



Genesee County, Michigan

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Period Ending September 30, 2008

Controller's Office

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, 2007

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President

Executive Director

COMPREHENSIVE ANNUAL FINANCIAL REPORT

GENESEE COUNTY, MICHIGAN

September 30, 2008

Board of Commissioners

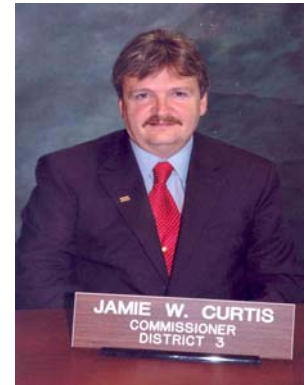
Ted Henry, Chairperson of the Board



Omar A. Sims



Brenda Clack



Jamie W. Curtis



John Northrup



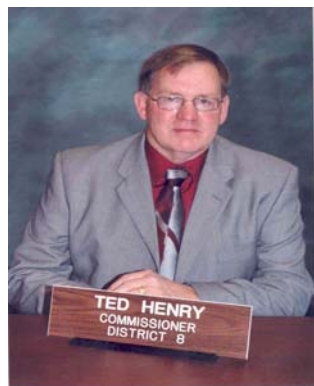
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Controller's Office

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Independent Auditors
Plante & Moran, PLLC

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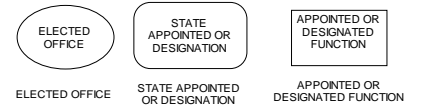
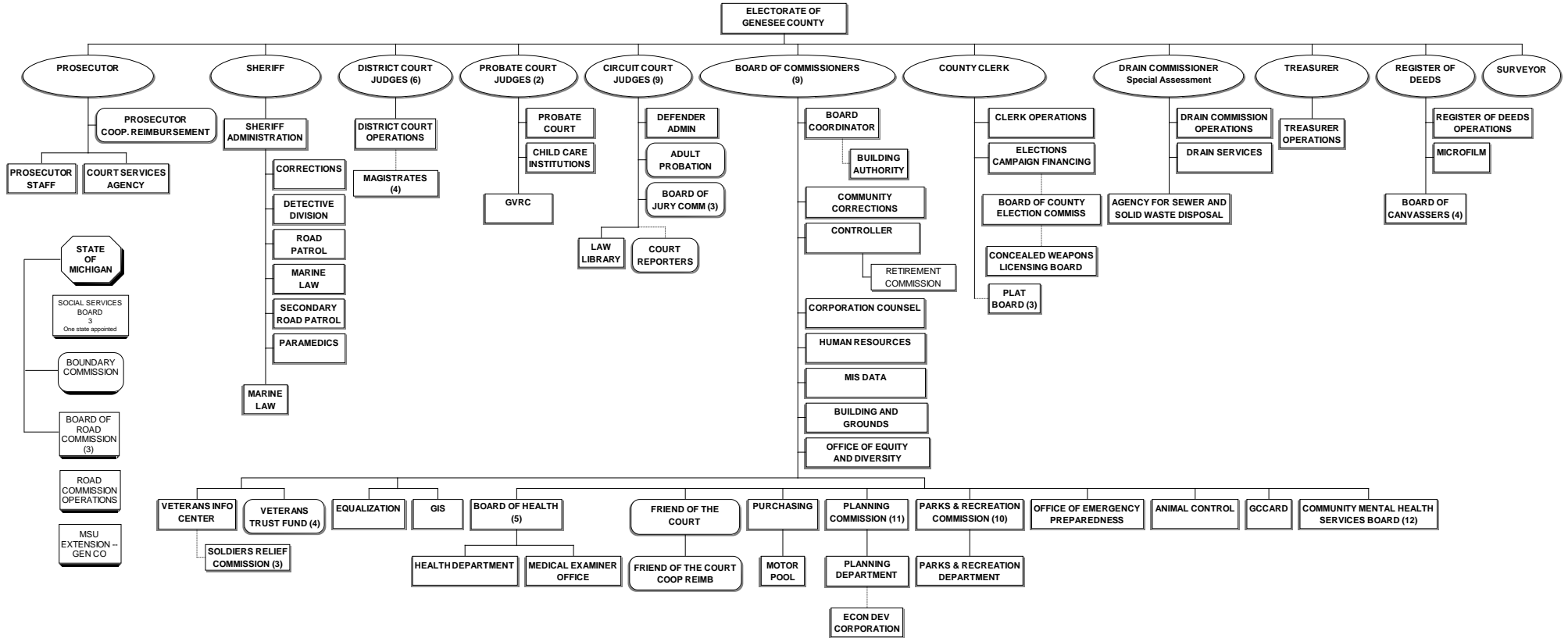
I. INTRODUCTORY SECTION

The Introductory Section Contains:

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

ORGANIZATIONAL CHART

GENESEE COUNTY



The Comprehensive Annual Financial Report of Genesee County for the fiscal period ended September 30, 2008 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, Economic Development Corporation, Drains, Land Bank Authority, Brownfield Authority and the Storm Water Management System, 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 \$299.6 million for governmental and business-type activities with net assets in excess of \$166.4 million.

Services Provided

The County is responsible for the management and financing of over 250 municipal services to its citizens. These services are separated into seven major program areas. These areas are: legislative, administration of justice, law enforcement and community protection, human services, community enrichment and development, management and planning, and general support. Approximately 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 City of Flint downtown area is experiencing a turnaround. There are numerous projects in varying stages of completion that have the possibility of dramatically changing the downtown area.

The Wade-Trim Building was completed in October, 2008. A local television station, WNEM TV-5, occupies approximately 2,500 square foot of the first floor. There is also a Mexican restaurant located on the first floor. Wade Trim, a growing civil engineering firm occupies the entire second floor of this new building while the third floor is occupied by high-end residential lofts.

The Rowe Building, scheduled for completion in late 2009, utilized three existing buildings and added to them through new construction. It is envisioned that a restaurant will be housed on the first floor of the building while another engineering firm, Rowe, Inc., will be housed on the second and third floor. Eight loft apartments will occupy the fourth floor of the building.

In late 2008, the Mott Foundation announced that the Foundation was going to be purchasing the Riverfront Character Inn. This 16-story facility, originally opened in 1981 as a Hyatt Regency hotel, became a Raddison hotel in 1991, and then became a Ramada hotel in 1999 before being purchased by the Institute of Basic Life Principles using it for programs and education. It is anticipated that this hotel will be at least partially utilized for additional student housing for the University of Michigan-Flint.

Work began in 2008 to renovate the Durant Hotel. This hotel, originally opened in 1920, was the place to be in Flint until it closed in 1973. Vacant for many years, this building was purchased by the Genesee County Land Bank in 2005 with the intent that it would be renovated or demolished instead of simply remaining vacant. The current plans call for the building to be redeveloped into 93 apartments aimed at older college students and professionals who work in or near the downtown area.

The University of Michigan-Flint completed construction in 2008 on the Flint campus' first residential dormitory. This building was built at a cost of \$21.3 million and is expected to house 310 students in the facility.

It is expected that the projects currently under development will result in a significant increase in the number of people living in the downtown area. These new full-time residents promise to bring a level of vitality back to the downtown area that has been missing for many years.

The Genesee Business Center, previously the Great Lakes Technical Center that once housed a portion of General Motors, has new life. The Genesee County Land Bank, the current owners of the facility, has been leasing a portion of the building to a medical provider. This lessee is currently working with the Land Bank to purchase their portion of the building with an option to purchase much of the remaining space in the facility.

General Motors employment in the Genesee County area continues to decrease. General Motors has continued to offer "buyouts" and early retirements as a means to decrease employment and costs because of the challenges currently being experienced by all of the U.S. automakers. The current employment levels are a fraction of the levels that the County saw in the 1970's and 1980's.

Despite the challenges that General Motors is experiencing currently, General Motors continues to invest in the areas facilities. It has been announced that General Motors will build the gasoline engine that will provide supplemental power to the Chevrolet Volt; General Motor's much talked about electric-hybrid vehicle. Genesee County looks forward to playing a major role in the re-shaping of General Motor's to meet the challenges of the 21st century.

Higher education will play a very significant role in the Genesee County 21st century economy. There are a number of colleges and universities located in Genesee County including the University of Michigan-Flint, Kettering University, Baker College, Mott Community College, and branches for many other public and private colleges. Despite the economic conditions in Genesee County, most of these organization experienced enrollment increase in 2008.

The University of Michigan-Flint experienced record enrollments in the fall, 2008 semester. Enrollment increased 5.5% with 7,260 students enrolled for fall, 2008 as compared to 6,883 for fall, 2007. It is projected that by 2010, there will be in excess of 8,000 students at the Flint campus.

Mott Community College, despite predicting a decrease in the number of students, also experienced an increase in the number of students from 2007 to 2008. This college has reported an approximate 30% increase in the number of students in the last five years.

A significant increase in the number of international students is part of the enrollment increases at the University of Michigan-Flint.

The County's educational organizations are also attracting more international students to their campuses. The University of Michigan-Flint reported 153 undergraduate and graduate students in 2008 from 30 different countries, an increase from only 55 international students in 2004. Other higher educational institutions reported similar increases in the number of international students. These new international students will help to provide a greater level of diversity to the Flint and Genesee County area.

Health care continues to play a major role in the Genesee County economy employing in excess of 8,000 employees; almost as many employees as Genesee County's dominant industry – the automobile industry. Combined, Genesys Health Care Systems, Hurley Medical Center, and McLaren Hospital recorded revenues in excess of \$1 billion for the Genesee County economy. These hospitals continue to upgrade/expand their services with some exciting initiatives planned for the future.

Genesee County moved toward "green" initiatives in a royal manner during 2008. The City of Flint entered into a partnership with the

State of Michigan, Kettering University, and Swedish Biogas International to produce biogas at the City's wastewater treatment plant. To kick off the partnership, Sweden King Carl XVI Gustaf visited the area. State and Swedish government funding also were secured. While the plant will initially be used to produce biogas to heat the treatment plant, future expansions could be used to produce bio-methane which could be used to fuel buses and other vehicles.

Bishop International Airport received a number of local, state, and federal grants totaling more than \$18 million to purchase property, site development, and for construction of new facilities as their part of the intermodal transportation hub. The airport is in the process of completing construction of a cargo ramp and improved dock and loading areas at the Federal-Express facility to handle increased traffic.

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. The Board of Commissioners has been working together to develop a list of goals and objectives that they would like to see accomplished during the coming year. In early 2009, this process culminated in a public session specifically to discuss what needed to come for this year's efforts.

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 was 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 2007 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 2008 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 2008 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 30th, (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, 2008, Genesee County had approximately \$8.6 million of uncollected property taxes from the Summer, 2008 tax levy. Accordingly, the property tax revenue account had a significant unfavorable variance from budget for 2008 resulting in Genesee County having excess expenditures over revenues in the General Fund of \$460,310. This resulted in General Fund fund balance decreasing from \$11,389,154 in 2007, to \$10,928,844 in 2008, a decrease of 4%. These uncollected property taxes will be collected in the subsequent fiscal year but will be included in 2008/2009 property tax revenues. While a similar situation will occur in 2009/2010, 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 \$3,865,184 in 2008, an increase of \$84,276 from 2007. The Delinquent Tax Revolving fund experienced an increase in net assets during 2008 from \$15,292,355 to \$16,238,291, an increase of \$945,936 or 5.8%. Very heavy emphasis during the 2008/2009 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, 2007 through December 31, 2007 calendar year.

The operations of the Genesee County Employees Retirement System (GCERS) continued to grow as the number of retirees increased from 1,395 to 1,413 or 1.3% during 2007. At December 31, 2007 the GCER's net assets totaled \$509,286,208.

Debt Administration

At September 30, 2008 the County had a number of debt issues outstanding. The issues included \$35,720,000 of general obligation bonds, \$54,682,090,000 in taxable delinquent property tax notes, \$2,900,000 in capital improvement bonds, and \$10,682 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 \$1,369,899,917. Total County long-term debt exclusive of component units was \$103,600,797 at September 30, 2008.

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>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Net Bonded Debt Per Capita	\$93	\$71	\$55	\$53	\$51
Net Bonded Debt as a Percentage of Value of Taxable Property	0.14%	0.14%	0.12%	0.14%	0.08%

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 2008 was 11.61% in Certificates of Deposit, 55.40% in Commercial Paper, 21.02% in other U.S. Government Instruments and 11.97% in Managed Pool Accounts and the trust accounts. The average yield for 2008, except for the pension fund, was approximately 31.8%, which generated interest in the amount of \$2,002,337.

The pension fund portfolio, which includes common stocks, corporate bonds and real estate investments, achieved a total return of 7.33% for 2007, the systems latest fiscal year. The rate of return on pension fund investments is a reflection of the market conditions in 2007.

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 2008, the County was self-insured for property and liability insurance up to \$50,000 and \$350,000, respectively, for specific losses. The County is insured for the amount of claims in excess of such limitation to a maximum of replacement cost for property and \$20,000,000 for liability claims. The County is self-insured for claims in excess of 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 is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees.

The County paid losses within its self-insured retention through an Internal Service Fund. The net assets as of September 30, 2008 were \$8,262,868 with \$4,221,554 accrued as a liability for incurred losses and expenses. An actuarial study projected a required reserve of \$4.2 million for 2008.

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 will 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 project went live in early 2009 with those departments originally determined to be part of Phase I and Phase II. The desired improvements in efficiency and availability of records are quickly being realized as this initiative continues forward.

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 and 2008, the Senior Services program, the County requested proposals and awarded contracts for a variety of services for seniors. These services have included funding for senior centers, 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.

AWARDS AND ACKNOWLEDGEMENTS

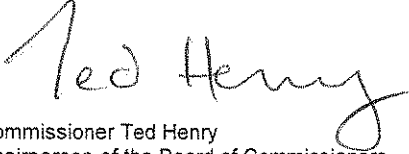
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Genesee County, Michigan for its comprehensive annual financial report for the fiscal period ended September 30, 2007, the twenty-ninth consecutive 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,

A handwritten signature in cursive script that reads "Ted Henry".

Commissioner Ted Henry
Chairperson of the Board of Commissioners

A handwritten signature in cursive script that reads "George J. Martini".

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, 2008, which collectively comprise the County's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the County's management. Our responsibility is to express opinions 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 Planning Commission, a fund of the County and which represents 2 percent and less than one percent, respectively, of the assets and revenues of the governmental funds. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Genesee County Community Mental Health Services and the Genesee County Planning Commission is based solely on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 opinions.

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, as of September 30, 2008, 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.

To the Board of Commissioners
Genesee County
Flint, Michigan

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Genesee County's basic financial statements. The management's discussion and analysis, and the budgetary comparison schedules as identified in the table of contents, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. The introductory section, other supplemental information, and the statistical section as identified in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The budgetary comparison schedules, combining balance sheets and combining statements of revenue, expenditures, and changes in fund balance 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 in relation to the basic financial statements taken as a whole. We have applied certain limited procedures to management's discussion and analysis, 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. The introductory section and the statistical section have not been subjected to the auditing procedures applied by us 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 June 5, 2009 on our consideration of Genesee County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

As described in Note I, Genesee County has implemented a new method of reporting and recording the other post-employment benefits obligations, as required by the provisions of Governmental Accounting Standards Board's Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as of September 30, 2008.

Plante & Moran, PLLC

June 5, 2009

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, 2008. 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 \$166,441,020 (net assets). Of this amount, \$52,193,959 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets decreased by (\$12,704,177). 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 \$66,582,159, a decrease of (\$10,558,587) in comparison with the prior year. Approximately 44% of this total amount, \$29,071,048, 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 \$6,780,668, 10% of total general fund expenditures.
- Genesee County's total debt was increased by the issuance of Delinquent tax notes in the amount of \$49,007,090 and Tax anticipation notes of \$10,000,000 during the current fiscal year for various projects and refunding issues which was offset by total payments of \$36,817,122.

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 non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Genesee County adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found 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 \$167,680,941 at the close of the most recent fiscal year.

A significant portion of Genesee County's net assets (58.1% Percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. Genesee County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Genesee County's investments in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

GENESEE COUNTY'S NET ASSETS

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Current and other assets	\$127,913,682	\$138,958,225	\$73,711,829	\$47,232,937	\$201,625,511	\$186,191,162
Capital assets	<u>93,018,955</u>	<u>95,271,650</u>	<u>4,979,575</u>	<u>5,097,100</u>	<u>97,998,530</u>	<u>100,368,750</u>
Total asset	<u>220,932,637</u>	<u>234,229,875</u>	<u>78,691,404</u>	<u>52,330,037</u>	<u>299,624,041</u>	<u>286,559,912</u>

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Long-term liabilities outstanding	46,114,582	40,232,183	57,812,443	29,995,500	103,927,025	70,227,683
Other liabilities	<u>27,298,211</u>	<u>35,440,755</u>	<u>1,957,785</u>	<u>2,305,816</u>	<u>29,255,996</u>	<u>37,746,571</u>
Total liabilities	<u>73,412,793</u>	<u>75,672,938</u>	<u>59,770,228</u>	<u>32,301,316</u>	<u>133,183,021</u>	<u>107,418,427</u>
Net assets:						
Invested in capital assets, net of related debt	69,465,773	64,134,346	4,792,075	4,843,600	74,227,848	68,977,946
Restricted	31,787,518	41,013,071	8,231,695	7,899,456	40,019,213	48,912,527
Unrestricted	<u>46,266,553</u>	<u>53,409,520</u>	<u>5,927,406</u>	<u>7,285,666</u>	<u>52,193,959</u>	<u>60,695,186</u>
Total net assets	<u>\$147,519,844</u>	<u>\$158,556,937</u>	<u>\$18,921,176</u>	<u>\$20,028,722</u>	<u>\$166,441,020</u>	<u>\$178,585,659</u>

An additional portion of Genesee County's net assets (24 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$52,193,959) 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 decreased by \$12,144,639. This decrease represents Governmental activities which is attributed to economic factors.

Governmental Activities. Governmental activities decreased Genesee County's net assets by \$12,704,177, key elements affecting this change are as follows:

Genesee County's Change in Net Assets

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Revenues:						
Program revenues:						
Charges for services	\$111,217,537	\$96,582,431	\$10,668,077	\$8,568,882	\$111,217,537	\$105,151,313
Operating grants and contributions	108,102,706	110,619,729	-	-	108,102,706	110,619,729
Capital grants and contributions	1,960,000	1,995,000	-	-	1,960,000	1,995,000
General revenues:						
Taxes	95,994,708	114,104,728	-	-	95,994,708	114,104,728
Unrestricted contributions	-	-	-	-	-	-
Use of money and investments	3,040,092	4,132,787	199,878	578,579	3,239,970	4,711,366
Other intergovernmental revenues	18,874,190	19,274,036	-	-	18,874,190	19,274,036
Other unrestricted revenues	<u>3,697,846</u>	<u>6,460,995</u>	<u>-</u>	<u>-</u>	<u>3,697,846</u>	<u>6,460,995</u>
Total revenues	<u>342,887,079</u>	<u>353,169,706</u>	<u>10,867,955</u>	<u>9,147,461</u>	<u>353,755,034</u>	<u>362,317,167</u>
Expenses						
Legislative	1,214,248	1,069,833	-	-	1,214,248	1,069,833
Management and planning	24,039,638	23,725,214	-	-	24,039,638	23,725,214
Administration of justice	41,936,773	39,276,030	-	-	41,936,773	39,276,030
Law enforcement/commun. protec.	38,116,364	34,905,586	-	-	38,116,364	34,905,586
Human services	242,401,247	233,155,128	-	-	242,401,247	233,155,128
Community enrichment/develop	10,089,211	9,609,647	-	-	10,089,211	9,609,647
General support services	280,225	278,423	-	-	280,225	278,423
Other	-	-	-	-	-	-
Interest on long-term debt	1,392,532	1,400,466	-	-	1,392,532	1,400,466
Commissary	-	-	325,880	297,833	325,880	297,833
Delinquent Tax	-	-	5,009,045	3,914,658	5,009,045	3,914,658
Parks & Recreation Enterprise	-	-	<u>1,094,510</u>	<u>1,654,706</u>	<u>1,094,510</u>	<u>1,654,706</u>
Total Expenses	<u>359,470,238</u>	<u>343,420,337</u>	<u>6,429,435</u>	<u>5,867,197</u>	<u>365,899,673</u>	<u>349,287,534</u>
Increase (decrease) in net assets before transfers	(16,583,159)	9,749,369	4,438,520	3,280,264	(12,144,639)	13,029,633
Transfers	<u>3,878,982</u>	<u>4,810,130</u>	<u>(3,878,982)</u>	<u>(4,810,130)</u>	<u>-</u>	<u>-</u>
Change in net assets	<u>(12,704,177)</u>	<u>14,559,499</u>	<u>559,538</u>	<u>(1,529,866)</u>	<u>(12,144,639)</u>	<u>13,029,633</u>
Net assets – 10/01/2007	<u>160,224,021</u>	<u>143,997,438</u>	<u>18,361,638</u>	<u>21,558,588</u>	<u>178,585,659</u>	<u>165,556,026</u>
Net assets – 09/30/2008	<u>\$147,519,844</u>	<u>\$158,556,937</u>	<u>\$18,921,176</u>	<u>\$20,028,722</u>	<u>\$166,441,020</u>	<u>\$178,585,659</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 \$460,310 decrease in fund balance.
- Property taxes decreased by \$18,248,113 during the year. Most of this decrease is the product of weak residential growth and a weak housing market.
- Operating grants for governmental activities remain a large part of the overall budget. These grants support a variety of community services in the county.
- 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 increased by \$559,538. Key elements of this increase are as follows.

- The Delinquent Tax Revolving fund offsets a minor portion of the increase in retained earnings from 2008. 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 increase.

Financial Analysis of the Government's Funds

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

Governmental funds. The focus of Genesee County's governmental funds is to provide information on near-term inflows, outflows, and balances of available resources. Such information is useful in assessing Genesee County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, Genesee County's governmental funds reported combined ending fund balances of \$66,582,159, a decrease of \$10,558,587 in comparison with the prior year. Approximately 17% of this total amount, (\$11,300,232) 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 6,780,668, while total fund balance decreased to \$10,558,587. 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 6.2 percent of total general fund expenditures, while total fund balance represents 15.9% of that same amount.

At the end of the current fiscal year, the total fund balance of mental health was decreased to \$12,754,916. The fund balance represents 10 percent of total mental health expenditures.

At the end of the current fiscal year, the total fund balance of county health was decreased to \$2,354,921. The fund balance represents 11.7 percent of total county health expenditures.

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

- General Fund - The Genesee County Board of Commissioner passed a 2007/2008 General Fund budget anticipating the use of \$940,643 of fund balance. Ultimately, the actual usage of fund balance for budgetary purposes was \$460,310, a positive variance of \$480,333. This positive variance was as a result of tight expenditure controls combined with cost saving policies of the Board of Commissioners.
- Mental Health – During the 2007/2008 fiscal year, the fund balance for the Mental Health fund decreased a total of \$2,021,681. This decrease was attributable to numerous changes in the funding levels from the Federal and State governments throughout the fiscal year combined with overspending in many divisions due to increased volume of consumers and increased level of care provided.
- County Health - In the 2007/2008 fiscal year, the County Health Department anticipated receiving \$2,780,944 and \$9,174,671 in Federal and State revenues respectively. The actual amounts received were \$2,220,499 in Federal revenues and \$8,897,761 in State revenues. These variances, combined with other minor variance in revenue and expenditure line items resulted in the Health Department fund balance decreasing by \$482,119.
- Revenue Sharing Reserve Fund – The fund balance of the Revenue Sharing Reserve Fund decreased during the 2007/2008 fiscal year by a total of \$8,907,901. This fund was created through a change in State law to allow the State of Michigan to temporarily suspend State Revenue Sharing to counties. It was anticipated that transfers from this fund to the General Fund would be used to offset the loss of Revenue Sharing. This fund will continue to make transfers to the General Fund in an amount equal to what would have been received from the State of Michigan for Revenue Sharing until this fund is depleted and the State resumes State Revenue Sharing payments to counties.

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 \$5,930,259. The total increase in net assets for all proprietary funds was \$562,391. 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 \$580,148 due to the recognition of position vacancy savings in various departments. The major budgetary increases/decreases are summarized as follows:

- A \$10,440,873 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 fines and forfeitures and charges for services.
- A \$24,609 increase was allocated to the GIS department to cover anticipated costs of pictometry and orthoimagery projects.
- A \$18,949 increase was allocated to the Register of Deeds department to cover the addition in salaries due to transfers of personnel with higher wages and benefits.
- A \$14,318 increase was allocated to the Circuit Court department to cover the additional cost of attorney fees.
- A \$14,011 increase was allocated to the Probate Court department to cover the addition in fringes for salaries due to transfers of personnel with higher benefit packages.
- A total increase of \$408,434 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 supplies provided to cover the costs of inmates housed at the County jail.
- A \$4,091 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 \$140,951 increase was allocated to various departments to cover Capital Outlay which is allocated during the year on an as needed basis.
- A \$268,571 increase was appropriated to the Child Care fund to cover the previous year's deficits and additional anticipated cost at the Genesee Valley Regional Center for the placement of minors.
- A \$20,000 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 \$632,560 increase was appropriated to the various Internal Service Administrative Services departments to cover previous year's deficits and the anticipated cost of the technology for the document management system.
- A \$11,204 increase was appropriated to the various Internal Service Vehicle and Equipment departments to cover additional costs of overtime which is budgeted in General Fund and allocated on a monthly basis based on departmental need.
- A \$512,636 increase was appropriated to the various Internal Service Building and Grounds departments to cover additional costs of overtime which is budgeted in General Fund and allocated on a monthly basis based on departmental need and expenses incurred to maintain and repair buildings.

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, 2008, amounts to \$97,998,530 (net of accumulated depreciation). This investment in capital assets included land, buildings and system, improvements, machinery and equipment, and park facilities.

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

Debt. At the end of the current fiscal year, Genesee County had total bonded debt outstanding of \$293,656,805. Of this amount, \$93,312,090 comprises debt backed by the full faith and credit of the government, \$670,052 is special assessment debt for which the government is liable in the event of default by the property owners subject to the assessment and \$11,345,000 is Michigan Transportation bonds for which are payable with Act 51 money.

Genesee County's total debt, including component units, increased by \$64,097,292 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 \$1,369,899,917, 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 10.6 percent, which is an increase from a rate of 7.6 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, 2008

GENESEE COUNTY

Exhibit A-1

	Governmental Activities	Business-type Activities	Total	Component Units
ASSETS				
Cash and cash equivalents.....	\$ 40,498,915	\$ 22,108,773	\$ 62,607,688	\$ 68,561,210
Investments.....	32,853,827	3,396,920	36,250,747	4,373,700
Current and delinquent taxes receivable.....	25,402,665	42,289,019	67,691,684	
Special assessments receivable.....				60,116,890
Interest and accounts receivable.....	1,221,887	4,849,486	6,071,373	10,490,544
Due from other governmental units.....	20,835,771	1,243,645	22,079,416	11,812,118
Due from component unit.....	2,360,000	1,853,140	4,213,140	299,276
Internal balances.....	2,144,878	(2,144,878)		
Inventory.....	686,805	21,931	708,736	2,830,922
Prepayments.....	1,001,522	93,793	1,095,315	1,327,190
Other assets.....	146,860		146,860	52,248
Restricted assets:				
Cash.....				12,238,439
Deposits and employee advances.....	260,552		260,552	
Long term advances to component unit.....	500,000		500,000	
Local unit construction in progress.....				36,479,176
Capital assets not being depreciated.....	19,861,602	3,489,928	23,351,530	132,761,326
Capital assets (net of accumulated depreciation).....	73,157,353	1,489,647	74,647,000	305,951,433
Total assets	220,932,637	78,691,404	299,624,041	647,294,472
LIABILITIES				
Accounts payable.....	17,136,141	711,489	17,847,630	13,016,178
Accrued payroll.....	3,923,507	20,930	3,944,437	33,020
Other accrued liabilities and deposits.....	2,461,481	971,119	3,432,600	1,017,308
Accrued interest payable.....	555,827		555,827	48,188
Due to other governmental units.....	2,141,312	254,247	2,395,559	1,086,705
Due to primary government.....				4,213,140
Due to component unit.....				299,276
Unamortized note premium.....				460,069
Long term advances from primary government.....				500,000
Unearned revenue.....	1,079,943		1,079,943	39,132,736
Liabilities payable from restricted assets:				
Accounts payable.....				4,466,757
Accrued interest.....				23,562
Tax anticipation notes.....	10,000,000		10,000,000	
Noncurrent liabilities:				
Net OPEB obligation.....	323,375	2,853	326,228	
Current portion debt.....	8,952,099	35,539,000	44,491,099	12,140,872
Long term debt.....	26,839,108	22,270,590	49,109,698	192,101,494
Total liabilities	73,412,793	59,770,228	133,183,021	268,539,305
NET ASSETS				
Invested in capital assets, net of related debt.....	69,465,773	4,762,075	74,227,848	296,956,776
Restricted for:				
Special revenue funds:				
Drug forfeiture.....	308,631		308,631	
Emergency medical services.....	3,269,607		3,269,607	
Health care services.....	972,615		972,615	
Senior services.....	7,202,494		7,202,494	
Revenue sharing reserve.....	19,890,993		19,890,993	
Programs.....				11,628,409
Debt service.....	143,178		143,178	3,795,821
Retirement of delinquent tax notes payable.....		7,483,198	7,483,198	
Parks & recreation endowment.....		748,497	748,497	
Unrestricted	46,266,553	5,927,406	52,193,959	66,374,161
Total net assets	\$ 147,519,844	\$ 18,921,176	\$ 166,441,020	\$ 378,755,167

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, 2008**

GENESEE COUNTY

Exhibit A-2

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Primary government:			
Governmental activities:			
Legislative.....	\$ 1,214,248		
Management and planning.....	24,039,638	\$ 4,837,484	\$ 918,525
Administration of justice.....	41,936,773	5,155,752	10,173,228
Law enforcement and community protection.....	38,116,364	1,810,730	4,248,030
Human services.....	242,401,247	97,169,192	92,267,176
Community enrichment and development.....	10,089,211	2,244,379	495,747
General support services.....	280,225		
Interest on long-term debt.....	1,392,532		
Total governmental activities	359,470,238	111,217,537	108,102,706
Business-type Activities:			
Commissary.....	325,880	506,601	
Delinquent Tax.....	5,009,045	9,478,156	
Parks and Recreation Enterprise.....	1,094,510	683,320	
Total business-type activities	6,429,435	10,668,077	0
Total primary government	\$ 365,899,673	\$ 121,885,614	\$ 108,102,706
Component units:			
Road Commission.....	\$ 41,664,327	\$ 10,629,290	\$ 41,263,631
Water and Waste Services.....	43,580,390	39,909,869	
Economic Development Corporation.....	86,686		
Drains.....	3,863,134	960,752	52,762
Land Bank Authority.....	7,446,109	5,764,836	1,322,708
Brownfield Authority.....	4,472,355		
Storm Water Management System.....	806,997		246,460
Total Component Units	\$ 101,919,998	\$ 57,264,747	\$ 42,885,561
General Revenues:			
Current property taxes.....			
State liquor tax.....			
State cigarette tax.....			
Use of money and investments.....			
Other unrestricted intergovernmental revenues.....			
Other unrestricted revenues.....			
Unrestricted contributions.....			
Transfers.....			
Total general revenues and transfers.....			
Change in net assets.....			
Net assets - beginning - as restated.....			
Net assets - ending.....			

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
	\$ (1,214,248)		\$ (1,214,248)	
	(18,283,629)		(18,283,629)	
	(26,607,793)		(26,607,793)	
	(32,057,604)		(32,057,604)	
\$ 1,960,000	(51,004,879)		(51,004,879)	
	(7,349,085)		(7,349,085)	
	(280,225)		(280,225)	
	(1,392,532)		(1,392,532)	
<u>1,960,000</u>	<u>(138,189,995)</u>	<u>\$ 0</u>	<u>(138,189,995)</u>	<u>\$ 0</u>
		180,721	180,721	
		4,469,111	4,469,111	
		(411,190)	(411,190)	
<u>0</u>	<u>0</u>	<u>4,238,642</u>	<u>4,238,642</u>	<u>0</u>
<u>\$ 1,960,000</u>	<u>(138,189,995)</u>	<u>4,238,642</u>	<u>(133,951,353)</u>	<u>0</u>
				10,228,594
\$ 1,875,976				(1,794,545)
				(86,686)
3,279,249				429,629
450,000				91,435
				(4,472,355)
				(560,537)
<u>\$ 5,605,225</u>				<u>3,835,535</u>
.....	93,344,562		93,344,562	126,929
.....	2,439,661		2,439,661	
.....	210,485		210,485	
.....	3,040,092	199,878	3,239,970	2,622,814
.....	18,874,190		18,874,190	85,042
.....	3,697,846		3,697,846	
.....			0	6,474,722
.....	3,878,982	(3,878,982)	0	
.....	125,485,818	(3,679,104)	121,806,714	9,309,507
.....	(12,704,177)	559,538	(12,144,639)	13,145,042
.....	160,224,021	18,361,638	178,585,659	365,610,125
.....	<u>\$ 147,519,844</u>	<u>\$ 18,921,176</u>	<u>\$ 166,441,020</u>	<u>\$ 378,755,167</u>

BALANCE SHEET - ASSETS
GOVERNMENTAL FUNDS

GENESEE COUNTY

Exhibit A-3-1

	General	Mental Health	County Health
Cash and cash equivalents - Note C.....		\$ 19,567,694	\$ 2,414,882
Current and delinquent taxes receivable.....	\$ 25,402,665		
Investments - Note C.....		4,113,475	
Interest and accounts receivable.....	92,038	298,893	275,315
Due from other governmental units.....	1,674,106	547,113	1,295,747
Due from other county funds -- Note L.....	15,101,337	303,113	80
Due from component unit -- Note L.....	400,000		
Supplies inventory.....			
Prepayments.....	148,034	552,819	7,151
Other assets.....			
Deposits and employee advances.....	260,193		359
Long-term advances.....	500,000		
TOTAL ASSETS	\$ 43,578,373	\$ 25,383,107	\$ 3,993,534

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

September 30, 2008

Community Action Resource Department	Revenue Sharing Reserve	Note Repayment 2007	Note Series 2007	Other Governmental Funds	Total Governmental Funds
	\$ 2,504,996	\$ 123,869		\$ 10,335,827	\$ 34,947,268
		10,522,717			25,402,665
				10,447,276	25,083,468
				499,786	1,166,032
\$ 7,591,626				9,647,809	20,756,401
49,506	17,418,277		\$ 10,143,178	203,445	43,218,936
				1,960,000	2,360,000
424,117				213,772	637,889
				54,434	762,438
140,833				6,027	146,860
					260,552
					500,000
<u>\$ 8,206,082</u>	<u>\$ 19,923,273</u>	<u>\$ 10,646,586</u>	<u>\$ 10,143,178</u>	<u>\$ 33,368,376</u>	<u>\$ 155,242,509</u>

BALANCE SHEET - LIABILITIES AND FUND EQUITIES GOVERNMENTAL FUNDS

GENESEE COUNTY

Exhibit A-3-2

	General	Mental Health	County Health
Accounts payable.....	\$ 365,189	\$ 8,536,750	\$ 607,867
Accrued payroll.....	1,562,113		483,141
Other accrued liabilities and deposits.....	60,877	2,242,769	
Due to other governmental units.....	6,960	921,058	106,252
Due to other county funds -- Note L.....	22,055,784		400,886
Due to component unit -- Note L.....			
Deferred revenue.....	8,598,606	927,614	40,467
Tax anticipation notes payable.....			
TOTAL LIABILITIES	32,649,529	12,628,191	1,638,613
Fund equities:			
Fund balances - Notes F and G:			
Reserved for:			
Long-term advances to component units.....	500,000		
Long-term receivables.....	3,500,142		
Prepayments.....	148,034	552,819	7,151
Programs and debt service.....		12,202,097	
Inventory.....			
Unreserved:			
Designated for:			
Costs and settlements of contractual disallowance's, claims and litigation.....	2,500,000		
Programs.....			2,347,770
Debt Services Funds.....			
Special Revenue Funds.....			
Capital Projects Funds.....			
Undesignated reported in:			
General Fund.....	4,280,668		
Special Revenue Funds.....			
Capital Projects Funds.....			
TOTAL FUND EQUITIES	10,928,844	12,754,916	2,354,921
TOTAL LIABILITIES AND FUND EQUITIES	\$ 43,578,373	\$ 25,383,107	\$ 3,993,534

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

September 30, 2008

Community Action Resource Department	Revenue Sharing Reserve	Note Repayment 2007	Note Series 2007	Other Governmental Funds	Total Governmental Funds
\$ 1,497,580				\$ 5,403,717	\$ 16,411,103
483,458				1,113,621	3,642,333
				157,835	2,461,481
				801,077	1,835,347
5,883,375	\$ 32,280	\$ 10,646,586		3,652,626	42,671,537
				2,071,862	11,638,549
			\$ 10,000,000		10,000,000
7,864,413	32,280	10,646,586	10,000,000	13,200,738	88,660,350
					500,000
					3,500,142
				54,434	762,438
	19,890,993				32,093,090
341,669				213,772	555,441
					2,500,000
					2,347,770
			143,178	55,790	198,968
				16,146,090	16,146,090
				178,130	178,130
					4,280,668
				3,502,931	3,502,931
				16,491	16,491
341,669	19,890,993	0	143,178	20,167,638	66,582,159
\$ 8,206,082	\$ 19,923,273	\$ 10,646,586	\$ 10,143,178	\$ 33,368,376	\$ 155,242,509

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

GENESEE COUNTY

Exhibit A-3-3

September 30, 2008

Fund balances of governmental funds	\$ 66,582,159
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	93,018,955
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds:	
Property taxes	8,598,606
Due from component unit	1,960,000
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	14,030,533
Accrued liabilities - Other Post Employment Benefits	(326,228)
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>(36,347,034)</u>
Net assets of governmental activities	<u>\$ 147,516,991</u>

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

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

GENESEE COUNTY

Exhibit A-4

	General	Mental Health	County Health
Revenues:			
Taxes--Note H.....	\$ 55,128,226		
Licenses and permits.....	491,996		\$ 838,524
Fines and forfeitures.....	2,104,224		
Use of money and property.....	1,179,178	\$ 331,268	
Federal grants--Note G.....		5,396,578	7,307,405
State grants--Note G.....		18,282,758	3,810,855
Other intergovernmental revenues.....	6,874,256		
Charges for services.....	9,710,016	96,217,673	343,522
Other.....	1,647,861	1,805,830	798,727
TOTAL REVENUES	77,135,757	122,034,107	13,099,033
Expenditures:			
Current operations:			
Legislative.....	1,211,126		
Management and planning.....	10,427,174		
Administration of justice.....	25,870,013		
Law enforcement and community protection.....	24,323,680		
Human services.....	235,468	127,198,307	20,060,092
Community enrichment and development.....	478,251		
General support services.....	279,291		
Other.....	5,953,655		
Capital outlay.....	80,837	167,049	51,503
Debt service:			
Principal payments.....			
Interest.....			
TOTAL EXPENDITURES	68,859,495	127,365,356	20,111,595
REVENUES OVER(UNDER) EXPENDITURES	8,276,262	(5,331,249)	(7,012,562)
Other financing sources (uses):			
Operating transfers in (out):			
Transfers-In.....	26,928,176	3,309,568	8,277,918
Transfers-Out.....	(35,664,748)		(1,747,475)
TOTAL OTHER FINANCING SOURCES(USES)	(8,736,572)	3,309,568	6,530,443
NET CHANGE IN FUND BALANCES	(460,310)	(2,021,681)	(482,119)
Fund balance at beginning of year - as restated.....	11,389,154	14,776,597	2,837,040
FUND BALANCE AT END OF YEAR	\$ 10,928,844	\$ 12,754,916	\$ 2,354,921

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

Fiscal Year Ended September 30, 2008

Community Action Resource Department	Revenue Sharing Reserve	Note Repayment 2007	Note Series 2007	Other Governmental Funds	Total Governmental Funds
		\$ 10,005,206		\$ 31,342,504	\$ 96,475,936
				184,183	1,514,703
				86,294	2,190,518
	\$ 584,588	167,671		1,046,979	3,309,684
\$ 23,552,430				17,662,736	53,919,149
2,549,038				29,540,906	54,183,557
				1,195,427	8,069,683
				4,946,326	111,217,537
6,540,865				1,029,379	11,822,662
<u>32,642,333</u>	<u>584,588</u>	<u>10,172,877</u>	<u>\$ 0</u>	<u>87,034,734</u>	<u>342,703,429</u>
					1,211,126
				2,634,427	13,061,601
				15,309,906	41,179,919
				12,339,103	36,662,783
32,247,558				62,397,351	242,138,776
				6,662,652	7,140,903
					279,291
			37,784	2,962,783	8,954,222
432,733				413,118	1,145,240
				2,599,000	2,599,000
				1,278,762	1,496,932
<u>32,680,291</u>	<u>0</u>	<u>0</u>	<u>218,170</u>	<u>106,597,102</u>	<u>355,869,793</u>
<u>(37,958)</u>	<u>584,588</u>	<u>10,172,877</u>	<u>(255,954)</u>	<u>(19,562,368)</u>	<u>(13,166,364)</u>
22,000			10,172,877	24,314,592	73,025,131
(221,963)	(9,492,489)	(10,172,877)	(9,991,915)	(3,125,887)	(70,417,354)
(199,963)	(9,492,489)	(10,172,877)	180,962	21,188,705	2,607,777
(237,921)	(8,907,901)	0	(74,992)	1,626,337	(10,558,587)
579,590	28,798,894	0	218,170	18,541,301	77,140,746
<u>\$ 341,669</u>	<u>\$ 19,890,993</u>	<u>\$ 0</u>	<u>\$ 143,178</u>	<u>\$ 20,167,638</u>	<u>\$ 66,582,159</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, 2008

Net change in fund balances--total governmental funds \$ (10,558,587)

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 1,963,704

-Depreciation expense (4,837,933)

The effect of expenses for OPEB (323,375)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (664,197)

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 2,599,000

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. (882,789)

Change in net assets of governmental activities \$ (12,704,177)

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

BALANCE SHEET--PROPRIETARY FUNDS

GENESEE COUNTY

Exhibit A-6

		Business Type Activities -
		Delinquent Taxes
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents.....	\$	21,773,308
Investments.....		2,648,423
Current and delinquent property taxes receivable, less allowance for uncollectibles of \$1,017,708.....		42,289,019
Interest and accounts receivable.....		4,849,486
Due from other governmental units.....		1,243,645
Due from other county funds.....		726,002
Due from component unit.....		1,853,140
Supplies inventory.....		
Prepayments.....		
TOTAL CURRENT ASSETS		75,383,023
CAPITAL ASSETS		
Land.....		2,783,818
Land improvements.....		
Buildings and improvements.....		
Equipment.....		491,371
TOTAL CAPITAL ASSETS		3,275,189
Less allowances for depreciation.....		39,678
TOTAL CAPITAL ASSETS, NET		3,235,511
TOTAL ASSETS	\$	78,618,534
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable.....	\$	696,315
Accrued payroll.....		
Accrued vacation and other employee benefits.....		966,711
Other accrued liabilities and deposits.....		254,247
Due to other governmental units.....		2,870,880
Due to other County funds.....		35,500,000
Current portion of notes/bonds payable.....		40,288,153
TOTAL CURRENT LIABILITIES		40,288,153
LONG-TERM DEBT		
General and workers compensation claim Liability.....		22,092,090
Notes/bonds payable exclusive of current portion.....		22,092,090
TOTAL LONG-TERM DEBT		22,092,090
TOTAL LIABILITIES		62,380,243
NET ASSETS:		
Restricted for:		
Retirement of delinquent tax notes payable.....		7,483,198
Parks & recreation endowment.....		
Invested in capital assets net of related debt.....		3,235,511
Unrestricted.....		5,519,582
TOTAL NET ASSETS		16,238,291
TOTAL LIABILITIES AND NET ASSETS	\$	78,618,534

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

September 30, 2008			Governmental	
Enterprise Funds		Total	Activities-	
Non-Major	Enterprise		Internal	
Funds			Service	
			Funds	
\$	335,465	\$ 22,108,773	\$	5,551,647
	748,497	3,396,920		7,770,359
		42,289,019		
		4,849,486		55,855
		1,243,645		79,370
		726,002		5,103,671
		1,853,140		
	21,931	21,931		48,916
	93,793	93,793		239,084
	<u>1,199,686</u>	<u>76,582,709</u>		<u>18,848,902</u>
	706,110	3,489,928		173,496
	3,074,493	3,074,493		
	1,181,215	1,181,215		176,430
	<u>3,663,836</u>	<u>4,155,207</u>		<u>27,001,133</u>
	8,625,654	11,900,843		27,351,059
	<u>6,881,590</u>	<u>6,921,268</u>		<u>19,735,669</u>
	<u>1,744,064</u>	<u>4,979,575</u>		<u>7,615,390</u>
<u>\$</u>	<u>2,943,750</u>	<u>\$ 81,562,284</u>	<u>\$</u>	<u>26,464,292</u>
\$	15,174	\$ 711,489	\$	725,038
	20,930	20,930		281,174
		0		
	4,408	971,119		0
		254,247		305,965
		2,870,880		3,506,192
	<u>39,000</u>	<u>35,539,000</u>		<u>5,241,099</u>
	<u>79,512</u>	<u>40,367,665</u>		<u>10,059,468</u>
				4,221,554
	<u>178,500</u>	<u>22,270,590</u>		<u>826,054</u>
	<u>178,500</u>	<u>22,270,590</u>		<u>5,047,608</u>
	<u>258,012</u>	<u>62,638,255</u>		<u>15,107,076</u>
		7,483,198		
	748,497	748,497		
	1,526,564	4,762,075		7,604,708
	<u>410,677</u>	<u>5,930,259</u>		<u>3,752,508</u>
	<u>2,685,738</u>	<u>18,924,029</u>		<u>11,357,216</u>
<u>\$</u>	<u>2,943,750</u>	<u>\$ 81,562,284</u>	<u>\$</u>	<u>26,464,292</u>

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.....	
Interest and penalties.....	\$ 9,478,156
TOTAL OPERATING REVENUES	<u>9,478,156</u>
Operating expenses:	
Salaries and fringe benefits.....	2,699,176
Supplies and other operating expenses.....	39,678
Depreciation.....	<u>2,738,854</u>
TOTAL OPERATING EXPENSES	<u>2,738,854</u>
OPERATING INCOME(LOSS)	<u>6,739,302</u>
Non-operating revenues (expenses):	
Investment earnings.....	357,321
Interest expense.....	(1,516,404)
Gain (loss) on investment.....	
Gain (loss) on sale of property and equipment.....	
Contribution to Component Unit-Land Bank Authority.....	<u>(752,608)</u>
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>(1,911,691)</u>
INCOME (LOSS) BEFORE TRANSFERS	<u>4,827,611</u>
Transfers-in.....	72
Transfers-out.....	<u>(3,881,747)</u>
TOTAL TRANSFERS	<u>(3,881,675)</u>
CHANGE IN NET ASSETS	945,936
Net assets at beginning of year - as restated.....	15,292,355
NET ASSETS AT END OF YEAR	<u>\$ 16,238,291</u>

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

Year Ended September 30, 2008		Governmental
Type Activities - Enterprise Funds		Activities-
Non-Major		Internal
Enterprise		Service
Funds	Total	Funds
\$ 1,189,921	\$ 1,189,921	\$ 20,861,941
	9,478,156	
1,189,921	10,668,077	20,861,941
661,953	661,953	8,085,180
616,615	3,315,791	12,959,846
127,847	167,525	1,222,727
1,406,415	4,145,269	22,267,753
(216,494)	6,522,808	(1,405,812)
(157,443)	199,878	269,592
(12,301)	(1,528,705)	(4,287)
		(1,019,247)
		5,760
	(752,608)	
(169,744)	(2,081,435)	(748,182)
(386,238)	4,441,373	(2,153,994)
202,693	202,765	2,146,205
(200,000)	(4,081,747)	(875,000)
2,693	(3,878,982)	1,271,205
(383,545)	562,391	(882,789)
3,069,283	18,361,638	12,240,005
\$ 2,685,738	\$ 18,924,029	\$ 11,357,216

STATEMENT OF CASH FLOWS- PROPRIETARY FUNDS

GENESEE COUNTY

Exhibit A-8

	<u>Business Type</u>
	<u>Delinquent Taxes</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from customers.....	\$ 47,281,323
Cash payment for delinquent taxes.....	(45,429,693)
Cash payments to suppliers for goods and services.....	(3,849,649)
Cash payments to employees for services.....	
Other operating revenues.....	(1,069,184)
NET CASH USED FOR OPERATING ACTIVITIES	<u>(3,067,203)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Borrowing under delinquent tax notes payable.....	49,007,090
Repayments under delinquent tax notes payable.....	(28,833,558)
Interest paid on delinquent tax notes payable.....	(825,045)
Advances from other governmental units, County units and funds.....	1,274,052
Transfers-in from other funds.....	142,273
Transfers-out to other funds.....	
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	<u>20,764,812</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Acquisition and construction of capital assets.....	(50,000)
Principal paid on long-term debt.....	
Interest paid on long-term debt.....	
Proceeds from sale of equipment.....	
NET CASH PROVIDED BY (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(50,000)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of investment securities.....	(110,435,424)
Proceeds from sale and maturities of investment securities.....	110,562,000
Interest and dividends on investments.....	357,321
NET CASH PROVIDED BY (USED FOR) IN INVESTING ACTIVITIES	<u>483,897</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	18,131,506
Cash and cash equivalents at beginning of year - as restated.....	3,641,802
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 21,773,308</u>
RECONCILIATION OF OPERATING INCOME(LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:	
Operating income(loss).....	\$ 6,739,302
Adjustments to reconcile operating income(loss) to net cash provided by (used for) operating activities:	
Depreciation.....	39,678
Provision for uncollectible accounts.....	207,694
Change in assets and liabilities:	
(Increase) decrease in current and delinquent property taxes receivable.....	(8,837,920)
(Increase) decrease in interest and accounts receivable.....	(15,484)
(Increase) decrease in supplies inventory.....	
(Increase) decrease in prepayment and other current assets.....	
Increase (decrease) in accounts payable and related items.....	(1,200,473)
Increase (decrease) in accrued payroll.....	
Increase (decrease) in other accrued liabilities and deposits.....	
Net cash provided by (used for) operating activities.....	<u>\$ (3,067,203)</u>
Noncash investing activities - decrease in fair value of investments.....	

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

Fiscal Year Ended September 30, 2008		Governmental	
Activities - Enterprise Funds		Activities-	
Non-Major		Internal	
Enterprise		Service	
Funds	Total	Funds	
\$ 1,189,921	\$ 48,471,244	\$ 20,824,448	
	(45,429,693)		
(624,197)	(4,473,846)	(11,626,482)	
(657,451)	(657,451)	(12,658,874)	
	(1,069,184)		
<u>(91,727)</u>	<u>(3,158,930)</u>	<u>(3,460,908)</u>	
	49,007,090		
	(28,833,558)		
	(825,045)		
	1,274,052	(335,833)	
202,693	344,966	2,146,205	
<u>(200,000)</u>	<u>(200,000)</u>	<u>(875,000)</u>	
<u>2,693</u>	<u>20,767,505</u>	<u>935,372</u>	
	(50,000)	(1,845,738)	
(36,000)	(36,000)	4,317,342	
(12,897)	(12,897)	(4,287)	
	0	7,236	
<u>(48,897)</u>	<u>(98,897)</u>	<u>2,474,553</u>	
0	(110,435,424)	(6,189,805)	
0	110,562,000	7,491,540	
<u>(86)</u>	<u>357,235</u>	<u>269,979</u>	
<u>(86)</u>	<u>483,811</u>	<u>1,571,714</u>	
(138,017)	17,993,489	1,520,731	
473,482	4,115,284	4,030,916	
<u>\$ 335,465</u>	<u>\$ 22,108,773</u>	<u>\$ 5,551,647</u>	
\$ (216,494)	\$ 6,522,808	(1,405,812)	
127,847	167,525	1,222,727	
	207,694		
	(8,837,920)		
	(15,484)	(37,488)	
1,919	1,919	7,733	
14,069	14,069	38,636	
(23,570)	(1,224,043)	409,014	
4,502	4,502	(4,573,701)	
		877,983	
<u>\$ (91,727)</u>	<u>\$ (3,158,930)</u>	<u>\$ (3,460,908)</u>	
(21,573)	(21,573)		

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

GENESEE COUNTY

Exhibit A-9

	September 30, 2008	
	Total Pension and Employee Fringe Benefit (VEBA) Trust Fund	Agency Funds
ASSETS		
Cash and cash equivalents.....	\$ 38,523,175	\$ 29,084,606
Receivables:		
Other receivables.....	342,366	271,885
Accrued interest and dividends.....	834,932	
TOTAL RECEIVABLES	1,177,298	271,885
Investments at fair value:		
U.S. Government securities.....	15,138,034	
Foreign Govts. and Agencies.....	77,965,595	
Corporate bonds.....	87,303,866	
Common stocks.....	151,026,487	
Preferred stocks.....	5,196,859	
Mutual funds.....	173,626,942	
Real Estate.....	30,087,500	
TOTAL INVESTMENTS	540,345,283	0
TOTAL ASSETS	580,045,756	29,356,491
LIABILITIES		
Refunds payable and other liabilities.....	39,270,978	29,356,491
TOTAL LIABILITIES	39,270,978	29,356,491
NET ASSETS		
Held in trust for pension benefits and other purposes.....	\$ 540,774,778	\$ 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, 2008
	<u>Total Pension and Employee Benefit Trust Fund</u>
ADDITIONS	
Contributions:	
Employer.....	\$ 25,775,128
Plan members.....	<u>2,467,034</u>
Total contributions	<u>28,242,162</u>
Investment earnings:	
Net increase	
in fair value of investments.....	19,447,582
Interest.....	5,732,705
Dividends.....	<u>1,580,968</u>
Total investment earnings.....	26,761,255
Less investment expense.....	<u>2,315,122</u>
Net investment earnings.....	<u>24,446,133</u>
Total additions.....	<u>52,688,295</u>
DEDUCTIONS	
Benefits.....	37,277,594
Refunds of contributions.....	248,300
Administrative expenses.....	462,540
Transfer to other pensions plans.....	<u>4,324,755</u>
Total deductions.....	<u>42,313,189</u>
Change in net assets.....	10,375,106
Net assets-beginning of the year.....	<u>530,399,672</u>
Net assets- end of the year.....	<u>\$ 540,774,778</u>

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

STATEMENT OF NET ASSETS COMPONENT UNITS

GENESEE COUNTY

Exhibit A-11

	Road Commission 9/30/08	Water and Waste Services 12/31/07
ASSETS		
Cash and cash equivalents.....	\$ 54,394,940	\$ 8,814,358
Investments.....		
Special Assessments and Lease Receivable.....	11,718,420	43,460,000
Interest and accounts receivable.....	899,235	7,229,800
Due from other governmental units.....	7,984,708	3,690,825
Due from component unit Brownfield Authority.....		
Inventory.....	1,001,756	11,654
Prepayments.....	1,244,690	
Other assets.....		
Restricted Assets:		
Cash and cash equivalents.....	1,080,337	10,261,945
Local unit construction in progress.....		36,479,176
Capital assets not being depreciated.....	1,322,248	126,645,209
Capital assets net of depreciation.....	153,732,184	113,536,550
TOTAL ASSETS	233,378,518	350,129,517
LIABILITIES		
Accounts payable.....	2,645,314	8,281,110
Accrued Payroll.....		
Other accrued liabilities and deposits.....	658,022	
Accrued interest payable.....		
Due to other governmental units.....	51,164	1,035,541
Due to Primary Government.....		
Due to component unit Land Bank Authority.....		
Unamortized note premium.....		
Unearned revenue.....	1,130,647	37,736,961
Payable from Restricted Assets:		
Accounts Payable.....	835,144	2,789,392
Accrued interest.....		
Capital leases.....		
Long-term advance from Primary Government.....		
Current portion debt.....	1,847,979	9,200,000
Long-term Debt.....	16,186,229	158,834,033
TOTAL LIABILITIES	23,354,499	217,877,037
NET ASSETS		
Invested in capital assets - Net of related debt.....	142,547,083	119,267,942
Restricted for:		
Programs.....		10,315,242
Debt service.....	2,612,310	1,122,895
Unrestricted.....	64,864,626	1,546,401
TOTAL NET ASSETS	\$ 210,024,019	\$ 132,252,480

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

Economic Development Corporation 12/31/07	Drains 9/30/08	Land Bank Authority 9/30/08	Brownfield Authority 09/30/08	Storm Water Management System 09/30/08	Total
\$ 916,616	\$ 2,609,187	\$ 600,247	\$ 731,535	\$ 494,327	\$ 68,561,210
	550,000		3,823,700		4,373,700
	4,938,470				60,116,890
181,062	4,527	1,445,405	730,515		10,490,544
		136,585			11,812,118
		299,276			299,276
	51,285	1,766,227			2,830,922
		82,500			1,327,190
		52,248			52,248
		896,157			12,238,439
	1,436,742	3,357,127			36,479,176
	24,752,770	13,929,929			132,761,326
<u>1,097,678</u>	<u>34,342,981</u>	<u>22,565,701</u>	<u>5,285,750</u>	<u>494,327</u>	<u>305,951,433</u>
					<u>647,294,472</u>
44,585	179,771	1,465,195	258,500	141,703	13,016,178
	23,202	9,818			33,020
	257,071	98,465		3,750	1,017,308
	48,188				48,188
					1,086,705
		4,213,140			4,213,140
			299,276		299,276
			460,069		460,069
		265,128			39,132,736
	6,680	835,541			4,466,757
		23,562			23,562
					0
	500,000				500,000
	1,072,606	20,287			12,140,872
	2,787,446	1,258,786	13,035,000		192,101,494
<u>44,585</u>	<u>4,874,964</u>	<u>8,189,922</u>	<u>14,052,845</u>	<u>145,453</u>	<u>268,539,305</u>
	22,329,460	12,812,291			296,956,776
964,293				348,874	11,628,409
		60,616			3,795,821
88,800	7,138,557	1,502,872	(8,767,095)		66,374,161
<u>\$ 1,053,093</u>	<u>\$ 29,468,017</u>	<u>\$ 14,375,779</u>	<u>\$ (8,767,095)</u>	<u>\$ 348,874</u>	<u>\$ 378,755,167</u>

STATEMENT OF ACTIVITIES COMPONENT UNITS

GENESEE COUNTY

Exhibit A-12

	Program Revenues				Road Commission 9/30/08
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Component units:					
Road Commission.....	\$ 41,664,327	\$ 10,629,290	\$ 41,263,631		\$ 10,228,594
Water and Waste Services.....	43,580,390	39,909,869		\$ 1,875,976	
Economic Development Corporation..	86,686				
Drains.....	3,863,134	960,752	52,762	3,279,249	
Land Bank Authority.....	7,446,109	5,764,836	1,322,708	450,000	
Brownfield Authority.....	4,472,355				
Storm Water Management System....	806,997		246,460		
Total Component Units	<u>\$ 101,919,998</u>	<u>\$ 57,264,747</u>	<u>\$ 42,885,561</u>	<u>\$ 5,605,225</u>	<u>10,228,594</u>
Revenues:					
Taxes.....					
Use of money and investments.....					
Other intergovernmental revenues.....					
Unrestricted contributions.....					3,813,863
Total general revenues and transfers.....					<u>3,813,863</u>
Change in net assets.....					14,042,457
Net assets - beginning - as restated.....					195,981,562
Net assets - ending.....					<u>\$ 210,024,019</u>

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

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

Water and Waste Services 12/31/07	Economic Development Corporation 12/31/07	Drains 09/30/08	Land Bank Authority 9/30/08	Brownfield Authority 09/30/08	Storm Water Management System 09/30/08	Total
						\$ 10,228,594
\$ (1,794,545)						(1,794,545)
	\$ (86,686)					(86,686)
		\$ 429,629				429,629
			\$ 91,435			91,435
				\$ (4,472,355)		(4,472,355)
					\$ (560,537)	(560,537)
<u>(1,794,545)</u>	<u>(86,686)</u>	<u>429,629</u>	<u>91,435</u>	<u>(4,472,355)</u>	<u>(560,537)</u>	<u>3,835,535</u>
				126,929		126,929
2,284,033	43,932	77,788	12,739	169,729	34,593	2,622,814
		85,042				85,042
1,866,871	4,442		789,546			6,474,722
<u>4,150,904</u>	<u>48,374</u>	<u>162,830</u>	<u>802,285</u>	<u>296,658</u>	<u>34,593</u>	<u>9,309,507</u>
2,356,359	(38,312)	592,459	893,720	(4,175,697)	(525,944)	13,145,042
129,896,121	1,091,405	28,875,558	13,482,059	(4,591,398)	874,818	365,610,125
<u>\$ 132,252,480</u>	<u>\$ 1,053,093</u>	<u>\$ 29,468,017</u>	<u>\$ 14,375,779</u>	<u>\$ (8,767,095)</u>	<u>\$ 348,874</u>	<u>\$ 378,755,167</u>

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

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

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

Blended Component Units:

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

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

Land Reutilization Council, Inc. – Legally separate entity, 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 30th, fiscal year end.

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

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

Storm Water Management System – An entity established by the County pursuant to Act 342, Public Acts of Michigan, 1939. Genesee County Storm Water Management System is responsible for administration services necessary to enable the County and the cities, villages, townships, and charter townships located within the County to comply with the Phase II Regulations established by the United States Environmental Protection Agency (EPA) in the Federal Register on December 8, 1999. The Drain Commissioner's Office was designated and appointed as the "County Agency" for the System to manage and operate the System.

Complete financial statements of the individual component units (excluding Drains, Brownfield Authority, Building Authority and Land Reutilization Council (LRC), which are included in this financial report) can be obtained from their respective administrative offices.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Government-wide and fund financial statements: The County is following GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis – for State and Local Governments*. The standard requires government-wide and fund financial statements. The government-wide financial statements (i.e., the statement of net 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 2007 include property taxes levied principally on December 1, 2006 and substantially collected in early 2007. The "2007 property taxes" assessed on December 31, 2006, become a lien on December 1, 2007, and are to be collected principally by February 28, 2008. Also, for the year ended September 30, 2007 the state legislative eliminated state shared revenues to Counties. As a compromise, the legislature allowed counties to move the property tax levy to a July 1 date. As a result, the July 1, 2007 levy is also recognized as revenue for the year ended September 30, 2007 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 Note Series 2007 Fund accounts 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.

The Note Repayment 2007 Fund accounts for the funding and payment of principal and interest on tax anticipation notes issued for cash flow for the Genesee County general fund.

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.

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.

When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, the County's policy is to first apply restricted resources.

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 one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

Long Term Obligations: In the government-wide financial statements and proprietary fund types in the fund financial statements, long term debt and other long term obligations are reported as liabilities in the applicable governmental activities, business type activities or proprietary fund type statement of net 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.

GENESEE COUNTY

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

Custodial credit risk of bank deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. At year end, the County had \$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.

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	\$ 10,505,000	Counterparty's trust dept
Commercial paper	29,457,000	Counterparty's trust dept
U.S. gov or agency bond or note (insurance trust)	3,174,519	Counterparty's trust dept
Corporate bonds (insurance trust)	1,439,750	Counterparty's trust dept
Corporate stocks (insurance trust)	3,156,090	Counterparty's trust dept
U.S. gov or agency bond or note (VEBA)	4,914,691	Counterparty's trust dept
U.S. gov or agency bond or note (VEBA)	610,749	Counterparty's trust dept
Corporate bonds (VEBA)	11,276,599	Counterparty's trust dept
Corporate stock (VEBA)	18,742,862	Counterparty's trust dept
U.S. gov or agency bond or note (pension)	14,305,907	Counterparty's trust dept
Foreign gov and agency (pension)	77,965,595	Counterparty's trust dept
Corporate bonds (pension)	76,919,001	Counterparty's trust dept
Corporate stocks (pension)	310,414,914	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	\$10,505,000	10,505,000		
Commercial paper	29,457,000	29,457,000		
U.S. gov or agency bond or notes (insurance trust)	3,174,519	1,602,485	1,572,034	
Corporate bonds (insurance trust)	1,439,750	303,513	1,136,237	
U.S. gov or agency bond or notes (VEBA)	610,749		610,749	
Corporate bonds (VEBA)	10,384,865	777,642	9,607,223	
Asset backed (pension)	538,078		257,321	280,757
U.S. gov or agency bond or notes (pension)	14,376,836	1,117,669	1,568,537	11,690,630
Corporate bonds (pension)	76,973,537	5,088,899	26,220,278	45,664,360
Foreign corporate (pension)	3,251,038		1,853,787	1,397,251
Foreign gov (pension)	37,420		37,420	

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	29,457,000	A-1	S&P
Corporate bonds (insurance)	1,529,386	AAA	S&P
Corporate bonds (insurance)	153,207	AA	S&P
Corporate bonds (insurance)	262,553	A	S&P
Corporate bonds (insurance)	1,062,808	BBB	S&P
Corporate bonds (VEBA)	1,078,177	AAA	S&P
Corporate bonds (VEBA)	647,613	AA	S&P
Corporate bonds (VEBA)	1,209,570	A	S&P
Corporate bonds (VEBA)	2,840,417	BBB	S&P
Corporate bonds (VEBA)	5,219,836	Below Grade	S&P
Asset backed (pension)	364,000	AAA	S&P
Asset backed (pension)	174,000	Not Rated	S&P
Corporate bonds (pension)	5,510,000	AAA	S&P

Corporate bonds (pension)	4,493,000	AA	S&P
Corporate bonds (pension)	23,268,000	A	S&P
Corporate bonds (pension)	21,699,000	BBB	S&P
Corporate bonds (pension)	8,157,000	BB	S&P
Corporate bonds (pension)	3,489,000	B	S&P
Corporate bonds (pension)	510,000	CCC	S&P
Corporate bonds (pension)	3,044,000	Not Rated	S&P
Private placements (pension)	521,000	AAA	S&P
Private placements (pension)	291,000	A	S&P
Private placements (pension)	2,759,000	BBB	S&P
Private placements (pension)	931,000	BB	S&P
Private placements (pension)	631,000	B	S&P
Private placements (pension)	112,000	CCC	S&P
Private placements (pension)	1,559,000	Not Rated	S&P
Foreign corporate bonds (pension)	386,000	A	S&P
Foreign corporate bonds (pension)	2,526,000	BBB	S&P
Foreign corporate bonds (pension)	340,000	BB	S&P
Foreign government (pension)	37,000	BBB	S&P

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

<u>Foreign Currency</u>	<u>Fair Value (US\$)</u>
Australian dollar	\$ 311,951
British pound	683,305
Canadian dollar	197,757
Euro currency	18,607,501
Hong Kong dollar	1,400,338
Indonesian rupiah	79,913
Japanese yen	20,076,460
Malaysian ringgit	1,162,964
Mexican peso	1,342,039
New Zealand dollar	10
Singapore dollar	2,928,500
South African rand	1
South Korean won	5,255,228
Swiss franc	5,015,872
Taiwan dollar	560,298
Thai bhat	384,084

Further categorization by investment type is not readily available.

Subsequent to September 30, 2008, the credit and liquidity crisis in the United States and throughout the global financial system continued to trigger significant events and substantial volatility in world financial markets and the banking system. As a result, the Genesee County's Employees' Fringe Benefit (VEBA) Trust Fund and the Pension Trust Fund investment portfolios have incurred significant declines in fair value since September 30, 2008. However, because the values of these individual investments have fluctuated and will fluctuate in response to changing market conditions, the amount of losses that will be recognized in subsequent periods, if any, cannot presently be determined.

NOTE D-CAPITAL ASSETS

Capital asset activity at September 30, 2008 is summarized as follows:

	<u>Balance</u> <u>Oct. 1, 2007</u>	<u>Reclassification</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>Sept. 30, 2008</u>
Governmental activities:					
Capital assets not being depreciated					
Land.....	\$ 19,861,602	\$	\$	\$	\$ 19,861,602
Subtotal	19,861,602	0	0	0	19,861,602
Capital assets being depreciated:					
Land improvements	50,608		175,033		225,641
Buildings and improvements.....	111,346,887		1,199,886		112,546,773
Machinery and equipment	42,132,820		2,433,046	1,049,604	43,516,262
Subtotal	153,530,315	0	3,807,965	1,049,604	156,288,676

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Less accumulated depreciation for:

Land improvements	3,226			3,226
Buildings	40,918,888	3,317,112		44,236,000
Machinery and equipment	37,198,153	2,743,548	1,049,604	38,892,097
Subtotal	78,120,267	6,060,660	1,049,604	83,131,323
Governmental activities				
Capital assets, net of depreciation	\$ 95,271,650	\$ (2,252,695)	\$ 0	\$ 93,018,955

	Balance Oct. 1, 2007	Reclassification	Additions	Disposals	Balance Sept. 30, 2008
Business type activities:					
Capital assets not being depreciated:					
Land	\$ 3,302,284	\$ 187,644	\$ 0	\$ 0	\$ 3,489,928
Capital assets being depreciated:					
Buildings	1,181,215	0	0	0	1,181,215
Land improvements	3,262,137	(187,644)	0	0	3,074,493
Machinery and equipment	4,105,207	0	50,000	0	4,155,207
Subtotal	8,548,559	0	50,000	0	8,410,915
Less accumulated depreciation for:					
Buildings	794,022	(36,243)	73,042	0	830,821
Land improvements	3,022,544	36,804	15,145	0	3,074,493
Machinery and equipment	2,937,177	(561)	79,338	0	3,015,954
Subtotal	6,753,743	0	167,525	0	6,921,268
Business type activities					
Capital assets, net of depreciation	\$ 5,097,100	\$ 0	\$ (117,525)	\$ 0	\$ 4,979,575

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

Governmental activities:

Legislative	\$ 0
Administration of Justice	221,045
Law Enforcement and Community Protection	1,268,665
Human Services	316,886
Community Enrichment and Development	252,279
General Support Services	2,779,058
Other	0
Internal service fund depreciation is charged to the various functions based on their usage of the assets	1,222,727
Total governmental activities	\$ 6,060,660

Business type activities:

Delinquent tax revolving	\$ 127,847
Parks and Recreation	39,678
Total business type activities	\$ 167,525

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

NOTE E – DEBT (including current portions)

Long-term debt of the County is as follows:

	Balance Oct. 1, 2007	Additions	Reductions	Balance Sept 30, 2008	Due within One Year
Business Type Activities					
Parks and Recreation Fund:					
3.7% to 5.0% Genesee County Building Authority Bonds, Series 1998, Callable after May 1, 2008, at par plus accrued interest to date	\$ 253,500	0	(36,000)	217,500	39,000
Delinquent Tax Fund:					
5.0% to 9.7% Delinquent tax notes	29,742,000	49,007,090	(24,057,000)	54,692,090	34,000,000
Variable rate Capital Improvement Bonds, Series 2004 A Subject to redemption on any Interest payment date	1,500,000	0	0	1,500,000	1,500,000
Variable rate Capital Improvement Bonds Series 2005 A Subject to redemption on any interest payment date	1,400,000	0		1,400,000	0
Total Business Type Activities	32,895,500	49,007,090	(24,093,000)	57,809,590	35,539,000

Government Activities:

Internal Service Fund Equipment Notes	135,804	0	(125,122)	10,682	10,682
4.0% to 5.1% Genesee County Building Authority Bonds, Series 2002, Bonds maturing May 1, 2013 subject to Mandatory redemption	2,320,000	0	(110,000)	2,210,000	115,000
2.5% to 4.05% Genesee County Building Authority Bonds, Series 2001, Not subject to redemption prior to maturity	1,105,000	0	(205,000)	900,000	210,000
2.0% to 4.0% Genesee County Building Authority Bonds, Series 2004, Not subject to redemption prior to maturity	3,225,000	0	(1,035,000)	2,190,000	1,080,000
3.7% to 5.0% Genesee County Building Authority Bonds, Series 2000, Callable after May 1, 2008,	591,500	0	(84,000)	507,500	91,000
3.4% to 5.1% Genesee County Building Authority Bonds, Series 1999, Bonds maturing May 1, 2019 subject to Mandatory redemption	1,940,000	0	(950,000)	990,000	990,000
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	4,065,000	0	(180,000)	3,885,000	190,000
4.75% to 5.7% Genesee County Bonds Series 2004-B Capital Improvement Bonds, Bonds maturing before April 1, 2014 not subject to redemption prior to maturity	1,995,000	0	(35,000)	1,960,000	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 May1, 2016 may be subject to prior redemption..	<u>12,860,000</u>	<u>0</u>	<u>0</u>	<u>12,860,000</u>	<u>0</u>
Total Bonds and Notes	<u>28,237,304</u>	<u>0</u>	<u>(2,724,122)</u>	<u>25,513,182</u>	<u>2,721,682</u>
Self-Insurance Claim Liability	<u>3,343,571</u>	<u>2,301,598</u>	<u>(1,423,615)</u>	<u>4,221,554</u>	<u>1,000,000</u>
Compensated absences	<u>5,751,308</u>	<u>5,535,580</u>	<u>(5,230,417)</u>	<u>6,056,471</u>	<u>5,230,417</u>
Total Governmental Activities	<u>37,332,183</u>	<u>7,837,178</u>	<u>(9,378,154)</u>	<u>35,791,207</u>	<u>8,952,099</u>
Total Long Term Debt	<u>\$ 70,227,683</u>	<u>\$56,844,268</u>	<u>\$(33,471,154)</u>	<u>\$93,600,797</u>	<u>\$44,491,099</u>

During 2005 a portion of the Genesee County Building Authority Bonds – series 1999 refunding bonds were refunded via the issuance of the Series 2005 A bonds. All proceeds were transferred to a bond escrow agent and as a result, the portion of the Series 1999 bonds were defeased and removed as a liability from the County's financial statements. The principal and interest on the old bonds and new bonds are \$19,059,182 and \$19,666,907 respectively. The present value of the gain or the refunding was \$607,725.

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

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

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

The annual requirements to pay principal and interest on the obligations outstanding at September 30, 2008 are as follows:

	Governmental Activities		Business Type Activities	
	Principal	Interest	Principal	Interest
2009	\$ 2,721,682	\$ 1,169,620	\$35,539,000	\$ 93,061
2010	2,829,500	1,067,854	22,132,590	50,005
2011	1,784,500	959,875	40,500	11,520
2012	1,819,500	891,452	25,500	4,875
2012/2013	1,654,500	809,786	25,500	5,040
2014/2018	9,358,500	2,734,780	46,500	3,225
2019/2023	4,165,000	797,047	0	0
2024/2028	450,000	287,792	0	0
2029/2033	590,000	144,498	0	0
2034/2038	<u>140,000</u>	<u>7,980</u>	<u>0</u>	<u>0</u>
TOTALS	<u>\$25,513,182</u>	<u>\$ 8,870,684</u>	<u>\$57,809,590</u>	<u>\$167,726</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, 2008, the County's debt limit amounted to \$1,369,899,917 and indebtedness subject to the limitation aggregated \$1,161,706,459.

Other Debt – Tax anticipation Notes:

The Board of Commissioners authorized the issuance and sale of County of Genesee 2008 Tax Anticipation Notes. The notes purpose is to provide resources for paying operating expenditures of the County prior to the availability of property tax collections. The short-term Tax Anticipation Notes issued at 6% in the amount of \$10,000,000 due January 1, 2009 and are classified as a current liability.

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 \$350,000, respectively, for specific losses. The County is insured for the amount of claims in excess of such limitation to a maximum of replacement cost for property and \$20,000,000 for liability claims. The County is self-insured for claims in excess of these insurance coverages. The County is also self-insured for the first \$50,000 of catastrophic coverage for auto physical damage per location. The County is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees.

The County paid losses within its self-insured retention through an Internal Service Fund. Net assets for this fund as of September 30, 2008 were \$8,262,868 with \$4,221,554 accrued as a liability for incurred losses and expenses. An actuarial study projected a required reserve of \$4.2 million for 2008. 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, 2008 and 2007 is as follows:

	<u>Year Ended 9/30/08</u>	<u>Year Ended 9/30/07</u>
Claims Liability (beginning of year)	\$3,343,571	\$2,606,305
Claims incurred during the period	1,748,234	1,633,295
Changes in estimate for claims of prior periods	553,364	376,508
Payments on claims	<u>(1,423,615)</u>	<u>(1,272,537)</u>
Claims liability (end of year)	<u>\$4,221,554</u>	<u>\$3,343,571</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 \$3,500,142.

The Administrative and Vehicles and Equipment Internal Service Funds incurred unrestricted deficits in the amount of \$870,599 and \$3,498,355, 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 2008 levy was assessed at \$13,698,999,172 and equalized at \$13,698,999,172 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 (\$42,289,019 at September 30, 2008) are pledged to a bank for payment of notes payable, the proceeds of which were used to liquidate the amounts due the General Fund and various other funds and governmental agencies for purchase of the receivables and to provide funds for current operations. Subsequent collections on delinquent taxes receivable, plus interest and collection fees thereon and investment earnings, are used to extinguish the debt.

Collections of delinquent taxes, which include interest, penalties, fees and investment earnings, amounting to \$47,638,644 in 2008, are used to service the notes payable. Principal and interest paid on the notes payable in 2008 amounted to \$28,822,558.

NOTE I – RETIREMENT PLANS

DEFINED BENEFIT PLAN - -

PLAN DESCRIPTION AND PROVISIONS

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

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

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

Membership in the plan at December 31, 2007 the date of the latest actuarial valuation was comprised of 1,261 active plan members, 97 inactive vested members and 1,413 retirees and beneficiaries.

ANNUAL PENSION COST

The annual pension cost (APC), percentage of APC contributed, and net pension obligation (NPO), for the plan years ended December 31, 2007, 2006, and 2005, are summarized as follows:

Plan Year End	Actuarial Valuation Date	Annual Pension Costs (APC)	% of APC Contributed	Net Pension Obligation (Asset)
12/31/05	12/31/03	10,787,720	100.0 %	0
12/31/06	12/31/04	12,482,410	100.0%	0
12/31/07	12/31/05	12,996,937	100.0%	0

ACTUARIAL METHODS AND ASSUMPTIONS

In the December 31, 2007 actuarial valuation (the most recent actuarial valuation) the individual entry age cost method was used. Significant actuarial assumptions used include an (1) 8.0% investment rate of return, (2) projected salary increases of 5.0 %-9.03% that includes inflation at 5.0%, and (3) postretirement benefit increases depending on benefit group. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility over a four year period. The amortization method being used is a level percentage-of-payroll. The remaining amortization period for unfunded actuarial accrued liability is 20 years and the remaining amortization period for credit is 10 years.

FUNDING PROGRESS

	12/31/2005	12/31/2006	12/31/2007
Actuarial Valuation as of			
Actuarial Value of Assets	412,739,000	445,962,000	461,349,000
Actuarial Accrued Liability (Entry Age)	467,582,000	490,335,000	514,859,000
Unfunded AAL	54,842,000	44,373,000	53,510,000
Funded Ratio	88.3%	91.0%	89.6%
Covered Payroll	70,433,000	70,204,000	68,341,000
UAAL as a % of Covered Payroll	77.9%	63.2%	78.3%

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

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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, 2008, employer and employee contributions to the plan were \$3,112,448 and \$1,619,141, 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 September 30, 2008. At that time the liability was determined to be \$192,786,118 with the computed contribution as a percentage of payroll (based on 30 year amortization of the unfunded liability) to be 26.93% or \$12,992,638.

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 the majority of the OPEB costs are being paid from the VEBA trust, the County appropriated funds in 2007/2008 for benefit payments in addition to the contributions as a percentage of payroll.

FUNDING PROGRESS

Annual required contribution (recommended)	\$ 12,992,638
Interest on the prior year's net OPEB obligation	
Less adjustment to the annual required contribution	
Annual OPEB cost	12,992,638
Amount contributed:	
Payments of current premiums	
Advance funding	12,756,826
Increase in net OPEB Liability	235,812
OPEB Liability – beginning of year	0
OPEB Liability – end of year	\$ 235,812

Valuation Date September 30, 2008	
Value of Assets at September 30, 2008	\$ 31,466,327
Actuarial Accrued Liability	192,786,118
Unfunded AAL	161,319,791
Funded Ratio	16.32%
Annual Covered Payroll	\$ 48,245,963
Ratio of UAAL to Covered Payroll	334.36%

ACTUARIAL METHODS AND ASSUMPTIONS

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

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

In the September 30, 2008 actuarial valuation, the individual entry age actuarial cost method was used. The actuarial assumptions included an 8% 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 September 30, 2008 was thirty years.

QUALIFIED EXCESS BENEFIT ARRANGEMENT

The Qualified Excess Benefit Arrangement (QEBA) was created as a mechanism to pay contractually mandated pension benefits that are in excess of the IRS 415 limitations on the amount of pension benefits that may be paid from an IRS qualified pension plan. During 2007/2008, there was only one individual receiving pension benefits in excess of the 415 limits.

OTHER POST-EMPLOYMENT 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, 2008 was \$3,203,900. 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.

Currently, the plan has 1,859 members (including employees in active service, terminated employees not yet receiving benefits, and retired employees and beneficiaries currently receiving benefits.)

PLAN DESCRIPTION AND PROVISIONS

The Genesee County Community Mental Health Retiree Health Care Plan (the "Plan") is a single-employer defined benefit healthcare plan administered by Mental Health (the "Agency") a major fund included Genesee County's financial report. The Plan provides health insurance benefits, including medical, prescription, dental, and optical coverage to certain retirees and their beneficiaries, which are advance-funded on a discretionary basis. The Plan was closed to new hires as of May 2008.

FUNDING POLICY

The contribution requirements of Plan members and the Agency are established and may be amended by the Agency Board of Directors. The required contribution is based on actuarially determined finance rates, with an additional amount to prefund benefits as determined annually by the Agency. For the year ended September 30, 2008, the Agency contributed \$5,042,757 to the Plan, \$903,185 of which was to fund current year benefits. Plan members receiving benefits contributed \$0.

ANNUAL OPEB COST AND NET OPEB OBLIGATION

The Agency's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC). The ARC was calculated using the projected unit credit actuarial cost method. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Agency's annual OPEB cost for the year, the amount actually contributed to the Plan, and changes in the Agency's net OPEB obligation:

Annual required contribution (recommended)	\$5,133,173
Interest on the prior year's net OPEB obligation	
Less adjustment to the annual required contribution	
Annual OPEB cost	\$5,133,173
Amount contributed:	
Payments of current premiums	(5,042,757)
Advance funding	
Increase in net OPEB obligation	90,416
OPEB obligation – beginning of year	
OPEB obligation – end of year	\$ 90,416

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

Unfunded AAL	\$(49,497,173)
Funded ratio	8.2%
Annual covered payroll – 12/31/07	5,133,173
Ratio of UAAL to covered payroll	98%

ACTUARIAL METHODS AND ASSUMPTIONS

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

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

In the December 31, 2007 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions includes: (a) a rate of return on investments of 8.0%; (b) projected salary increases of 5.0% attributable to inflation; (c) additional projected salary increases ranging from 0.0% to 4.3%, depending on age, attributable to seniority/merit; and (d) projected healthcare benefit increases of 5.0% to 10.0%. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the fair value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level dollar amount over 30 years on an open basis.

NOTE J – LEASES

The County is party to numerous operating leases, aggregate rental expenses which was approximately \$220,176 during the year ended September 30, 2008, 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, 2008 are \$382,034.

NOTE K – RECEIVABLES

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Property taxes	\$8,598,606	
Debt Service	1,960,000	
Grant Revenue		\$1,079,943

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

Interfund Receivable and Payables:

Government Funds:

General Fund:		
Mental Health.....		\$ 297,763
Genesee County Community Action Resource Department	\$ 5,643,747	
Revenue Sharing Reserve.....	32,280	17,418,277
Debt	503,408	
Enterprise	2,670,389	705,674
Non-major Special Revenue.....	2,678,269	
Non-major Capital.....	73,102	
Internal Service.....	<u>3,500,142</u>	<u>3,634,070</u>
Total General Fund	<u>15,101,337</u>	<u>22,055,784</u>

Mental Health:		
General Fund.....	297,763	
Internal Service.....	<u>5,350</u>	
Total Mental Health.....	<u>303,113</u>	
County Health:		
Internal Service.....	<u>80</u>	400,886
Total County Health.....	<u>80</u>	<u>400,886</u>
Genesee County Community Action Resource Department:		
General Fund.....		5,643,747
Non-major Special Revenue.....	49,506	
Internal Service.....	<u>239,628</u>	
Total Genesee County Community Action Resource Department ..	<u>49,506</u>	<u>5,883,375</u>
Revenue Sharing Reserve:		
General Fund.....	<u>17,418,277</u>	32,280
Total Revenue Sharing Reserve.....	<u>17,418,277</u>	<u>32,280</u>
Note Repayment 2007		
General Fund.....		503,408
Debt		<u>10,143,178</u>
Total Note Repayment 2007 ..		<u>10,646,586</u>
Note Series 2007		
Debt	<u>10,143,178</u>	
Total Note Series 2007	<u>10,143,178</u>	
Non-major Special Revenue Funds:		
General Fund.....		2,678,269
Genesee County Community Action Resource Department		49,509
Enterprise		20,328
Non-major Special Revenue.....	203,445	203,445
Internal Service.....	<u>627,976</u>	
Total Non-major Special Revenue Funds	<u>203,445</u>	<u>3,579,524</u>
Non-major Capital Project:		
General Fund.....		<u>73,102</u>
Total Non-major Capital Project Funds...		<u>73,102</u>
Total Governmental Funds ..	<u>43,218,936</u>	<u>42,671,537</u>
Enterprise:		
Delinquent Tax:		
General Fund.....	705,674	2,670,389
Non-major Special Revenue.....	20,328	
Internal Service.....	<u>200,491</u>	
Total Delinquent Tax.....	<u>726,002</u>	<u>2,870,880</u>
Total Business Type Activity	<u>726,002</u>	<u>2,870,880</u>
Internal Service Funds:		
General Fund	3,634,070	3,500,142
Mental Health		5,350
County Health.....	400,886	80
Genesee Community Action Resource Department	239,628	
Non-major Special Revenue	627,976	
Enterprise	200,491	
Internal Service.....	<u>620</u>	<u>620</u>
Total Internal Service Funds ..	<u>5,103,671</u>	<u>3,506,192</u>
Total Interfund Receivables/Payables	<u>\$49,048,609</u>	<u>\$49,048,609</u>
Due to/from primary government and component units:		
Component unit Land Bank Authority.....		\$4,213,140
Primary government General Fund	\$ 400,000	
Primary government Delinquent Taxes	1,853,140	
Primary government Debt Service	<u>1,960,000</u>	
Total Primary Government and Component Unit Interfund Receivables/Payables	<u>\$4,213,140</u>	<u>\$4,213,140</u>
Due to/from component units:		
Component unit Land Bank Authority	<u>\$ 299,276</u>	
Component unit Brownfield Authority		<u>\$ 299,276</u>

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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		3,309,568
County Health	1,500,000	7,949,612
GCCARD		22,000
Revenue Sharing	9,492,489	
Debt	9,991,915	
Enterprise	3,865,256	72
Non-major Special Revenue	1,203,516	20,446,036
Non-major Debt		2,690,660
Internal	<u>875,000</u>	<u>1,246,800</u>
Total General Fund	<u>26,928,176</u>	<u>35,664,748</u>
Mental Health:		
Internal	<u>3,309,568</u>	
Total Mental Health	<u>3,309,568</u>	
County Health:		
General	7,949,612	1,500,000
Non-major Debt		247,475
Non-major Special Revenue	<u>328,306</u>	
Total County Health	<u>8,277,918</u>	<u>1,747,475</u>
Genesee County Community Action Resource Department (GCCARD)		
General	22,000	
Non-major Debt		<u>221,963</u>
Total GCCARD	<u>22,000</u>	<u>221,963</u>
Revenue Sharing:		
General		<u>9,492,489</u>
Total Revenue Sharing		<u>9,492,489</u>
Note Repayment 2007		
Debt		<u>10,172,877</u>
Total Note Repayment 2007		<u>10,172,877</u>
Note Series 2007		
General Fund		9,991,915
Debt Services	<u>10,172,877</u>	
Total Note Series 2007	<u>10,172,877</u>	<u>9,991,915</u>
Non-major Special Revenue:		
General	20,446,036	1,203,515
County Health		328,306
Enterprise	16,000	202,693
Non-major Debt		28,929
Non-major Special Revenue	407,688	407,688
Internal		<u>698,915</u>
Total Non-major Governmental Funds	<u>20,869,724</u>	<u>2,870,046</u>
Non-major Debt:		
General	2,690,660	
County Health	247,475	
GCCARD	221,963	
Non-major Special Revenue	28,929	
Non-major Capital Project	<u>255,841</u>	
Total Non-major Debt Service Funds	<u>3,444,868</u>	

Non-major Capital Project:		
Non-major Debt		255,841
Total Non-major Capital Projects Funds.....		255,841
Total Governmental Funds	73,025,131	70,417,354
Enterprise:		
General	72	3,865,256
Non-major Special Revenue.....	202,693	16,000
Internal.....		200,491
Total Enterprise Funds	202,765	4,081,747
Internal Services:		
General	1,246,800	875,000
Enterprise	200,490	
Non-major Special Revenue.....	698,915	
Total Internal Service Funds.....	2,146,205	875,000
Total Transfers In/Out	\$75,374,101	\$75,374,101
Interfund Transfers In/Out primary government and component units:		
Component Unit – Land Bank Authority	\$ 752,608	
Primary government Enterprise.....		\$ 752,608
Total Primary Government and Component Unit Interfund Transfers In/Out.....	\$ 752,608	\$ 752,608

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

NOTE M-EXCESSES OF EXPENDITURES OVER APPROPRIATIONS

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

<u>Fund</u>	<u>Excess Expenditures</u>
General Fund	
Board of Commissioners	\$ 8,760
County Treasurer.....	99,711
Veterans Burial	2,762
Other.....	173,392
Capital Outlay:	
Circuit Court.....	15,986
District Court.....	6,803
GIS.....	2,000
Debt Service	319
Internal Service.....	90,372
Community Mental Health	9,622,069
Community Action Resource Department	1,808,663
Other Nonmajor Governmental Funds	
Accommodation Ordinance Tax	212,873
Emergency Medical Services	552,208
Law Enforcement.....	959,154
Township Police Support Services	658,142

NOTE N-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 is in accordance with Public Act 196 of 1997. All component unit deposits and investment policies are in accordance with statutory authority.

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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 \$54,626,287 of bank deposits (checking and high balance savings accounts) that were uninsured and uncollateralized. At year end, the Economic Development Corporation had \$25,007 of bank deposits (checking and high balance savings accounts) that were uninsured and uncollateralized. At year end, the Water and Waste Services Division had \$12,919,786 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 \$0 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.

Road Commission:

<u>Type of Investment</u>	<u>Carrying Value</u>	<u>How Held</u>
U.S. gov or agency bond or notes (sweep)	\$2,659,963	Counterparty

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)	\$416,032	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:

Road Commission:

<u>Investment</u>	<u>Fair Value</u>	<u>Less than one year</u>
Sweep account	\$2,422,088	\$2,422,088
Michigan Governmental MMF	237,875	237,875

Land Bank Authority:

<u>Investment</u>	<u>Fair Value</u>	<u>Less than one year</u>
Governmental security pooled fund	\$648,362	\$648,362

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	\$2,422,088	Aaa	Moody's
Michigan Governmental MMF	237,875	Aaa	Moody's

Land Bank Authority:

<u>Investment</u>	<u>Fair Value</u>	<u>Rating</u>	<u>Rating Organization</u>
Governmental security pool	\$648,362	N/A	N/A

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

	<u>Balance October 1, 2007</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance September 30, 2008</u>
MTF notes	\$8,750,000	\$4,045,000	\$(1,450,000)	\$11,345,000
SIB Loan		1,175,000		1,175,000
Capital leases	<u>305,754</u>		<u>(73,212)</u>	<u>232,542</u>
Total notes and leases	<u>9,055,754</u>	<u>5,220,000</u>	<u>(1,523,212)</u>	<u>12,752,542</u>
Compensated absences	424,493	856,679	(364,047)	917,125
Net OPEB obligation		<u>4,364,541</u>		<u>4,364,541</u>
Total long term debt	<u>\$9,480,247</u>	<u>\$10,441,220</u>	<u>\$(1,887,259)</u>	<u>\$18,034,208</u>

The outstanding bonds and notes payable at September 30, 2008, and matured interest thereon, are payable to the state of Michigan from the proceeds of state-collected taxes returned to the Road Commission as Act 51 monies. In the case of default, the state treasurer is authorized to withhold future disbursements of Act 51 monies due the Road Commission until the defaulted payments are recovered by the state.

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

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

<u>Obligation Payables</u>	<u>Final Payment Due</u>	<u>Interest Rate or Range</u>	<u>Annual Principal Payment or Range</u>	<u>Outstanding Balance Sept. 30, 2008</u>	<u>Due Within One Year</u>
Michigan Transportation Fund notes:					
1999 Issue	August 1, 2009	5.00	\$ 75,000	\$ 75,000	\$ 75,000
2000 Issue	August 1, 2010	4.60-4.80	105,000	210,000	105,000
2001 Issue	August 1, 2011	3.75-4.20	125,000	375,000	125,000
2002 Issue	August 1, 2012	2.80-3.70	25,000	100,000	25,000
2006A Issue	August 1, 2016	4.00	160,000-295,000	2,080,000	230,000
2006B Issue	August 1, 2013	5.20-5.30	50,000-90,000	415,000	75,000
2007 Issue	September 30, 2017	3.70-4.00	385,000-525,000	4,045,000	385,000
2008 Issue	August 1, 2018	3.00-4.00	320,000-515,000	<u>4,045,000</u>	<u>320,000</u>
Total Notes				11,345,000	1,340,000
SIB Loan		3.00	221,317-349,092	1,175,000	
Capital lease obligation				232,542	75,793
Compensated absences				917,125	432,186
Net OPEB obligation				<u>4,364,541</u>	<u>0</u>
				<u>\$18,034,208</u>	<u>\$1,847,979</u>

Annual requirements to pay principal and interest on the outstanding obligations at September 30, 2008, are as follows:

	<u>Long-term debt</u>	<u>Capital leases</u>
Year Ended 9-30-2009	\$1,780,768	\$83,762
9-30-2010	1,940,688	83,762
9-30-2011	1,836,339	80,883
9-30-2012	1,709,150	
09/30/2013	1,689,498	
Remaining years	<u>5,932,614</u>	
Amount representing interest	<u>(2,369,057)</u>	<u>(15,865)</u>
	<u>\$12,520,000</u>	<u>\$232,542</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, 2008, 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, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance Sept. 30, 2008</u>
Capital assets not being depreciated:				
Land and improvements	\$ 478,816	\$	\$	\$ 478,816
Construction in progress	502,998	748,413	409,189	842,222
Depletable assets	<u>1,210</u>			<u>1,210</u>
Subtotal	983,024	748,413	409,189	1,322,248
Capital assets being depreciated:				
Land improvements	1,000,662	76,581		1,077,243
Buildings and improvements	8,201,013	151,706		8,352,719
Equipment:				
Road	21,139,482	1,547,031	1,309,094	21,377,419
Shop	444,150	19,584		463,734
Engineering	102,746	5,036		107,782
Yard and Storage	498,964			498,964
Office	1,342,328	69,136	6,015	1,405,449
Lab	<u>13,408</u>			<u>13,408</u>
Total	32,742,753	1,869,074	1,315,109	33,296,718
Infrastructure-Roads	262,942,402	24,653,158		287,595,560
Infrastructure-Bridges	<u>21,571,748</u>	<u>4,263,440</u>		<u>25,835,188</u>
Subtotal	<u>317,256,903</u>	<u>30,785,672</u>	<u>1,315,109</u>	<u>346,727,466</u>
Less accumulated depreciation for:				
Land improvements	(212,084)	(51,512)		(263,596)
Buildings and improvements	(4,428,217)	(321,665)		(4,749,882)

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Equipment:				
Road.....	(15,659,253)	(2,264,985)	(1,303,054)	(16,621,184)
Shop.....	(345,223)	(22,206)		(367,429)
Engineering.....	(91,982)	(3,628)		(95,610)
Yard and storage.....	(498,400)	(564)		(498,964)
Office.....	(1,007,494)	(79,999)	(5,973)	(1,081,520)
Lab.....	(13,408)			(13,408)
Subtotal.....	<u>(22,256,061)</u>	<u>(2,744,559)</u>	<u>(1,309,027)</u>	<u>(23,691,593)</u>
Infrastructure-Bridges.....	(4,151,486)	(643,286)		(4,794,772)
Infrastructure-Roads.....	<u>(153,763,031)</u>	<u>(10,745,886)</u>		<u>(164,508,917)</u>
Subtotal.....	<u>(157,914,517)</u>	<u>(11,389,172)</u>		<u>(169,303,689)</u>
Total net capital assets.....	<u>\$138,069,349</u>	<u>\$17,400,354</u>	<u>\$ 415,271</u>	<u>\$155,054,432</u>

POST-EMPLOYMENT BENEFITS—

PLAN DESCRIPTION

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

FUND POLICY

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

FUNDING PROGRESS

For the year ended September 30, 2008 the Road Commission has estimated the cost of providing retiree health care benefits through an actuarial valuation as of September 30, 2008. The valuation computes an annual required contribution, which represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. This valuation's computed contribution and actual funding are summarized as follows:

Annual required contribution (recommended)	\$6,885,616
Interest on the prior year's net OPEB obligation	
Less adjustment to the annual required contribution	
Annual OPEB cost	<u>\$6,885,616</u>
Amount contributed:	
Payments of current premiums	(2,521,075)
Advance funding	
Increase in net OPEB obligation	<u>4,364,541</u>
OPEB obligation – beginning of year	
OPEB obligation – end of year	<u>\$4,364,541</u>

The annual OPEB costs, the percentage contributed to the plan, and the net OPEB obligation for the current and two preceding years was not available.

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

Unfunded AAL	\$(87,622,775)
Funded ratio	0%
Annual covered payroll – 12/31/07	9,659,446
Ratio of UAAL to covered payroll	0%

ACTUARIAL METHODS AND ASSUMPTIONS

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between

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

In the September 30, 2008, actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 6.7 percent investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 9.0 percent initially, reduced by decrements to an ultimate rate of 5.0 percent after four years. Both rates included a 4.0 percent inflation assumption. At the point in time that the Road Commission begins funding the plan, the actuarial value of assets will be determined using techniques that spread the effects of short-term volatility in the market value of investments over a multiple year period. The UAAL is being amortized as a level percentage of projected payroll on a closed 30 year basis. The remaining amortization period at December 31, 2008, was 29 years.

The summary of long-term debt transactions for the Water and Waste Services for the year ended December 31, 2007, is presented below:

	Balance Jan. 1, 2007	Additions (Reductions)	Balance Dec. 31, 2007	Due In One Year
2.50% to 9.50% Interceptor and treatment facilities	\$ 67,392,048	\$ 14,951,985	\$ 82,344,033	\$ 5,240,000
3.25% to 9.50% District No. 3.....	36,735,000	3,685,000	40,420,000	2,455,000
3.70% to 5.60% District No. 7.....	175,000	(75,000)	100,000	100,000
2.50% to 8.00% Water supply system	<u>40,395,000</u>	<u>4,775,000</u>	<u>45,170,000</u>	<u>1,405,000</u>
	<u>\$144,697,048</u>	<u>\$ 23,336,985</u>	<u>\$168,034,033</u>	<u>\$ 9,200,000</u>

The annual requirements to pay principal and interest on the outstanding obligations for Water and Waste Services at December 31, 2007, are as follows:

	Principal	Interest	Total
2008	\$ 9,200,000	\$5,942,875	\$15,142,875
2009	7,865,000	5,559,910	13,424,910
2010	8,195,000	5,187,541	13,382,541
2011	8,420,000	5,012,189	13,432,189
2012	8,800,000	4,710,328	13,510,328
2013-2017.....	46,000,000	18,705,948	64,705,948
2018-2022.....	35,420,000	11,645,929	47,065,929
2023-2027.....	32,125,862	6,050,130	38,175,992
2028-2032.....	10,473,171	1,775,969	12,249,140
2033	<u>1,535,000</u>	<u>75,406</u>	<u>1,610,406</u>
Total	<u>\$168,034,033</u>	<u>\$64,666,225</u>	<u>\$232,700,258</u>

The following is a summary of capital assets for Water and Waste Services at December 31, 2007:

	Balance Jan. 1, 2007	Additions	Deletions	Balance Dec. 31, 2007
Proprietary fund capital assets				
Enterprise Funds:				
Capital assets not being depreciated:				
Land	\$ 1,111,300	\$ 57,697	\$ (187,743)	\$ 981,254
Construction in progress	<u>104,385,149</u>	<u>21,278,806</u>		<u>125,663,955</u>
Subtotal.....	<u>105,496,449</u>	<u>21,336,503</u>	<u>(187,743)</u>	<u>126,645,209</u>
Capital assets being depreciated:				
Distribution & collections systems	68,713,796			68,713,796
Reclassifications and adjustments		69,163,748		69,163,748
Buildings and equipment.....	73,025,226	280,399		73,305,625
Reclassifications and adjustments			(69,163,748)	(69,163,748)
Subtotal.....	<u>141,739,022</u>	<u>69,444,147</u>	<u>(69,163,748)</u>	<u>142,019,421</u>
Less accumulated depreciation for:				
Distribution & collections systems	(10,847,996)	(2,488,268)		(13,336,264)
Reclassifications and adjustments		(16,055,346)		(16,055,346)
Buildings and equipment.....	(17,128,741)	(608,061)		(17,736,802)
Reclassifications and adjustments			16,055,346	16,055,346
Subtotal.....	<u>(27,976,737)</u>	<u>(19,151,675)</u>	<u>16,055,346</u>	<u>(31,073,066)</u>
Net capital assets being depreciated	<u>113,762,285</u>	<u>50,292,472</u>	<u>(53,108,402)</u>	<u>110,946,355</u>
Total capital assets – Net of depreciation	<u>219,258,734</u>	<u>71,628,975</u>	<u>(53,296,145)</u>	<u>237,591,564</u>
Internal Service Funds:				
Capital assets being depreciated –				
Buildings and equipment.....	6,625,910	236,440	(61,398)	6,800,952

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Reclassifications and adjustments		10,489		10,489
Less accumulated depreciation –				
Buildings and equipment	(3,703,421)	(568,734)	61,398	4,210,757
Reclassifications and adjustments		(10,489)		(10,489)
Net capital assets being depreciated	<u>2,922,489</u>	<u>(332,294)</u>	<u>0</u>	<u>2,590,195</u>
Total capital assets – Net of depreciation	<u>2,922,489</u>	<u>(332,294)</u>	<u>0</u>	<u>2,590,195</u>
 Total proprietary fund capital assets	 <u>\$222,181,223</u>	 <u>\$71,296,681</u>	 <u>\$(53,296,145)</u>	 <u>\$240,181,759</u>

The summary of long-term debt transactions for the Drain funds for the year ended September 30, 2008, is presented below:

	<u>Balance Oct. 1, 2007</u>	<u>Additions (Reductions)</u>	<u>Balance Sept. 30, 2008</u>	<u>Due in One Year</u>
6.75% to 7.5% Hughes-Twenty Drainage District Bond	\$ 40,000	\$ (40,000)	\$ 0	\$ 0
5.0% to 5.6% McCollum Avenue Twenty Drain Drainage District Bond	415,000	(135,000)	280,000	280,000
3.69% to 6.85% Genesee County Special Assessment debt with governmental commitment	782,036	176,904 (288,888)	670,052	242,606
4.75 to 5.4% Genesee County Drainage District #1610 Series 2000 Bonds	450,000	(50,000)	400,000	50,000
4.0 to 4.25% Genesee County Drainage District #408 Series 2006 Bonds	1,010,000	(100,000)	910,000	400,000
4.0% Genesee County Drainage District #382 Series 2007 Bonds	<u>1,965,000</u>	<u>(365,000)</u>	<u>1,600,000</u>	<u>100,000</u>
	<u>\$4,662,036</u>	<u>\$ (801,984)</u>	<u>\$ 3,860,052</u>	<u>\$1,072,606</u>

The annual requirements to pay principal and interest on the outstanding obligations for the Drain funds at September 30, 2008, are as follows:

2008/2009	\$1,082,717
2009/2010	967,707
2010/2011	754,410
2011/2012	682,509
2012/2013	264,829
2013/2022	<u>563,525</u>
	4,315,697
Amount representing interest	<u>(455,645)</u>
	<u>\$3,860,052</u>

The following is a summary of capital assets for the Drain fund at September 30, 2008:

	<u>Balance Oct. 1, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance Sept. 30, 2008</u>
Capital assets being depreciated:				
Equipment	\$1,217,177	\$	\$	\$ 1,217,177
Infrastructure	14,115,219	3,267,326		17,382,545
Drain System Retrospective	29,376,026			29,376,026
Capital assets not being depreciated:				
Construction in Progress	<u>2,009,229</u>	<u>972,671</u>	<u>1,545,158</u>	<u>1,436,742</u>
Subtotal	<u>46,717,651</u>	<u>4,239,997</u>	<u>1,545,158</u>	<u>49,412,490</u>
Less Allowance for Depreciation ..				
Equipment	(968,126)	(77,778)		(1,045,904)
Infrastructure	(2,459,584)	(728,131)		(3,187,715)
Drain System Retrospective	<u>(17,832,798)</u>	<u>(1,156,561)</u>		<u>(18,989,359)</u>
Subtotal	<u>(21,260,508)</u>	<u>(1,962,470)</u>		<u>(23,222,978)</u>
Net capital assets being depreciated	<u>23,447,914</u>	<u>1,304,856</u>		<u>24,752,770</u>
Total Capital Assets				
Net of depreciation	<u>\$25,457,143</u>	<u>\$ 2,277,527</u>	<u>\$1,545,158</u>	<u>\$ 26,189,512</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, 2008, is presented below:

	Balance Oct. 1, 2007	Additions	(Reductions)	Balance Sept. 30, 2008	Due In One Year
Compensated absence.....	\$ 9,383	\$ 27,768	\$ (26,749)	\$ 10,402	\$
State of Michigan.....	49,050	2,115		51,165	
Primary Govt. (Land Bank Center)	1,995,000		(35,000)	1,960,000	35,000
Berridge Place Project.....		1,195,000		1,195,000	
Primary Govt. (Great Lakes Tech Project).....	400,000			400,000	400,000
Vehicle leases.....	34,515		(12,009)	22,506	13,512
Total long-term.....	<u>\$2,487,948</u>	<u>\$1,224,883</u>	<u>\$ (73,758)</u>	<u>\$ 3,639,073</u>	<u>\$448,512</u>

The annual requirements to pay principal and interest on the outstanding obligations at September 30, 2008, are as follows:

2009	\$543,868
2010	142,118
2011	440,943
2012	428,076
2013	433,779
2018	1,308,600
2023	723,805
2028	737,830
2033	734,055
2038	147,980
	<u>5,641,051</u>
Amount representing interest.....	<u>(2,034,886)</u>
	<u>\$3,606,165</u>

The following is a summary of capital assets for the Genesee County Land Bank Authority at September 30, 2008:

	Balance Oct. 1, 2007	Disposals and Additions	Balance Adjustments	Sept. 30, 2008
Capital assets not being depreciated:				
Land	\$ 63,939	\$ 20,369	\$	\$ 84,308
Construction in progress-Bldgs.....	<u>286,664</u>	<u>2,986,155</u>		<u>3,272,819</u>
Subtotal.....	350,603	3,006,524		3,357,127
Capital assets being depreciated:				
Buildings and improvements.....	14,928,805	133,348	39,769	15,022,384
Maintenance and equipment	30,705			30,705
Office equipment.....	94,173			94,173
Vehicles	<u>68,549</u>			<u>68,549</u>
Subtotal	<u>15,122,232</u>	<u>133,348</u>	<u>39,769</u>	<u>15,215,811</u>
Less Accumulated depreciation:				
Buildings and improvements.....	(685,206)	(495,923)	(29,542)	(1,151,587)
Maintenance and equipment	(17,173)	(6,421)		(23,594)
Office equipment.....	(43,739)	(18,917)		(62,656)
Vehicles	<u>(34,335)</u>	<u>(13,710)</u>		<u>(48,045)</u>
Subtotal	<u>(780,453)</u>	<u>(534,971)</u>	<u>(29,542)</u>	<u>(1,285,882)</u>
Net capital assets being depreciated	<u>14,341,779</u>	<u>(401,623)</u>	<u>10,227</u>	<u>13,929,929</u>
Total capital assets – Net of depreciation	<u>\$14,692,382</u>	<u>\$ 2,604,901</u>	<u>\$ 10,227</u>	<u>\$17,287,056</u>

The summary of long-term debt transactions for the Genesee County Brownfield Authority for the year ended September 30, 2008 is presented below:

	Balance Oct. 1, 2007	Additions	(Reductions)	Balance Sept. 30, 2008	Due In One Year
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>\$13,035,000</u>	<u>\$5,000,000</u>	<u>\$13,035,000</u>	<u>\$0</u>

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The annual requirements to pay principal and interest on the outstanding obligations at September 30, 2008, are as follows:

2009	620,400	(interest only)
2010	723,300	
2011	724,000	
2012	817,600	
2013	843,500	
2014-2018	4,312,675	
2019-2023	4,523,500	
2024-2028	4,747,125	
2029-2033	4,980,500	
2034-2038	<u>2,059,000</u>	
	24,352,100	
Amount representing interest.....	<u>(11,317,100)</u>	
	<u>\$13,035,000</u>	

Advance Refunding: During the year, the County issued \$13,035,000 in general obligation bonds with an average interest rate of 4.89 percent. The proceeds of these bonds were used to advance refund \$5,000,000 of outstanding Brownfield Authority bonds with an average interest rate of 4.86 percent as well as to provide \$7,030,000 for new Brownfield projects. The net proceeds of \$5,141,284 (after payment of \$863,716 in underwriting fees, insurance, other issuance costs, reoffering premium and capitalized interest) was used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the original bonds. As a result, the bonds are considered to be defeased and the liability for the bonds has been removed from the detail of outstanding obligations. The advance refunding strengthened the overall financial package bringing a much stronger source of revenue than was available at the time of the first issuance.

NOTE O-RESTATEMENT OF NET ASSETS

Restatement: Net assets and fund balances at September 30, 2007, were restated to correct beginning balances. Net assets and fund balances were restated for the following reasons:

- 1) Infrastructure was overstated.
- 2) Gains on land sales was deferred rather than recognized at time of sale.
- 3) Addition of component unit Berridge Place Project.
- 4) Addition of component unit previously excluded.
- 5) Reclassification of proprietary fund debt previously viewed as governmental fund debt.

	<u>As Previously Reported</u>	<u>Adjustments</u>	<u>Restated Amounts</u>
Component units:			
Net Assets			
Road Commission ⁽¹⁾	<u>\$195,193,015</u>	<u>\$ 788,547</u>	<u>\$ 195,981,562</u>
Net Assets			
Land Bank Authority ⁽²⁾	<u>\$ 11,666,506</u>	<u>\$ 520,010</u>	<u>\$ 12,186,516</u>
Berridge Place ⁽³⁾	<u>\$ 11,666,506</u>	<u>1,295,543</u>	<u>1,295,543</u>
		<u>\$ 1,815,553</u>	<u>\$ 13,482,059</u>
Net Assets			
Storm Water Management System ⁽⁴⁾	<u>\$ 0</u>	<u>\$ 874,818</u>	<u>\$ 874,818</u>
Primary government:			
Net Assets			
Proprietary Funds			
Delinquent Taxes ⁽⁵⁾	<u>\$ 16,959,439</u>	<u>\$(1,667,084)</u>	<u>\$ 15,292,355</u>
Fund Balances			
Capital Projects ⁽⁵⁾	<u>\$ 743,694</u>	<u>\$ (435,702)</u>	<u>\$ 307,992</u>
Net Assets			
Governmental activities ⁽⁵⁾	<u>\$158,556,937</u>	<u>\$ 1,667,084</u>	<u>\$160,224,021</u>

NOTE P - PENSION AND EMPLOYEES' FRINGE BENEFIT (VEBA) TRUST FUNDS

	General Employees Retirement System	Employees' Fringe Benefit (VEBA)	Total
Statement of Net Assets:			
Cash and investments	\$ 543,301,401	\$ 35,544,901	\$ 578,846,302
Other assets	977,211	200,000	1,177,211
Liabilities	(34,992,404)	(4,278,574)	(39,270,978)
Net Assets	<u>509,286,208</u>	<u>31,466,327</u>	<u>540,752,535</u>
Statement of Changes in Net Assets:			
Investment income (loss)	25,590,661	(6,143,435)	19,447,226
Contributions	15,463,971	12,756,827	28,220,798
Other increases	6,164,208	1,149,465	7,313,673
Benefit payments	(30,690,083)	(6,559,973)	(37,250,056)
Other decreases	(7,186,550)	(163,636)	(7,350,186)
Change in Net Assets	<u>\$ 9,342,207</u>	<u>\$ 1,039,248</u>	<u>\$ 10,381,455</u>

**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, 2008				
	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
OPERATING REVENUE				
TAXES				
Current property taxes.....	\$ 67,969,099	\$ 65,569,099	\$ 55,128,226	\$ (10,440,873)
LICENSES AND PERMITS				
Dog licenses	445,000	426,000	429,411	3,411
Other.....	72,300	57,500	62,585	5,085
TOTALS	517,300	483,500	491,996	8,496
FINES AND FORFEITURES				
Ordinance fines and costs.....	2,350,932	2,092,915	2,045,653	(47,262)
Bond forfeitures	41,800	57,360	58,571	1,211
TOTALS	2,392,732	2,150,275	2,104,224	(46,051)
USE OF MONEY AND PROPERTY				
Interest earned	1,000,000	1,179,100	1,179,178	78
OTHER INTERGOVERNMENTAL REVENUES				
Probate judges salaries	289,428	289,428	272,902	(16,526)
State liquor tax.....	2,235,494	1,844,139	2,439,661	595,522
State cigarette tax.....	197,939	210,485	210,485	0
Other.....	3,820,605	3,893,585	3,951,208	57,623
TOTALS	6,543,466	6,237,637	6,874,256	636,619
CHARGES FOR SERVICES				
Animal Shelter	72,000	75,275	77,612	2,337
District Court.....	2,695,137	2,591,949	2,638,456	46,507
Friend of the Court.....	1,250,000	1,250,000	1,125,900	(124,100)
Probate Court	431,203	432,293	203,993	(228,300)
Probation fees	33,000	33,000	35,480	2,480
County Treasurer.....	1,504,100	1,295,700	1,142,969	(152,731)
County Clerk	966,350	991,300	1,078,625	87,325
Register of Deeds	2,152,001	1,397,001	1,365,997	(31,004)
Sheriff	1,249,800	1,558,361	1,626,277	67,916
Other services	233,694	719,111	414,707	(304,404)
TOTALS	10,587,285	10,343,990	9,710,016	(633,974)
OTHER REVENUE.....	958,707	1,699,567	1,647,861	(51,706)
TOTAL OPERATING REVENUE	89,968,589	87,663,168	77,135,757	(10,527,411)
TRANSFERS IN				
Enterprise Funds	2,780,124	3,865,256	3,865,256	0
Special Revenue Funds.....	2,993,673	2,892,221	2,703,516	(188,705)
Capital Projects Funds.....				0
Debt Service Funds.....			9,991,915	9,991,915
Revenue Sharing.....	9,279,070	9,279,070	9,492,489	213,419
Internal Service Funds.....	575,000	886,400	875,000	(11,400)
TOTAL TRANSFERS IN	15,627,867	16,922,947	26,928,176	10,005,229
	<u>\$ 105,596,456</u>	<u>\$ 104,586,115</u>	<u>\$ 104,063,933</u>	<u>\$ (522,182)</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, 2008				
	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
LEGISLATIVE				
Board of Commissioners.....	\$ 1,219,441	\$ 1,202,366	\$ 1,211,126	\$ (8,760)
MANAGEMENT AND PLANNING				
Board Coordinator.....	491,633	454,496	366,616	87,880
Boundary Commission.....	1,200	150	76	74
County Clerk.....	3,440,566	3,365,171	3,257,857	107,314
County Treasurer.....	2,271,027	2,055,523	2,155,234	(99,711)
Drain Commission.....	1,552,660	1,521,624	1,476,011	45,613
Elections Clerk.....	602,247	553,217	397,766	155,451
Equalization.....	1,751,043	1,584,809	1,477,412	107,397
GIS.....	267,345	291,954	282,615	9,339
Register of Deeds.....	1,075,951	1,094,900	1,013,587	81,313
TOTALS	11,453,672	10,921,844	10,427,174	494,670
ADMINISTRATION OF JUSTICE				
Adult Probation.....	430,877	430,203	407,944	22,259
Circuit Court.....	10,015,854	10,030,172	9,904,459	125,713
District Court.....	6,544,594	6,523,493	6,414,787	108,706
Jury Board.....	309,626	281,969	264,565	17,404
Probate Court.....	2,888,455	2,902,466	2,860,014	42,452
Prosecutor.....	5,538,426	5,531,393	5,393,328	138,065
Court Services.....	607,483	645,601	624,916	20,685
TOTALS	26,335,315	26,345,297	25,870,013	475,284
LAW ENFORCE/ COMMUNITY PROTECTION				
Road Patrol.....	214,222	529,776	528,856	920
Office of Emergency Preparedness.....	286,591	282,508	269,209	13,299
Sheriff Administration.....	2,966,389	2,949,405	2,925,624	23,781
Sheriff Marine Division.....	117,107	131,231	103,029	28,202
Detective Division.....	1,296,128	1,416,648	1,363,185	53,463
Sheriff Security.....	18,772,483	18,751,786	18,662,927	88,859
New Paths.....	470,850	470,850	470,850	0
TOTALS	24,123,770	24,532,204	24,323,680	208,524
HUMAN SERVICES				
Veterans Burial.....	37,562	37,562	40,324	(2,762)
Veterans Information Center.....	196,382	200,473	195,144	5,329
TOTALS	233,944	238,035	235,468	2,567
COMMUNITY ENRICHMENT AND DEVELOPMENT				
Cooperative Extension.....	551,523	551,023	478,251	72,772
GENERAL SUPPORT SERVICES				
Affirmative Action.....	305,367	299,617	279,291	20,326

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

Fiscal Year Ended September 30, 2008				
	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
OTHER				
Other.....	\$ 3,773,713	\$ 2,576,363	\$ 2,749,755	\$ (173,392)
Postretirement Benefits.....	3,553,900	3,203,900	3,203,900	0
TOTALS	<u>7,327,613</u>	<u>5,780,263</u>	<u>5,953,655</u>	<u>(173,392)</u>
CAPITAL OUTLAY				
Circuit Court.....	0	10,951	26,937	(15,986)
County Clerk.....	0	24,000	11,449	12,551
District Court.....	0	14,000	20,803	(6,803)
Drain Commission.....	0	7,400	4,613	2,787
GIS.....	0	0	2,000	(2,000)
Prosecutor.....	0	1,500	0	1,500
Sheriff.....	0	26,000	9,073	16,927
Treasurers.....	0	51,000	1,170	49,830
All others.....	0	6,100	4,792	1,308
TOTALS	<u>0</u>	<u>140,951</u>	<u>80,837</u>	<u>60,114</u>
DEBT SERVICE				
Principal.....	0	0	0	0
TOTAL EXPENDITURES	<u>71,550,645</u>	<u>70,011,600</u>	<u>68,859,495</u>	<u>1,152,105</u>
APPROPRIATIONS				
Special Revenue:				
Administration of Justice Funds.....	4,963,930	4,460,453	4,355,475	104,978
Animal Shelter.....	1,298,421	1,316,224	1,222,842	93,382
Child Care.....	11,561,307	11,829,878	11,769,878	60,000
Community Action Resource Department.....	22,000	22,000	22,000	0
Community Enrichment and Development Fund	219,578	219,578	212,314	7,264
County Health.....	7,949,612	7,949,612	7,949,612	0
Debt Service Funds.....	2,670,341	2,690,341	2,690,660	(319)
Law Enforcement Funds.....	301,841	301,841	291,364	10,477
Medical Examiner.....	1,455,514	1,455,514	1,360,321	95,193
Mental Health.....	3,309,568	3,309,568	3,309,568	0
Parks and Recreation.....	490,387	490,387	490,387	0
Planning Commission.....	699,955	699,955	699,955	0
Social Services.....	43,500	43,500	43,500	0
TOTALS	<u>34,985,954</u>	<u>34,788,851</u>	<u>34,417,876</u>	<u>370,975</u>
Internal Service:				
Delinquent Taxes.....	500	100	72	28
Administrative Services.....	0	632,560	652,560	(20,000)
Vehicles and Equipment.....	0	11,204	11,204	0
Building and Grounds.....	0	512,636	583,036	(70,400)
TOTALS	<u>500</u>	<u>1,156,500</u>	<u>1,246,872</u>	<u>(90,372)</u>
TOTAL APPROPRIATIONS	<u>34,986,454</u>	<u>35,945,351</u>	<u>35,664,748</u>	<u>280,603</u>
TOTAL EXPENDITURES AND APPROPRIATIONS	<u>\$ 106,537,099</u>	<u>\$ 105,956,951</u>	<u>\$ 104,524,243</u>	<u>\$ 1,432,708</u>

**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, 2008			
	Original and Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
MENTAL HEALTH			
General Fund appropriation.....	\$ 3,600,000	\$ 3,309,568	\$ (290,432)
Use of money and property.....	331,268	331,268	0
Federal grants.....	93,954,626	94,956,227	1,001,601
State grants.....	20,897,250	18,282,758	(2,614,492)
Charges for services.....	6,445,409	6,658,024	212,615
Other.....	1,206,316	1,805,830	599,514
TOTALS	<u>\$ 126,434,869</u>	<u>\$ 125,343,675</u>	<u>\$ (1,091,194)</u>
COUNTY HEALTH			
General Fund appropriation.....	\$ 7,947,930	\$ 7,949,612	\$ 1,682
Licenses and permits.....	792,801	838,524	45,723
Federal grants.....	2,780,944	2,220,499	(560,445)
State grants.....	9,174,671	8,897,761	(276,910)
Charges for services.....	330,418	343,522	13,104
Other.....	776,426	798,727	22,301
Other Transfers-In.....	392,341	328,306	(64,035)
TOTALS	<u>\$ 22,195,531</u>	<u>\$ 21,376,951</u>	<u>\$ (818,580)</u>
COMMUNITY ACTION RESOURCE DEPARTMENT			
General Fund appropriation.....	\$ 125,550	\$ 22,000	\$ (103,550)
Federal grants.....	24,272,370	23,552,430	(719,940)
State grants.....	1,295,362	2,549,038	1,253,676
Other.....	5,400,309	6,540,865	1,140,556
TOTALS	<u>\$ 31,093,591</u>	<u>\$ 32,664,333</u>	<u>\$ 1,570,742</u>
REVENUE SHARING RESERVE			
Use of money and property.....	\$ 584,588	\$ 584,588	\$ 0
TOTALS	<u>\$ 584,588</u>	<u>\$ 584,588</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, 2008			
	Original and Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
MENTAL HEALTH			
Board administration.....	\$ 4,202,845	\$ 4,772,081	\$ (569,236)
Managed care.....	7,962,340	10,671,890	(2,709,550)
Clinical services.....	44,091,110	48,551,176	(4,460,066)
Residential services.....	28,564,650	29,459,914	(895,264)
State hospitals.....	4,131,306	6,396,587	(2,265,281)
Inpatient services.....	6,320,435	7,681,838	(1,361,403)
Substance abuse services.....	5,463,514	6,976,875	(1,513,361)
Employee benefits.....	5,042,757	5,042,757	0
Other.....	11,797,281	7,645,189	4,152,092
Capital outlay.....	167,049	167,049	0
TOTALS	<u>\$ 117,743,287</u>	<u>\$ 127,365,356</u>	<u>\$ (9,622,069)</u>
COUNTY HEALTH			
Personnel services.....	\$ 8,788,397	\$ 8,184,964	\$ 603,433
Fringe benefits.....	5,806,044	5,345,841	460,203
Supplies and services.....	8,992,207	6,529,287	2,462,920
Capital outlay.....	57,685	51,503	6,182
Transfers out.....	1,728,456	1,747,475	(19,019)
TOTALS	<u>\$ 25,372,789</u>	<u>\$ 21,859,070</u>	<u>\$ 3,513,719</u>
COMMUNITY ACTION RESOURCE DEPARTMENT			
Personnel services.....	\$ 10,392,271	\$ 10,133,647	\$ 258,624
Fringe benefits.....	4,841,109	5,592,468	(751,359)
Supplies and services.....	15,660,660	16,521,443	(860,783)
Capital outlay.....	199,551	432,733	(233,182)
Transfers out.....		221,963	(221,963)
TOTALS	<u>\$ 31,093,591</u>	<u>\$ 32,902,254</u>	<u>\$ (1,808,663)</u>
REVENUE SHARING RESERVE			
Transfers out.....	\$ 9,492,489	\$ 9,492,489	\$ 0
TOTALS	<u>\$ 9,492,489</u>	<u>\$ 9,492,489</u>	<u>\$ 0</u>

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

**COMBINING
FUND FINANCIAL STATEMENTS
NONMAJOR GOVERNMENTAL FUNDS**

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS

GENESEE COUNTY

Exhibit C-1

		<u>Special Revenue</u>
Cash and cash equivalents - Note C.....	\$	10,263,546
Investments - Note C.....		10,197,276
Interest and accounts receivable.....		498,554
Due from other governmental units.....		9,647,809
Due from other County funds -- Note L.....		203,445
Due from component unit - Land Bank Authority.....		
Prepaid expenses.....		
Supplies inventory.....		213,772
Other assets.....		6,027
		<u>6,027</u>
TOTAL ASSETS	\$	<u>31,030,429</u>
Accounts Payable.....	\$	5,403,717
Accrued payroll.....		1,113,621
Other accrued liabilities and deposits.....		157,835
Due to other governmental units.....		801,077
Due to other County funds -- Note L.....		3,579,524
Deferred revenue - Note K.....		111,862
		<u>111,862</u>
TOTAL LIABILITIES		<u>11,167,636</u>
Fund balances:		
Reserved for inventory.....		213,772
Reserve for prepaid.....		
Unreserved:		
Designated for programs.....		16,146,090
Designated for debt service.....		
Undesignated.....		3,502,931
		<u>3,502,931</u>
TOTAL FUND BALANCES		<u>19,862,793</u>
TOTAL LIABILITIES AND FUND BALANCES	\$	<u>31,030,429</u>

September 30, 2008

Debt Service	Capital Projects	Total Nonmajor Governmental Funds
\$ 55,790	\$ 16,491	\$ 10,335,827
	250,000	10,447,276
	1,232	499,786
		9,647,809
		203,445
1,960,000		1,960,000
54,434		54,434
		213,772
		6,027
<u>\$ 2,070,224</u>	<u>\$ 267,723</u>	<u>\$ 33,368,376</u>
		\$ 5,403,717
		1,113,621
		157,835
		801,077
\$ 1,960,000	\$ 73,102	3,652,626
		2,071,862
<u>1,960,000</u>	<u>73,102</u>	<u>13,200,738</u>
54,434		213,772
		54,434
	178,130	16,324,220
55,790		55,790
	16,491	3,519,422
<u>110,224</u>	<u>194,621</u>	<u>20,167,638</u>
<u>\$ 2,070,224</u>	<u>\$ 267,723</u>	<u>\$ 33,368,376</u>

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

GENESEE COUNTY

Exhibit C-2

	<u>Primary</u>	<u>Special Revenue</u>
Revenues:		
Taxes--Note H.....	\$ 31,342,504	
Licenses and permits.....	184,183	
Fines and forfeitures.....	86,294	
Use of money and property.....	492,620	
Federal grants--Note G.....	17,662,736	
State grants--Note G.....	29,540,906	
Other intergovernmental revenues.....	1,195,427	
Charges for services.....	4,946,326	
Other.....	884,637	
TOTAL REVENUES	<u>86,335,633</u>	
Expenditures:		
Current operations:		
Management and planning.....	2,634,427	
Administration of justice.....	15,309,906	
Law enforcement and community protection.....	12,339,103	
Human services.....	62,397,351	
Community enrichment and development.....	6,662,652	
Other.....	2,949,270	
Capital outlay.....	413,118	
Debt service--Note E:		
Principal payments.....		
Interest.....		
TOTAL EXPENDITURES	<u>102,705,827</u>	
REVENUES OVER(UNDER) EXPENDITURES	<u>(16,370,194)</u>	
Other financing sources (uses):		
Operating transfers in (out):		
Transfers-In.....	20,869,724	
Transfers-Out.....	<u>(2,870,046)</u>	
TOTAL OTHER FINANCING SOURCES(USES)	<u>17,999,678</u>	
NET CHANGE IN FUND BALANCES	1,629,484	
Fund balance at beginning of year - as restated.....	18,233,309	
FUND BALANCE AT END OF YEAR	<u>\$ 19,862,793</u>	

Government - Fiscal Year Ended September 30, 2008

		Total Nonmajor Governmental Funds	
Debt Service	Capital Projects		
		\$	31,342,504
			184,183
			86,294
\$ 544,968	\$ 9,391		1,046,979
			17,662,736
			29,540,906
			1,195,427
			4,946,326
	144,742		1,029,379
<u>544,968</u>	<u>154,133</u>		<u>87,034,734</u>
			2,634,427
			15,309,906
			12,339,103
			62,397,351
			6,662,652
1,850	11,663		2,962,783
			413,118
2,599,000			2,599,000
<u>1,278,762</u>			<u>1,278,762</u>
<u>3,879,612</u>	<u>11,663</u>		<u>106,597,102</u>
<u>(3,334,644)</u>	<u>142,470</u>		<u>(19,562,368)</u>
3,444,868			24,314,592
	(255,841)		(3,125,887)
<u>3,444,868</u>	<u>(255,841)</u>		<u>21,188,705</u>
110,224	(113,371)		1,626,337
0	307,992		18,541,301
<u>\$ 110,224</u>	<u>\$ 194,621</u>	<u>\$</u>	<u>20,167,638</u>

**COMBINING
FINANCIAL STATEMENTS
NONMAJOR SPECIAL REVENUE FUNDS**

NONMAJOR SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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.....	\$ 371,606		\$ 40,971
Investments.....			
Interest and accounts receivable.....		\$ 7,898	
Due from other governmental units.....		2,279,844	
Due from other County funds.....			
Supplies inventory.....			
Other assets.....			
TOTAL ASSETS	<u>\$ 371,606</u>	<u>\$ 2,287,742</u>	<u>\$ 40,971</u>
LIABILITIES AND FUND BALANCES			
Accounts payable.....	\$ 278,705	\$ 169,120	\$ 3,716
Accrued payroll.....		408,838	22,890
Other accrued liabilities and deposits.....		156,850	
Due to other governmental units.....		12,699	
Due to other County funds.....	92,901	902,125	
Deferred revenue.....		18,887	
TOTAL LIABILITIES	<u>371,606</u>	<u>1,668,519</u>	<u>26,606</u>
Fund balances:			
Reserved for inventory.....			
Unreserved:			
Designated for programs.....		619,223	14,365
Undesignated.....			
TOTAL FUND BALANCES	<u>0</u>	<u>619,223</u>	<u>14,365</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 371,606</u>	<u>\$ 2,287,742</u>	<u>\$ 40,971</u>

September 30, 2008

Child Care	Community Development	Community Enrichment and Development	Drug Forfeiture	Emergency Medical Services	Health Care Services
		\$ 1,417,423	\$ 363,603	\$ 3,787,404	\$ 972,616 1,996,383
\$ 50,000 1,213,680	\$ 117,669	4,025 5,522			
<u>\$ 1,263,680</u>	<u>\$ 117,669</u>	<u>\$ 1,426,970</u>	<u>\$ 363,603</u>	<u>\$ 3,787,404</u>	<u>\$ 2,968,999</u>
\$ 663,123 161,683	\$ 64,015	\$ 13,508 9,190	\$ 450 3,380	\$ 12,495 136,757 0	
250,148	12,740 40,914			368,545	
<u>1,074,954</u>	<u>117,669</u>	<u>22,698</u>	<u>51,082 54,912</u>	<u>517,797</u>	<u>\$ 0</u>
188,726			308,691	3,269,607	2,968,999
		1,404,272			
<u>188,726</u>	<u>0</u>	<u>1,404,272</u>	<u>308,691</u>	<u>3,269,607</u>	<u>2,968,999</u>
<u>\$ 1,263,680</u>	<u>\$ 117,669</u>	<u>\$ 1,426,970</u>	<u>\$ 363,603</u>	<u>\$ 3,787,404</u>	<u>\$ 2,968,999</u>

(Continued)

COMBINING BALANCE SHEET-NONMAJOR SPECIAL REVENUE FUNDS-CONTINUED

GENESEE COUNTY

Exhibit D-1 Continued

	Law Enforcement	Medical Examiner	Parks and Recreation
ASSETS			
Cash and cash equivalents.....		\$ 138,823	\$ 8,615
Investments.....			2,905,127
Interest and accounts receivable.....	\$ 199,188	2,460	49,960
Due from other governmental units.....	597,090		165,000
Due from other County funds.....			92,902
Supplies inventory.....			213,772
Other assets.....	1,248	4,594	
TOTAL ASSETS	\$ 797,526	\$ 145,877	\$ 3,435,376
LIABILITIES AND FUND BALANCES			
Accounts payable.....	\$ 260,858	\$ 85,193	\$ 203,819
Accrued payroll.....	77,359	40,742	173,765
Other accrued liabilities and deposits.....			985
Due to other governmental units.....			167,075
Due to other County funds.....	154,706	19,942	5,200
Deferred revenue.....			
TOTAL LIABILITIES	492,923	145,877	550,844
Fund balances:			
Reserved for inventory.....			213,772
Unreserved:			
Designated for programs.....	304,603		777,427
Undesignated.....			1,893,333
TOTAL FUND BALANCES	304,603	0	2,884,532
TOTAL LIABILITIES AND FUND BALANCES	\$ 797,526	\$ 145,877	\$ 3,435,376

September 30, 2008

Planning Commission	Senior Services	Social Services	Township Police Support Services	Workforce Investment Act Program	Total
\$ 417,564	\$ 2,538,755	\$ 206,166			\$ 10,263,546
	5,295,766				10,197,276
65,855	119,168				498,554
273,104		239,845	\$ 456,531	\$ 4,299,524	9,647,809
110,543					203,445
					213,772
			185		6,027
<u>\$ 867,066</u>	<u>\$ 7,953,689</u>	<u>\$ 446,011</u>	<u>\$ 456,716</u>	<u>\$ 4,299,524</u>	<u>\$ 31,030,429</u>
\$ 173,386	\$ 605,723	\$ 70,285	\$ 29	\$ 2,799,292	\$ 5,403,717
469	9,332		65,333	3,883	1,113,621
		267,000		508,638	157,835
83,654	136,139		391,354	972,021	801,077
21,003				15,690	3,579,524
<u>278,512</u>	<u>751,194</u>	<u>337,285</u>	<u>456,716</u>	<u>4,299,524</u>	<u>11,167,636</u>
					213,772
383,228	7,202,495	108,726			16,146,090
205,326					3,502,931
<u>588,554</u>	<u>7,202,495</u>	<u>108,726</u>	<u>0</u>	<u>0</u>	<u>19,862,793</u>
<u>\$ 867,066</u>	<u>\$ 7,953,689</u>	<u>\$ 446,011</u>	<u>\$ 456,716</u>	<u>\$ 4,299,524</u>	<u>\$ 31,030,429</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.....	\$ 1,228,873		
Licenses and permits.....			
Fines and forfeitures.....			
Use of money and property.....			
Federal grants.....		\$ 109,212	
State grants.....		10,064,016	
Other intergovernmental revenue.....			
Charges for services.....		946,870	
Other.....		32,353	\$ 79,000
TOTAL REVENUES	1,228,873	11,152,451	79,000
Expenditures:			
Current Operations:			
Management and planning.....			
Administration of justice.....		15,309,906	
Law enforcement and community protection.....			1,230,452
Human services.....			
Community enrichment and development.....	927,042		
Other.....			
Capital outlay.....		36,474	86,956
Debt Service:			
Principal Payments.....			
TOTAL EXPENDITURES	927,042	15,346,380	1,317,408
REVENUES OVER (UNDER) EXPENDITURES	301,831	(4,193,929)	(1,238,408)
Other financing sources (uses):			
Transfers in (out):			
Transfers-In.....		4,405,081	1,230,042
Transfers-Out.....	(301,831)	(206,468)	
TOTAL OTHER FINANCING SOURCES (USES)	(301,831)	4,198,613	1,230,042
NET CHANGE IN FUND BALANCES	0	4,684	(8,366)
Fund balances at beginning of year.....	0	614,539	22,731
FUND BALANCES AT END OF YEAR	\$ 0	\$ 619,223	\$ 14,365

Fiscal Year Ended September 30, 2008

Child Care	Community Development	Community Enrichment and Development	Drug Forfeiture	Emergency Medical Services	Health Care Services
				\$ 4,834,925	\$ 11,623,311
			\$ 86,294	131,736	21,447
\$ 90,631 7,680,732	\$ 2,369,123	\$ 322,226 19,005	187,637		
576,234 329,398	65,352	382,972 1,857			
<u>8,676,995</u>	<u>2,434,475</u>	<u>726,060</u>	<u>273,931</u>	<u>4,966,661</u>	<u>11,644,758</u>
20,126,299	2,434,475	856,066	144,011	5,222,320	11,131,795
		5,460		6,550	
<u>20,126,299</u>	<u>2,434,475</u>	<u>861,526</u>	<u>144,011</u>	<u>5,228,870</u>	<u>11,131,795</u>
(11,449,304)	0	(135,466)	129,920	(262,209)	512,963
11,769,878		228,314 (594,799)	(339,122)		(328,306)
<u>11,769,878</u>	<u>0</u>	<u>(366,485)</u>	<u>(339,122)</u>	<u>0</u>	<u>(328,306)</u>
320,574 (131,848)	0 0	(501,951) 1,906,223	(209,202) 517,893	(262,209) 3,531,816	184,657 2,784,342
<u>\$ 188,726</u>	<u>\$ 0</u>	<u>\$ 1,404,272</u>	<u>\$ 308,691</u>	<u>\$ 3,269,607</u>	<u>\$ 2,968,999</u>

(Continued)

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

GENESEE COUNTY

Exhibit D-2 Continued

	Law Enforcement	Medical Examiner	Parks and Recreation
Revenues:			
Taxes.....			\$ 5,605,243
Licenses and permits.....	\$ 175,483		
Fines and forfeitures.....			261,549
Use of money and property.....			
Federal grants.....	746,247		
State grants.....	1,404,138		173,521
Other intergovernmental revenue.....	988,785		
Charges for services.....	106,841	\$ 31,763	1,861,407
Other.....	225,708		86,706
TOTAL REVENUES	3,647,202	31,763	7,988,426
Expenditures:			
Current Operations:			
Management and planning.....			
Administration of justice.....			
Law enforcement and community protection.....	3,644,675		
Human services.....		1,319,400	
Community enrichment and development.....			4,879,544
Other.....			2,949,270
Capital outlay.....		72,684	177,222
Debt Service:			
Principal Payments.....			
TOTAL EXPENDITURES	3,644,675	1,392,084	8,006,036
REVENUES OVER (UNDER) EXPENDITURES	2,527	(1,360,321)	(17,610)
Other financing sources (uses):			
Transfers in (out):			
Transfers-In.....	318,717	1,360,321	813,916
Transfers-Out.....	(246,608)		(800,319)
TOTAL OTHER FINANCING SOURCES (USES)	72,109	1,360,321	13,597
NET CHANGE IN FUND BALANCES	74,636	0	(4,013)
Fund balances at beginning of year.....	229,967	0	2,888,545
FUND BALANCES AT END OF YEAR	\$ 304,603	\$ 0	\$ 2,884,532

Fiscal Year Ended September 30, 2008

Planning Commission	Senior Services	Social Services	Township Police Support Services	Workforce Investment Act Program	Total
\$ 8,700	\$ 8,050,152				\$ 31,342,504
37	77,851				184,183
866,872				\$ 13,480,651	86,294
51,653		\$ 2,097,285	\$ 2,097,645	5,649,690	492,620
1,040,239					17,662,736
64,263					29,540,906
					1,195,427
					4,946,326
					884,637
<u>2,031,764</u>	<u>8,128,003</u>	<u>2,097,285</u>	<u>2,097,645</u>	<u>19,130,341</u>	<u>86,335,633</u>
2,634,427					2,634,427
					15,309,906
			2,097,645		12,339,103
	6,034,871	2,220,170		19,130,341	62,397,351
					6,662,652
					2,949,270
27,772					413,118
					0
<u>2,662,199</u>	<u>6,034,871</u>	<u>2,220,170</u>	<u>2,097,645</u>	<u>19,130,341</u>	<u>102,705,827</u>
(630,435)	2,093,132	(122,885)	0	0	(16,370,194)
699,955		43,500			20,869,724
	(52,593)				(2,870,046)
<u>699,955</u>	<u>(52,593)</u>	<u>43,500</u>	<u>0</u>	<u>0</u>	<u>17,999,678</u>
69,520	2,040,539	(79,385)	0	0	1,629,484
<u>519,034</u>	<u>5,161,956</u>	<u>188,111</u>	<u>0</u>	<u>0</u>	<u>18,233,309</u>
<u>\$ 588,554</u>	<u>\$ 7,202,495</u>	<u>\$ 108,726</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 19,862,793</u>

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

GENESEE COUNTY

Exhibit D-3

Fiscal Year Ended September 30, 2008			
	Original and Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
ACCOMMODATION ORDINANCE TAX			
Taxes.....	\$ 1,016,000	\$ 1,228,873	\$ 212,873
TOTALS	<u>\$ 1,016,000</u>	<u>\$ 1,228,873</u>	<u>\$ 212,873</u>
ADMINISTRATION OF JUSTICE			
General Fund appropriation.....	\$ 4,800,206	\$ 4,350,329	\$ (449,877)
Federal grants.....	116,342	109,212	(7,130)
State grants.....	9,847,753	10,064,016	216,263
Charges for services.....	499,000	946,870	447,870
Other.....	20,546	32,353	11,807
Transfers in.....	5,146	54,752	49,606
TOTALS	<u>\$ 15,288,993</u>	<u>\$ 15,557,532</u>	<u>\$ 268,539</u>
ANIMAL SHELTER			
General Fund appropriation.....	\$ 1,313,824	\$ 1,220,442	\$ (93,382)
Other.....		79,000	79,000
Transfers in.....	9,600	9,600	0
TOTALS	<u>\$ 1,323,424</u>	<u>\$ 1,309,042</u>	<u>\$ (14,382)</u>
CHILD CARE			
General Fund appropriation.....	\$ 11,978,355	\$ 11,769,878	\$ (208,477)
Federal grants.....	60,000	90,631	30,631
State grants.....	7,760,957	7,680,732	(80,225)
Charges for services.....	198,000	576,234	378,234
Other.....	383,720	329,398	(54,322)
TOTALS	<u>\$ 20,381,032</u>	<u>\$ 20,446,873</u>	<u>\$ 65,841</u>
COMMUNITY DEVELOPMENT			
Federal grants.....	\$ 2,369,123	\$ 2,369,123	\$ 0
Other.....	65,352	65,352	0
TOTALS	<u>\$ 2,434,475</u>	<u>\$ 2,434,475</u>	<u>\$ 0</u>
COMMUNITY ENRICHMENT AND DEVELOPMENT			
General Fund appropriation.....	\$ 219,578	\$ 212,314	\$ (7,264)
State grants.....	337,974	322,226	(15,748)
Charges for services.....	962,933	382,972	(579,961)
Other intergovernmental revenue.....		19,005	19,005
Other.....		1,857	1,857
Transfers in.....	16,000	16,000	0
TOTALS	<u>\$ 1,536,485</u>	<u>\$ 954,374</u>	<u>\$ (582,111)</u>
DRUG FORFEITURES			
Fines and forfeitures.....	\$ 86,294	\$ 86,294	\$ 0
Other intergovernmental revenue.....	187,637	187,637	0
TOTALS	<u>\$ 273,931</u>	<u>\$ 273,931</u>	<u>\$ 0</u>
EMERGENCY MEDICAL SERVICES			
Taxes.....	\$ 4,676,662	\$ 4,834,925	\$ 158,263
Use of money and property.....		131,736	131,736
TOTALS	<u>\$ 4,676,662</u>	<u>\$ 4,966,661</u>	<u>\$ 289,999</u>
HEALTH CARE SERVICES			
Taxes.....	\$ 11,517,908	\$ 11,623,311	\$ (105,403)
Use of money and property.....		21,447	21,447
TOTALS	<u>\$ 11,517,908</u>	<u>\$ 11,644,758</u>	<u>\$ (83,956)</u>

Fiscal Year Ended September 30, 2008

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget- Positive (Negative)
LAW ENFORCEMENT			
General Fund appropriation.....	\$ 210,341	\$ 291,364	\$ 81,023
Licenses and permits.....	214,856	175,483	(39,373)
Federal grants.....	444,834	746,247	301,413
State grants.....	932,375	1,404,138	471,763
Charges for services.....	81,623	106,841	25,218
Other.....	984,800	225,708	(759,092)
Other intergovernmental revenue.....		988,785	988,785
Other Transfers-In.....	27,353	27,353	0
TOTALS	\$ 2,896,182	\$ 3,965,919	\$ 1,069,737
MEDICAL EXAMINER			
General Fund appropriation.....	\$ 1,455,514	\$ 1,360,321	\$ (95,193)
Charges for services.....	25,000	31,763	6,763
TOTALS	\$ 1,480,514	\$ 1,392,084	\$ (88,430)
PARKS AND RECREATION			
General Fund appropriation.....	\$ 490,387	\$ 490,387	\$ 0
Taxes.....	5,921,713	5,605,243	(316,470)
Use of money and property.....	276,000	261,549	(14,451)
State grants.....		173,521	173,521
Other Transfers-In.....		323,529	323,529
Charges for services.....	1,880,919	1,861,407	(19,512)
Other.....	112,000	86,706	(25,294)
TOTALS	\$ 8,681,019	\$ 8,802,342	\$ 121,323
PLANNING COMMISSION			
General Fund appropriation.....	\$ 699,955	\$ 699,955	\$ 0
Licenses and permits.....		8,700	8,700
Use of money and property.....		37	37
Federal grants.....	1,140,700	866,872	(273,828)
State grants.....		51,653	51,653
Charges for services.....	1,290,284	1,040,239	(250,045)
Other.....	20,000	64,263	44,263
TOTALS	\$ 3,150,939	\$ 2,731,719	\$ (419,220)
SENIOR SERVICES			
Taxes.....	\$ 8,201,550	\$ 8,050,152	(151,398)
Use of money and property.....		77,851	77,851
TOTALS	\$ 8,201,550	\$ 8,128,003	\$ (73,547)
SOCIAL SERVICES			
General Fund appropriation.....	\$ 43,500	\$ 43,500	\$ 0
State grants.....	2,097,285	2,097,285	0
TOTALS	\$ 2,140,785	\$ 2,140,785	\$ 0
TOWNSHIP POLICE SUPPORT SERVICES			
Other intergovernmental revenue.....	\$ 2,097,645	\$ 2,097,645	\$ 0
TOTALS	\$ 2,097,645	\$ 2,097,645	\$ 0
WORKFORCE INVESTMENT ACT PROGRAM			
Federal grants.....	\$ 13,480,651	\$ 13,480,651	\$ 0
State grants.....	5,649,690	5,649,690	0
TOTALS	\$ 19,130,341	\$ 19,130,341	\$ 0

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

GENESEE COUNTY

Exhibit D-4

Fiscal Year Ended September 30, 2008			
	Original and Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
ACCOMMODATION ORDINANCE TAX			
Supplies and services.....	\$ 767,000	\$ 927,042	\$ (160,042)
Transfer to Parks and Recreation.....	249,000	301,831	(52,831)
TOTALS	<u>\$ 1,016,000</u>	<u>\$ 1,228,873</u>	<u>\$ (212,873)</u>
ADMINISTRATION OF JUSTICE			
Personnel services.....	\$ 7,200,507	\$ 7,252,485	\$ (51,978)
Fringe benefits.....	4,519,372	4,574,551	(55,179)
Supplies and services.....	3,771,293	3,482,870	288,423
Capital outlay.....	121,993	36,474	85,519
Transfers out.....		206,468	(206,468)
TOTALS	<u>\$ 15,613,165</u>	<u>\$ 15,552,848</u>	<u>\$ 60,317</u>
ANIMAL SHELTER			
Personnel services.....	\$ 520,728	\$ 503,792	\$ 16,936
Fringe benefits.....	369,559	355,478	14,081
Supplies and services.....	430,737	371,182	59,555
Capital outlay.....	2,400	86,956	(84,556)
TOTALS	<u>\$ 1,323,424</u>	<u>\$ 1,317,408</u>	<u>\$ 6,016</u>
CHILD CARE			
Foster care.....	\$ 1,610,450	\$ 1,241,118	\$ 369,332
Private institutional care.....	10,218,553	10,691,123	(472,570)
Juvenile detention center.....	4,728,237	4,010,252	717,985
Training schools.....	3,823,792	4,183,806	(360,014)
TOTALS	<u>\$ 20,381,032</u>	<u>\$ 20,126,299</u>	<u>\$ 254,733</u>
COMMUNITY DEVELOPMENT			
Supplies and services.....	\$ 846,551	\$ 846,551	\$ 0
Program grants.....	1,587,924	1,587,924	0
TOTALS	<u>\$ 2,434,475</u>	<u>\$ 2,434,475</u>	<u>\$ 0</u>
COMMUNITY ENRICHMENT AND DEVELOPMENT			
Personnel services.....	\$ 147,235	\$ 145,838	\$ 1,397
Fringe benefits.....	86,121	80,439	5,682
Supplies and services.....	1,228,842	629,185	599,657
Capital outlay.....	66,000	5,460	60,540
Other.....		604	(604)
Transfers out.....		594,799	(594,799)
TOTALS	<u>\$ 1,528,198</u>	<u>\$ 1,456,325</u>	<u>\$ 71,873</u>
DRUG FORFEITURES			
Personnel services.....	\$ 56,028	\$ 56,028	\$ 0
Fringe benefits.....	43,883	43,883	0
Supplies and services.....	42,100	42,100	0
Capital outlay.....	2,000	2,000	0
Transfers out.....	339,122	339,122	0
TOTALS	<u>\$ 483,133</u>	<u>\$ 483,133</u>	<u>\$ 0</u>

Fiscal Year Ended September 30, 2008

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget- Positive (Negative)
EMERGENCY MEDICAL SERVICES			
Personnel services.....	\$ 2,420,067	\$ 2,507,173	\$ (87,106)
Fringe benefits.....	1,748,660	1,724,582	24,078
Supplies and services.....	507,935	990,565	(482,630)
Capital outlay.....		6,550	(6,550)
TOTALS	<u><u>\$ 4,676,662</u></u>	<u><u>\$ 5,228,870</u></u>	<u><u>\$ (552,208)</u></u>
HEALTH CARE SERVICES			
Supplies and services.....	\$ 11,267,908	\$ 11,131,795	136,113
Transfers out.....	250,000	328,306	(78,306)
TOTALS	<u><u>\$ 11,517,908</u></u>	<u><u>\$ 11,460,101</u></u>	<u><u>\$ 57,807</u></u>
LAW ENFORCEMENT			
Personnel services.....	\$ 1,222,260	\$ 1,356,830	\$ (134,570)
Fringe benefits.....	569,082	711,965	(142,883)
Supplies and services.....	667,376	497,110	170,266
Other.....		1,024,961	(1,024,961)
Capital outlay.....	62,498	53,809	8,689
Transfers out.....	410,913	246,608	164,305
TOTALS	<u><u>\$ 2,932,129</u></u>	<u><u>\$ 3,891,283</u></u>	<u><u>\$ (959,154)</u></u>
Medical Examiner			
Personnel services.....	\$ 680,120	\$ 676,141	\$ 3,979
Fringe benefits.....	337,794	263,456	74,338
Supplies and services.....	389,250	379,803	9,447
Capital outlay.....	73,350	72,684	666
TOTALS	<u><u>\$ 1,480,514</u></u>	<u><u>\$ 1,392,084</u></u>	<u><u>\$ 88,430</u></u>
PARKS AND RECREATION			
Personnel services.....	\$ 2,920,860	\$ 3,111,860	\$ (191,000)
Fringe benefits.....	1,098,919	1,096,411	2,508
Supplies and services.....	682,050	671,273	10,777
Other.....	2,727,562	2,949,270	(221,708)
Capital outlay.....	85,000	177,222	(92,222)
Transfers out.....	1,473,598	800,319	673,279
TOTALS	<u><u>\$ 8,987,989</u></u>	<u><u>\$ 8,806,355</u></u>	<u><u>\$ 181,634</u></u>
PLANNING COMMISSION			
Personnel services.....	\$ 1,160,673	\$ 987,903	\$ 172,770
Fringe benefits.....	1,134,321	964,393	169,928
Supplies and services.....	855,945	682,131	173,814
Capital outlay.....		27,772	(27,772)
TOTALS	<u><u>\$ 3,150,939</u></u>	<u><u>\$ 2,662,199</u></u>	<u><u>\$ 488,740</u></u>

(Continued)

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

GENESEE COUNTY

Exhibit D-4

Fiscal Year Ended September 30, 2008			
	Original and Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
SENIOR SERVICES			
Personnel services.....	\$ 213,677	\$ 213,677	\$ 0
Supplies and services.....	178,673	178,673	0
Programs and grants.....	7,756,607	5,642,521	2,114,086
Transfers out.....	52,593	52,593	0
TOTALS	<u>\$ 8,201,550</u>	<u>\$ 6,087,464</u>	<u>\$ 2,114,086</u>
SOCIAL SERVICES			
State programs.....	\$ 2,220,170	\$ 2,220,170	0
TOTALS	<u>\$ 2,220,170</u>	<u>\$ 2,220,170</u>	<u>\$ 0</u>
TOWNSHIP POLICE SUPPORT SERVICES			
Personnel services.....	\$ 792,346	\$ 1,108,721	\$ (316,375)
Fringe benefits.....	540,317	803,641	(263,324)
Supplies and services.....	5,500	1,777	3,723
Other.....	101,340	183,506	(82,166)
TOTALS	<u>\$ 1,439,503</u>	<u>\$ 2,097,645</u>	<u>\$ (658,142)</u>
WORKFORCE INVESTMENT ACT PROGRAM			
Personnel services.....	\$ 46,997	\$ 46,997	\$ 0
Fringe benefits.....	32,664	32,664	0
Supplies and services.....	19,050,680	19,050,680	0
TOTALS	<u>\$ 19,130,341</u>	<u>\$ 19,130,341</u>	<u>\$ 0</u>

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

NON-MAJOR 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.

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.

COMBINING BALANCE SHEET--NON-MAJOR DEBT SERVICE FUNDS

GENESEE COUNTY

Exhibit E-1

	Burton Clinic	Courthouse Square	GCCARD
ASSETS			
Cash and cash equivalents.....			
Prepaid Expense.....			
Due from component unit.....			
TOTAL ASSETS	\$ 0	\$ 0	\$ 0
LIABILITIES AND FUND BALANCES			
Deferred revenue.....			
TOTAL LIABILITIES	\$ 0	\$ 0	\$ 0
Fund balances:			
Reserved for prepaids.....			
Unreserved:			
Designated for debt service.....			
Undesignated.....			
TOTAL FUND BALANCES	0	0	0
TOTAL LIABILITIES AND FUND BALANCES	\$ 0	\$ 0	\$ 0

September 30, 2008

Hughes & Hatcher Center	McCree South Facility	1998 Refinancing	Total
\$ 55,790			\$ 55,790
54,434			54,434
1,960,000			1,960,000
<u>\$ 2,070,224</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,070,224</u>

\$ 1,960,000			\$ 1,960,000
<u>1,960,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>1,960,000</u>
54,434			54,434
55,790			55,790
			0
<u>110,224</u>	<u>0</u>	<u>0</u>	<u>110,224</u>
<u>\$ 2,070,224</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,070,224</u>

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

GENESEE COUNTY

Exhibit E-2

	<u>Burton Clinic</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>
Expenditures:			
Current Operations:			
Other.....	275	775	275
Debt Service:			
Principal Payments.....	205,000	1,130,000	110,000
Interest and Fiscal Charges.....	42,200	881,356	111,688
TOTAL EXPENDITURES	<u>247,475</u>	<u>2,012,131</u>	<u>221,963</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(247,475)</u>	<u>(2,012,131)</u>	<u>(221,963)</u>
Other financing sources (uses):			
Operating transfers in (out):			
Transfers-Out.....			
Transfers-In.....	247,475	2,012,131	221,963
TOTAL OTHER FINANCING SOURCES (USES)	<u>247,475</u>	<u>2,012,131</u>	<u>221,963</u>
NET CHANGE IN FUND BALANCES	0	0	0
Fund balances at beginning of year.....	<u>0</u>	<u>0</u>	<u>0</u>
FUND BALANCES AT END OF YEAR	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Fiscal Year Ended September 30, 2008

Hughes & Hatcher Center	McCree South Facility	1998 Refinancing	Total
			\$ 0
	\$ 544,968		544,968
0	544,968	\$ 0	544,968
	225	300	1,850
35,000	1,035,000	84,000	2,599,000
110,617	104,400	28,501	1,278,762
145,617	1,139,625	112,801	3,879,612
(145,617)	(594,657)	(112,801)	(3,334,644)
			0
255,841	594,657	112,801	3,444,868
255,841	594,657	112,801	3,444,868
110,224	0	0	110,224
0	0	0	0
\$ 110,224	\$ 0	\$ 0	\$ 110,224

**COMBINING
FINANCIAL STATEMENTS
NON-MAJOR CAPITAL PROJECT FUNDS**

NON-MAJOR 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.

COMBINING BALANCE SHEET--NON-MAJOR CAPITAL PROJECT FUNDS

GENESEE COUNTY

Exhibit F-1

	Courthouse Square	Hughes & Hatcher Center
ASSETS		
Cash and cash equivalents.....		
Investments.....	\$ 250,000	
Interest and accounts receivable.....	1,232	
TOTAL ASSETS	<u>\$ 251,232</u>	<u>\$ 0</u>
LIABILITIES AND FUND BALANCES		
Due to other County funds.....	\$ 73,102	
TOTAL LIABILITIES	<u>73,102</u>	<u>\$ 0</u>
Fund balances:		
Unreserved:		
Undesignated.....		
Designated:		
Courthouse Square Project.....	178,130	
Hughes & Hatcher Project.....		
TOTAL FUND BALANCES	<u>178,130</u>	<u>0</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 251,232</u>	<u>\$ 0</u>

September 30, 2008

Jail Site	
Remediation	Total
\$ 16,491	\$ 16,491
	250,000
	1,232
<u>\$ 16,491</u>	<u>\$ 267,723</u>

	\$ 73,102
<u>0</u>	<u>73,102</u>

16,491	16,491
	178,130
	0
<u>16,491</u>	<u>194,621</u>
<u>\$ 16,491</u>	<u>\$ 267,723</u>

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

GENESEE COUNTY

Exhibit F-2

	<u>Courthouse Square</u>	<u>Hughes & Hatcher</u>
Revenues:		
Use of money and property.....	\$ 8,417	
Other.....		\$ 144,742
TOTAL REVENUES	<u>8,417</u>	<u>144,742</u>
Expenditures:		
Current Operations:		
Capital outlay.....		
Other.....	6,218	
TOTAL EXPENDITURES	<u>6,218</u>	<u>0</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>2,199</u>	<u>144,742</u>
Other financing sources (uses):		
Transfers in (out):		
Transfers-In.....		
Transfers-Out.....		(255,841)
TOTAL OTHER FINANCING SOURCES (USES)	<u>0</u>	<u>(255,841)</u>
NET CHANGE IN FUND BALANCE	2,199	(111,099)
Fund balance at beginning of year as restated.....	<u>175,931</u>	<u>111,099</u>
FUND BALANCE AT END OF YEAR	<u>\$ 178,130</u>	<u>\$ 0</u>

Fiscal Year Ended September 30, 2008

Jail Site Remediation	Total
\$ 974	\$ 9,391
	144,742
<u>974</u>	<u>154,133</u>
	0
<u>5,445</u>	<u>11,663</u>
<u>5,445</u>	<u>11,663</u>
<u>(4,471)</u>	<u>142,470</u>
	0
	<u>(255,841)</u>
<u>0</u>	<u>(255,841)</u>
(4,471)	(113,371)
<u>20,962</u>	<u>307,992</u>
<u>\$ 16,491</u>	<u>\$ 194,621</u>

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

NON-MAJOR ENTERPRISE FUNDS

Parks and Recreation Enterprise - To account for activities of the campgrounds and railroad. The fund records revenue from the warehouse and 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 -- NON-MAJOR ENTERPRISE FUNDS

GENESEE COUNTY

Exhibit G-1

	September 30, 2008		
	Business Type Activities - Non-Major Enterprise Funds		
	Non-Major Parks and Recreation	Non-Major Commissary	Total
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents.....	\$ 199,238	\$ 136,227	\$ 335,465
Investments.....	748,497		748,497
Interest and accounts receivable.....			0
Supplies inventory.....		21,931	21,931
Prepayments.....	93,793		93,793
TOTAL CURRENT ASSETS	1,041,528	158,158	1,199,686
CAPITAL ASSETS			
Land.....	706,110		706,110
Land improvements.....	3,074,493		3,074,493
Buildings and improvements.....	1,181,215		1,181,215
Equipment.....	3,663,836		3,663,836
TOTAL CAPITAL ASSETS	8,625,654	0	8,625,654
Less allowances for depreciation.....	6,881,590		6,881,590
TOTAL CAPITAL ASSETS, NET	1,744,064	0	1,744,064
TOTAL ASSETS	\$ 2,785,592	\$ 158,158	\$ 2,943,750
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable.....	\$ 15,174		\$ 15,174
Accrued payroll.....	20,930		20,930
Other accrued liabilities and deposits.....	4,408		4,408
Current portion of notes/bonds payable.....	39,000		39,000
TOTAL CURRENT LIABILITIES	79,512	0	79,512
LONG-TERM DEBT			
General and workers compensation claim liability.....			
Notes/bonds payable exclusive of current portion.....	178,500		178,500
TOTAL LONG-TERM DEBT	178,500	0	178,500
TOTAL LIABILITIES	258,012	0	258,012
NET ASSETS:			
Restricted for parks & recreation endowment.....	748,497		748,497
Invested in capital assets net of related debt.....	1,526,564		1,526,564
Unrestricted.....	252,519	158,158	410,677
TOTAL NET ASSETS	2,527,580	158,158	2,685,738
TOTAL LIABILITIES AND NET ASSETS	\$ 2,785,592	\$ 158,158	\$ 2,943,750

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

GENESEE COUNTY

Exhibit G-2

Fiscal Year Ended September 30, 2008			
Business Type Activities - Non-Major Enterprise Funds			
	Non-Major Parks and Recreation	Non-Major Commissary	Total
Operating revenues:			
Charges for sales and services:			
Ticket, permit & concession sales.....	\$ 683,320	\$ 506,601	\$ 1,189,921
TOTAL OPERATING REVENUES	<u>683,320</u>	<u>506,601</u>	<u>1,189,921</u>
Operating expenses:			
Salaries and fringe benefits.....	661,953		661,953
Supplies and other operating expenses.....	290,821	325,794	616,615
Depreciation.....	127,847		127,847
TOTAL OPERATING EXPENSES	<u>1,080,621</u>	<u>325,794</u>	<u>1,406,415</u>
OPERATING INCOME(LOSS)	<u>(397,301)</u>	<u>180,807</u>	<u>(216,494)</u>
Non-operating revenues (expenses):			
Investment earnings.....	(157,443)		(157,443)
Interest expense.....	(12,215)	(86)	(12,301)
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>(169,658)</u>	<u>(86)</u>	<u>(169,744)</u>
INCOME (LOSS) BEFORE TRANSFERS	<u>(566,959)</u>	<u>180,721</u>	<u>(386,238)</u>
Transfers-in.....	202,693		202,693
Transfers-out.....		(200,000)	(200,000)
TOTAL TRANSFERS	<u>202,693</u>	<u>(200,000)</u>	<u>2,693</u>
CHANGE IN NET ASSETS	<u>(364,266)</u>	<u>(19,279)</u>	<u>(383,545)</u>
Net assets at beginning of year.....	2,891,846	177,437	3,069,283
NET ASSETS AT END OF YEAR	<u>\$ 2,527,580</u>	<u>\$ 158,158</u>	<u>\$ 2,685,738</u>

STATEMENT OF CASH FLOWS- NON-MAJOR ENTERPRISE FUNDS

GENESEE COUNTY

Exhibit G-3

	Fiscal Year Ended September 30, 2008		
	Business Type Activities - Non-Major Enterprise Funds		
	Non-Major Parks and Recreation	Non-Major Commissary	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers.....	\$ 683,320	\$ 506,601	\$ 1,189,921
Cash payments to suppliers for goods and services.....	(300,322)	(323,875)	(624,197)
Cash payments to employees for services.....	(657,451)		(657,451)
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	(274,453)	182,726	(91,727)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers-in from other funds.....	202,693		202,693
Transfers-out to other funds.....		(200,000)	(200,000)
NET CASH PROVIDED BY (USED FOR) NONCAPITAL FINANCING ACTIVITIES	202,693	(200,000)	2,693
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Principal paid on long-term debt.....	(36,000)		(36,000)
Interest paid on long-term debt.....	(12,897)		(12,897)
NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	(48,897)	0	(48,897)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest and dividends on investments.....		(86)	(86)
NET CASH PROVIDED BY (USED FOR) IN INVESTING ACTIVITIES	0	(86)	(86)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(120,657)	(17,360)	(138,017)
Cash and cash equivalents at beginning of year.....	319,895	153,587	473,482
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 199,238</u>	<u>\$ 136,227</u>	<u>\$ 335,465</u>
RECONCILIATION OF OPERATING INCOME(LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:			
Operating income(loss).....	\$ (397,301)	\$ 180,807	\$ (216,494)
Adjustments to reconcile operating income(loss) to net cash provided by (used for) operating activities:			
Depreciation.....	127,847		127,847
Change in assets and liabilities:			
(Increase) decrease in prepaids.....	14,069		14,069
(Increase) decrease in supplies inventory.....		1,919	1,919
Increase (decrease) in accounts payable and related items.....	(23,570)		(23,570)
Increase (decrease) in accrued payroll.....	4,502		4,502
Net cash provided by (used for) operating activities.....	<u>\$ (274,453)</u>	<u>\$ 182,726</u>	<u>\$ (91,727)</u>
Noncash investing activities - decrease in fair value of investments.....	(21,573)		(21,573)

**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 INSURED PHARMACEUTICAL

Self Insured Pharmaceutical - To provide a funding mechanism for the payment of the costs of pharmaceuticals for County employees. The County contracts with a third party administrator to provide claims processing with the cost of the claims reimbursed from this fund.

SELF FUNDED PROPERTY/CASUALTY PROGRAM

Self Funded Property/Casualty Program - To initiate and 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.....	\$ 802,453
Investments.....	
Interest and accounts receivable.....	
Due from other governmental units.....	
Due from other county funds.....	5,092,517
Supplies inventory.....	
Prepayments.....	5,471
TOTAL CURRENT ASSETS	<u>5,900,441</u>
PROPERTY AND EQUIPMENT	
Land.....	
Buildings and improvements.....	
Equipment.....	14,444,721
TOTAL PROPERTY AND EQUIPMENT	<u>14,444,721</u>
Less allowances for depreciation.....	11,219,161
TOTAL PROPERTY AND EQUIPMENT, NET	<u>3,225,560</u>
TOTAL ASSETS	<u>\$ 9,126,001</u>
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accounts payable.....	\$ 506,521
Accrued payroll.....	202,698
Due to other governmental units.....	
Due to other county funds.....	5,350
Current portion of notes/bonds payable.....	5,230,417
TOTAL CURRENT LIABILITIES	<u>5,944,986</u>
LONG-TERM DEBT	
General and workers compensation claim liability.....	
Notes/bonds payable exclusive of current portion.....	826,054
TOTAL LONG-TERM DEBT	<u>826,054</u>
TOTAL LIABILITIES	<u>6,771,040</u>
NET ASSETS	
Reserved for:	
Invested in capital assets, net of related debt.....	3,225,560
Unrestricted (deficit)	(870,599)
TOTAL NET ASSETS	<u>2,354,961</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 9,126,001</u>

September 30, 2008

Vehicles and Equipment	Building and Grounds	Self Insured Pharmaceutical	Self Funded Prop./Casualty Program	Total
	\$ 4,238,503	\$ 277,515	\$ 233,176	\$ 5,551,647
			7,770,359	7,770,359
\$ 401	8,124		47,330	55,855
23,187	56,183			79,370
6,854	500		3,800	5,103,671
48,916				48,916
			233,613	239,084
79,358	4,303,310	277,515	8,288,278	18,848,902
131,033	42,463			173,496
176,430				176,430
10,880,778	1,675,634			27,001,133
11,188,241	1,718,097	0	0	27,351,059
7,324,595	1,191,913			19,735,669
3,863,646	526,184	0	0	7,615,390
\$ 3,943,004	\$ 4,829,494	\$ 277,515	\$ 8,288,278	\$ 26,464,292
\$ 70,325	\$ 130,482	\$	\$ 17,710	\$ 725,038
7,246	64,230		7,000	281,174
	305,965			305,965
3,500,142			700	3,506,192
	10,682			5,241,099
3,577,713	511,359	0	25,410	10,059,468
			4,221,554	4,221,554
				826,054
0	0	0	4,221,554	5,047,608
3,577,713	511,359	0	4,246,964	15,107,076
3,863,646	515,502			7,604,708
(3,498,355)	3,802,633	277,515	4,041,314	3,752,508
365,291	4,318,135	277,515	4,041,314	11,357,216
\$ 3,943,004	\$ 4,829,494	\$ 277,515	\$ 8,288,278	\$ 26,464,292

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.....	\$ 8,769,479
TOTAL OPERATING REVENUES	<u>8,769,479</u>
Operating expenses:	
Salaries and fringe benefits.....	5,443,912
Supplies and other operating expenses.....	2,696,913
Depreciation.....	456,997
TOTAL OPERATING EXPENSES	<u>8,597,822</u>
OPERATING INCOME (LOSS)	<u>171,657</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>171,657</u>
Transfers in (out):	
Transfers-in.....	1,004,965
Transfers-out.....	(875,000)
TOTAL TRANSFERS IN (OUT)	<u>129,965</u>
CHANGE IN NET ASSETS	301,622
Net Assets at beginning of year.....	2,053,339
NET ASSETS AT END OF YEAR	<u>\$ 2,354,961</u>

Fiscal Year Ended September 30, 2008

Vehicles and Equipment	Building and Grounds	Self Insured Pharmaceutical	Self Funded Prop./Casualty Program	Total
\$ 1,995,601	\$ 5,835,999	\$ 1,827,895	\$ 2,432,967	\$ 20,861,941
1,995,601	5,835,999	1,827,895	2,432,967	20,861,941
231,776	2,243,033		166,459	8,085,180
1,721,609	3,359,996	1,550,380	3,630,948	12,959,846
638,557	127,173			1,222,727
2,591,942	5,730,202	1,550,380	3,797,407	22,267,753
(596,341)	105,797	277,515	(1,364,440)	(1,405,812)
1,503	(4,287)		268,089	269,592
			(1,019,247)	(4,287)
				(1,019,247)
5,760				5,760
7,263	(4,287)	0	(751,158)	(748,182)
(589,078)	101,510	277,515	(2,115,598)	(2,153,994)
558,204	583,036			2,146,205
				(875,000)
558,204	583,036	0	0	1,271,205
(30,874)	684,546	277,515	(2,115,598)	(882,789)
396,165	3,633,589		6,156,912	12,240,005
\$ 365,291	\$ 4,318,135	\$ 277,515	\$ 4,041,314	\$ 11,357,216

COMBINING STATEMENT OF CASH FLOWS- INTERNAL SERVICE FUNDS

GENESEE COUNTY

Exhibit H-3

	<u>Administrative Services</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from customers.....	\$ 8,732,311
Cash payments to suppliers for goods and services.....	(2,410,525)
Cash payments to employees for services.....	(10,025,853)
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	<u>(3,704,067)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Advances to other governmental units, County units and funds.....	(448,083)
Transfers-in from other funds.....	1,004,965
Transfers-out to other funds.....	(875,000)
NET CASH PROVIDED BY (USED FOR) NONCAPITAL FINANCING ACTIVITIES	<u>(318,118)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Acquisition and construction of capital assets.....	(1,095,169)
Principal paid on long-term debt.....	4,442,463
Interest paid on long-term debt.....	
Proceeds from sale of equipment.....	1,476
NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	<u>3,348,770</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of investment securities.....	1,000,000
Proceeds from sale and maturities of investment securities.....	
Interest and dividends on investments.....	
NET CASH PROVIDED BY (USED FOR) IN INVESTING ACTIVITIES	<u>1,000,000</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	326,585
Cash and cash equivalents at beginning of year.....	475,868
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 802,453</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:	
Operating income(loss).....	\$ 171,657
Adjustments to reconcile operating income(loss) to net cash provided by (used for) operating activities:	
Depreciation.....	456,997
Change in assets and liabilities:	
(Increase) decrease in interest and accounts receivable.....	(37,163)
(Increase) decrease in supplies inventory.....	4,761
(Increase) decrease in prepayment and other current assets.....	1,002
Increase (decrease) in accounts payable and related items.....	280,627
Increase (decrease) in accrued payroll.....	(4,581,948)
Increase (decrease) in other accrued liabilities and deposits.....	
Net cash provided by (used for) operating activities.....	<u>\$ (3,704,067)</u>

Fiscal Year Ended September 30, 2008

Vehicle and Equipment	Building and Grounds	Self Insured Pharmaceutical	Self Funded Prop./Casualty Program	Total
\$ 2,005,356	\$ 5,824,511	\$ 1,827,895	\$ 2,434,375	\$ 20,824,448
(1,820,236)	(3,122,516)	(1,550,380)	(2,722,825)	(11,626,482)
(229,372)	(2,236,378)		(167,271)	(12,658,874)
(44,252)	465,617	277,515	(455,721)	(3,460,908)
112,250				(335,833)
558,204	583,036			2,146,205
				(875,000)
670,454	583,036	0	0	935,372
(633,465)	(117,104)			(1,845,738)
	(125,121)			4,317,342
	(4,287)			(4,287)
5,760				7,236
(627,705)	(246,512)	0	0	2,474,553
			(7,189,805)	(6,189,805)
			7,491,540	7,491,540
1,503			268,476	269,979
1,503	0	0	570,211	1,571,714
0	802,141	277,515	114,490	1,520,731
0	3,436,362		118,686	4,030,916
\$ 0	\$ 4,238,503	\$ 277,515	\$ 233,176	\$ 5,551,647
\$ (596,341)	\$ 105,797	\$ 277,515	\$ (1,364,440)	\$ (1,405,812)
638,557	127,173			1,222,727
9,755	(11,488)		1,408	(37,488)
2,972				7,733
			37,634	38,636
(101,599)	237,480		(7,494)	409,014
2,404	6,655		(812)	(4,573,701)
			877,983	877,983
(44,252)	465,617	277,515	(455,721)	(3,460,908)

**COMBINING
FINANCIAL STATEMENTS
FIDUCIARY FUNDS**

FIDUCIARY FUNDS

Pension Trust Fund - To account for the contributions to the defined benefit plan that provides for pension and disability benefits for 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 Fund Retirement 12/31/07</u>
ASSETS		
Cash and cash equivalents.....		\$ 33,608,484
Receivables:		
Other receivables.....		142,366
Accrued interest and dividends.....		834,845
	TOTAL RECEIVABLES	<u>977,211</u>
Investments at fair value:		
U.S. Government securities.....		14,305,907
Foreign Govts. and Agencies.....		77,965,595
Corporate bonds.....		76,919,001
Common stocks.....		132,283,625
Preferred stocks.....		5,142,534
Mutual funds.....		172,988,755
Real Estate.....		30,087,500
	TOTAL INVESTMENTS	<u>509,692,917</u>
	TOTAL ASSETS	<u>544,278,612</u>
LIABILITIES		
Refunds payable and other liabilities.....		34,992,404
	TOTAL LIABILITIES	<u>34,992,404</u>
NET ASSETS		
Held in trust for pension benefits and other purposes.....		<u>\$ 509,286,208</u>

September 30, 2008

and Other Employee Benefit Trust Funds

Employees' Qualified Exces Benefit Arrangement (QEBA)	Employees' Fringe Benefit (VEBA)	Total
	\$ 4,914,691	\$ 38,523,175
	200,000	342,366
\$ 87		834,932
87	200,000	1,177,298
22,156	\$ 809,971	15,138,034
		77,965,595
	10,384,865	87,303,866
	18,742,862	151,026,487
	54,325	5,196,859
	638,187	173,626,942
		30,087,500
22,156	30,630,210	540,345,283
22,243	35,744,901	580,045,756
	4,278,574	39,270,978
0	4,278,574	39,270,978
\$ 22,243	\$ 31,466,327	\$ 540,774,778

GENESEE COUNTY

ADDITIONS

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Fiscal year ended September 30, 2008

and Other Employee Benefit Trust Funds

Employees' Qualified Excess Benefit Arrangement (QEBA)	Employees' Fringe Benefit (VEBA)	Total
\$ 21,364	\$ 12,756,827	\$ 25,775,128
21,364	12,756,827	2,467,034
		28,242,162
356	(6,143,435)	19,447,582
	831,654	5,732,705
	317,811	1,580,968
356	(4,993,970)	26,761,255
	162,376	2,315,122
356	(5,156,346)	24,446,133
21,720	7,600,481	52,688,295
27,538	6,559,973	37,277,594
531	1,260	248,300
		462,540
		4,324,755
28,069	6,561,233	42,313,189
(6,349)	1,039,248	10,375,106
28,592	30,427,079	530,399,672
\$ 22,243	\$ 31,466,327	\$ 540,774,778

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

Exhibit I-3

		<u>Balances</u> <u>October 1, 2007</u>
TRUST AND AGENCY FUNDS		
ASSETS		
Cash and cash equivalents.....	\$ 24,175,680	
Accounts receivable.....	289,785	
	<u>\$ 24,465,465</u>	
LIABILITIES		
Accounts Payable.....	\$ 590,949	
Deposits.....	23,874,516	
	<u>\$ 24,465,465</u>	
LIBRARY PENAL FINES		
ASSETS		
Cash and cash equivalents.....	\$ 148,745	
LIABILITIES		
Deposits.....		148,745
Due to other governmental units.....		<u>\$ 148,745</u>
TOTALS ALL AGENCY FUNDS		
ASSETS		
Cash and cash equivalents.....	\$ 24,324,425	
Accounts receivable.....	289,785	
	<u>\$ 24,614,210</u>	
LIABILITIES		
Accounts Payable.....	\$ 590,949	
Deposits.....	23,874,516	
Due to other governmental units.....	148,745	
	<u>\$ 24,614,210</u>	

Year Ended September 30, 2008

Additions	Deductions	Balances September 30, 2008
282,838,639	278,162,532	\$ 28,851,787
720,928	738,828	271,885
<u>283,559,567</u>	<u>278,901,360</u>	<u>\$ 29,123,672</u>
102,448,737	103,037,965	\$ 1,721
108,204,525	102,957,090	29,121,951
<u>210,653,262</u>	<u>205,995,055</u>	<u>\$ 29,123,672</u>
<u>281,086</u>	<u>197,012</u>	<u>\$ 232,819</u>
782,157	782,157	\$ 0
821,993	737,919	232,819
<u>1,604,150</u>	<u>1,520,076</u>	<u>\$ 232,819</u>
283,119,725	278,359,544	\$ 29,084,606
720,928	738,828	271,885
<u>283,840,653</u>	<u>279,098,372</u>	<u>\$ 29,356,491</u>
102,448,737	103,037,965	\$ 1,721
108,986,682	103,739,247	29,121,951
821,993	737,919	232,819
<u>212,257,412</u>	<u>207,515,131</u>	<u>\$ 29,356,491</u>

CAPITAL ASSETS⁽¹⁾

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

CAPITAL ASSETS - USED IN OPERATIONS OF GOVERNMENTAL ACTIVITIES

SCHEDULE BY FUNCTION AND ACTIVITY

GENESEE COUNTY

Exhibit J-1

	September 30, 2008	
	Total	Land
MANAGEMENT AND PLANNING		
Board Coordinator.....	\$ 6,758	
County Clerk.....	53,215	
County Treasurer.....	88,226	
Drain Commission.....	4,113,281	
Equalization.....	88,703	
Register of Deeds.....	97,788	
	<u>4,447,971</u>	<u>\$ 0</u>
ADMINISTRATION OF JUSTICE		
Circuit Court.....	1,954,843	253,992
District Court.....	1,598,547	
Jury Board.....	5,350	
Probate Court.....	17,393	
Prosecutor.....	67,120	
	<u>3,643,253</u>	<u>253,992</u>
LAW ENFORCEMENT AND COMMUNITY PROTECTION		
Animal Shelter.....	1,793,046	
Office of Emergency Preparedness.....	16,634	
Public Safety.....	28,170,438	73,300
	<u>29,980,118</u>	<u>73,300</u>
HUMAN SERVICES		
Veteran's Information.....	22,797	
County Health.....	1,901,313	54,000
	<u>1,924,110</u>	<u>54,000</u>
COMMUNITY ENRICHMENT AND DEVELOPMENT		
Cooperative Extension.....	437,460	
Total Quality Management.....	2,600	
	<u>440,060</u>	<u>0</u>
COMMUNITY MENTAL HEALTH.....	<u>1,552,816</u>	<u>0</u>
GENERAL		
Land and Improvements.....	3,932,709	3,650,039
Buildings and Improvements.....	70,658,138	
Equipment.....	6,585,340	
	<u>81,176,187</u>	<u>3,650,039</u>
TOTAL GENERAL GOVERNMENT	<u>123,164,515</u>	<u>4,031,331</u>
RECREATION.....	<u>25,634,706</u>	<u>8,781,286</u>
TOTAL CAPITAL ASSETS ALLOCATED TO FUNCTIONS	<u>\$ 148,799,221</u>	<u>\$ 12,812,617</u>
TOTAL CAPITAL ASSETS	<u>\$ 148,799,221</u>	

Land Improvements	Buildings and Improvements	Equipment
		\$ 6,758
		53,215
		88,226
		4,113,281
		88,703
		97,788
<u>\$ 0</u>	<u>\$ 0</u>	<u>4,447,971</u>
18,578	1,423,241	259,032
	1,432,001	166,546
		5,350
		17,393
		67,120
<u>18,578</u>	<u>2,855,242</u>	<u>515,441</u>
1,423	1,747,860	43,763
		16,634
<u>385,136</u>	<u>26,906,971</u>	<u>805,031</u>
<u>386,559</u>	<u>28,654,831</u>	<u>865,428</u>
		22,797
		1,847,313
		<u>1,870,110</u>
	363,710	73,750
		2,600
<u>0</u>	<u>363,710</u>	<u>76,350</u>
<u>0</u>	<u>0</u>	<u>1,552,816</u>
282,670	70,658,138	6,585,340
<u>282,670</u>	<u>70,658,138</u>	<u>6,585,340</u>
<u>687,807</u>	<u>102,531,921</u>	<u>15,913,456</u>
<u>6,413,323</u>	<u>9,838,422</u>	<u>601,675</u>
<u>\$ 7,101,130</u>	<u>\$ 112,370,343</u>	<u>\$ 16,515,131</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, 2008			
	Capital Assets October 1, 2007	Additions	Deletions	Capital Assets September 30, 2008
MANAGEMENT AND PLANNING				
Board Coordinator.....	\$ 4,178	\$ 2,580	\$	\$ 6,758
County Clerk.....	41,766	11,449		53,215
County Treasurer.....	87,056	1,170		88,226
Drain Commission.....	4,108,668	4,613		4,113,281
Equalization.....	85,589	3,114		88,703
Register of Deeds.....	97,788			97,788
	<u>4,425,045</u>	<u>22,926</u>	<u>0</u>	<u>4,447,971</u>
ADMINISTRATION OF JUSTICE				
Circuit Court.....	1,927,906	26,937		1,954,843
District Court.....	1,577,744	20,803		1,598,547
Jury Board.....	5,350			5,350
Probate Court.....	16,295	1,098		17,393
Prosecutor.....	67,120			67,120
	<u>3,594,415</u>	<u>48,838</u>	<u>0</u>	<u>3,643,253</u>
LAW ENFORCEMENT AND COMMUNITY PROTECTION				
Animal Shelter.....	1,793,046			1,793,046
Office of Emergency Preparedness.....	16,634			16,634
Public Safety.....	28,161,365	9,073		28,170,438
	<u>29,971,045</u>	<u>9,073</u>	<u>0</u>	<u>29,980,118</u>
HUMAN SERVICES				
Veteran's Information.....	22,797			22,797
County Health.....	1,849,810	51,503		1,901,313
	<u>1,872,607</u>	<u>51,503</u>	<u>0</u>	<u>1,924,110</u>
COMMUNITY ENRICHMENT AND DEVELOPMENT				
Cooperative Extension.....	437,460			437,460
Total Quality Management.....	2,600			2,600
	<u>440,060</u>			<u>440,060</u>
COMMUNITY MENTAL HEALTH.....	<u>1,385,767</u>	<u>167,049</u>		<u>1,552,816</u>
GENERAL				
Land and Improvements.....	3,932,709			3,932,709
Buildings and Improvements.....	69,458,252	1,199,886		70,658,138
Equipment.....	6,585,340			6,585,340
	<u>79,976,301</u>	<u>1,199,886</u>	<u>0</u>	<u>81,176,187</u>
TOTAL GENERAL GOVERNMENT	<u>121,665,240</u>	<u>1,499,275</u>	<u>0</u>	<u>123,164,515</u>
RECREATION.....	<u>25,170,277</u>	<u>464,429</u>		<u>25,634,706</u>
TOTAL CAPITAL ASSETS ALLOCATED TO FUNCTIONS	<u>\$ 146,835,517</u>	<u>\$ 1,963,704</u>	<u>\$ 0</u>	<u>\$ 148,799,221</u>
Construction in Progress.....				0
TOTAL CAPITAL ASSETS	<u>\$ 146,835,517</u>	<u>\$ 1,963,704</u>	<u>\$ 0</u>	<u>\$ 148,799,221</u>

**COMBINING
FINANCIAL STATEMENTS
COMPONENT UNITS**

COMPONENT UNITS

Brownfield Authority - To account for the financing used to revitalize environmentally distressed, blighted, and functionally obsolete properties within the County.

Drains - To account for the construction and maintenance of drains; determining drainage districts; and apportioning costs of drains among property owners.

COMBINING BALANCE SHEET--COMPONENT UNIT BROWNFIELD AUTHORITY

GENESEE COUNTY

Exhibit K-1

	September 30, 2008		
	Brownfield Authority	Adjustments	Statement of Net Assets
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents.....	\$ 731,535		\$ 731,535
Investments.....	3,823,700		3,823,700
Interest and accounts receivable.....	3,520	\$ 726,995	730,515
TOTAL CURRENT ASSETS	\$ 4,558,755	\$ 726,995	\$ 5,285,750
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable.....	\$ 258,500		\$ 258,500
Due to component units.....	299,276		299,276
Unamortized note premium.....	0	460,069	460,069
TOTAL CURRENT LIABILITIES	557,776	460,069	1,017,845
LONG-TERM DEBT			
Notes/bonds payable exclusive of current portion....	0	13,035,000	13,035,000
TOTAL LONG-TERM DEBT	0	13,035,000	13,035,000
TOTAL LIABILITIES	557,776	13,495,069	14,052,845
FUND BALANCES/NET ASSETS			
Reserved for:			
Unrestricted (deficit)	4,000,979	(4,000,979)	0
TOTAL FUND BALANCES	4,000,979	(4,000,979)	0
TOTAL LIABILITIES AND FUND BALANCES	\$ 4,558,755		
NET ASSETS:			
Unrestricted (deficit)		(8,767,095)	\$ (8,767,095)

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

GENESEE COUNTY

Exhibit K-2

	Brownfield Authority	Adjustments	Statement of Activities
Operating revenues:			
Use of money and property.....	\$ 169,729		\$ 169,729
Charges for services.....	126,929		126,929
TOTAL OPERATING REVENUES	296,658		296,658
Operating expenses:			
Interest expense.....	834,547	(266,926)	567,621
Capital outlay.....	3,454,217		3,454,217
Other.....	2,566		2,566
TOTAL OPERATING EXPENSES	4,291,330	(266,926)	4,024,404
OPERATING INCOME(LOSS)	(3,994,672)	266,926	(3,727,746)
Other financing sources (uses)			
Bond proceeds.....	13,035,000	(13,035,000)	0
Principal payments.....	(5,000,000)	5,000,000	0
Cost of bond issue.....	(319,333)		(319,333)
Gain (loss) on sale of bond.....	(128,618)		(128,618)
TOTAL OTHER FINANCING SOURCES (USES)	7,587,049	(8,035,000)	(447,951)
REVENUE AND OTHER FINANCING SOURCES UNDER (OVER)			
EXPENDITURES AND OTHER FINANCING USES	3,592,377	(7,768,074)	(4,175,697)
CHANGE IN NET ASSETS	3,592,377	(7,768,074)	(4,175,697)
Fund balances/net assets (deficit) at beginning of year.....	408,602	(5,000,000)	(4,591,398)
FUND BALANCES/NET ASSETS (DEFICIT) AT END OF YEAR	\$ 4,000,979	\$ (12,768,074)	\$ (8,767,095)

COMBINING BALANCE SHEET--COMPONENT UNIT DRAIN SPECIAL ASSESSMENT

GENESEE COUNTY

Exhibit K-3

	Drain Capital Projects	Drain Internal Service
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents.....	\$ 1,204,288	\$ 1,324,384
Short term investments.....		
Special assessment receivable.....	4,938,470	
Interest receivable.....		
Inventory.....		51,285
Machinery and equipment.....		171,274
Construction in progress.....		
Capital assets infrastructure.....		
TOTAL CURRENT ASSETS	<u>\$ 6,142,758</u>	<u>\$ 1,546,943</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable.....	\$ 170,159	\$ 9,437
Accrued payroll.....		23,202
Yearly drain orders payable.....		
Bonds payable.....		
Contracts payable.....	257,071	
Interest payable.....		
Deposits payable sec bd.....	6,680	
Long-term advance from Primary Government.....	500,000	
Deferred revenues.....	910,600	
TOTAL LIABILITIES	<u>1,844,510</u>	<u>32,639</u>
FUND BALANCES/NET ASSETS		
Reserved for:		
Invested in capital assets.....		171,274
Unrestricted (deficit)	4,298,248	1,343,030
TOTAL FUND BALANCES	<u>4,298,248</u>	<u>1,514,304</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 6,142,758</u>	<u>\$ 1,546,943</u>

September 30, 2008

Drain Chapter 20 Debt & Capital Projects		Totals	Adjustments	Statement of Net Assets	
\$	80,515	\$	2,609,187	\$	2,609,187
	550,000		550,000		550,000
			4,938,470		4,938,470
	4,527		4,527		4,527
			51,285		51,285
			171,274		171,274
			0	\$	1,436,742
			0		24,581,496
					24,581,496
<u>\$</u>	<u>635,042</u>	<u>\$</u>	<u>8,324,743</u>	<u>\$</u>	<u>34,342,981</u>
\$	175	\$	179,771	\$	179,771
			23,202		23,202
			0	\$	670,052
			0		3,190,000
			257,071		257,071
			0		48,188
			6,680		6,680
			500,000		500,000
			910,600		0
			(910,600)		0
<u></u>	<u>175</u>	<u></u>	<u>1,877,324</u>	<u></u>	<u>4,874,964</u>
			171,274		22,329,460
<u></u>	<u>634,867</u>	<u></u>	<u>6,276,145</u>	<u></u>	<u>7,138,557</u>
<u></u>	<u>634,867</u>	<u></u>	<u>6,447,419</u>	<u></u>	<u>29,468,017</u>
<u>\$</u>	<u>635,042</u>	<u>\$</u>	<u>8,324,743</u>	<u>\$</u>	<u>34,342,981</u>

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

GENESEE COUNTY

Exhibit K-4

	Drain Capital Projects	Drain Internal Service
Operating revenues:		
Taxes.....	\$ 1,748,477	
Use of money and property.....	53,948	
Charges for services.....	7,728	\$ 953,024
Contributed capital.....		
Other revenue.....	85,042	
TOTAL OPERATING REVENUES	1,895,195	953,024
Operating expenses:		
Current:		
Other.....	2,251,014	796,443
Depreciation.....		77,778
Debt Service:		
Interest expense.....	154,577	
TOTAL OPERATING EXPENSES	2,405,591	874,221
OPERATING INCOME(LOSS)	(510,396)	78,803
Other financing sources (uses)		
Proceeds from notes.....	176,904	
Proceeds from bonds.....		
Principal payments.....	(843,888)	
Operating transfers in (out):		
Transfers in.....	2,762	50,000
TOTAL OTHER FINANCING SOURCES (USES)	(664,222)	50,000
REVENUE AND OTHER FINANCING SOURCES UNDER (OVER)		
EXPENDITURES AND OTHER FINANCING USES	(1,174,618)	128,803
CHANGE IN NET ASSETS	(1,174,618)	128,803
Fund balances/net assets at beginning of year.....	5,472,866	1,385,501
FUND BALANCES/NET ASSETS AT END OF YEAR	\$ 4,298,248	\$ 1,514,304

Drain Chapter 20 Debt & Capital Projects	Totals	Adjustments	Statement of Activities
\$ 196,374	\$ 1,944,851		\$ 1,944,851
23,840	77,788		77,788
	960,752		960,752
	0	\$ 1,334,398	1,334,398
	85,042		85,042
<u>220,214</u>	<u>3,068,433</u>	<u>1,334,398</u>	<u>4,402,831</u>
53,040	3,100,497	(1,360,440)	1,740,057
	77,778	1,884,692	1,962,470
21,085	175,662	(15,055)	160,607
<u>74,125</u>	<u>3,353,937</u>	<u>509,197</u>	<u>3,863,134</u>
<u>146,089</u>	<u>(285,504)</u>	<u>825,201</u>	<u>539,697</u>
	176,904	(176,904)	0
	0		0
(135,000)	(978,888)	978,888	0
	52,762		52,762
<u>(135,000)</u>	<u>(749,222)</u>	<u>801,984</u>	<u>52,762</u>
<u>11,089</u>	<u>(1,034,726)</u>	<u>1,627,185</u>	<u>592,459</u>
11,089	(1,034,726)	1,627,185	592,459
623,778	7,482,145	21,393,413	28,875,558
<u>\$ 634,867</u>	<u>\$ 6,447,419</u>	<u>\$ 23,020,598</u>	<u>\$ 29,468,017</u>

STATISTICAL DATA

III Statistical Section

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

Contents

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

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

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

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

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

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial 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	2008
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	\$ 69,465,773
Restricted	-	-	-	-	41,013,071	31,787,518
Unrestricted	60,790,372	67,344,504	69,552,164	76,773,053	53,409,520	46,266,553
Total governmental activities net assets	\$ 123,738,186	\$ 131,467,788	\$ 138,166,607	\$ 143,997,438	\$ 158,556,937	\$ 147,519,844
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	\$ 4,762,075
Restricted	5,596,895	5,596,895	6,588,273	8,059,145	7,899,456	8,231,695
Unrestricted	21,505,116	17,129,144	11,825,867	8,615,103	7,285,666	5,927,406
Total business-type activities net assets	\$ 32,301,527	\$ 28,212,827	\$ 23,160,565	\$ 21,558,588	\$ 20,028,722	\$ 18,921,176
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	\$ 74,227,848
Restricted	5,596,895	5,595,895	6,588,273	8,059,145	48,912,527	40,019,213
Unrestricted	82,295,488	84,473,648	81,378,031	85,388,156	60,695,186	52,193,959
Total primary government net assets	\$ 156,039,713	\$ 159,679,615	\$ 161,327,172	\$ 165,556,026	\$ 178,585,659	\$ 166,441,020

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
1999	\$ 48,114,172	\$ 7,927,843	\$ 1,560,273	\$ 817,180	\$ 230,750	\$ 58,650,218
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
2008	93,344,562	-	-	2,439,661	210,485	95,994,708

CHANGES IN GOVERNMENTAL NET ASSETS

GENESEE COUNTY

Table 3

Expenses	Fiscal Year Ended September 30,					
	2003	2004	2005	2006	2007	2008
Governmental activities:						
Legislative	\$ 832,256	\$ 927,251	\$ 919,415	\$ 1,016,026	\$ 1,069,833	\$ 1,214,248
Management and planning	11,858,822	18,128,369	33,824,940	34,035,699	23,725,214	24,039,638
Administration of justice	35,822,370	36,764,408	37,721,807	37,466,674	39,276,030	41,936,773
Law enforcement and community protection	31,890,961	37,074,422	31,940,559	35,380,617	34,905,596	38,116,364
Human services	189,589,126	193,080,458	207,518,433	206,232,926	233,155,128	242,401,247
Community enrichment and development	9,541,896	7,759,423	7,952,030	10,198,345	9,609,647	10,089,211
General support services	244,806	201,566	229,806	330,176	278,423	280,225
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	1,392,532
Total governmental activities expenses	287,935,702	298,552,098	322,712,807	325,904,556	343,420,337	359,470,238
Business-type activities:						
Commissary	318,061	260,464	275,728	307,663	297,833	325,880
Delinquent Tax	3,566,015	4,339,170	2,876,769	4,417,404	3,914,658	5,009,045
Parks and recreation enterprise	1,537,414	1,510,269	1,454,358	1,786,317	1,654,706	1,094,510
Total business-type activities expenses	5,421,490	6,109,903	4,606,855	6,511,384	5,867,197	6,429,435
Total primary government expenses	\$ 293,357,192	\$ 304,662,001	\$ 327,319,662	\$ 332,415,940	\$ 349,287,534	\$ 365,899,673
General Revenues and Other Changes in Net Assets	Fiscal Year Ended September 30,					
	2003	2004	2005	2006	2007	2008
Program Revenues						
Governmental activities:						
Charges for services:						
Management and planning	\$ 6,449,909	\$ 6,760,492	\$ 6,317,835	\$ 5,595,829	\$ 4,648,102	\$ 4,837,484
Administration of justice	3,546,663	4,207,446	4,339,188	4,030,973	4,994,718	5,155,752
Law enforcement and community protection	1,247,805	1,540,849	1,366,836	1,536,277	1,916,284	1,810,730
Human services	68,097,426	74,186,952	82,879,118	84,679,874	83,688,901	97,169,192
Community enrichment and development	1,499,970	1,866,889	2,300,229	2,319,598	1,334,426	2,244,379
Operating grants and contributions	108,374,146	108,447,493	106,495,973	102,973,924	110,619,729	108,102,706
Capital grants and contributions	-	-	-	-	1,995,000	1,960,000
Total governmental activities program revenues	189,215,919	197,010,121	203,699,179	201,136,475	209,197,160	221,280,243
Business-type activities:						
Charges for services:						
Commissary	502,931	458,052	473,796	467,888	490,221	506,601
Delinquent Tax	4,920,582	9,632,038	-	7,827,298	6,659,293	9,478,156
Parks and recreation enterprise	1,182,977	413,848	777,295	1,402,855	1,419,368	683,320
Operating grants and contributions	-	-	-	-	-	-
Capital grants and contributions	-	-	-	-	5,214,879	5,605,225
Total business-type activities program revenues	6,606,490	10,503,938	1,251,091	9,698,041	13,783,761	16,273,302
Total primary government program revenues	\$ 195,822,409	\$ 207,514,059	\$ 204,950,270	\$ 210,834,516	\$ 222,980,921	\$ 237,553,545
Net (expense)/revenue						
Governmental activities	\$ (98,719,783)	\$ (101,541,977)	\$ (119,013,628)	\$ (124,768,081)	\$ (134,223,177)	\$ (138,189,995)
Business-type activities	1,185,000	4,394,035	(3,355,764)	3,186,657	2,701,685	4,238,642
Total primary government net expense	\$ (97,534,783)	\$ (97,147,942)	\$ (122,369,392)	\$ (121,581,424)	\$ (131,521,492)	\$ (133,951,353)

CHANGES IN GOVERNMENTAL NET ASSETS

GENESEE COUNTY

Table 3 Continued

	Fiscal Year Ended September 30,					
	2003	2004	2005	2006	2007	2008
Governmental activities:						
Taxes:						
Current property taxes	\$ 49,744,291	\$ 61,506,389	\$ 80,016,835	\$ 90,130,888	\$ 111,592,675	\$ 93,344,562
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	2,439,661
State cigarette tax	(265,687)	77,147	250,829	272,636	257,589	210,485
Use of money and investments	2,897,705	4,092,363	5,632,975	3,528,890	4,132,787	3,040,092
Other unrestricted intergovernmental revenues	26,693,472	18,452,999	21,993,912	22,586,954	19,274,036	18,874,190
Other unrestricted revenues	1,851,150	4,154,743	2,825,926	6,659,243	6,460,995	3,697,846
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	3,878,982
Total governmental activities	101,958,026	109,271,579	124,793,986	130,598,912	148,782,676	125,485,818
Business-type activities:						
Taxes			5,883,971	-	-	-
Use of money and investments	150,171	346,553	329,329	470,787	578,579	199,878
Transfers	(7,561,032)	(8,829,288)	(7,909,798)	(5,259,421)	(4,810,130)	(3,878,982)
Total business-type activities	(7,410,861)	(8,482,735)	(1,696,498)	(4,788,634)	(4,231,551)	(3,679,104)
Total primary government	\$ 94,547,165	\$ 100,788,844	\$ 123,097,488	\$ 125,810,278	\$ 144,551,125	\$ 121,806,714
Change in Net Assets						
Governmental activities	\$ 3,238,243	\$ 7,729,602	\$ 5,780,358	\$ 5,830,831	\$ 14,559,499	\$ (12,704,177)
Business-type activities	(6,225,861)	(4,088,700)	(5,052,262)	(1,601,977)	(1,529,866)	559,538
Total primary government	\$ (2,987,618)	\$ 3,640,902	\$ 728,096	\$ 4,228,854	\$ 13,029,633	\$ (12,144,639)

DEMOGRAPHIC AND ECONOMIC STATISTICS

GENESEE COUNTY

Table 4

Fiscal Year	Population ¹	Personal Income	Per Capita Personal Income ²	School Enrollment ³	Unemployment Rate ⁴
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	12,562,169,223	28,803	84,418	8.1
2007	441,966	12,970,376,202	29,347	83,240	7.6
2008	Estimate 434,715	Not Available	Not Available	81,781	10.6

Data sources

¹Bureau of the Census

²Bureau of the Census

³Genesee Intermediate School District

⁴State of Michigan

PRINCIPAL EMPLOYERS

GENESEE COUNTY

CURRENT YEAR AND NINE YEARS AGO

Table 5

Employer	2008			1999		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
General Motors Corp	9,252	1	4.66 %	29,000	1	13.13 %
Genesys Health System	3,500	2	1.76	3,000	3	1.36
McLaren Medical Center	2,500	3	1.26	2,650	5	1.20
Hurley Medical Center	2,348	4	1.18	2,900	4	1.31
Genesee County	1,700	5	0.86	1,346	7	0.61
City of Flint	1,100	6	0.55	1,596	6	0.72
Meijer	936	7	0.47			
Flint Community Schools	920	8	0.46	3,300	2	1.49
Delphi	825	9	0.42			
Citizens Bank	780	10	0.39	977	9	0.44
United States Postal Service				1,200	8	0.54
Flint Journal				907	10	0.41
Total	23,861		12.01 %	46,876		21.23 %

Source: Flint Genesee Economic Growth Alliance.

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

GENESEE COUNTY

Table 6

	1999	2000	2001	2002
Revenues				
Taxes	\$ 48,114,172	\$ 50,235,923	\$ 52,779,443	\$ 56,339,393
Licenses and permits	881,789	940,522	1,062,359	985,811
Fines and forfeitures	2,251,636	2,327,502	1,602,481	2,036,590
Use of money and property	3,088,290	5,436,329	5,973,298	3,498,117
Federal grants	41,589,456	45,905,372	52,560,978	59,266,293
State grants	44,936,211	49,124,272	51,780,681	50,983,604
Other intergovernmental revenues	18,606,198	19,600,354	20,175,195	19,206,174
Charges for services	71,568,319	72,467,205	75,352,962	77,931,129
Other	4,782,835	4,613,357	3,637,222	5,007,064
Total revenues	235,818,906	250,650,836	264,924,619	275,254,175
Expenditures				
Current operations:				
Legislative	934,457	791,432	737,376	802,421
Management and planning	8,796,702	8,400,071	8,893,000	10,332,028
Administration of justice	27,397,668	30,130,249	32,641,399	33,312,780
Law enforcement and community protection	24,903,604	26,528,212	28,811,997	30,132,814
Human services	148,913,350	157,141,042	173,456,318	185,210,860
Community enrichment and development	10,319,934	10,842,760	7,086,572	7,912,569
General support services	424,951	251,856	223,428	312,012
Other	5,534,983	6,801,683	8,078,557	9,470,451
Capital outlay	2,760,765	2,658,188	15,708,671	10,732,099
Debt service principal	2,826,321	3,679,322	3,732,319	3,417,248
Debt service interest	1,001,885	1,882,696	1,825,025	1,733,445
Advance refunding escrow				
Total expenditures	233,814,620	249,107,511	281,194,662	293,368,727
Excess of revenues over (under) expenditures	2,004,286	1,543,325	(16,270,043)	(18,114,552)
Other financing sources (uses)				
Proceeds from notes				4,700,000
Discount sale of bonds				
Payment to refund bond escrow				
Transfers in	27,070,866	28,317,435	33,850,091	35,054,252
Transfers out	(22,589,868)	(22,490,335)	(24,649,620)	(27,512,436)
Total other financing sources (uses)	4,480,998	5,827,100	9,200,471	12,241,816
Net change in fund balances	\$ 6,485,284	\$ 7,370,425	\$ (7,069,572)	\$ (5,872,736)
Debt service as a percentage of noncapital expenditures	1.6%	2.2%	1.9%	1.7%

2003	2004	2005	2006	2007	2008
\$ 59,330,821	\$ 61,506,389	\$ 82,360,302	\$ 86,840,515	\$ 110,748,784	\$ 96,475,936
1,020,218	1,135,328	1,396,599	1,238,421	1,463,997	1,514,703
2,603,628	2,634,086	2,371,011	2,473,432	2,715,541	2,190,518
4,002,596	4,796,954	4,174,354	3,795,451	4,394,915	3,309,684
63,459,559	58,521,771	55,359,347	47,636,776	63,486,445	53,919,149
44,853,105	50,345,235	51,065,065	55,337,148	47,133,284	54,183,557
21,322,672	14,845,416	8,167,368	8,454,322	6,733,314	8,069,683
80,841,773	88,562,628	97,560,370	98,162,552	96,582,431	111,217,537
7,283,432	15,806,629	16,366,979	17,063,294	13,876,995	11,822,662
<u>284,717,804</u>	<u>298,154,436</u>	<u>318,821,395</u>	<u>321,001,911</u>	<u>347,135,706</u>	<u>342,703,429</u>
836,525	924,581	920,466	1,018,198	1,074,904	1,211,126
10,730,757	10,548,857	12,302,328	11,387,914	11,746,542	13,061,601
35,730,821	36,280,906	36,094,472	36,092,505	39,616,056	41,179,919
31,170,314	32,194,935	31,504,040	33,575,804	34,349,956	36,662,783
189,995,280	192,932,327	202,020,809	212,013,445	227,256,969	242,138,776
9,366,372	7,539,899	7,774,226	9,134,039	6,762,148	7,140,903
244,295	199,860	228,656	230,987	278,953	279,291
11,049,688	12,177,907	26,975,242	13,958,517	13,447,187	8,954,222
4,972,876	4,380,397	8,194,847	2,826,643	2,004,138	1,145,240
3,752,248	3,427,248	2,827,248	2,779,000	2,536,000	2,599,000
1,876,245	1,641,983	1,840,218	1,521,960	1,544,866	1,496,932
<u>299,725,421</u>	<u>302,248,900</u>	<u>330,682,552</u>	<u>324,539,012</u>	<u>340,617,719</u>	<u>355,869,793</u>
(15,007,617)	(4,094,464)	(11,861,157)	(3,537,101)	6,517,987	(13,166,364)
4,700,000	7,645,000	17,486,536			
		(41,969)			
	(6,362,420)	(13,776,115)			
37,261,766	40,524,638	48,184,559	47,404,927	72,052,311	73,025,131
(25,138,289)	(27,010,834)	(38,273,955)	(43,701,772)	(68,010,760)	(70,417,354)
<u>16,823,477</u>	<u>14,796,384</u>	<u>13,579,056</u>	<u>3,703,155</u>	<u>4,041,551</u>	<u>2,607,777</u>
\$ 1,815,860	\$ 10,701,920	\$ 1,717,899	\$ 166,054	\$ 10,559,538	\$ (10,558,587)
1.8%	1.7%	1.4%	1.3%	1.2%	1.1%

DIRECT AND OVERLAPPING¹ PROPERTY TAX RATES

GENESEE COUNTY

Table 7

Fiscal Year	Millage Rates - Direct County Taxes ²						Schools
	General Operating	County Parks	County Emergency Medical Services	Senior Citizens	Health Services	Total Direct Taxes ³	
1999	5.58	0.49	0.49			6.56	15.78
2000	5.58	0.49	0.49			6.56	15.73
2001	5.58	0.49	0.49			6.56	15.57
2002	5.58	0.49	0.49			6.56	15.21
2003	5.55	0.49	0.49			6.53	14.52
2004	5.52	0.49	0.49			6.5	13.79
2005	5.51	0.48	0.48			6.47	13.11
2006	5.51	0.48	0.48			6.47	14.80
2007	5.51	0.48	0.48	0.7	1.00	8.17	17.92
2008	5.51	0.48	0.48	0.7	1.00	8.17	17.89

Source: Genesee County Equalization

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

² Local and county governments are limited by State Statute (Headlee Amendment) to increase property taxes (without a vote of the public) rollback must be done.

³ 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	
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
2008	8,350,007,649	2,094,584,863	460,814,189	115,709,217

Source: Genesee County Equalization

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

Overlapping Taxes						Total Tax Rate
Mott Community College	Genesee Intermediate School	Townships Cities and Village	District Library	Airport Authority	Special Assess.	Direct & Overlapping Rates
1.87	3.29	8.89	0.78	0.49	0.20	37.86
1.87	3.28	8.71	0.78	0.49	0.22	37.64
1.61	2.89	8.25	0.78	0.49	0.19	36.34
2.00	3.49	9.41	0.78	0.49	0.17	38.11
1.84	3.57	8.82	0.77	0.49	0.19	36.73
1.94	3.40	9.12	0.76	0.49	0.17	36.17
1.85	3.23	8.67	0.76	0.48	0.14	34.71
1.94	3.32	9.21	0.75	0.48	0.12	37.09
2.65	3.54	6.93	0.75	0.48	0.11	40.55
2.65	3.54	6.91	0.75	0.48	0.15	40.54

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

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

Personal Property	Total Value	Tax Rate (Mills)	Estimated Actual Value	Taxable Value as a % of Actual
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%
507,958,414	11,529,074,332	8.18	27,397,998,344	42.08%

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

PRINCIPAL PROPERTY TAX PAYERS

GENESEE COUNTY

Table 9

Taxpayer	2008			1999		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
General Motors Corp	\$ 337,930,846	1	2.47 %	\$ 853,314,010	1	11.48 %
Consumers Energy	198,777,949	2	1.45	187,860,635	2	2.53
Delphi Automotive	71,647,000	3	0.52			
Genesee Investors II LLC (Genesee Valley)	69,103,030	4	0.50	63,694,310	3	0.86
Wal-Mart/Sam's	46,983,465	5	0.34			
Edward Rose Assoc ETAL	28,667,700	6	0.21			
Meijers Inc/Good Will Co Inc	25,168,833	7	0.18			
Home Depot	22,031,822	8	0.16			
Federal National Mortgage Assoc	20,410,805	9	0.15			
Androit Industries LLC	20,203,058	10	0.15			
E.D.S. Corporation				36,939,325	4	0.50
Grant Auker Realty				30,796,827	5	0.41
Great Lakes Gas Transmission Co				12,894,110	6	0.17
Center Courtland, Inc				10,971,600	7	0.15
Ring Screw Works				9,690,306	8	0.13
Knollwood Apts				9,533,000	9	0.13
Shopping Centers Inc				8,738,690	10	0.12
Totals	<u>\$ 840,924,508</u>		<u>6.14 %</u>	<u>\$ 1,224,432,813</u>		<u>16.47 %</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
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
2007	2008	77,184,286	69,733,103	90.3	5,863,583	75,596,686	97.9

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 Value¹ of Property	Per Capita²
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
2008	38,402,500	110,224	38,292,276	0.14	88

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

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

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

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
GENESEE COUNTY

Table 12

	Net Debt Outstanding	Percentage Applicable Genesee County¹	Amount Applicable Genesee County
County at Large	\$92,761,890	100.0 %	\$92,761,890
School Districts	443,006,771	81.2	359,887,962
Cities and Villages	43,310,352	95.9	41,514,298
Townships	52,295,228	100.0	52,295,228
County-issued Bonds paid by local municipalities	188,785,000	127.5	240,758,626
Airport Authority	10,555,000	100.0	10,555,000
Mott Community College and Genesee Intermediate School District	76,955,000	90.1	69,319,471
Total direct and overlapping debt			<u>\$867,092,475</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.

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

RATIOS OF OUTSTANDING DEBT

GENESEE COUNTY

Table 13

Fiscal Year	Governmental Activities			
	General Obligation Bonds	Equipment Notes	Capital Leases	Installment Agreements
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		
2008	38,402,500	10,682		

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

¹ 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

	1999	2000	2001	2002
General Fund:				
Reserved	\$ 1,811,327	\$ 2,180,740	\$ 2,748,106	\$ 2,571,294
Unreserved	16,563,477	1,894,567	18,968,701	17,928,706
Total general fund	<u>\$ 18,374,804</u>	<u>\$ 4,075,307</u>	<u>\$ 21,716,807</u>	<u>\$ 20,500,000</u>
All other governmental funds				
Reserved	\$ 596,265,551	\$ 641,187,885	\$ 638,603,620	\$ 11,175,952
Unreserved, reported in:				
Special revenue funds	13,889,934	14,696,351	13,780,202	10,816,731
Capital projects funds	17,009,782	11,228,337	1,572,646	(1,969,558)
Debt service funds	6,777,669	7,046,717	8,322,177	9,798,882
Total all other governmental funds	<u>\$ 633,942,936</u>	<u>\$ 674,159,290</u>	<u>\$ 662,278,645</u>	<u>\$ 29,822,007</u>

Business - Type Activities		Total Primary Government	Percentage of Personal Income	Per Capita ¹
General Obligation Bonds	Delinquent Tax Notes			
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	44.49	128
253,500	29,742,000	71,132,804	55.57	163
217,500	54,692,090	93,322,772	72.91	214

2003		2004		2005		2006		2007		2008	
\$	3,382,233	\$	3,237,607	\$	3,540,891	\$	3,598,594	\$	3,887,892	\$	4,148,176
	15,560,534		15,757,245		15,292,806		9,801,036		7,501,262		6,780,668
\$	18,942,767	\$	18,994,852	\$	18,833,697	\$	13,399,630	\$	11,389,154	\$	10,928,844
\$	7,021,921	\$	1,700,659	\$	1,306,925	\$	23,309,614	\$	32,511,561	\$	32,653,060
	16,599,640		27,968,408		45,006,647		29,581,547		32,713,869		19,954,181
	132,638		1,561,015		1,467,695		726,119		743,694		194,621
	11,734,071		14,908,023		235,892		55,790		218,170		110,224
\$	35,488,270	\$	46,138,105	\$	48,017,159	\$	53,673,070	\$	66,187,294	\$	52,912,086

LEGAL DEBT MARGIN

GENESEE COUNTY

Table 15

	1999	2000	2001
Calculation of Debt Limit:			
State Equalized Valuation	\$8,826,499,912	\$9,368,113,409	\$10,099,026,343
10% of Taxable Value	882,649,991	936,811,341	1,009,902,634
Calculation of Debt Subject to Limit:			
Total Long-Term Debt	45,284,983	41,184,126	38,078,805
Plus Delinquent Tax Notes (Current)	14,911,000	12,487,000	12,978,000
Component Unit Debt:			
Brownfield Authority			
Land Bank Authority			
Water and Waste Services	82,800,000	78,495,000	75,360,000
Road Commission	8,711,344	8,745,034	8,883,362
Drain Fund	1,803,392	1,986,302	2,720,986
Less: Debt Not Subject to Limit:			
Non-Bonded Debt	3,894,405	3,028,968	3,246,526
Road Commission Debt Not Subject to Legal Debt Limit	7,905,000	7,785,000	7,815,000
Water and Waste Service Sewer Bonds	72,595,000	70,450,000	69,410,000
Drain Fund Special Assessment Debt	998,392	1,281,302	1,365,986
Net Debt Subject to Limit	68,117,922	60,352,192	56,183,641
Legal Debt Margin	814,532,069	876,459,149	953,718,993
Net Debt Subject to Limit as % of Debt Limit	7.72%	6.44%	5.56%

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
2007	39,905,904	34,640,150	5,265,754	9,200,000	5,942,875

Note: Details regarding Water and Waste Services outstanding debt can be found in the notes to the financial statements. Operating expenses do not

2002	2003	2004	2005	2006	2007	2008
\$10,910,264,186	\$11,648,973,047	\$12,294,546,948	\$13,035,032,411	\$13,695,827,367	\$14,156,934,349	\$13,698,999,172
1,091,026,419	1,164,897,305	1,229,454,695	1,303,503,241	1,369,582,737	1,415,693,435	1,369,899,917
38,765,358	39,308,867	36,946,320	37,166,698	34,099,540	41,390,804	35,730,682
14,490,000	14,513,000	14,617,000	16,484,000	21,795,000	29,742,000	57,592,090
			5,000,000	5,000,000	5,000,000	13,035,000
			56,814	445,942	434,515	3,577,506
66,100,000	68,100,000	100,165,000	117,465,000	115,596,420	144,697,048	168,034,033
7,622,092	6,163,487	5,016,814	3,765,617	2,761,480	7,532,542	16,186,229
2,262,885	2,207,898	2,173,708	1,718,859	2,950,407	4,662,036	3,860,052
2,356,808	1,626,713	1,446,897	822,315	439,072	349,652	255,048
6,795,000	5,590,000	4,415,000	3,330,000	2,385,000	8,750,000	12,520,000
62,275,000	65,945,000	71,470,000	74,905,000	74,006,420	104,302,048	122,864,033
1,057,885	1,152,898	1,268,708	863,859	615,407	782,036	670,052
56,755,642	55,978,641	80,318,237	101,735,814	105,202,890	119,275,209	161,706,459
1,034,270,777	1,108,918,664	1,149,136,458	1,201,767,427	1,264,379,847	1,296,418,226	1,208,193,458
5.20%	4.81%	6.53%	7.80%	7.68%	8.54%	11.80%

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				
0.347738062				

include interest or depreciation.

FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION

GENESEE COUNTY

Table 17

Function	1999	2000	2001	2002
Animal Shelter	11	13	14	14
Board Office	14	14	14	14
Building & Grounds	28	27	28	30
Circuit Court	32	33	34	36
Controller	20	19	18	21
Cooperative Extension	3	3	3	3
Corporation Counsel	6	6	6	6
County Clerk	39	41	38	42
Court Services	15	18	17	16
District Court	62	65	68	68
Emergency Management	1	2	3	3
Equalization	12	12	13	12
Equity & Diversity	3	4	3	3
Family Court				37
Friend of the Court	81	85	95	105
GCCARD	86	88	95	99
Genesee Valley Regional Ctr.				34
GIS				
Human Resources	9	9	10	10
M.I.S.	21	24	22	22
Parks & Recreation	28	26	26	27
Planning	19	21	24	23
Probate Court	62	64	65	28
Prosecutor	78	78	77	81
Public Health	170	180	189	177
Purchasing	8	8	8	8
Register of Deeds	12	12	13	13
Sheriff	275	277	278	279
Surface Water Management	17	17	18	22
Treasurer	16	16	16	18
Veteran's Info. Center	3	3	3	3
Total	1,131	1,165	1,198	1,254

Source: Government Human Resources Office.

2003	2004	2005	2006	2007	2008
12	12	12	13	13	11
15	16	15	15	15	15
26	26	26	25	24	22
36	40	46	49	49	48
21	17	17	17	17	16
3	3	3	3	1	0
5	5	6	6	6	5
37	38	37	40	34	36
13	10	6	7	5	5
63	63	63	63	61	58
3	4	4	4	1	3
11	11	10	7	9	8
2	2	3	3	3	2
38	33	32	34	33	34
103	99	101	101	100	95
104	105	94	89	81	95
42	40	41	42	43	41
	1	3	2	2	2
9	9	8	7	8	8
21	22	20	19	19	18
28	28	29	28	28	27
22	20	19	20	22	22
25	26	24	24	24	23
78	73	68	71	67	70
167	165	158	152	150	144
7	7	6	7	6	5
11	12	11	11	10	8
269	273	264	265	259	259
22	21	19	22	20	17
23	23	19	18	19	17
3	3	3	3	3	3
1,219	1,207	1,167	1,167	1,132	1,117

OPERATING INDICATORS BY FUNCTION

GENESEE COUNTY

Table 18

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

2002	2003	2004	2005	2006	2007	2008
20	19	20	20	20	23	23
10	16	8	16	30	31	25
23	25	23	25	27	23	23
21	22	23	21	25	24	21
11	13	12	10	14	8	10
31	29	29	28	39	30	27
	2,023	2,011	2,048	2,001	2,018	2,251
2,500	2,204	2,144	2,144	1,895	1,881	2,134
1,956	2,092	2,116	2,067	2,149	2,353	2,184
11,076	9,788	10,457	9,993	7,085	9,051	9,877
48,757	44,704	42,607	37,585	37,410	42,430	48,050
9,972	10,288	10,009	9,236	13,976	443	55
319	381	360	422	371	309	318
24,673	25,927	29,088	36,092	49,391	65,716	58,080
319,909	118,774	335,361	154,140	338,530	351,082	347,432
136,498	26,691	214,718	22,168	165,346	35,656	221,583
42.7%	22.5%	64.0%	14.4%	48.8%	10.2%	63.8%
6,819	6,777	6,527	6,490	6,602	6,432	6,056
8,767	6,836	7,086	6,789	6,865	2,304	2,134
1,900	2,022	2,006	1,984	2,060	1,836	2,184
4,325	4,131	4,229	4,202	4,285	4,020	4,353
3,070	2,401	2,489	2,384	2,411	7,536	2,141
2,940	2,924	2,882	2,782	2,579	2,532	2,330
18,511	19,609	18,406	18,368	20,185	22,913	23,941
62,160	63,474	58,338	57,988	62,437	59,427	58,872
196,713	205,937	209,709	212,626	207,759	209,079	209,639
53,565	55,216	54,903	55,472	55,577	55,530	56,223
83	74	75	52	59	50	56

OPERATING INDICATORS BY FUNCTION

GENESEE COUNTY

Table 18 Continued

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

Source: Various county departments.

2002	2003	2004	2005	2006	2007	2008
27.1%	26.8%	26.8%	25.2%	25.2%	25.6%	25.6%
1,794	1,758	1,972	1,664	1,682	1,594	1,313
142,859	151,670	146,163	143,007	152,113	159,715	134,853
16.7	112.2	41.8	63.3	67.7	146.5	55.0
3,708,092	30,373,829	13,888,596	37,824,377	40,162,522	70,114,676	58,161,496
1.9	1.5	1.3	1.6	2.2	3.2	2.5
465,883	376,310	402,663	515,474	154,840	356,523	270,000
4,000	2,500	600	3,200	4,600	2,500	800
278,780	125,469	31,324	128,596	214,995	138,449	61,396
3,140	3,128	2,746	2,605	3,267	3,037	2,817
3,025	3,271	3,246	3,101	3,407	3,467	3,408
31	28	14	25	34		
1,130	1,531	1,489	1,292	1,250	1,141	1,187
2,219	2,156	1,905	1,733	1,628	1,228	1,398
148,827	166,713	130,944	123,414	111,178	99,573	85,915
11,891	11,957	12,209	12,032	12,454	12,580	12,133
1,493	1,202	1,213	1,231	919	1,495	1,345
3,047	3,783	2,807	2,155	2,356	3,372	3,868
155	125	125	72	76	140	97
538	578	408	318	372	604	422
291	300	359	403	391	286	271
813	1,158	997	967	604	1,250	589
58,818	58,222	65,621	53,196	49,473	55,202	57,872
17,881	26,323	25,466	25,265	27,763	27,707	29,239
140	116	110	134	103	112	141
334	344	215	190	148	161	140
190	144	87	61	48	46	91

CAPITAL ASSET STATISTICS BY FUNCTION

GENESEE COUNTY

Table 19

Function/Program	1999	2000	2001	2002
Buildings & Grounds:				
Administration Bldg.	1	1	1	1
Animal Control	1	1	1	1
Clinics	3	3	3	3
Courts	6	6	7	6
Courthouse	1	1	1	1
Dollar Store		1	1	1
Drain Commission	1	1	1	1
Galliver Bldg.	1	1	1	1
GCCARD Bldg.	1	1	3	3
Haley		1	1	1
Jail	1	1	1	1
Juv. Detention Ctr.				
MacAvinchey Bldg.	1	1	1	1
Motor Pool	1	1	1	1
MSU Extension	1	1	1	1
Parking Structures	2	2	2	2
Drains:				
Number of Drains	1,107	1,126	1,133	1,144
MIS:				
Computers	790	800	810	820
Parks & Recreation:				
Acreage	10,939	10,939	10,939	10,939
Beaches	4	4	4	4
Bicycle Path	4	4	5	5
Boat Launches	2	2	2	2
Campgrounds	2	2	2	2
Disc Golf Course				
For-Mar Nature Preserve & Arboretum	1	1	1	1
Genesee Belle Paddle Wheel Boat	1	1	1	1
Huckleberry Railroad	1	1	1	1
Picnic Areas	5	5	5	5
Play Areas				1
Snowmobile Areas	4	4	4	4
Spray Park				
Stepping Stone Falls	1	1	1	1

2003	2004	2005	2006	2007	2008
1	1	1	1	1	1
1	1	1	1	1	1
4	3	3	3	3	3
7	6	6	6	6	6
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1
3	3	3	3	3	3
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1
2	2	2	2	2	2
1,153	1,162	1,171	1,177	1,183	1,187
825	840	850	855	850	875
10,939	10,939	10,939	10,939	10,939	10,939
4	4	4	4	3	3
5	5	5	6	6	7
2	3	3	3	4	4
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
5	5	5	5	5	5
2	3	3	5	5	7
4	4	4	5	5	5
1	1	1	1	1	1
1	1	1	1	1	1

CAPITAL ASSET STATISTICS BY FUNCTION

GENESEE COUNTY

Table 19 Continued

Function/Program	1999	2000	2001	2002
Sheriff:				
Housing Cells	355	355	355	355
Isolation Rooms	6	6	6	6
Safety Cells	6	6	6	6
Medical Cells	9	9	9	9
Patrol Vehicles	21	21	21	21
Boats	9	9	9	9
Paramedic Vehicles	9	9	9	9
Motorcycles				
Jet Skis				

Sources: Various county departments.

<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
355	355	355	355	355	355
6	6	6	6	6	6
6	6	6	6	6	6
9	9	9	9	6	9
21	21	50	50	18	18
9	9	5	5	4	3
9	9	15	15	15	15
		8	8	8	8
				4	2

Committees of the Board of Commissioners

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

Community & Economic Development Committee

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

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.

Genesee County, Michigan



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