

# COMPREHENSIVE ANNUAL FINANCIAL REPORT



Adult Probation



Friend of the Court



Family Court



Circuit Court



Law Library



Juvenile Records



Probate Court



Sheriff's Dept.



District Court



Court Services



Prosecutor's Dept.

COMPREHENSIVE ANNUAL FINANCIAL REPORT

# GENESEE COUNTY, MICHIGAN

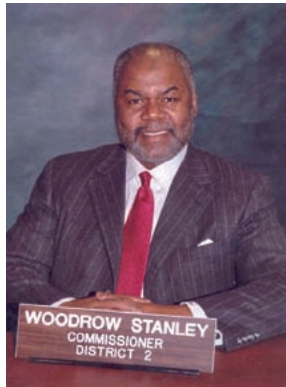
September 30, 2007

## Board of Commissioners

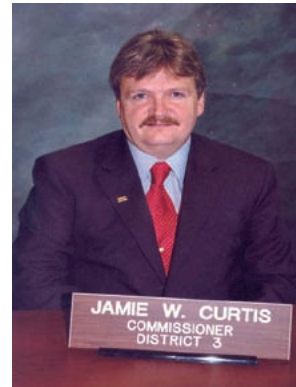
Woodrow Stanley, Chairperson of the Board



Raynetta P. Speed



Woodrow Stanley



Jamie W. Curtis



John Northrup



Miles T. Gadola



Patricia A. Lockwood



Archie H. Bailey



Ted Henry



Rose Bogardus

**Prepared by:**  
Controller's Office

**Controller**  
George Martini

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

## **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.

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# **I. INTRODUCTORY SECTION**

**The Introductory Section Contains:**

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

# 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, 2006

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.



*Oliver S. Cox*

President

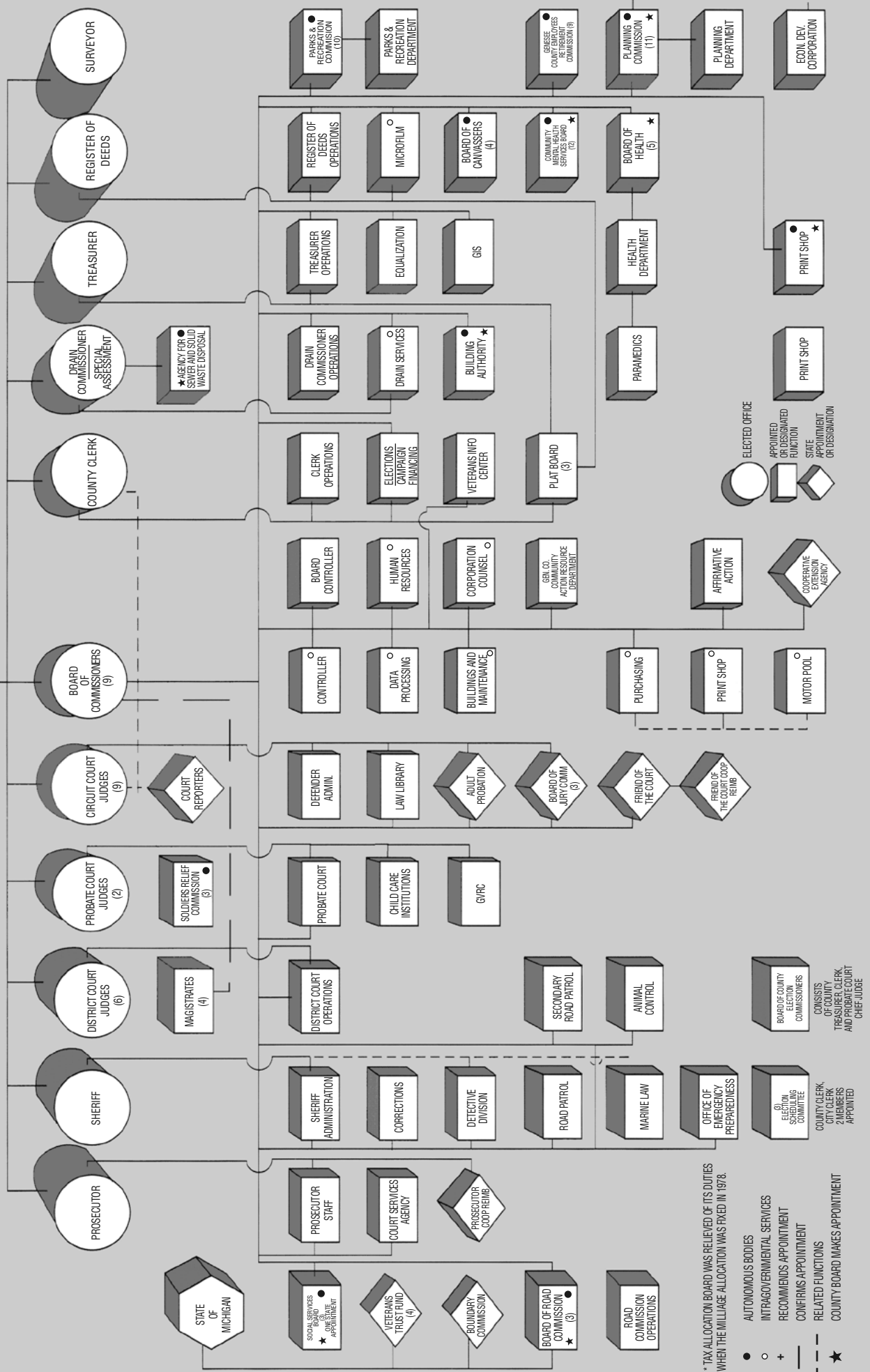
*Jeffrey R. Emer*

Executive Director



## ORGANIZATIONAL CHART

## GENESEE COUNTY

ELECTORATE OF  
GENESEE COUNTY

\* TAX ALLOCATION BOARD WAS RELIEVED OF ITS DUTIES WHEN THE WILLAGE ALLOCATION WAS FIXED IN 1978.

● AUTONOMOUS BODIES  
○ INTRAGOVERNMENTAL SERVICES  
+ RECOMMENDS APPOINTMENT  
- CONFIRMS APPOINTMENT  
- RELATED FUNCTIONS  
★ COUNTY BOARD MAKES APPOINTMENT

BOARD OF COUNTY ELECTION COMMISSIONERS  
CONSISTS OF COUNTY CLERK, TREASURER, CLERK, AND PROBATE COURT CHIEF JUDGE

BOARD OF COUNTY ELECTION COMMISSIONERS  
CONSISTS OF COUNTY CLERK, CITY CLERK, 2 MEMBERS APPOINTED

The Comprehensive Annual Financial Report of Genesee County for the fiscal period ended September 30, 2007 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 fifth largest county in the State of Michigan with an approximate population of 444,000. 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 \$286.6 million for governmental and business-type activities with net assets in excess of \$178.6 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

The downtown area of the City of Flint has seen a resurgence in the last several years. Over \$300 million in private and public funds have been invested in mixed-use development and construction projects in the downtown area. Projects have included new office space, restaurants/retail space, and significant residential projects which ultimately may attract further projects to support the increase in downtown residents.

Wade Trim, a growing civil engineering firm, and WNEM TV5 have both announced plans to occupy a newly constructed building in the downtown area. The building will be completed in the summer of 2008. In addition to office space, the project includes space for retail/restaurant and high-end loft residential.

The Genesee Business Center, previously the Great Lakes Technical Center, has a number of new tenants. This facility is envisioned to be used to encourage entrepreneurship and to be a business accelerator to support early-stage businesses. One of the companies that recently opened an office in the Genesee Business Center is Parking Carma, a California company, which located a national service center in the Center. The company will offer assistance to big-city drivers find open parking spaces. Eventually, this office will be the nerve center for managing parking in cities such as Boston, Washington D.C., Chicago and Detroit. Parking Carma was recently recognized by Red Herring, Inc. as one of the nation's leading new and innovative technology firms.

Delphi Corporation, an automotive parts supplier that was spun off from General Motors during the 1990's and is Genesee County's third largest taxpayer, 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. At this time, the Delphi Corporation appears to be poised to emerge from bankruptcy. In early 2008, the Bankruptcy Court approved Delphi's plan of reorganization. The 2007 national contract between the UAW and General Motors also contained provisions that helps to secure the future of the Delphi facilities in

Genesee County. Accordingly, 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 taxable property of the Delphi Corporation represent .62% of the total taxable property within Genesee County.

Bishop International Airport, one of the fastest growing airports in the United States, continues the expansion that has been commonplace at the airport for many years. The airport continues to offer additional non-stop flights throughout the United States. The airport has also started construction of the intermodal facilities. This \$33.7 million project is designed to move cargo and other goods from one form of transportation – highways, rail, air, or maritime – to another. This hub will enable Genesee County to utilize its greatest assets; world class airport, convergence of three major highways, two major railroad systems, and nearby maritime ports for future economic development initiatives.

General Motors employment in the Genesee County area continues to decrease. General Motors has offered “buyouts” and early retirements as incentives to reduce employment levels and to bring lower paid employees into the organization consistent with the 2007 GM-UAW contract. As a result, total General Motors employment in the Genesee County area has decreased to approximately 10,000 employees with approximately 1,500 employees at the Delphi Corporation. This is a dramatic reduction from the employment levels of the 20<sup>th</sup> century.

Despite the challenges that the auto industry is facing and the decreased employment levels in Genesee County, General Motors continues new investment in the area facilities. Genesee County is home to some of General Motor's most productive facilities including vehicle assembly, powertrain manufacturing, metal fabrication and service/parts operations. Genesee County looks forward to continuing to play a major role helping General Motors to prosper in the 21<sup>st</sup> century.

Health care continues to play a major role in the Genesee County economy. Genesys Health Care Systems, Hurley Medical Center, and McLaren Health Care Corporation employ over 8,000 employees. These organizations continue to upgrade/expand their facilities in Genesee County helping to assure that residents of Genesee County have access to some of the best health care services in the entire State of Michigan.

The University of Michigan-Flint is currently constructing a residential dormitory in downtown Flint to support its growth in student enrollment. This facility is expected to be available for student housing in the fall of 2008. The estimated cost of the project is \$21.3 million.

The University of Michigan-Flint campus serves 6,900 undergraduate and 1,059 graduate students (Fall, 2007 enrollment) through the College of Arts and Sciences and three professional schools, the School of Education and Human Services, the School of Health Professions and Studies, and the School of Management. The 2007 enrollment represents a 5.5% increase as compared to Fall, 2006.

Genesee County is home to Baker College, one of the country's premier career colleges. Baker College is the largest private college in the State of Michigan and home to one of the largest online educational programs in the United States. Baker College has over 33,000 students.

Genesee County is also home to Kettering University located in the City of Flint. Kettering University offers the most advanced co-op education program in the nation with ten science, business and engineering majors, and six graduate programs. This school was ranked in the top-ten of engineering programs in the *U.S. News & World Report* ranking of colleges and named a “Best Midwestern College” by *Princeton Review* and a “Best Buy” by *Barron's*.

In addition to University of Michigan-Flint, Baker College, and Kettering University, Genesee County is also home to Mott Community College. There are nearly 26,000 students at these four major colleges and several smaller colleges in Genesee County. These institutions offer a variety of undergraduate and graduate degree programs.

## LONG-TERM FINANCIAL PLANNING

The Genesee County Board of Commissioners recognizes that there will be a number of financial challenges facing Genesee County as well as many other local units of government in the State of Michigan. To recognize these challenges and to develop strategies for addressing those challenges, the Board has embarked on the process of performance budgeting. During 2007, Genesee County, with the help of the Government Finance Officers Association (GFOA), conducted numerous training sessions to update the County's strategic plan and to review and update the goals of the County. It is anticipated that the 2008/2009 budget process will be the first year to begin the process of implementing this new methodology. It is expected that the implementation process for performance budgeting will take two to three years. The implementation will involve citizen surveys, further updates to the County's strategic plan, and development of long-term and short-term goals for all County Departments. This process will help the Commissioners to prioritize the limited resources available to Genesee County to be assured that the services the County provides are the most valuable services to County residents. The County will combine this information with the five-year budget projections to link budget priorities with the desired financial outcomes.

In October, 2004, 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 so that these funds can be recognized by the provisions 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 returns available to the general county.

The County recognized the potential liability for retiree health care and began setting funds aside to pre-fund this liability a number of years ago. A formal contribution for retiree health care was begun in the 2002/2003 fiscal year with the County contributing 3% of gross payroll. In the 2003/2004 fiscal year this was increased to 5% and in the 2006/2007 fiscal year the County further increased the contribution for retiree health care from 5% to 10% of gross payroll. This was increased from 10% to 20% of gross payroll in the 2007/2008 fiscal year. Although the contribution in 2007/2008 may possibly be less than the annual required contribution (ARC), it is the County's intent to work toward making the actuarial required contribution to the VEBA for other post-employment benefits (OPEB) and work toward fully funding this liability.

## 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 2006 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 2007 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 2007 with the result that the property tax rates for general operations were limited to 5.5072 mills while the millage rate for both Paramedics and Parks and Recreation was limited to .4847 mills Senior Services was .7 mills and Health Services was 1.0 mill. The millages were reduced from the maximum allowable of 5.68 for general 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 2006 to maintain property taxes at the allowable limit had a positive effect on the 2007 revenues.

#### **General Fund Fund Balance**

In 2004, the State of Michigan began a phased in change for the levy of county property taxes from a winter levy to a summer levy. This change has resulted in the levy of property taxes being near the end of the fiscal year instead of close to the beginning of the fiscal year. Property taxes remaining uncollected after November 30<sup>th</sup>, (sixty days after the end of the fiscal year), cannot be included in General Fund revenue but instead are considered a deferred revenue. At September 30, 2007, Genesee County had approximately \$9.1 million of uncollected property taxes from the Summer, 2007 tax levy. Accordingly, the property tax revenue account had a significant unfavorable variance from budget for 2007 resulting in Genesee County having excess expenditures over revenues in the General Fund of \$2,010,476. This resulted in General Fund fund balance decreasing from \$13,399,630 in 2006, to \$11,389,154 in 2007, a decrease of 15%. These uncollected property taxes will be collected in the subsequent fiscal year but will be included in 2007/2008 property tax revenues. While a similar situation will occur in 2008/2009, it is anticipated that the impact on General Fund fund balance will be much smaller.

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 transfer from Delinquent Tax revolving to General Fund was \$3,780,908 in 2007, a decrease of \$312,488 from 2006. The Delinquent Tax Revolving fund experienced a decrease in net assets during 2007 from \$18,665,627 to \$16,959,439, a decrease of \$1,706,188 or 9.1%. Very heavy emphasis during the 2007/2008 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. It is anticipated that future transfers from Delinquent Tax Revolving to the General Fund will be limited to General Fund debt service requirements or approximately \$3.0 million per year.

#### **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, 2006 through December 31, 2006 calendar year.

The operations of the Genesee County Employees Retirement System (GCERS) continued to grow as the number of retirees increased from 1,377 to 1,395 or 1.3% during 2006. At December 31, 2006 the GCER's net assets totaled \$499,944,001.

#### **Debt Administration**

At September 30, 2007 the County had a number of debt issues outstanding. The issues included \$38,355,000 of general obligation bonds, \$29,742,000 in taxable delinquent property tax notes, \$2,900,000 in capital improvement bonds, and \$135,804 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 \$1,415,693,435. Total County long-term debt exclusive of component units was \$80,227,683 at September 30, 2007.

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>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Net Bonded Debt Per Capita	\$106	\$77	\$83	\$47	\$53
Net Bonded Debt as a Percentage of Value of Taxable Property	0.18%	0.12%	0.14%	0.08%	0.10%

### 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 2007 was 36.64% in Certificates of Deposit, 52.27% in Commercial Paper, and 11.09% in other U.S. Government Instruments and the trust accounts. The average yield for 2007, except for the pension fund, was approximately 5.19%, which generated interest in the amount of \$3,880,295.

The pension fund portfolio, which includes common stocks, corporate bonds and real estate investments, achieved a total return of 12.23% for 2006, the systems latest fiscal year. The rate of return on pension fund investments is a reflection of the market conditions in 2006.

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 2007, 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, 2007 were \$6,156,912 with \$3,343,571 accrued as a liability for incurred losses and expenses. An actuarial study projected a required reserve of \$3.3 million for 2007.

The County's Risk Manager provides employee accident prevention training and various risk control techniques through a continuing education program. Claims administration is completed by a third party administrator with oversight by the Risk Manager.

### MAJOR INITIATIVES

In early 2007, Genesee County issued a Request for Proposal (RFP) for a document management and imaging system for the criminal justice and legal programs in Genesee County. This RFP, was the culmination of several years of study and analysis regarding the potential benefits of the proposed system. This system, when implemented, is expected to significantly increase the efficiency and effectiveness of processing, storing, and retrieving documents of the Circuit Court, Probate Court, Family Court, District Courts, Sheriff's Department, Prosecutor's Office, Clerk's Office, Friend of the Court,

and Defender Administrator. As most of these documents are public records, it is anticipated that public access to these documents will also be enhanced.

In early 2008, the County awarded a contract to Imagesoft Corporation for the first two phases (implementation of the hardware and software in Friend of the Court, Prosecutor's Office, Clerk's Office, and Probate Court) of this project. The County views this as a major step toward improving the quality of the many mandated criminal justice services that it provides to its residents.

The Genesee County Pictometry and Orthoimagery Project was a coordinated effort to acquire both oblique and orthogonal high resolution digital aerial imagery for the entire Genesee County geographic area. This project included the use of Geographic Information System technology to enable users to see multiple views of every square foot of property in the county with the ability to find, view, analyze, and measure any structure, intersection, alley, property, or other feature. Genesee County led this initiative by partnering with multiple county agencies, all of the cities, townships, and villages within Genesee County, and other government entities to provide up-to-date aerial photography and GIS technology.

In August, 2006, County voters approved a new millage specifically dedicated to providing additional services for individuals 60 years of age or older. The millage was for a total of 10 years and is .7 mills (\$.70 per \$1,000 of taxable value for real and personal property). The millage is expected to generate approximately \$7.7 million in the first year.

During 2007, the first year of the Senior Services program, the County requested proposals and awarded contracts for a variety of new or expanded services for seniors. These additional services have included new funding for senior centers, expanded mobile meals for seniors, transportation services for seniors, guardianship services, and other services designed to assist seniors who may need assistance to continue living independently.

In November 2006, by an overwhelming majority, voters in Genesee County approved a one mill (\$1.00 per \$1,000 of taxable value for real and personal property) property tax increase for seven years to support healthcare for under- and uninsured individuals and families. Initially supported through County appropriations and various grants, the Genesee Health Plan now services over 25,000 residents. These individuals are typically working, non-elderly adults who could not otherwise afford or would not otherwise be afforded or eligible for another source of reliable and dependable medical care.

With the new property tax funding source, the Genesee Health Plan began in 2007 a new service through which small businesses, their employees, and the Plan will each share a third of the cost for an indemnity form of coverage which will provide access to a much broader array of services. Current and expected Plan services and growth are evidence of excellent collaboration across the government, private, and non-profit sectors of our county and demonstrate how creative public policy and effective local management can create improved services and conditions for current residents and a more attractive environment for existing and new businesses despite the challenging economic conditions within the State of Michigan.

### 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, 2006, the twenty-ninth 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 Woodrow Stanley  
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, 2007, 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 15 percent and 32 percent, respectively, of the assets and revenues of the governmental funds. We also did not audit the financial statements of the Genesee County Land Bank Authority, a component unit of the County and which represents 3 percent and 7 percent, respectively, of the assets and program and general revenues of the aggregate discretely presented component units. 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 and the Genesee County Land Bank Authority, is based solely on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *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, 2007, 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 I 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 29, 2008 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 29, 2008

## 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, 2007. 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 \$178,585,659 (net assets). Of this amount, \$101,708,257 (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 \$14,559,499. This net increase was attributed to both Governmental activities and Business-type activities; the overall decrease 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 \$77,576,448, an increase of \$10,559,238 in comparison with the prior year. Approximately 16% of this total amount, \$12,356,044, 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 \$5,001,262, 7.1% of total general fund expenditures.
- Genesee County's total debt was increased by the issuance of \$54,000,000 of new debt during the current fiscal year for various projects and refunding issues which was offset by payments of \$38,761,736.

#### 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 \$178,585,659 at the close of the most recent fiscal year.

A significant portion of Genesee County's net assets (56.2% 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

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
Current and other assets	\$138,958,225	\$115,793,865	\$47,232,937	\$39,583,899	\$186,191,162	\$155,377,764
Capital assets	<u>95,271,650</u>	<u>101,016,425</u>	<u>5,097,100</u>	<u>5,191,840</u>	<u>100,368,750</u>	<u>106,208,265</u>
Total asset	<u>234,229,875</u>	<u>216,810,290</u>	<u>52,330,037</u>	<u>44,775,739</u>	<u>286,559,912</u>	<u>261,586,029</u>

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Long-term liabilities outstanding	50,232,183	41,052,148	29,995,500	22,102,500	80,227,683	63,154,648
Other liabilities	<u>25,440,755</u>	<u>31,760,704</u>	<u>2,305,816</u>	<u>1,114,656</u>	<u>27,746,571</u>	<u>32,875,360</u>
Total liabilities	<u>75,672,938</u>	<u>72,812,852</u>	<u>32,301,316</u>	<u>23,217,156</u>	<u>107,418,427</u>	<u>96,030,008</u>
Net assets:						
Invested in capital assets, net of related debt	64,134,346	59,964,277	4,843,600	4,884,340	68,977,946	64,848,617
Restricted			7,899,456	8,059,145	7,899,456	8,059,145
Unrestricted	<u>94,422,591</u>	<u>84,033,161</u>	<u>7,285,666</u>	<u>8,615,103</u>	<u>101,708,257</u>	<u>92,648,264</u>
Total net assets	<u>\$158,556,937</u>	<u>\$143,997,438</u>	<u>\$20,028,722</u>	<u>\$21,558,588</u>	<u>\$178,585,659</u>	<u>\$165,556,026</u>

An additional portion of Genesee County's net assets (4.3 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$101,708,257) 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 \$13,029,633. This increase represents Governmental activities which is attributed to economic factors.

**Governmental Activities.** Governmental activities increased Genesee County's net assets by \$14,559,499, key elements affecting this change are as follows:

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

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Revenues:						
Program revenues:						
Charges for services	\$ 96,582,431	\$ 98,162,551	\$ 8,568,882	\$ 1,870,743	105,151,313	\$ 100,033,294
Operating grants and contributions	110,619,729	102,973,924	-	-	110,619,729	102,973,924
Capital grants and contributions	1,995,000	-	-	-	1,995,000	-
General revenues:						
Taxes	114,104,728	92,564,404	-	7,827,298	114,104,728	100,391,702
Unrestricted contributions	-	-	-	-	-	-
Use of money and investments	4,132,787	3,528,890	578,579	470,787	4,711,366	3,999,677
Other intergovernmental revenues	19,274,036	22,596,954	-	-	19,274,036	22,586,954
Other unrestricted revenues	<u>6,460,995</u>	<u>6,659,243</u>	<u>-</u>	<u>-</u>	<u>6,460,995</u>	<u>6,659,243</u>
Total revenues	<u>353,169,706</u>	<u>326,475,966</u>	<u>9,147,461</u>	<u>10,168,828</u>	<u>362,317,167</u>	<u>336,644,794</u>
Expenses						
Legislative	1,069,833	1,016,026	-	-	1,069,833	1,016,026
Management and planning	23,725,214	34,035,699	-	-	23,725,214	34,035,699
Administration of justice	39,276,030	37,466,674	-	-	39,276,030	37,466,674
Law enforcement/commun. protec.	34,905,596	35,380,617	-	-	34,905,596	35,380,617
Human services	233,155,128	206,232,926	-	-	233,155,128	206,232,926
Community enrichment/develop	9,609,647	10,198,345	-	-	9,609,647	10,198,345
General support services	278,423	330,176	-	-	278,423	330,176
Other	-	-	-	-	-	-
Interest on long-term debt	1,400,466	1,244,093	-	-	1,400,466	1,244,093
Commissary	-	-	297,833	307,663	297,833	307,663
Delinquent Tax	-	-	3,914,658	4,417,404	3,914,658	4,417,404
Parks & Recreation Enterprise	-	-	<u>1,654,706</u>	<u>1,786,317</u>	<u>1,654,706</u>	<u>1,786,317</u>
Total Expenses	<u>343,420,337</u>	<u>325,904,556</u>	<u>5,867,197</u>	<u>6,511,384</u>	<u>349,287,534</u>	<u>332,415,940</u>
Increase in net assets before transfers	9,749,369	571,410	3,280,264	4,701,980	13,029,633	5,273,390
Transfers	<u>4,810,130</u>	<u>5,259,421</u>	<u>(4,810,130)</u>	<u>(5,259,421)</u>		
Change in net assets	14,559,499	5,830,831	(1,529,866)	(1,601,977)	13,029,633	4,228,854
Net assets – 10/01/2006	<u>143,997,438</u>	<u>138,166,607</u>	<u>21,558,588</u>	<u>23,160,565</u>	<u>165,556,026</u>	<u>161,327,172</u>
Net assets – 09/30/2007	<u>\$158,556,937</u>	<u>\$143,997,438</u>	<u>\$20,028,722</u>	<u>\$21,558,588</u>	<u>\$178,585,659</u>	<u>\$165,556,026</u>

- 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 \$2,010,476 decrease in fund balance.
- Property taxes increased by \$21,461,787 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 \$1,529,866. Key elements of this decrease are as follows.

- The Delinquent Tax Revolving fund reflects a major portion of the decrease in retained earnings from 2007. 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 \$77,576,148, an increase of \$10,559,238 in comparison with the prior year. Approximately 15.9% of this total amount, (\$12,356,044) 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 \$5,001,262, while total fund balance was decreased to \$11,389,154. 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 7.1 percent of total general fund expenditures, while total fund balance represents 16.1 percent of that same amount.

At the end of the current fiscal year, the total fund balance of mental health was decreased to \$14,776,597. The fund balance represents 12.6 percent of total mental health expenditures.

At the end of the current fiscal year, the total fund balance of county health was decreased to \$2,836,740. The fund balance represents 14.9 percent of total county health expenditures.

The fund balance of Genesee County's general fund, decreased by \$2,010,476 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 major Special Revenue funds total \$46,991,821 at September 30, 2007, an increase of \$5,989,954 over the prior year.

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

Unrestricted net assets at the end of the year amounted to \$7,285,666. The total decrease in net assets for all proprietary funds was \$1,529,866. Other factors concerning the finances of these funds have already been addressed in the discussion of Genesee County's business-type activities.

### General Fund Budgetary Highlights

During the year, the County board amended the budget to take into account events during the year. General Fund's expenditures and appropriations budget was decreased in total by \$377,322 due to the recognition of position vacancy savings in various departments. The major budgetary increases/decreases are summarized as follows:

- A \$12,340,434 decrease occurred in the collection of property taxes due to the underestimating of the collection of delinquent personal property taxes.
- A negative variance in the remaining general fund revenues occurred due to lower than anticipated revenue received for interest revenue and charges for services.
- A \$67,606 increase was allocated to the County Treasurer's department to cover anticipated costs of upgrading technology for cash receipting.
- A \$87,900 increase was allocated to the Elections Clerk's department to cover costs of printing ballots for additional elections.
- A \$38,924 increase was allocated to the Court Services department to cover the addition in salaries due to transfers of personnel with higher wages and benefits.

- A total increase of \$1,017,784 was allocated to Law Enforce/Community Protection departments to cover overtime which is allocated on a monthly basis based on need as well as additional charges for medical services provided to inmates housed at the County jail.
- A \$6,934 increase was allocated to the Veterans Information Center department to cover the addition in salaries due to transfers of personnel with higher wages and benefits.
- A \$11,600 increase was appropriated to the Animal Shelter department to cover the cost of overtime which is budgeted in General Fund and allocated on a monthly basis based on departmental need.
- A \$45,585 increase was appropriated to the Debt Service Funds to cover McCree South bond payments due to a decrease in revenues received from State and City agencies, which was a result of a reduction in the costs of services provided to these occupants due to decreases in wages.
- A \$419,773 increase was appropriated to the Medical Examiner's department to cover additional costs of autopsies, laboratory fees, and clerical services used during the fiscal year.
- A \$525,000 increase was appropriated to the Mental Health Agency to cover the costs of changes in accounting practices between the Agency and Genesee County for State provided patient services.

Overall during the year, actual general fund revenues were less than the amended budgetary estimates and expenditures were less than the amended budget, resulting in an actual decrease in fund balance that was less than the final amended budget amount.

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

**Capital assets.** Genesee County's investment in capital assets for its governmental and business type activities as of September 30, 2007, amounts to \$100,368,750 (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 \$233,459,852. Of this amount, \$70,997,000 comprises debt backed by the full faith and credit of the government, \$782,036 is special assessment debt for which the government is liable in the event of default by the property owners subject to the assessment and \$8,750,000 is Michigan Transportation bonds for which are payable with Act 51 money.

Genesee County's total debt, including component units, increased by \$56,149,437 during the current fiscal year. The key factor in this increase was due to additions related to delinquent tax notes and normal debt retirement in the fiscal years budget. 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 \$1,415,693,435, 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.

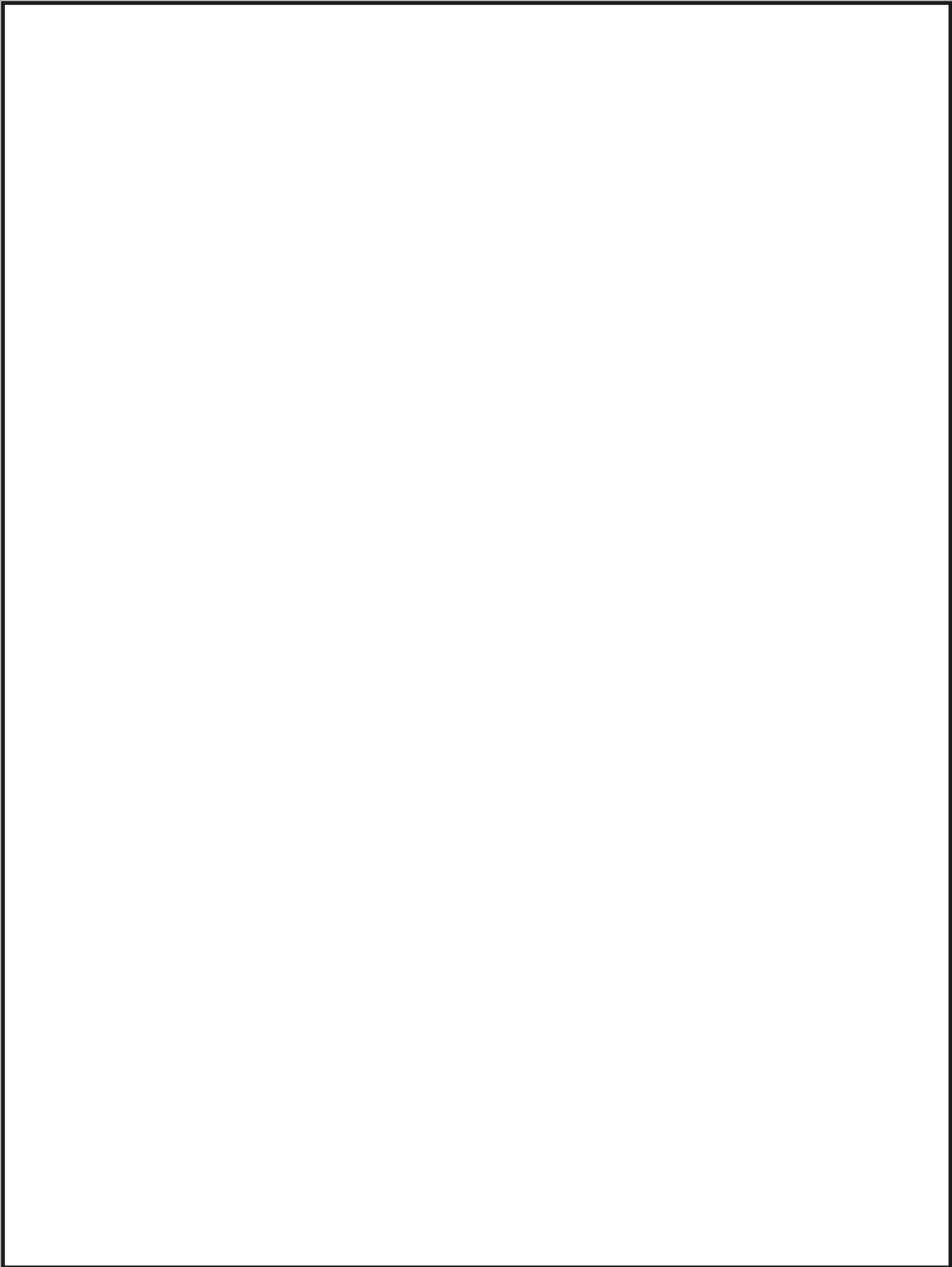
### **Economic Factors and Next Year's Budgets and Rates**

- The unemployment rate for Genesee County is currently 7.6 percent, which is a decrease from a rate of 8.1 percent a year ago. This increase is attributed to local conditions and is reflective of state and national trends.
- The government expects to see reduced funding from State agencies due to a reduction in tax collections as seen in a nation-wide trend of state and local revenues.
- Inflationary trends in the region compare favorably to national indices.

All of these factors were considered in preparing Genesee County's budget for the 2008 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, 2007

GENESEE COUNTY

Exhibit A-1

	Governmental Activities	Business-type Activities	Total	Component Units
<b>ASSETS</b>				
Cash and cash equivalents.....	\$ 46,947,446	\$ 4,072,421	\$ 51,019,867	\$ 56,245,642
Investments.....	31,198,748	3,480,940	34,679,688	500,000
Current and delinquent taxes receivable.....	28,238,535	33,658,791	61,897,326	
Special assessments receivable.....				63,510,804
Interest and accounts receivable.....	4,570,665	4,833,920	9,404,585	6,729,346
Due from other governmental units.....	19,138,907	2,501,300	21,640,207	18,508,617
Due from component unit.....	2,587,760	1,528,559	4,116,319	
Due from primary government.....				
Internal balances.....	2,974,706	(2,974,706)		
Inventory.....	902,105	23,850	925,955	3,267,124
Prepayments.....	1,050,491	107,862	1,158,353	1,568,661
Other assets.....	15,717		15,717	
Restricted assets:				
Cash.....				5,544,768
Deposits and employee advances.....	833,145		833,145	
Long term advances to component unit.....	500,000		500,000	
Capital assets not being depreciated.....	19,861,602	3,302,284	23,163,886	144,136,169
Capital assets (net of accumulated depreciation).....	75,410,048	1,794,816	77,204,864	290,484,258
<b>Total assets</b>	<b>234,229,875</b>	<b>52,330,037</b>	<b>286,559,912</b>	<b>590,495,389</b>
<b>LIABILITIES</b>				
Accounts payable.....	16,252,141	1,935,534	18,187,675	9,263,450
Accrued payroll.....	3,331,306	16,428	3,347,734	25,923
Accrued vacation.....			0	
Other accrued liabilities and deposits.....	2,431,741	317,226	2,748,967	1,744,195
Accrued interest payable.....	555,827			287,436
Due to other governmental units.....	1,900,305	36,628	1,936,933	1,128,866
Due to primary government.....			0	4,116,319
Long term advances from primary government.....				500,000
Unearned revenue.....	969,435		969,435	40,818,054
Liabilities payable from restricted assets:				
Accounts payable.....				6,972,243
Noncurrent liabilities:				
Current portion debt.....	15,264,882	29,778,000	45,042,882	10,995,672
Long term debt.....	34,967,301	217,500	35,184,801	152,512,114
<b>Total liabilities</b>	<b>75,672,938</b>	<b>32,301,316</b>	<b>107,418,427</b>	<b>228,364,272</b>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt.....	64,134,346	4,843,600	68,977,946	287,331,606
Restricted for programs and debt service.....		7,899,456	7,899,456	15,362,508
Unrestricted.....	94,422,591	7,285,666	101,708,257	59,437,093
<b>Total net assets</b>	<b>\$ 158,556,937</b>	<b>\$ 20,028,722</b>	<b>\$ 178,585,659</b>	<b>\$ 362,131,207</b>

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

**STATEMENT OF ACTIVITIES - GOVERNMENTAL, BUSINESS-TYPE  
AND COMPONENT UNITS  
FOR THE YEAR ENDED September 30, 2007**

**GENESEE COUNTY**

**Exhibit A-2**

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Primary government:			
Governmental activities:			
Legislative	\$ 1,069,833		
Management and planning	23,725,214	\$ 4,648,102	\$ 689,296
Administration of justice	39,276,030	4,994,718	10,589,807
Law enforcement and community protection	34,905,596	1,916,284	5,074,671
Human services	233,155,128	83,688,901	93,909,751
Community enrichment and development	9,609,647	1,334,426	356,204
General support services	278,423		
Interest on long-term debt	1,400,466		
<b>Total governmental activities</b>	<b>343,420,337</b>	<b>96,582,431</b>	<b>110,619,729</b>
Business-type Activities:			
Commissary	297,833	490,221	
Delinquent Tax	3,914,658	6,659,293	
Parks and Recreation Enterprise	1,654,706	1,419,368	
<b>Total business-type activities</b>	<b>5,867,197</b>	<b>8,568,882</b>	<b>0</b>
<b>Total primary government</b>	<b>\$ 349,287,534</b>	<b>\$ 105,151,313</b>	<b>\$ 110,619,729</b>
Component units:			
Brownfield Authority.....	834,679		
Drains.....	5,282,321	936,137	126,003
Economic Development Corporation.....	6,819		
Landbank Authority.....	5,551,172	2,366,610	1,973,326
Road Commission.....	33,662,391	6,607,919	33,147,569
Water and Waste.....	39,327,941	33,245,651	
<b>Total Component Units</b>	<b>\$ 84,665,323</b>	<b>\$ 43,156,317</b>	<b>\$ 35,246,898</b>

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
	\$ (1,069,833)		\$ (1,069,833)	
	(18,387,816)		(18,387,816)	
	(23,691,505)		(23,691,505)	
	(27,914,641)		(27,914,641)	
1,995,000	(53,561,476)		(53,561,476)	
	(7,919,017)		(7,919,017)	
	(278,423)		(278,423)	
	(1,400,466)		(1,400,466)	
<u>1,995,000</u>	<u>(134,223,177)</u>	<u>\$ 0</u>	<u>(134,223,177)</u>	<u>0</u>
		192,388	192,388	
		2,744,635	2,744,635	
		(235,338)	(235,338)	
<u>0</u>	<u>0</u>	<u>2,701,685</u>	<u>2,701,685</u>	<u>0</u>
<u>\$ 1,995,000</u>	<u>(134,223,177)</u>	<u>2,701,685</u>	<u>(131,521,492)</u>	<u>0</u>
				\$ (834,679)
5,214,879				994,698
				(6,819)
				(1,211,236)
				6,093,097
				(6,082,290)
<u>\$ 5,214,879</u>				<u>(1,047,229)</u>
General Revenues:				
Current property taxes.....	111,592,675		111,592,675	34,316
State liquor tax.....	2,254,464		2,254,464	
State cigarette tax.....	257,589		257,589	
Use of money and investments.....	4,132,787	578,579	4,711,366	6,823,330
Other unrestricted intergovernmental revenues.....	19,274,036		19,274,036	314,272
Other unrestricted revenues.....	6,460,995		6,460,995	2,732,837
Unrestricted contributions.....			0	2,158,852
Transfers.....	4,810,130	(4,810,130)	0	
Total general revenues and transfers	<u>148,782,676</u>	<u>(4,231,551)</u>	<u>144,551,125</u>	<u>12,063,607</u>
Change in net assets.....	<u>14,559,499</u>	<u>(1,529,866)</u>	<u>13,029,633</u>	<u>11,016,378</u>
Net assets - beginning.....	<u>143,997,438</u>	<u>21,558,588</u>	<u>165,556,026</u>	<u>351,114,829</u>
Net assets - ending.....	<u>\$ 158,556,937</u>	<u>\$ 20,028,722</u>	<u>\$ 178,585,659</u>	<u>\$ 362,131,207</u>

# BALANCE SHEET - ASSETS GOVERNMENTAL FUNDS

GENESEE COUNTY

Exhibit A-3-1

	General	Mental Health	County Health
Cash and cash equivalents - Note C.....		\$ 10,286,732	\$ 2,671,534
Current and delinquent taxes receivable.....	\$ 28,238,535		
Investments - Note C.....		13,047,019	
Interest and accounts receivable.....	3,832,150	375,715	113,718
Due from other governmental units.....	1,249,262	812,626	1,315,042
Due from other county funds -- Note K.....	14,145,734	27,994	
Due from component unit -- Note K.....	400,000		
Supplies inventory.....			
Prepayments.....	86,565	623,913	6,986
Other assets.....			
Deposits and employee advances.....	833,145		
Long-term advances.....	500,000		
TOTAL ASSETS	<u>\$ 49,285,391</u>	<u>\$ 25,173,999</u>	<u>\$ 4,107,280</u>

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

September 30, 2007

Community Action Resource Department	Revenue Sharing Reserve	Other Governmental Funds	Total Governmental Funds
	\$ 7,814,940	\$ 22,143,324	\$ 42,916,530
			28,238,535
		8,060,000	21,107,019
	3,945	173,749	4,499,277
\$ 7,759,986		7,922,822	19,059,738
	20,980,009	10,372,348	45,526,085
		192,760	592,760
612,610		232,846	845,456
		55,309	772,773
12,117		3,600	15,717
			833,145
			500,000
<u>\$ 8,384,713</u>	<u>\$ 28,798,894</u>	<u>\$ 49,156,758</u>	<u>\$ 164,907,035</u>

# BALANCE SHEET - LIABILITIES AND FUND EQUITIES GOVERNMENTAL FUNDS

GENESEE COUNTY

Exhibit A-3-2

	General	Mental Health	County Health
Accounts payable.....	\$ 840,823	\$ 8,136,562	\$ 341,512
Accrued payroll.....	1,350,001		412,772
Other accrued liabilities and deposits.....	54,586	1,610,313	
Due to other governmental units.....	384,514	644,591	66,498
Due to other county funds -- Note K.....	25,241,295		398,222
Due to component unit -- Note K.....			
Deferred revenue.....	10,025,018	5,936	51,236
Tax anticipation notes payable.....			
<b>TOTAL LIABILITIES</b>	<b>37,896,237</b>	<b>10,397,402</b>	<b>1,270,240</b>
Fund equities:			
Fund balances - Notes F and G:			
Reserved for:			
Long-term advances to component units.....	500,000		
Long-term receivables.....	3,387,892		
Prepayments.....		623,913	
Programs and debt service.....			2,837,040
Inventory.....			
Unreserved:			
Designated for:			
Costs and settlements of contractual disallowance's, claims and litigation.....	2,500,000		
Programs and debt service.....		14,152,684	
Special revenue programs and debt service.....			
Capital projects programs and debt service.....			
Undesignated reported in:			
General Fund.....	5,001,262		
Special Revenue Funds.....			
Capital Projects Funds.....			
<b>TOTAL EQUITIES</b>	<b>11,389,154</b>	<b>14,776,597</b>	<b>2,837,040</b>
<b>TOTAL LIABILITIES AND EQUITIES</b>	<b>\$ 49,285,391</b>	<b>\$ 25,173,999</b>	<b>\$ 4,107,280</b>

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

September 30, 2007

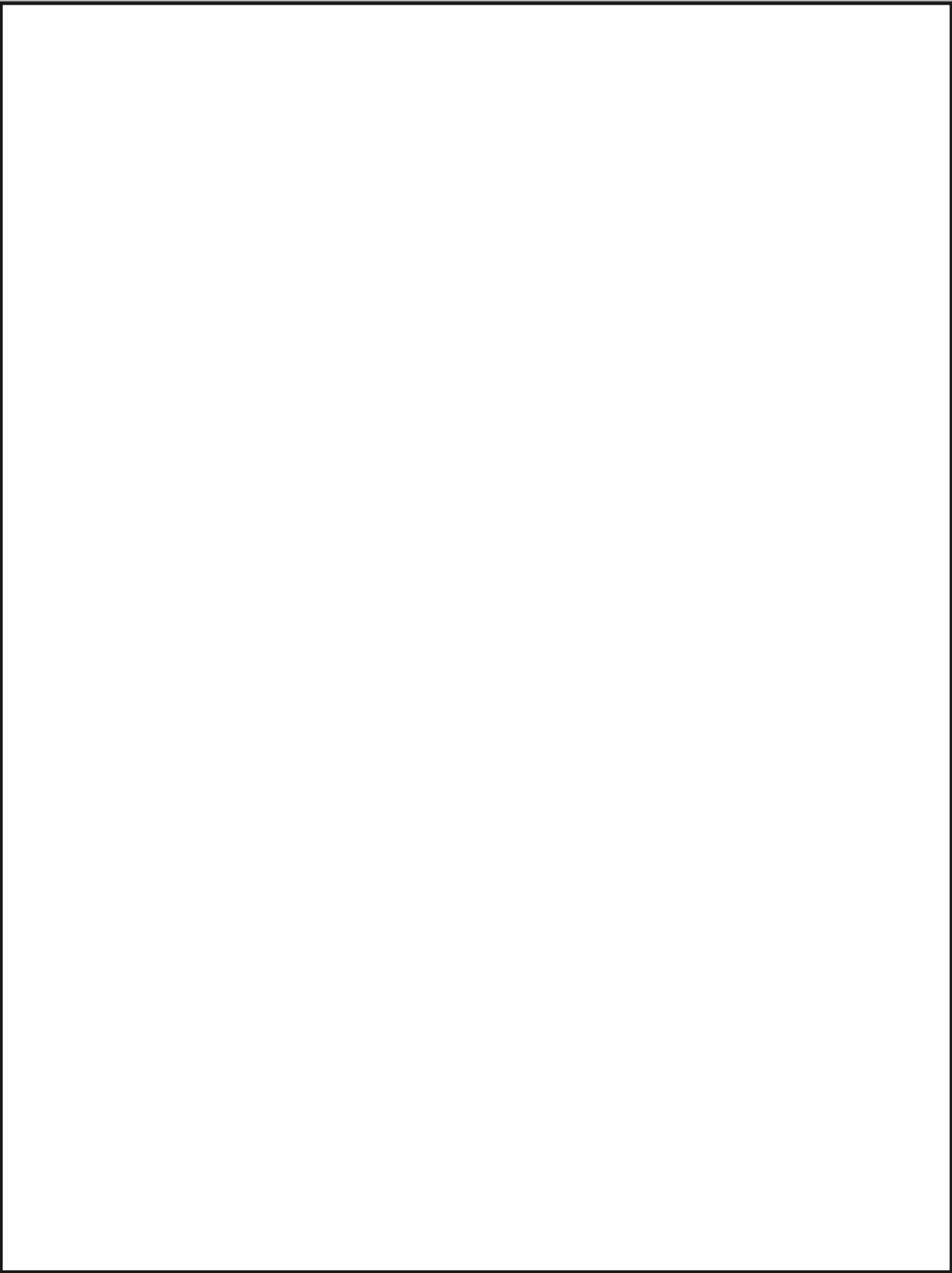
Community Action Resource Department	Revenue Sharing Reserve	Other Governmental Funds	Total Governmental Funds
\$ 2,613,980		\$ 3,215,257	\$ 15,148,134
483,644		857,139	3,103,556
		766,842	2,431,741
148,392		656,310	1,900,305
4,559,107		13,553,774	43,752,398
		912,263	10,994,453
		10,000,000	10,000,000
<u>7,805,123</u>	<u>\$ 0</u>	<u>29,961,585</u>	<u>87,330,587</u>
			500,000
			3,387,892
			623,913
18,868	28,798,894		31,654,802
		232,846	232,846
			3,060,722
560,722		218,170	14,370,854
		14,054,535	14,054,535
		722,732	722,732
			5,001,262
		3,945,928	3,945,928
		20,962	20,962
<u>579,590</u>	<u>28,798,894</u>	<u>19,195,173</u>	<u>77,576,448</u>
<u>\$ 8,384,713</u>	<u>\$ 28,798,894</u>	<u>\$ 49,156,758</u>	<u>\$ 164,907,035</u>

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

## GENESEE COUNTY

## Exhibit A-3-3

	September 30, 2007
Fund balances of governmental funds	\$ 77,576,448
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds	95,271,650
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	12,020,017
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	14,476,832
Long term liabilities, including long term notes, bonds payable and accrued interest payable are not due in the current period, and therefore, are not reported in the funds.	<u>(40,788,010)</u>
Net assets of governmental activities	<u>\$ 158,556,937</u>





**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.....	\$ 51,759,821	
Licenses and permits.....	463,936	
Fines and forfeitures.....	2,283,212	
Use of money and property.....	1,096,653	\$ 1,044,953
Federal grants--Note G.....		5,361,517
State grants--Note G.....		20,114,816
Other intergovernmental revenues.....	6,601,830	
Charges for services.....	10,177,944	82,897,130
Other.....	397,717	1,587,348
TOTAL REVENUES	<u>72,781,113</u>	<u>111,005,764</u>
Expenditures:		
Current operations:		
Legislative.....	1,074,904	
Management and planning.....	9,972,423	
Administration of justice.....	24,152,180	
Law enforcement and community protection.....	23,621,335	
Human services.....	206,071	117,079,714
Community enrichment and development.....	613,939	
General support services.....	278,953	
Other.....	10,724,776	
Capital outlay.....	167,201	151,973
Debt service:		
Principal payments.....		
Interest.....		
TOTAL EXPENDITURES	<u>70,811,782</u>	<u>117,231,687</u>
REVENUES OVER(UNDER) EXPENDITURES	<u>1,969,331</u>	<u>(6,225,923)</u>
Other financing sources (uses):		
Transfers in (out):		
Transfers-In.....	28,175,004	3,334,065
Transfers-Out.....	(32,154,811)	
TOTAL OTHER FINANCING SOURCES(USES)	<u>(3,979,807)</u>	<u>3,334,065</u>
NET CHANGE IN FUND BALANCES	(2,010,476)	(2,891,858)
Fund balance at beginning of year.....	13,399,630	17,668,455
FUND BALANCE AT END OF YEAR	<u>\$ 11,389,154</u>	<u>\$ 14,776,597</u>

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

**Fiscal Year Ended September 30, 2007**

<b>County Health</b>	<b>Community Action Resource Department</b>	<b>Revenue Sharing Reserve</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 820,211		\$ 18,563,496	\$ 40,425,467	\$ 110,748,784
			179,850	1,463,997
			432,329	2,715,541
		868,439	1,384,870	4,394,915
2,128,045	\$ 21,678,641		34,318,242	63,486,445
8,857,803	1,072,509		17,088,156	47,133,284
2,480			129,004	6,733,314
381,233			3,126,124	96,582,431
708,684	9,423,324		1,759,922	13,876,995
<u>12,898,456</u>	<u>32,174,474</u>	<u>19,431,935</u>	<u>98,843,964</u>	<u>347,135,706</u>
				1,074,904
			1,774,119	11,746,542
			15,463,876	39,616,056
			10,728,621	34,349,956
18,925,487	32,366,588		58,679,109	227,256,969
			6,148,209	6,762,148
				278,953
			2,722,411	13,447,187
51,971	78,155		1,554,838	2,004,138
			2,536,000	2,536,000
			1,544,866	1,544,866
<u>18,977,458</u>	<u>32,444,743</u>	<u>0</u>	<u>101,152,049</u>	<u>340,617,719</u>
<u>(6,079,002)</u>	<u>(270,269)</u>	<u>19,431,935</u>	<u>(2,308,085)</u>	<u>6,517,987</u>
7,644,412	130,000		32,768,830	72,052,311
(2,614,423)	(216,263)	(9,243,278)	(23,781,985)	(68,010,760)
<u>5,029,989</u>	<u>(86,263)</u>	<u>(9,243,278)</u>	<u>8,986,845</u>	<u>4,041,551</u>
(1,049,013)	(356,532)	10,188,657	6,678,760	10,559,538
3,886,053	936,122	18,610,237	12,516,413	67,016,910
<u>\$ 2,837,040</u>	<u>\$ 579,590</u>	<u>\$ 28,798,894</u>	<u>\$ 19,195,173</u>	<u>\$ 77,576,448</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, 2007

Net change in fund balances--total governmental funds	\$ 10,559,538
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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	4,443,278
-Depreciation expense	(4,340,271)
-Additions and Deletions	(5,652,894)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

6,296,128

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:

Change in accrued interest payable	(555,827)
------------------------------------	-----------

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

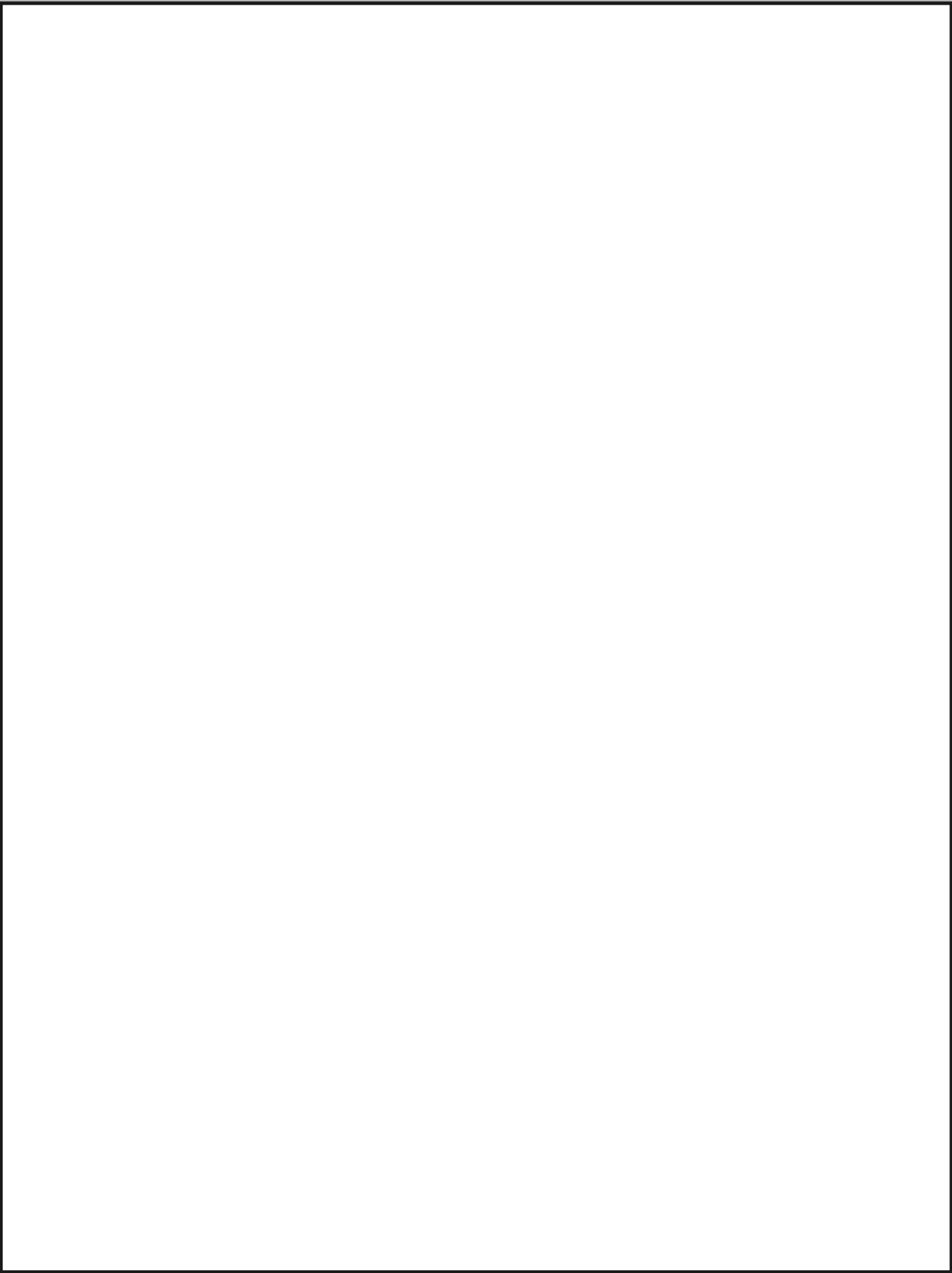
2,536,000

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.

1,273,547

Change in net assets of governmental activities	<u>\$ 14,559,499</u>
---	----------------------

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



# BALANCE SHEET--PROPRIETARY FUNDS

## GENESEE COUNTY

## Exhibit A-6

		<b>Business Type Activities -</b>
		<b>Delinquent Taxes</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents.....	\$	3,598,939
Investments.....		2,575,000
Current and delinquent property taxes receivable, less allowance for uncollectibles of \$810,017.....		33,658,791
Interest and accounts receivable.....		4,833,920
Due from other governmental units.....		2,501,300
Due from other county funds.....		918,122
Due from component unit.....		1,528,559
Supplies inventory.....		
Prepayments.....		
<b>TOTAL CURRENT ASSETS</b>		<b>49,614,631</b>
<b>CAPITAL ASSETS</b>		
Land.....		2,783,818
Buildings and improvements.....		
Equipment.....		441,371
<b>TOTAL CAPITAL ASSETS</b>		<b>3,225,189</b>
Less allowances for depreciation.....		
<b>TOTAL CAPITAL ASSETS, NET</b>		<b>3,225,189</b>
<b>TOTAL ASSETS</b>	<b>\$</b>	<b>52,839,820</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable.....	\$	1,896,788
Accrued payroll.....		
Accrued vacation and other employee benefits.....		
Other accrued liabilities and deposits.....		312,137
Due to other governmental units.....		36,628
Due to other County funds.....		3,892,828
Current portion of notes/bonds payable.....		29,742,000
<b>TOTAL CURRENT LIABILITIES</b>		<b>35,880,381</b>
<b>LONG-TERM DEBT</b>		
General and workers compensation claim Liability.....		
Notes/bonds payable exclusive of current portion.....		
<b>TOTAL LONG-TERM DEBT</b>		<b>0</b>
<b>TOTAL LIABILITIES</b>		<b>35,880,381</b>
<b>NET ASSETS:</b>		
Restricted for retirement of delinquent tax notes payable.....		7,021,002
Invested in capital assets net of related debt.....		3,225,189
Restricted for retirement of LRC rehab bond.....		878,454
Unrestricted.....		5,834,794
<b>TOTAL NET ASSETS</b>		<b>16,959,439</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$</b>	<b>52,839,820</b>

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

September 30, 2007		Governmental
Enterprise Funds		Activities- Internal Service Funds
Non-Major Enterprise Funds	Total	
\$ 473,482	\$ 4,072,421	\$ 4,030,916
905,940	3,480,940	10,091,729
	33,658,791	
	4,833,920	71,388
	2,501,300	79,168
	918,122	4,597,421
	1,528,559	
23,850	23,850	56,649
107,862	107,862	277,718
1,511,134	51,125,765	19,204,989
3,780,603	6,564,421	173,496
1,181,215	1,181,215	176,430
3,663,836	4,105,207	26,206,473
8,625,654	11,850,843	26,556,399
6,753,743	6,753,743	19,562,543
1,871,911	5,097,100	6,993,856
\$ 3,383,045	\$ 56,222,865	\$ 26,198,845
\$ 38,745	\$ 1,935,533	\$ 1,104,005
16,428	16,428	227,750
	0	0
5,089	317,226	
	36,628	
	3,892,828	3,396,402
36,000	29,778,000	915,882
96,262	35,976,643	5,644,039
217,500	217,500	3,343,571
217,500	217,500	4,971,230
313,762	36,194,143	8,314,801
		13,958,840
1,618,411	7,021,002	6,858,053
	4,843,600	
	878,454	
1,450,872	7,285,666	5,381,952
3,069,283	20,028,722	12,240,005
\$ 3,383,045	\$ 56,222,865	\$ 26,198,845

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

GENESEE COUNTY

Exhibit A-7

	<u>Fiscal</u> <u>Business</u>
	<u>Delinquent</u> <u>Taxes</u>
Operating revenues:	
Charges for sales and services:	
Ticket, permit & concession sales.....	\$ 6,659,293
Interest and penalties.....	6,659,293
TOTAL OPERATING REVENUES	<u>6,659,293</u>
Operating expenses:	
Salaries and fringe benefits.....	2,191,237
Supplies and other operating expenses.....	2,191,237
Depreciation.....	4,468,056
TOTAL OPERATING EXPENSES	<u>2,191,237</u>
OPERATING INCOME(LOSS)	<u>4,468,056</u>
Non-operating revenues (expenses):	
Investment earnings.....	461,307
Interest expense.....	(1,214,163)
Gain (loss) on investment.....	(509,258)
Gain (loss) on sale of property and equipment.....	(1,262,114)
Contribution to Component Unit-Land Bank Authority.....	3,205,942
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>(1,262,114)</u>
INCOME (LOSS) BEFORE TRANSFERS	<u>3,205,942</u>
Transfers-in.....	112,395
Transfers-out.....	(5,024,525)
TOTAL TRANSFERS	<u>(4,912,130)</u>
CHANGE IN NET ASSETS	<u>(1,706,188)</u>
Net assets at beginning of year.....	18,665,627
NET ASSETS AT END OF YEAR	<u>\$ 16,959,439</u>

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

Year Ended September 30, 2007		Governmental Activities- Internal Service Funds
Type Activities - Enterprise Funds		
Non-Major Enterprise Funds	Total	
\$ 1,909,589	\$ 1,909,589	\$ 18,545,096
	6,659,293	
1,909,589	8,568,882	18,545,096
744,120	744,120	7,773,692
1,095,111	3,286,348	10,285,594
100,240	100,240	1,229,926
1,939,471	4,130,708	19,289,212
(29,882)	4,438,174	(744,116)
117,272	578,579	262,128
(13,068)	(1,227,231)	(10,533)
	(509,258)	864,917
		132,572
104,204	(1,157,910)	1,249,084
74,322	3,280,264	504,968
250,000	362,395	1,834,659
(148,000)	(5,172,525)	(1,066,080)
102,000	(4,810,130)	768,579
176,322	(1,529,866)	1,273,547
2,892,961	21,558,588	10,966,458
\$ 3,069,283	\$ 20,028,722	\$ 12,240,005



# STATEMENT OF CASH FLOWS- PROPRIETARY FUNDS

GENESEE COUNTY

Exhibit A-8

	<u>Delinquent Taxes</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Cash received from customers.....	\$ 44,716,921
Cash payment for delinquent taxes.....	(42,580,491)
Cash payments to suppliers for goods and services.....	(855,311)
Cash payments to employees for services.....	
Other operating revenues.....	<u>(1,457,283)</u>
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	<u>(176,164)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>	
Borrowing under delinquent tax notes payable.....	44,000,000
Repayments under delinquent tax notes payable.....	(41,586,785)
Interest paid on delinquent tax notes payable.....	(1,214,163)
Advances from other governmental units, County units and funds.....	1,524,465
Repayments to other governmental units, County units and funds.....	
Transfers-in from other funds.....	112,394
Transfers-out to other funds.....	
NET CASH PROVIDED BY (USED FOR) NONCAPITAL FINANCING ACTIVITIES	<u>2,835,911</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>	
Acquisition and construction of capital assets.....	
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>0</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Purchase of investment securities.....	(101,998,001)
Proceeds from sale and maturities of investment securities.....	101,923,000
Interest and dividends on investments.....	461,308
NET CASH PROVIDED BY (USED FOR) IN INVESTING ACTIVITIES	<u>386,307</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	3,046,054
Cash and cash equivalents at beginning of year.....	552,885
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 3,598,939</u>
<b>RECONCILIATION OF OPERATING INCOME(LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:</b>	
Operating income(loss).....	\$ 4,468,058
Adjustments to reconcile operating income(loss) to net cash provided by (used for) operating activities:	
Depreciation.....	
Provision for uncollectible accounts.....	134,924
Change in assets and liabilities:	
(Increase) decrease in current and delinquent property taxes receivable.....	(5,741,460)
(Increase) decrease in interest and accounts receivable.....	(429,795)
(Increase) decrease in supplies inventory.....	
(Increase) decrease in prepayment and other current assets.....	56,184
Increase (decrease) in accounts payable and related items.....	1,335,925
Increase (decrease) in accrued payroll.....	
Increase (decrease) in other accrued liabilities and deposits.....	
Net cash provided by (used for) operating activities.....	<u>\$ (176,164)</u>
Noncash investing activities - increase in fair value of investments.....	

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

Fiscal Year Ended September 30, 2007		Governmental	
Activities - Enterprise Funds		Activities-	
Non-Major		Internal	
Enterprise		Service	
Funds	Total	Funds	
\$ 1,909,589	\$ 46,626,510	\$ 18,708,655	
	(42,580,491)		
(1,111,500)	(1,966,811)	(9,406,665)	
(751,948)	(751,948)	(7,802,236)	
	(1,457,283)		
<u>46,141</u>	<u>(130,023)</u>	<u>1,499,754</u>	
	44,000,000		
	(41,586,785)		
	(1,214,163)		
	1,524,465	97,669	
	0	(1,873)	
250,000	362,394	1,834,659	
(148,000)	(148,000)	(1,058,203)	
<u>102,000</u>	<u>2,937,911</u>	<u>872,252</u>	
(5,500)	(5,500)	(1,035,036)	
(54,000)	(54,000)	(84,708)	
(15,884)	(15,884)	(10,533)	
	0	132,572	
<u>(75,384)</u>	<u>(75,384)</u>	<u>(997,705)</u>	
0	(101,998,001)	(6,043,390)	
0	101,923,000	5,547,037	
10,238	471,546	1,119,186	
<u>10,238</u>	<u>396,545</u>	<u>622,833</u>	
82,995	3,129,049	1,997,134	
390,487	943,372	2,033,782	
<u>\$ 473,482</u>	<u>\$ 4,072,421</u>	<u>\$ 4,030,916</u>	
\$ (29,882)	\$ 4,438,176	(744,116)	
100,240	100,240	1,229,926	
	134,924		
0	(5,741,460)		
	(429,795)	163,560	
22,429	22,429	(6,921)	
14,069	70,253	5,948	
(52,887)	1,283,038	142,635	
(7,828)	(7,828)	(28,544)	
0	0	737,266	
<u>\$ 46,141</u>	<u>\$ (130,023)</u>	<u>\$ 1,499,754</u>	
37,006	37,006		

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

**GENESEE COUNTY**

**Exhibit A-9**

September 30, 2007		
	<b>Total Pension and Employee Fringe Benefit (VEBA) Trust Fund</b>	<b>Agency Funds</b>
<b>ASSETS</b>		
Cash and cash equivalents.....	\$ 8,712,574	\$ 24,324,425
Receivables:		
Other receivables.....	87,102	289,785
Accrued interest and dividends.....	782,236	
<b>TOTAL RECEIVABLES</b>	<b>869,338</b>	<b>289,785</b>
Investments at fair value:		
U.S. Government securities.....	19,744,383	
Foreign Govts. and Agencies.....	85,027,385	
Corporate bonds.....	67,952,051	
Common stocks.....	140,837,808	
Preferred stocks.....	8,605,571	
Mutual funds.....	176,244,552	
Real Estate.....	25,779,039	
<b>TOTAL INVESTMENTS</b>	<b>524,190,789</b>	<b>0</b>
<b>TOTAL ASSETS</b>	<b>533,772,701</b>	<b>24,614,210</b>
<b>LIABILITIES</b>		
Refunds payable and other liabilities.....	3,373,029	24,614,210
<b>TOTAL LIABILITIES</b>	<b>3,373,029</b>	<b>24,614,210</b>
<b>NET ASSETS</b>		
Held in trust for pension benefits and other purposes.....	\$ 530,399,672	\$ 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**

	Fiscal
	Year Ended September 30, 2007
	<u>Total Pension and Employee Benefit Trust Fund</u>
ADDITIONS	
Contributions:	
Employer.....	\$ 19,101,361
Plan members.....	2,295,979
Total contributions	<u>21,397,340</u>
Investment earnings:	
Net (decrease)	
in fair value of investments.....	54,735,496
Interest.....	3,356,264
Dividends.....	1,826,653
Total investment earnings.....	<u>59,918,413</u>
Less investment expense.....	<u>2,801,207</u>
Net investment earnings.....	<u>57,117,206</u>
Total additions.....	<u>78,514,546</u>
DEDUCTIONS	
Benefits.....	31,723,946
Refunds of contributions.....	273,168
Administrative expenses.....	476,238
Transfer to other pensions plans.....	1,846,652
Total deductions.....	<u>34,320,004</u>
Change in net assets.....	<u>44,194,542</u>
Net assets-beginning of the year.....	486,205,130
Net assets- end of the year.....	<u>\$ 530,399,672</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

	<u>Road Commission 9/30/07</u>	<u>Water and Waste Services 12/31/06</u>
<b>ASSETS</b>		
Cash and cash equivalents.....	\$ 48,489,524	\$ 2,612,035
Investments.....		
Special Assessments and Lease Receivable.....	9,944,784	48,300,000
Interest and accounts receivable.....	485,651	4,899,782
Due from other governmental units.....	9,894,083	8,274,207
Due from other Primary Government.....		
Inventory.....	1,041,464	44,251
Prepayments.....	1,213,568	224,884
Restricted Assets:		
Cash and cash equivalents.....	699,494	4,845,274
Construction in progress.....	502,998	35,144,469
Capital assets not being depreciated.....	983,024	105,496,449
Capital assets net of depreciation.....	136,583,327	116,684,774
<b>TOTAL ASSETS</b>	<u>209,837,917</u>	<u>326,526,125</u>
<b>LIABILITIES</b>		
Accounts payable.....	2,203,341	6,629,515
Accrued Payroll.....		
Other accrued liabilities and deposits.....	1,033,363	
Accrued interest payable.....		
Due to other governmental units.....	41,783	604,718
Due to Primary Government.....		
Unearned revenue.....	1,611,167	38,432,654
Payable from Restricted Assets:		
Accounts Payable.....	699,494	6,266,069
Long-term advance from Primary Government.....		
Current portion debt.....	1,523,212	8,780,000
Long-term Debt.....	7,532,542	135,917,048
<b>TOTAL LIABILITIES</b>	<u>14,644,902</u>	<u>196,630,004</u>
<b>NET ASSETS</b>		
Invested in capital assets - Net of related debt.....	129,013,595	125,784,175
Restricted for programs and debt service.....		13,249,987
Unrestricted.....	66,179,420	(9,138,041)
<b>TOTAL NET ASSETS</b>	<u>\$ 195,193,015</u>	<u>\$ 129,896,121</u>

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

<b>Economic Development Corporation 12/31/06</b>	<b>Drains 9/30/07</b>	<b>Land Bank Authority 9/30/07</b>	<b>Brownfield Authority 09/30/07</b>	<b>Total</b>
\$ 880,847	\$ 4,214,964	\$ 39,658	\$ 8,614 500,000	\$ 56,245,642 500,000
	5,266,020			63,510,804
231,085	4,264	1,104,846 340,327	3,718	6,729,346 18,508,617
	45,752	2,135,657 129,159		0 3,267,124
1,050				1,568,661
	2,009,229			5,544,768
				37,656,696
				106,479,473
	23,447,913	13,768,244		290,484,258
<u>1,112,982</u>	<u>34,988,142</u>	<u>17,517,891</u>	<u>512,332</u>	<u>590,495,389</u>
21,577	165,324	234,958	8,735	9,263,450
	16,949	8,974		25,923
	698,353	12,479		1,744,195
	63,242	129,199	94,995	287,436
		482,275		1,128,776
		4,116,319		4,116,319
		774,233		40,818,054
	6,680			6,972,243
	500,000			500,000
	680,451	12,009		10,995,672
	3,981,585	80,939	5,000,000	152,512,114
<u>21,577</u>	<u>6,112,584</u>	<u>5,851,385</u>	<u>5,103,730</u>	<u>228,364,182</u>
	20,795,106	11,738,730		287,331,606
976,071	1,136,450			15,362,508
115,334	6,944,002	(72,224)	(4,591,398)	59,437,093
<u>\$ 1,091,405</u>	<u>\$ 28,875,558</u>	<u>\$ 11,666,506</u>	<u>\$ (4,591,398)</u>	<u>\$ 362,131,207</u>

**STATEMENT OF ACTIVITIES  
COMPONENT UNITS**

**GENESEE COUNTY**

**Exhibit A-12**

		Program Revenues			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
	Expenses				Drains 9/30/07
Component units:					
Drains.....	\$ 5,282,321	\$ 936,137	\$ 126,003	\$ 5,214,879	\$ 994,698
Economic Development Corporation.....	6,819				
Road Commission.....	33,662,391	6,607,919	33,147,569		
Water and Waste.....	39,327,941	33,245,651			
Land Bank Authority.....	5,551,172	2,366,610	1,973,326		
Brownfield Authority.....	834,679				
Total Component Units	<u>\$ 84,665,323</u>	<u>\$ 43,156,317</u>	<u>\$ 35,246,898</u>	<u>\$ 5,214,879</u>	<u>994,698</u>
Revenues:					
Taxes.....					
Unrestricted contributions.....					
Use of money and investments.....					78,905
Other intergovernmental revenues....					314,272
Other unrestricted revenues.....					
Transfers.....					
Total general revenues and transfers					<u>393,177</u>
Change in net assets.....					<u>1,387,875</u>
Net assets - beginning.....					<u>27,487,683</u>
Net assets - ending.....					<u>\$ 28,875,558</u>

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

**Net (Expense) Revenue and  
Changes in Net Assets  
Component Units**

<b>Economic Development Corporation 12/31/06</b>	<b>Road Commission 9/30/07</b>	<b>Water and Waste 12/31/2006</b>	<b>Land Bank Authority 9/30/07</b>	<b>Brownfield Authority 09/30/07</b>	<b>Total</b>
\$ (6,819)	\$ 6,093,097	\$ (6,082,290)	\$ (1,211,236)	\$ (834,679)	\$ 994,698 (6,819) 6,093,097 (6,082,290) (1,211,236) (834,679) <u>(1,047,229)</u>
<u>(6,819)</u>	<u>6,093,097</u>	<u>(6,082,290)</u>	<u>(1,211,236)</u>	<u>(834,679)</u>	
				34,316	34,316
45,424	4,038,880	2,614,773	2,158,852 9,829	35,519	2,158,852 6,823,330 314,272 2,732,837 0
<u>45,424</u>	<u>4,038,880</u>	<u>5,317,610</u>	<u>2,168,681</u>	<u>99,835</u>	<u>12,063,607</u>
38,605	10,131,977	(764,680)	957,445	(734,844)	11,016,378
1,052,800	185,061,038	130,660,801	10,709,061	(3,856,554)	351,114,829
<u>\$ 1,091,405</u>	<u>\$ 195,193,015</u>	<u>\$ 129,896,121</u>	<u>\$ 11,666,506</u>	<u>\$ (4,591,398)</u>	<u>\$ 362,131,207</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 30<sup>th</sup>, fiscal year end.

Land Reutilization Council, Inc. – Legally separate entity, which is reported as if it were part of the primary government because its primary purpose is to account for real property obtained via property tax foreclosure procedures within Genesee County. 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 30<sup>th</sup>, fiscal year end.

Economic Development Corporation - An entity responsible for the administration of the Revolving Loan Program. This loan program makes low interest loans available to businesses located within Genesee County. The Board of the Economic Development Corporation (EDC) is appointed by the Board of Commissioners. The Board of Commissioners can remove Board members of the EDC if they so choose. The Corporation has 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. The County can significantly influence the operations of the Drain Commission since the County Board of Commissioners approve the Drains budgets.

Genesee County Land Bank Authority – An entity which accounts for the activities of the Authority consisting of acquisition of properties via the delinquent tax state statute sales of property to individuals, commercial entities and nonprofit organizations, rental of properties to individuals, rehabilitation and demolition of properties in preparation for sale or future development. The entity is comprised of seven members appointed by the County Board. The County Board can significantly influence the operations of the Land Bank Authority Board.

Brownfield Authority – An entity governed by a nine-member Board. The Board is appointed by each member of the County Board. The Brownfield Authority was created to provide a means for financing remediation of Brownfield (environmentally contaminated) sites within the County. The County issued bonds to provide capital for the revitalization of environmentally distressed, blighted, and functionally obsolete properties within the County. The County approves and would be secondarily liable for any debt issuances.

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. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal 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 2006 include property taxes levied principally on December 1, 2005 and substantially collected in early 2006. The "2006 property taxes" assessed on December 31, 2005, become a lien on December 1, 2006, and are to be collected principally by February 28, 2007. Also, for the year ended September 30, 2006 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, 2006 levy is also recognized as revenue for the year ended September 30, 2006 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 Revenue Sharing Fund accounts for the state authorized program to set aside property taxes to replace revenue sharing no longer distributed to counties.

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.

## NOTES TO FINANCIAL STATEMENTS

### GENESEE COUNTY

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The Employees Qualified Excess Benefit Arrangement (QEBA) Fund provides a mechanism for payment of accrued pension benefits that are in excess of the IRS limits on the amounts that can be paid from the Retirement Fund.

Additionally, the government reports the following fund types:

Internal service funds accounts for various services such as data processing, purchasing, and other administrative services, fleet management, buildings and grounds maintenance, 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.

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

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

Proprietary funds distinguish operating revenue and expenses from 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 \$74,730,000 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. Insuring or collateralizing all cash deposits would also result in a significant decrease in the investment returns for the County. Consistent with the investment policy that is prepared by the County Treasurer's Office and approved by the County Board of Commissioners, the County evaluates each financial institution it deposits funds with and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

## NOTES TO FINANCIAL STATEMENTS

### GENESEE COUNTY

### EXHIBIT A-13

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

<u>Investment Type</u>	<u>Carrying Value</u>	<u>How Held</u>
U.S. gov or agency bond or note	\$ 7,000,000	Counterparty's trust dept
Commercial paper	25,213,000	Counterparty's trust dept
U.S. gov or agency bond or note (insurance trust)	2,884,699	Counterparty's trust dept
Corporate bonds (insurance trust)	1,840,459	Counterparty's trust dept
Corporate stocks (insurance trust)	4,366,348	Counterparty's trust dept
U.S. gov or agency bond or note (VEBA)	2,350,968	Counterparty's trust dept
U.S. gov or agency bond or note (VEBA)	936,851	Counterparty's trust dept
Corporate bonds (VEBA)	9,835,055	Counterparty's trust dept
Corporate stock (VEBA)	20,152,763	Counterparty's trust dept
U.S. gov or agency bond or note (pension)	18,779,068	Counterparty's trust dept
Foreign gov and agency (pension)	85,027,385	Counterparty's trust dept
Corporate bonds (pension)	58,116,996	Counterparty's trust dept
Corporate stocks (pension)	303,184,200	Counterparty's trust dept

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

<u>Type of Investment</u>	<u>Fair Value</u>	<u>Less than One Year</u>	<u>1-10 Years</u>	<u>Over ten Years</u>
U.S. gov or agency bond or notes	\$ 7,000,000		7,000,000	
Commercial paper	25,213,000	25,213,000		
U.S. gov or agency bond or notes (insurance trust)	2,884,699	1,447,268	824,430	
Corporate bonds (insurance trust)	1,840,459	401,837	1,458,621	856,660
U.S. gov or agency bond or notes (VEBA)	936,851	130,536	806,315	
Corporate bonds (VEBA)	9,605,470	1,001,294	8,195,013	
Asset backed (pension)	439,868		315,472	124,396
U.S. gov or agency bond or notes (pension)	3,743,617		2,244,784	1,398,833
Corporate bonds (pension)	22,143,967	1,796,662	10,975,459	9,371,846
FHLMC pools (pension)	7,843	5,609		2,234
Foreign corporate (pension)	2,851,026		2,080,675	770,351
Foreign gov (pension)	377,779			377,779
Foreign gov securities (pension)	756,987		306,671	450,316
GNMA I pools (pension)	36,775			36,775
Inflation index (pension)	5,926,993		3,005,012	2,921,981
Private placement (pension)	3,147,726		2,857,242	290,484
U.S. federal agency (pension)	4,016,967	156,096	3,506,191	354,680
Convertible bonds (pension)	36,680,559		2,478,550	34,202,009

**Credit risk** – Credit risk is the risk that the government will not be able to recover the value of its securities. The County follows state law which limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The County has no investment policy that would further limit its investment choices for general County funds. The pension funds are allowed to invest in longer maturity corporate bonds in accordance with state law. As of year end, the credit quality ratings of debt securities not explicitly guaranteed by the U.S. Government are as follows:

<u>Investment</u>	<u>Fair Value</u>	<u>Rating</u>	<u>Rating Organization</u>
Commercial paper	4,123,000	A-1	S&P
Commercial paper	16,321,000	A-1+	S&P
Commercial paper	260,000	A-2	S&P
Commercial paper	4,509,000	P-1	Moody's
Corporate bonds (insurance)	324,853	AA	S&P
Corporate bonds (insurance)	335,394	A	S&P
Corporate bonds (insurance)	1,180,212	BBB	S&P
Corporate bonds (VEBA)	1,135,078	AA	S&P
Corporate bonds (VEBA)	484,140	A	S&P
Corporate bonds (VEBA)	2,975,072	BBB	S&P
Corporate bonds (VEBA)	4,939,943	Below Grade	S&P
Asset backed (pension)	242,956	A	S&P
Asset backed (pension)	196,911	AAA	S&P
Corporate bonds (pension)	2,951,559	AAA	S&P
Corporate bonds (pension)	1,348,177	Not Rated	S&P

Corporate bonds (pension)	1,574,656	A	S&P
Corporate bonds (pension)	527,579	A-	S&P
Corporate bonds (pension)	1,023,906	A+	S&P
Corporate bonds (pension)	431,862	AA	S&P
Corporate bonds (pension)	1,272,552	AA-	S&P
Corporate bonds (pension)	566,149	AAA	S&P
Corporate bonds (pension)	1,950,844	B	S&P
Corporate bonds (pension)	64,503	B-	S&P
Corporate bonds (pension)	254,297	B+	S&P
Corporate bonds (pension)	332,000	BB-	S&P
Corporate bonds (pension)	1,999,819	BB+	S&P
Corporate bonds (pension)	1,943,831	BBB	S&P
Corporate bonds (pension)	2,037,199	BBB-	S&P
Corporate bonds (pension)	1,608,989	BBB+	S&P
Corporate bonds (pension)	380	CCC-	S&P
Corporate bonds (pension)	92,400	CCC+	S&P
Corporate bonds (pension)	141,156	A-	S&P
Corporate bonds (pension)	98,009	A+	S&P
Corporate bonds (pension)	240,979	BBB-	S&P
Corporate bonds (pension)	1,300,467	BBB+	S&P
Corporate bonds (pension)	382,649	Not Rated	S&P
FHLMC pools (pension)	7,844	Not Rated	S&P
Foreign corporate bonds (pension)	702,905	A-	S&P
Foreign corporate bonds (pension)	358,872	BBB	S&
Foreign corporate bonds (pension)	226,922	BBB-	S&P
Foreign corporate bonds (pension)	1,302,711	BBB+	S&P
Foreign corporate bonds (pension)	259,615	Not Rated	S&P
Foreign Govt (pension)	377,779	BBB	S&P
Government bonds (pension)	756,987	Not Rated	S&P
Inflation index (pension)	79,597	AAA	S&P
Inflation index (pension)	5,847,397	Not Rated	S&P
Private placements (pension)	195,094	A-	S&P
Private placements (pension)	39,816	AAA	S&P
Private placements (pension)	246,838	BB-	S&P
Private placements (pension)	212,750	BB+	S&P
Private placements (pension)	241,680	BBB	S&P
Private placements (pension)	90,714	BBB-	S&P
Private placements (pension)	97,040	BBB+	S&P
Private placements (pension)	811,398	Not Rated	S&P
Private placements (pension)	503,225	AAA	S&P
Private placements (pension)	533,668	BBB-	S&P
Private placements (pension)	175,503	BBB+	S&P
Federal agencies (pension)	3,860,870	AAA	S&P
Convertible bonds (pension)	4,609,669	A	S&P
Convertible bonds (pension)	5,133,000	A-	S&P
Convertible bonds (pension)	5,100,715	A+	S&P
Convertible bonds (pension)	954,000	AA-	S&P
Convertible bonds (pension)	476,438	AAA	S&P
Convertible bonds (pension)	887,250	BB+	S&P
Convertible bonds (pension)	5,451,625	BBB	S&P
Convertible bonds (pension)	3,555,038	BBB-	S&P
Convertible bonds (pension)	2,841,250	BBB+	S&P
Convertible bonds (pension)	192,375	CCC+	S&P
Convertible bonds (pension)	7,479,200	Not Rated	S&P



## NOTES TO FINANCIAL STATEMENTS

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**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:

Foreign currency	Fair value (US\$)
Australian dollar	\$ 245,714
British pound	5,358,550
Canadian dollar	566,006
Danish krone	62,551
Euro currency	23,863,177
Hong Kong dollar	1,228,940
Japanese yen	14,411,901
Malaysian ringgit	285,040
Mexican peso	1,101,955
New Zealand dollar	433,290
Singapore dollar	1,337,894
South Korean won	8,368,727
Swiss franc	7,312,294

Further categorization by investment type is not readily available.

#### NOTE D-CAPITAL ASSETS

Capital asset activity at September 30, 2007 is summarized as follows:

	Balance Oct. 1, 2006	Additions	Disposals	Balance Sept. 30, 2007
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land .....	\$ 19,861,602	\$	\$	\$19,861,602
Construction in Progress .....	0			0
Subtotal .....	<u>19,831,602</u>	<u>0</u>	<u>0</u>	<u>19,861,602</u>
Capital assets being depreciated:				
Land improvements .....	50,608			50,608
Buildings and improvements .....	115,368,296	284,137	4,305,546	111,346,887
Machinery and equipment .....	<u>38,440,649</u>	<u>5,249,405</u>	<u>1,557,234</u>	<u>42,132,820</u>
Subtotal .....	<u>153,859,553</u>	<u>5,533,542</u>	<u>5,862,780</u>	<u>153,530,315</u>
Less accumulated depreciation for:				
Land improvements .....	3,226			3,226
Buildings .....	38,181,688	2,832,879	95,679	40,918,888
Machinery and equipment .....	<u>34,519,816</u>	<u>2,737,318</u>	<u>58,981</u>	<u>37,198,153</u>
Subtotal .....	<u>72,704,730</u>	<u>5,570,197</u>	<u>154,660</u>	<u>78,120,267</u>
Governmental activities				
Capital assets, net of depreciation .....	<u>\$101,016,425</u>	<u>\$ ( 36,655)</u>	<u>\$5,708,120</u>	<u>\$ 95,271,650</u>
<b>Business type activities:</b>				
Capital assets not being depreciated:				
Land .....	\$ 3,302,284	\$ 0	\$ 0	\$ 3,302,284
Capital assets being depreciated:				
Buildings .....	1,181,215			1,181,215
Land improvements .....	3,262,137			3,262,137
Machinery and equipment .....	<u>4,099,707</u>	<u>5,500</u>	<u>0</u>	<u>4,105,207</u>
Subtotal .....	<u>8,543,059</u>	<u>5,500</u>	<u>0</u>	<u>8,548,559</u>
Less accumulated depreciation for:				
Buildings .....	794,022			794,022
Land improvements .....	2,961,964	60,580		3,022,544
Machinery and equipment .....	<u>2,897,517</u>	<u>39,660</u>	<u>0</u>	<u>2,937,177</u>
Subtotal .....	<u>6,653,503</u>	<u>100,240</u>	<u>0</u>	<u>6,753,743</u>
Business type activities				
Capital assets, net of depreciation .....	<u>\$ 5,191,840</u>	<u>\$ (94,740)</u>	<u>\$ 0</u>	<u>\$5,097,100</u>

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

Governmental activities:

Legislative .....	\$	0
Administration of Justice .....		354,054
Law Enforcement and Community Protection .....		1,268,433
Human Services .....		333,263
Community Enrichment and Development .....		247,891
General Support Services .....		2,175,984
Other .....		754
Internal service fund depreciation is charged to the various functions based on their usage of the assets		<u>1,189,818</u>
Total governmental activities .....		<u>\$5,570,197</u>

Business type activities:

Parks and Recreation .....	\$	<u>100,240</u>
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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:

	<u>Balance</u> <u>Oct. 1, 2006</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>Sept 20, 2007</u>	<u>Due within</u> <u>One Year</u>
<b>Business Type Activities</b>					
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 .....	\$ 307,500	0	(54,000)	253,500	36,000
Delinquent Tax Fund:					
5.0% to 9.7% Delinquent tax notes .....	<u>21,795,000</u>	<u>44,000,000</u>	<u>(36,053,000)</u>	<u>29,742,000</u>	<u>29,742,000</u>
Total Business Type Activities .....	<u>22,102,500</u>	<u>44,000,000</u>	<u>(36,107,000)</u>	<u>29,995,500</u>	<u>29,778,000</u>
<b>Government Activities:</b>					
Internal Service Fund Equipment Notes .....	254,540	0	(118,736)	135,804	135,804
4.0% to 5.1% Genesee County Building Authority Bonds,					
Series 2002, Bonds maturing May 1, 2013 subject to					
Mandatory redemption .....	2,420,000	0	(100,000)	2,320,000	110,000
2.5% to 4.05% Genesee County Building Authority Bonds,					
Series 2001, Not subject to redemption prior to maturity .....	1,300,000	0	(195,000)	1,105,000	205,000
2.0% to 4.0% Genesee County Building Authority Bonds,					
Series 2004, Not subject to redemption prior to maturity .....	4,225,000	0	(1,000,000)	3,225,000	1,035,000
3.7% to 5.0% Genesee County Building Authority Bonds,					
Series 2000, Callable after May 1, 2008, .....	717,500	0	(126,000)	591,500	84,000
3.4% to 5.1% Genesee County Building Authority Bonds,					
Series 1999, Bonds maturing May 1, 2019 subject to					
Mandatory redemption .....	2,850,000	0	(910,000)	1,940,000	950,000
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 .....	4,235,000	0	(170,000)	4,065,000	180,000
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 .....	2,030,000	0	(35,000)	1,995,000	35,000
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..	12,860,000	0	0	12,860,000	0
6.00% Genesee County Bonds Series 2007, Bond maturing					
January 1, 2008 payable at maturity or upon redemption...	0	10,000,000	0	10,000,000	10,000,000
<b>LRC:</b>					
Variable rate Capital Improvement Bonds,					
Series 2004 A Subject to redemption on any					
Interest payment date .....	1,500,000	0	0	1,500,000	750,000
Variable rate Capital Improvement Bonds Series 2005 A					
Subject to redemption on any interest payment date .....	<u>1,400,000</u>	<u>0</u>	<u></u>	<u>1,400,000</u>	<u>0</u>
Total Bonds and Notes .....	<u>33,792,040</u>	<u>10,000,000</u>	<u>(2,654,736)</u>	<u>41,137,304</u>	<u>13,484,804</u>
Self-Insurance Claim Liability .....	<u>2,606,305</u>	<u>2,009,803</u>	<u>(1,272,537)</u>	<u>3,343,571</u>	<u>1,000,000</u>
Compensated absences .....	<u>5,717,288</u>	<u>814,098</u>	<u>(780,078)</u>	<u>5,751,308</u>	<u>780,078</u>
Total Governmental Activities .....	<u>42,115,633</u>	<u>12,823,901</u>	<u>(4,707,351)</u>	<u>50,232,183</u>	<u>15,264,882</u>
Total Long Term Debt .....	<u>\$ 64,218,133</u>	<u>\$56,823,901</u>	<u>\$(40,814,351)</u>	<u>\$80,227,683</u>	<u>\$45,042,882</u>



## NOTES TO FINANCIAL STATEMENTS

### GENESEE COUNTY

### EXHIBIT A-13

The 2006 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 \$29,742,000 are classified as a current liability since they roll over on a short-term basis.

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, 2007 are as follows:

	<b>Governmental Activities</b>		<b>Business Type Activities</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2007/2008 .....	\$ 13,474,123	1,965,393	\$29,778,000	\$ 12,215
2008/2009 .....	3,471,681	1,252,104	39,000	10,577
2009/2010 .....	4,229,500	1,109,096	40,500	8,763
2010/2011 .....	1,784,500	950,905	40,500	11,520
2011/2012 .....	1,819,500	891,452	25,500	4,875
2012/2017 .....	8,978,000	3,216,874	72,000	6,825
2017/2022 .....	6,125,000	1,054,761	0	0
2022/2027 .....	425,000	311,900	0	0
2027/2032 .....	560,000	176,418		
2032/2037 .....	270,000	23,370	0	0
TOTALS .....	<u>\$41,137,304</u>	<u>\$10,952,273</u>	<u>\$29,995,500</u>	<u>\$54,775</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, 2007, the County's debt limit amounted to \$1,369,581,737 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, 2007 was \$6,156,912 with \$3,343,571 accrued as a liability for incurred losses and expenses. An actuarial study projected a required reserve of \$3.3 million for 2007. 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, 2007 and 2006 is as follows:

	<b>Year Ended 9/30/07</b>	<b>Year Ended 9/30/06</b>
Claims Liability (beginning of year) .....	\$2,606,305	\$2,598,882
Claims incurred during the period .....	1,633,295	1,568,656
Changes in estimate for claims of prior periods .....	376,508	(210,154)
Payments on claims .....	<u>(1,272,537)</u>	<u>(1,351,079)</u>
Claims liability (end of year) .....	<u>\$3,343,571</u>	<u>\$2,606,305</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.

#### **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, grant 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 and for a long-term receivable due from the Vehicles and Equipment Internal Service Fund in the amount of \$3,387,892.

The Child Care Special Revenue Fund incurred a fund balance deficit in the amount of \$131,848 as a result of year end accrued expenses being more than revenues and transfers in.

The Administrative and Vehicles and Equipment Internal Service Funds incurred unrestricted deficits in the amount of \$535,526 and \$3,472,573, respectively. The County Board has approved a multi-year plan to eliminate the deficit through increased rates and transfers from user funds.

#### **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 2007 levy was assessed at \$13,302,389,000 and equalized at \$13,302,389,000 representing 50% of estimated current market value. The County operating tax rate is currently 5.51 mills with an additional .48 mills voted each for parks and paramedics .7 mills for senior services and 1 mill for health services.

By agreement with various taxing authorities, the County purchases at face value the real property taxes receivable returned delinquent each March 1. These receivables (\$33,658,791 at September 30, 2007) 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, 2006 the date of the latest actuarial valuation was comprised of 1,346 active plan members, 108 inactive vested members and 1,395 retirees and beneficiaries.

## NOTES TO FINANCIAL STATEMENTS

### GENESEE COUNTY

### EXHIBIT A-13

#### ANNUAL PENSION COST

The annual pension cost (APC), percentage of APC contributed, and net pension obligation (NPO), for the plan years ended December 31, 2006, 2005, and 2004, are summarized as follows:

Plan Year End	Actuarial Valuation Date	Annual Pension Costs (APC)	% of APC Contributed	Net Pension Obligation (Asset)
12/31/04	12/31/02	9,088,458	100.0 %	0
12/31/05	12/31/03	10,787,720	100.0 %	0
12/31/06	12/31/04	12,482,410	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, 2007, employer and employee contributions to the plan were \$3,020,449 and \$1,532,060, respectively.

#### HEALTH BENEFITS PLAN AND TRUST - -

##### PLAN DESCRIPTION AND PROVISIONS

Genesee County provides other post-employment benefits (medical, optical, dental and life insurance) to County retirees who meet eligibility requirements. This is a single employer defined benefit plan administered by the County. The benefits are provided under collective bargaining agreements to union employees and by resolution of the County Board of Commissioners for employees not covered under collective bargaining agreements.

These benefits have traditionally been funded by an appropriation from the County General Fund on a pay-as-you-go basis. Recognizing the growing liability for retiree health care, the County began designating funds in the late 1980's to be used for the pre-funding. These funds were deposited into a special revenue fund which was designated for retiree health care pre-funding. Beginning in October 2000 the County began regular employer contributions (1% of all full-time wages and salaries) into this fund. In October, 2004, the County created a VEBA trust specifically for the purpose of accumulating funds for the pre-funding of the OPEB liability. The funds that were in the special revenue fund that were designated for this purpose were transferred to the VEBA trust during the 2004/2005 fiscal year.

##### FUNDING POLICY

The County performed an actuarial valuation of the other post-retirement benefits liability for the year ended December 31, 2003. At that time the liability was determined to be \$179,150,908 with the computed contribution as a percentage of payroll (based on 30 year amortization of the unfunded liability) to be 22.40% or \$13,078,720.

The County has been working to systematically increase contributions into the VEBA to eventually equal the ARC (annual required contribution). First, beginning in fiscal year 2002/2003, the County began contributing 3% of gross payroll into a fund designated for retiree health care. This rate was increased to 5% in the 2003/2004 fiscal year. Second, in 2004 the County created a VEBA trust to specifically designate the funds that had been contributed for retiree health care. Third, in 2005 and 2006, all collective bargaining agreements included a provision that requires all unionized employees to make a contribution of 1% of gross wages for the funding of retiree health care benefits (OPEB). Fourth, at the beginning of the 2006/2007 fiscal year, the employer contribution rate was increased to 10% of gross payroll. Last, this was increased further for the 2007/2008 fiscal year to 20% of gross payroll. Although a portion of the OPEB costs are being paid from the VEBA trust, the County continues to appropriate funds for benefit payments in addition to the contributions as a percentage of payroll.

##### FUNDING PROGRESS

Valuation Date December 31, 2003	
Value of Assets (September 30, 2007)	\$ 30,427,079
Actuarial Accrued Liability	179,150,908
Unfunded AAL	148,723,829
Funded Ratio	16.9%
Annual Covered Payroll	\$ 58,387,145
Ratio of UAAL to Covered Payroll	2.55

## ACTUARIAL METHODS AND ASSUMPTIONS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan member) which is formally detailed in the collective bargaining agreements and County Board resolutions. These collective bargaining agreements and resolutions include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspectives of the calculations. In the December 31, 2003 actuarial valuation, the individual entry age actuarial cost method was used. The actuarial assumptions included an 8.0% investment rate of return (net of expenses), which is the expected long-term investments returns on plan assets, and an annual healthcare cost trend rate of 5%. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2003 was thirty years.

## 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, 2007 was \$7,987,500. 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 \$249,087 during the year ended September 30, 2007, 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, 2007 are \$346,394.

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

Interfund Receivable and Payables:

Government Funds:

General Fund:

Mental Health.....		\$ 20,118
Genesee County Community Action Resource Department .....	\$ 4,410,867	
Revenue Sharing Reserve.....		20,980,009
Proprietary .....	3,715,156	859,466
Non-major Governmental .....	2,104,438	
Debt .....	442,779	
Capital .....	84,602	
Internal Service.....	3,387,892	3,381,702
Total General Fund .....	14,145,734	25,241,295

Mental Health:

General Fund.....	20,118	
Internal Service.....	7,876	
Total Mental Health.....	27,994	

County Health:

Internal Service.....		398,222
Total County Health .....		398,222

Genesee County Community Action Resource Department:

General Fund.....		4,410,867
Internal Service.....		148,240
Total Genesee County Community Action Resource Department ..		4,559,107

# NOTES TO FINANCIAL STATEMENTS

## GENESEE COUNTY

## EXHIBIT A-13

Revenue Sharing Reserve:		
General Fund .....	<u>20,980,009</u>	<u>                    </u>
Total Revenue Sharing Reserve.....	<u>20,980,009</u>	<u>                    </u>
Non-major Special Revenue Funds:		
General Fund .....		2,104,438
Proprietary .....		58,656
Non-major Special Revenue .....	143,876	143,876
Debt .....	1,770	8,532
Internal Service .....		<u>490,951</u>
Total Non-major Special Revenue Funds	<u>145,646</u>	<u>2,806,453</u>
Debt:		
General Fund .....		442,779
Non-major Special Revenue .....	8,532	1,770
Debt .....	<u>10,218,170</u>	<u>10,218,170</u>
Total Debt Service .....	<u>10,226,702</u>	<u>10,662,719</u>
Capital Project:		
General Fund .....		84,602
Total Capital Project Funds....		<u>84,602</u>
Total Governmental Funds ..	<u>35,307,915</u>	<u>33,091,449</u>
Proprietary:		
Delinquent Tax:		
General Fund .....	885,731	3,715,156
Non-major Special Revenue .....	32,391	
Internal Service .....		<u>177,672</u>
Total Delinquent Tax .....	<u>918,122</u>	<u>3,892,828</u>
Total Business Type Activity .....	<u>918,122</u>	<u>3,892,828</u>
Internal Service Funds:		
General Fund .....	3,388,186	3,387,892
Mental Health .....		7,876
County Health .....	398,222	
Genesee Community Action Resource Department .....	148,240	
Non-major Governmental .....	484,467	
Proprietary .....	177,672	
Internal Service .....	<u>634</u>	<u>634</u>
Total Internal Service Funds ..	<u>4,597,421</u>	<u>3,396,402</u>
Total Interfund Receivables/Payables .....	<u>\$51,041,628</u>	<u>\$51,041,628</u>
Due to/from primary government and component units:		
Component unit Land Bank Authority .....		\$4,116,319
Primary government General Fund .....	\$2,395,000	
Primary government Capital Projects .....	192,670	
Primary government Delinquent Taxes .....	<u>1,528,559</u>	
Total Primary Government and Component Unit Interfund Receivables/Payables	<u>\$4,116,319</u>	<u>\$4,116,319</u>
Note—The interfund receivables/payables exist due to the fact that the County uses a pooled cash management account for substantially all funds.		
Long-term Advances:		
Primary Government-General Fund .....	<u>\$ 500,000</u>	
Component unit – Drains .....		<u>\$ 500,000</u>

## Interfund Transfers In/Out:

	<u>Transfers IN</u>	<u>Transfers OUT</u>
Major Funds:		
General:		
Mental Health .....		3,184,568
County Health .....	2,370,318	7,405,973
GCCARD .....		130,000
Revenue Sharing .....	9,243,278	
Proprietary .....	3,928,908	76
Non-major Special Revenue .....	1,569,346	18,529,021
Debt .....	9,966,497	2,710,651
Capital Project .....	189,037	
Internal .....	907,620	194,522
Total General Fund .....	<u>28,175,004</u>	<u>32,154,811</u>
Mental Health:		
General .....	3,184,568	
Internal .....	149,497	
Total Mental Health .....	<u>3,334,065</u>	
County Health:		
General .....	7,405,973	2,370,318
Debt .....		244,105
Non-major Special Revenue .....	238,439	
Total County Health .....	<u>7,644,412</u>	<u>2,614,423</u>
Genesee County Community Action Resource Department (GCCARD)		
General .....	130,000	
Debt .....		216,263
Total GCCARD .....	<u>130,000</u>	<u>216,263</u>
Revenue Sharing:		
General .....		9,243,278
Total Revenue Sharing .....		<u>9,243,278</u>
Non-major Special Revenue:		
General .....	18,529,021	1,569,346
County Health .....		238,439
Proprietary .....	4,912	250,000
Debt .....		41,171
Non-major Special Revenue .....	551,984	551,984
Internal .....		560,972
Total Non-major Governmental Funds .....	<u>19,085,917</u>	<u>3,211,912</u>
Debt:		
General .....	2,710,651	9,966,497
County Health .....	244,105	
GCCARD .....	216,263	
Debt .....	10,218,170	10,218,170
Non-major Special Revenue .....	41,171	
Capital Project .....	196,369	
Proprietary .....	56,184	
Total Debt Service Funds .....	<u>13,682,913</u>	<u>20,184,667</u>
Capital Project:		
General .....		189,037
Debt .....		196,369
Total Capital Projects Funds .....		<u>385,406</u>
Total Governmental Funds .....	<u>72,052,311</u>	<u>68,010,760</u>
Proprietary:		
General .....	76	3,928,908
Proprietary .....	112,319	112,319
Non-major Special Revenue .....	250,000	4,912
Debt .....		56,184
Internal .....		1,070,202
Total Proprietary Funds .....	<u>362,395</u>	<u>5,172,525</u>

# NOTES TO FINANCIAL STATEMENTS

## GENESEE COUNTY

## EXHIBIT A-13

Internal Services:		
General .....	194,522	907,620
Mental Health .....		149,497
Proprietary .....	1,070,202	
Non-major Special Revenue .....	560,972	
Internal .....	<u>8,963</u>	<u>8,963</u>
Total Internal Service Funds .....	<u>1,834,659</u>	<u>1,066,080</u>
Total Transfers In/Out .....	<u>\$74,249,365</u>	<u>\$74,249,365</u>
Interfund Transfers In/Out primary government and component units:		
Component Unit – Land Bank Authority .....	509,258	
Primary government – Proprietary .....		<u>\$ 509,258</u>
Total Primary Government and Component Unit Interfund Transfers In/Out .....	<u>\$ 509,258</u>	<u>\$ 509,258</u>

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

### NOTE L-EXCESSES OF EXPENDITURES OVER APPROPRIATIONS

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

<u>Fund</u>	<u>Excess</u>
<u>General Fund</u>	<u>Expenditures</u>
Elections Clerk .....	\$ 46,944
Capital Outlay Sheriff .....	59,086
Child Care .....	1
Internal Service .....	58,231
Community Mental Health .....	1,453,185
Community Action Resource Department .....	1,795,898
<b>Other Governmental Funds</b>	
Accommodation Ordinance Tax .....	180,692
Animal Shelter .....	48,315
Child Care .....	1,673,813
Emergency Medical Services .....	726,396
Law Enforcement .....	28,680
Parks and Recreation .....	23,320
Township Police Support Services .....	94,169

### 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 \$40,561,998 of bank deposits (checking and high balance savings accounts) that were uninsured and uncollateralized. At year end, the Economic Development Corporation had \$66,004 of bank deposits (checking and high balance savings accounts) that were uninsured and uncollateralized. At year end, the Water and Waste Services Division had \$3,703,353 of bank deposits (checking and high balance savings accounts) that were uninsured and uncollateralized. At year end, the Drain Commission had \$4,214,964 of bank deposits (checking and high balance savings accounts) that were uninsured and uncollateralized. At year end, the Land Bank Authority had \$21,368 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 by its trust department or agent but not in the Commission's name.

Brownfield Authority:

<u>Type of Investment</u>	<u>Carrying Value</u>	<u>How Held</u>
Commercial paper	\$500,000	Counterparty's trust dept

Economic Development Corporation:

<u>Type of Investment</u>	<u>Carrying Value</u>	<u>How Held</u>
U.S. gov or agency bond or notes (sweep)	\$410,123	Counterparty

Road Commission:

<u>Type of Investment</u>	<u>Carrying Value</u>	<u>How Held</u>
U.S. gov or agency bond or notes (sweep)	\$8,970,970	Counterparty

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:

Brownfield Authority:

<u>Investment</u>	<u>Fair Value</u>	<u>Less than one year</u>
Commercial paper	\$500,000	\$500,000

Road Commission:

<u>Investment</u>	<u>Fair Value</u>	<u>Less than one year</u>
Sweep account	\$8,662,429	\$8,662,429
Michigan Governmental MMF	308,541	308,541

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

Road Commission:

<u>Investment</u>	<u>Fair Value</u>	<u>Rating</u>	<u>Rating Organization</u>
Bank investment pool	\$8,662,429	Aaa	Moody's
Michigan Governmental MMF	308,541	Aaa	Moody's

Brownfield Authority:

<u>Investment</u>	<u>Fair Value</u>	<u>Rating</u>	<u>Rating Organization</u>
Commercial paper	\$500,000	A-1+	S&P

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

	<u>General Obligations Bonds &amp; Notes</u>	<u>Capital Lease Obligation</u>	<u>Total</u>
Long-term debt payable at September 30, 2004 .....	\$2,385,000	\$ 376,480	\$2,761,480
New Debt:			
Notes Issued .....	7,425,000		7,425,000
Bonds and Notes Retired .....	(1,060,000)		(1,060,000)
Lease Payments .....		(70,726)	(70,726)
Long-term debt payable at September 30, 2006 .....	<u>\$8,750,000</u>	<u>\$305,754</u>	<u>\$9,055,754</u>

The outstanding bonds and notes payable at September 30, 2007, 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.



# NOTES TO FINANCIAL STATEMENTS

## GENESEE COUNTY

## EXHIBIT A-13

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, 2006</u>	<u>Due Within One Year</u>
Michigan Transportation Fund notes:					
1998 Issue.....	August 1, 2008	3.8	445,000	445,000	445,000
1999 Issue.....	August 1, 2009	5.0	75,000	150,000	75,000
2000 Issue.....	August 1, 2010	4.6-4.8	105,000	315,000	105,000
2001 Issue.....	August 1, 2011	3.75-4.2	125,000	500,000	125,000
2002 Issue.....	August 1, 2012	2.8-3.7	25,000	125,000	25,000
2006A Issue.....	August 1, 2016	4.0	160,000-295,000	2,300,000	220,000
2006B Issue.....	August 1, 2013	5.2-5.3	50,000-90,000	485,000	70,000
2007 Issue.....	September 30, 2017	3.75-4.0	385,000-525,000	<u>4,430,000</u>	<u>385,000</u>
Total Notes .....				8,750,000	1,450,000
Capital lease obligation.....				<u>305,754</u>	<u>73,212</u>
				<u>\$9,055,754</u>	<u>\$1,523,212</u>

Annual requirements to pay principal and interest on the outstanding obligations at September 30, 2006, are as follows:

	<u>Long-term debt</u>	<u>Capital leases</u>
Year Ended 9-30-2008 .....	\$1,775,742	\$83,762
9-30-2009 .....	1,316,380	83,762
9-30-2010 .....	1,224,333	83,762
9-30-2011 .....	1,109,733	80,883
09/30/2012.....	973,758	
Remaining years.....	<u>4,035,970</u>	
Amount representing interest .....	<u>(1,685,916)</u>	<u>(26,415)</u>
	<u>\$8,750,000</u>	<u>\$305,754</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, 2006, 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, 2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance Sept. 30, 2007</u>
Capital assets not being depreciated:				
Land and improvements .....	\$ 478,816	\$	\$	\$ 478,816
Construction in progress..	2,112,683	502,998	2,112,683	502,998
Depletable assets .....	<u>1,210</u>			<u>1,210</u>
Subtotal .....	2,592,709	502,998	2,112,683	983,024
Capital assets being depreciated:				
Land improvements .....	589,765	410,897		1,000,662
Buildings and improvements.....	7,963,684	237,329		8,201,013
Equipment:				
Road.....	19,166,176	3,911,486	1,938,180	21,139,482
Shop .....	444,150			444,150
Engineering .....	102,746			102,746
Yard and Storage .....	498,964			498,964
Office .....	1,274,105	78,848	10,625	1,342,328
Lab .....	<u>13,408</u>			<u>13,408</u>
Total .....	30,052,998	4,638,560	1,948,805	32,742,753
Infrastructure-Roads.....	246,847,889	16,094,513		262,942,402
Infrastructure-Bridges.....	<u>17,783,985</u>	<u>3,787,763</u>		<u>21,571,748</u>
Subtotal.....	<u>294,684,872</u>	<u>24,520,836</u>	<u>1,948,805</u>	<u>317,256,903</u>

Less accumulated depreciation for:				
Land improvements .....	(162,885)	(49,199)		(212,084)
Buildings and improvements.....	(4,108,901)	(319,316)		(4,428,217)
Equipment:				
Road.....	(15,201,315)	(2,394,092)	(1,936,154)	(15,659,253)
Shop.....	(322,740)	(22,483)		(345,223)
Engineering.....	(88,564)	(3,418)		(91,982)
Yard and storage.....	(496,145)	(2,255)		(498,400)
Office.....	(922,011)	(92,628)	(7,145)	(1,007,494)
Lab .....	(13,408)			(13,408)
Subtotal.....	<u>(21,315,969)</u>	<u>(2,883,391)</u>	<u>(1,943,299)</u>	<u>(22,256,061)</u>
Infrastructure-Bridges .....	(3,678,737)	(472,749)		(4,151,486)
Infrastructure-Roads .....	<u>(144,943,495)</u>	<u>(8,819,536)</u>		<u>(153,763,031)</u>
Subtotal.....	<u>(148,622,232)</u>	<u>( 9,292,285)</u>		<u>(157,914,517)</u>
Total net capital assets.....	<u>\$127,339,380</u>	<u>\$12,848,158</u>	<u>\$2,118,189</u>	<u>\$138,069,349</u>

The summary of long-term debt transactions for the Water and Waste Services for the year ended December 31, 2006, is presented below:

	Balance Jan. 1, 2006	Additions (Reductions)	Balance Dec. 31, 2006	Due in One Yr
2.50% to 9.50% Interceptor and treatment facilities .....	\$34,706,420	\$ 33,960,628	\$ 67,392,048	\$5,075,000
3.25% to 9.50% District No. 3.....	39,050,000	(2,315,000)	36,735,000	2,405,000
3.70% to 5.60% District No. 7.....	250,000	(75,000)	175,000	75,000
2.50% to 8.00% Water supply system.....	<u>41,590,000</u>	<u>(1,195,000)</u>	<u>40,395,000</u>	<u>1,225,000</u>
	<u>\$115,596,420</u>	<u>\$ 29,100,628</u>	<u>\$144,697,048</u>	<u>\$8,780,000</u>

The annual requirements to pay principal and interest on the outstanding obligations for Water and Waste Services at December 31, 2006, are as follows:

	Principal	Interest	Total
2007 .....	\$ 8,780,000	\$ 5,146,948	\$13,926,948
2008 .....	8,645,000	4,856,500	13,501,500
2009 .....	6,855,000	4,582,489	11,437,489
2010 .....	7,155,000	4,352,567	11,507,567
2011 .....	7,355,000	4,102,974	11,457,974
2012-2016.....	39,772,467	16,292,446	56,064,913
2017-2021.....	29,615,000	9,726,172	39,341,172
2022-2026.....	24,939,581	5,277,056	30,216,637
2027-2031.....	9,410,000	1,889,131	11,299,131
2032-2033.....	<u>2,170,000</u>	<u>166,819</u>	<u>2,336,819</u>
Total .....	<u>\$144,697,048</u>	<u>\$56,393,105</u>	<u>\$201,090,150</u>

The following is a summary of capital assets for Water and Waste Services at December 31, 2006:

	Balance Jan. 1, 2006	Additions	Deletions	Balance Dec. 31, 2006
Proprietary fund capital assets				
Enterprise Funds:				
Capital assets not being depreciated:				
Land .....	\$ 803,596	\$ 307,704	\$	\$ 1,111,300
Distribution & collections systems	16,294,182		(16,294,182)	
Construction in progress .....	<u>63,882,858</u>	<u>40,502,291</u>		<u>104,385,149</u>
Subtotal.....	<u>80,980,636</u>	<u>40,809,995</u>	<u>(16,294,185)</u>	<u>105,496,449</u>
Capital assets being depreciated:				
Distribution & collections systems	52,419,614	16,294,182		68,713,796
Buildings and equipment.....	<u>72,017,622</u>	<u>1,007,604</u>		<u>73,025,226</u>
Subtotal.....	<u>124,437,236</u>	<u>17,301,786</u>	<u>0</u>	<u>141,739,022</u>
Less accumulated depreciation for:				
Distribution & collections systems	(8,359,728)	(2,488,268)		(10,847,996)
Buildings and equipment.....	<u>(16,669,477)</u>	<u>(459,264)</u>		<u>(17,128,741)</u>
Subtotal.....	<u>(25,029,205)</u>	<u>(2,947,532)</u>	<u>0</u>	<u>(27,976,737)</u>
Net capital assets being depreciated	<u>99,408,031</u>	<u>14,354,254</u>		<u>113,762,285</u>
Total capital assets – Net of depreciation	<u>180,388,667</u>	<u>55,164,249</u>	<u>(16,294,182)</u>	<u>219,258,734</u>
Internal Service Funds:				
Capital assets not being depreciated –				
Construction in progress .....	<u>241,970</u>		<u>(241,970)</u>	

## NOTES TO FINANCIAL STATEMENTS

### GENESEE COUNTY

### EXHIBIT A-13

Capital assets being depreciated –				
Buildings and equipment.....	6,194,241	670,574	(238,905)	6,625,910
Less accumulated depreciation –				
Buildings and equipment.....	<u>(3,353,286)</u>	<u>(589,040)</u>	<u>238,905</u>	<u>(3,703,421)</u>
Net capital assets being depreciated	<u>2,840,955</u>	<u>81,534</u>	<u>0</u>	<u>2,922,489</u>
Total capital assets – Net of depreciation	<u>3,082,925</u>	<u>81,534</u>	<u>(241,970)</u>	<u>2,922,489</u>
Total proprietary fund capital assets	<u>\$183,471,592</u>	<u>\$55,245,783</u>	<u>\$(16,536,152)</u>	<u>\$222,181,223</u>

The summary of long-term debt transactions for the Drain funds for the year ended September 30, 2007, is presented below:

	<b>Balance Oct. 1, 2006</b>	<b>Additions (Reductions)</b>	<b>Balance Sept. 30, 2007</b>	<b>Due in One Yr</b>
6.75% to 7.5% Hughes-Twenty Drainage District Bond .....	\$ 80,000	\$ (40,000)	\$ 40,000	\$40,000
5.0% to 5.6% McCollum Avenue Twenty Drain Drainage District Bond .....	540,000	(125,000)	415,000	135,000
3.69% to 6.85% Genesee County Special Assessment debt with governmental commitment.....	615,407	427,080 (260,451)	782,036	288,888
4.0% to 5.0% Genesee County Drainage District #405 Series 1997 Bonds .....	105,000	(105,000)	0	0
4.75 to 5.4% Genesee County Drainage District #1610 Series 2000 Bonds .....	500,000	(50,000)	450,000	50,000
4.0 to 4.25% Genesee County Drainage District #408 Series 2006 Bonds .....	1,110,000	(100,000)	1,010,000	100,000
4.0% Genesee County Drainage District #382 Series 2007 Bonds .....		1,965,000	1,010,000	365,000
	<u>\$2,950,407</u>	<u>\$ 1,711,629</u>	<u>\$ 4,662,036</u>	<u>\$ 680,451</u>

The annual requirements to pay principal and interest on the outstanding obligations for the Drain funds at September 30, 2007, are as follows:

2007/2008 .....	\$1,154,715
2008/2009 .....	1,045,084
2009/2010 .....	931,835
2010/2011 .....	720,087
2011/2012 .....	686,534
2012/2017 .....	766,600
	5,304,855
Amount representing interest.....	<u>(642,819)</u>
	<u>\$4,662,036</u>

The following is a summary of capital assets for the Drain fund at September 30, 2007:

	<b>Balance Oct. 1, 2006</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance Sept. 30, 2007</b>
Capital assets being depreciated:				
Equipment.....	\$1,301,197	\$ 380,980	\$ (465,000)	\$ 1,217,177
Infrastructure.....	12,780,404	1,334,815		14,115,219
Drain System Retrospective .....	29,376,026			29,376,026
Capital assets not being depreciated:				
Construction in Progress .....	896,472	1,112,757		2,009,229
Subtotal .....	<u>44,354,099</u>	<u>2,828,552</u>	<u>(465,000)</u>	<u>46,717,651</u>
Less Allowance for Depreciation ..				
Equipment.....	(873,507)	(94,619)		(968,126)
Infrastructure.....	(1,838,833)	(620,751)		(2,459,584)
Drain System Retrospective .....	<u>(16,668,261)</u>	<u>(1,164,537)</u>		<u>(17,832,798)</u>
Subtotal .....	<u>(19,380,601)</u>	<u>(1,879,907)</u>		<u>(21,260,508)</u>
Net capital assets being depreciated	<u>24,077,026</u>	<u>(164,112)</u>	<u>(465,000)</u>	<u>23,447,914</u>
Total Capital Assets				
Net of depreciation.....	<u>\$24,973,498</u>	<u>\$ 948,645</u>	<u>\$ (465,000)</u>	<u>\$ 25,457,143</u>

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

The summary of long-term debt transactions for the Genesee County Land Bank Authority for the year ended September 30, 2007, is presented below:

	<b>Balance Oct. 1, 2006</b>	<b>Additions</b>	<b>(Reductions)</b>	<b>Balance Sept. 30, 2007</b>	<b>Due In One Yr</b>
Compensated absences .....	\$16,650		\$ (7,267)	\$9,383	
State of Michigan .....		\$ 49,050		49,050	
Vehicle leases .....	<u>45,942</u>		<u>(11,427)</u>	<u>34,515</u>	<u>12,009</u>
Total long-term .....	<u>\$ 462,592</u>	<u>\$2,044,050</u>	<u>\$ (18,694)</u>	<u>\$ 2,487,948</u>	<u>\$47,009</u>

The annual requirements to pay principal and interest on the outstanding obligations at September 30, 2007, are as follows:

2007/2008 .....	\$13,512
2008/2009 .....	13,511
2009/2010 .....	<u>10,133</u>
	37,156
Amount representing interest .....	<u>2,641</u>
	<u>\$34,515</u>

The following is a summary of capital assets for the Genesee County Land Bank Authority at September 30, 2007:

	<b>Balance Oct. 1, 2006</b>	<b>Additions</b>	<b>Disposals and Adjustments</b>	<b>Balance Sept. 30, 2007</b>
Capital assets being depreciated:				
Buildings and improvements .....	\$11,421,532	\$4,301,538	\$1,365,213	\$14,357,857
Maintenance and equipment .....	30,705			30,705
Office equipment .....	87,133			87,133
Vehicles .....	<u>68,549</u>			<u>68,549</u>
Subtotal .....	<u>11,607,919</u>	<u>4,301,538</u>	<u>1,365,213</u>	<u>14,544,244</u>
Less Accumulated depreciation:				
Buildings and improvements .....	(260,046)	(441,973)	(19,253)	(682,766)
Maintenance and equipment .....	(11,031)	(6,142)		(17,173)
Office equipment .....	(24,299)	(17,427)		(41,726)
Vehicles .....	<u>(20,625)</u>	<u>(13,710)</u>		<u>(34,335)</u>
Subtotal .....	<u>(316,001)</u>	<u>(479,252)</u>	<u>(19,253)</u>	<u>(776,000)</u>
Total capital assets – Net of depreciation	<u>\$11,291,918</u>	<u>\$ 3,822,286</u>	<u>\$1,345,960</u>	<u>\$13,768,244</u>

The summary of long-term debt transactions for the Genesee County Brownfield Authority for the year ended September 30, 2007 is presented below:

	<b>Balance Oct. 1, 2006</b>	<b>Additions</b>	<b>(Reductions)</b>	<b>Balance Sept. 30, 2007</b>	<b>Due In One Yr</b>
3.0% to 5.0% Genesee County Brownfield Authority Series 2005 Tax Increment Bonds, Subject to redemption prior to maturity .....	<u>\$5,000,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 5,000,000</u>	<u>\$0</u>

The annual requirements to pay principal and interest on the outstanding obligations at September 30, 2007, are as follows:

2007/2008 .....	227,987	(interest only)
2008/2009 .....	227,987	(interest only)
2009/2010 .....	336,337	
2010/2011 .....	337,675	
2011/2012 .....	338,562	
2013-2017 .....	1,678,945	
2018-2022 .....	1,684,398	
2023-2027 .....	1,680,000	
2028-2032 .....	1,667,500	
2033-2035 .....	<u>1,001,250</u>	
	9,180,641	
Amount representing interest .....	<u>(4,180,641)</u>	
	<u>\$5,000,000</u>	

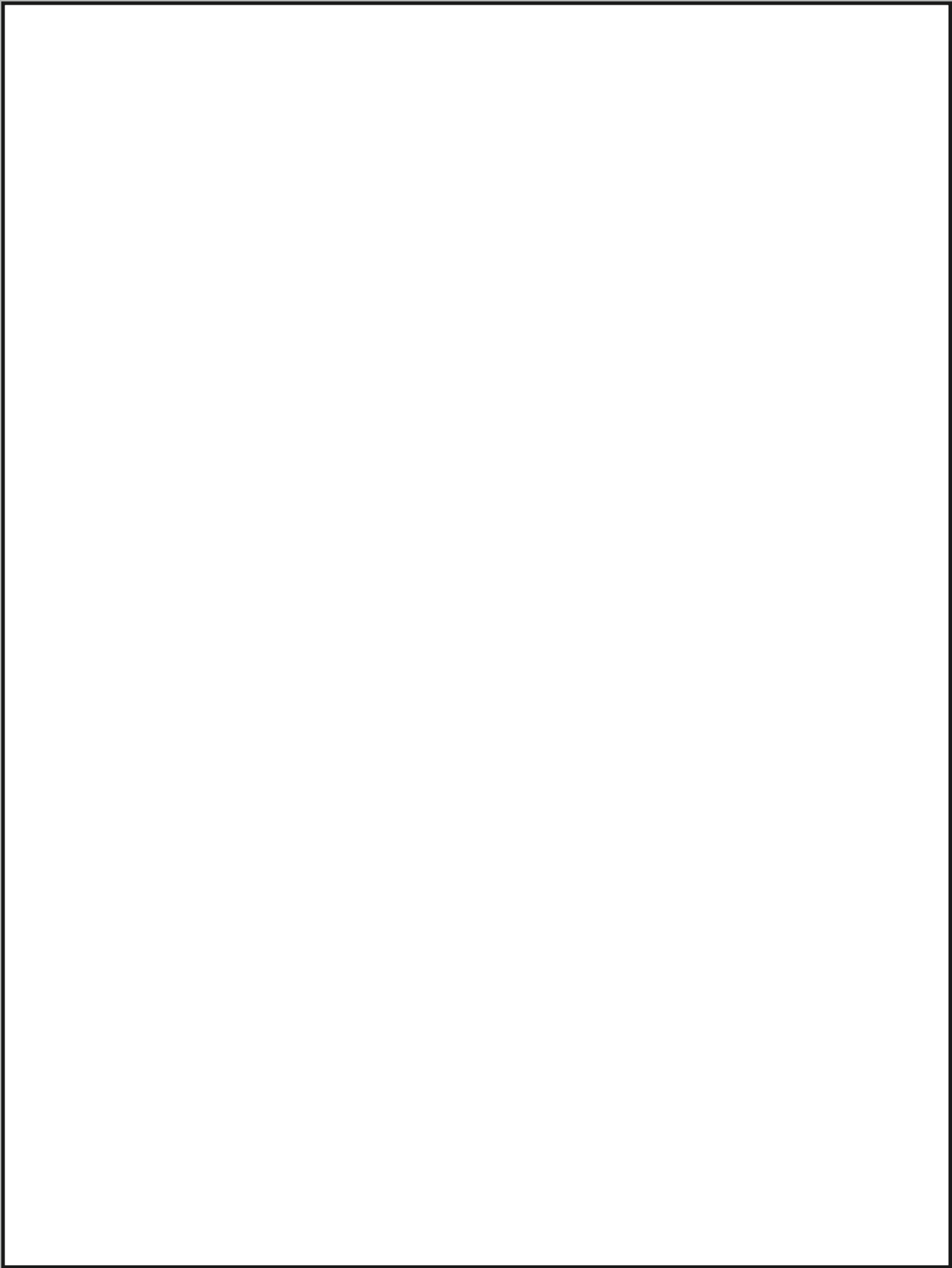
**GENESEE COUNTY EMPLOYEES' RETIREMENT SYSTEM**  
**ANALYSIS OF FUNDING PROGRESS-FOR THE YEAR ENDED DECEMBER 31, 2006**  
**REQUIRED SUPPLEMENTARY INFORMATION**

**GENESEE COUNTY**

**Exhibit A-14**

<b>Plan Year End</b>	<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a) (000's)</b>	<b>Actuarial Accrued Liability Entry Age (AAL) (b) (000's)</b>	<b>AAL (Funded) Unfunded (UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c) (000's)</b>	<b>UAAL as % of Covered Payroll (b-a)/c)</b>
12/31/06	12/31/06	\$ 445,962	\$ 490,335	\$ 44,373	91.0%	\$ 70,204	63.2%
12/31/05	12/31/05	412,739	467,582	54,842	88.3%	70,433	77.9%
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%	65,747	-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%	62,420	-58.2%
12/31/97	12/31/97	331,952	324,882	(7,070)	102.2%	61,108	-11.6%

**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, 2007			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
OPERATING REVENUE				
TAXES				
Current property taxes.....	\$ 62,653,597	\$ 64,100,255	\$ 51,759,821	\$ (12,340,434)
LICENSES AND PERMITS				
Dog licenses .....	485,000	420,000	417,256	(2,744)
Other.....	75,800	47,950	46,680	(1,270)
TOTALS	560,800	467,950	463,936	(4,014)
FINES AND FORFEITURES				
Ordinance fines and costs.....	2,438,372	2,100,902	2,229,525	128,623
Bond forfeitures .....	10,100	17,100	53,687	36,587
TOTALS	2,448,472	2,118,002	2,283,212	165,210
USE OF MONEY AND PROPERTY				
Interest earned .....	1,500,000	1,168,790	1,096,653	(72,137)
OTHER INTERGOVERNMENTAL REVENUES				
Probate judges salaries .....	198,439	198,439	90,998	(107,441)
State liquor tax.....	2,238,920	2,254,465	2,254,464	(1)
State cigarette tax.....	243,617	257,592	257,589	(3)
Other.....	4,144,318	3,982,503	3,998,779	16,276
TOTALS	6,825,294	6,692,999	6,601,830	(91,169)
CHARGES FOR SERVICES				
Animal Shelter .....	72,000	74,500	76,968	2,468
District Court.....	2,600,450	2,142,450	2,384,880	242,430
Friend of the Court.....	1,447,938	1,447,938	1,176,122	(271,816)
Probate Court .....	177,250	177,100	170,343	(6,757)
Probation fees .....	32,500	32,500	32,730	230
County Treasurer.....	1,624,600	1,425,250	1,362,348	(62,902)
County Clerk .....	946,735	1,029,305	1,038,983	9,678
Register of Deeds .....	2,820,006	2,018,506	1,808,888	(209,618)
Sheriff .....	1,452,612	1,774,819	1,587,640	(187,179)
Other services .....	293,907	329,827	539,042	209,215
TOTALS	11,467,998	10,452,195	10,177,944	(274,251)
OTHER REVENUE.....	2,097,590	1,928,885	397,717	(1,531,168)
TOTAL OPERATING REVENUE	87,553,751	86,929,076	72,781,113	(14,147,963)
TRANSFERS IN				
Enterprise Funds .....	3,863,108	3,928,909	3,928,909	0
Special Revenue Funds.....	3,947,297	4,009,797	3,939,663	(70,134)
Capital Projects Funds.....			189,037	189,037
Debt Service Funds.....			9,966,497	9,966,497
Revenue Sharing.....	9,065,184	9,243,279	9,243,278	(1)
Internal Service Funds.....	901,290	951,770	907,620	(44,150)
TOTAL TRANSFERS IN	17,776,879	18,133,755	28,175,004	10,041,249
	<u>\$ 105,330,630</u>	<u>\$ 105,062,831</u>	<u>\$ 100,956,117</u>	<u>\$ (4,106,714)</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, 2007			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
<b>LEGISLATIVE</b>				
Board of Commissioners.....	\$ 1,166,592	\$ 1,081,205	\$ 1,074,904	\$ 6,301
<b>MANAGEMENT AND PLANNING</b>				
Board Coordinator.....	451,361	426,017	399,214	26,803
Boundary Commission.....	1,200	0	0	0
County Clerk.....	3,196,699	3,068,485	3,031,727	36,758
County Treasurer.....	1,854,686	1,922,292	1,763,870	158,422
Drain Commission.....	1,501,076	1,438,020	1,408,165	29,855
Elections Clerk.....	496,489	584,389	631,333	(46,944)
Equalization.....	1,705,157	1,531,642	1,490,124	41,518
GIS.....	326,846	220,926	207,191	13,735
Register of Deeds.....	1,099,343	1,054,081	1,040,799	13,282
TOTALS	10,632,857	10,245,852	9,972,423	273,429
<b>ADMINISTRATION OF JUSTICE</b>				
Adult Probation.....	454,283	422,898	415,352	7,546
Circuit Court.....	9,623,185	9,392,650	9,359,737	32,913
District Court.....	6,207,132	5,943,831	5,826,172	117,659
Friend of the Court.....	0	0	0	0
Jury Board.....	273,049	265,434	263,805	1,629
Probate Court.....	2,690,032	2,678,060	2,664,249	13,811
Prosecutor.....	5,206,423	5,109,692	5,019,225	90,467
Court Services.....	583,399	622,341	603,640	18,701
TOTALS	25,037,503	24,434,906	24,152,180	282,726
<b>LAW ENFORCE/ COMMUNITY PROTECTION</b>				
Road Patrol.....	252,103	426,903	303,753	123,150
Office of Emergency Preparedness.....	354,425	337,521	327,437	10,084
Sheriff Administration.....	2,822,242	2,787,236	2,710,283	76,953
Sheriff Marine Division.....	94,109	91,459	69,574	21,885
Detective Division.....	1,453,030	1,478,581	1,455,696	22,885
Sheriff Security.....	17,632,924	18,504,917	18,283,742	221,175
New Paths.....	470,850	470,850	470,850	0
TOTALS	23,079,683	24,097,467	23,621,335	476,132
<b>HUMAN SERVICES</b>				
Community Mental Health.....	875,000	128,482	0	128,482
Veterans Burial.....	50,038	42,286	34,419	7,867
Veterans Information Center.....	181,698	188,632	171,652	16,980
TOTALS	1,106,736	359,400	206,071	153,329
<b>COMMUNITY ENRICHMENT AND DEVELOPMENT</b>				
Cooperative Extension.....	695,907	638,920	613,939	24,981
<b>GENERAL SUPPORT SERVICES</b>				
Affirmative Action.....	330,315	291,690	278,953	12,737

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

**Fiscal Year Ended September 30, 2007**

	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>OTHER</b>				
Other.....	\$ 3,663,414	\$ 2,995,586	\$ 2,737,276	\$ 258,310
Postretirement Benefits.....	7,987,500	7,987,500	7,987,500	0
<b>TOTALS</b>	<b>11,650,914</b>	<b>10,983,086</b>	<b>10,724,776</b>	<b>258,310</b>
<b>CAPITAL OUTLAY</b>				
Circuit Court.....	22,920	41,156	15,173	25,983
Court Services.....	0	3,900	0	3,900
District Court.....	30,000	58,975	16,351	42,624
Drain Commission.....	0	44,500	39,035	5,465
GIS.....	0	0	0	0
Prosecutor.....	22,000	33,700	9,372	24,328
Sheriff.....	97,988	110,988	17,495	93,493
Treasurers			59,086	(59,086)
All others.....	8,399	19,355	10,689	8,666
<b>TOTALS</b>	<b>181,307</b>	<b>312,574</b>	<b>167,201</b>	<b>145,373</b>
<b>DEBT SERVICE</b>				
Principal.....	0	0	0	0
<b>TOTAL EXPENDITURES</b>	<b>73,881,814</b>	<b>72,445,100</b>	<b>70,811,782</b>	<b>1,633,318</b>
<b>APPROPRIATIONS</b>				
Special Revenue:				
Administration of Justice Funds.....	4,486,234	4,407,301	4,188,160	219,141
Animal Shelter.....	1,166,134	1,177,734	1,177,734	0
Child Care.....	9,823,182	9,823,182	9,823,183	(1)
Community Action Resource Department.....	130,000	130,000	130,000	0
Community Enrichment and Development Fund	186,565	186,565	169,407	17,158
County Health.....	7,405,973	7,405,973	7,405,973	0
Debt Service Funds.....	2,719,790	2,765,375	2,710,651	54,724
Law Enforcement Funds.....	281,368	281,368	243,768	37,600
Medical Examiner.....	1,265,481	1,685,254	1,602,248	83,006
Mental Health.....	2,659,568	3,184,568	3,184,568	0
Parks and Recreation.....	548,179	548,179	548,179	0
Planning Commission.....	732,842	732,842	732,842	0
Social Services.....	43,500	43,500	43,500	0
<b>TOTALS</b>	<b>31,448,816</b>	<b>32,371,841</b>	<b>31,960,213</b>	<b>411,628</b>
Internal Service:				
Delinquent Taxes.....	0	0	76	(76)
Administrative Services.....	0	116,141	116,127	14
Vehicles and Equipment.....	0	2,202	2,200	2
Building and Grounds.....	0	18,024	76,195	(58,171)
<b>TOTALS</b>	<b>0</b>	<b>136,367</b>	<b>194,598</b>	<b>(58,231)</b>
<b>TOTAL APPROPRIATIONS</b>	<b>31,448,816</b>	<b>32,508,208</b>	<b>32,154,811</b>	<b>353,397</b>
<b>TOTAL EXPENDITURES AND APPROPRIATIONS</b>	<b>\$ 105,330,630</b>	<b>\$ 104,953,308</b>	<b>\$ 102,966,593</b>	<b>\$ 1,986,715</b>

**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, 2007			
	Original and Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
<b>MENTAL HEALTH</b>			
General Fund appropriation.....	\$ 2,600,000	\$ 3,334,065	\$ 734,065
Use of money and property.....		1,044,953	1,044,953
Federal grants.....	6,211,824	5,361,517	(850,307)
State grants.....	20,546,363	20,114,816	(431,547)
Charges for services.....	82,903,459	82,897,130	(6,329)
Other.....	1,342,101	1,587,348	245,247
TOTALS	<u>\$ 113,603,747</u>	<u>\$ 114,339,829</u>	<u>\$ 736,082</u>
<b>COUNTY HEALTH</b>			
General Fund appropriation.....	\$ 7,655,973	\$ 7,644,412	\$ (11,561)
Licenses and permits.....	804,110	820,211	16,101
Federal grants.....	2,487,062	2,128,045	(359,017)
State grants.....	9,239,362	8,857,803	(381,559)
Charges for services.....	908,802	381,233	(527,569)
Other intergovernmental revenue.....	55,252	2,480	(52,772)
Other.....	739,438	708,684	(30,754)
Other Transfers-In.....	1,491,218		(1,491,218)
TOTALS	<u>\$ 23,381,217</u>	<u>\$ 20,542,868</u>	<u>\$ (2,838,349)</u>
<b>COMMUNITY ACTION RESOURCE DEPARTMENT</b>			
General Fund appropriation.....	\$ 125,550	\$ 130,000	\$ 4,450
Federal grants.....	24,272,370	21,678,641	(2,593,729)
State grants.....	1,295,362	1,072,509	(222,853)
Other.....	5,171,826	9,423,324	4,251,498
TOTALS	<u>\$ 30,865,108</u>	<u>\$ 32,304,474</u>	<u>\$ 1,439,366</u>
<b>REVENUE SHARING RESERVE</b>			
Taxes.....	\$ 18,563,496	\$ 18,563,496	\$ 0
Use of money and property.....	868,439	868,439	0
TOTALS	<u>\$ 19,431,935</u>	<u>\$ 19,431,935</u>	<u>\$ 0</u>

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

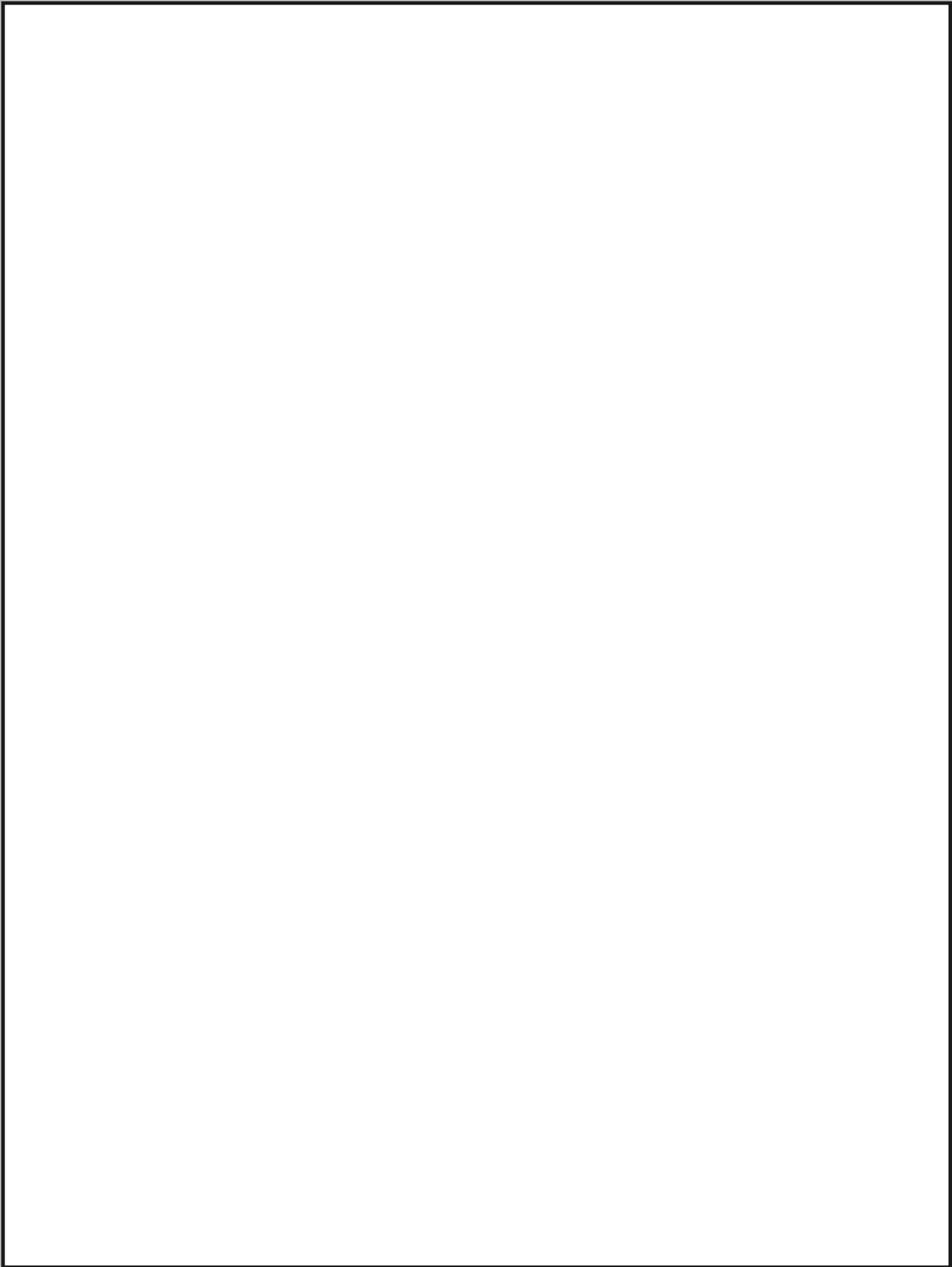
**SCHEDULE OF EXPENDITURES AND OTHER USES--BUDGET AND ACTUAL--  
MAJOR SPECIAL REVENUE FUNDS  
REQUIRED SUPPLEMENTARY INFORMATION**

**GENESEE COUNTY**

**Exhibit B-4**

	Fiscal Year Ended September 30, 2007		
	Original and Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
<b>MENTAL HEALTH</b>			
Board administration.....	\$ 16,275,773	\$ 14,431,467	\$ 1,844,306
Managed care.....	5,050,011	4,867,177	182,834
Adult services.....	33,821,957	37,449,510	(3,627,553)
Children's services.....	5,528,733	3,901,960	1,626,773
Developmentally disabled.....	45,308,642	46,361,339	(1,052,697)
Substance abuse services.....	7,466,758	7,751,986	(285,228)
Employee benefits.....	2,316,275	2,316,275	0
Capital outlay.....	151,973	151,973	0
<b>TOTALS</b>	<u>\$ 115,920,122</u>	<u>\$ 117,231,687</u>	<u>\$ (1,311,565)</u>
<b>COUNTY HEALTH</b>			
Personnel services.....	\$ 8,688,722	\$ 7,924,510	\$ 764,212
Fringe benefits.....	4,967,277	4,428,788	538,489
Supplies and services.....	9,420,812	6,572,188	2,848,624
Capital outlay.....	176,389	51,971	124,418
Transfers out.....	2,635,435	2,614,423	21,012
<b>TOTALS</b>	<u>\$ 25,888,635</u>	<u>\$ 21,591,880</u>	<u>\$ 4,296,755</u>
<b>COMMUNITY ACTION RESOURCE DEPARTMENT</b>			
Personnel services.....	\$ 10,226,062	\$ 9,874,135	\$ 351,927
Fringe benefits.....	4,847,606	5,198,969	(351,363)
Supplies and services.....	15,591,889	17,293,484	(1,701,595)
Capital outlay.....	199,551	78,155	121,396
Transfers out.....		216,263	(216,263)
<b>TOTALS</b>	<u>\$ 30,865,108</u>	<u>\$ 32,661,006</u>	<u>\$ (1,795,898)</u>
<b>REVENUE SHARING RESERVE</b>			
Other transfers-out.....	\$ 9,243,278	\$ 9,243,278	\$ 0
<b>TOTALS</b>	<u>\$ 9,243,278</u>	<u>\$ 9,243,278</u>	<u>\$ 0</u>

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



**COMBINING**  
**FUND FINANCIAL STATEMENTS**  

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**NONMAJOR GOVERNMENTAL FUNDS**

**GENESEE COUNTY**

**Exhibit C-1**

	<b>Special Revenue</b>	<b>Debt Service</b>
Cash and cash equivalents - Note C.....	\$ 11,149,842	\$ 10,618,558
Investments - Note C.....	7,800,000	
Interest and accounts receivable.....	173,137	
Due from other governmental units.....	7,917,182	5,640
Due from other County funds -- Note K.....	145,646	10,226,702
Due from component unit - Land Bank Authority.....		
Prepaid expenses.....		55,309
Supplies inventory.....	232,846	
Other assets.....	3,600	
<b>TOTAL ASSETS</b>	<b>\$ 27,422,253</b>	<b>\$ 20,906,209</b>
Accounts Payable.....	\$ 3,189,937	\$ 25,320
Accrued payroll.....	857,139	
Other accrued liabilities and deposits.....	766,842	
Due to other governmental units.....	656,310	
Due to other County funds -- Note K.....	2,806,453	10,662,719
Deferred revenue - Note H.....	912,263	
Tax anticipation notes payable.....		10,000,000
<b>TOTAL LIABILITIES</b>	<b>9,188,944</b>	<b>20,688,039</b>
Fund balances:		
Reserved for inventory	232,846	
Unreserved:		
Designated for programs and debt service.....	14,054,535	218,170
Undesignated.....	3,945,928	
<b>TOTAL FUND BALANCES</b>	<b>18,233,309</b>	<b>218,170</b>
<b>TOTAL LIABILITIES, FUND BALANCE</b>	<b>\$ 27,422,253</b>	<b>\$ 20,906,209</b>

September 30, 2007

Capital Projects	Total Nonmajor Governmental Funds
\$ 374,924	\$ 22,143,324
260,000	8,060,000
612	173,749
	7,922,822
	10,372,348
192,760	192,760
	55,309
	232,846
	3,600
<u>\$ 828,296</u>	<u>\$ 49,156,758</u>
	\$ 3,215,257
	857,139
	766,842
	656,310
\$ 84,602	13,553,774
	912,263
	10,000,000
<u>84,602</u>	<u>29,961,585</u>
	232,846
722,732	14,995,437
20,962	3,966,890
<u>743,694</u>	<u>19,195,173</u>
<u>\$ 828,296</u>	<u>\$ 49,156,758</u>



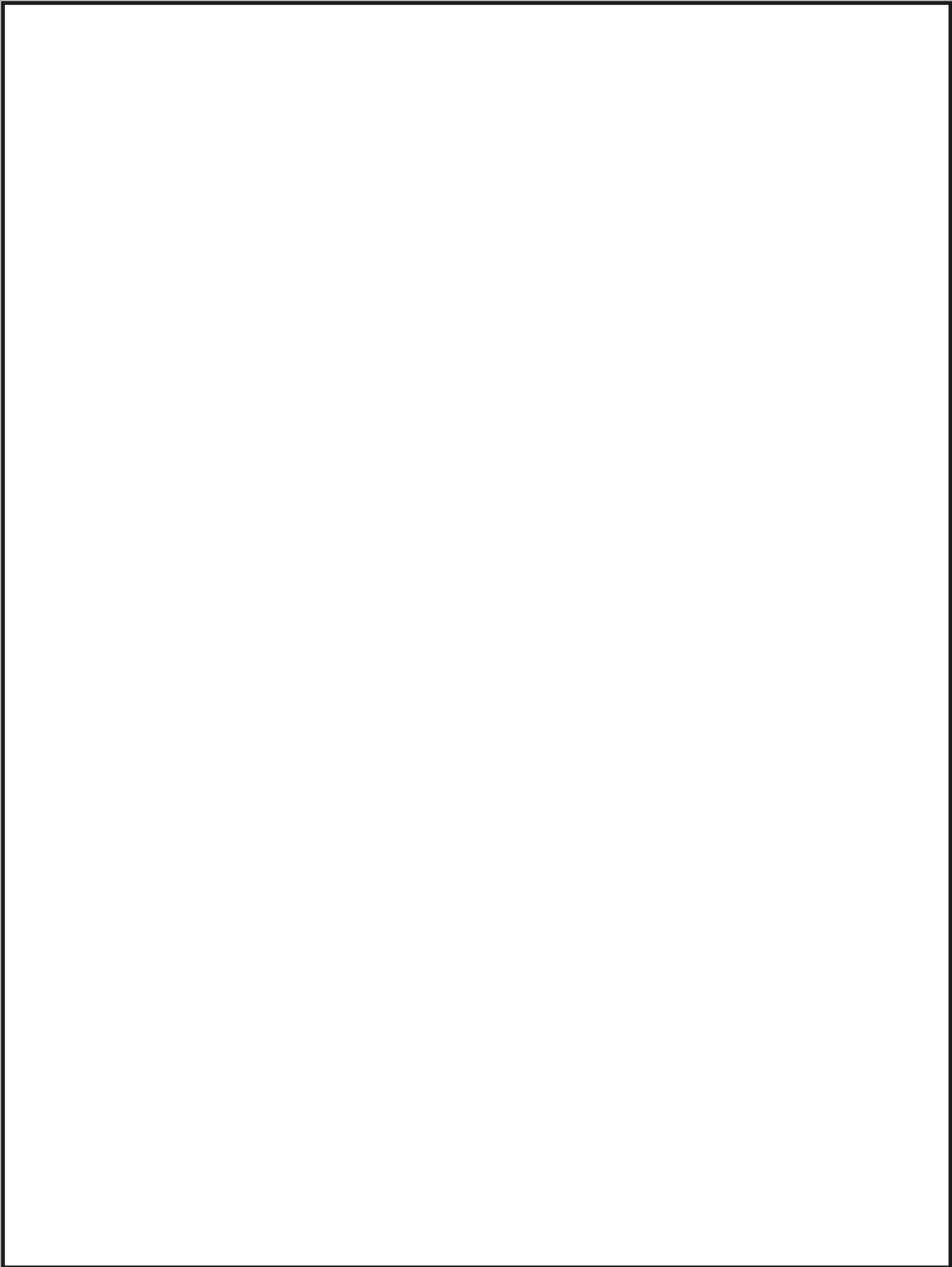
# COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--NONMAJOR GOVERNMENTAL FUNDS

GENESEE COUNTY

Exhibit C-2

		Primary Government-	
		Special Revenue	Debt Service
Revenues:			
Taxes--Note H.....		\$ 30,207,297	\$ 10,218,170
Licenses and permits.....		179,850	
Fines and forfeitures.....		432,329	
Use of money and property.....		744,989	617,973
Federal grants--Note G.....		34,318,242	
State grants--Note G.....		17,088,156	
Other intergovernmental revenues.....		129,004	
Charges for services.....		3,126,124	
Other.....		1,321,725	
	TOTAL REVENUES	87,547,716	10,836,143
Expenditures:			
Current operations:			
Management and planning.....		1,774,119	
Administration of justice.....		15,463,876	
Law enforcement and community protection.....		10,728,621	
Human services.....		58,679,109	
Community enrichment and development.....		6,148,209	
Other.....		2,642,434	35,353
Capital outlay.....		1,542,338	
Debt service--Note E:			
Principal payments.....			2,536,000
Interest.....			1,544,866
	TOTAL EXPENDITURES	96,978,706	4,116,219
	REVENUES OVER(UNDER) EXPENDITURES	(9,430,990)	6,719,924
Other financing sources (uses):			
Transfers in (out):			
Transfers-In.....		19,085,917	13,682,913
Transfers-Out.....		(3,211,912)	(20,184,667)
	TOTAL OTHER FINANCING SOURCES(USES)	15,874,005	(6,501,754)
	NET CHANGE IN FUND BALANCES	6,443,015	218,170
Fund balance at beginning of year.....		11,790,294	0
	FUND BALANCE AT END OF YEAR	\$ 18,233,309	\$ 218,170

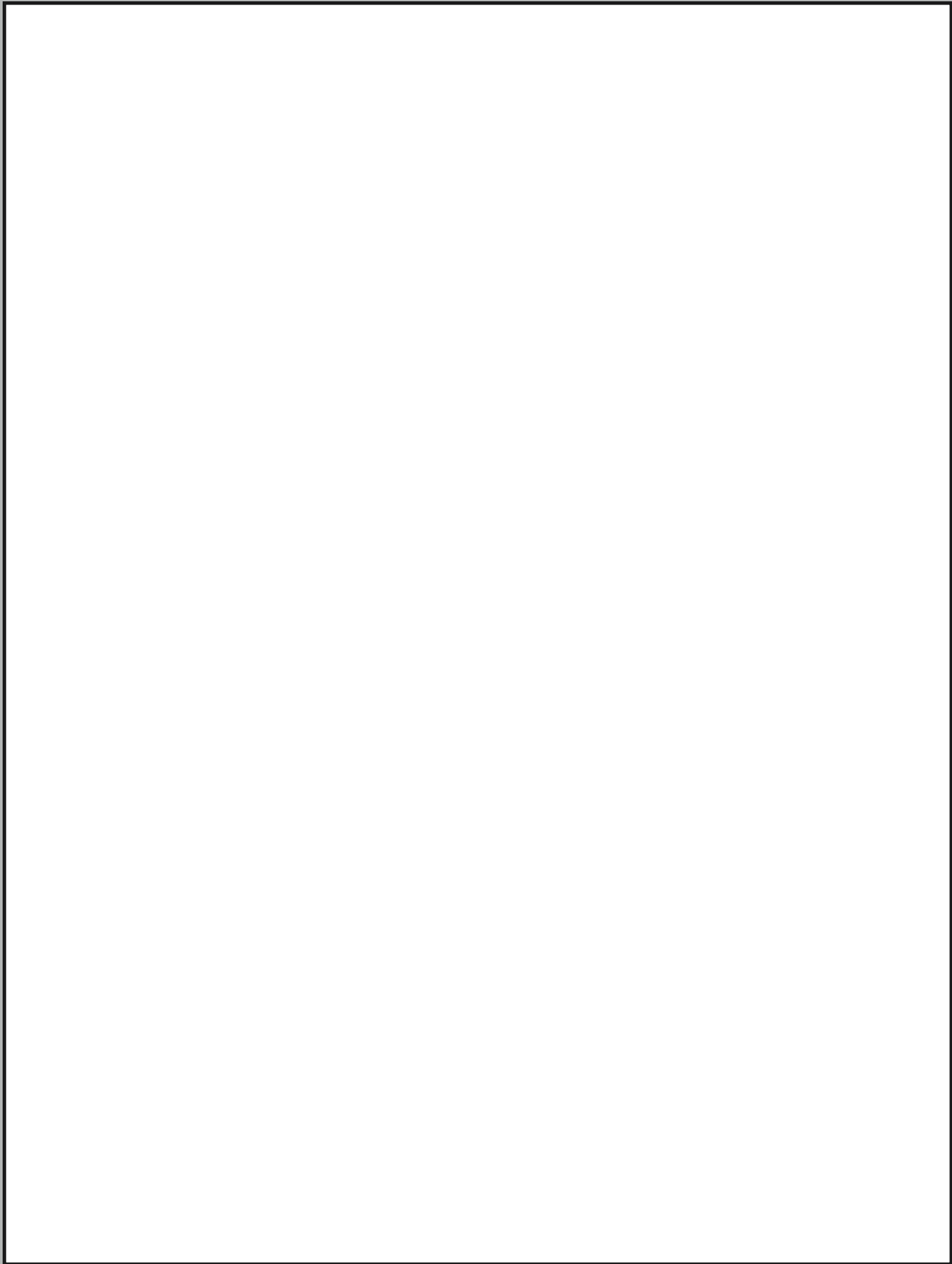
Fiscal Year Ended September 30, 2007	
Capital Projects	Total Nonmajor Governmental Funds
	\$ 40,425,467
	179,850
	432,329
\$ 21,908	1,384,870
	34,318,242
	17,088,156
	129,004
	3,126,124
438,197	1,759,922
460,105	98,843,964
	1,774,119
	15,463,876
	10,728,621
	58,679,109
	6,148,209
44,624	2,722,411
12,500	1,554,838
	2,536,000
	1,544,866
57,124	101,152,049
402,981	(2,308,085)
	32,768,830
(385,406)	(23,781,985)
(385,406)	8,986,845
17,575	6,678,760
726,119	12,516,413
\$ 743,694	\$ 19,195,173



**COMBINING  
FINANCIAL STATEMENTS**  

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**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.

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

**Health Care Services** - to account for the costs of providing health care to low income, uninsured persons, in addition to substantially improving the quality of life of those persons. Financing is provided by an annual property tax levy.

**Law Enforcement** - to account for programs designated for the support of local law enforcement efforts in Genesee County. Financing is provided through various Federal and State grants and General Fund appropriations.

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

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

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

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

**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.

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

# COMBINING BALANCE SHEET--NONMAJOR SPECIAL REVENUE FUNDS

GENESEE COUNTY

Exhibit D-1

	Accommodation Ordinance Tax	Administration of Justice	Animal Shelter
ASSETS			
Cash and cash equivalents.....	\$ 338,366		\$ 53,321
Investments.....		\$ 20,608	
Interest and accounts receivable.....		1,949,185	
Due from other governmental units.....			
Due from other County funds.....			
Supplies inventory.....			
Other assets.....			
TOTAL ASSETS	<u>\$ 338,366</u>	<u>\$ 1,969,793</u>	<u>\$ 53,321</u>
LIABILITIES AND FUND BALANCES			
Accounts payable.....	\$ 256,400	\$ 216,783	\$ 3,594
Accrued payroll.....		346,694	26,996
Other accrued liabilities and deposits.....		618,188	
Due to other governmental units.....		5,763	
Due to other County funds.....	81,966	147,091	
Deferred revenue.....		20,735	
TOTAL LIABILITIES	<u>338,366</u>	<u>1,355,254</u>	<u>30,590</u>
Fund balances:			
Reserved for inventory.....			
Unreserved:			
Designated for programs.....		614,539	22,731
Undesignated.....			
TOTAL FUND BALANCES	<u>0</u>	<u>614,539</u>	<u>22,731</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 338,366</u>	<u>\$ 1,969,793</u>	<u>\$ 53,321</u>

September 30, 2007

Child Care	Community Development	Community Enrichment and Development	Drug Forfeiture	Emergency Medical Services	Health Care Services
	\$ 22,453	\$ 1,873,394	\$ 586,763	\$ 4,036,472	\$ 2,789,296
		3,606			1,789
\$ 903,790	115,245	53,306		1,770	
<u>\$ 903,790</u>	<u>\$ 137,698</u>	<u>\$ 1,930,306</u>	<u>\$ 586,763</u>	<u>\$ 4,038,242</u>	<u>\$ 2,791,085</u>
\$ 139,503	\$ 95,883	\$ 11,447	\$ 675	\$ 4,795	
144,559		5,315	3,015	124,499	
	11,630		1,523		
751,576	30,185			377,132	6,743
		7,321	63,657		
<u>1,035,638</u>	<u>137,698</u>	<u>24,083</u>	<u>68,870</u>	<u>506,426</u>	<u>\$ 6,743</u>
(131,848)			517,893	3,531,816	2,784,342
		1,906,223			
<u>(131,848)</u>	<u>0</u>	<u>1,906,223</u>	<u>517,893</u>	<u>3,531,816</u>	<u>2,784,342</u>
<u>\$ 903,790</u>	<u>\$ 137,698</u>	<u>\$ 1,930,306</u>	<u>\$ 586,763</u>	<u>\$ 4,038,242</u>	<u>\$ 2,791,085</u>

(Continued)



# COMBINING BALANCE SHEET-NONMAJOR SPECIAL REVENUE FUNDS-CONTINUED

GENESEE COUNTY

Exhibit D-1 Continued

	Law Enforcement	Medical Examiner	Parks and Recreation
<b>ASSETS</b>			
Cash and cash equivalents.....		\$ 390,185	\$ 208,988
Investments.....			2,800,000
Interest and accounts receivable.....	\$ 27,362	4,872	53,203
Due from other governmental units.....	783,795		60,221
Due from other County funds.....			81,967
Supplies inventory.....			232,846
Other assets.....	802	2,613	
<b>TOTAL ASSETS</b>	<u>\$ 811,959</u>	<u>\$ 397,670</u>	<u>\$ 3,437,225</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Accounts payable.....	\$ 56,504	\$ 372,842	\$ 234,668
Accrued payroll.....	53,307	15,029	153,694
Other accrued liabilities and deposits.....			4,095
Due to other governmental units.....			
Due to other County funds.....	472,181	9,799	153,038
Deferred revenue.....			3,185
<b>TOTAL LIABILITIES</b>	<u>581,992</u>	<u>397,670</u>	<u>548,680</u>
<b>Fund balances:</b>			
Reserved for inventory.....			232,846
Unreserved:			
Designated for programs.....	229,967		751,532
Undesignated.....			1,904,167
<b>TOTAL FUND BALANCES</b>	<u>229,967</u>	<u>0</u>	<u>2,888,545</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 811,959</u>	<u>\$ 397,670</u>	<u>\$ 3,437,225</u>

September 30, 2007

Planning Commission	Senior Services	Social Services	Township Police Support Services	Workforce Investment Act Program	Total
\$ 328,521	\$ 237,269	\$ 284,814			\$ 11,149,842
	5,000,000				7,800,000
59,025	2,672				173,137
209,424		206,059	\$ 361,879	\$ 3,274,278	7,917,182
61,909					145,646
					232,846
			185		3,600
<u>\$ 658,879</u>	<u>\$ 5,239,941</u>	<u>\$ 490,873</u>	<u>\$ 362,064</u>	<u>\$ 3,274,278</u>	<u>\$ 27,422,253</u>
\$ 8,070	\$ 35,625	\$ 35,762	\$ 9	\$ 1,717,377	\$ 3,189,937
67,775	5,691		55,124		857,139
		267,000		370,394	766,842
	36,669		306,931	433,142	656,310
64,000				753,365	2,806,453
<u>139,845</u>	<u>77,985</u>	<u>302,762</u>	<u>362,064</u>	<u>3,274,278</u>	<u>9,188,944</u>
					232,846
383,496	5,161,956	188,111			14,054,535
<u>135,538</u>					<u>3,945,928</u>
519,034	5,161,956	188,111	0	0	18,233,309
<u>\$ 658,879</u>	<u>\$ 5,239,941</u>	<u>\$ 490,873</u>	<u>\$ 362,064</u>	<u>\$ 3,274,278</u>	<u>\$ 27,422,253</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.....	\$ 1,196,692		
Licenses and permits.....			
Fines and forfeitures.....			
Use of money and property.....			
Federal grants.....		\$ 7,753,847	
State grants.....		2,835,960	
Other intergovernmental revenue.....		36,604	
Charges for services.....		839,471	
Other.....		12,507	\$ 47,457
TOTAL REVENUES	1,196,692	11,478,389	47,457
Expenditures:			
Current Operations:			
Management and planning.....			
Administration of justice.....		15,463,876	
Law enforcement and community protection.....			1,224,528
Human services.....			
Community enrichment and development.....	902,519		
Other.....			
Capital outlay.....		7,093	7,803
Debt Service:			
Principal Payments.....			
TOTAL EXPENDITURES	902,519	15,470,969	1,232,331
REVENUES OVER (UNDER) EXPENDITURES	294,173	(3,992,580)	(1,184,874)
Other financing sources (uses):			
Transfers in (out):			
Transfers-In.....		4,188,160	1,186,598
Transfers-Out.....	(294,173)	(334,928)	
TOTAL OTHER FINANCING SOURCES (USES)	(294,173)	3,853,232	1,186,598
NET CHANGE IN FUND BALANCES	0	(139,348)	1,724
Fund balances at beginning of year.....		753,887	21,007
FUND BALANCES AT END OF YEAR	\$ 0	\$ 614,539	\$ 22,731

**Fiscal Year Ended September 30, 2007**

<b>Child Care</b>	<b>Community Development</b>	<b>Community Enrichment and Development</b>	<b>Drug Forfeiture</b>	<b>Emergency Medical Services</b>	<b>Health Care Services</b>
				\$ 4,577,072	\$ 11,190,059
			\$ 432,329	240,552	57,720
97,155	\$ 3,354,588	2,528			
7,348,228		291,514			
			81,124		
372,099		462,543			
416,298	165,033	26,735			
<u>8,233,780</u>	<u>3,519,621</u>	<u>783,320</u>	<u>513,453</u>	<u>4,817,624</u>	<u>11,247,779</u>
18,857,853	3,519,621		164,337	4,845,399	8,224,998
		676,181			
			14,779	30,290	
<u>18,857,853</u>	<u>3,519,621</u>	<u>676,181</u>	<u>179,116</u>	<u>4,875,689</u>	<u>8,224,998</u>
<u>(10,624,073)</u>	<u>0</u>	<u>107,139</u>	<u>334,337</u>	<u>(58,065)</u>	<u>3,022,781</u>
9,823,183		186,386			
(1,095,166)		(106,209)	(50,000)		(238,439)
<u>8,728,017</u>	<u>0</u>	<u>80,177</u>	<u>(50,000)</u>	<u>0</u>	<u>(238,439)</u>
(1,896,056)	0	187,316	284,337	(58,065)	2,784,342
<u>1,764,208</u>	<u>0</u>	<u>1,718,907</u>	<u>233,556</u>	<u>3,589,881</u>	<u>2,784,342</u>
<u>\$ (131,848)</u>	<u>\$ 0</u>	<u>\$ 1,906,223</u>	<u>\$ 517,893</u>	<u>\$ 3,531,816</u>	<u>\$ 2,784,342</u>

(Continued)

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

**GENESEE COUNTY**

**Exhibit D-2 Continued**

	<b>Law Enforcement</b>	<b>Medical Examiner</b>	<b>Parks and Recreation</b>
Revenues:			
Taxes.....			\$ 5,518,007
Licenses and permits.....	\$ 172,890		
Fines and forfeitures.....			
Use of money and property.....			371,452
Federal grants.....	1,960,314		
State grants.....	1,202,476		62,162
Other intergovernmental revenue.....	11,276		
Charges for services.....	251,675	\$ 38,439	871,883
Other.....	149,534		450,744
<b>TOTAL REVENUES</b>	<b>3,748,165</b>	<b>38,439</b>	<b>7,274,248</b>
Expenditures:			
Current Operations:			
Management and planning.....			
Administration of justice.....			
Law enforcement and community protection.....	2,582,476		
Human services.....		1,600,472	
Community enrichment and development.....			4,569,509
Other.....			2,642,434
Capital outlay.....	1,442,158	40,215	
Debt Service:			
Principal Payments.....			
<b>TOTAL EXPENDITURES</b>	<b>4,024,634</b>	<b>1,640,687</b>	<b>7,211,943</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(276,469)</b>	<b>(1,602,248)</b>	<b>62,305</b>
Other financing sources (uses):			
Transfers in (out):			
Transfers-In.....	265,648	1,602,248	1,057,352
Transfers-Out.....	(78,188)		(1,005,631)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>187,460</b>	<b>1,602,248</b>	<b>51,721</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(89,009)</b>	<b>0</b>	<b>114,026</b>
Fund balances at beginning of year.....	318,976		2,774,519
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 229,967</b>	<b>\$ 0</b>	<b>\$ 2,888,545</b>

**Fiscal Year Ended September 30, 2007**

<b>Planning Commission</b>	<b>Senior Services</b>	<b>Social Services</b>	<b>Township Police Support Services</b>	<b>Workforce Investment Act Program</b>	<b>Total</b>
\$ 6,960	\$ 7,725,467				\$ 30,207,297
					179,850
					432,329
	75,265				744,989
635,073				\$ 20,514,737	34,318,242
54,223		\$ 2,284,763	\$ 1,911,881	1,096,949	17,088,156
					129,004
290,014					3,126,124
53,417					1,321,725
<u>1,039,687</u>	<u>7,800,732</u>	<u>2,284,763</u>	<u>1,911,881</u>	<u>21,611,686</u>	<u>87,547,716</u>
1,774,119					1,774,119
					15,463,876
			1,911,881		10,728,621
	2,638,776	2,225,703		21,611,686	58,679,109
					6,148,209
					2,642,434
					1,542,338
					0
<u>1,774,119</u>	<u>2,638,776</u>	<u>2,225,703</u>	<u>1,911,881</u>	<u>21,611,686</u>	<u>96,978,706</u>
<u>(734,432)</u>	<u>5,161,956</u>	<u>59,060</u>	<u>0</u>	<u>0</u>	<u>(9,430,990)</u>
732,842		43,500			19,085,917
(9,178)					(3,211,912)
<u>723,664</u>	<u></u>	<u>43,500</u>	<u>0</u>	<u>0</u>	<u>15,874,005</u>
(10,768)	5,161,956	102,560	0	0	6,443,015
<u>529,802</u>	<u></u>	<u>85,551</u>	<u></u>	<u></u>	<u>11,790,294</u>
<u>\$ 519,034</u>	<u>\$ 5,161,956</u>	<u>\$ 188,111</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 18,233,309</u>

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

**GENESEE COUNTY**

**Exhibit D-3**

Fiscal Year Ended September 30, 2007			
	Original and Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
<b>ACCOMMODATION ORDINANCE TAX</b>			
Taxes.....	\$ 1,016,000	\$ 1,196,692	\$ 180,692
TOTALS	<u>\$ 1,016,000</u>	<u>\$ 1,196,692</u>	<u>\$ 180,692</u>
<b>ADMINISTRATION OF JUSTICE</b>			
General Fund appropriation.....	\$ 4,326,972	\$ 4,188,160	\$ (138,812)
Federal grants.....	7,753,847	7,753,847	0
State grants.....	3,729,666	2,835,960	(893,706)
Charges for services.....	744,312	839,471	95,159
Other.....	27,056	12,507	(14,549)
Other intergovernmental revenue.....	5,146	36,604	31,458
TOTALS	<u>\$ 16,586,999</u>	<u>\$ 15,666,549</u>	<u>\$ (920,450)</u>
<b>ANIMAL SHELTER</b>			
General Fund appropriation.....	\$ 1,177,734	\$ 1,177,734	\$ 0
Other.....		47,457	47,457
Other Transfers-In.....	6,282	8,864	2,582
TOTALS	<u>\$ 1,184,016</u>	<u>\$ 1,234,055</u>	<u>\$ 50,039</u>
<b>CHILD CARE</b>			
General Fund appropriation.....	\$ 9,823,183	\$ 9,823,183	\$ 0
Federal grants.....	60,000	97,155	37,155
State grants.....	7,102,839	7,348,228	245,389
Charges for services.....	296,844	372,099	75,255
Other.....	416,156	416,298	142
TOTALS	<u>\$ 17,699,022</u>	<u>\$ 18,056,963</u>	<u>\$ 357,941</u>
<b>COMMUNITY DEVELOPMENT</b>			
Federal grants.....	\$ 3,354,588	\$ 3,354,588	\$ 0
Other.....	165,033	165,033	0
TOTALS	<u>\$ 3,519,621</u>	<u>\$ 3,519,621</u>	<u>\$ 0</u>
<b>COMMUNITY ENRICHMENT AND DEVELOPMENT</b>			
General Fund appropriation.....	\$ 186,565	\$ 186,386	\$ (179)
Federal grants.....		2,528	2,528
State grants.....	230,471	291,514	61,043
Charges for services.....	809,263	462,543	(346,720)
Other.....		26,735	26,735
TOTALS	<u>\$ 1,226,299</u>	<u>\$ 969,706</u>	<u>\$ (256,593)</u>
<b>DRUG FORFEITURES</b>			
Fines and forfeitures.....	\$ 432,329	\$ 432,329	\$ 0
Other intergovernmental revenue.....	81,124	81,124	0
TOTALS	<u>\$ 513,453</u>	<u>\$ 513,453</u>	<u>\$ 0</u>
<b>EMERGENCY MEDICAL SERVICES</b>			
Taxes.....	\$ 4,139,768	\$ 4,577,072	\$ 437,304
Use of money and property.....		240,552	240,552
TOTALS	<u>\$ 4,139,768</u>	<u>\$ 4,817,624</u>	<u>\$ 677,856</u>
<b>HEALTH CARE SERVICES</b>			
Taxes.....	\$ 11,192,556	\$ 11,190,059	(2,497)
Use of money and property.....	57,720	57,720	0
TOTALS	<u>\$ 11,250,276</u>	<u>\$ 11,247,779</u>	<u>\$ (2,497)</u>

**Fiscal Year Ended September 30, 2007**

	<b>Original and Final Budgeted Amounts</b>	<b>Actual</b>	<b>Variance with Final Budget- Positive (Negative)</b>
<b>LAW ENFORCEMENT</b>			
General Fund appropriation.....	\$ 355,923	\$ 265,648	\$ (90,275)
Licenses and permits.....	146,679	172,890	26,211
Federal grants.....	1,927,435	1,960,314	32,879
State grants.....	1,352,574	1,202,476	(150,098)
Charges for services.....	101,959	251,675	149,716
Other.....	183,886	149,534	(34,352)
Other intergovernmental revenue.....		11,276	11,276
<b>TOTALS</b>	<u><u>\$ 4,068,456</u></u>	<u><u>\$ 4,013,813</u></u>	<u><u>\$ (54,643)</u></u>
<b>MEDICAL EXAMINER</b>			
General Fund appropriation.....	\$ 1,615,687	\$ 1,602,248	\$ (13,439)
Charges for services.....	25,000	38,439	13,439
<b>TOTALS</b>	<u><u>\$ 1,640,687</u></u>	<u><u>\$ 1,640,687</u></u>	<u><u>\$ 0</u></u>
<b>PARKS AND RECREATION</b>			
General Fund appropriation.....	\$ 548,179	\$ 548,179	\$ 0
Taxes.....	5,369,577	5,518,007	148,430
Use of money and property.....	240,000	371,452	131,452
State grants.....		62,162	62,162
Other Transfers-In.....	294,173	509,173	215,000
Charges for services.....	1,288,602	871,883	(416,719)
Other.....	444,200	450,744	6,544
<b>TOTALS</b>	<u><u>\$ 8,184,731</u></u>	<u><u>\$ 8,331,600</u></u>	<u><u>\$ 146,869</u></u>
<b>PLANNING COMMISSION</b>			
General Fund appropriation.....	\$ 732,842	\$ 732,842	\$ 0
Licenses and permits.....		6,960	6,960
Federal grants.....	1,930,596	635,073	(1,295,523)
State grants.....	73,423	54,223	(19,200)
Charges for services.....	156,056	290,014	133,958
Other.....	20,000	53,417	33,417
<b>TOTALS</b>	<u><u>\$ 2,912,917</u></u>	<u><u>\$ 1,772,529</u></u>	<u><u>\$ (1,140,388)</u></u>
<b>SENIOR SERVICES</b>			
Taxes.....	\$ 7,753,486	\$ 7,725,467	(28,019)
Use of money and property.....		75,265	75,265
<b>TOTALS</b>	<u><u>\$ 7,753,486</u></u>	<u><u>\$ 7,800,732</u></u>	<u><u>\$ 47,246</u></u>
<b>SOCIAL SERVICES</b>			
General Fund appropriation.....	\$ 43,500	\$ 43,500	\$ 0
State grants.....	2,284,763	2,284,763	0
<b>TOTALS</b>	<u><u>\$ 2,328,263</u></u>	<u><u>\$ 2,328,263</u></u>	<u><u>\$ 0</u></u>
<b>TOWNSHIP POLICE SUPPORT SERVICES</b>			
Other intergovernmental revenue.....	\$ 1,817,712	\$ 1,911,881	\$ 94,169
<b>TOTALS</b>	<u><u>\$ 1,817,712</u></u>	<u><u>\$ 1,911,881</u></u>	<u><u>\$ 94,169</u></u>
<b>WORKFORCE INVESTMENT ACT PROGRAM</b>			
Federal grants.....	\$ 20,514,737	\$ 20,514,737	\$ 0
State grants.....	1,096,949	1,096,949	0
<b>TOTALS</b>	<u><u>\$ 21,611,686</u></u>	<u><u>\$ 21,611,686</u></u>	<u><u>\$ 0</u></u>



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

GENESEE COUNTY

Exhibit D-4

	Fiscal Year Ended September 30, 2007		
	Original and Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
<b>ACCOMMODATION ORDINANCE TAX</b>			
Supplies and services.....	\$ 767,000	\$ 902,519	\$ (135,519)
Transfer to Parks and Recreation.....	249,000	294,173	(45,173)
TOTALS	<u>\$ 1,016,000</u>	<u>\$ 1,196,692</u>	<u>\$ (180,692)</u>
<b>ADMINISTRATION OF JUSTICE</b>			
Personnel services.....	\$ 7,089,815	\$ 7,209,090	\$ (119,275)
Fringe benefits.....	4,109,851	3,934,693	175,158
Supplies and services.....	4,955,790	4,320,093	635,697
Capital outlay.....	101,000	7,093	93,907
Other transfers-out.....		334,928	(334,928)
TOTALS	<u>\$ 16,256,456</u>	<u>\$ 15,805,897</u>	<u>\$ 450,559</u>
<b>ANIMAL SHELTER</b>			
Personnel services.....	\$ 456,639	\$ 532,433	\$ (75,794)
Fringe benefits.....	311,589	329,031	(17,442)
Supplies and services.....	410,876	363,064	47,812
Capital outlay.....	4,912	7,803	(2,891)
TOTALS	<u>\$ 1,184,016</u>	<u>\$ 1,232,331</u>	<u>\$ (48,315)</u>
<b>CHILD CARE</b>			
Foster care.....	\$ 1,439,538	\$ 1,066,725	\$ 372,813
Private institutional care.....	8,401,811	9,811,752	(1,409,941)
Juvenile detention center.....	4,470,021	4,011,540	458,481
Training schools.....	3,387,652	3,967,836	
Other transfers-out.....		1,095,166	(1,095,166)
TOTALS	<u>\$ 17,699,022</u>	<u>\$ 19,953,019</u>	<u>\$ (1,673,813)</u>
<b>COMMUNITY DEVELOPMENT</b>			
Supplies and services.....	\$ 590,377	\$ 590,377	\$ 0
Program grants.....	2,929,244	2,929,244	0
TOTALS	<u>\$ 3,519,621</u>	<u>\$ 3,519,621</u>	<u>\$ 0</u>
<b>COMMUNITY ENRICHMENT AND DEVELOPMENT</b>			
Personnel services.....	\$ 149,469	\$ 94,698	\$ 54,771
Fringe benefits.....	66,180	52,241	13,939
Supplies and services.....	974,135	525,822	448,313
Other.....		3,420	(3,420)
Other transfers-out.....	10,519	106,209	(95,690)
TOTALS	<u>\$ 1,200,303</u>	<u>\$ 782,390</u>	<u>\$ 417,913</u>
<b>DRUG FORFEITURES</b>			
Personnel services.....	\$ 58,883	\$ 58,883	\$ 0
Fringe benefits.....	43,422	43,422	0
Supplies and services.....	62,032	62,032	0
Capital outlay.....	14,779	14,779	0
Other transfers-out.....	50,000	50,000	0
TOTALS	<u>\$ 229,116</u>	<u>\$ 229,116</u>	<u>\$ 0</u>

**Fiscal Year Ended September 30, 2007**

	<b>Original and Final Budgeted Amounts</b>	<b>Actual</b>	<b>Variance with Final Budget- Positive (Negative)</b>
<b>EMERGENCY MEDICAL SERVICES</b>			
Personnel services.....	\$ 2,358,645	\$ 2,569,053	\$ (210,408)
Fringe benefits.....	1,495,123	1,525,616	(30,493)
Supplies and services.....	295,523	750,730	(455,207)
Capital outlay.....		30,290	(30,290)
<b>TOTALS</b>	<b><u>\$ 4,149,291</u></b>	<b><u>\$ 4,875,689</u></b>	<b><u>\$ (726,398)</u></b>
<b>HEALTH CARE SERVICES</b>			
Supplies and services.....	\$ 11,004,522	\$ 8,224,998	2,779,524
Other transfers-out.....	250,000	238,439	11,561
<b>TOTALS</b>	<b><u>\$ 11,254,522</u></b>	<b><u>\$ 8,463,437</u></b>	<b><u>\$ 2,791,085</u></b>
<b>LAW ENFORCEMENT</b>			
Personnel services.....	\$ 1,159,617	\$ 1,119,922	\$ 39,695
Fringe benefits.....	506,169	518,576	(12,407)
Supplies and services.....	772,678	718,171	54,507
Other.....		225,807	(225,807)
Capital outlay.....	1,462,271	1,442,158	20,113
Other transfers-out.....	173,407	78,188	95,219
<b>TOTALS</b>	<b><u>\$ 4,074,142</u></b>	<b><u>\$ 4,102,822</u></b>	<b><u>\$ (28,680)</u></b>
<b>Medical Examiner</b>			
Personnel services.....	\$ 192,498	\$ 205,974	\$ (13,476)
Fringe benefits.....	99,330	93,996	5,334
Supplies and services.....	1,306,068	1,300,502	5,566
Capital outlay.....	42,791	40,215	2,576
<b>TOTALS</b>	<b><u>\$ 1,640,687</u></b>	<b><u>\$ 1,640,687</u></b>	<b><u>\$ 0</u></b>
<b>PARKS AND RECREATION</b>			
Personnel services.....	\$ 2,645,122	\$ 2,905,814	\$ (260,692)
Fringe benefits.....	908,075	908,369	(294)
Supplies and services.....	683,215	755,326	(72,111)
Other.....	2,727,211	2,642,434	84,777
Capital outlay.....	225,000		225,000
Other transfers-out.....	1,005,631	1,005,631	0
<b>TOTALS</b>	<b><u>\$ 8,194,254</u></b>	<b><u>\$ 8,217,574</u></b>	<b><u>\$ (23,320)</u></b>
<b>PLANNING COMMISSION</b>			
Personnel services.....	\$ 1,363,884	\$ 769,311	\$ 594,573
Fringe benefits.....	729,570	707,029	22,541
Supplies and services.....	813,285	297,779	515,506
Other transfers-out.....	9,178	9,178	0
<b>TOTALS</b>	<b><u>\$ 2,915,917</u></b>	<b><u>\$ 1,783,297</u></b>	<b><u>\$ 1,132,620</u></b>

(Continued)

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

**GENESEE COUNTY**

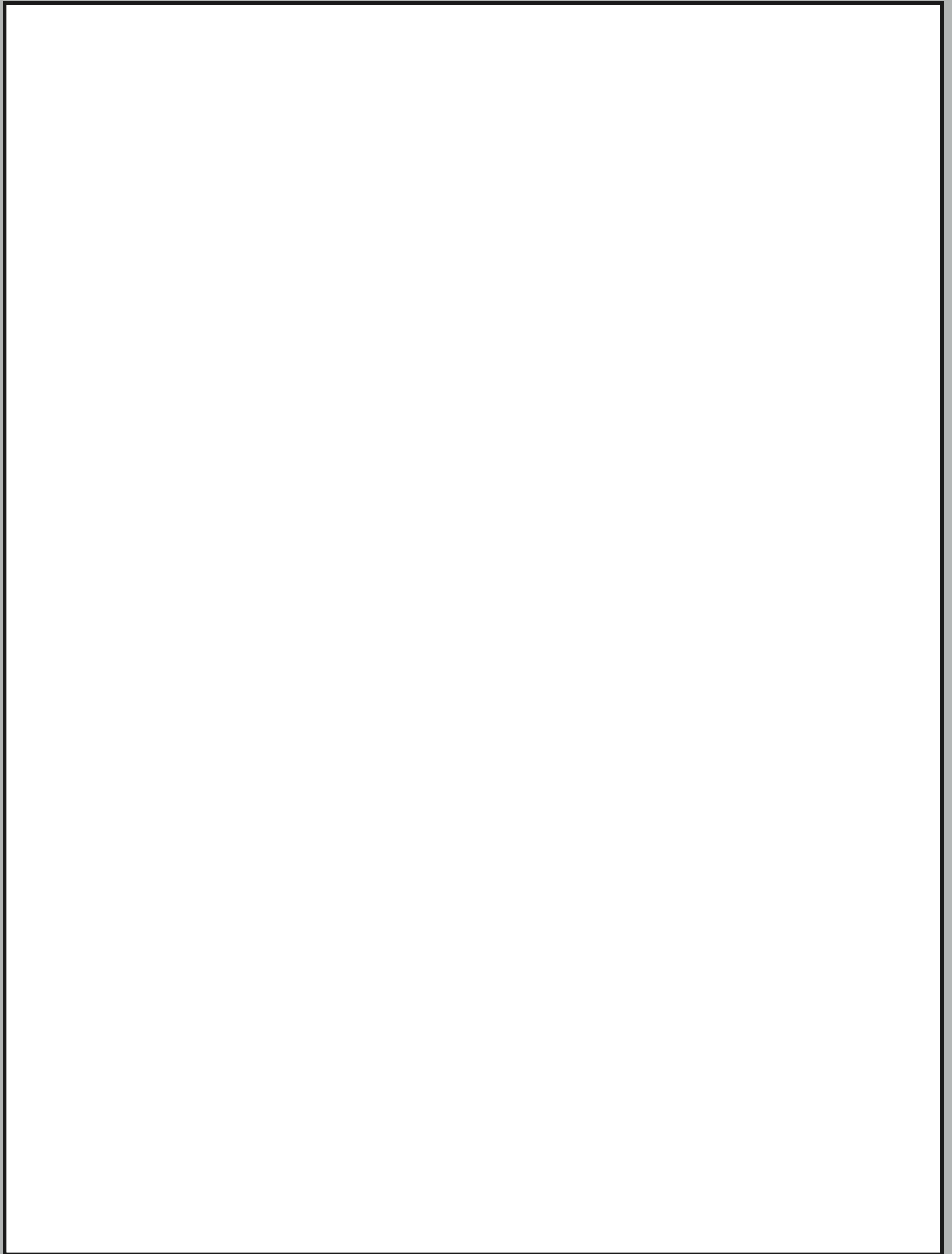
**Exhibit D-4**

Fiscal Year Ended September 30, 2007			
	Original and Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
SENIOR SERVICES			
Supplies and services.....	\$ 302,668	\$ 176,383	\$ 126,285
Programs and grants.....	7,453,791	2,462,393	4,991,398
TOTALS	<u>\$ 7,756,459</u>	<u>\$ 2,638,776</u>	<u>\$ 5,117,683</u>
SOCIAL SERVICES			
State programs.....	\$ 2,225,703	\$ 2,225,703	0
TOTALS	<u>\$ 2,225,703</u>	<u>\$ 2,225,703</u>	<u>\$ 0</u>
TOWNSHIP POLICE SUPPORT SERVICES			
Personnel services.....	\$ 1,029,211	\$ 1,078,423	\$ (49,212)
Fringe benefits.....	637,861	687,179	(49,318)
Supplies and services.....	9,000	12,581	(3,581)
Other.....	139,140	133,698	5,442
Capital outlay.....	2,500		2,500
TOTALS	<u>\$ 1,817,712</u>	<u>\$ 1,911,881</u>	<u>\$ (94,169)</u>
WORKFORCE INVESTMENT ACT PROGRAM			
Personnel services.....	\$ 50,070	\$ 50,070	\$ 0
Fringe benefits.....	34,946	34,946	0
Supplies and services.....	21,526,670	21,526,670	0
TOTALS	<u>\$ 21,611,686</u>	<u>\$ 21,611,686</u>	<u>\$ 0</u>

**COMBINING  
FINANCIAL STATEMENTS**

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**DEBT SERVICE FUNDS**



## DEBT SERVICE FUNDS

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

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

**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.

**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.

**Note Series 2007** - To account for the proceeds and distribution of property tax anticipation notes that were issued in 2007 to provide cash flow for the Genesee County general fund.

**Note Repayment 2007** - To account for the funding and payment of principal and interest on tax anticipation notes issued for cash flow for the Genesee County general fund

# COMBINING BALANCE SHEET--DEBT SERVICE FUNDS

GENESEE COUNTY

Exhibit E-1

	Burton Clinic	Capital Improvement	Courthouse Square	GCCARD
<b>ASSETS</b>				
Cash and cash equivalents.....				
Prepaid Expense.....				
Investments.....				
Due from other governmental units.....				
Due from other county funds.....				
<b>TOTAL ASSETS</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Accounts payable.....				
Due to other funds.....				
Tax anticipation notes payable.....				
<b>TOTAL LIABILITIES</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Fund balances:</b>				
Unreserved:				
Designated for programs and debt service.....				
Undesignated.....				
<b>TOTAL FUND BALANCES</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

September 30, 2007

Hughes & Hatcher Center	McCree South Facility	Note Repayment 2007	Note Series 2007	1998 Refinancing	Total
\$ 55,309		\$ 10,593,238	\$ 25,320		\$ 10,618,558 55,309
				\$ 5,640	5,640
\$ 55,309	\$ 8,532	10,218,170			10,226,702
<u>\$ 55,309</u>	<u>\$ 0</u>	<u>\$ 10,601,770</u>	<u>\$ 10,243,490</u>	<u>\$ 5,640</u>	<u>\$ 20,906,209</u>
\$ 55,309		\$ 10,601,770	\$ 25,320	\$ 5,640	\$ 25,320 10,662,719
			10,000,000		10,000,000
<u>55,309</u>	<u>0</u>	<u>10,601,770</u>	<u>10,025,320</u>	<u>\$ 5,640</u>	<u>20,688,039</u>
			218,170		218,170 0
0	0	0	218,170	0	218,170
<u>\$ 55,309</u>	<u>\$ 0</u>	<u>\$ 10,601,770</u>	<u>\$ 10,243,490</u>	<u>\$ 5,640</u>	<u>\$ 20,906,209</u>



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

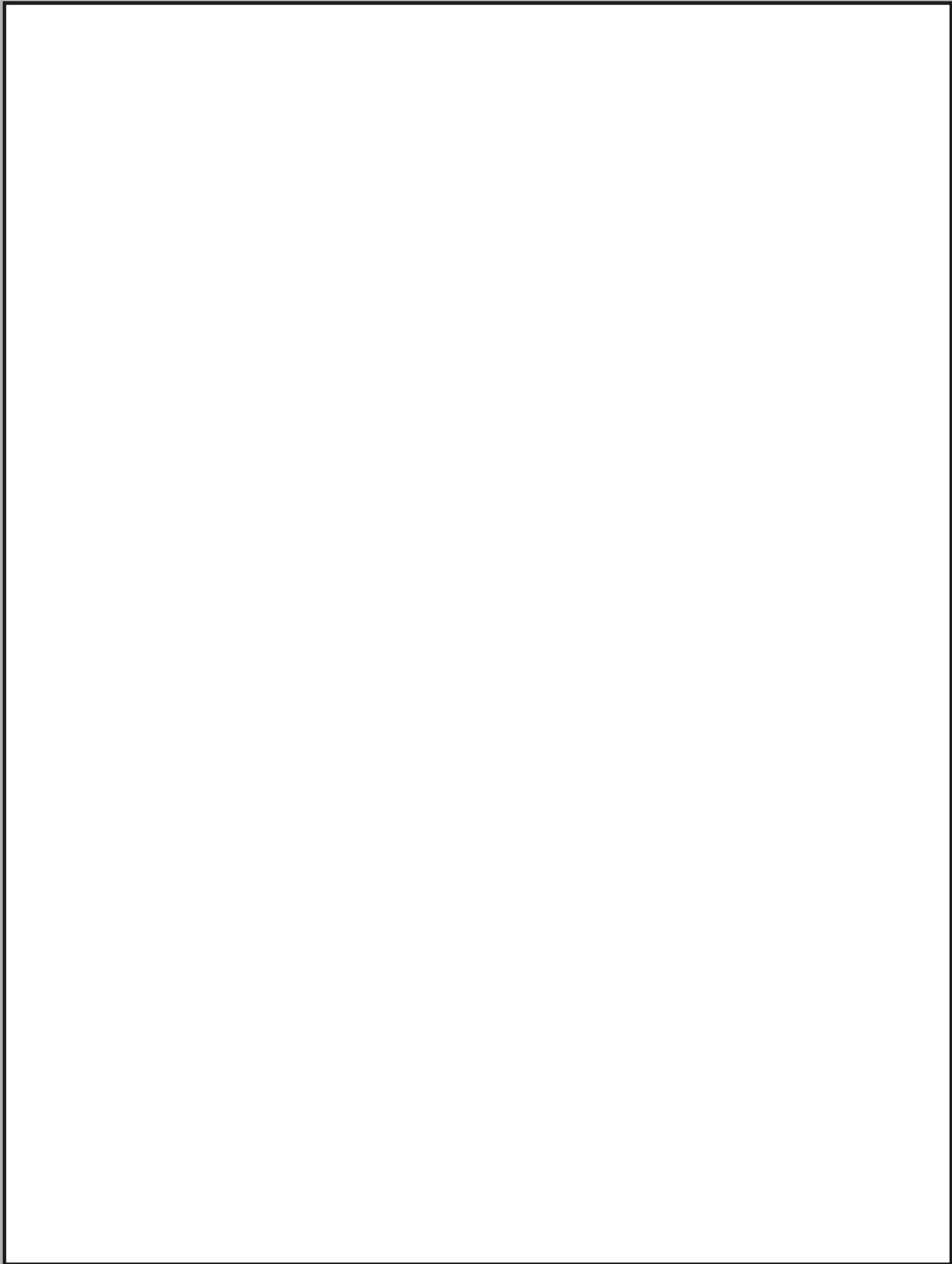
**GENESEE COUNTY**

**Exhibit E-2**

	<u>Burton Clinic</u>	<u>Capital Improvement</u>	<u>Courthouse Square</u>	<u>GCCARD</u>
Revenues:				
Tax Revenue.....				
Use of money and property.....				
TOTAL REVENUES	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Expenditures:				
Current Operations:				
Other.....	275		550	275
Debt Service:				
Principal Payments.....	195,000		1,080,000	100,000
Interest and Fiscal Charges.....	48,830	160,976	928,196	115,988
TOTAL EXPENDITURES	<u>244,105</u>	<u>160,976</u>	<u>2,008,746</u>	<u>216,263</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(244,105)</u>	<u>(160,976)</u>	<u>(2,008,746)</u>	<u>(216,263)</u>
Transfers in (out):				
Transfers-Out.....				
Transfers-In.....	244,105	160,976	2,008,746	216,263
TOTAL OTHER FINANCING SOURCES (USES)	<u>244,105</u>	<u>160,976</u>	<u>2,008,746</u>	<u>216,263</u>
NET CHANGE IN FUND BALANCES	0	0	0	0
Fund balances at beginning of year.....	0	0	0	0
FUND BALANCES AT END OF YEAR	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

**Fiscal Year Ended September 30, 2007**

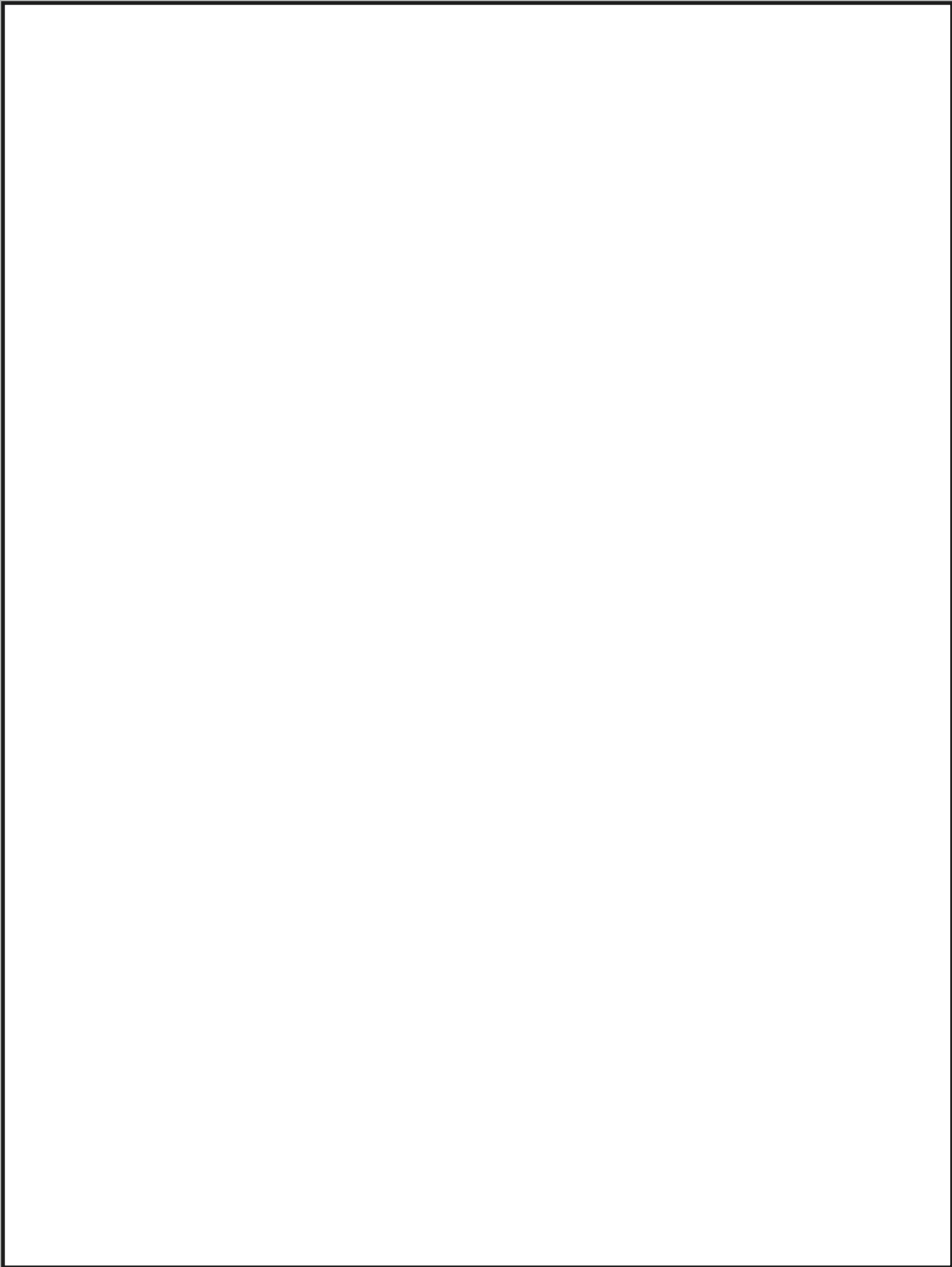
<b>Hughes &amp; Hatcher Center</b>	<b>McCree South Facility</b>	<b>Note Repayment 2007</b>	<b>Note Series 2007</b>	<b>1998 Refinancing</b>	<b>Total</b>
		\$ 10,218,170			\$ 10,218,170
\$ 56,016	\$ 552,087			\$ 9,870	617,973
56,016	552,087	10,218,170	\$ 0	\$ 9,870	10,836,143
225	225		33,503	300	35,353
35,000	1,000,000			126,000	2,536,000
112,368	144,400			34,108	1,544,866
147,593	1,144,625	0	33,503	160,408	4,116,219
(91,577)	(592,538)	10,218,170	(33,503)	(150,538)	6,719,924
		(10,218,170)	(9,966,497)		(20,184,667)
91,577	592,538		10,218,170	150,538	13,682,913
91,577	592,538	(10,218,170)	251,673	150,538	(6,501,754)
0	0	0	218,170	0	218,170
0	0	0	0	0	0
\$ 0	\$ 0	\$ 0	\$ 218,170	\$ 0	\$ 218,170



**COMBINING  
FINANCIAL STATEMENTS**  

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**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.

**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
<b>ASSETS</b>		
Cash and cash equivalents.....		
Investments.....		\$ 260,000
Interest and accounts receivable.....		533
Due from component unit - Land Bank Authority.....		
TOTAL ASSETS	<u>\$ 0</u>	<u>\$ 260,533</u>
<b>LIABILITIES AND FUND BALANCES</b>		
Due to other County funds.....		84,602
TOTAL LIABILITIES	<u>\$ 0</u>	<u>84,602</u>
Fund balances:		
Unreserved:		
Undesignated.....		
Designated:		
Courthouse Square Project.....		175,931
Hughes & Hatcher Project.....		
LRC Rehab Project.....		
TOTAL FUND BALANCES	<u>0</u>	<u>175,931</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 0</u>	<u>\$ 260,533</u>

September 30, 2007

Hughes & Hatcher Center	Jail Site Remediation	LRC Rehab	Total
\$ 111,099	\$ 20,962	\$ 242,863	\$ 374,924
			260,000
		79	612
		192,760	192,760
<u>\$ 111,099</u>	<u>\$ 20,962</u>	<u>\$ 435,702</u>	<u>\$ 828,296</u>
			\$ 84,602
<u>\$ 0</u>	<u>0</u>	<u>\$ 0</u>	<u>84,602</u>
	20,962		20,962
			175,931
111,099			111,099
		435,702	435,702
<u>111,099</u>	<u>20,962</u>	<u>435,702</u>	<u>743,694</u>
<u>\$ 111,099</u>	<u>\$ 20,962</u>	<u>\$ 435,702</u>	<u>\$ 828,296</u>



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

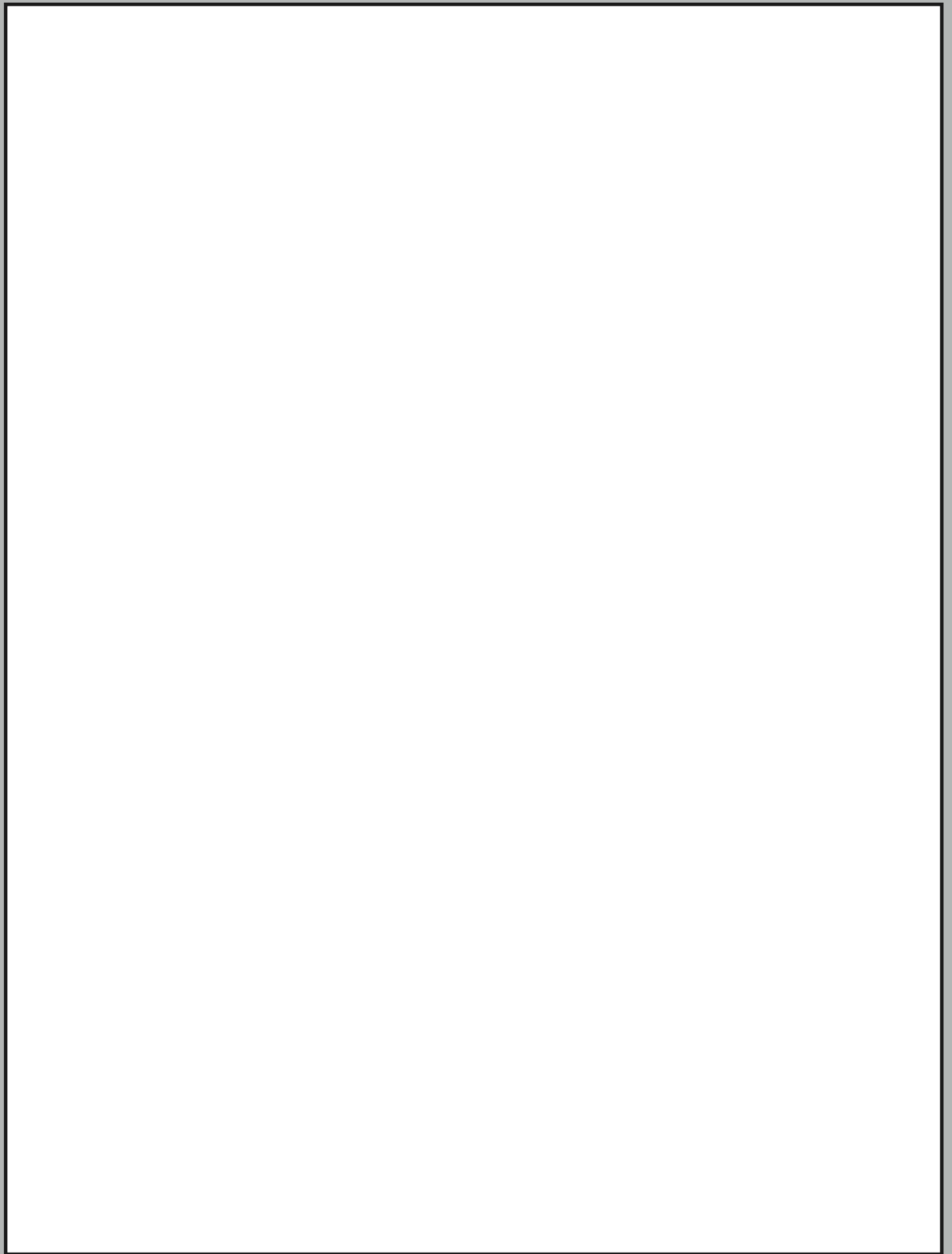
GENESEE COUNTY

Exhibit F-2

	Capital Improvement	Courthouse Square
Revenues:		
Use of money and property.....		\$ 13,541
Other.....		
TOTAL REVENUES	\$ 0	\$ 13,541
Expenditures:		
Current Operations:		
Capital outlay.....		12,500
Other.....	37,785	
TOTAL EXPENDITURES	37,785	12,500
REVENUES OVER (UNDER) EXPENDITURES	(37,785)	1,041
Other financing sources (uses):		
Transfers in (out):		
Transfers-In.....		
Transfers-Out.....	(189,037)	
TOTAL OTHER FINANCING SOURCES (USES)	(189,037)	0
NET CHANGE IN FUND BALANCE	(226,822)	1,041
Fund balance (deficit) at beginning of year.....	226,822	174,890
FUND BALANCE AT END OF YEAR	\$ 0	\$ 175,931

**Fiscal Year Ended September 30, 2007**

<b>Hughes &amp; Hatcher</b>	<b>Jail Site Remediation</b>	<b>LRC Rehab</b>	<b>Total</b>
	\$ 1,480	\$ 6,887	\$ 21,908
\$ 146,492		291,705	438,197
<u>\$ 146,492</u>	<u>\$ 1,480</u>	<u>298,592</u>	<u>460,105</u>
			12,500
	4,127	2,712	44,624
0	4,127	2,712	57,124
146,492	(2,647)	295,880	402,981
			0
(35,393)		(160,976)	(385,406)
<u>(35,393)</u>	<u>0</u>	<u>(160,976)</u>	<u>(385,406)</u>
111,099	(2,647)	134,904	17,575
0	23,609	300,798	726,119
<u>\$ 111,099</u>	<u>\$ 20,962</u>	<u>\$ 435,702</u>	<u>\$ 743,694</u>



**COMBINING  
FINANCIAL STATEMENTS  

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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, 2007

## Business Type Activities - Non-Major Enterprise Funds

	Non-Major Parks and Recreation	Non-Major Commissary	Total
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents.....	\$ 319,895	\$ 153,587	\$ 473,482
Investments.....	905,940		905,940
Interest and accounts receivable.....			0
Supplies inventory.....		23,850	23,850
Prepayments.....	107,862		107,862
<b>TOTAL CURRENT ASSETS</b>	<b>1,333,697</b>	<b>177,437</b>	<b>1,511,134</b>
<b>CAPITAL ASSETS</b>			
Land.....	3,780,603		3,780,603
Buildings and improvements.....	1,181,215		1,181,215
Equipment.....	3,663,836		3,663,836
<b>TOTAL CAPITAL ASSETS</b>	<b>8,625,654</b>	<b>0</b>	<b>8,625,654</b>
Less allowances for depreciation.....	6,753,743		6,753,743
<b>TOTAL CAPITAL ASSETS, NET</b>	<b>1,871,911</b>	<b>0</b>	<b>1,871,911</b>
<b>TOTAL ASSETS</b>	<b>\$ 3,205,608</b>	<b>\$ 177,437</b>	<b>\$ 3,383,045</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable.....	\$ 38,745		\$ 38,745
Accrued payroll.....	16,428		16,428
Other accrued liabilities and deposits.....	5,089		5,089
Current portion of notes/bonds payable.....	36,000		36,000
<b>TOTAL CURRENT LIABILITIES</b>	<b>96,262</b>	<b>0</b>	<b>96,262</b>
<b>LONG-TERM DEBT</b>			
General and workers compensation claim liability.....			
Notes/bonds payable exclusive of current portion.....	217,500		217,500
<b>TOTAL LONG-TERM DEBT</b>	<b>217,500</b>	<b>0</b>	<b>217,500</b>
<b>TOTAL LIABILITIES</b>	<b>313,762</b>	<b>0</b>	<b>313,762</b>
<b>NET ASSETS:</b>			
Invested in capital assets net of related debt.....	1,618,411		1,618,411
Unrestricted.....	1,273,435	177,437	1,450,872
<b>TOTAL NET ASSETS</b>	<b>2,891,846</b>	<b>177,437</b>	<b>3,069,283</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 3,205,608</b>	<b>\$ 177,437</b>	<b>\$ 3,383,045</b>

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

**GENESEE COUNTY**

**Exhibit G-2**

	<b>Fiscal Year Ended September 30, 2007</b>		
	<b>Business Type Activities - Non-Major Enterprise Funds</b>		
	<b>Non-Major Parks and Recreation</b>	<b>Non-Major Commissary</b>	<b>Total</b>
Operating revenues:			
Charges for sales and services:			
Ticket, permit & concession sales.....	\$ 1,419,368	\$ 490,221	\$ 1,909,589
TOTAL OPERATING REVENUES	<u>1,419,368</u>	<u>490,221</u>	<u>1,909,589</u>
Operating expenses:			
Salaries and fringe benefits.....	744,120		744,120
Supplies and other operating expenses.....	797,278	297,833	1,095,111
Depreciation.....	100,240		100,240
TOTAL OPERATING EXPENSES	<u>1,641,638</u>	<u>297,833</u>	<u>1,939,471</u>
OPERATING INCOME(LOSS)	<u>(222,270)</u>	<u>192,388</u>	<u>(29,882)</u>
Non-operating revenues (expenses):			
Investment earnings.....	116,038	1,234	117,272
Interest expense.....	(13,068)		(13,068)
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>102,970</u>	<u>1,234</u>	<u>104,204</u>
INCOME (LOSS) BEFORE TRANSFERS	<u>(119,300)</u>	<u>193,622</u>	<u>74,322</u>
Transfers-in.....	250,000		250,000
Transfers-out.....		(148,000)	(148,000)
TOTAL TRANSFERS	<u>250,000</u>	<u>(148,000)</u>	<u>102,000</u>
CHANGE IN NET ASSETS	<u>130,700</u>	<u>45,622</u>	<u>176,322</u>
Net assets at beginning of year.....	2,761,146	131,815	2,892,961
NET ASSETS AT END OF YEAR	<u>\$ 2,891,846</u>	<u>\$ 177,437</u>	<u>\$ 3,069,283</u>

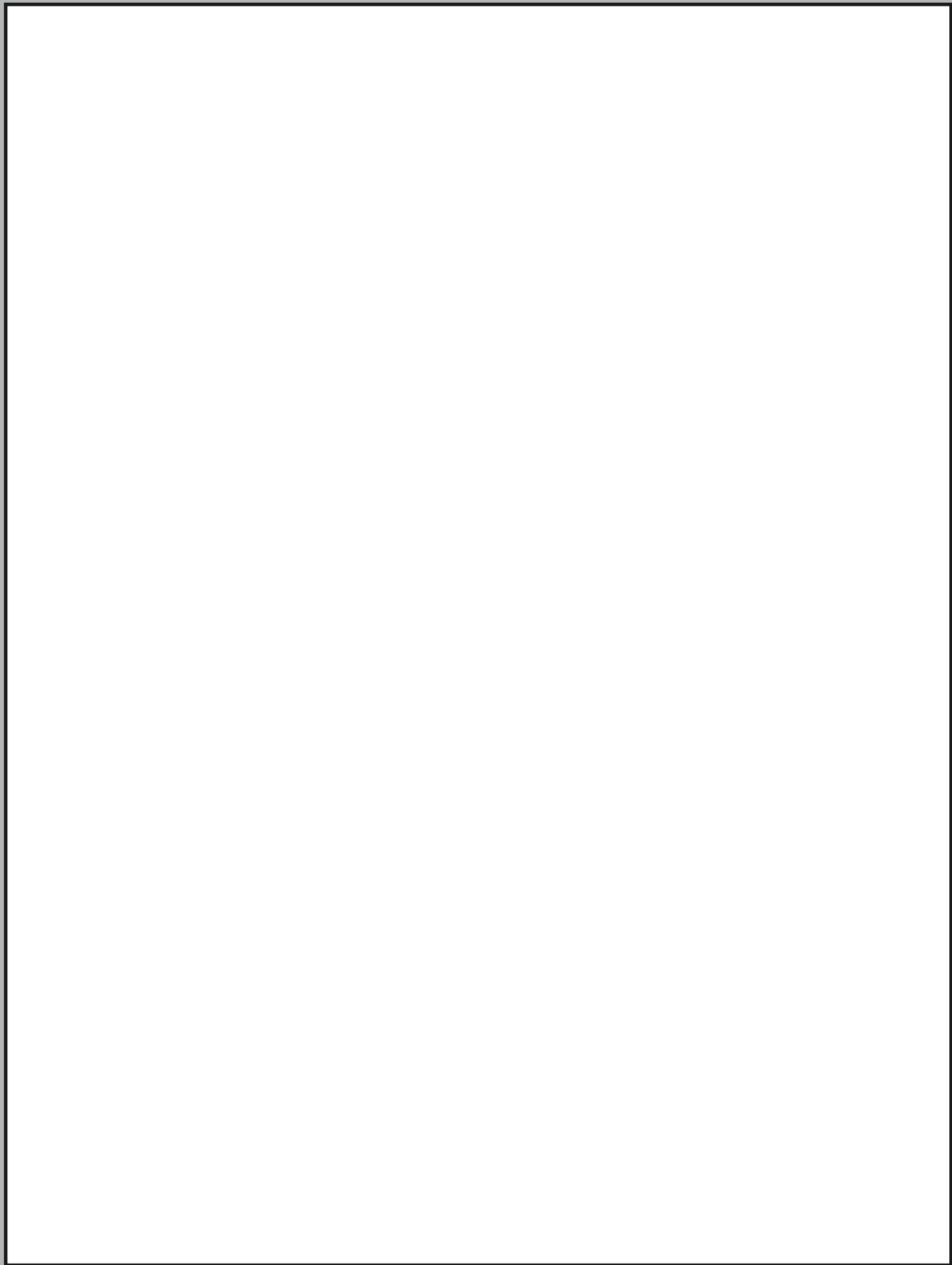
**STATEMENT OF CASH FLOWS-  
NONMAJOR PROPRIETARY FUNDS**

**GENESEE COUNTY**

**Exhibit G-3**

	<b>Fiscal Year Ended September 30, 2007</b>		
	<b>Business Type Activities - Non-Major Enterprise Funds</b>		
	<b>Non-Major Parks and Recreation</b>	<b>Non-Major Commissary</b>	<b>Total</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash received from customers.....	\$ 1,419,368	\$ 490,221	\$ 1,909,589
Cash payments to suppliers for goods and services.....	(808,062)	(303,438)	(1,111,500)
Cash payments to employees for services.....	(751,948)		(751,948)
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	(140,642)	186,783	46,141
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Transfers-in from other funds.....	250,000		250,000
Transfers-out to other funds.....		(148,000)	(148,000)
NET CASH PROVIDED BY (USED FOR) NONCAPITAL FINANCING ACTIVITIES	250,000	(148,000)	102,000
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Acquisition and construction of capital assets.....	(5,500)		(5,500)
Principal paid on long-term debt.....	(54,000)		(54,000)
Interest paid on long-term debt.....	(15,884)		(15,884)
NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	(75,384)	0	(75,384)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest and dividends on investments.....	9,004	1,234	10,238
NET CASH PROVIDED BY (USED FOR) IN INVESTING ACTIVITIES	9,004	1,234	10,238
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	42,978	40,017	82,995
Cash and cash equivalents at beginning of year.....	276,917	113,570	390,487
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 319,895</u>	<u>\$ 153,587</u>	<u>\$ 473,482</u>
<b>RECONCILIATION OF OPERATING INCOME(LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:</b>			
Operating income(loss).....	\$ (222,270)	\$ 192,388	\$ (29,882)
Adjustments to reconcile operating income(loss) to net cash provided by (used for) operating activities:			
Depreciation.....	100,240		100,240
Change in assets and liabilities:			
(Increase) decrease in prepaids.....	14,069		14,069
(Increase) decrease in supplies inventory.....	28,034	(5,605)	22,429
Increase (decrease) in accounts payable and related items.....	(52,887)		(52,887)
Increase (decrease) in accrued payroll.....	(7,828)		(7,828)
Net cash provided by (used for) operating activities.....	<u>\$ (140,642)</u>	<u>\$ 186,783</u>	<u>\$ 46,141</u>
Noncash investing activities - increase in fair value of investments.....	37,006	-	37,006





**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.....	\$ 475,868
Investments.....	1,000,000
Interest and accounts receivable.....	8,581
Due from other governmental units.....	
Due from other county funds.....	4,593,342
Supplies inventory.....	4,761
Prepayments.....	6,472
TOTAL CURRENT ASSETS	<u>6,089,024</u>
PROPERTY AND EQUIPMENT	
Land.....	
Buildings and improvements.....	
Equipment.....	13,385,245
TOTAL PROPERTY AND EQUIPMENT	<u>13,385,245</u>
Less allowances for depreciation.....	10,796,380
TOTAL PROPERTY AND EQUIPMENT, NET	<u>2,588,865</u>
TOTAL ASSETS	<u>\$ 8,677,889</u>
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accounts payable.....	\$ 707,845
Accrued payroll.....	157,521
Accrued vacation and other employee benefits.....	
Due to other county funds.....	7,876
Current portion of notes/bonds payable.....	780,078
TOTAL CURRENT LIABILITIES	<u>1,653,320</u>
LONG-TERM DEBT	
General and workers compensation claim liability.....	
Notes/bonds payable exclusive of current portion.....	4,971,230
TOTAL LONG-TERM DEBT	<u>4,971,230</u>
TOTAL LIABILITIES	<u>6,624,550</u>
NET ASSETS	
Reserved for:	
Invested in capital assets, net or related debt.....	2,588,865
Unrestricted (deficit) .....	(535,526)
TOTAL NET ASSETS	<u>2,053,339</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 8,677,889</u>

September 30, 2007

Vehicles and Equipment	Building and Grounds	Self Funded Prop./Casualty Program	Total
	\$ 3,436,362	\$ 118,686	\$ 4,030,916
		9,091,729	10,091,729
\$ 538	9,731	52,538	71,388
36,409	42,759		79,168
3,250	829		4,597,421
51,888			56,649
		271,246	277,718
92,085	3,489,681	9,534,199	19,204,989
131,033	42,463		173,496
176,430			176,430
11,262,698	1,558,530		26,206,473
11,570,161	1,600,993	0	26,556,399
7,701,423	1,064,740		19,562,543
3,868,738	536,253	0	6,993,856
\$ 3,960,823	\$ 4,025,934	\$ 9,534,199	\$ 26,198,845
\$ 171,924	\$ 198,966	\$ 25,270	\$ 1,104,005
4,842	57,575	7,812	227,750
			0
3,387,892		634	3,396,402
	135,804		915,882
3,564,658	392,345	33,716	5,644,039
		3,343,571	3,343,571
			4,971,230
0	0	3,343,571	8,314,801
3,564,658	392,345	3,377,287	13,958,840
3,868,738	400,450		6,858,053
(3,472,573)	3,233,139	6,156,912	5,381,952
396,165	3,633,589	6,156,912	12,240,005
\$ 3,960,823	\$ 4,025,934	\$ 9,534,199	\$ 26,198,845

# 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.....	\$	8,445,621
	TOTAL OPERATING REVENUES	<u>8,445,621</u>
Operating expenses:		
Salaries and fringe benefits.....		5,257,760
Supplies and other operating expenses.....		2,466,137
Depreciation.....		271,750
	TOTAL OPERATING EXPENSES	<u>7,995,647</u>
	OPERATING INCOME(LOSS)	<u>449,974</u>
Non-operating revenues (expenses):		
Interest income (loss).....		
Interest expense.....		
Gain (loss) on investment.....		
Gain (loss) on sale of property and equipment.....		
	TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>0</u>
	INCOME (LOSS) BEFORE TRANSFERS	<u>449,974</u>
Transfers in (out):		
Transfers-in.....		535,394
Transfers-out.....		(674,860)
	TOTAL TRANSFERS IN (OUT)	<u>(139,466)</u>
	CHANGE IN NET ASSETS	310,508
Net Assets at beginning of year.....		1,742,831
	NET ASSETS AT END OF YEAR	<u>\$ 2,053,339</u>

**Fiscal Year Ended September 30, 2007**

<b>Vehicles and Equipment</b>	<b>Building and Grounds</b>	<b>Self Funded Prop./Casualty Program</b>	<b>Total</b>
<u>\$ 1,772,934</u>	<u>\$ 5,963,876</u>	<u>\$ 2,362,665</u>	<u>\$ 18,545,096</u>
<u>1,772,934</u>	<u>5,963,876</u>	<u>2,362,665</u>	<u>18,545,096</u>
258,473	2,142,560	114,899	7,773,692
1,589,913	2,805,916	3,423,628	10,285,594
832,999	125,177		1,229,926
<u>2,681,385</u>	<u>5,073,653</u>	<u>3,538,527</u>	<u>19,289,212</u>
<u>(908,451)</u>	<u>890,223</u>	<u>(1,175,862)</u>	<u>(744,116)</u>
2,085		260,043	262,128
	(10,533)		(10,533)
		864,917	864,917
<u>132,572</u>			<u>132,572</u>
<u>134,657</u>	<u>(10,533)</u>	<u>1,124,960</u>	<u>1,249,084</u>
<u>(773,794)</u>	<u>879,690</u>	<u>(50,902)</u>	<u>504,968</u>
501,660	797,605		1,834,659
<u>(391,220)</u>			<u>(1,066,080)</u>
<u>110,440</u>	<u>797,605</u>	<u>0</u>	<u>768,579</u>
<u>(663,354)</u>	<u>1,677,295</u>	<u>(50,902)</u>	<u>1,273,547</u>
<u>1,059,519</u>	<u>1,956,294</u>	<u>6,207,814</u>	<u>10,966,458</u>
<u>\$ 396,165</u>	<u>\$ 3,633,589</u>	<u>\$ 6,156,912</u>	<u>\$ 12,240,005</u>



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

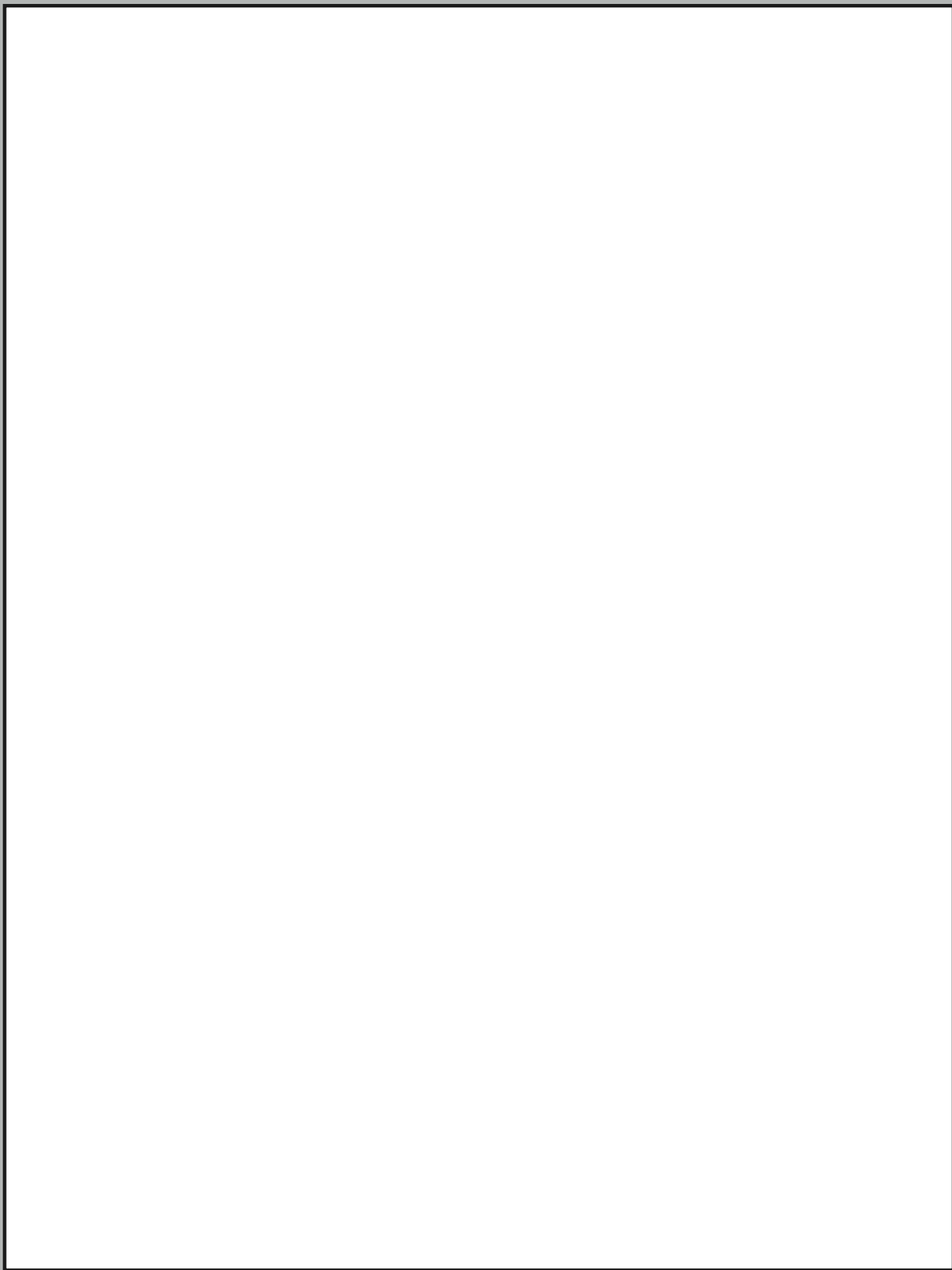
**GENESEE COUNTY**

**Exhibit H-3**

	<u>Administrative Services</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Cash received from customers.....	\$ 8,437,514
Cash payments to suppliers for goods and services.....	(2,455,541)
Cash payments to employees for services.....	(5,281,502)
<b>NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>	<u>700,471</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>	
Advances to other governmental units, County units and funds.....	(206,629)
Repayments from other governmental units, County units and funds.....	
Transfers-in from other funds.....	535,394
Transfers-out to other funds.....	(666,983)
<b>NET CASH PROVIDED BY (USED FOR) NONCAPITAL FINANCING ACTIVITIES</b>	<u>(338,218)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>	
Acquisition and construction of capital assets.....	(419,318)
Principal paid on long-term debt.....	34,029
Interest paid on long-term debt.....	
Proceeds from sale of equipment.....	
<b>NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<u>(385,289)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Purchase of investment securities.....	
Proceeds from sale and maturities of investment securities.....	299,860
Interest and dividends on investments.....	
<b>NET CASH PROVIDED BY (USED FOR) IN INVESTING ACTIVITIES</b>	<u>299,860</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>276,824</u>
Cash and cash equivalents at beginning of year.....	199,044
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u><u>\$ 475,868</u></u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:</b>	
Operating income(loss).....	\$ 449,974
Adjustments to reconcile operating income(loss) to net cash provided by (used for) operating activities:	
Depreciation.....	271,750
Change in assets and liabilities:	
(Increase) decrease in interest and accounts receivable.....	(8,107)
(Increase) decrease in supplies inventory.....	5,249
(Increase) decrease in prepayment and other current assets.....	(655)
Increase (decrease) in accounts payable and related items.....	6,002
Increase (decrease) in accrued payroll.....	(23,742)
Increase (decrease) in other accrued liabilities and deposits.....	
<b>Net cash provided by (used for) operating activities.....</b>	<u><u>\$ 700,471</u></u>

**Fiscal Year Ended September 30, 2007**

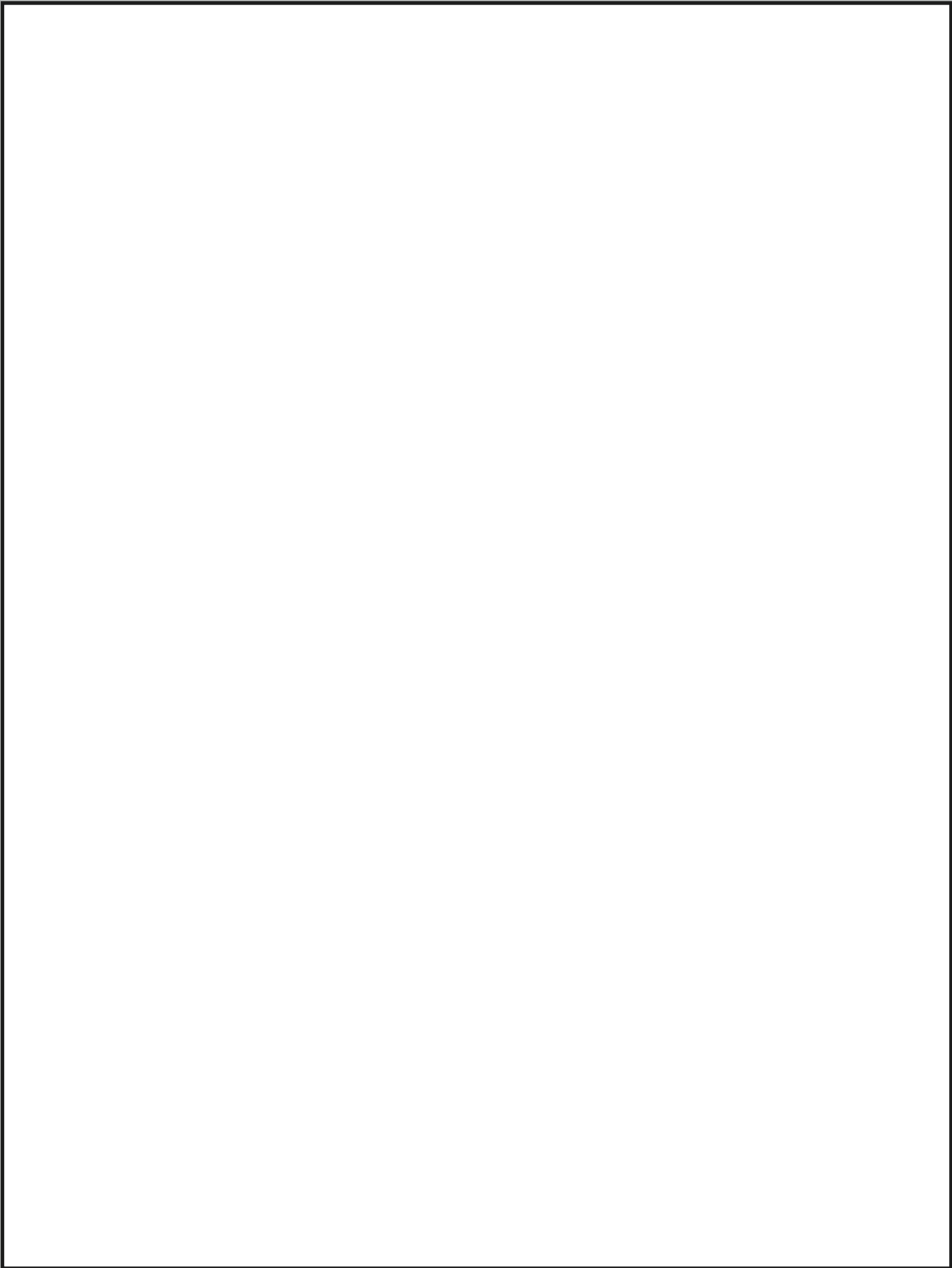
<b>Vehicle and Equipment</b>	<b>Building and Grounds</b>	<b>Self Funded Prop./Casualty Program</b>	<b>Total</b>
\$ 1,788,455	\$ 6,108,593	\$ 2,374,093	\$ 18,708,655
(1,472,364)	(2,817,229)	(2,661,531)	(9,406,665)
(261,178)	(2,147,952)	(111,604)	(7,802,236)
<u>54,913</u>	<u>1,143,412</u>	<u>(399,042)</u>	<u>1,499,754</u>
304,298			97,669
		(1,873)	(1,873)
501,660	797,605		1,834,659
(391,220)			(1,058,203)
<u>414,738</u>	<u>797,605</u>	<u>(1,873)</u>	<u>872,252</u>
(604,308)	(11,410)		(1,035,036)
	(118,737)		(84,708)
	(10,533)		(10,533)
132,572			132,572
<u>(471,736)</u>	<u>(140,680)</u>	<u>0</u>	<u>(997,705)</u>
		(6,043,390)	(6,043,390)
		5,247,177	5,547,037
2,085		1,117,101	1,119,186
<u>2,085</u>	<u>0</u>	<u>320,888</u>	<u>622,833</u>
0	1,800,337	(80,027)	1,997,134
	1,636,025	198,713	2,033,782
<u>\$ 0</u>	<u>\$ 3,436,362</u>	<u>\$ 118,686</u>	<u>\$ 4,030,916</u>
\$ (908,451)	\$ 890,223	\$ (1,175,862)	\$ (744,116)
832,999	125,177		1,229,926
15,521	144,718	11,428	163,560
(12,170)			(6,921)
		6,603	5,948
129,719	(11,314)	18,228	142,635
(2,705)	(5,392)	3,295	(28,544)
		737,266	737,266
<u>\$ 54,913</u>	<u>\$ 1,143,412</u>	<u>\$ (399,042)</u>	<u>\$ 1,499,754</u>



**COMBINING  
FINANCIAL STATEMENTS**  

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**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 most Genesee County employees.

**Employees Qualified Excess Benefit Arrangement Fund** - To provide a mechanism for payment of accrued pension benefits that are in excess of the IRS limits on the amounts that can be paid from the Retirement Fund.

**Employees Fringe Benefits Fund** - To account for funds set aside in previous years and cost savings related to a lower cost Defined Contribution Plan with the intent to accumulate adequate funds to defray part of the cost of retiree medical benefits in future years. This fund was transferred to a VEBA in late 2004 with the intent of using these dollars for the compliance with the new GASB OPEB requirements.

**Trust and Agency Funds** - To account for the collection and payment of property taxes to other taxing units, as well as other payments that are held for other governmental entities.

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

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

**GENESEE COUNTY**

**Exhibit I-1**

	<u>Pension</u>
	<u>Pension Trust</u>
	<u>Fund</u>
	<u>Retirement</u>
	<u>12/31/06</u>
<b>ASSETS</b>	
Cash and cash equivalents.....	\$ 8,712,574
Receivables:	
Other receivables.....	87,102
Accrued interest and dividends.....	782,108
TOTAL RECEIVABLES	<u>869,210</u>
Investments at fair value:	
U.S. Government securities.....	18,779,068
Foreign Govts. and Agencies.....	85,027,385
Corporate bonds.....	58,116,996
Common stocks.....	120,685,045
Preferred stocks.....	8,605,571
Mutual funds.....	173,893,584
Real Estate.....	25,779,039
TOTAL INVESTMENTS	<u>490,886,688</u>
TOTAL ASSETS	<u>500,468,472</u>
<b>LIABILITIES</b>	
Refunds payable and other liabilities.....	524,471
TOTAL LIABILITIES	<u>524,471</u>
<b>NET ASSETS</b>	
Held in trust for pension benefits and other purposes.....	<u>\$ 499,944,001</u>

September 30, 2007

and Other Employee Benefit Trust Funds

Employees' Qualified Exces Benefit Arrangement (QEBA)	Employees' Fringe Benefit (VEBA)	Total
	\$	\$ 8,712,574
		87,102
\$ 128		782,236
128	0	869,338
28,464	\$ 936,851	19,744,383
		85,027,385
	9,835,055	67,952,051
	20,152,763	140,837,808
		8,605,571
	2,350,968	176,244,552
		25,779,039
28,464	33,275,637	524,190,789
28,592	33,275,637	533,772,701
	2,848,558	3,373,029
0	2,848,558	3,373,029
\$ 28,592	\$ 30,427,079	\$ 530,399,672



# GENESEE COUNTY

## Pension

\$	12,482,409
	2,295,979
	<u>14,778,388</u>

51,374,725
2,753,951
1,647,629
<hr/> 55,776,305
2,686,748
<hr/> 53,089,557
<hr/> 67,867,945

28,994,941
273,168
475,979
1,846,652
<u>31,590,740</u>

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Fiscal year ended September 30, 2007

and Other Employee Benefit Trust Funds

Employees' Qualified Excess Benefit Arrangement (QEBA)	Employees' Fringe Benefit (VEBA)	Total
\$ 28,590	\$ 6,590,362	\$ 19,101,361
		2,295,979
28,590	6,590,362	21,397,340
357	3,360,414	54,735,496
	602,313	3,356,264
	179,024	1,826,653
357	4,141,751	59,918,413
	114,459	2,801,207
357	4,027,292	57,117,206
28,947	10,617,654	78,514,546
18,937	2,710,068	31,723,946
259		273,168
		476,238
		1,846,652
19,196	2,710,068	34,320,004
9,751	7,907,586	44,194,542
18,841	22,519,493	486,205,130
\$ 28,592	\$ 30,427,079	\$ 530,399,672

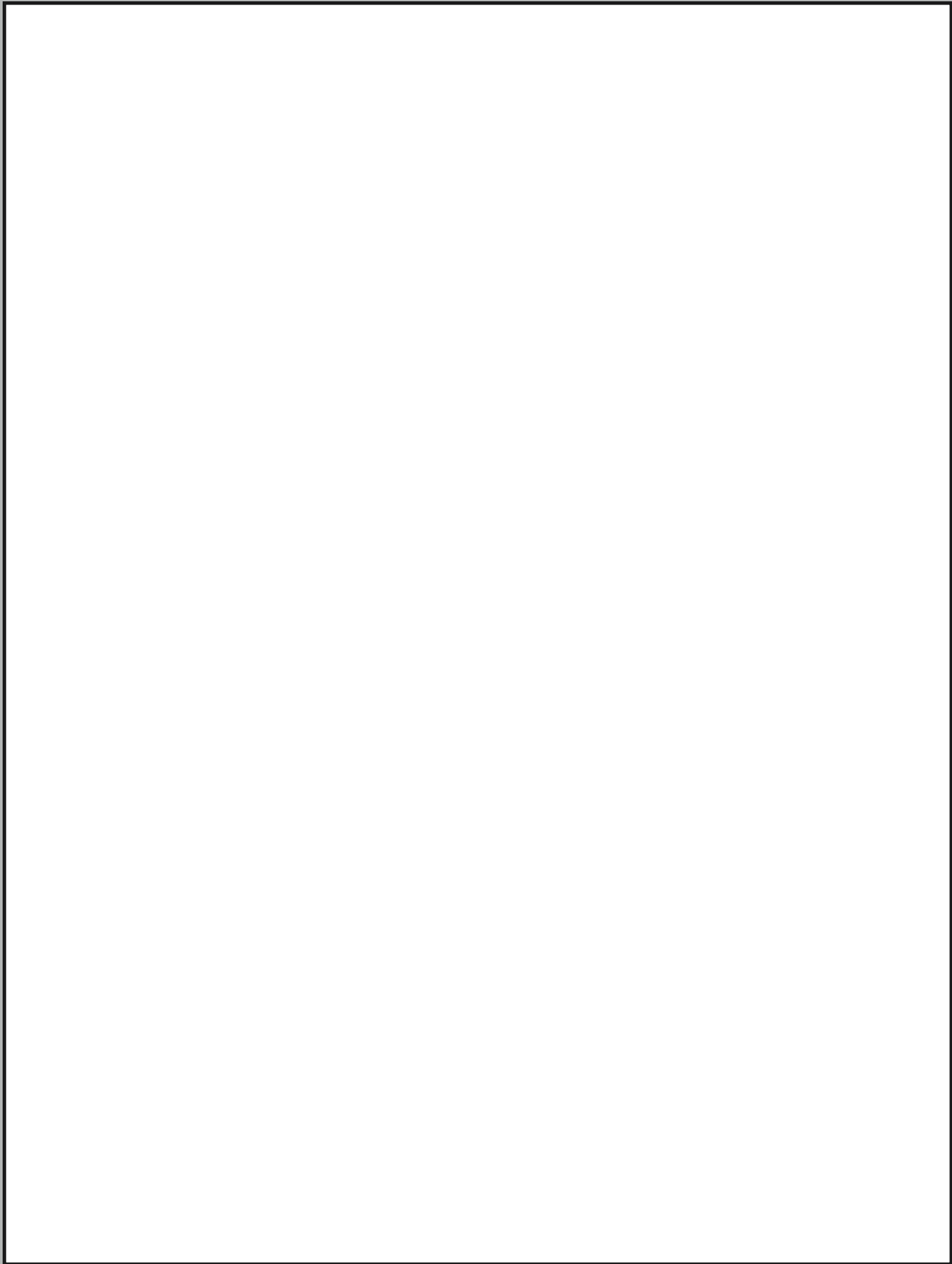
# COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES TRUST AND AGENCY FUNDS

## Exhibit I-3

	Balances October 1, 2006
TRUST AND AGENCY FUNDS	
ASSETS	
Cash and cash equivalents.....	\$ 26,173,294
Accounts receivable.....	640,716
Due from other Governmental Units.....	0
	<u>\$ 26,814,010</u>
LIABILITIES	
Accounts Payable.....	\$ 570,658
Deposits.....	26,243,352
	<u>\$ 26,814,010</u>
LIBRARY PENAL FINES	
ASSETS	
Cash and cash equivalents.....	<u>\$ 177,280</u>
LIABILITIES	
Deposits.....	
Due to other governmental units.....	177,280
	<u>\$ 177,280</u>
TOTALS ALL AGENCY FUNDS	
ASSETS	
Cash and cash equivalents.....	\$ 26,350,574
Accounts receivable.....	640,716
Due from other Governmental Units.....	0
	<u>\$ 26,991,290</u>
LIABILITIES	
Accounts Payable.....	\$ 570,658
Deposits.....	26,243,352
Due to other governmental units.....	177,280
	<u>\$ 26,991,290</u>

**Year Ended September 30, 2007**

<b>Additions</b>	<b>Deductions</b>	<b>Balances September 30, 2007</b>
330,351,695	332,349,309	\$ 24,175,680
419,507	770,438	289,785
155,924	155,924	0
<u>330,927,126</u>	<u>333,275,671</u>	<u>\$ 24,465,465</u>
110,403,956	110,383,665	\$ 590,949
120,074,009	122,442,845	23,874,516
<u>230,477,965</u>	<u>232,826,510</u>	<u>\$ 24,465,465</u>
<u>185,575</u>	<u>214,110</u>	<u>\$ 148,745</u>
712,986	712,986	\$ 0
629,436	657,971	148,745
<u>1,342,422</u>	<u>1,370,957</u>	<u>\$ 148,745</u>
330,537,270	332,563,419	\$ 24,324,425
419,507	770,438	289,785
155,924	155,924	0
<u>331,112,701</u>	<u>333,489,781</u>	<u>\$ 24,614,210</u>
110,403,956	110,383,665	\$ 590,949
120,786,995	123,155,831	23,874,516
629,436	657,971	148,745
<u>231,820,387</u>	<u>234,197,467</u>	<u>\$ 24,614,210</u>



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

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

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

**GENESEE COUNTY**

**Exhibit J-1**

	September 30, 2007	
	Total	Land
<b>MANAGEMENT AND PLANNING</b>		
Board Coordinator.....	\$ 4,178	
County Clerk.....	41,766	
County Treasurer.....	87,056	
Drain Commission.....	4,108,668	
Equalization.....	85,589	
Register of Deeds.....	97,788	
	<u>4,425,045</u>	<u>\$ 0</u>
<b>ADMINISTRATION OF JUSTICE</b>		
Circuit Court.....	1,927,906	253,992
District Court.....	1,577,744	
Jury Board.....	5,350	
Probate Court.....	16,295	
Prosecutor.....	67,120	
	<u>3,594,415</u>	<u>253,992</u>
<b>LAW ENFORCEMENT AND COMMUNITY PROTECTION</b>		
Animal Shelter.....	1,793,046	
Office of Emergency Preparedness.....	16,634	
Public Safety.....	28,161,365	73,300
	<u>29,971,045</u>	<u>73,300</u>
<b>HUMAN SERVICES</b>		
Veteran's Information.....	22,797	
County Health.....	1,849,810	54,000
	<u>1,872,607</u>	<u>54,000</u>
<b>COMMUNITY ENRICHMENT AND DEVELOPMENT</b>		
Cooperative Extension.....	437,460	
Total Quality Management.....	2,600	
	<u>440,060</u>	<u>0</u>
<b>COMMUNITY MENTAL HEALTH.....</b>	<u>1,385,767</u>	<u>0</u>
<b>GENERAL</b>		
Land and Improvements.....	3,932,709	3,650,039
Buildings and Improvements.....	69,458,252	
Equipment.....	6,585,340	
	<u>79,976,301</u>	<u>3,650,039</u>
<b>TOTAL GENERAL GOVERNMENT</b>	<u>121,665,240</u>	<u>4,031,331</u>
<b>RECREATION.....</b>	<u>25,170,277</u>	<u>8,781,286</u>
<b>TOTAL CAPITAL ASSETS ALLOCATED TO FUNCTIONS</b>	<u>\$ 146,835,517</u>	<u>\$ 12,812,617</u>
<b>TOTAL CAPITAL ASSETS</b>	<u>\$ 146,835,517</u>	

Land Improvements	Buildings and Improvements	Equipment
		\$ 4,178
		41,766
		87,056
		4,108,668
		85,589
		97,788
<u>\$ 0</u>	<u>\$ 0</u>	<u>4,425,045</u>
18,578	1,423,241	232,095
	1,432,001	145,743
		5,350
		16,295
		67,120
<u>18,578</u>	<u>2,855,242</u>	<u>466,603</u>
1,423	1,747,860	43,763
		16,634
<u>385,136</u>	<u>26,906,971</u>	<u>795,958</u>
<u>386,559</u>	<u>28,654,831</u>	<u>856,355</u>
		22,797
		1,795,810
		<u>1,818,607</u>
	363,710	73,750
		2,600
<u>0</u>	<u>363,710</u>	<u>76,350</u>
0	0	1,385,767
282,670	69,458,252	6,585,340
<u>282,670</u>	<u>69,458,252</u>	<u>6,585,340</u>
687,807	101,332,035	15,614,067
<u>6,238,290</u>	<u>9,838,422</u>	<u>312,279</u>
<u>\$ 6,926,097</u>	<u>\$ 111,170,457</u>	<u>\$ 15,926,346</u>



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

**GENESEE COUNTY**

**Exhibit J-2**

	Fiscal Year Ended September 30, 2007			
	Capital Assets October 1, 2006	Additions	Deletions	Capital Assets September 30, 2007
<b>MANAGEMENT AND PLANNING</b>				
Board Coordinator.....	\$ 4,178	\$	\$	\$ 4,178
County Clerk.....	37,105	4,661		41,766
County Treasurer.....	27,970	59,086		87,056
Drain Commission.....	4,069,633	39,035		4,108,668
Equalization.....	85,589			85,589
Register of Deeds.....	115,458		17,670	97,788
	<u>4,339,933</u>	<u>102,782</u>	<u>17,670</u>	<u>4,425,045</u>
<b>ADMINISTRATION OF JUSTICE</b>				
Circuit Court.....	3,010,235	15,173	1,097,502	1,927,906
District Court.....	1,561,393	16,351		1,577,744
Jury Board.....	5,350			5,350
Probate Court.....	16,295			16,295
Prosecutor.....	72,532	9,372	14,784	67,120
	<u>4,665,805</u>	<u>40,896</u>	<u>1,112,286</u>	<u>3,594,415</u>
<b>LAW ENFORCEMENT AND COMMUNITY PROTECTION</b>				
Animal Shelter.....	1,785,243	7,803		1,793,046
Office of Emergency Preparedness.....	16,634			16,634
Public Safety.....	28,143,870	17,495		28,161,365
	<u>29,945,747</u>	<u>25,298</u>	<u>0</u>	<u>29,971,045</u>
<b>HUMAN SERVICES</b>				
Veteran's Information.....	21,771	1,026		22,797
County Health.....	1,797,839	51,971		1,849,810
	<u>1,819,610</u>	<u>52,997</u>	<u>0</u>	<u>1,872,607</u>
<b>COMMUNITY ENRICHMENT AND DEVELOPMENT</b>				
Cooperative Extension.....	432,458	5,002		437,460
Total Quality Management.....	2,600			2,600
	<u>435,058</u>	<u>5,002</u>		<u>440,060</u>
<b>COMMUNITY MENTAL HEALTH.....</b>	<u>1,387,107</u>	<u>151,973</u>	<u>153,313</u>	<u>1,385,767</u>
<b>GENERAL</b>				
Land and Improvements.....	3,932,709			3,932,709
Buildings and Improvements.....	73,479,661	284,137	4,305,546	69,458,252
Equipment.....	2,983,777	3,780,193	178,630	6,585,340
	<u>80,396,147</u>	<u>4,064,330</u>	<u>4,484,176</u>	<u>79,976,301</u>
<b>TOTAL GENERAL GOVERNMENT</b>	<u>122,989,407</u>	<u>4,443,278</u>	<u>5,767,445</u>	<u>121,665,240</u>
<b>RECREATION.....</b>	<u>25,170,277</u>			<u>25,170,277</u>
<b>TOTAL CAPITAL ASSETS ALLOCATED TO FUNCTIONS</b>	<u>\$ 148,159,684</u>	<u>\$ 4,443,278</u>	<u>\$ 5,767,445</u>	<u>\$ 146,835,517</u>
Construction in Progress.....				0
<b>TOTAL CAPITAL ASSETS</b>	<u>\$ 148,159,684</u>	<u>\$ 4,443,278</u>	<u>\$ 5,767,445</u>	<u>\$ 146,835,517</u>

# STATISTICAL DATA

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## III Statistical Section

This part of the comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

### Contents

**Financial Trends:** These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time. (Tables 1-3, 6, and 14)

**Revenue Capacity:** These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax. (Tables 7-10)

**Debt Capacity:** These schedules contain information to help the reader assess the affordability of the County's current levels of outstanding debt, and the County's ability to issue additional debt in the future. (Tables 11-13 and 15-16)

**Demographics and Economic Information:** These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place. (Tables 4-5)

**Operating Information:** These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs. (Tables 17-19)

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year. The County implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

## NET ASSETS BY COMPONENT

### GENESEE COUNTY

Table 1

	As of September 30,				
	2003	2004	2005	2006	2007
Governmental activities:					
Invested in capital assets, net of related debt	\$ 62,947,814	\$ 64,123,284	\$ 68,614,443	\$ 67,224,385	\$ 64,134,346
Restricted	-	-	-	-	-
Unrestricted	60,790,372	67,344,504	69,552,164	76,773,053	94,422,591
Total governmental activities net assets	\$ 123,738,186	\$ 131,467,788	\$ 138,166,607	\$ 143,997,438	\$ 158,556,937
Business-type activities:					
Invested in capital assets, net of related debt	\$ 5,199,516	\$ 5,486,788	\$ 4,746,425	\$ 4,884,340	\$ 4,843,600
Restricted	5,596,895	5,596,895	6,588,273	8,059,145	7,899,456
Unrestricted	21,505,116	17,129,144	11,825,867	8,615,103	7,285,666
Total business-type activities net assets	\$ 32,301,527	\$ 28,212,827	\$ 23,160,565	\$ 21,558,588	\$ 20,028,722
Primary government:					
Invested in capital assets, net of related debt	\$ 68,147,330	\$ 69,610,072	\$ 73,360,868	\$ 72,108,725	\$ 68,977,946
Restricted	5,596,895	5,595,895	6,588,273	8,059,145	7,899,456
Unrestricted	82,295,488	84,473,648	81,378,031	85,388,156	101,708,257
Total primary government net assets	\$ 156,039,713	\$ 159,679,615	\$ 161,327,172	\$ 165,556,026	\$ 178,585,659

## GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE

### GENESEE COUNTY

Table 2

Fiscal Year	Property Tax	State Income Tax	Single Business Tax	State Liquor Tax	State Cigarette Tax	Total
1997	\$ 43,344,486	\$ 7,911,494	\$ 1,556,004	\$ 1,439,234	\$ 310,720	\$ 54,561,938
1998	45,333,981	7,871,269	1,568,809	1,496,689	366,116	56,636,864
1999	48,114,172	7,927,842	1,560,273	817,180	230,750	58,650,217
2000	50,235,923	8,528,527	1,560,273	870,945	141,390	61,337,058
2001	52,779,443	8,616,399	1,560,273	952,505	100,009	64,008,629
2002	56,339,393	8,392,256	1,560,273	1,017,209	76,889	67,386,020
2003	59,330,821	7,365,672	1,505,222	981,323	(265,687)	68,917,351
2004	61,506,389	5,929,005	1,352,579	1,010,888	77,147	69,876,008
2005	80,016,835	-	-	2,092,636	250,829	82,360,300
2006	90,130,888	-	-	2,160,880	272,636	92,564,404
2007	111,592,675	-	-	2,254,464	257,589	114,104,728

# CHANGES IN GOVERNMENTAL NET ASSETS

## GENESEE COUNTY

Table 3

### Fiscal Year Ended September 30,

Expenses	2003	2004	2005	2006	2007
Governmental activities:					
Legislative	\$ 832,256	\$ 927,251	\$ 919,415	\$ 1,016,026	\$ 1,069,833
Management and planning	11,858,822	18,128,369	33,824,940	34,035,699	23,725,214
Administration of justice	35,822,370	36,764,408	37,721,807	37,466,674	39,276,030
Law enforcement and community protection	31,890,961	37,074,422	31,940,559	35,380,617	34,905,596
Human services	189,589,126	193,080,458	207,518,433	206,232,926	233,155,128
Community enrichment and development	9,541,896	7,759,423	7,952,030	10,198,345	9,609,647
General support services	244,806	201,566	229,806	330,176	278,423
Other	6,279,220	3,166,480	1,015,465	-	-
Interest on long-term debt	1,876,245	1,449,721	1,590,352	1,244,093	1,400,466
Total governmental activities expenses	287,935,702	298,552,098	322,712,807	325,904,556	343,420,337
Business-type activities:					
Commissary	318,061	260,464	275,728	307,663	297,833
Delinquent Tax	3,566,015	4,339,170	2,876,769	4,417,404	3,914,658
Parks and recreation enterprise	1,537,414	1,510,269	1,454,358	1,786,317	1,654,706
Total business-type activities expenses	5,421,490	6,109,903	4,606,855	6,511,384	5,867,197
Total primary government expenses	\$ 293,357,192	\$ 304,662,001	\$ 327,319,662	\$ 332,415,940	\$ 349,287,534

### General Revenues and Other Changes in Net Assets

### Fiscal Year Ended September 30,

	2003	2004	2005	2006	2007
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
Management and planning	\$ 6,449,909	\$ 6,760,492	\$ 6,317,835	\$ 5,595,829	\$ 4,648,102
Administration of justice	3,546,663	4,207,446	4,339,188	4,030,973	4,994,718
Law enforcement and community protection	1,247,805	1,540,849	1,366,836	1,536,277	1,916,284
Human services	68,097,426	74,186,952	82,879,118	84,679,874	83,688,901
Community enrichment and development	1,499,970	1,866,889	2,300,229	2,319,598	1,334,426
Operating grants and contributions	108,374,146	108,447,493	106,495,973	102,973,924	110,619,729
Capital grants and contributions	-	-	-	-	1,995,000
Total governmental activities program revenues	189,215,919	197,010,121	203,699,179	201,136,475	209,197,160
Business-type activities:					
Charges for services:					
Commissary	502,931	458,052	473,796	467,888	490,221
Delinquent Tax	4,920,582	9,632,038	-	7,827,298	6,659,293
Parks and recreation enterprise	1,182,977	413,848	777,295	1,402,855	1,419,368
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	-	-	-	-	5,214,879
Total business-type activities program revenues	6,606,490	10,503,938	1,251,091	9,698,041	13,783,761
Total primary government program revenues	\$ 195,822,409	\$ 207,514,059	\$ 204,950,270	\$ 210,834,516	\$ 222,980,921
Net (expense)/revenue					
Governmental activities	\$ (98,719,783)	\$ (101,541,977)	\$ (119,013,628)	\$ (124,768,081)	\$ (134,223,177)
Business-type activities	1,185,000	4,394,035	(3,355,764)	3,186,657	2,701,685
Total primary government net expense	\$ (97,534,783)	\$ (97,147,942)	\$ (122,369,392)	\$ (121,581,424)	\$ (131,521,492)

# CHANGES IN GOVERNMENTAL NET ASSETS

## GENESEE COUNTY

Table 3 Continued

	Fiscal Year Ended September 30,				
	2003	2004	2005	2006	2007
Governmental activities:					
Taxes:					
Current property taxes	\$ 49,744,291	\$ 61,506,389	\$ 80,016,835	\$ 90,130,888	\$ 111,592,675
State income tax	7,365,672	5,929,005	-	-	-
Single business tax	1,505,222	1,352,579	-	-	-
State liquor tax	981,323	1,010,888	2,092,636	2,160,880	2,254,464
State cigarette tax	(265,687)	77,147	250,829	272,636	257,589
Use of money and investments	2,897,705	4,092,363	5,632,975	3,528,890	4,132,787
Other unrestricted intergovernmental revenues	26,693,472	18,452,999	21,993,912	22,586,954	19,274,036
Other unrestricted revenues	1,851,150	4,154,743	2,825,926	6,659,243	6,460,995
Unrestricted contributions	3,623,846	3,866,178	4,071,075	-	-
Transfers	7,561,032	8,829,288	7,909,798	5,259,421	4,810,130
Total governmental activities	101,958,026	109,271,579	124,793,986	130,598,912	148,782,676
Business-type activities:					
Taxes			5,883,971	-	-
Use of money and investments	150,171	346,553	329,329	470,787	578,579
Transfers	(7,561,032)	(8,829,288)	(7,909,798)	(5,259,421)	(4,810,130)
Total business-type activities	(7,410,861)	(8,482,735)	(1,696,498)	(4,788,634)	(4,231,551)
Total primary government	\$ 94,547,165	\$ 100,788,844	\$ 123,097,488	\$ 125,810,278	\$ 144,551,125
<b>Change in Net Assets</b>					
Governmental activities	\$ 3,238,243	\$ 7,729,602	\$ 5,780,358	\$ 5,830,831	\$ 14,559,499
Business-type activities	(6,225,861)	(4,088,700)	(5,052,262)	(1,601,977)	(1,529,866)
Total primary government	\$ (2,987,618)	\$ 3,640,902	\$ 728,096	\$ 4,228,854	\$ 13,029,633

## DEMOGRAPHIC AND ECONOMIC STATISTICS

### GENESEE COUNTY

Table 4

Fiscal Year	Population <sup>1</sup>	Personal Income	Per Capita Personal Income <sup>2</sup>	School Enrollment <sup>3</sup>	Unemployment Rate <sup>4</sup>
1998	433,160	10,469,910,360	24,171	91,000	5.9
1999	434,409	11,117,829,537	25,593	90,604	5.6
2000	437,021	11,550,028,009	26,429	84,652	5.4
2001	438,754	11,428,225,438	26,047	90,329	7.5
2002	440,391	11,768,568,693	26,723	90,491	8.6
2003	441,712	12,279,151,888	27,799	89,805	9.4
2004	442,739	12,109,797,128	27,352	89,423	8.9
2005	442,732	12,197,266,600	27,550	84,979	7.7
2006	436,141	Not Available	Not Available	84,418	8.1
2007	441,966	Not Available	Not Available	83,240	7.6

Data sources

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

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

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

<sup>4</sup>State of Michigan

## PRINCIPAL EMPLOYERS

### GENESEE COUNTY

#### CURRENT YEAR AND NINE YEARS AGO

Table 5

Employer	2007			1998		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
General Motors Corp	7,767	1	3.91 %	33,000	1	14.94 %
Genesys Health System	3,265	2	1.64	4,600	3	2.08
Flint Community Schools	2,611	3	1.31	3,200	4	1.45
Hurley Medical Center	2,510	4	1.26	2,900	5	1.31
Square D	2,500	5	1.26			
McLaren Medical Center	2,400	6	1.21	5,200	2	2.35
Flint Metal Center	2,180	7	1.10			0.00
City of Flint	1,600	8	0.81	1,596	6	0.72
Meijer	1,500	9	0.76			
Genesee County	1,200	10	0.60	1,397	7	0.63
United States Postal Service				1,200	8	0.54
Citizens Bank				996	9	0.45
Flint Journal				470	10	0.21
Total	27,533		13.86 %	54,559		24.70 %

Source: Flint Genesee Economic Growth Alliance.

# CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

## GENESEE COUNTY

Table 6

	1998	1999	2000	2001
<b>Revenues</b>				
Taxes	\$ 45,333,981	\$ 48,114,172	\$ 50,235,923	\$ 52,779,443
Licenses and permits	847,767	881,789	940,522	1,062,359
Fines and forfeitures	1,975,856	2,251,636	2,327,502	1,602,481
Use of money and property	3,468,976	3,088,290	5,436,329	5,973,298
Federal grants	35,329,871	41,589,456	45,905,372	52,560,978
State grants	49,335,103	44,936,211	49,124,272	51,780,681
Other intergovernmental revenues	18,791,695	18,606,198	19,600,354	20,175,195
Charges for services	54,425,736	71,568,319	72,467,205	75,352,962
Other	4,729,432	4,782,835	4,613,357	3,637,222
Total revenues	214,238,417	235,818,906	250,650,836	264,924,619
<b>Expenditures</b>				
Current operations:				
Legislative	782,033	934,457	791,432	737,376
Management and planning	8,670,289	8,796,702	8,400,071	8,893,000
Administration of justice	25,995,612	27,397,668	30,130,249	32,641,399
Law enforcement and community protection	24,781,254	24,903,604	26,528,212	28,811,997
Human services	128,942,305	148,913,350	157,141,042	173,456,318
Community enrichment and development	9,206,326	10,319,934	10,842,760	7,086,572
General support services	314,743	424,951	251,856	223,428
Other	5,380,678	5,534,983	6,801,683	8,078,557
Capital outlay	2,324,647	2,760,765	2,658,188	15,708,671
Debt service principal	2,608,318	2,826,321	3,679,322	3,732,319
Debt service interest	1,273,734	1,001,885	1,882,696	1,825,025
Advance refunding escrow	2,300,780			
Total expenditures	212,580,719	233,814,620	249,107,511	281,194,662
Excess of revenues over (under) expenditures	1,657,698	2,004,286	1,543,325	(16,270,043)
<b>Other financing sources (uses)</b>				
Proceeds from notes	2,422,000			
Discount sale of bonds				
Payment to refund bond escrow				
Transfers in	23,958,381	27,070,866	28,317,435	33,850,091
Transfers out	(19,577,458)	(22,589,868)	(22,490,335)	(24,649,620)
Total other financing sources (uses)	6,802,923	4,480,998	5,827,100	9,200,471
Net change in fund balances	\$ 8,460,621	\$ 6,485,284	\$ 7,370,425	\$ (7,069,572)
Debt service as a percentage of noncapital expenditures	1.8%	1.6%	2.2%	1.9%

2002	2003	2004	2005	2006	2007
\$ 56,339,393	\$ 59,330,821	\$ 61,506,389	\$ 82,360,302	\$ 86,840,515	\$ 110,748,784
985,811	1,020,218	1,135,328	1,396,599	1,238,421	1,463,997
2,036,590	2,603,628	2,634,086	2,371,011	2,473,432	2,715,541
3,498,117	4,002,596	4,796,954	4,174,354	3,795,451	4,394,915
59,266,293	63,459,559	58,521,771	55,359,347	47,636,776	63,486,445
50,983,604	44,853,105	50,345,235	51,065,065	55,337,148	47,133,284
19,206,174	21,322,672	14,845,416	8,167,368	8,454,322	6,733,314
77,931,129	80,841,773	88,562,628	97,560,370	98,162,552	96,582,431
5,007,064	7,283,432	15,806,629	16,366,979	17,063,294	13,876,995
275,254,175	284,717,804	298,154,436	318,821,395	321,001,911	347,135,706
802,421	836,525	924,581	920,466	1,018,198	1,074,904
10,332,028	10,730,757	10,548,857	12,302,328	11,387,914	11,746,542
33,312,780	35,730,821	36,280,906	36,094,472	36,092,505	39,616,056
30,132,814	31,170,314	32,194,935	31,504,040	33,575,804	34,349,956
185,210,860	189,995,280	192,932,327	202,020,809	212,013,445	227,256,969
7,912,569	9,366,372	7,539,899	7,774,226	9,134,039	6,762,148
312,012	244,295	199,860	228,656	230,987	278,953
9,470,451	11,049,688	12,177,907	26,975,242	13,958,517	13,447,187
10,732,099	4,972,876	4,380,397	8,194,847	2,826,643	2,004,138
3,417,248	3,752,248	3,427,248	2,827,248	2,779,000	2,536,000
1,733,445	1,876,245	1,641,983	1,840,218	1,521,960	1,544,866
293,368,727	299,725,421	302,248,900	330,682,552	324,539,012	340,617,719
(18,114,552)	(15,007,617)	(4,094,464)	(11,861,157)	(3,537,101)	6,517,987
4,700,000	4,700,000	7,645,000	17,486,536		
		(6,362,420)	(41,969)		
35,054,252	37,261,766	40,524,638	(13,776,115)	47,404,927	72,052,311
(27,512,436)	(25,138,289)	(27,010,834)	48,184,559	(43,701,772)	(68,010,760)
12,241,816	16,823,477	14,796,384	(38,273,955)	3,703,155	4,041,551
\$ (5,872,736)	\$ 1,815,860	\$ 10,701,920	\$ 13,579,056	\$ 166,054	\$ 10,559,538
1.7%	1.8%	1.7%	1.4%	1.3%	1.2%



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

### GENESEE COUNTY

Table 7

Fiscal Year	Millage Rates - Direct County Taxes <sup>2</sup>							
	General Operating	County Parks	County	Senior Citizens	Health Services	Total Direct Taxes <sup>3</sup>	Schools	Mott Community
			Emergency					College
			Medical Services					
1998	5.59	0.49	0.49			6.57	16.36	1.86
1999	5.58	0.49	0.49			6.56	15.78	1.87
2000	5.58	0.49	0.49			6.56	15.73	1.87
2001	5.58	0.49	0.49			6.56	15.57	1.61
2002	5.58	0.49	0.49			6.56	15.21	2.00
2003	5.55	0.49	0.49			6.53	14.52	1.84
2004	5.52	0.49	0.49			6.5	13.79	1.94
2005	5.51	0.48	0.48			6.47	13.11	1.85
2006	5.51	0.48	0.48			6.47	14.80	1.94
2007	5.51	0.48	0.48	0.7	1.00	8.17	17.92	2.65

Source: Genesee County Equalization

<sup>1</sup> Overlapping rates are those of local and county governments that apply to property owner within Genesee County. Not all overlapping rates apply to all Genesee County property owners whose property is located within the geographic boundaries of the special district).

<sup>2</sup> Local and county governments are limited by State Statute (Headlee Amendment) to increase property taxes (without a vote of the public) no more than the rate of inflation exclusive of net

<sup>3</sup> The maximum County millage rate allowed by Headlee Amendment for 2007 was 8.17.

## TAXABLE VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

### GENESEE COUNTY

Table 8

Fiscal Year Ended September 30	Taxable Value by Property Type:			
	Real Property			Agricultural & Other
	Residential	Commercial	Industrial	
1998	4,566,737,131	1,243,172,477	404,889,126	120,457,061
1999	4,845,176,407	1,318,367,382	416,794,282	121,860,332
2000	5,186,747,804	1,405,077,223	445,854,046	119,235,432
2001	5,613,044,953	1,491,801,948	421,953,791	114,495,539
2002	6,072,127,173	1,597,976,309	418,394,903	116,615,019
2003	6,450,983,934	1,669,908,541	441,422,475	109,345,900
2004	6,895,425,829	1,753,000,981	443,446,262	108,187,742
2005	7,375,298,859	1,846,280,434	457,832,433	109,816,454
2006	7,930,930,667	1,942,291,432	462,904,596	108,960,093
2007	8,350,676,588	2,064,642,037	465,453,698	114,502,824

Source: Genesee County Equalization

Note: Property in the county is reassessed annually. The county assesses property at approximately 50 percent of actual value for all Tax rates are per \$1,000 of assessed value.

Overlapping Taxes					Total Tax Rate
Genesee Intermediate School	Townships Cities and Village	District Library	Airport Authority	Special Assess.	Direct & Overlapping Rates
3.40	10.26	0.79	0.49	0.21	39.94
3.29	8.89	0.78	0.49	0.20	37.86
3.28	8.71	0.78	0.49	0.22	37.64
2.89	8.25	0.78	0.49	0.19	36.34
3.49	9.41	0.78	0.49	0.17	38.11
3.57	8.82	0.77	0.49	0.19	36.73
3.40	9.12	0.76	0.49	0.17	36.17
3.23	8.67	0.76	0.48	0.14	34.71
3.32	9.21	0.75	0.48	0.12	37.09
3.54	6.93	0.75	0.48	0.11	40.55

(e.g., the rates for special districts apply only to the proportion of the government's property own

additions in property values due to new construction. Otherwise, a rate rollback must be doi

Personal Property	Total Value	Tax Rate (Mills)	Estimated Actual Value	Taxable Value as a % of Actual
1,079,519,155	7,414,774,950	6.57	16,253,638,080	45.62%
1,106,959,737	7,809,158,140	6.56	17,652,999,824	44.24%
1,000,659,234	8,157,573,739	6.56	18,736,226,818	43.54%
951,796,172	8,593,092,403	6.56	20,198,052,686	42.54%
960,898,112	9,166,011,516	6.56	21,820,528,372	42.01%
933,727,354	9,605,388,204	6.53	23,297,946,094	41.23%
908,022,829	10,108,083,643	6.50	24,589,093,896	41.11%
932,598,141	10,721,826,321	6.47	26,070,064,822	41.13%
875,861,401	11,320,948,189	6.47	27,391,654,734	41.33%
854,545,349	11,849,820,496	8.18	28,313,868,698	41.85%

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

## PRINCIPAL PROPERTY TAX PAYERS

### GENESEE COUNTY

Table 9

Taxpayer	2006			1998		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
General Motors Corp	\$ 388,524,971	1	2.84 %	\$ 877,298,200	1	11.80 %
Consumers Energy	193,421,019	2	1.41	178,545,361	2	2.40
Delphi Automotive	85,057,742	3	0.62			
Genesee Investors II LLC (Genesee Valley)	67,046,000	4	0.49	66,198,980	3	0.89
Wal-Mart/Sam's	42,390,403	5	0.31			
Edward Rose Assoc ETAL	27,871,976	6	0.20			0.00
Meijers Inc	23,004,640	7	0.17			
Home Depot	21,859,785	8	0.16			
Kroger Co	21,178,248	9	0.15			
Ring Screw Works Etal	19,711,400	10	0.14	9,558,193	9	0.13
E.D.S. Corporation				40,018,300	4	0.54
Grant Auker Realty				25,464,874	5	0.34
Great Lakes Gas Transmission Co				12,905,710	6	0.17
PPG Industries				11,849,297	7	0.16
Center Courtland, Inc				10,400,000	8	0.14
Knollwood Apts				9,533,000	10	0.13
Totals	<u>\$ 890,066,184</u>		<u>6.50 %</u>	<u>\$ 1,241,771,915</u>		<u>16.70 %</u>

Source: Genesee County Equalization

## PROPERTY TAX LEVIES AND COLLECTIONS

### GENESEE COUNTY

Table 10

Tax Year	Fiscal Year Ended September 30	Total Levy	Current Collections	Percent Collected	Delinquent Collections	Total Tax Collections	Percent of Levy Collected
1997	1998	45,631,814	41,986,210	92.0	3,606,528	45,592,738	99.9
1998	1999	48,400,678	44,274,120	91.5	4,088,264	48,362,384	99.9
1999	2000	51,583,762	47,566,435	92.2	4,000,840	51,567,275	100.0
2000	2001	53,656,134	49,123,362	91.6	4,491,202	53,614,564	99.9
2001	2002	57,316,530	52,821,625	92.2	4,385,198	57,206,823	99.8
2002	2003	61,019,215	56,373,215	92.4	3,847,657	60,220,872	98.7
2003	2004	63,422,129	58,517,508	92.3	2,080,607	60,598,115	95.5
2004	2005	66,168,833	60,857,672	92.0	2,377,100	63,234,772	95.6
2005	2006	69,978,962	64,674,114	92.4	3,337,568	68,011,682	97.2
2006	2007	73,789,449	66,320,683	89.9	5,039,055	71,359,738	96.7

## RATIOS OF GENERAL BONDED DEBT OUTSTANDING

### GENESEE COUNTY

Table 11

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value <sup>1</sup> of Property	Per Capita <sup>2</sup>
1998	21,717,000	6,123,871	15,593,129	0.10	36
1999	40,731,000	6,777,669	33,953,331	0.19	79
2000	37,688,000	7,046,717	30,641,283	0.16	71
2001	34,560,500	8,322,177	26,238,323	0.13	60
2002	36,018,500	9,798,882	26,219,618	0.12	60
2003	34,764,000	11,734,071	23,029,929	0.10	53
2004	35,486,000	14,908,023	20,577,977	0.08	47
2005	36,316,500	235,892	36,080,608	0.14	83
2006	33,537,500	0	33,537,500	0.12	77
2007	41,001,500	218,170	40,783,330	0.14	94

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

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

<sup>2</sup>Population data can be found in the Schedule of Demographic and Economic Statistics (Table 4).

## DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

### GENESEE COUNTY

Table 12

	Net Debt Outstanding	Percentage Applicable Name of Government <sup>1</sup>	Amount Applicable Genesee County
County at Large	\$33,355,000	100.0 %	\$33,355,000
School Districts	458,707,184	81.1	371,986,524
Cities and Villages	48,046,564	97.4	46,810,128
Townships	54,516,162	100.0	54,516,162
County-issued Bonds paid by local municipalities	189,935,000	76.2	144,796,674
Airport Authority	10,555,000	100.0	10,555,000
Mott Community College and Genesee Intermediate School District	90,540,000	90.5	81,923,542
Total direct and overlapping debt			<u>\$743,943,030</u>

Source: Municipal Advisory Council of Michigan.

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

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

## RATIOS OF OUTSTANDING DEBT

### GENESEE COUNTY

Table 13

Fiscal Year	Governmental Activities			
	General Obligation Bonds	Equipment Notes	Capital Leases	Installment Agreements
1998	21,717,000	1,046,225		1,125,122
1999	40,731,000	1,686,257	67,306	1,721,420
2000	37,688,000	1,396,438	13,818	968,870
2001	34,560,500	2,057,754	500	415,552
2002	36,018,500	1,513,694		311,664
2003	34,764,000	1,141,091		207,776
2004	35,486,000	747,432		103,888
2005	36,316,500	386,694		
2006	33,537,500	254,540		
2007	41,001,500	135,804		

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

<sup>1</sup> See the Schedule of Demographic and Economic Statistics (Table 4) for personal income and population data.

## FUND BALANCES OF GOVERNMENTAL FUNDS

### GENESEE COUNTY

Table 14

	1998	1999	2000	2001
General Fund:				
Reserved	\$ 1,348,641	\$ 1,811,327	\$ 2,180,740	\$ 2,748,106
Unreserved	11,379,627	16,563,477	1,894,567	18,968,701
Total general fund	<u>\$ 12,728,268</u>	<u>\$ 18,374,804</u>	<u>\$ 4,075,307</u>	<u>\$ 21,716,807</u>
All other governmental funds				
Reserved	\$ 559,480,614	\$ 596,265,551	\$ 641,187,885	\$ 638,603,620
Unreserved, reported in:				
Special revenue funds	17,203,992	13,889,934	14,696,351	13,780,202
Capital projects funds	(640,240)	17,009,782	11,228,337	1,572,646
Debt service funds	6,123,871	6,777,669	7,046,717	8,322,177
Total all other governmental funds	<u>\$ 582,168,237</u>	<u>\$ 633,942,936</u>	<u>\$ 674,159,290</u>	<u>\$ 662,278,645</u>

<b>Business - Type Activities</b>		<b>Total Primary Government</b>	<b>Percentage of Personal Income</b>	<b>Per Capita <sup>1</sup></b>
<b>General Obligation Bonds</b>	<b>Delinquent Tax Notes</b>			
1,538,000	20,024,000	45,450,347	43.11	104
1,179,000	14,911,000	60,295,983	54.02	138
1,117,000	12,487,000	53,671,126	46.56	123
1,044,500	12,978,000	51,056,806	44.94	117
921,500	15,411,500	54,176,858	46.48	124
766,000	14,513,000	51,391,867	42.39	118
609,000	14,617,000	51,563,320	43.22	118
463,500	16,484,000	53,650,694	44.65	123
307,500	21,795,000	55,894,540	46.52	128
253,500	29,742,000	71,132,804	59.20	163

<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
\$ 2,571,294	\$ 3,382,233	\$ 3,237,607	\$ 3,540,891	\$ 3,598,594	\$ 3,887,892
17,928,706	15,560,534	15,757,245	15,292,806	9,801,036	7,501,262
<u>\$ 20,500,000</u>	<u>\$ 18,942,767</u>	<u>\$ 18,994,852</u>	<u>\$ 18,833,697</u>	<u>\$ 13,399,630</u>	<u>\$ 11,389,154</u>
\$ 11,175,952	\$ 7,021,921	\$ 1,700,659	\$ 1,306,925	\$ 23,309,614	\$ 32,511,561
10,816,731	16,599,640	27,968,408	45,006,647	29,581,547	32,713,869
(1,969,558)	132,638	1,561,015	1,467,695	726,119	743,694
9,798,882	11,734,071	14,908,023	235,892	218,170	218,170
<u>\$ 29,822,007</u>	<u>\$ 35,488,270</u>	<u>\$ 46,138,105</u>	<u>\$ 48,017,159</u>	<u>\$ 53,835,450</u>	<u>\$ 66,187,294</u>

## LEGAL DEBT MARGIN

### GENESEE COUNTY

Table 15

	1998	1999	2000
<b>Calculation of Debt Limit:</b>			
State Equalized Valuation	\$8,126,676,693	\$8,826,499,912	\$9,368,113,409
10% of Taxable Value	812,667,669	882,649,991	936,811,341
<b>Calculation of Debt Subject to Limit:</b>			
Total Long-Term Debt	26,424,587	45,284,983	41,184,126
Plus Delinquent Tax Notes (Current)	20,024,000	14,911,000	12,487,000
Component Unit Debt:			
Brownfield Authority			
Land Bank Authority			
Water and Waste Services	83,935,000	82,800,000	78,495,000
Road Commission	8,864,967	8,711,344	8,745,034
Drain Fund	2,214,113	1,803,392	1,986,302
Less: Debt Not Subject to Limit:			
Non-Bonded Debt	3,176,625	3,894,405	3,028,968
Road Commission Debt Not Subject to Legal Debt Limit	8,562,416	7,905,000	7,785,000
Water and Waste Service Sewer Bonds	71,195,000	72,595,000	70,450,000
Drain Fund Special Assessment Debt	1,309,113	998,392	1,281,302
Net Debt Subject to Limit	57,219,513	68,117,922	60,352,192
Legal Debt Margin	755,448,156	814,532,069	876,459,149
Net Debt Subject to Limit as % of Debt Limit	7.04%	7.72%	6.44%
Note: Under state finance law, Genesee County's outstanding general obligation debt should not exceed 10 percent of total general obligation bonds.			

## PLEDGED-REVENUE COVERAGE

### GENESEE COUNTY

Table 16

Fiscal Year	Water and Sewer Revenue Bonds				
	Gross Revenues	Applicable Expenses	Net Revenues	Debt Service	
				Principal	Interest
1998	22,125,720	15,452,344	6,673,376	8,730,000	4,074,798
1999	22,167,057	15,757,706	6,409,351	9,135,000	3,742,362
2000	22,607,437	19,365,300	3,242,137	9,260,000	3,686,577
2001	24,294,418	21,437,967	2,856,451	9,000,000	3,152,759
2002	28,136,915	24,055,391	4,081,524	7,740,000	3,180,964
2003	29,500,607	26,403,112	3,097,495	10,260,000	4,477,742
2004	31,270,777	28,668,831	2,601,946	7,530,000	5,286,079
2005	33,089,994	31,414,650	1,675,344	7,020,000	4,698,900
2006	33,240,331	31,201,708	2,038,623	8,780,000	5,146,948
Note: Details regarding Water and Waste Services outstanding debt can be found in the notes to the financial statements. Operating expenses do not					

2001	2002	2003	2004	2005	2006	2007
\$10,099,026,343 1,009,902,634	\$10,910,264,186 1,091,026,419	\$11,648,973,047 1,164,897,305	\$12,294,546,948 1,229,454,695	\$13,035,032,411 1,303,503,241	\$13,695,827,367 1,369,582,737	\$14,156,934,349 1,415,693,435
38,078,805 12,978,000	38,765,358 14,490,000	39,308,867 14,513,000	36,946,320 14,617,000	42,166,698 16,484,000	39,099,540 21,795,000	46,390,804 29,742,000
75,360,000 8,883,362 2,720,986	66,100,000 7,622,092 2,262,885	68,100,000 6,163,487 2,207,898	100,165,000 5,016,814 2,173,708	56,814 117,465,000 3,765,617 1,718,859	445,942 115,596,420 2,761,480 2,950,407	434,515 144,697,048 1,840,753 4,662,036
3,246,526 7,815,000 69,410,000 1,365,986	2,356,808 6,795,000 62,275,000 1,057,885	1,626,713 5,590,000 65,945,000 1,152,898	1,446,897 4,415,000 71,470,000 1,268,708	822,315 3,330,000 74,905,000 863,859	439,072 2,385,000 74,006,420 615,407	283,707 1,535,000 104,302,048 782,036
56,183,641 953,718,993 5.56%	56,755,642 1,034,270,777 5.20%	55,978,641 1,108,918,664 4.81%	80,318,237 1,149,136,458 6.53%	101,735,814 1,201,767,427 7.80%	105,202,890 1,264,379,847 7.68%	120,864,365 1,294,829,070 8.54%

assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying

Special Assessment Bonds				
Coverage	Special Assessment	Debt Service		Coverage
		Principal	Interest	
0.521162146				
0.49772236				
0.250424263				
0.235045474				
0.373732942				
0.210174327				
0.203022001				
0.142960858				
0.146379738				

include interest or depreciation.



# FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION

## GENESEE COUNTY

Table 17

Function	1998	1999	2000	2001
Affirmative Action	3	3	4	3
Animal Shelter	12	11	13	14
Board Office	13	14	14	14
Building & Grounds	26	28	27	28
Circuit Court	35	32	33	34
Controller	20	20	19	18
Cooperative Extension	3	3	3	3
Corporation Counsel	6	6	6	6
County Clerk	37	39	41	38
Court Services	15	15	18	17
District Court	63	62	65	68
Emergency Management	1	1	2	3
Equalization	12	12	12	13
Family Court				
Friend of the Court	82	81	85	95
GCCARD	53	86	88	95
Genesee Valley Regional Ctr.				
GIS				
Human Resources	9	9	9	10
M.I.S.	20	21	24	22
Parks & Recreation	27	28	26	26
Planning	21	19	21	24
Probate Court	56	62	64	65
Prosecutor	73	78	78	77
Public Health	169	170	180	189
Purchasing	8	8	8	8
Register of Deeds	12	12	12	13
Sheriff	241	275	277	278
Surface Water Management	17	17	17	18
Treasurer	14	16	16	16
Veteran's Info. Center	3	3	3	3
Total	1,051	1,131	1,165	1,198

Source: Government Human Resources Office.

<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
3	2	2	3	3	3
14	12	12	12	13	13
14	15	16	15	15	15
30	26	26	26	25	24
36	36	40	46	49	49
21	21	17	17	17	17
3	3	3	3	3	1
6	5	5	6	6	6
42	37	38	37	40	34
16	13	10	6	7	5
68	63	63	63	63	61
3	3	4	4	4	1
12	11	11	10	7	9
37	38	33	32	34	33
105	103	99	101	101	100
99	104	105	94	89	81
34	42	40	41	42	43
		1	3	2	2
10	9	9	8	7	8
22	21	22	20	19	19
27	28	28	29	28	28
23	22	20	19	20	22
28	25	26	24	24	24
81	78	73	68	71	67
177	167	165	158	152	150
8	7	7	6	7	6
13	11	12	11	11	10
279	269	273	264	265	259
22	22	21	19	22	20
18	23	23	19	18	19
3	3	3	3	3	3
1,254	1,219	1,207	1,167	1,167	1,132

# OPERATING INDICATORS BY FUNCTION

## GENESEE COUNTY

Table 18

Function/Program	1998	1999	2000	2001
Board Office Committee Meeting Log:				
Public Works	21	18	17	20
Finance/Budget	0	1	1	2
Governmental Operations	21	22	22	26
Human Services	21	21	21	21
Community & Economic Development	12	12	11	12
Board of Commissioners	26	28	31	30
Building & Grounds:				
Centrally Generated Work Orders				
Circuit Court:				
Number of Civil Cases	2,400	2,427	2,361	2,357
Number of Criminal	1,816	1,620	1,791	1,845
Number of Family Cases	13,501	13,294	13,393	13,004
Controllers:				
Number of Checks	47,005	48,509	48,618	47,410
Cooperative Extension:				
4-H Volunteers	6,994	10,700	14,920	8,730
Master Gardener Volunteers	179	235	251	308
Residents Served				22,119
County Clerk General Election Data:				
Registered Voters	333,905	333,905	319,719	148,234
Ballots Cast	140,982	140,982	194,629	22,279
Percent Voting	42.2%	42.2%	60.9%	15.0%
Birth Certificates	6,976	7,113	6,996	6,737
Civil Cases Filed	8,940	8,893	8,760	8,378
Criminal Cases Filed	1,834	1,621	1,821	1,872
Death Certificates	3,960	4,047	4,150	4,142
Divorces	3,141	3,124	3,077	2,943
Marriage Licenses	3,087	3,366	3,094	3,212
District Court:				
Number of Civil Cases		13,730	13,564	17,182
Number of Criminal/Traffic Cases		61,451	57,507	52,527
Equalization:				
Number of Parcel Counts	187,191	189,820	191,902	194,462
Friend of the Court:				
Number of Active Cases	43,858	43,235	43,104	52,060
Health:				
Infant Deaths	75	81	78	59

2002	2003	2004	2005	2006	2007
20	19	20	20	20	23
10	16	8	16	30	31
23	25	23	25	27	23
21	22	23	21	25	24
11	13	12	10	14	8
31	29	29	28	39	30
	2,023	2,011	2,045	2,001	2,018
2,500	2,204	2,144	2,144	1,895	1,881
1,956	2,092	2,116	2,067	2,149	2,353
11,076	9,788	10,457	9,993	7,085	9,051
48,757	44,704	42,607	37,585	37,410	42,430
9,972	10,288	10,009	9,236	13,976	443
319	381	360	422	371	309
24,673	25,927	29,088	36,092	49,391	65,716
319,909	118,774	335,361	154,140	338,530	351,082
136,498	26,691	214,718	22,168	165,346	35,656
42.7%	22.5%	64.0%	14.4%	48.8%	10.2%
6,819	6,777	6,527	6,490	6,602	6,432
8,767	6,836	7,086	6,789	6,865	2,304
1,900	2,022	2,006	1,984	2,060	1,836
4,325	4,131	4,229	4,202	4,285	4,020
3,070	2,401	2,489	2,384	2,411	7,536
2,940	2,924	2,882	2,782	2,579	2,532
18,511	19,609	18,406	18,368	20,185	22,913
62,160	63,474	58,338	57,988	62,437	59,427
196,713	205,937	209,709	212,626	207,759	209,079
53,565	55,216	54,903	55,472	55,577	55,530
83	74	75	52	59	50

## OPERATING INDICATORS BY FUNCTION

### GENESEE COUNTY

Table 18 Continued

Function/Program	1998	1999	2000	2001
Health:				
Smoking Rates	27.1%	27.1%	27.1%	27.1%
Gonorrhea Cases	1,767	1,618	1,417	1,545
Parks and Recreation:				
Crossroad Village Attendance	194,359	177,344	163,008	167,391
Planning Commission				
Road Reconstruction, Resurfacing & Restoration				
Lane Miles	41.2	52.4	29.5	67.6
Cost	6,740,000	18,796,408	15,195,000	13,835,102
Streets				
Miles	2.4	2.3	1.4	1.5
Cost	1,092,589	921,270	756,319	881,320
Sidewalks				
Feet	600	600	1,500	3,500
Cost	43,843	40,848	105,828	134,036
Probate Court:				
Number of Probate Cases	5,330	5,030	4,019	3,772
Prosecutors:				
Felony Warrants (more than 1 year)	3,180	2,809	2,897	3,031
Misdemeanor Warrants (more than 1 year)	15	13	26	11
Misdemeanor Warrants (less than 1 year)	773	634	778	1,122
Purchasing:				
Number of Purchase Orders	2,284	2,462	2,492	2,371
Register of Deeds:				
Annual Recorded Documents	96,394	228,754	425,812	125,955
Sheriff Department:				
Number of Inmates Booked	12,698	12,275	10,861	11,623
Traffic Accidents	1,815	1,477	1,488	1,394
Traffic Violations	3,695	6,463	1,525	4,373
OUIL Arrests	158	205	247	217
Driving With License Suspended Arrests	233	495	535	633
Felony Arrests	229	300	367	392
Misdemeanor Arrests	1,356	2,200	2,937	2,669
Treasurers:				
Number of Cash Receipts	46,940	50,574	51,172	58,764
Veterans Information Services:				
Veteran Services	4,947	3,401	17,727	27,895
Veterans Burial Services	124	183	122	100
Soldiers Relief Commission Services	841	810	599	415
Veterans Trust Applications	693	709	691	335

Source: Various county departments.

<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
27.1%	26.8%	26.8%	25.2%	25.2%	25.6%
1,794	1,758	1,972	1,664	1,682	1,594
142,859	151,670	146,163	143,007	152,113	159,715
16.7	112.2	41.8	63.3	67.7	146.5
3,708,092	30,373,829	13,888,596	37,824,377	40,162,522	70,114,676
1.9	1.5	1.3	1.6	2.2	3.2
465,883	376,310	402,663	515,474	154,840	356,523
4,000	2,500	600	3,200	4,600	2,500
278,780	125,469	31,324	128,596	214,995	138,449
3,140	3,128	2,746	2,605	3,267	3,037
3,025	3,271	3,246	3,101	3,407	3,467
31	28	14	25	34	
1,130	1,531	1,489	1,292	1,250	1,141
2,219	2,156	1,905	1,733	1,628	1,228
148,827	166,713	130,944	123,414	111,178	99,573
11,891	11,957	12,209	12,032	12,454	12,580
1,493	1,202	1,213	1,231	919	1,495
3,047	3,783	2,807	2,155	2,356	3,372
155	125	125	72	76	140
538	578	408	318	372	604
291	300	359	403	391	286
813	1,158	997	967	604	1,250
58,818	58,222	65,621	53,196	49,473	55,202
17,881	26,323	25,466	25,265	27,763	27,707
140	116	110	134	103	112
334	344	215	190	148	161
190	144	87	61	48	46

## CAPITAL ASSET STATISTICS BY FUNCTION

### GENESEE COUNTY

Table 19

Function/Program	1998	1999	2000
Buildings & Grounds:			
Administration Bldg.	1	1	1
Animal Control	1	1	1
Clinics	3	3	3
Courts	6	6	6
Courthouse	1	1	1
Dollar Store			1
Drain Commission	1	1	1
Galliver Bldg.	1	1	1
GCCARD Bldg.	1	1	1
Haley			1
Jail	2	1	1
Juv. Detention Ctr.			
MacAvinchey Bldg.	1	1	1
Motor Pool	1	1	1
MSU Extension	1	1	1
Parking Structures	2	2	2
Drains:			
Number of Drains	1,094	1,107	1,126
MIS:			
Computers	770	790	800
Parks & Recreation:			
Acreage	10,939	10,939	10,939
Beaches	5	4	4
Bicycle Path	4	4	4
Boat Launches	2	2	2
Campgrounds	2	2	2
Disc Golf Course			
For-Mar Nature Preserve & Arboretum	1	1	1
Genesee Belle Paddle Wheel Boat	1	1	1
Huckleberry Railroad	1	1	1
Picnic Areas	5	5	5
Play Areas			
Snowmobile Areas	4	4	4
Spray Park			
Stepping Stone Falls	1	1	1

<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
1	1	1	1	1	1	1
1	1	1	1	1	1	1
3	3	4	3	3	3	3
7	6	7	6	6	6	6
1	1	1	1	1	1	1
1	1	1	1	1	1	1
1	1	1	1	1	1	1
1	1	1	1	1	1	1
3	3	3	3	3	3	3
1	1	1	1	1	1	1
1	1	1	1	1	1	1
		1	1	1	1	1
1	1					
1	1	1	1	1	1	1
1	1	1	1	1	1	1
2	2	2	2	2	2	2
1,133	1,144	1,153	1,162	1,171	1,177	1,183
810	820	825	840	850	855	850
10,939	10,939	10,939	10,939	10,939	10,939	10,939
4	4	4	4	4	4	3
5	5	5	5	5	6	6
2	2	2	3	3	3	4
2	2	2	1	1	1	1
		1	1	1	1	1
1	1	1	1	1	1	1
1	1	1	1	1	1	1
1	1	1	1	1	1	1
5	5	5	5	5	5	5
	1	2	3	3	5	5
4	4	4	4	4	5	5
		1	1	1	1	1
1	1	1	1	1	1	1



# CAPITAL ASSET STATISTICS BY FUNCTION

## GENESEE COUNTY

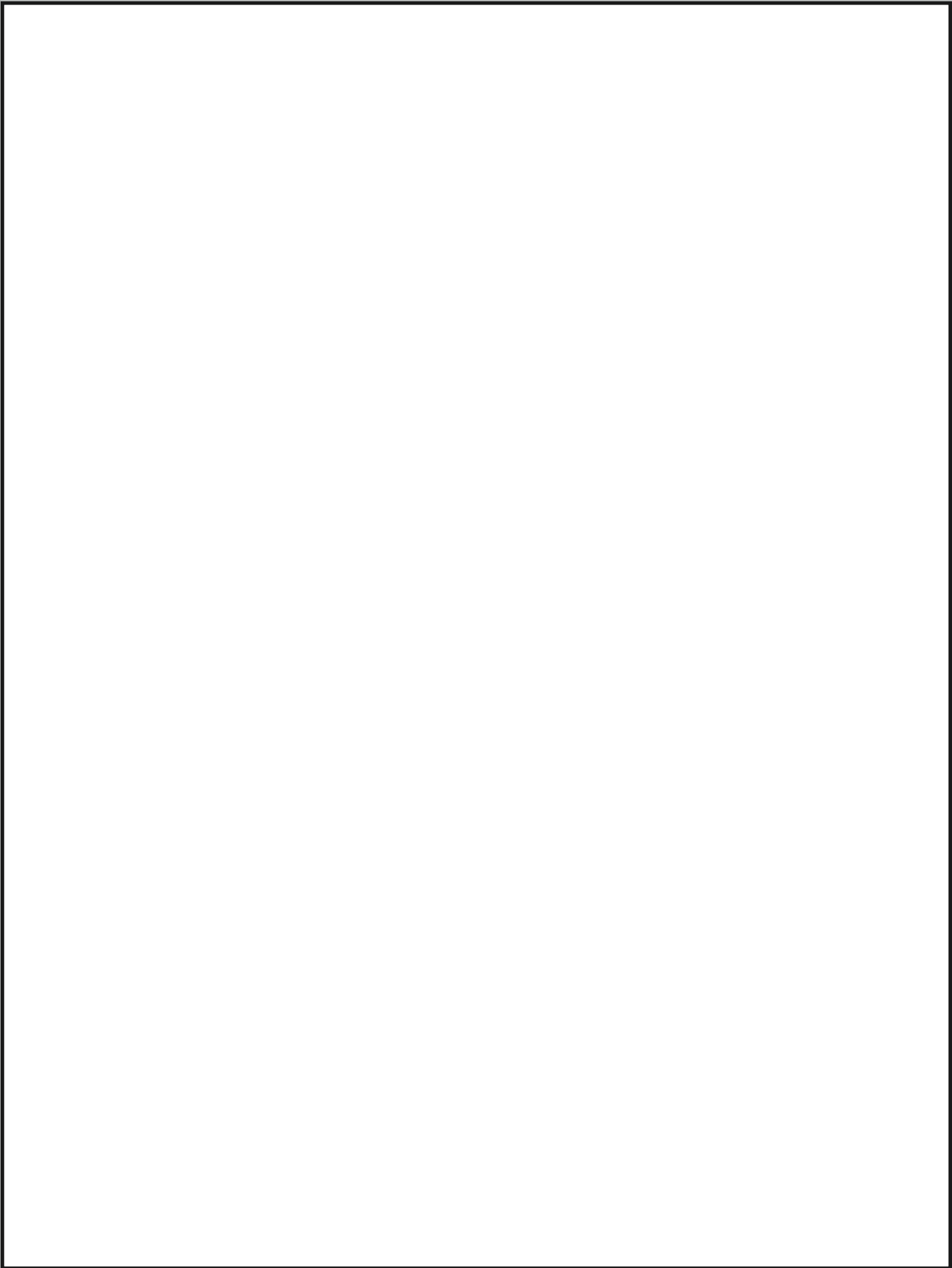
Table 19 Continued

### Sheriff:

Housing Cells	355	355	355
Isolation Rooms	6	6	6
Safety Cells	6	6	6
Medical Cells	9	9	9
Patrol Vehicles	21	21	21
Boats	9	9	9
Paramedic Vehicles	9	9	9
Motorcycles			
Jet Skis			

Sources: Various county departments.

355	355	355	355	355	355	355
6	6	6	6	6	6	6
6	6	6	6	6	6	6
9	9	9	9	9	9	6
21	21	21	21	50	50	18
9	9	9	9	5	5	4
9	9	9	9	15	15	15
				8	8	8
						4



# Genesee County, Michigan



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