,492	275,728	750,220
Depreciation.....	153,812		153,812
TOTAL OPERATING EXPENSES	<u>1,429,184</u>	<u>275,728</u>	<u>1,704,912</u>
OPERATING INCOME(LOSS)	<u>(651,889)</u>	<u>198,068</u>	<u>(453,821)</u>
Non-operating revenues (expenses):			
Investment earnings.....		1,973	1,973
Interest expense.....	(25,174)		(25,174)
Gain (loss) on sale of property and equipment.....	(21,000)		(21,000)
Amortization and Other.....	(14,069)		(14,069)
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>(60,243)</u>	<u>1,973</u>	<u>(58,270)</u>
INCOME (LOSS) BEFORE TRANSFERS	<u>(712,132)</u>	<u>200,041</u>	<u>(512,091)</u>
Transfers-in.....	810,000		810,000
Transfers-out.....		(202,362)	(202,362)
TOTAL TRANSFERS	<u>810,000</u>	<u>(202,362)</u>	<u>607,638</u>
CHANGE IN NET ASSETS	<u>97,868</u>	<u>(2,321)</u>	<u>95,547</u>
Net assets at beginning of year.....	2,671,662	178,339	2,850,001
NET ASSETS AT END OF YEAR	<u>\$ 2,769,530</u>	<u>\$ 176,018</u>	<u>\$ 2,945,548</u>

**STATEMENT OF CASH FLOWS-
NONMAJOR PROPRIETARY FUNDS**

GENESEE COUNTY

Exhibit G-3

Fiscal Year Ended September 30, 2005			
Business Type Activities - Non-Major Enterprise Funds			
	Non-Major Parks and Recreation	Non-Major Commissary	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers.....	\$ 554,885	\$ 473,796	\$ 1,028,681
Cash payments to suppliers for goods and services.....	(470,557)	(280,496)	(751,053)
Cash payments to employees for services.....	(805,696)		(805,696)
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	(721,368)	193,300	(528,068)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Borrowing under delinquent tax notes payable.....			0
Repayments under delinquent tax notes payable.....			0
Interest paid on delinquent tax notes payable.....			0
Advances from other governmental units, County units and funds.....			0
Repayments to other governmental units, County units and funds.....	(7,249)		(7,249)
Transfers-in from other funds.....	810,000		810,000
Transfers-out to other funds.....		(202,362)	(202,362)
NET CASH PROVIDED BY (USED FOR) NONCAPITAL FINANCING ACTIVITIES	802,751	(202,362)	600,389
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition and construction of capital assets.....	(64,915)		(64,915)
Principal paid on long-term debt.....	(145,500)		(145,500)
Interest paid on long-term debt.....	(36,762)		(36,762)
Proceeds from sale of equipment.....	(21,000)		(21,000)
NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	(268,177)	0	(268,177)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of investment securities.....	(72,548)	(7,889)	(80,437)
Proceeds from sale and maturities of investment securities.....			0
Interest and dividends on investments.....	0	1,973	1,973
NET CASH USED FOR IN INVESTING ACTIVITIES	(72,548)	(5,916)	(78,464)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(259,342)	(14,978)	(274,320)
Cash and cash equivalents at beginning of year.....	349,313	138,941	488,254
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 89,971	\$ 123,963	\$ 213,934
RECONCILIATION OF OPERATING INCOME(LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:			
Operating income(loss).....	\$ (651,889)	\$ 198,068	\$ (453,821)
Adjustments to reconcile operating income(loss) to net cash provided by (used for) operating activities:			
Depreciation.....	153,812		153,812
Change in assets and liabilities:			
(Increase) decrease in interest and accounts receivable.....	(222,410)		(222,410)
(Increase) decrease in supplies inventory.....	(21,574)	(1,337)	(22,911)
Increase (decrease) in accounts payable and related items.....	5,111	(3,431)	1,680
Increase (decrease) in accrued payroll.....	(4,816)		(4,816)
Increase (decrease) in other accrued liabilities and deposits.....	20,398		20,398
Net cash provided by (used for) operating activities.....	\$ (721,368)	\$ 193,300	\$ (528,068)
Noncash investing activities - decrease in fair value of investments.....	-	-	0

**COMBINING
FINANCIAL STATEMENTS**

INTERNAL SERVICE FUNDS

INTERNAL SERVICE FUNDS

GENESEE COUNTY

ADMINISTRATIVE SERVICES

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

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

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

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

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

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

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

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

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

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

VEHICLES AND EQUIPMENT

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

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

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

BUILDING AND GROUNDS

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

SELF FUNDED PROPERTY/CASUALTY PROGRAM

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

COMBINING BALANCE SHEET--INTERNAL SERVICE FUNDS

GENESEE COUNTY

Exhibit H-1

	<u>Administrative Services</u>
ASSETS	
CURRENT ASSETS	
Cash and cash equivalents.....	\$ 663,700
Investments.....	474
Interest and accounts receivable.....	20,000
Due from other governmental units.....	4,366,799
Due from other county funds.....	9,919
Supplies inventory.....	5,507
Prepayments.....	<u>5,066,399</u>
TOTAL CURRENT ASSETS	
PROPERTY AND EQUIPMENT	
Land.....	
Buildings and improvements.....	12,837,866
Equipment.....	<u>12,837,866</u>
TOTAL PROPERTY AND EQUIPMENT	10,269,874
Less allowances for depreciation.....	<u>2,567,992</u>
TOTAL PROPERTY AND EQUIPMENT, NET	<u>\$ 7,634,391</u>
TOTAL ASSETS	
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accounts payable.....	\$ 1,063,428
Accrued payroll.....	
Accrued vacation and other employee benefits.....	5,553,537
Other accrued liabilities and deposits.....	
Due to other county funds.....	58
Current portion of notes/bonds payable.....	19,446
TOTAL CURRENT LIABILITIES	<u>6,636,469</u>
LONG-TERM DEBT	
General and workers compensation claim liability.....	
Notes/bonds payable exclusive of current portion.....	
TOTAL LONG-TERM DEBT	<u>0</u>
NET ASSETS	
Reserved for:	
Invested in capital assets, net or related debt.....	997,922
Unrestricted	
TOTAL NET ASSETS	<u>997,922</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 7,634,391</u>

September 30, 2005

Vehicles and Equipment	Building and Grounds	Self Funded Prop./Casualty Program	Total
	\$ 499,759	\$ 186,846	\$ 686,605
	146,322	8,946,676	9,756,698
	16,036	70,484	86,994
\$ 58,361	60,950		139,311
17,200	2,532	8,489	4,395,020
34,176			44,095
		262,569	268,076
109,737	725,599	9,475,064	15,376,799
131,033	42,463		173,496
176,430			176,430
12,366,572	1,504,926		26,709,364
12,674,035	1,547,389	0	27,059,290
7,797,774	814,448		18,882,096
4,876,261	732,941	0	8,177,194
\$ 4,985,998	\$ 1,458,540	\$ 9,475,064	\$ 23,553,993
\$ 50,977	\$ 260,748	\$ 21,412	\$ 1,396,565
6,956	56,434	7,304	70,694
			5,553,537
			0
3,040,891		14,859	3,055,808
	112,677		132,123
3,098,824	429,859	43,575	10,208,727
		2,598,882	2,598,882
	254,541		254,541
0	254,541	2,598,882	2,853,423
	774,140		1,772,062
1,887,174		6,832,607	8,719,781
1,887,174	774,140	6,832,607	10,491,843
\$ 4,985,998	\$ 1,458,540	\$ 9,475,064	\$ 23,553,993

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

GENESEE COUNTY

Exhibit H-2

	<u>Administrative Services</u>
Operating revenues:	
Charges for services.....	\$ 7,847,337
TOTAL OPERATING REVENUES	<u>7,847,337</u>
Operating expenses:	
Salaries and fringe benefits.....	4,890,632
Supplies and other operating expenses.....	2,426,144
Depreciation.....	518,789
TOTAL OPERATING EXPENSES	<u>7,835,565</u>
OPERATING INCOME(LOSS)	<u>11,772</u>
Non-operating revenues (expenses):	
Interest income (loss).....	
Interest expense.....	(7,890)
Gain (loss) on sale of property and equipment.....	(39,650)
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>(47,540)</u>
INCOME (LOSS) BEFORE TRANSFERS	<u>(35,768)</u>
Transfers in (out):	
Transfers-in.....	819,183
Transfers-out.....	(1,670,000)
TOTAL OPERATING TRANSFERS IN (OUT)	<u>(850,817)</u>
NET INCOME (LOSS)	<u>(886,585)</u>
Net Assets (deficit) at beginning of year-as restated.....	1,884,507
NET ASSETS AT END OF YEAR	<u>\$ 997,922</u>

Fiscal Year Ended September 30, 2005

Vehicles and Equipment	Building and Grounds	Self Funded Prop./Casualty Program	Total
\$ 2,018,252	\$ 8,209,256	\$ 2,028,119	\$ 20,102,964
<u>2,018,252</u>	<u>8,209,256</u>	<u>2,028,119</u>	<u>20,102,964</u>
200,470	1,933,860	104,327	7,129,289
1,196,793	3,452,511	2,623,797	9,699,245
390,457	179,668		1,088,914
<u>1,787,720</u>	<u>5,566,039</u>	<u>2,728,124</u>	<u>17,917,448</u>
<u>230,532</u>	<u>2,643,217</u>	<u>(700,005)</u>	<u>2,185,516</u>
743		505,622	506,365
(581)			(8,471)
399			(39,251)
<u>561</u>	<u>0</u>	<u>505,622</u>	<u>458,643</u>
<u>231,093</u>	<u>2,643,217</u>	<u>(194,383)</u>	<u>2,644,159</u>
60,484	920,343		1,800,010
	(2,905,100)		(4,575,100)
<u>60,484</u>	<u>(1,984,757)</u>	<u>0</u>	<u>(2,775,090)</u>
291,577	658,460	(194,383)	(130,931)
1,595,597	115,680	7,026,990	10,622,774
<u>\$ 1,887,174</u>	<u>\$ 774,140</u>	<u>\$ 6,832,607</u>	<u>\$ 10,491,843</u>

COMBINING STATEMENT OF CASH FLOWS- INTERNAL SERVICE FUNDS

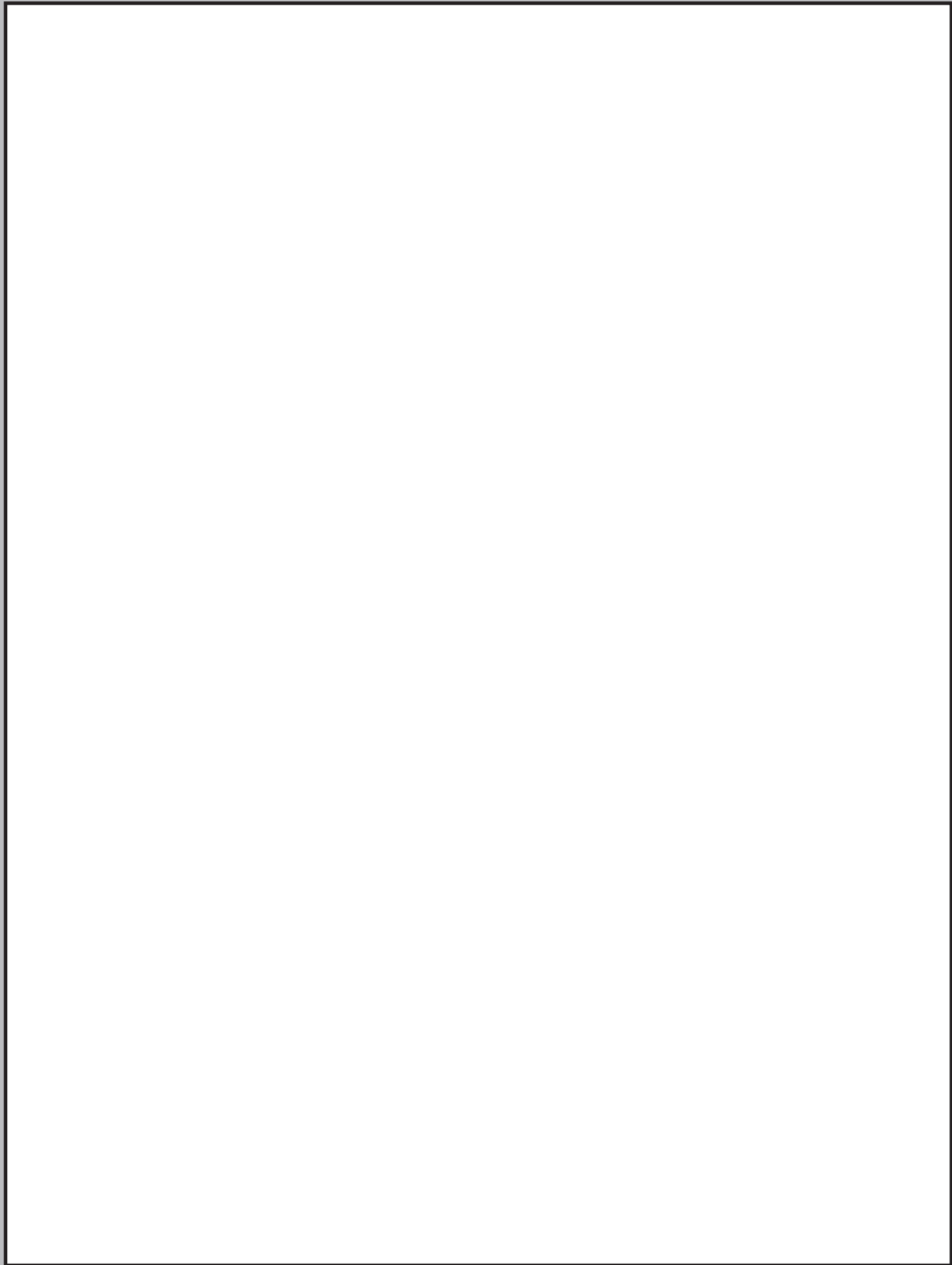
GENESEE COUNTY

Exhibit H-3

	<u>Administrative Services</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from customers.....	\$ 7,828,497
Cash payments to suppliers for goods and services.....	(1,544,005)
Cash payments to employees for services.....	(5,726,137)
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	<u>558,355</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Advances to other governmental units, County units and funds.....	283,366
Repayments from other governmental units, County units and funds.....	
Transfers-in from other funds.....	819,183
Transfers-out to other funds.....	(1,670,000)
NET CASH PROVIDED BY (USED FOR) NONCAPITAL FINANCING ACTIVITIES	<u>(567,451)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Proceeds from sale of long-term debt.....	
Acquisition and construction of capital assets.....	(219,296)
Principal paid on long-term debt.....	(226,540)
Interest paid on long-term debt.....	(7,890)
Proceeds from sale of equipment.....	6,900
NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(446,826)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of investment securities.....	(870,959)
Proceeds from sale and maturities of investment securities.....	1,326,881
Interest and dividends on investments.....	
NET CASH PROVIDED BY (USED FOR) IN INVESTING ACTIVITIES	<u>455,922</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>0</u>
Cash and cash equivalents at beginning of year.....	
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 0</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:	
Operating income(loss).....	\$ 11,772
Adjustments to reconcile operating income(loss) to net cash provided by (used for) operating activities:	
Depreciation.....	518,789
Change in assets and liabilities:	
(Increase) decrease in interest and accounts receivable.....	(16,259)
(Increase) decrease in supplies inventory.....	5,643
(Increase) decrease in prepayment and other current assets.....	(8,088)
Increase (decrease) in accounts payable and related items.....	882,002
Increase (decrease) in accrued payroll.....	(835,504)
Increase (decrease) in other accrued liabilities and deposits.....	
Net cash provided by (used for) operating activities.....	<u><u>\$ 558,355</u></u>

Fiscal Year Ended September 30, 2005

Vehicle and Equipment	Building and Grounds	Self Funded Prop./Casualty Program	Total
\$ 1,955,866	\$ 8,266,048	\$ 2,006,347	\$ 20,056,758
(1,159,050)	(3,303,417)	(2,526,785)	(8,533,257)
(198,751)	(1,928,014)	(100,853)	(7,953,755)
<u>598,065</u>	<u>3,034,617</u>	<u>(621,291)</u>	<u>3,569,746</u>
258,910		4,906	547,182
60,484	920,343		1,800,010
	(2,905,100)		(4,575,100)
<u>319,394</u>	<u>(1,984,757)</u>	<u>4,906</u>	<u>(2,227,908)</u>
			0
(935,122)	(56,153)		(1,210,571)
(27,272)	(106,955)		(360,767)
(581)			(8,471)
399			7,299
<u>(962,576)</u>	<u>(163,108)</u>	<u>0</u>	<u>(1,572,510)</u>
44,374	(386,993)	(5,072,124)	(6,285,702)
		5,355,354	6,682,235
743		456,910	457,653
<u>45,117</u>	<u>(386,993)</u>	<u>740,140</u>	<u>854,186</u>
0	499,759	123,755	623,514
		63,091	63,091
<u>\$ 0</u>	<u>\$ 499,759</u>	<u>\$ 186,846</u>	<u>\$ 686,605</u>
\$ 230,532	\$ 2,643,217	\$ (700,005)	\$ 2,185,516
390,457	179,668		1,088,914
(62,386)	56,791	(21,772)	(43,626)
9,208			14,851
		99,325	91,237
28,535	149,095	(27,860)	1,031,772
1,719	5,846	3,474	(824,465)
		25,547	25,547
<u>598,065</u>	<u>3,034,617</u>	<u>(621,291)</u>	<u>3,569,746</u>



**COMBINING
FINANCIAL STATEMENTS**

FIDUCIARY FUNDS

FIDUCIARY FUNDS

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

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, and other funds as well as other payments that are held for other funds or governmental entities.

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

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

GENESEE COUNTY

Exhibit I-1

	<u>Pension and Pension Trust Fund Retirement 12/31/04</u>
ASSETS	
Cash and cash equivalents.....	\$ 20,931,136
Receivables:	
Other receivables.....	726
Accrued interest and dividends.....	1,409,390
TOTAL RECEIVABLES	<u>1,410,116</u>
Investments at fair value:	
U.S. Government securities.....	64,810,301
Foreign Govts. and Agencies.....	55,027,516
Corporate bonds.....	44,960,566
Common stocks.....	183,832,697
Preferred stocks.....	14,895,905
Mutual funds.....	48,546,452
Real Estate.....	15,281,466
TOTAL INVESTMENTS	<u>427,354,903</u>
TOTAL ASSETS	<u>449,696,155</u>
LIABILITIES	
Refunds payable and other liabilities.....	439,080
Accrued expenses.....	2,997
Due to other County funds.....	
TOTAL LIABILITIES	<u>442,077</u>
NET ASSETS	
Held in trust for pension benefits and other purposes.....	<u>\$ 449,254,078</u>

September 30, 2005

Other Employee Benefit Trust Funds

Employees' Fringe Benefit (VEBA)	Total
\$	\$ 20,931,136
	726
	1,409,390
<u>0</u>	<u>22,341,252</u>
449,496	65,259,797
	55,027,516
9,955,497	54,916,063
7,021,953	190,854,650
	14,895,905
1,282,422	49,828,874
	15,281,466
<u>18,709,368</u>	<u>446,064,271</u>
<u>18,709,368</u>	<u>468,405,523</u>
	439,080
	2,997
<u>51,686</u>	<u>51,686</u>
<u>51,686</u>	<u>493,763</u>
 <u><u>\$ 18,657,682</u></u>	 <u><u>\$ 467,911,760</u></u>

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

GENESEE COUNTY

Exhibit I-2

	<u>Pension and Retirement 12/31/04</u>
ADDITIONS	
Contributions:	
Employer.....	\$ 9,088,459
Plan members.....	2,148,473
Total contributions.....	<u>11,236,932</u>
Investment earnings:	
Net increase	
in fair value of investments.....	30,045,812
Transfer in from other funds.....	
Interest.....	5,327,239
Dividends.....	4,043,043
Total investment earnings.....	<u>39,416,094</u>
Less investment expense.....	1,941,463
Net investment earnings.....	<u>37,474,631</u>
Total additions.....	<u>48,711,563</u>
DEDUCTIONS	
Benefits.....	25,909,403
Refunds of contributions.....	410,930
Administrative expenses.....	382,311
Transfer to other pensions plans.....	1,483,017
Total deductions.....	<u>28,185,661</u>
Change in net assets.....	20,525,902
Net assets-beginning of the year.....	428,728,176
Net assets- end of the year.....	<u>\$ 449,254,078</u>

Fiscal year ended September 30, 2005

Other Employee Benefit Trust Funds

<u>Employees' Fringe Benefit (VEBA)</u>	<u>Total</u>
\$ 17,746,254	\$ 26,834,713
	2,148,473
<u>17,746,254</u>	<u>28,983,186</u>
972,486	31,018,298
	0
	5,327,239
	<u>4,043,043</u>
<u>972,486</u>	<u>40,388,580</u>
	<u>1,941,463</u>
<u>972,486</u>	<u>38,447,117</u>
<u>18,718,740</u>	<u>67,430,303</u>
	25,909,403
	410,930
61,058	443,369
	<u>1,483,017</u>
<u>61,058</u>	<u>28,246,719</u>
<u>18,657,682</u>	<u>39,183,584</u>
	<u>428,728,176</u>
<u>\$ 18,657,682</u>	<u>\$ 467,911,760</u>

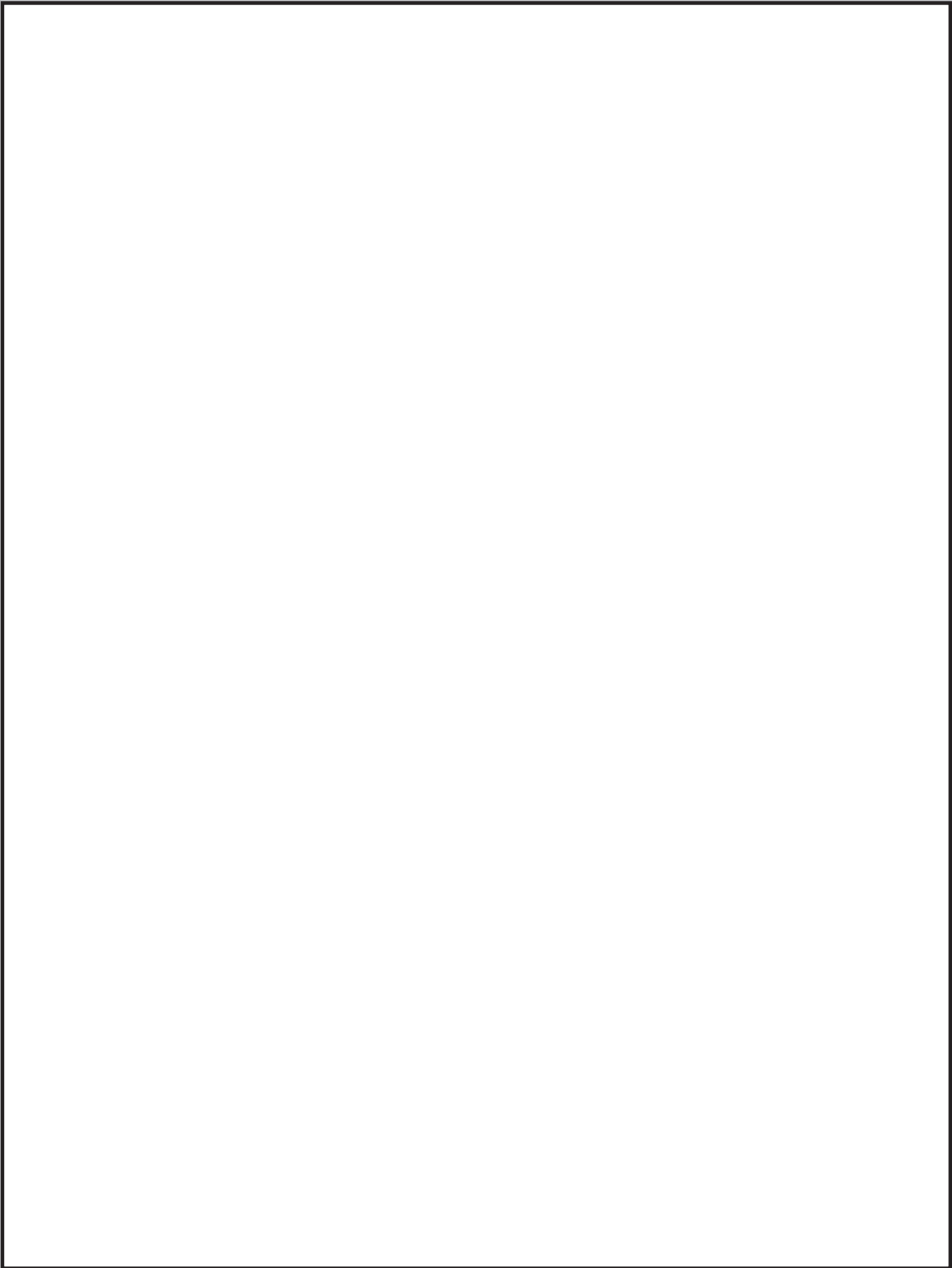
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES TRUST AND AGENCY FUNDS

Exhibit I-3

	<u>Balances</u> <u>October 1, 2004</u>
TRUST AND AGENCY FUNDS	
ASSETS	
Cash and cash equivalents.....	\$ 11,913,078
Investments.....	6,500,000
Accounts receivable.....	325,152
Due from other Governmental Units.....	9,782
Due from other county funds.....	201,916
	<u>\$ 18,949,928</u>
LIABILITIES	
Accounts Payable.....	\$ 1,330,177
Deposits.....	16,608,032
Due to other governmental units.....	521,855
Due to other County funds.....	489,864
	<u>\$ 18,949,928</u>
LIBRARY PENAL FINES	
ASSETS	
Cash and cash equivalents.....	\$ 145,169
Due from other county funds.....	51,453
	<u>\$ 196,622</u>
LIABILITIES	
Due to other governmental units.....	\$ 194,497
Due to other County funds.....	2,125
	<u>\$ 196,622</u>
TOTALS ALL AGENCY FUNDS	
ASSETS	
Cash and cash equivalents.....	\$ 12,058,247
Investments.....	6,500,000
Accounts receivable.....	325,152
Due from other Governmental Units.....	9,782
Due from other county funds.....	253,369
	<u>\$ 19,146,550</u>
LIABILITIES	
Accounts Payable.....	\$ 1,330,176
Deposits.....	16,608,032
Due to other governmental units.....	716,353
Due to other County funds.....	491,989
	<u>\$ 19,146,550</u>

Year Ended September 30, 2005

Additions	Deductions	Balances September 30, 2005
221,687,995	224,354,282	\$ 9,246,791
105,800,000	99,800,000	12,500,000
465,206	100,728	689,630
		9,782
36,413	201,056	37,273
<u>327,989,614</u>	<u>324,456,066</u>	<u>\$ 22,483,476</u>
106,996,416	107,358,665	\$ 967,928
117,549,813	113,154,401	21,003,444
	521,855	0
510,690	488,450	512,104
<u>225,056,919</u>	<u>221,523,371</u>	<u>\$ 22,483,476</u>
639,329	650,191	\$ 134,307
56,760	51,453	56,760
<u>696,089</u>	<u>701,644</u>	<u>\$ 191,067</u>
779,583	785,138	\$ 188,942
10,625	10,625	2,125
<u>790,208</u>	<u>795,763</u>	<u>\$ 191,067</u>
222,327,324	225,004,473	\$ 9,381,098
105,800,000	99,800,000	12,500,000
465,206	100,728	689,630
		9,782
93,173	252,509	94,033
<u>328,685,703</u>	<u>325,157,710</u>	<u>\$ 22,674,543</u>
106,996,416	107,358,665	\$ 967,927
118,391,474	113,996,062	21,003,444
779,583	1,306,993	188,943
521,315	499,075	514,229
<u>226,688,788</u>	<u>223,160,795</u>	<u>\$ 22,674,543</u>



CAPITAL ASSETS⁽¹⁾

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

CAPITAL ASSETS - USED IN OPERATIONS OF GOVERNMENTAL ACTIVITIES

SCHEDULE BY FUNCTION AND ACTIVITY

GENESEE COUNTY

Exhibit J-1

	September 30, 2005	
	Total	Land
GENERAL GOVERNMENT		
LEGISLATIVE		
Board of Commissioners.....	\$ 0	\$ 0
MANAGEMENT AND PLANNING		
Board Coordinator.....	10,394	
County Clerk.....	43,490	
County Treasurer.....	30,553	
Drain Commission.....	4,061,523	
Elections/Campaign Financing.....	0	
Equalization.....	109,043	
Register of Deeds.....	121,196	
	<u>4,376,199</u>	<u>0</u>
ADMINISTRATION OF JUSTICE		
Adult Probation.....	0	
Circuit Court.....	3,620,204	253,992
District Court.....	1,548,187	
Friend of the Court.....	0	
Jury Board.....	1,105	
Probate Court.....	42,648	
Prosecutor.....	75,434	
	<u>5,287,578</u>	<u>253,992</u>
LAW ENFORCEMENT AND COMMUNITY PROTECTION		
Animal Shelter.....	1,785,243	
Office of Emergency Preparedness.....	16,209	
Public Safety.....	28,530,082	73,300
	<u>30,331,534</u>	<u>73,300</u>
HUMAN SERVICES		
Veteran's Information.....	21,771	
County Health.....	1,757,222	54,000
	<u>1,778,993</u>	<u>54,000</u>
COMMUNITY ENRICHMENT AND DEVELOPMENT		
Cooperative Extension.....	433,693	
Total Quality Management.....	2,600	
	<u>436,293</u>	<u>0</u>
COMMUNITY MENTAL HEALTH.....	<u>1,261,855</u>	<u>0</u>
GENERAL		
Land and Improvements.....	3,882,101	3,650,039
Buildings and Improvements.....	68,702,837	
Equipment.....	2,983,777	
	<u>75,568,715</u>	<u>3,650,039</u>
TOTAL GENERAL GOVERNMENT	<u>119,041,167</u>	<u>4,031,331</u>
RECREATION.....	<u>25,125,553</u>	<u>8,781,286</u>
TOTAL CAPITAL ASSETS	<u>\$ 144,166,720</u>	<u>\$ 12,812,617</u>
Construction in Progress.....	<u>4,216,410</u>	
TOTAL CAPITAL ASSETS	<u>\$ 148,383,130</u>	

Land Improvements	Buildings and Improvements	Equipment
\$ 0	\$ 0	\$ 0
		10,394
		43,490
		30,553
		4,061,523
		109,043
		121,196
0	0	4,376,199
18,578	1,423,241	1,924,393
	1,432,001	116,186
		1,105
		42,648
		75,434
18,578	2,855,242	2,159,766
1,423	1,747,860	35,960
385,136	26,906,971	16,209
386,559	28,654,831	1,164,675
		1,216,844
		21,771
		1,703,222
		1,724,993
	363,710	69,983
0	363,710	2,600
0	0	72,583
		1,261,855
232,062	68,702,837	2,983,777
232,062	68,702,837	2,983,777
637,199	100,576,620	13,796,017
6,238,290	9,829,559	276,418
\$ 6,875,489	\$ 110,406,179	\$ 14,072,435

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY**

GENESEE COUNTY

Exhibit J-2

	Fiscal Year Ended September 30, 2005			
	Capital Assets October 1, 2004	Additions	Deletions	Capital Assets September 30, 2005
GENERAL GOVERNMENT				
LEGISLATIVE				
Board of Commissioners.....	\$	\$	\$	\$ 0
MANAGEMENT AND PLANNING				
Board Coordinator.....	72,275		61,881	10,394
County Clerk.....	72,288	2,572	31,370	43,490
County Treasurer.....	126,085	20,396	115,928	30,553
Drain Commission.....	4,076,435	4,286	19,198	4,061,523
Elections/Campaign Financing.....	0			0
Equalization.....	103,114	21,173	15,244	109,043
Register of Deeds.....	127,738		6,542	121,196
	<u>4,577,935</u>	<u>48,427</u>	<u>250,163</u>	<u>4,376,199</u>
ADMINISTRATION OF JUSTICE				
Adult Probation.....				0
Circuit Court.....	3,649,427		29,223	3,620,204
District Court.....	1,595,152	5,348	52,313	1,548,187
Friend of the Court.....				0
Jury Board.....	1,105			1,105
Probate Court.....	54,837	1,812	14,001	42,648
Prosecutor.....	74,966	6,186	5,718	75,434
	<u>5,375,487</u>	<u>13,346</u>	<u>101,255</u>	<u>5,287,578</u>
LAW ENFORCEMENT AND COMMUNITY PROTECTION				
Animal Shelter.....	1,785,243			1,785,243
Office of Emergency Preparedness.....	17,522		1,313	16,209
Public Safety.....	28,404,546	178,176	52,640	28,530,082
	<u>30,207,311</u>	<u>178,176</u>	<u>53,953</u>	<u>30,331,534</u>
HUMAN SERVICES				
Veteran's Information.....	21,771			21,771
County Health.....	1,715,897	41,325		1,757,222
	<u>1,737,668</u>	<u>41,325</u>	<u>0</u>	<u>1,778,993</u>
COMMUNITY ENRICHMENT AND DEVELOPMENT				
Cooperative Extension.....	429,881	4,911	1,099	433,693
Total Quality Management.....	2,600			2,600
	<u>432,481</u>	<u>4,911</u>	<u>1,099</u>	<u>436,293</u>
COMMUNITY MENTAL HEALTH.....	<u>1,227,280</u>	<u>34,575</u>		<u>1,261,855</u>
GENERAL				
Land and Improvements.....	3,882,101			3,882,101
Buildings and Improvements.....	63,803,405	5,716,696	817,264	68,702,837
Equipment.....	3,127,927		144,150	2,983,777
	<u>70,813,433</u>	<u>5,716,696</u>	<u>961,414</u>	<u>75,568,715</u>
TOTAL GENERAL GOVERNMENT	<u>114,371,595</u>	<u>6,037,456</u>	<u>1,367,884</u>	<u>119,041,167</u>
RECREATION.....	<u>25,081,639</u>	<u>64,914</u>	<u>21,000</u>	<u>25,125,553</u>
TOTAL CAPITAL ASSETS ALLOCATED TO FUNCTIONS	<u>\$ 139,453,234</u>	<u>\$ 6,102,370</u>	<u>\$ 1,388,884</u>	<u>\$ 144,166,720</u>
Construction in Progress.....	<u>168,916</u>	<u>4,047,494</u>		<u>4,216,410</u>
TOTAL CAPITAL ASSETS	<u>\$ 139,622,150</u>	<u>\$ 10,149,864</u>	<u>\$ 1,388,884</u>	<u>\$ 148,383,130</u>

STATISTICAL DATA

III Statistical Section

**The Statistical Section contains data
reflecting financial, social, and economic trends
of the County in 2005 and prior years.**

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION-GENERAL, SPECIAL REVENUE AND DEBT SERVICE FUNDS-EXHIBIT A-3-UNAUDITED

GENESEE COUNTY

Last Ten Fiscal Years

Table 1

Fiscal Year	Legislative	Management And Planning	Administration Of Justice	Law Enforcement And Community Protection	Human Services	Community Enrichment and Development
1996 (1)	633,221	5,953,676	18,698,581	17,055,878	81,850,812	5,875,882
1997	735,171	7,751,712	24,706,083	23,927,406	119,984,362	8,258,615
1998	782,033	8,670,289	25,995,612	24,781,254	128,942,305	9,206,326
1999	934,457	8,796,702	27,397,668	24,903,604	148,913,350	10,319,934
2000	791,432	8,400,071	30,130,249	26,528,212	157,141,042	10,842,760
2001	737,376	8,893,000	32,641,399	28,811,997	173,456,318	7,086,572
2002	802,421	10,332,028	33,312,780	30,132,814	185,210,860	7,912,569
2003	836,525	10,730,757	35,730,821	31,170,314	189,995,280	9,366,372
2004	924,581	10,548,857	36,280,906	32,194,935	192,932,327	7,539,899
2005	920,466	12,302,328	36,094,472	31,504,040	202,020,809	7,774,226

(1) 1996 reflects only 9 months of activity.

GENERAL GOVERNMENTAL REVENUES BY SOURCE-GENERAL, SPECIAL REVENUE AND DEBT SERVICE FUNDS-EXHIBIT A-3-UNAUDITED

GENESEE COUNTY

Last Ten Fiscal Years

Table 2

Fiscal Year	Taxes	Licenses and Permits	Fines and Forfeitures	Use Of Money	Federal Grants	State Grants
1996 (1)	40,807,238	913,792	1,238,781	1,772,345	24,433,567	21,999,514
1997	43,344,487	915,934	1,806,163	2,079,188	31,766,445	48,040,743
1998	45,333,981	847,767	1,975,856	2,428,956	35,329,871	49,335,103
1999	48,114,172	881,789	2,251,636	2,416,549	41,589,456	44,936,211
2000	50,235,923	940,522	2,327,502	4,328,841	45,905,372	49,124,272
2001	52,779,443	1,062,359	1,602,481	3,440,911	52,560,978	51,780,681
2002	56,339,393	985,811	2,036,590	1,591,526	59,266,293	50,983,604
2003	59,330,821	1,020,218	2,603,628	873,205	63,459,559	44,853,105
2004	61,506,389	1,135,328	2,634,086	341,247	58,521,771	50,345,235
2005	82,360,302	1,396,599	2,371,011	3,056,106	55,359,347	51,065,065

(1) 1996 reflects only 9 months of activity.

General Support	Other	Capital Outlay	Debt Service	Total
234,620	4,859,470	2,201,522	4,133,991	141,497,653
299,688	5,164,751	1,772,599	3,818,554	196,418,941
314,743	5,380,678	2,324,647	6,182,832	212,580,719
424,951	5,534,983	2,760,765	3,828,206	233,814,620
251,856	6,801,683	2,658,188	5,562,018	249,107,511
223,428	7,905,203	3,177,100	5,557,344	268,489,737
312,012	9,470,451	10,732,099	5,150,693	293,368,727
244,295	11,049,688	4,972,876	5,628,493	299,725,421
199,860	12,177,907	4,380,397	5,069,231	302,248,900
228,656	26,975,242	8,194,847	4,667,466	330,682,552

Other Intergovernmental Revenue	Charges For Services	Other	Debt Service	Total
11,183,591	40,918,898	2,794,846	1,371,351	147,433,923
17,386,697	47,318,021	4,692,941	1,001,325	198,351,944
18,791,695	54,425,736	4,729,432	1,040,020	214,238,417
18,606,198	71,568,319	4,782,835	671,741	235,818,906
19,600,354	72,467,205	4,613,357	1,107,488	250,650,836
20,175,195	74,856,888	3,637,222	1,949,630	263,845,788
19,206,174	77,931,129	5,007,064	1,906,591	275,254,175
21,322,672	80,841,773	7,283,432	3,129,391	284,717,804
14,845,416	88,562,628	15,806,629	4,455,707	298,154,436
8,167,368	97,560,370	16,366,979	1,118,248	318,821,395

PROPERTY TAX LEVIES AND COLLECTIONS - UNAUDITED

GENESEE COUNTY

Last Ten Fiscal Years

Table 3

Fiscal (1) Year	Tax Levy	As of March 1st	Percent of Levy Collected	As of September 30, 2005		Percent of Total Tax Collections To Tax Levy	Outstanding Delinquent Taxes	Percent of Delinquent Taxes to Tax Levy
		Current Tax Collections		Delinquent Tax Collections	Total Tax Collections			
1996	42,086,498	38,899,809	92.4	3,164,263	42,064,072	99.9	22,426	0.1
1997	43,866,335	40,531,839	92.4	3,277,543	43,809,382	99.9	56,953	0.1
1998	45,631,814	41,986,210	92.0	3,606,528	45,592,738	99.9	39,076	0.1
1999	48,400,678	44,274,120	91.5	4,088,264	48,362,384	99.9	38,294	0.1
2000	51,583,762	47,566,435	92.2	4,000,840	51,567,275	100.0	16,487	0.0
2001	53,656,134	49,123,362	91.6	4,491,202	53,614,564	99.9	41,570	0.1
2002	57,316,530	52,821,625	92.2	4,385,198	57,206,823	99.8	109,707	0.2
2003	61,019,215	56,373,215	92.4	3,847,657	60,220,872	98.7	798,343	1.3
2004	63,422,129	58,517,508	92.3	2,080,607	60,598,115	95.5	2,824,014	4.5
2005	66,168,833	60,857,672	92.0	2,377,100	63,234,772	95.6	2,934,061	4.4

(1) Year tax is collected - 2002 represents 2001 Levy

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY-UNAUDITED

GENESEE COUNTY

Last Ten Fiscal Years

Table 4

Fiscal Year (1)	Real Property		Personal Property		Total		Ratio Of Total Assessed To Total Estimated Actual
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
1996	5,894,717,372	11,789,434,744	992,158,051	1,984,316,102	6,886,875,423	13,773,750,846	50.0
1997	6,414,774,166	12,827,083,228	1,022,639,817	2,045,279,634	7,437,413,983	14,872,362,862	50.0
1998	7,047,260,568	14,094,236,442	1,079,558,472	2,159,116,944	8,126,819,040	16,253,353,386	50.0
1999	7,719,485,176	15,438,970,352	1,107,014,736	2,214,029,472	8,826,499,912	17,652,999,824	50.0
2000	8,367,025,322	16,734,050,644	1,001,088,087	2,002,176,174	9,368,113,409	18,736,226,818	50.0
2001	9,146,423,323	18,292,846,646	952,603,020	1,905,206,040	10,099,026,343	20,198,052,686	50.0
2002	9,948,824,711	19,897,649,422	961,439,475	1,922,878,950	10,910,264,186	21,820,528,372	50.0
2003	10,714,522,242	21,429,044,484	934,450,805	1,868,901,610	11,648,973,047	23,297,946,094	50.0
2004	11,384,052,928	22,768,105,856	910,494,020	1,820,988,040	12,294,546,948	24,589,093,896	50.0
2005	12,099,905,325	24,199,810,650	935,127,086	1,870,254,172	13,035,032,411	26,070,064,822	50.0

(1) Represents the year in which property taxes are levied, collections of which were received in the subsequent year.

(2) Assessed value was equal to State Equalized Value Due to an assessment freeze for the 1992 tax levy.

**PROPERTY TAX RATES-DIRECT AND ALL OVERLAPPING GOVERNMENTS
(PER \$1,000 OF STATE EQUALIZED VALUE)-UNAUDITED**

GENESEE COUNTY

Last Ten Fiscal Years

Table 5

Fiscal (1) Year	Townships Cities and Village	Special Assess.	County Operating	District Library	Schools	Mott Community College	Genesee Intermed. Schools	County Parks	County Paramedics	Airport Authority	Total
1996	10.76	0.20	5.59	0.69	16.24	1.86	3.40	0.49	0.49	0.49	40.21
1997	10.81	0.22	5.59	0.69	16.36	1.89	3.40	0.49	0.49	0.49	40.43
1998	10.26	0.21	5.59	0.79	16.36	1.86	3.40	0.49	0.49	0.49	39.94
1999	8.89	0.20	5.58	0.78	15.78	1.87	3.29	0.49	0.49	0.49	37.86
2000	8.71	0.22	5.58	0.78	15.73	1.87	3.28	0.49	0.49	0.49	37.64
2001	8.25	0.19	5.58	0.78	15.57	1.61	2.89	0.49	0.49	0.49	36.34
2002	9.41	0.17	5.58	0.78	15.21	2.00	3.49	0.49	0.49	0.49	38.11
2003	8.82	0.19	5.55	0.77	14.52	1.84	3.57	0.49	0.49	0.49	36.73
2004	9.12	0.17	5.52	0.76	13.79	1.94	3.40	0.49	0.49	0.49	36.17
2005	8.67	0.14	5.51	0.76	13.11	1.85	3.23	0.48	0.48	0.48	34.71

(1) This indicates the year in which the tax is collected. 2004 refers to the 2003 Tax Levy, 2003 refers to the 2002 Tax Levy, and so on.

(2) Decrease in school millage attributable to passage of Proposal A which shifted school funding from property taxes to sales taxes

SPECIAL ASSESSMENT COLLECTIONS-UNAUDITED

GENESEE COUNTY

Last Ten Fiscal Years

Table 6

Fiscal Year	Assessments Due	Current Assessments Collected	Ratio Of Collections To Amount Due	Total Outstanding Assessments
1996	1,477,195	1,475,767	99.9	1,428
1997	2,170,794	2,170,058	100.0	736
1998	1,456,197	1,455,538	100.0	659
1999	1,514,911	1,514,469	100.0	442
2000	1,733,274	1,732,685	100.0	589
2001	1,520,046	1,518,845	99.9	1,201
2002	1,480,576	1,479,322	99.9	1,254
2003	1,704,717	1,594,807	93.6	53,247
2004	1,630,799	1,527,113	93.6	103,686
2005	1,370,978	1,282,656	93.6	88,322

RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA-UNAUDITED

GENESEE COUNTY

Last Ten Fiscal Years

Table 7

Fiscal Year	(1) Population	Assessed Value (In Thousands)	Gross Long-Term Debt(4)(5)	Debt Service Monies Available	Debt Payable From Enterprise Revenues	Net Bonded Debt	Ratio Of Net Bonded Debt To Assessed Value	Net Bonded Debt Per Capita
1996	430,459 (2)	6,886,875	143,417,783	821,635	1,990,000	140,606,148	2.0	326.64
1997	430,459 (2)	7,437,414	140,738,145	167,045	1,640,000	138,931,100	1.9	322.75
1998	430,459 (2)	8,126,819	136,368,577	167,045	1,538,000	134,663,532	1.7	312.84
1999	430,459 (2)	8,826,500	147,563,731	176,883	1,179,000	146,207,848	1.7	339.66
2000	430,459 (2)	9,368,113	136,606,244	486,451	1,117,000	135,002,793	1.4	313.63
2001	436,141 (3)	10,099,026	131,036,575	62,139	1,044,500	129,929,936	1.3	297.91
2002	436,141 (3)	10,910,264	120,980,025	61,867	921,500	119,996,658	1.3	275.13
2003	436,141 (3)	11,648,973	120,694,870	200,500	766,000	119,728,370	1.0	274.52
2004	436,141 (3)	12,294,547	147,317,830	133,059	609,000	146,575,771	1.2	336.07
2005	443,947	13,035,032	166,731,592	226,135	463,500	166,041,957	1.3	374.01

(1) Represents the year in which property taxes are levied, collections of which will be made in the subsequent year

(2) 1990 Census figures (1995-2000)

(3) 2001 Census figures (2002-2004)

(4) Includes long-term debt of Division of Water and Waste Services, Road Commission, and the Drains and excludes non-bonded debt. See Table 8 below for 2004 combination.

(5) No sinking fund requirements exist on the debt reflected above.

COMPUTATION OF LEGAL DEBT MARGIN-UNAUDITED

GENESEE COUNTY

September 30, 2005

Table 8

State Equalized Value.....	<u>\$ 13,035,032,411</u>
Total long-term debt.....	\$ 42,166,698
Plus delinquent tax notes (Current).....	16,484,000
Component Unit Debt:	
Land Bank Authority.....	56,814
Water and Waste Services (12/31/2004).....	117,465,000
Road Commission.....	3,765,617
Drain Fund.....	<u>1,718,859</u>
	181,656,988
Less long-term debt not subject to legal debt limit:	
Non-Bonded Debt.....	822,315
Road Commission Debt Not subject to legal debt limit.....	3,330,000
Water and Waste Service Sewer Bonds.....	74,905,000
Drain Fund special assessment debt.....	<u>863,859</u>
	DEBT SUBJECT TO LIMIT
	<u>101,735,814</u>
Legal debt limit (10% of State Equalized Value of property in County).....	<u>1,303,503,241</u>
	LEGAL DEBT MARGIN
	<u>\$ 1,201,767,427</u>

COMPUTATION OF DIRECT AND OVERLAPPING DEBT-UNAUDITED

GENESEE COUNTY

September 30, 2005

Table 9

	<u>Net Debt Outstanding</u>	<u>Percentage Applicable Name of Government</u>	<u>Amount Applicable Genesee County</u>
County at Large.....	\$ 155,508,380	25.0 %	\$ 38,880,000
School Districts.....	414,688,106	86.2	357,592,889
Cities and Villages.....	56,396,436	96.2	54,261,058
Townships.....	36,237,470	100.0	36,237,470
County-issued Bonds paid by local municipalities.....	104,442,549	100.0	104,442,549
Mott Community College and Genesee Intermediate School District.....	87,450,000	89.9	78,617,157
			<u>\$ 670,031,123</u>

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL LONG-TERM DEBT TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES-UNAUDITED

GENESEE COUNTY

Last Ten Fiscal Years

Table 10

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Total General Governmental Expenditures</u>	<u>Ratio of Debt Service To General Govt. Expenditures (Percent)</u>
			(1)	(2)	
1996	\$ 3,330,968	\$ 803,023	\$ 4,133,991	\$ 141,497,653	2.9 %
1997	2,550,719	1,267,835	3,818,554	196,418,941	1.9
1998	2,608,318	1,273,734	3,882,052	211,306,985	1.8
1999	2,826,321	1,001,885	3,828,206	233,814,620	1.6
2000	3,679,322	1,882,696	5,562,018	249,107,511	2.2
2001	3,732,319	1,825,025	5,557,344	268,489,737	2.1
2002	3,417,248	1,733,445	5,150,693	293,368,727	1.8
2003	3,752,248	1,876,245	5,628,493	299,725,421	1.9
2004	3,427,248	1,641,983	5,069,231	302,248,900	1.7
2005	2,827,248	1,840,218	4,667,466	330,682,552	1.4

(1) Excludes bond issuance and other costs.

(2) Includes general, special revenue and debt service funds.

REVENUE BOND COVERAGE-PARK SYSTEM RECREATIONAL FACILITIES ENTERPRISE BONDS-UNAUDITED

GENESEE COUNTY

Last Ten Fiscal Years

Table 11

	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996
Net Income (Loss).....	\$ (651,889)	\$ (1,064,356)	\$ (316,537)	\$ (328,036)	\$ (378,543)	\$ (320,283)	\$ 496,292	\$ 471,501	\$ 418,183	\$ 163,848
Add:										
Depreciation.....	153,812	(139,416)	165,880	77,885	83,794	86,099	138,469	151,198	99,012	152,317
Interest Expense.....	25,174	32,065	37,900	46,080	51,192	56,500	61,743	75,125	97,852	92,791
Amortization of bond issuance cost:	14,069	11,226	16,981	14,069	14,069	14,069	21,069	44,908	22,523	16,892
AMOUNT AVAILABLE REVENUE BOND DEBT SERVICE	<u>\$ (458,834)</u>	<u>\$ (1,160,481)</u>	<u>\$ (95,776)</u>	<u>\$ (190,002)</u>	<u>\$ (229,488)</u>	<u>\$ (163,615)</u>	<u>\$ 717,573</u>	<u>\$ 742,732</u>	<u>\$ 637,570</u>	<u>\$ 425,848</u>
REVENUE BOND DEBT SERVICE	<u>\$ 250,639</u>	<u>\$ 225,465</u>	<u>\$ 193,400</u>	<u>\$ 169,080</u>	<u>\$ 123,692</u>	<u>\$ 118,500</u>	<u>\$ 420,743</u>	<u>\$ 427,595</u>	<u>\$ 447,852</u>	<u>\$ 452,791</u>

Note - There are no bond covenant violations relevant to the above revenue bond as the bond is backed by the full faith and credit of the County and transfers are made from the Parks Special Revenue fund to cover the debt.

LABOR CONTRACTS

GENESEE COUNTY

September 30, 2005

Table 12

	Contract Expiration
American Federation of State, County, and Municipal Employees	
Local 496.....	09/30/10
Local 496-02 GVRC.....	09/30/09
Local 916.....	12/31/10
Local 916, Chapters F & G.....	12/31/04 *
P.O.A.M. (Police Officers & Jail Security).....	12/31/09
Mobile Meals Drivers.....	09/30/08
Teamsters, Local 214	
Park Maintenance.....	12/31/10
Friend of the Court Supervisors.....	12/31/10
Service Employees International Union	
Drain Maintenance.....	12/31/04 *
Technical, Professional, and Office Workers Association of Michigan	
Social Service Workers.....	12/31/10
Judicial Secretaries	
Judicial Secretaries.....	12/31/10

* In negotiations

DEMOGRAPHIC STATISTICS-UNAUDITED

GENESEE COUNTY

Table 13

Population Count: (1)

1960.....	374,313
1970.....	445,589
1980.....	450,449
1986.....	431,300 (2)
1990.....	430,459
1995.....	436,700 (2)
2000.....	436,141

Age Distribution:

	Under 5	5-9	10-14	15-19	20-24	25-44	45-64	65 and Over
1960	52,656	44,414	35,700	25,828	22,841	103,083	66,536	23,255
1970	44,988	51,297	53,120	42,529	34,078	112,028	77,234	30,345
1978	36,876	40,435	44,772	48,225	40,913	121,613	84,132	33,992
1980	36,083	37,974	42,064	45,887	43,695	124,421	84,490	35,835
1985	34,766	35,276	35,017	38,124	37,976	133,421	80,922	39,402
1990	33,096	34,073	33,349	33,794	30,717	137,306	84,541	43,583
2000	31,622	35,181	33,562	31,279	26,698	129,408	97,784	50,607

2001

Age	Males		Females	
	Number	Percentage	Number	Percentage
Under 5 Years old.....	16,198	7.8 %	15,424	6.8 %
5-9 years old.....	18,001	8.6	17,180	7.6
10-14 years old.....	17,085	8.1	16,477	7.3
15-19 years old.....	15,912	7.6	15,367	6.8
20-24 years old.....	12,984	6.2	13,714	6.1
25-34 years old.....	28,572	13.6	30,906	13.6
35-44 years old.....	33,597	16.0	36,333	16.0
45-54 years old.....	28,761	13.7	31,086	13.7
55-59 years old.....	10,253	4.9	10,932	4.8
60-64 years old.....	7,724	3.7	9,028	4.0
65-74 years old.....	12,792	6.1	15,808	7.0
75 years old and over.....	7,813	3.7	14,194	6.3
TOTAL.....	209,692	100.0 %	226,449	100.0 %

Distribution of families by income bracket:

Income	2001 Genesee County	
	Number	Percentage
Less than \$10,000.....	5,744	5.2 %
\$10,000-14,999.....	7,498	6.9
\$15,000-24,999.....	13,790	12.6
\$25,000-34,999.....	15,045	13.8
\$35,000-49,999.....	16,304	14.9
\$50,000-74,999.....	19,858	18.2
\$75,000-99,999.....	13,650	12.5
\$100,000-149,999.....	13,069	12.0
\$150,000-199,999.....	2,461	2.3
Over \$200,000.....	1,696	1.6
TOTAL.....	109,115	100.0 %

Median Income-2001¹..... \$46,190

(1) U.S. Census of Population

(2) Estimate from State of Michigan

DEMOGRAPHIC STATISTICS-UNAUDITED-CONTINUED

GENESEE COUNTY

Table 13 Continued

Unemployment:		Per Capita Income:(4)	
1995.....	6.8 %	1995.....	23,591
1996.....	6.3 %	1996.....	23,255
1997.....	5.5 %	1997.....	23,510
1998.....	5.9 %	1998.....	24,171
1999.....	5.6 %	1999.....	25,593
2000.....	5.4 %	2000.....	26,430
2001.....	7.5 %	2001.....	26,034
2002.....	8.6 %	2002.....	26,311
2003.....	9.4 %	2003.....	27,521
2004.....	8.9 %	2004.....	Not Available
2005.....	6.9 %	2005.....	Not Available

(3) Michigan Department of Career Development

(4) U.S. Department of Commerce, Bureau of Economic Analysis

PROPERTY VALUE, CONSTRUCTION, AND BANK DEPOSITS-UNAUDITED

GENESEE COUNTY

Last Ten Fiscal Years

Table 14

Fiscal Year	Residential Construction ⁽²⁾		Bank Deposits ⁽¹⁾	Property Value		
	Number of Units	Value		Industrial Commercial	Residential	Agricultural
1996	2,134	218,031,996	3,229,104,000	5,071,658,538	8,449,692,872	247,199,236
1997	2,086	217,042,451	3,352,526,000	5,347,643,054	9,267,763,250	256,956,558
1998	1,951	232,126,802	3,365,584,000	5,703,044,892	10,295,062,298	255,246,196
1999	2,807	284,508,263	3,402,491,000	6,031,436,142	11,360,494,156	261,069,526
2000	2,345	268,111,000	3,643,612,000	6,168,420,958	12,304,954,260	262,851,600
2001	2,781	300,636,637	3,634,128,000	6,368,062,284	13,570,250,142	259,740,260
2002	2,352	295,034,655	3,522,542,000	6,638,538,508	14,906,923,354	275,066,510
2003	2,169	302,189,976	3,710,109,000	6,819,879,832	16,202,492,862	275,573,400
2004	2,291	330,404,621	3,782,297,000	7,000,866,512	17,243,442,678	344,784,706
2005	2,291 ⁽³⁾	330,404,621 ⁽³⁾	4,049,676,000	7,389,796,572	18,322,799,650	357,468,600

(1) FDIC.

(2) Bureau of Census, Construction Reports, Housing Units Authorized by Building Permits and Public Contracts.

(3) The latest building construction information available is for 2004.

PRINCIPAL TAXPAYERS - UNAUDITED

GENESEE COUNTY

September 30, 2005

Table 15

	Ad Valorem			Specific		% Of Total SEV
	Real SEV	Personal SEV	Total	SEV	Total	
General Motors Corporation....	\$ 175,715,722	\$ 181,617,620	\$ 357,333,342	\$ 61,468,500	\$ 418,801,842	3.21 %
Consumers Power Co.....	12,778,912	201,471,273	214,250,185		214,250,185	1.64
Delphi Automotive.....	34,502,888	65,022,100	99,524,988	1,939,500	101,464,488	0.78
Genesee Valley Center.....	55,805,640	110,100	55,915,740		55,915,740	0.43
Edward Rose Assoc.....	28,103,139	128,990	28,232,129		28,232,129	0.22
Vemco Inc.....	5,596,700	18,281,100	23,877,800		23,877,800	0.18
Home Depot.....	17,046,788	2,756,600	19,803,388		19,803,388	0.15
Ring Screw Works (ETAL).....	6,962,525	10,337,900	17,300,425	2,175,200	19,475,625	0.15
Meijer Inc.....	13,343,601	4,656,200	17,999,801		17,999,801	0.14
Hometown America Family Co	16,863,644	121,000	16,984,644		16,984,644	0.13
	<u>\$ 366,719,559</u>	<u>\$ 484,502,883</u>	<u>\$ 851,222,442</u>	<u>\$ 65,583,200</u>	<u>\$ 916,805,642</u>	<u>7.03 %</u>

SALARIES AND SURETY BONDS OF PRINCIPLE OFFICIALS - UNAUDITED

GENESEE COUNTY

September 30, 2005

Table 16

<u>Name and Title of Official</u> (1)	<u>Salary</u>
Daniel T. Kildee, County Treasurer.....	\$ 83,192
David Leyton, Prosecuting Attorney.....	106,210
Carl H. Carlson, County Surveyor.....	(2)
Michael J. Carr, County Clerk.....	79,331
Melvin P. McCree, Register of Deeds.....	80,218
Jeffery Wright, Drain Commissioner.....	124,561
Robert J. Pickell, Genesee County Sheriff.....	87,055

(1) All County employees are bonded under a \$1,500,000 blanket surety bond.

(2) Non-salaried position

MISCELLANEOUS STATISTICS - UNAUDITED

GENESEE COUNTY

TABLE 17

Date of Incorporation: March 18, 1835
 Form of government: Elected Board of Commissioners
 Area: Approximately 642 square miles

Retail Sales: ⁽¹⁾	
1996.....	\$ 4,663,075,000
1997.....	4,951,715,000
1998.....	5,169,530,000
1999.....	5,435,824,000
2000.....	5,842,488,000
2001.....	5,984,647,000
2002.....	5,693,816,000
2003.....	5,661,885,000
2004.....	5,846,798,000
2005.....	6,073,594,000

⁽¹⁾ Sales and Marketing Management Magazine(Survey of Buying Power)

Miles of Streets:
 State Trunkline Roads- 411 miles, 80 interchange ramps
 Primary - 441 miles paved
 Local Section Line Roads - 312 miles paved and 322 miles graveled
 Subdivision Roads - 438 miles paved and 66 miles graveled

Number of streetlights: 900
 Number of traffic signals: 364
 Police protection:
 Number of Employees: 270
 Jail: 355 housing cells, 6 isolation rooms, 6 safety cells, and 9 medical cells
 Vehicle patrol units: 50 automobiles, 5 boats, 15 paramedic vehicles and 8 motorcycles

Recreation:
 Approximately 11,000 acres of parks
 5 beaches
 2 campgrounds
 4 bicycle paths
 2 boat launches
 5 picnic areas
 4 snowmobile areas
 Historical Crossroads Village - Huckleberry Railroad & Genesee Belle PaddleWheel Boat
 For-Mar Nature Preserve and Arboretum
 The Mounds recreational vehicle area
 Stepping Stone Falls
 Cross-country ski and tobogganing area
 Golf Courses - 4 City municipal, 12 Public and 10 Private

Education:

Kindergarten-Grade 6.....	42,960
Grades 7 - 12.....	34,852
Special education and part-time.....	6,530
Total Public School Students.....	84,342
Private Schools - Grade K-12.....	4,986
Total Students (K-12)	<u>89,328</u>

Number of schools:

High schools.....	27
Middle/Jr. High schools.....	26
Special schools.....	17
Elementary schools.....	100
Private schools.....	31

Number of Personnel:

Teachers(including special education personnel).....	4,512
Pupil/teacher ratio.....	19.80
Professional personnel.....	5,697
Pupil/professional personnel ratio.....	15.68

Colleges:

University of Michigan-Flint.....	6,422
Mott Community College.....	10,036
Baker College.....	5,639
Davenport University.....	385
Kettering University.....	2,936

Elections:

August 3, 2004 Primary		
Registered Voters.....	326,456	
Ballots Cast.....	62,789	19.2%
November 2, 2004 General		
Registered Voters.....	335,361	
Ballots Cast.....	214,718	64.0%

EMPLOYEES RETIREMENT SYSTEM - COMPARATIVE SCHEDULE ACTUARIAL VALUATIONS - UNAUDITED

GENESEE COUNTY

Last Ten Fiscal Years

TABLE 18

(\$ amounts in thousands)								
Valuation Date	Valuation Assets	APVCPB	Funded Ratio	UAPVCPB	Ratio of UAPVCPB to APVCPB	Member Payroll	Ratio of UAPVCPB to Payroll	
December 31								
1995 ⁽¹⁾	\$ 299,417	\$ 307,598	97.3 %	\$ 8,181	2.66 %	\$ 69,200	11.82 %	
1996 ⁽¹⁾	317,581	320,076	99.2	2,495	0.78	65,206	3.83	
1997 ⁽¹⁾	331,952	324,882	102.2	(7,070)	(2.18)	61,108	(11.57)	
1998 ⁽¹⁾	380,089	343,752	110.6	(36,338)	(10.57)	62,421	(58.21)	
1999 ⁽¹⁾	418,745	369,606	113.3	(49,139)	(13.29)	64,378	(76.33)	
2000 ⁽¹⁾	432,631	399,583	108.3	(33,048)	(8.27)	63,781	(51.81)	
2001 ⁽¹⁾	425,847	403,159	105.6	(22,688)	(5.63)	65,765	(34.50)	
2002 ⁽¹⁾	414,126	423,009	97.9	8,884	2.10	68,667	12.94	
2003 ⁽¹⁾	405,218	433,148	93.6	27,930	6.45	70,143	39.82	
2004 ⁽¹⁾	404,493	458,069	88.3	53,576	11.70	71,274	75.17	

⁽¹⁾ After changes in benefits and/or actuarial assumptions and actuarial cost methods.

APVCPB - actuarial present value of credited projected benefits.
UAPVCPB - unfunded actuarial present value of credited projected benefits.

EMPLOYEES RETIREMENT SYSTEM - REVENUES BY SOURCE AND EXPENSES BY TYPE

GENESEE COUNTY

Last Ten Fiscal Years

TABLE 19

Fiscal Year	Employer Contributions	Employee Contributions	Investment Income	Benefit Payments	Admin Expenses	Refunds of Employee Contributions
December 31						
1995	\$ 12,397,052	\$ 2,570,306	\$ 32,679,632	(1) \$ 13,902,238	\$ 1,532,622	\$ 128,910
1996	11,996,344	2,312,718	49,982,195	(2) 15,194,754	1,959,685	209,799
1997	9,502,102	3,104,472	69,130,654	(3) 16,644,656	330,878 (a)	205,229
1998	8,790,633	2,243,330	32,878,957	(4) 18,008,944	337,638 (a)	145,992
1999	8,030,107	2,412,717	51,117,399	(5) 19,292,089	700,325 (a)	107,117
2000	4,735,018	2,615,818	8,816,574	(6) 21,024,197	346,790 (a)	250,514
2001	4,311,457	2,042,221	(6,530,016)	(7) 22,909,501	326,947 (a)	161,978
2002	6,016,181	2,076,429	(36,568,322)	(8) 23,643,413	342,825 (a)	284,130
2003	6,448,412	2,263,639	76,459,629	(9) 24,610,139	377,858 (a)	300,685
2004	9,088,459	2,148,473	37,474,631	(10) 25,909,403	382,311 (a)	410,930

(1) Includes net appreciation in fair value of investments of \$37,500,000
(2) Includes net appreciation in fair value of investments of \$2,280,000
(3) Includes net depreciation in fair value of investments of \$2,521,430
(4) Includes net depreciation in fair value of investments of \$23,938,979
(5) Includes net appreciation in fair value of investments of \$21,919,831
(6) Includes net depreciation in fair value of investments of \$25,521,562
(7) Includes net depreciation in fair value of investments of \$13,100,598
(8) Includes net depreciation in fair value of investments of \$26,575,020
(9) Includes net depreciation in fair value of investments of \$68,174,647
(10) Includes net depreciation in fair value of investments of \$30,045,812

(a) GASB 25 requires investment fees to be netted against investment income for years beginning after December 31, 1996.

Committees of the Board of Commissioners

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

Community & Economic Development Committee

Develop information, alternatives, and recommendations regarding Community Development funds.

Finance and Finance/Budget Committee

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

Human Services Committee

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

Governmental Operations Committee

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

Public Works Committee

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

There are various subcommittees on which four Commissioners serve and are assisted by County staff. Some of these subcommittees are Strategic Budget and Planning, Audit, Insurance and Data.



MSU COOPERATIVE EXTENSION SERVICES



GENESEE COUNTY PARKS & RECREATION



GENESEE COUNTY PLANNING DEPARTMENT



MSU COOPERATIVE EXTENSION SERVICES



CONTROLLER'S OFFICE

1101 Beach Street • 3rd Floor
Flint, Michigan 48502
Phone (810) 257-3040



MSU COOPERATIVE EXTENSION SERVICES



GENESEE COUNTY PARKS & RECREATION



MSU COOPERATIVE EXTENSION SERVICES



GENESEE COUNTY PARKS & RECREATION