

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**LAPEER COUNTY, MICHIGAN**

**FOR THE YEAR ENDED DECEMBER 31, 2011**

**BOARD OF COMMISSIONERS**

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Cheryl Clark, Vice Chairperson  
Dyle Henning  
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Linda M. Jarvis  
C. Ian Kempf**

**ISSUED BY:  
COUNTY ADMINISTRATION OFFICE**

**John Biscoe, County Controller/Administrator  
Craig D. Horton, Chief Financial Officer**

# LAPEER COUNTY, MICHIGAN

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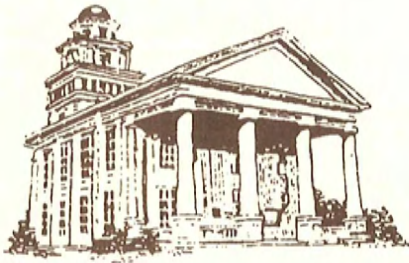
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MICHIGAN'S OLDEST COURTHOUSE

## ***Lapeer County Administration Office***

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June 23, 2012

*To the Board of Commissioners and Citizens of Lapeer County:*

The Comprehensive Annual Financial Report (CAFR) of the County of Lapeer, Michigan, for the year ended December 31, 2011, is submitted herewith. The administration of Lapeer County is responsible for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and the County as a whole. The report is prepared for the purpose of disclosing the County's financial condition to our community, elected officials, and other interested parties.

The financial statements have been prepared in compliance with applicable statutes of the State of Michigan and generally accepted accounting principles (GAAP) as stated in the Government Accounting Standards Board's (GASB) Statements and Interpretations. This CAFR is issued pursuant to the requirements of the GASB. Readers of this report will notice a Statement of Net Assets and a Statement of Activities are now included. These statements present the financial position of Lapeer County viewed in their entirety. GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to augment the MD&A and should be read in conjunction with it. The MD&A can be found following the report of the independent auditors.

Lapeer County's financial statements have been audited by Stewart, Beauvais & Whipple PC, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of Lapeer County, for the fiscal year ended December 31, 2011, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was reasonable basis for rendering an unqualified opinion that Lapeer County's financial statements for the year ended December 31, 2011, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of Lapeer County is part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the government's internal controls and legal requirements involving the administration of federal awards. These reports are available in Lapeer County's separately issued Single Audit Report.

## **PROFILE OF LAPEER COUNTY**

Incorporated in 1835, Lapeer County covers an area of approximately 666 square miles. Located 56 miles north of the City of Detroit, and 48 miles west of the Canadian border on Interstate 69, the County has exceptional access to transportation systems. Four major state highways, M-21, M-24, M-90, and M-53, intersect the County. With the opening of additional lanes on M-24 south of the City of Lapeer, the major 4 lane project was completed and has eased the movement of a heavy volume of north/south traffic. Bishop International Airport located adjacent to I-75 20 miles to the west in Flint, offers a hub to major commercial and passenger air carriers. The local DuPont Airport serves the private aviation community. Rail passenger service is provided by AMTRAK and freight service by CNX via a major east-west rail line that links Canada and Chicago. The Greater Lapeer Transportation Authority provides bus transportation intra-county. There are eighteen townships, two cities, and six villages within the boundaries of the County.

The proximity of Lapeer County to the Detroit Metropolitan Area and job markets in Oakland, Macomb, and Genesee County, remains a principle factor in the local economy with approximately 50% of the county work force employed in those areas. A pastoral landscape and planning efforts to direct growth and preserve green space are also attractive attributes to those considering relocating to the County.

A number of financial institutions are located throughout the County. The Lapeer County Bank and Trust continues to be locally owned and managed. Branches of Chase, First Michigan Bank, Flagstar, CSB, PNC, Tri-County Bank, Independent Bank, Oxford Bank, and five credit unions also offer financial services to residents

The taxable value of property was \$2,717,825,167 compared to \$2,845,481,600 in 2010, a decrease of approximately 4.4 %. During the same period, S.E.V. decreased from \$3,320,773,773 to \$3,096,596,777 down approximately 6.7 %. The tax levy of 3.7886 remained the same from 2010 for general County operations. In this context, only five Michigan Counties have a lower operational tax rate than Lapeer County

Considered by the U.S. Census Bureau part of the Detroit Metropolitan Statistical Area, the County population in 2010 was 88,319 compared to the 2000 Census total of 87,904. While the County experienced a slight increase over the decade, the estimated peak population of 92,240 occurred in 2005, and with the estimated 2011 number of 88,082, a downward trend continues.

The real estate market throughout the County continued to reflect the effects of the economic downturn. The average residential selling price in 2011 was \$ 102,176 up from \$100,365 in 2010 based on data from Realcomp II Ltd., but still below the 2008 average of \$127,403.

With over 250 lakes, two County, two State, and a number of local parks, abundant fishing, camping, and water sport opportunities are available for the enthusiast. Within an hour drive, Lake Huron provides additional fishing and boating experiences and access to the other Great Lakes. Numerous golf courses add to the extensive recreation options. The County is also home to three sites on the national historical register, including one of the oldest operating Courthouses in the nation. Built in 1846, this significant historical site is an outstanding example of Greek revival architecture and has undergone a complete renovation.

Major professional sports teams, the Detroit Lions, the Detroit Red Wings, Detroit Tigers, and the Detroit Pistons, play their home games within a 60-minute drive. Michigan State University in East Lansing and the University of Michigan in Ann Arbor are less than 75 miles from Lapeer. These Big Ten institutions provide ready access to excellent educational and research facilities, and NCAA Division One college athletic events.

Creating a link between government and businesses interested in locating or expanding in the County, the Lapeer Development Corporation (LDC) continues to lead and coordinate economic development. During 2011, LDC assisted in the creation/retention of 248 jobs, and \$37,273,810 million of investment value occurring as a result of the efforts of the Corporation. Since its inception in 1981, the LDC has brought a private sector investment of nearly \$592,000,000 into the County and has assisted with the creation/retention of 7,413 jobs. An expanded partnership evolved in 2003 with the LDC established as the County Brownfield Authority by the Board of Commissioners. With the Brownfield designation, another tool was added to the local economic development process.

McLaren-Lapeer Region, an acute care facility serves the County and is affiliated with McLaren Health Care Corporation. The Center, located in the City of Lapeer, has 222 beds with a staff of 150 doctors and more than 200 nurses and provides a full range of advanced diagnostic technology including an imaging center. McLaren has developed a network of care sites throughout the County that provide a range of outpatient services, renovated the emergency room at the hospital, and completed construction of a 16,200 square foot state-of-the-art Great Lakes Cancer Institute in 2008.

Nine nursing facilities with 969 beds serve the county and the County Medical Care Facility provides another 202 beds with a staff of 3 doctors and approximately 300 employees.

The Lapeer Community Foundation continues to perform a vital role in the community. Since beginning as a fund of the Community Foundation of Flint in 1996, the Foundation's assets have grown to \$7,774,988 with approximately \$257,620 awarded in scholarships and grants to non-profit groups, educational and government institutions in 2011. The Foundation, which became independent in 2005, also manages funds for various local organizations.

The Intermediate School District serves five school systems and a number of private schools provide diverse educational experiences within the County. Chatfield School, chartered by Saginaw Valley State University, completed its fifteenth year of operation in August. Located in the City of Lapeer, the school has an enrollment of 295 elementary students.

Higher education opportunities are provided by a number of institutions at sites within the County. Mott Community College and the University of Michigan-Flint offer classes in the City of Lapeer. On the east side of the County, St. Clair Community College operates off campus programs in Imlay City and the Lapeer Ed-Tech Center.

The Lapeer District Library with seven branches, an automated circulation system and an on line catalog, offers ready access to residents within the District. The Library also operates the Lapeer Information Depot, a web site that offers links to many sites in the County and a community calendar that notes a wide range of local activities and events. The Almont area is served by a District Library, as is the Imlay City community. Both Dryden and North Branch Townships maintain a local library.



All public Safety dispatching within the County is coordinated through one central communication site. The Lapeer County 911 Central Dispatch Center is responsible for dispatching 15 local fire departments, the County Sheriff Department, the Michigan State Police, 7 local police departments, and 6 EMS organizations. The Emergency Operations Center located in the facility, is the hub for communication and coordination in the event of a natural or man made disaster, providing inter operative communications for all responding departments. The Center functions as a single point of presence, connecting via fiber-optics lines for various state agencies (DHS, MSP, LEIN, DOC) and county departments, with one outgoing fiber-optic line to Lansing. This collaborative arrangement is cost effective for all participating agencies.

## **ORGANIZATION STRUCTURE**

The County is organized under various public acts of the State of Michigan and is governed by a seven member Board of Commissioners. The County operates under the Controller/Administrator form of government. Each Commissioner is elected on a partisan basis for a term of two years from districts that are approximately equal in population. The Board annually elects a member to serve as Chairperson and a member to serve as Vice Chairperson. Primary functions of the Board include determination of the type and level of County service, adoption of the County Budget, equalization of County property values, legislative oversight of County services and the appointment of various boards, commissions, and certain County officials.

The Judicial System within the County operates under the direction of the State Supreme Court. Two Judges are elected at large in the 71-A District Court for six-year terms, one Judge is elected at large for a six-year term in the Probate Court, and two Judges are elected at large for six-year terms in the 40th Judicial Circuit Court. The Supreme Court selects a Judge to serve as the Chief Judge of the Circuit Court and a Judge to serve as Chief Judge of the District Court. The office of the Friend of the Court is a statutorily created agency of the Circuit Court. The office is headed by a Friend of the Court appointed by the chief judge.

Administration of the County is divided by the Michigan Constitution among various statutory County officials including the County Treasurer, County Clerk, Register of Deeds, Prosecuting Attorney, Drain Commissioner, Sheriff, and Surveyor, who are elected at large for four-year terms. The County Treasurer is the custodian of funds for the County, as well as local communities and school districts, and performs other duties concerned with the fiscal affairs of County departments and agencies. The duties of County Clerk include keeping and maintaining records of births, deaths, marriages and discharges of military personnel and serving as Clerk to the Board of Commissioners and the Circuit Court. The duties of the Register of Deeds include the recording of deeds, mortgages, surveys, recording of plats, notices of liens and bills of sales.

The Prosecuting Attorney prosecutes violations of state criminal law within the County and represents the County as Corporate Counsel. The County Drain Commissioner administers the location, construction, and the maintenance of drains in the County. The Sheriff's duties involve the charge and custody of the County Jail, the serving of process, and law enforcement in unincorporated areas. The County Surveyor is responsible for a multi-year County Remonumentation Project and for the Public Land Survey Records in the County.

In addition, the Board of Commissioners appoints several County Officers including the County Administrator/Controller, the Chief Financial Officer, the Health Officer, the Medical Examiner, the E-911 Director, the Equalization Director, the Veterans Affairs Director, the Animal Control Director, the Parks Director, and the Emergency Management Coordinator. The responsibility of these Officials is defined by Statute or the Board of Commissioners.

The Board of Commissioners also appoints various boards and commissions to oversee specific County services and to advise the Board. Appointments to specific County functions include the Department of Human Services Board, the Veterans Affairs Board, the Health Board, the 911 Authority, the Historical Courthouse Committee, the Community Mental Health Board, the Community Corrections Board, and the Local Emergency Planning Committee.

## **FINANCIAL PRACTICES**

### **Factors Affecting Financial Condition**

With the ongoing fiscal difficulties faced by the State of Michigan, substantial reductions in revenue sharing payments to local governments including Lapeer County have occurred. Since December 2002 the State by executive order of the Governor or by legislative action, has been forced to reduce the level of spending and/or increase taxes and fees. Included in those reductions was revenue sharing payments to Lapeer County, which declined from a peak of \$1,774,671 in 2001 to \$699,788 in FY 2004.

In 2004, PA 356 was signed into law by the Governor, which temporally suspended revenue sharing for counties and created a Revenue Sharing Reserve Fund. PA 356 provided that the RSRF would be funded through a phased adjustment over three years (2004-2006) by moving the collection of only County operating property tax from the December levy to July. The revenue generated each year from the accelerated tax collection beginning in 2004 was deposited into the RSRF with annual transfers to the General Fund in lieu of the annual revenue sharing payment beginning in 2006. The full shift to the July tax date occurred in 2007 as indicated in the following table:

| <u>Year</u> | <u>July Tax</u> | <u>December Tax</u> | <u>RSRF</u> |
|-------------|-----------------|---------------------|-------------|
| 2004        | -               | 3/3                 | 1/3         |
| 2005        | 1/3             | 2/3                 | 1/3         |
| 2006        | 2/3             | 1/3                 | 1/3         |
| 2007        | 3/3             | -                   | -           |

The transfer to the General Fund from the RSRF was indexed to the FY 2003/2004 state payment of \$1,432,407 with annual consumer price index adjustment as allowed by PA 356. In 2010, the balance of this fund (\$1,625,587) was transferred and \$534,104 of State Revenue Sharing was received. In 2011, \$1,550,117 in State Revenue Sharing was received, \$224,554 less than the peak amount posted in 2001.

Growth in the tax base through 2008 produced an incremental annual increase in property tax revenue. While not offsetting other lost or reduced revenue, the expansion of taxable value, even with the required rollback in the tax rate, had provided some restrained capacity to meet the growing demands on the general fund budget. As originally noted in the 2008 CAFR, trends indicating that this growth had leveled along with the slowing of the State economy, and in fact may be declining were evident. The data from 2011 confirms the continued reduction in the growth of the property tax base and consequently, tax revenue. Furthermore, the continuing decrease in population, accelerated foreclosures and tax delinquencies, and a high level of unemployment are evidence of a changing economic base. Consequently, the declining revenue forecasts necessitate the need for corresponding expenditure reductions to maintain fiscal stability into the future. In 2011, \$9,595,909 was received in property tax as compared to \$10,088,251 the prior year.

Local Tax Increment Finance Authorities (TIFA's) and Downtown Development Authorities (DDA's) created by local units of governments capture revenues that otherwise would be available for use in the general fund. The apparent revenue produced for the general fund by multiplying the taxable value of property by the adopted tax rate was reduced by approximately \$644,570 that was "captured" by local government TIFA's and DDA's in 2011. It should be noted that \$210,359 that was considered "excess revenue" was returned to the County in FY 2011 from the City of Lapeer. These funds were directed to the multi-year capital budget.

Michigan continues to face cyclical and structural budget problems that create a perplexing dilemma at the County level of government. With uncertainty of funding for court equity, diverted felon, community corrections, revenue sharing, public health programs, and other functions supported by restricted State revenue, and the timing of reimbursement for grant programs, vigilance regarding decisions in Lansing that may have a direct effect on county government operation is vital.

### **Long term Financial Planning/Budgeting**

Lapeer County has as a matter of practice and policy, focused on a long-term financial planning perspective. In 2003 the Board of Commissioners adopted a Multi-Year Fiscal Plan and established a biennial budget process. Under the provisions of the Uniform Budget Act for Local Government (PA 621 of 1978), the General Appropriations Act serves as the foundation for financial planning and control. The two year budget and the Multi-Year Fiscal Plan provide a basis to anticipate current fiscal challenges and take appropriate action to respond to major budgetary fluctuations.

Recent and ongoing economic events at the local, state, and national level have intensified the value of a multi-year financial planning and budgeting process. As a result of the present financial turmoil, County Administration and the Board of Commissioners have expanded the scope of the planning process to address rapidly changing fiscal circumstances and requisite budgetary and expenditure adjustments, both cyclical and structural.

The County has also adopted a position control system and adheres to the practice of budgeting for full employment. Consequently, salary and fringe benefits appropriations are tied to specific authorized positions, not to the individual factors and variances that occur with employees in the respective positions. This practice adds substantial stability to budget and personnel management.

Grant management continues to receive additional attention by analyzing long term budget effects occurring through the potential transfer of expense to the general fund when a grant expires. A historical review of grant based initiatives underscores the program and activities cost that has subsequently become a reoccurring expense in the general fund. Therefore, grant proposals are reviewed to ensure that any long time reoccurring cost are identified prior to any authorization to submit and any match or continuation expense are fully identified before approval.

### **Capital Improvement/Acquisitions**

A key element in overall fiscal planning has been the strong support of the Board of Commissioners in maintaining facilities and equipment. Through the adoption of a capital planning and budgeting process, the County has taken affirmative steps to maintain buildings, parking lots, and the fleet. Capital budgeting has in addition provided the means to address technology needs and to replace aging equipment on a schedule.

A multi-year technology plan approved by the Board of Commissioners continued into 2011. This Plan provides a footprint for the development of a cost effective informational technology system that gives each department the capacity to meet internal needs, yet ensures that hardware and software are acquired to integrate into the county-wide system. A single point of access, at substantial cost benefit, provides connectivity to the internet for all departments.

### **Cooperative Purchasing**

Considerable cost benefit has been achieved from the participation in cooperative/group purchasing programs. Fleet replacement vehicles have been acquired from the State of Michigan and/or the Oakland County programs at discounted prices. Office supplies are obtained through contract pricing with the State and various service programs.

### **Privatization**

Not overlooked in the fiscal planning process has been the opportunity to privatize certain services when warranted. Food services for senior citizens home delivered and congregate meals, and for jail inmates, have been contracted with a private vendor. Custodial and snow removal, vehicle repair and technology services are also under contract. Periodic review of contractual cost compared to the expense of in-house services provides a bench mark in the decision of which fiscal model presents the most cost-effective manner of service delivery.

### **Shared Services**

As the County faces on-going budgetary pressures, opportunities to partner with other units of government are considered when circumstances allow. While highly non-traditional, the County continues an agreement with St Clair County to share the duties of their Equalization Director and Director of Veterans Affairs. This arrangement has resulted in cost containment and will be monitored during the life of the agreement to determine cost benefit and measure the delivery of service. Preliminary reviews indicate that service has been enhanced and cost savings achieved.

With the approval of the State Department of Health, Lapeer County also initiated a inter-county agreement to share the County Medical Officer with four other County governments.

## **Bond Rating**

The County of Lapeer is cognizant of the value of Bond ratings for the present and future development of infrastructure throughout the County. Standard and Poor's affirmed the AA/Stable rating for the county's existing GO debt in March. A constant focus of fiscal planning is the attainment of Bond ratings that support low interest rates when the need to acquire capital occurs. It is not only the County that benefits from a favorable rate, but also local units that borrow with the pledge of limited faith and credit of the County. The retention of an extremely low debt load remains a significant factor in the rating. Without a focused financial planning perspective, the cost to the citizens of the County to construct and/or improve public facilities and infrastructure may be significantly higher for any future debt issues.

## **Budgeting Controls**

The County maintains budgetary internal controls with the objective of ensuring compliance with legal provisions embodied in the annual appropriated budget approved by the County Board of Commissioners. Activities of the General Fund and Special revenue funds are included in the annual budget. The approved budgets of the County are adopted for the General Fund at the activity level and the Special Revenue at the fund level. These are the legally enacted levels under the State of Michigan Uniform Budgeting and Accounting Act. However, budgets are maintained throughout the year at the account level to provide additional control in preventing over-expenditures at levels adopted for reporting to the State of Michigan. Budgetary transfers are permitted in accordance with Board adopted budget policies. In the present economic environment, frequent fiscal review and planning sessions occur throughout the year with the Board of Commissioners.

## **Major Initiatives**

The implementation of the Information Systems Plan to upgrade technology throughout all Departments continued into 2011. The integration of systems, additional security applications, and backup capacity have added efficiencies to our communication capacities. The collaborative effort with the Immediate School District for Internet service and fiber optic lines remains a cost effective and productive relationship. An enhanced capacity for digital record retention has been given increased importance as the system evolves. Recognizing that energy costs are a significant element of the operational budgets, the Grounds and Maintenance Department continued to install energy saving equipment throughout county facilities. Department staff remained involved in the analysis and implementation of programs to reduce or contain expenses with all utilities. A continued review of energy containment methods for all County facilities remains in effect. The security system in the county complex was expanded with the installation of additional surveillance cameras. The single point of access for the building was also improved with the addition of an automatic door to allow individuals with mobility issues ease of entry.

## **AWARDS AND ACKNOWLEDGEMENTS:**

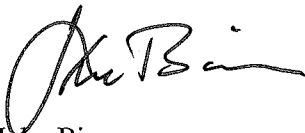
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Lapeer County for its CAFR for the fiscal year ending December 31, 2010. The Certificate of Achievement is a prestigious national award that recognizes conformance with the highest standards for preparation of state and local government financial reports. The County has been a recipient of the Award each year since 1997.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. The reports must satisfy both generally accepted accounting principles and applicable legal requirements.

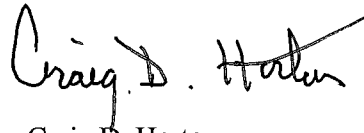
The Certificate of Achievement is valid for a period of one year only. We believe our current report conforms to Certificate of Achievement Program requirements, and are submitting it to the GFOA to determine eligibility for recognition for FY 2011.

**Acknowledgments:** The preparation of this report could not have been accomplished without the participation of the County departments and the various elected and appointed officials. Our appreciation is extended to all who assisted in the creation of this document. We would also like to thank the Board of Commissioners for their commitment and support in the planning and management of the financial operations of the County in a responsible and progressive manner.

Respectfully submitted,



John Biscoe  
County Controller/Administrator



Craig D. Horton  
Chief Financial Officer

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Lapeer County  
Michigan

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2010

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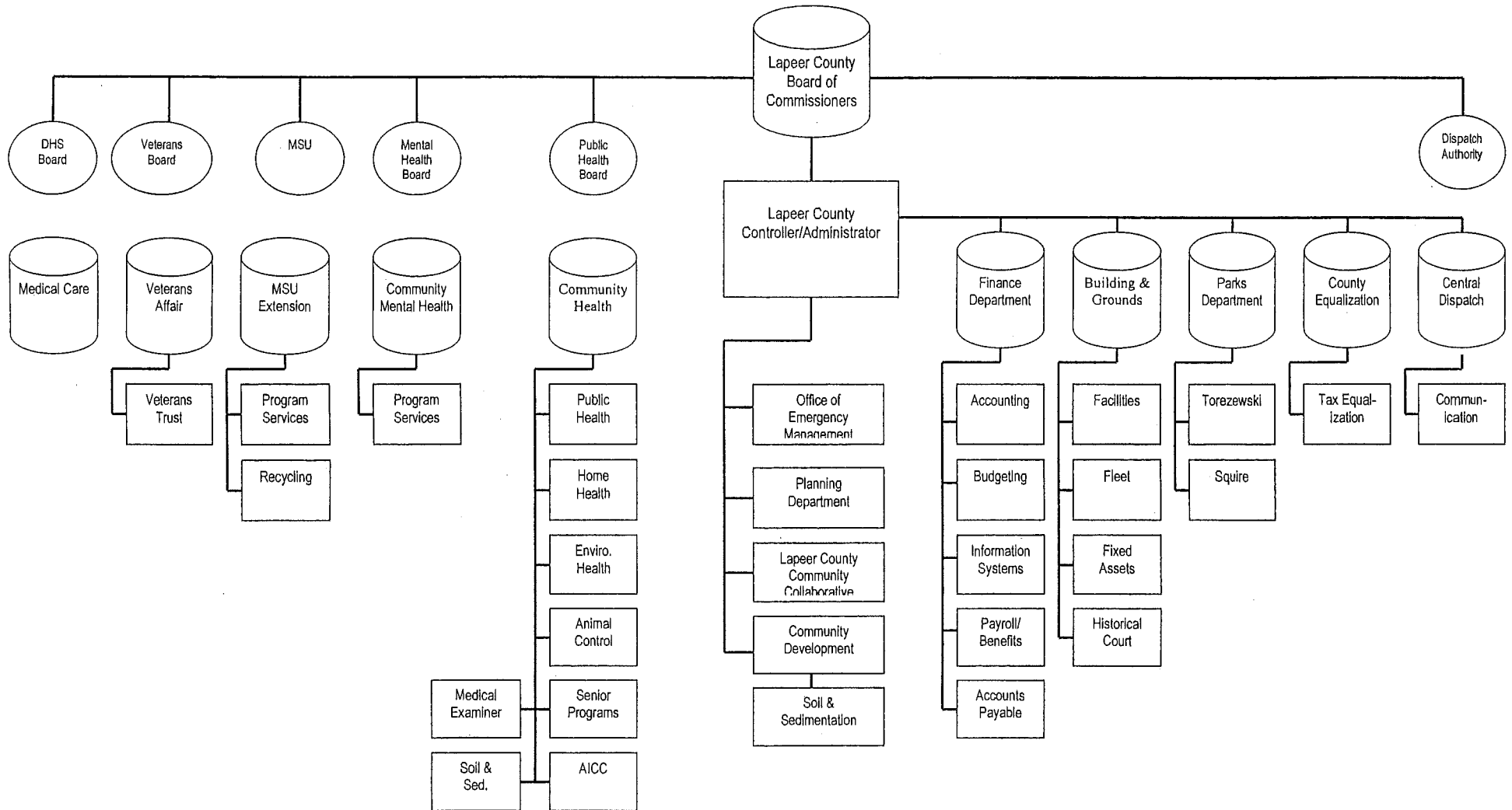
*Linda C. Sandison*

President

*Jeffrey R. Emery*

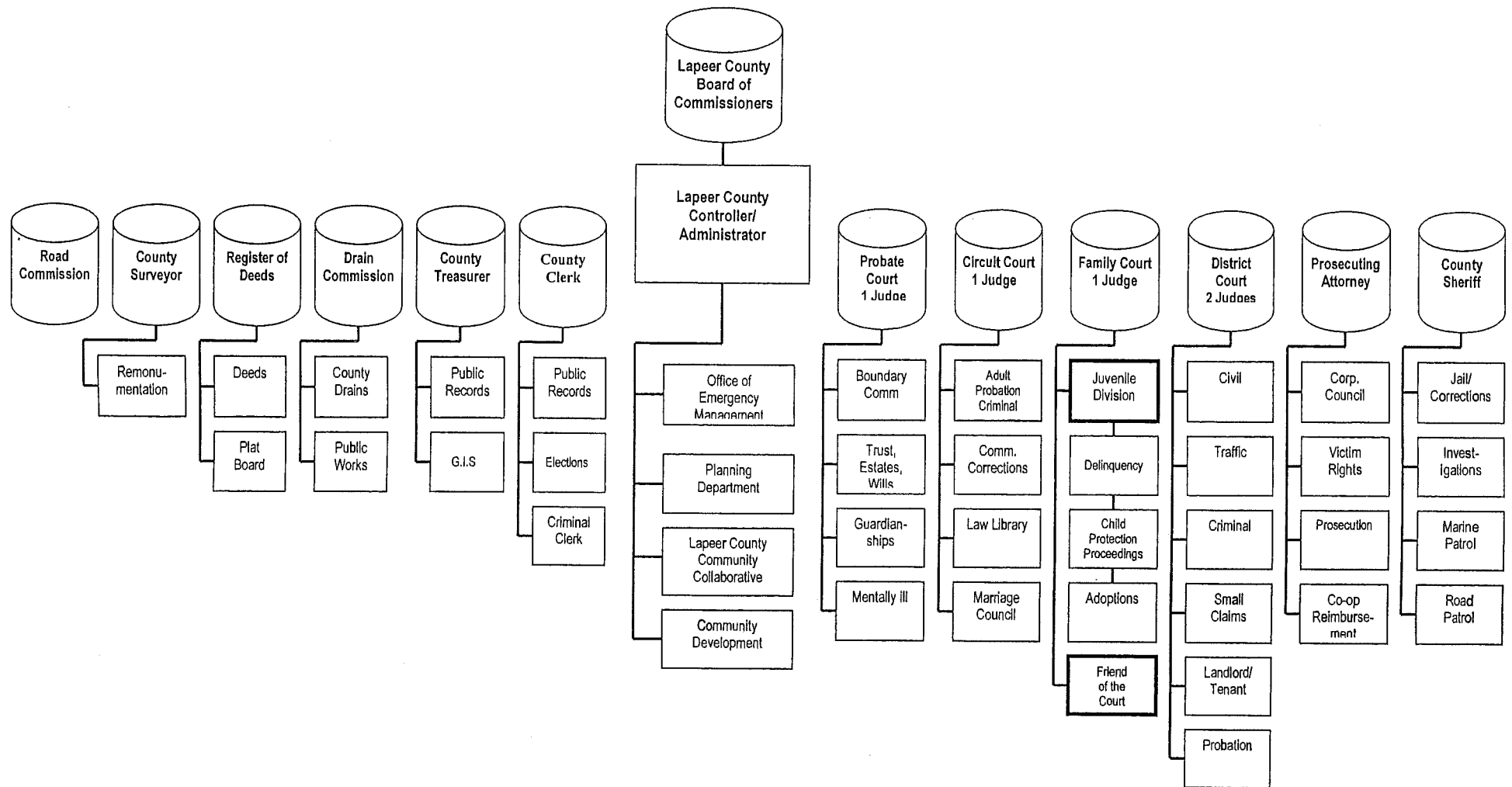
Executive Director

## LAPEER COUNTY APPOINTED ORGANIZATIONAL CHART





## LAPEER COUNTY ELECTORATE ORGANIZATIONAL CHART



# **LAPEER COUNTY, MICHIGAN**

## **BOARD OF COMMISSIONERS**

### **Chairperson**

Gary Roy

### **Vice Chairperson**

Cheryl Clark

### **Members**

Dyle Henning  
Lenny Schneider

Linda M. Jarvis

C. Ian Kempf  
Dave Eady

## **COURT JUDGES**

John T. Connolly  
District Court

Michael Higgins  
Family Court

Laura Cheger Barnard  
District Court

Nick O. Holowka  
Family Court

Justus Scott  
Family Court

## **COUNTY ELECTED OFFICIALS**

Dana M. Miller  
Treasurer

Ronald J. Kalanquin  
Sheriff

John Freeman  
Drain Commissioner

Marlene M. Bruns  
Clerk

Byron Konschuh  
Prosecuting Attorney

Ray Davis  
Surveyor

Melissa R. DeVaugh  
Register of Deeds

County Appointed  
John Biscoe  
Controller/Administrator

## INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners  
of Lapeer County  
Lapeer, 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 Lapeer County, Michigan, as of and for the year ended December 31, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Lapeer County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Lapeer County Land Bank Authority, which represent less than one percent of the assets, net assets, and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Lapeer County Land Bank Authority, is based 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 and the report of the other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lapeer County, Michigan, as of December 31, 2011, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.


For the year ended December 31, 2011, as discussed in Note 1, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. As a result the financial reporting of the Local Reserve, Budget Stabilization, Emergency Disaster, and Rental Property Funds have been combined with the General Fund to reflect the revised definitions for the governmental fund types. In addition the fund balance classifications have been changed to comply with this statement.

In accordance with ***Government Auditing Standards***, we have also issued our report dated June 22, 2012, on our consideration of Lapeer County, Michigan's internal control over financial reporting and 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with ***Government Auditing Standards*** and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 13 and schedules of revenues, expenditures and changes in fund balance – budget and actual on pages 71 through 76 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Lapeer County, Michigan's financial statements as a whole. The combining General Fund schedules, combining and individual nonmajor fund financial statements and schedules, capital assets used in the operation of governmental funds supplemental schedules, and combining and individual fund financial statements for the discretely presented component units are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Lapeer County, Michigan's basic financial statements. The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

  
Certified Public Accountants

June 22, 2012

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The County of Lapeer's (the County) management's discussion and analysis is intended to provide the readers of the County's financial statements a general overview of the financial activities for the fiscal year ending December 31, 2011. This analysis should be read in conjunction with the transmittal letter, beginning on page i of this report, and with the financial statements that follow this section.

### FINANCIAL HIGHLIGHTS

#### Government-wide:

- In total, Lapeer County primary government improved its financial position during fiscal year 2011.
- Net assets increased \$1,904,995 to \$72,720,795 (excluding component units).
- Government activities net assets increased \$1,527,025 to \$37,791,206.
- Business-type activities net assets increased \$377,970 to \$34,929,589.

#### Fund Level:

- At the close of the fiscal year, the County's governmental funds reported combined ending fund balances of \$22,480,139 increasing \$6,398,552.
- For the year ended 2011, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Due to the implementation, four special revenue funds (Local Reserve, Budget Stabilization, Emergency Disaster and Rental Property) were required to be included in the General Fund for financial reporting purposes. The beginning fund balance of the General Fund was restated from \$4,422,705 to \$10,625,172. As of the end of the current year, the County reported ending a fund balance in the General Fund of \$11,624,090, an increase of \$998,918 over the restated balance.
- The County added a major fund in 2011 due to bonds issued in early 2011 to construct and modernize the E-911 Central Dispatch System. The E-911 Construction Fund's activity consisted of the recording of bond proceeds, including a bond premium, one-time buyout incentive revenue received by the vendor offsetting the cost of certain upgrades, and capital outlay expenditures. This activity resulted in fund balance of \$4,223,288.
- The E-911 Debt Fund created in 2010 and reported as a major fund due to the size of the taxes receivable levied and deferred at December 31, 2010 to finance debt service activities beginning in 2011. The 2011 activity resulted in property taxes of \$2,134,913 and debt service expenditures of \$305,394 resulting in an increase to fund balance of \$1,829,519. A principal payment on the bonds has not been due creating the significant fund balance accumulation to-date.
- The Local Reserve Fund was previously reported as a major fund. The Fund no longer meets the Special Revenue definition under GASB Statement No. 54 and therefore has been combined with the General Fund for financial reporting purposes. The fund balance of the Local Reserve Fund at December 31, 2010 of \$3,744,798 was restated to become part of the fund balance of the General Fund as of January 1, 2011. This fund balance has been assigned by management for future contingencies.
- The Budget Stabilization Fund was also combined with the General Fund as described above. The fund balance at December 31, 2011 is \$2,504,748 and is restricted by the budget stabilization arrangement requiring 2/3 vote by the Board to appropriate and spending only for purposes established by State law.

## Capital and Long-Term Debt Activities:

- The County's capital assets (net of accumulated depreciation) experienced a net increase of \$11,459,660 to \$42,817,945 during the fiscal year due mainly to construction in progress of the E-911 Central Dispatch for updating the facilities and equipment.
- The County paid \$145,000 in bond obligations during fiscal year 2011. During 2011 the County issued \$14,475,000 of limited general obligation bonds to construct/update an E-911 Central Dispatch System. At December 31, 2011, the two bond issues outstanding have a combined principal amount due of \$14,995,000.
- The County is below its authorized debt limit by \$324,240,305

## OVERVIEW OF THE FINANCIAL STATEMENTS

The annual financial report of the County consists of the following components: 1) Introductory Section, which includes the Transmittal Letter; 2) the Financial Section, which contains the Auditor's Report, the Management's Discussion and Analysis, the Basic Financial Statements (government-wide financial statements, fund financial statements, and notes to the financial statements), Required Supplementary Information, (budget to actual comparison for the general fund and major funds), additional Supplementary Information for combining general fund and all non-major funds, proprietary funds and fiduciary funds and; 3) the Statistical Section, which provides a 10-year history on specific data regarding the County.

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

The statement of net assets presents information on all of the County's assets and liabilities with the difference between the two reported as net assets. This statement format combines and consolidates the governmental funds current financial resources with capital assets and long-term obligations. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the 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 events giving rise to the changes occur, 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 employee vacation leave.)

Both statements report the following activities:

*Governmental Activities* - Both the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their cost through user fees and charges (business-type activities). The governmental activities of the County included legislative, judicial, general government, public safety, public works, health and welfare, and recreation and culture and debt service.

*Business-type Activities* - These activities operate like private businesses. The County charges fees to recover the cost of the service provided. The Medical Care Facility is an example of this type of activity.

*Discretely Presented Component Units* - Component units are legally separate organizations for which the Board of Commissioners appoints a majority of the organization's policy board and there is a degree of financial accountability to the County. The Road Commission is an example of this type of activity.

The government-wide financial statements include not only the County itself (known as the primary government) but also the following legally separate entities: Road Commission, Department of Public Works, Drainage Districts and Land Bank Authority. Financial information for these component units is reported separately from the primary government itself.

The government-wide financial statements can be found on pages 14 - 16 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. The 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 the 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. Governmental funds are reported using the modified accrual method of accounting. However, unlike the government-wide financial statements, governmental fund financial statements focus on the near-term inflows and outflows of funds available to meet expenses, as well as on balances of those resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. Included are the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Project Funds.

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 governmental-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in the fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains 34 individual governmental funds. Information is presented separately in the governmental funds balance sheet and statement of revenues, expenditures, and changes in fund balance for the General, Community Mental Health, Community Development, E-911 Debt and E-911 Construction Funds, all of which are considered major funds. Schedules for the combining general fund-budgetary to GAAP basis presentation (due to GASB 54 adoption) and data for the other 29 governmental funds that are combined into a single, aggregated column on basic statements are provided as supplemental information. Individual fund data of the budgetary basis of the Local Reserve, Budget Stabilization, Emergency Disaster and Rental Properties funds and each of the non-major governmental funds are provided in the form of combining statements elsewhere in this report.

As required by State law, the County adopts an appropriated budget for its General and Special Revenue Funds. Budgetary comparison statements have been provided for these funds to demonstrate compliance with these budgets.

The basic governmental fund financial statements can be found on pages 17 - 22 of this report.

**Proprietary Funds:** Proprietary funds use the accrual basis of accounting, which is the same type used by private business. The County maintains two types of proprietary funds.

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for the activities of the Delinquent Tax Fund and the Medical Care Facility.

Internal Services funds are an accounting device used by governments to accumulate and allocate cost internally among the County's various functions. The County uses internal service funds to account for its various employee benefit and risk management programs as well as two equipment pools. Because these services predominately 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. In addition, the proprietary funds are required to present a statement of cash flows, which is not required for the government-wide presentation. The proprietary financial statements provide separate information for the Delinquent Tax Fund and the Medical Care Facility, both of which are considered major funds of the County. The County's Internal Service Funds are presented in the proprietary fund financial statements in the Governmental Activities - Internal Service Funds column.

The basic proprietary fund financial statements can be found on pages 23 - 27 of the 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 statements because the resources of those funds are not available to support the County's own programs. The largest of the Fiduciary Funds is the General Agency Fund. The accounting used for the fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statement can be found on page 28 of this report.

**Notes to the Financial Statements:** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 31 - 70 of this report.

**Other Information:** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information on budgetary comparisons for the five major governmental funds. This required supplementary information can be found on pages 71 - 75 of this report.

The combining statements referred to earlier in connection with the combining general fund schedules, non-major governmental, internal service and fiduciary funds are presented immediately following the required supplementary information. Combining general and individual fund statements and schedules can be found on pages 76 - 113 of this report.

### **Government-wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$72,720,795 at December 31, 2011.

Approximately 44%, or \$32,344,530 of the County's net assets, is unrestricted and available for future obligations. Approximately 38%, or \$27,822,945 of net assets represents our investment in capital assets (e.g., land, buildings, machinery and equipment), less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment 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. The analysis below focuses on the net assets of the County's government and business-type activities.



## Net Assets of Governmental and Business-type Activities

|  | Governmental<br>Activities |                      | Business-type<br>Activities |                      | Total<br>Primary Government |                      |
|--|----------------------------|----------------------|-----------------------------|----------------------|-----------------------------|----------------------|
|  | 2011                       | 2010                 | 2011                        | 2010                 | 2011                        | 2010                 |
| Current and Other<br>Assets                | \$ 33,088,061              | \$ 27,264,470        | \$ 20,711,467               | \$ 22,892,430        | \$ 53,799,528               | \$ 50,156,900        |
| Capital Assets                             | 26,490,232                 | 16,561,442           | 16,327,713                  | 14,796,843           | 42,817,945                  | 31,358,285           |
| <b>Total Assets</b>                        | <u>59,578,293</u>          | <u>43,825,912</u>    | <u>37,039,180</u>           | <u>37,689,273</u>    | <u>96,617,473</u>           | <u>81,515,185</u>    |
| Long-term debt<br>outstanding              | 15,765,521                 | 1,435,765            | 665,932                     | 470,051              | 16,431,453                  | 1,905,816            |
| Other Liabilities                          | 6,021,566                  | 6,125,966            | 1,443,659                   | 2,667,603            | 7,465,225                   | 8,793,569            |
| <b>Total Liabilities</b>                   | <u>21,787,087</u>          | <u>7,561,731</u>     | <u>2,109,591</u>            | <u>3,137,654</u>     | <u>23,896,678</u>           | <u>10,699,385</u>    |
| <b>Net Assets:</b>                         |                            |                      |                             |                      |                             |                      |
| Invested in Capital Assets,<br>net of debt | 11,495,232                 | 15,896,442           | 16,327,713                  | 14,796,843           | 27,822,945                  | 30,693,285           |
| Restricted                                 | 11,132,174                 | 5,605,162            | 1,421,146                   | 1,166,837            | 12,553,320                  | 6,771,999            |
| Unrestricted                               | 15,163,800                 | 14,762,577           | 17,180,730                  | 18,587,939           | 32,344,530                  | 33,350,516           |
| <b>Total Net Assets</b>                    | <u>\$ 37,791,206</u>       | <u>\$ 36,264,181</u> | <u>\$ 34,929,589</u>        | <u>\$ 34,551,619</u> | <u>\$ 72,720,795</u>        | <u>\$ 70,815,800</u> |

A portion of the County's net assets (17 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance unrestricted net assets (44 percent) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the fiscal year the County was able to report positive balances in all three categories of net assets for the government as a whole. The same situation held true for the prior fiscal year.

The County's combined net assets increased from \$70,815,800 to \$72,720,795 for a net change of Governmental and Business-type activities of \$1,904,995 from the prior year.

### Normal Impacts

There are six basic (normal) transactions that will affect the comparability of the Statement of Net Assets summary presentation.

**Net Results of Activities** - which will impact (increase/decrease) current assets and unrestricted net assets.

**Borrowing for Capital** - which will increase current assets and long-term debt.

**Spending Borrowed Proceeds on New Capital** - which will reduce current assets and increase capital assets. There is a second impact, an increase in invested in capital assets and an increase in related net debt which will not change the invested in capital assets, net of debt equity category.

**Spending of Non-borrowed Current Assets on New Capital** - which will (a) reduce current assets and increase capital assets and (b) will reduce restricted net assets and increase invested in capital assets, net of debt.

**Principal Payment on Debt** - which will (a) reduce current assets and reduce long-term debt and (b) reduce unrestricted net assets and increase invested in capital assets, net of debt.

**Reduction of Capital Assets through Depreciation** - which will reduce capital assets and invested in capital assets, net of debt.

The following condensed financial information was derived from the Government-wide Statement of Activities and reflects how the County's net assets changed during 2011 and 2010.

**Changes in Net Assets for Governmental and Business-type Activities**

|  | Governmental<br>Activities |                      | Business-type<br>Activities |                      | Total<br>Primary Government |                     |
|--|----------------------------|----------------------|-----------------------------|----------------------|-----------------------------|---------------------|
|  | <u>2011</u>                | <u>2010</u>          | <u>2011</u>                 | <u>2010</u>          | <u>2011</u>                 | <u>2010</u>         |
| <b>Revenue:</b>  |                            |                      |                             |                      |                             |                     |
| Program Revenue:   |                            |                      |                             |                      |                             |                     |
| Charges for services   | \$ 22,759,436              | \$ 22,291,931        | \$ 21,366,835               | \$ 20,552,223        | \$ 44,126,271               | \$ 42,844,154       |
| Operating grants and Contributions                           | 8,744,663                  | 9,671,059            | -                           | -                    | 8,744,663                   | 9,671,059           |
| Capital Grants and Contributions                             | 137,046                    | 300,538              | -                           | -                    | 137,046                     | 300,538             |
| General Revenue:   |                            |                      |                             |                      |                             |                     |
| Property Taxes   | 13,680,318                 | 12,766,862           | 909,353                     | 930,705              | 14,589,671                  | 13,697,567          |
| Grants and Contributions not restricted to specific Programs | 7,000                      | 8,975                | 30,973                      | 24,765               | 37,973                      | 33,740              |
| Other  | <u>404,060</u>             | <u>392,381</u>       | <u>28,142</u>               | <u>115,568</u>       | <u>432,202</u>              | <u>507,949</u>      |
| <b>Total Revenue</b>   | <u>45,732,523</u>          | <u>45,431,746</u>    | <u>22,335,303</u>           | <u>21,623,261</u>    | <u>68,067,826</u>           | <u>67,055,007</u>   |
| <b>Expenses:</b>   |                            |                      |                             |                      |                             |                     |
| Legislative  | 261,095                    | 290,948              | -                           | -                    | 261,095                     | 290,948             |
| Judicial   | 4,785,333                  | 5,172,038            | -                           | -                    | 4,785,333                   | 5,172,038           |
| General Government   | 6,181,739                  | 6,925,829            | -                           | -                    | 6,181,739                   | 6,925,829           |
| Public Safety  | 10,098,018                 | 10,779,183           | -                           | -                    | 10,098,018                  | 10,779,183          |
| Public Works   | 398,268                    | 810,776              | -                           | -                    | 398,268                     | 810,776             |
| Health and Welfare   | 21,685,041                 | 21,687,405           | -                           | -                    | 21,685,041                  | 21,687,405          |
| Recreation and Culture                                       | 422,204                    | 592,701              | -                           | -                    | 422,204                     | 592,701             |
| Interest on Long-Term Debt                                   | 380,024                    | 43,334               | -                           | -                    | 380,024                     | 43,334              |
| Medical Care Facility  | -                          | -                    | 21,726,473                  | 18,645,836           | 21,726,473                  | 18,645,836          |
| Delinquent Tax   | <u>-</u>                   | <u>-</u>             | <u>230,860</u>              | <u>222,351</u>       | <u>230,860</u>              | <u>222,351</u>      |
| <b>Total Expenses</b>  | <u>44,211,722</u>          | <u>46,302,214</u>    | <u>21,957,333</u>           | <u>18,868,187</u>    | <u>66,169,055</u>           | <u>65,170,401</u>   |
| Change in net assets before transfers                        | 1,520,801                  | ( 870,468)           | 377,970                     | 2,755,074            | 1,898,771                   | 1,884,606           |
| Transfers  | <u>6,224</u>               | <u>4,697</u>         | <u>-</u>                    | <u>-</u>             | <u>6,224</u>                | <u>4,697</u>        |
| Change in net assets   | 1,527,025                  | ( 865,771)           | 377,970                     | 2,755,074            | 1,904,995                   | 1,889,303           |
| Net assets at beginning of year                              | <u>36,264,181</u>          | <u>37,129,952</u>    | <u>34,551,619</u>           | <u>31,796,545</u>    | <u>70,815,800</u>           | <u>68,926,497</u>   |
| Net assets at end of year                                    | <u>\$ 37,791,206</u>       | <u>\$ 36,264,181</u> | <u>\$ 34,929,589</u>        | <u>\$ 34,551,619</u> | <u>\$ 72,720,795</u>        | <u>\$70,815,800</u> |

## Normal Impacts

There are eight basic (normal) impacts on revenues and expenses as reflected below.

### Revenues:

**Economic Condition** - which can reflect a declining, stable or growing economic environment and has a substantial impact on property taxes, charges for services, shared revenue or other tax revenue as well as public spending habits for building permits, elective user fees and volumes of consumption.

**Increase/Decrease in Board Approved Rates** - while certain tax rates are set by statute, the County Commissioners has significant authority to impose and periodically increase/decrease rates.

**Changing Patterns in Intergovernmental and Grant Revenue (both recurring and non-recurring)** - certain recurring revenues (state revenue sharing, block grants, etc.) may experience significant changes periodically while non-recurring (or one-time) grants are less predictable and often distorting in their impact on year to year comparisons.

**Market Impacts on Investment Income** - the County's investment portfolio is managed using a shorter average maturity than most governments and the market condition may cause investment income to fluctuate more than alternative long-term options.

### Expenses:

**Introduction of New Programs** - within the functional expenses categories (Public Safety, Public Works, Parks and Recreation, etc.) individual programs may be added or deleted to meet changing community needs.

**Increase/Decrease in Authorized Personnel** - changes in service demand may cause the County Commissioners to increase/decrease authorized staffing. Staffing costs (salary and related benefits) represent a significant percentage of the County's operating cost.

**Salary Increases (cost of living, merit and market adjustment)** - the ability to attract and retain human and intellectual resources requires the County to strive to approach a competitive salary range position in the marketplace.

**Inflation** - while overall inflation appears to be reasonably modest, the County is a major consumer of certain commodities such as chemicals and supplies, fuels and parts. Some functions may experience unusual commodity specific increases.

### **Governmental Activities:**

The largest revenue source for governmental activities is the allocated operating property tax. The property tax rate remained at 3.7886 in 2011 as a result of the Headlee Amendment and the application of the base tax rate reduction fraction.

Although the taxable value of the property assessments decreased from \$2,845,481,660 in 2010 to \$2,717,825,167 in 2011 the County does not retain the entire property tax that is collected from this base. Tax Increment Finance Authorities (TIFA) and Downtown Development Authorities (DDA) established by local units of government "captured" approximately \$645,000 of property tax revenue that otherwise would have been available for use in the General Fund. It is important to note the existing TIFA's and DDA's continue to "capture" each year an increasing percentage of the total property tax, thereby limiting the capacity of the County to otherwise apply the revenue to mandated and essential activities.

State Revenue Sharing, the second largest single source of general revenue, was \$1,550,117 and \$534,104 in 2011 and 2010, respectively.

#### Revenue by Source – Governmental Activities

|                                    | <u>2011</u>          | <u>2010</u>          |
|------------------------------------|----------------------|----------------------|
| Charges for services               | \$ 22,759,436        | \$ 22,291,931        |
| Operating grants and contributions | 8,744,663            | 9,671,059            |
| Capital grants and contributions   | 137,046              | 300,538              |
| Property taxes                     | 13,680,318           | 12,766,862           |
| Other general revenue sources      | <u>411,060</u>       | <u>401,356</u>       |
|                                    | <u>\$ 45,732,523</u> | <u>\$ 45,431,746</u> |

In total, fiscal year 2011 governmental activity revenue increased by \$300,777, property taxes increased by \$913,456 and operating grants and contributions decreased by \$926,396. Increase in property values is due to a combination of a new tax levy for E-911 debt and a decrease in property values. The receipt of \$1,550,117 of state shared revenue (increase of \$1,016,013 from prior year), an Economic Development Grant of \$94,314 (decrease of \$527,096 from prior year) and other decreases to federal and state grant funding are the reasons for the decrease to operating grants and contributions.

#### Business-type Activities:

Business-type activities increased the County's net assets by \$377,970.

#### Revenue by Source – Business-Type Activities

|  | <u>2011</u>          | <u>2010</u>          |
|--|----------------------|----------------------|
| Charges for services                   | \$ 20,138,131        | \$ 19,203,313        |
| Interest on taxes                      | 907,192              | 983,101              |
| Fees and penalties on delinquent taxes | 266,135              | 308,249              |
| Other operating revenues               | 54,126               | 56,227               |
| Property taxes                         | 909,353              | 930,705              |
| Donations                              | 30,973               | 24,765               |
| Interest on investments                | 28,142               | 115,568              |
| Gain on sale of assets                 | <u>1,251</u>         | <u>1,333</u>         |
|  | <u>\$ 22,335,303</u> | <u>\$ 21,623,261</u> |

In total, fiscal year 2011 business-type activity revenue increased by \$712,042. The increase was due to increased charges for services.

### Financial Analysis of the County's Major Funds

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

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

Due to the adoption of GASB 54 (as discussed earlier) the fund balance classifications have changed. Nonspendable fund balance is \$211,929 consisting of inventory, prepayments and advances. Restricted fund balance is \$11,132,174. Assigned fund balance is \$5,945,944 and unassigned fund balance is \$5,190,092.

At December 31, 2011, the County's governmental funds reported combined ending fund balances of \$22,480,139 an increase of \$6,398,552 in comparison to the prior year.

The General Fund is the chief operating fund of the County. Unless otherwise required by statute, contractual agreement, or policy, all County revenues and expenditures are recorded in the general fund. At December 31, 2011 the general fund reported a fund balance of \$11,624,090 with \$5,190,092 of that amount unassigned. As a measure of the general fund's liquidity, the unassigned fund balance represents approximately 30% of the total general fund expenditures and transfers.

The 2011 final budget of the general fund had projected revenues of \$18,104,294 and transfers in of \$7,000 with expenditures of \$16,800,667 and transfers out of \$2,305,832. The final budget anticipated expenditures over revenues of \$995,205 or approximately 5% of combined expenditures and transfers out.

The four other major government funds reported fund balances as follows: Community Mental Health - \$1,309,065, Community Development - \$20,117, E-911 Debt - \$1,829,519, and the E-911 Construction - \$4,223,288.

**Proprietary Funds:** The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The County had two major proprietary funds at December 31, 2011.

The Delinquent Tax Fund reported an increase in net assets of \$1,434,430 to \$17,442,228. The Medical Care Facility Fund reported a decrease of \$1,056,460 to \$17,487,361.

### Capital Assets and Debt Administration

**Capital Assets:** The County's investment in capital assets for its governmental and business-type activities as of December 31, 2011 amounted to \$42,817,945 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, building and improvements, construction in progress, machinery and equipment, and vehicles.

|                            | Capital Assets (net of depreciation) |                      |                          |                      |                      |                      |
|----------------------------|--------------------------------------|----------------------|--------------------------|----------------------|----------------------|----------------------|
|                            | Governmental Activities              |                      | Business-type Activities |                      | Total Governmental   |                      |
|                            | 2011                                 | 2010                 | 2011                     | 2010                 | 2011                 | 2010                 |
| Land                       | \$ 1,086,863                         | \$ 1,016,863         | \$ -                     | \$ -                 | \$ 1,086,863         | \$ 1,016,863         |
| Land improvement           | 351,917                              | 392,168              | 27                       | 364                  | 351,944              | 392,532              |
| Construction in progress   | 10,770,756                           | -                    | -                        | 7,022,070            | 10,770,756           | 7,022,070            |
| Buildings and improvements | 13,438,048                           | 14,274,615           | 15,923,849               | 7,308,757            | 29,361,897           | 21,583,372           |
| Machinery and equipment    | 484,723                              | 462,631              | 403,837                  | 465,652              | 888,560              | 928,283              |
| Vehicles                   | <u>357,925</u>                       | <u>415,165</u>       | <u>-</u>                 | <u>-</u>             | <u>357,925</u>       | <u>415,165</u>       |
| Totals                     | <u>\$ 26,490,232</u>                 | <u>\$ 16,561,442</u> | <u>\$ 16,327,713</u>     | <u>\$ 14,796,843</u> | <u>\$ 42,817,945</u> | <u>\$ 31,358,285</u> |

See Note 5 to the financial statements for additional information regarding capital assets.

## Outstanding Debt

**Long-term Debt:** At December 31, 2011, the County had a total debt outstanding of \$16,431,453 declining from the 2009 debt of \$1,905,816. During 2011 the County issued \$14,475,000 in general obligation bonds to update the facilities and equipment for the E-911 Central Dispatch.

|                              | Governmental<br>Activities |                     | Business-type<br>Activities |                   | Total<br>Governmental |                     |
|------------------------------|----------------------------|---------------------|-----------------------------|-------------------|-----------------------|---------------------|
|                              | 2011                       | 2010                | 2011                        | 2010              | 2011                  | 2010                |
| General Obligation<br>Bonds  | \$ 14,995,000              | \$ 665,000          | \$ -                        | \$ -              | \$ 14,995,000         | \$ 665,000          |
| Accrued Vacation<br>and Sick | 482,176                    | 495,765             | 285,309                     | 249,575           | 767,485               | 745,340             |
| Accrued Claim<br>Liability   | <u>183,000</u>             | <u>305,000</u>      | <u>380,623</u>              | <u>220,476</u>    | <u>563,623</u>        | <u>525,476</u>      |
| Totals (1)                   | <u>\$ 15,660,176</u>       | <u>\$ 1,465,765</u> | <u>\$ 665,932</u>           | <u>\$ 470,051</u> | <u>\$ 16,326,108</u>  | <u>\$ 1,935,816</u> |

- (1) Total does not include deferred amounts of \$105,345 for 2011 and \$(30,000) for 2010. See Note 8 to the financial statements for additional information regarding long-term debt.

## Economic Outlook

The continued impact of the ongoing economic downturn has underscored the value of multi-year budgeting and long-term fiscal forecasting. While far from a precise science, the fact the County has engaged in the use of these financial tools has enabled a reasoned reduction in spending minimizing the disruption of mandated and essential services. Although the property tax base continues to decline and state shared revenue has been reduced, budgets have been balanced, legacy cost obligations have been met, and the bond rating of AA has been affirmed. The capital planning and budgeting process has also ensured that both short and long term capital needs are addressed in a timely manner.

Within the framework of the fiscal forecasting tool, the County has identified multi-year target budget objectives that will be bench marked against the actual revenue and expenditure data. This process will provide the means to monitor events and allow for quick response if a deviation from the trending data occurs.

Data suggests that the decline in property values is moderating, the state economic situation reflects improvement, and home foreclosures are beginning to ease. Consequently, state revenue sharing and property tax revenue reductions while still trending lower, are not as severe as experienced during the past four years. Along with corresponding reductions in spending and the prudent use of reserve funds, the County has mitigated the impact on service delivery and avoided the severe budget cutbacks other local units of government have faced.

Fiscal pressures will remain for the foreseeable future. Indeed there may well be new economic realities that will have to be addressed to sustain a sound financial base. Accordingly, the County will remain focused on a data analytical methodology that to date, has served well in meeting fiscal challenges not imagined in the past.

### **Request for Information**

This financial report is designed to provide a general overview of the County's finances for our citizens, taxpayers, customers, investors and creditors and to demonstrate the County's accountability for the taxpayer money we receive. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Office of Administrator/Controller, 255 Clay Street, Lapeer, Michigan 48446, or contact us at 810-667-0366.

## **BASIC FINANCIAL STATEMENTS**



**LAPEER COUNTY, MICHIGAN**

**STATEMENT OF NET ASSETS**

**DECEMBER 31, 2011**

|  | Primary Government         |                             |                      | Component<br>Units   |
|--|----------------------------|-----------------------------|----------------------|----------------------|
|  | Governmental<br>Activities | Business Type<br>Activities | Total                |                      |
| <b>ASSETS:</b>   |                            |                             |                      |                      |
| Cash and cash equivalents                              | \$ 14,467,817              | \$ 13,280,134               | \$ 27,747,951        | \$ 5,691,939         |
| Investments  | 12,386,783                 | 18,041                      | 12,404,824           | 1,170,251            |
| Receivables (net of allowance)                         | 5,846,956                  | 7,013,161                   | 12,860,117           | 5,185,630            |
| Prepaid items  | 197,313                    | 139,962                     | 337,275              | 249,604              |
| Internal balances                                      | ( 26,884)                  | ( 74)                       | ( 26,958)            | -                    |
| Due from component unit                                | -                          | 16,750                      | 16,750               | 3,096                |
| Inventory  | 1,251                      | 118,123                     | 119,374              | 789,622              |
| Advance to component units                             | 90,000                     | -                           | 90,000               | -                    |
| Other assets   | 8,000                      | -                           | 8,000                | -                    |
| Restricted assets -                                    |                            |                             |                      |                      |
| Cash and cash equivalents                              | 116,825                    | 125,370                     | 242,195              | -                    |
| Receivable - property taxes                            | -                          | -                           | -                    | 4,279,118            |
| Capital assets (net of accumulated depreciation)       |                            |                             |                      |                      |
| Assets not being depreciated                           | 11,857,619                 | -                           | 11,857,619           | 44,816,862           |
| Assets being depreciated                               | 14,632,613                 | 16,327,713                  | 30,960,326           | 41,984,789           |
| Total Assets   | <u>59,578,293</u>          | <u>37,039,180</u>           | <u>96,617,473</u>    | <u>104,170,911</u>   |
| <b>LIABILITIES:</b>                                    |                            |                             |                      |                      |
| Payables and accrued liabilities                       | 3,290,042                  | 1,318,289                   | 4,608,331            | 870,034              |
| Advances and deposits                                  | -                          | -                           | -                    | 267,043              |
| Due to primary government                              | -                          | -                           | -                    | 16,750               |
| Due to component unit                                  | -                          | -                           | -                    | 3,096                |
| Advances from primary government                       | -                          | -                           | -                    | 90,000               |
| Unearned revenue                                       | 2,731,524                  | -                           | 2,731,524            | -                    |
| Liabilities payable from restricted assets             | -                          | 125,370                     | 125,370              | -                    |
| Non-current liabilities -                              |                            |                             |                      |                      |
| Net OPEB obligation                                    | -                          | -                           | -                    | 3,016,308            |
| Due within one year                                    | 2,753,881                  | 292,655                     | 3,046,536            | 747,897              |
| Due in more than one year                              | 13,011,640                 | 373,277                     | 13,384,917           | 6,677,415            |
| Total Liabilities                                      | <u>21,787,087</u>          | <u>2,109,591</u>            | <u>23,896,678</u>    | <u>11,688,543</u>    |
| <b>NET ASSETS:</b>                                     |                            |                             |                      |                      |
| Invested in capital assets, net of related liabilities | 11,495,232                 | 16,327,713                  | 27,822,945           | 83,979,506           |
| Restricted -   |                            |                             |                      |                      |
| Acquisition/construction of capital assets             | 4,921,350                  | -                           | 4,921,350            | 1,635,545            |
| Foreclosure sales                                      | -                          | 1,421,146                   | 1,421,146            | -                    |
| Debt Service   | 1,879,980                  | -                           | 1,879,980            | 1,840,439            |
| Health and Welfare                                     | 281,075                    | -                           | 281,075              | -                    |
| Public Safety  | 1,022,351                  | -                           | 1,022,351            | -                    |
| Other Purposes   | 3,027,418                  | -                           | 3,027,418            | -                    |
| Unrestricted   | 15,163,800                 | 17,180,730                  | 32,344,530           | 5,026,878            |
| Total Net Assets                                       | <u>\$ 37,791,206</u>       | <u>\$ 34,929,589</u>        | <u>\$ 72,720,795</u> | <u>\$ 92,482,368</u> |

The accompanying notes are an integral part of these financial statements.

# LAPEER COUNTY, MICHIGAN

## STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2011

| Functions/Programs   | Expenses             | Program Revenues     |                                    |                                  |
|--|----------------------|----------------------|------------------------------------|----------------------------------|
|  |                      | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| <b>Primary Government</b>                                    |                      |                      |                                    |                                  |
| Governmental activities:                                     |                      |                      |                                    |                                  |
| Legislative  | \$ 261,095           | \$ -                 | \$ -                               | \$ -                             |
| Judicial   | 4,785,333            | 1,246,428            | 1,305,326                          | -                                |
| General Government   | 6,181,739            | 4,044,677            | 2,534,954                          | -                                |
| Public Safety  | 10,098,018           | 2,164,267            | 662,534                            | 123,767                          |
| Public Works   | 398,268              | -                    | -                                  | -                                |
| Health and Welfare   | 21,685,041           | 15,068,511           | 4,198,236                          | 13,279                           |
| Recreation and Culture                                       | 422,204              | 74,050               | 43,613                             | -                                |
| Interest on Long Term Debt                                   | 380,024              | 161,503              | -                                  | -                                |
| Total governmental activities                                | <u>44,211,722</u>    | <u>22,759,436</u>    | <u>8,744,663</u>                   | <u>137,046</u>                   |
| Business type activities:                                    |                      |                      |                                    |                                  |
| Medical Care Facility  | 21,726,473           | 19,723,547           | -                                  | -                                |
| Delinquent Tax   | 230,860              | 1,643,288            | -                                  | -                                |
| Total business type activities                               | <u>21,957,333</u>    | <u>21,366,835</u>    | <u>-</u>                           | <u>-</u>                         |
| Total Primary Government                                     | <u>\$ 66,169,055</u> | <u>\$ 44,126,271</u> | <u>\$ 8,744,663</u>                | <u>\$ 137,046</u>                |
| <b>Component Units</b>                                       |                      |                      |                                    |                                  |
| Road Commission  | \$ 11,384,189        | \$ 1,773,660         | \$ 9,413,951                       | \$ 315,399                       |
| Department of Public Works                                   | 159,627              | -                    | -                                  | 158,419                          |
| Drainage Districts   | 1,133,143            | 175,989              | 39,145                             | 411,063                          |
| Land Bank  | <u>34,165</u>        | <u>9,738</u>         | <u>-</u>                           | <u>-</u>                         |
| Total Component Units  | <u>\$ 12,711,124</u> | <u>\$ 1,959,387</u>  | <u>\$ 9,453,096</u>                | <u>\$ 884,881</u>                |
| General revenues:  |                      |                      |                                    |                                  |
| Property taxes   |                      |                      |                                    |                                  |
| Grants and contributions not restricted to specific programs |                      |                      |                                    |                                  |
| Unrestricted investment income                               |                      |                      |                                    |                                  |
| Gain on sale of capital assets                               |                      |                      |                                    |                                  |
| Transfers - internal activities                              |                      |                      |                                    |                                  |
| Total general revenues and transfers                         |                      |                      |                                    |                                  |
| Change in net assets   |                      |                      |                                    |                                  |
| Net assets at beginning of year                              |                      |                      |                                    |                                  |
| Net assets at end of year                                    |                      |                      |                                    |                                  |

The accompanying notes are an integral part of these financial statements.

Net (Expense) Revenue and Change in Net Assets

| <u>Primary Government</u>          |                                     | <u>Total</u>         | <u>Component<br/>Units</u> |
|------------------------------------|-------------------------------------|----------------------|----------------------------|
| <u>Governmental<br/>Activities</u> | <u>Business Type<br/>Activities</u> |                      |                            |
| \$( 261,095)                       | \$ -                                | \$( 261,095)         | \$ -                       |
| ( 2,233,579)                       | -                                   | ( 2,233,579)         | -                          |
| 397,892                            | -                                   | 397,892              | -                          |
| ( 7,147,450)                       | -                                   | ( 7,147,450)         | -                          |
| ( 398,268)                         | -                                   | ( 398,268)           | -                          |
| ( 2,405,015)                       | -                                   | ( 2,405,015)         | -                          |
| ( 304,541)                         | -                                   | ( 304,541)           | -                          |
| ( 218,521)                         | -                                   | ( 218,521)           | -                          |
| <u>( 12,570,577)</u>               | <u>-</u>                            | <u>( 12,570,577)</u> | <u>-</u>                   |
| -                                  | ( 2,002,926)                        | ( 2,002,926)         | -                          |
| -                                  | 1,412,428                           | 1,412,428            | -                          |
| -                                  | <u>( 590,498)</u>                   | <u>( 590,498)</u>    | <u>-</u>                   |
| <u>( 12,570,577)</u>               | <u>( 590,498)</u>                   | <u>( 13,161,075)</u> | <u>-</u>                   |
| -                                  | -                                   | -                    | 118,821                    |
| -                                  | -                                   | -                    | ( 1,208)                   |
| -                                  | -                                   | -                    | ( 506,946)                 |
| -                                  | -                                   | -                    | <u>( 24,427)</u>           |
| -                                  | -                                   | -                    | <u>( 413,760)</u>          |
| 13,680,318                         | 909,353                             | 14,589,671           | -                          |
| 7,000                              | 30,973                              | 37,973               | -                          |
| 404,060                            | 28,142                              | 432,202              | 40,783                     |
| -                                  | -                                   | -                    | 2,478                      |
| 6,224                              | -                                   | 6,224                | -                          |
| <u>14,097,602</u>                  | <u>968,468</u>                      | <u>15,066,070</u>    | <u>43,261</u>              |
| 1,527,025                          | 377,970                             | 1,904,995            | ( 370,499)                 |
| <u>36,264,181</u>                  | <u>34,551,619</u>                   | <u>70,815,800</u>    | <u>92,852,867</u>          |
| <u>\$ 37,791,206</u>               | <u>\$ 34,929,589</u>                | <u>\$ 72,720,795</u> | <u>\$ 92,482,368</u>       |

**LAPEER COUNTY, MICHIGAN**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2011**

|  | General              | Community<br>Mental<br>Health | Community<br>Development | E-911<br>Debt       |
|--|----------------------|-------------------------------|--------------------------|---------------------|
| <b>ASSETS</b>                              |                      |                               |                          |                     |
| <b>Assets:</b>                             |                      |                               |                          |                     |
| Cash and cash equivalents                  | \$ 1,296,851         | \$ 332,934                    | \$ 20,117                | \$ 2,048,186        |
| Investments                                | 12,386,783           | -                             | -                        | -                   |
| Receivables -                              |                      |                               |                          |                     |
| Property taxes                             | 608,833              | -                             | -                        | -                   |
| Accounts and interest                      | 36,195               | 239,766                       | 1,281,681                | 1,812,202           |
| Due from other governmental units -        |                      |                               |                          |                     |
| Federal/State                              | 104,494              | 70,317                        | -                        | -                   |
| Local                                      | -                    | 50,497                        | -                        | -                   |
| Due from other funds                       | 100                  | -                             | -                        | -                   |
| Interfund receivables                      | -                    | 2,652,412                     | -                        | -                   |
| Inventory                                  | -                    | -                             | -                        | -                   |
| Advances to other funds                    | -                    | 7,500                         | -                        | -                   |
| Advances to component units                | 90,000               | -                             | -                        | -                   |
| Prepayments and deposits                   | 54,292               | 53,358                        | -                        | -                   |
| Restricted Assets -                        |                      |                               |                          |                     |
| Cash                                       | -                    | 116,825                       | -                        | -                   |
| Total Assets                               | <u>\$ 14,577,548</u> | <u>\$ 3,523,609</u>           | <u>\$ 1,301,798</u>      | <u>\$ 3,860,388</u> |
| <b>LIABILITIES AND FUND BALANCES</b>       |                      |                               |                          |                     |
| <b>Liabilities:</b>                        |                      |                               |                          |                     |
| Accounts payable                           | \$ 166,259           | \$ 1,439,211                  | \$ -                     | \$ -                |
| Accrued liabilities                        | 141,847              | 118,861                       | -                        | -                   |
| Due to other governmental units -          |                      |                               |                          |                     |
| Federal/State                              | 18,521               | 267,744                       | -                        | -                   |
| Local                                      | -                    | 288,692                       | -                        | -                   |
| Due to other funds                         | 15,594               | 18,309                        | -                        | -                   |
| Interfund payables                         | 2,600,000            | -                             | -                        | -                   |
| Advances from other funds                  | -                    | -                             | -                        | -                   |
| Deferred revenue                           | 11,237               | 81,727                        | 1,281,681                | 2,030,869           |
| Total Liabilities                          | <u>2,953,458</u>     | <u>2,214,544</u>              | <u>1,281,681</u>         | <u>2,030,869</u>    |
| <b>Fund Balances:</b>                      |                      |                               |                          |                     |
| Nonspendable -                             |                      |                               |                          |                     |
| Inventory                                  | -                    | -                             | -                        | -                   |
| Prepayments                                | 54,292               | 53,358                        | -                        | -                   |
| Advances                                   | 90,000               | 7,500                         | -                        | -                   |
| Restricted -                               |                      |                               |                          |                     |
| Acquisition/construction of capital assets | -                    | -                             | -                        | -                   |
| Debt Service                               | -                    | -                             | -                        | 1,829,519           |
| Health and Welfare                         | -                    | 116,825                       | 20,117                   | -                   |
| Public Safety                              | -                    | -                             | -                        | -                   |
| Other Purposes                             | 2,504,748            | -                             | -                        | -                   |
| Assigned                                   | 3,784,958            | 1,131,382                     | -                        | -                   |
| Unassigned                                 | 5,190,092            | -                             | -                        | -                   |
| Total Equity                               | <u>11,624,090</u>    | <u>1,309,065</u>              | <u>20,117</u>            | <u>1,829,519</u>    |
| Total Liabilities and Fund Equity          | <u>\$ 14,577,548</u> | <u>\$ 3,523,609</u>           | <u>\$ 1,301,798</u>      | <u>\$ 3,860,388</u> |

The accompanying notes are an integral part of these financial statements.

| <u>E-911<br/>Construction</u> | <u>Other<br/>Governmental<br/>Funds</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|-------------------------------|---|---|
| \$ 4,223,288                  | \$ 3,086,146                            | \$ 11,007,522                           |
| -                             | -                                       | 12,386,783                              |
| -                             | 597,454                                 | 1,206,287                               |
| -                             | 412,193                                 | 3,782,037                               |
| -                             | 726,168                                 | 900,979                                 |
| -                             | -                                       | 50,497                                  |
| -                             | -                                       | 100                                     |
| -                             | -                                       | 2,652,412                               |
| -                             | 1,251                                   | 1,251                                   |
| -                             | -                                       | 7,500                                   |
| -                             | -                                       | 90,000                                  |
| -                             | 5,528                                   | 113,178                                 |
| -                             | -                                       | 116,825                                 |
| <u>\$ 4,223,288</u>           | <u>\$ 4,828,740</u>                     | <u>\$ 32,315,371</u>                    |
| \$ -                          | \$ 201,020                              | \$ 1,806,490                            |
| -                             | 164,012                                 | 424,720                                 |
| -                             | 72,215                                  | 358,480                                 |
| -                             | -                                       | 288,692                                 |
| -                             | 43,173                                  | 77,076                                  |
| -                             | 52,412                                  | 2,652,412                               |
| -                             | 7,500                                   | 7,500                                   |
| -                             | 814,348                                 | 4,219,862                               |
| <u>-</u>                      | <u>1,354,680</u>                        | <u>9,835,232</u>                        |
| -                             | 1,251                                   | 1,251                                   |
| -                             | 5,528                                   | 113,178                                 |
| -                             | -                                       | 97,500                                  |
| 4,223,288                     | 698,062                                 | 4,921,350                               |
| -                             | 50,461                                  | 1,879,980                               |
| -                             | 144,133                                 | 281,075                                 |
| -                             | 1,022,351                               | 1,022,351                               |
| -                             | 522,670                                 | 3,027,418                               |
| -                             | 1,029,604                               | 5,945,944                               |
| -                             | -                                       | 5,190,092                               |
| <u>4,223,288</u>              | <u>3,474,060</u>                        | <u>22,480,139</u>                       |
| <u>\$ 4,223,288</u>           | <u>\$ 4,828,740</u>                     | <u>\$ 32,315,371</u>                    |

# LAPEER COUNTY, MICHIGAN

## RECONCILIATION OF FUND BALANCES ON THE BALANCE SHEET FOR GOVERNMENTAL FUNDS TO NET ASSETS OF GOVERNMENTAL ACTIVITIES ON THE STATEMENT OF NET ASSETS DECEMBER 31, 2011

|  |               |
|--|---------------|
| Fund Balances - total governmental funds | \$ 22,480,139 |
|--|---------------|

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 governmental funds.

|                          |               |
|--------------------------|---------------|
| Capital assets           | 42,445,688    |
| Accumulated depreciation | ( 18,390,485) |

Other long-term assets are not available to pay for current period  
expenditures and, therefore, are deferred in the governmental funds.

|                             |           |
|-----------------------------|-----------|
| Housing rehabilitation loan | 1,281,681 |
| Other                       | 106,657   |

Discounts and premiums on bonds are reported as other financing uses or sources  
in the governmental funds, whereas they are capitalized and amortized from net  
assets (and netted against bonds payable)

|               |            |
|---------------|------------|
| Bond premiums | ( 232,759) |
|---------------|------------|

Deferred charges for bond issuance costs are currently expended in the governmental  
funds, whereas they are capitalized and amortized from net assets (and netted against  
bonds payable)

85,622

Losses on refunding are not reported in the governmental funds, whereas they are  
capitalized and amortized from net assets (and netted against bonds payable)

41,792

Internal Service Funds used by management to charge cost of  
health, unemployment and worker's compensation expenses and claims,  
and retirement contributions, post-employment health care and  
capital acquisition and replacement. The assets and liabilities of the  
internal service funds are included in governmental activities in the  
statement of net assets.

5,663,005

Long-term liabilities, including bonds payable, are not due and payable  
in the current period and therefore are not reported in the governmental funds.

|   |               |
|---|---------------|
| Accrued compensated absences            | ( 482,176)    |
| Bonds payable                           | ( 14,995,000) |
| Insurance claims payable                | ( 77,000)     |
| Accrued interest on bonds/notes payable | ( 135,958)    |

|                                       |                      |
|---------------------------------------|----------------------|
| Net Assets of governmental activities | <u>\$ 37,791,206</u> |
|---------------------------------------|----------------------|

The accompanying notes are an integral part of these financial statements.

# LAPEER COUNTY, MICHIGAN

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

### GOVERNMENTAL FUNDS

**FOR THE YEAR ENDED DECEMBER 31, 2011**

|   | General              | Community<br>Mental<br>Health | Community<br>Development | E-911<br>Debt       |
|---|----------------------|-------------------------------|--------------------------|---------------------|
| <b>Revenues:</b>                                |                      |                               |                          |                     |
| Taxes   | \$ 9,729,526         | \$ -                          | \$ -                     | \$ 2,134,913        |
| Licenses and permits                            | 26,990               | -                             | -                        | -                   |
| Intergovernmental                               | 2,795,363            | 1,804,710                     | 109,994                  | -                   |
| Charges for services                            | 2,133,293            | 13,640,135                    | 37,845                   | -                   |
| Fines and forfeits                              | 241,189              | -                             | -                        | -                   |
| Rents and royalties                             | 15,884               | -                             | -                        | -                   |
| Interest  | 549,646              | 11,099                        | -                        | -                   |
| Other   | 2,957,892            | 238,208                       | -                        | -                   |
| Total Revenues                                  | <u>18,449,783</u>    | <u>15,694,152</u>             | <u>147,839</u>           | <u>2,134,913</u>    |
| <b>Expenditures:</b>                            |                      |                               |                          |                     |
| Current -                                       |                      |                               |                          |                     |
| Legislative                                     | 261,095              | -                             | -                        | -                   |
| Judicial  | 3,504,248            | -                             | -                        | -                   |
| General Government                              | 4,820,982            | -                             | -                        | -                   |
| Public Safety                                   | 5,668,884            | -                             | -                        | -                   |
| Public Works                                    | 278,040              | -                             | 119,628                  | -                   |
| Health and Welfare                              | 183,878              | 16,127,820                    | 33,560                   | -                   |
| Recreation and Cultural                         | 226,735              | -                             | -                        | -                   |
| Other Activities                                | 414,047              | -                             | -                        | -                   |
| Capital Outlay                                  | -                    | -                             | -                        | -                   |
| Debt Service -                                  |                      |                               |                          |                     |
| Principal                                       | -                    | -                             | -                        | -                   |
| Interest  | -                    | -                             | -                        | 226,688             |
| Bond issuance costs                             | -                    | -                             | -                        | 78,706              |
| Total Expenditures                              | <u>15,357,909</u>    | <u>16,127,820</u>             | <u>153,188</u>           | <u>305,394</u>      |
| Revenues over (under) expenditures              | <u>3,091,874</u>     | <u>( 433,668)</u>             | <u>( 5,349)</u>          | <u>1,829,519</u>    |
| <b>Other Financing Sources (Uses):</b>          |                      |                               |                          |                     |
| Bond proceeds                                   | -                    | -                             | -                        | -                   |
| Premium on bonds                                | -                    | -                             | -                        | -                   |
| Transfers in                                    | 9,518                | 200,000                       | -                        | -                   |
| Transfers out                                   | ( 2,102,474)         | -                             | -                        | -                   |
| Total Other Financing Sources (Uses)            | <u>( 2,092,956)</u>  | <u>200,000</u>                | <u>-</u>                 | <u>-</u>            |
| Net Change in Fund Balances                     | 998,918              | ( 233,668)                    | ( 5,349)                 | 1,829,519           |
| Fund Balances at beginning of year, as restated | <u>10,625,172</u>    | <u>1,542,733</u>              | <u>25,466</u>            | <u>-</u>            |
| Fund Balances at end of year                    | <u>\$ 11,624,090</u> | <u>\$ 1,309,065</u>           | <u>\$ 20,117</u>         | <u>\$ 1,829,519</u> |

The accompanying notes are an integral part of these financial statements.

| <u>E-911<br/>Construction</u> | <u>Other<br/>Governmental<br/>Fund</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|-------------------------------|--|---|
| \$ -                          | \$ 1,815,879                           | \$ 13,680,318                           |
| -                             | 458,794                                | 485,784                                 |
| -                             | 4,140,643                              | 8,850,710                               |
| -                             | 1,876,821                              | 17,688,094                              |
| -                             | 110,453                                | 351,642                                 |
| -                             | 195,632                                | 211,516                                 |
| -                             | 4,031                                  | 564,776                                 |
| 298,297                       | 374,287                                | 3,868,684                               |
| <u>298,297</u>                | <u>8,976,540</u>                       | <u>45,701,524</u>                       |

|                      |                     |                     |
|----------------------|---------------------|---------------------|
| -                    | -                   | 261,095             |
| -                    | 1,281,085           | 4,785,333           |
| -                    | 72,636              | 4,893,618           |
| -                    | 4,254,026           | 9,922,910           |
| -                    | -                   | 397,668             |
| -                    | 5,297,716           | 21,642,974          |
| -                    | 187,455             | 414,190             |
| -                    | -                   | 414,047             |
| 10,770,765           | 2,158               | 10,772,923          |
| -                    | 145,000             | 145,000             |
| -                    | 29,625              | 256,313             |
| -                    | -                   | 78,706              |
| <u>10,770,765</u>    | <u>11,269,701</u>   | <u>53,984,777</u>   |
| <u>( 10,472,468)</u> | <u>( 2,293,161)</u> | <u>( 8,283,253)</u> |

|                     |                     |                      |
|---------------------|---------------------|----------------------|
| 14,475,000          | -                   | 14,475,000           |
| 220,756             | -                   | 220,756              |
| -                   | 2,538,523           | 2,748,041            |
| -                   | ( 659,518)          | ( 2,761,992)         |
| <u>14,695,756</u>   | <u>1,879,005</u>    | <u>14,681,805</u>    |
| 4,223,288           | ( 414,156)          | 6,398,552            |
| -                   | 3,888,216           | 16,081,587           |
| <u>\$ 4,223,288</u> | <u>\$ 3,474,060</u> | <u>\$ 22,480,139</u> |



# LAPEER COUNTY, MICHIGAN

## RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2011

|  |    |                  |
|--|----|------------------|
| Net change in fund balances - total governmental funds   | \$ | 6,398,552        |
| <p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>  |    |                  |
| Capital outlay   |    | 11,038,131       |
| Depreciation expense   | (  | 830,910)         |
| <p>Revenue in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>   |    |                  |
|  |    | 30,999           |
| <p>The issuance of long-term debt (e.g. bonds and notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.</p>                                  |    |                  |
| Principal payments on long-term liabilities  |    | 145,000          |
| Bond proceeds  | (  | 14,475,000)      |
| Bond issue costs   |    | 78,706           |
| Bond premium   | (  | 220,756)         |
| <p>Accrued interest expense on bonds and the amortization of bond issuance costs, discounts, premiums and deferred losses are not recorded by governmental funds, but are reported under interest and fiscal charges for the purpose of net assets:</p>  |    |                  |
| Accrued interest payable   | (  | 130,416)         |
| Amortization of bond issuance costs  | (  | 12,799)          |
| Amortization of premium on bonds   |    | 33,435           |
| Amortization of deferred loss on refunding   | (  | 13,931)          |
| <p>Internal Service Funds used by management to charge costs of healthcare, unemployment and worker's compensation expenses and claims, retirement contributions, post-employment health care and capital acquisition and replacement. The net revenues (expenses) attributable to those funds is reported with governmental activities.</p> |    |                  |
|  | (  | 545,575)         |
| <p>Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.</p>   |    |                  |
| Decrease in compensated absences   |    | 13,589           |
| Decrease in accrued insurance claims payable   |    | 18,000           |
| Change in net assets of governmental activities  | \$ | <u>1,527,025</u> |

The accompanying notes are an integral part of these financial statements.

# LAPEER COUNTY, MICHIGAN

## STATEMENT OF NET ASSETS PROPRIETARY FUNDS DECEMBER 31, 2011

|  | Business Type Activities-Enterprise Funds |                   |               | Governmental<br>Activities  |
|--|---|-------------------|---------------|-----------------------------|
|  | Medical<br>Care<br>Facility               | Delinquent<br>Tax | Total         | Internal<br>Service<br>Fund |
| <b>ASSETS:</b>   |   |                   |               |                             |
| <b>Current Assets:</b>   |   |                   |               |                             |
| Cash and cash equivalents  | \$ 281,456                                | \$ 12,998,678     | \$ 13,280,134 | \$ 3,460,295                |
| Investments  | 18,041                                    | -                 | 18,041        | -                           |
| Accounts receivable-   |   |                   |               |                             |
| Current and delinquent taxes                                     | 788,740                                   | 3,755,959         | 4,544,699     | -                           |
| Accounts (net of allowance for<br>doubtful accounts)             | 1,621,721                                 | -                 | 1,621,721     | 7,156                       |
| Accrued interest   | 360                                       | 687,235           | 687,595       | -                           |
| Due from other governmental units                                | 159,146                                   | -                 | 159,146       | -                           |
| Deposit with agent   | -   | -                 | -             | 8,000                       |
| Inventories  | 118,123                                   | -                 | 118,123       | -                           |
| Prepaid items  | 139,962                                   | -                 | 139,962       | 84,135                      |
| Due from other funds   | -   | -                 | -             | 50,092                      |
| Due from component unit  | -   | 16,750            | 16,750        | -                           |
| Restricted Assets -  |   |                   |               |                             |
| Cash and cash equivalents  | 125,370                                   | -                 | 125,370       | -                           |
| Total Current Assets   | 3,252,919                                 | 17,458,622        | 20,711,541    | 3,609,678                   |
| <b>Capital Assets:</b>   |   |                   |               |                             |
| Property, plant and equipment<br>net of accumulated depreciation | 16,297,243                                | 30,470            | 16,327,713    | 2,435,029                   |
| Total Assets   | 19,550,162                                | 17,489,092        | 37,039,254    | 6,044,707                   |
| <b>LIABILITIES:</b>  |   |                   |               |                             |
| <b>Current Liabilities:</b>                                      |   |                   |               |                             |
| Accounts payable   | 521,775                                   | 244               | 522,019       | 275,702                     |
| Accrued liabilities  | 547,833                                   | 913               | 548,746       | -                           |
| Due to other governmental units -                                |   |                   |               |                             |
| Federal/State  | 201,891                                   | -                 | 201,891       | -                           |
| Local  | -   | 45,633            | 45,633        | -                           |
| Due to other funds   | -   | 74                | 74            | -                           |
| Current portion of-  |   |                   |               |                             |
| Worker's compensation claims                                     | 150,000                                   | -                 | 150,000       | 85,000                      |
| Accrued vacation and sick  | 142,655                                   | -                 | 142,655       | -                           |
| Liabilities payable from restricted assets -                     |   |                   |               |                             |
| Patient trust liability  | 42,280                                    | -                 | 42,280        | -                           |
| Patient deposits   | 83,090                                    | -                 | 83,090        | -                           |
| Total Current Liabilities  | 1,689,524                                 | 46,864            | 1,736,388     | 360,702                     |

Continued

# LAPEER COUNTY, MICHIGAN

## STATEMENT OF NET ASSETS PROPRIETARY FUNDS DECEMBER 31, 2011

|   | Business Type Activities-Enterprise Funds |                      |                      | Governmental<br>Activities  |
|---|---|----------------------|----------------------|-----------------------------|
|   | Medical<br>Care<br>Facility               | Delinquent<br>Tax    | Total                | Internal<br>Service<br>Fund |
| <b>Long-Term Liabilities (less current portions):</b> |   |                      |                      |                             |
| Accrued vacation and sick                             | \$ 142,654                                | \$ -                 | \$ 142,654           | \$ -                        |
| Accrued workers' compensation claims                  | 230,623                                   | -                    | 230,623              | 21,000                      |
| Total Long-Term Liabilities                           | <u>373,277</u>                            | <u>-</u>             | <u>373,277</u>       | <u>21,000</u>               |
| Total Liabilities                                     | <u>2,062,801</u>                          | <u>46,864</u>        | <u>2,109,665</u>     | <u>381,702</u>              |
| <b>NET ASSETS:</b>                                    |   |                      |                      |                             |
| Invested in capital assets, net of related debt       | 16,297,243                                | 30,470               | 16,327,713           | 2,435,029                   |
| Restricted -  |   |                      |                      |                             |
| Foreclosure sales                                     | -   | 1,421,146            | 1,421,146            | -                           |
| Unrestricted  | <u>1,190,118</u>                          | <u>15,990,612</u>    | <u>17,180,730</u>    | <u>3,227,976</u>            |
| Total Net Assets                                      | <u>\$ 17,487,361</u>                      | <u>\$ 17,442,228</u> | <u>\$ 34,929,589</u> | <u>\$ 5,663,005</u>         |

Concluded

The accompanying notes are an integral part of these financial statements.

# LAPEER COUNTY, MICHIGAN

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS PROPRIETARY FUNDS FOR THE YEAR ENDED DECEMBER 31, 2011

|   | Business Type Activities-Enterprise Funds |                      |                      | Governmental<br>Activities   |
|---|---|----------------------|----------------------|------------------------------|
|   | Medical<br>Care<br>Facility               | Delinquent<br>Tax    | Total                | Internal<br>Service<br>Funds |
| <b>Operating Revenues:</b>                |   |                      |                      |                              |
| Charges for services                      | \$ 19,668,170                             | \$ 469,961           | \$ 20,138,131        | \$ 6,154,481                 |
| Interest on taxes                         | -   | 907,192              | 907,192              | -                            |
| Fees and penalties on delinquent taxes    | -   | 266,135              | 266,135              | -                            |
| Other                                     | 54,126                                    | -                    | 54,126               | -                            |
| Total Operating Revenues                  | <u>19,722,296</u>                         | <u>1,643,288</u>     | <u>21,365,584</u>    | <u>6,154,481</u>             |
| <b>Operating Expenses:</b>                |   |                      |                      |                              |
| Administrative and general                | 3,461,090                                 | 129,288              | 3,590,378            | 409,370                      |
| Maintenance                               | 1,457,033                                 | -                    | 1,457,033            | -                            |
| Nursing                                   | 9,378,983                                 | -                    | 9,378,983            | -                            |
| Daycare                                   | 322,438                                   | -                    | 322,438              | -                            |
| Other services                            | 5,754,247                                 | 98,107               | 5,852,354            | -                            |
| Insurance and claims                      | -   | -                    | -                    | 3,645,984                    |
| Retirement contributions                  | -   | -                    | -                    | 2,441,959                    |
| Depreciation and amortization             | 813,708                                   | 3,465                | 817,173              | 392,972                      |
| Total Operating Expenses                  | <u>21,187,499</u>                         | <u>230,860</u>       | <u>21,418,359</u>    | <u>6,890,285</u>             |
| Operating Income (Loss)                   | <u>( 1,465,203)</u>                       | <u>1,412,428</u>     | <u>( 52,775)</u>     | <u>( 735,804)</u>            |
| <b>Non-Operating Revenues (Expenses):</b> |   |                      |                      |                              |
| Donations                                 | 30,973                                    | -                    | 30,973               | -                            |
| Property taxes                            | 909,353                                   | -                    | 909,353              | -                            |
| Interest on investments                   | 6,140                                     | 22,002               | 28,142               | 2,380                        |
| Maintenance of effort                     | ( 538,974)                                | -                    | ( 538,974)           | -                            |
| Gain on sale of assets                    | 1,251                                     | -                    | 1,251                | 167,674                      |
| Total Non-Operating Revenues (Expenses)   | <u>408,743</u>                            | <u>22,002</u>        | <u>430,745</u>       | <u>170,054</u>               |
| Net Income (Loss) Before Transfers        | <u>( 1,056,460)</u>                       | <u>1,434,430</u>     | <u>377,970</u>       | <u>( 565,750)</u>            |
| <b>Transfers:</b>                         |   |                      |                      |                              |
| Transfers in                              | -   | -                    | -                    | 220,175                      |
| Transfers out                             | -   | -                    | -                    | ( 200,000)                   |
| Total Transfers                           | <u>-</u>                                  | <u>-</u>             | <u>-</u>             | <u>20,175</u>                |
| Change in Net Assets                      | <u>( 1,056,460)</u>                       | <u>1,434,430</u>     | <u>377,970</u>       | <u>( 545,575)</u>            |
| Net Assets at beginning of year           | <u>18,543,821</u>                         | <u>16,007,798</u>    | <u>34,551,619</u>    | <u>6,208,580</u>             |
| Net Assets end of year                    | <u>\$ 17,487,361</u>                      | <u>\$ 17,442,228</u> | <u>\$ 34,929,589</u> | <u>\$ 5,663,005</u>          |

The accompanying notes are an integral part of these financial statements.

# LAPEER COUNTY, MICHIGAN

## STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE YEAR ENDED DECEMBER 31, 2011

|  | Business Type Activities-Enterprise Funds |                      |                      | Governmental<br>Activities   |
|--|---|----------------------|----------------------|------------------------------|
|  | Medical<br>Care<br>Facility               | Delinquent<br>Tax    | Total                | Internal<br>Service<br>Funds |
| <b>Cash Flows From Operating Activities:</b>                               |   |                      |                      |                              |
| Cash receipts from customers   | \$ 19,708,135                             | \$ 7,960,660         | \$ 27,668,795        | \$ 6,134,101                 |
| Cash payments to employees   | ( 11,382,066)                             | -                    | ( 11,382,066)        | -                            |
| Cash payments to suppliers   | ( 10,425,557)                             | ( 7,275,614)         | ( 17,701,171)        | ( 6,373,568)                 |
| Other cash receipts  | 54,126                                    | -                    | 54,126               | -                            |
| Net Cash Provided by (Used in) Operating Activities                        | ( 2,045,362)                              | 685,046              | ( 1,360,316)         | ( 239,467)                   |
| <b>Cash Flows From Noncapital Financing Activities:</b>                    |   |                      |                      |                              |
| Patient trust deposits   | ( 4,232)                                  | -                    | ( 4,232)             | -                            |
| Interfund transfers  | -   | -                    | -                    | 20,175                       |
| Net Cash Provided by (Used in) Noncapital Financing Activities             | ( 4,232)                                  | -                    | ( 4,232)             | 20,175                       |
| <b>Cash Flows From Capital and Related<br/>Financing Activities:</b>       |   |                      |                      |                              |
| Property taxes and contributions   | 967,680                                   | -                    | 967,680              | -                            |
| Good faith deposit released  | -   | -                    | -                    | ( 25,000)                    |
| Acquisition of capital assets  | ( 2,320,558)                              | ( 27,485)            | ( 2,348,043)         | ( 212,608)                   |
| Proceeds from sale of capital assets                                       | 1,251                                     | -                    | 1,251                | 265,741                      |
| Net Cash Provided by (Used in) Capital and Related<br>Financing Activities | ( 1,351,627)                              | ( 27,485)            | ( 1,379,112)         | 28,133                       |
| <b>Cash Flows From Investing Activities:</b>                               |   |                      |                      |                              |
| Sale of investments  | 312,566                                   | 2,970,431            | 3,282,997            | -                            |
| Interest earned  | 7,701                                     | 22,002               | 29,703               | 2,380                        |
| Net Cash Provided by Investing Activities                                  | 320,267                                   | 2,992,433            | 3,312,700            | 2,380                        |
| Net Increase (Decrease) in cash and cash equivalents                       | ( 3,080,954)                              | 3,649,994            | 569,040              | ( 188,779)                   |
| Cash and cash equivalents at beginning of year                             | 3,487,780                                 | 9,348,684            | 12,836,464           | 3,649,074                    |
| Cash and cash equivalents at end of year                                   | <u>\$ 406,826</u>                         | <u>\$ 12,998,678</u> | <u>\$ 13,405,504</u> | <u>\$ 3,460,295</u>          |
| <b>Statement of Net Assets -</b>   |   |                      |                      |                              |
| Cash and Cash Equivalent -   |   |                      |                      |                              |
| Current assets   | 281,456                                   | 12,998,678           | 13,280,134           | 3,460,295                    |
| Restricted assets  | 125,370                                   | -                    | 125,370              | -                            |
| Cash and cash equivalents at end of year                                   | <u>\$ 406,826</u>                         | <u>\$ 12,998,678</u> | <u>\$ 13,405,504</u> | <u>\$ 3,460,295</u>          |

Continued

**LAPEER COUNTY, MICHIGAN**

**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

|   | Business Type Activities-Enterprise Funds |                   |                       | Governmental<br>Activities   |
|---|---|-------------------|-----------------------|------------------------------|
|   | Medical<br>Care<br>Facility               | Delinquent<br>Tax | Total                 | Internal<br>Service<br>Funds |
| <b>Reconciliation of Operating Income (Loss) to</b>         |   |                   |                       |                              |
| <b>Net Cash Provided by (Used in) Operating Activities:</b> |   |                   |                       |                              |
| Operating income (loss) for the year                        | \$( 1,465,203)                            | \$ 1,412,428      | \$( 52,775)           | \$( 735,804)                 |
| Adjustments to reconcile operating income (loss)            |   |                   |                       |                              |
| to net cash provided by (used in) operating activities -    |   |                   |                       |                              |
| Depreciation and amortization                               | 813,708                                   | 3,465             | 817,173               | 392,972                      |
| Maintenance of effort                                       | ( 538,974)                                | -                 | ( 538,974)            | -                            |
| Change in assets and liabilities-                           |   |                   |                       |                              |
| (Increase) decrease in -                                    |   |                   |                       |                              |
| Receivables   | 199,111                                   | ( 615,848)        | ( 416,737)            | ( 7,150)                     |
| Due from other governmental units                           | ( 159,146)                                | -                 | ( 159,146)            | -                            |
| Due from other funds  | -   | 4,194             | 4,194                 | ( 13,230)                    |
| Due from component unit                                     | -   | 6                 | 6                     | -                            |
| Prepaid and deposits  | ( 11,156)                                 | -                 | ( 11,156)             | 302,012                      |
| Inventory   | 20,856                                    | -                 | 20,856                | -                            |
| Increase (decrease) in-                                     |   |                   |                       |                              |
| Accounts payable  | ( 1,125,981)                              | ( 2,215)          | ( 1,128,196)          | ( 74,267)                    |
| Accrued liabilities   | 309,914                                   | 913               | 310,827               | ( 104,000)                   |
| Due to other funds  | -   | 74                | 74                    | -                            |
| Due to component unit                                       | -   | ( 80,714)         | ( 80,714)             | -                            |
| Due to other governmental units                             | ( 88,491)                                 | ( 37,257)         | ( 125,748)            | -                            |
| Net Cash Provided By (Used in) Operating Activities         | <u>\$( 2,045,362)</u>                     | <u>\$ 685,046</u> | <u>\$( 1,360,316)</u> | <u>\$( 239,467)</u>          |

Concluded

The accompanying notes are an integral part of these financial statements.

**LAPEER COUNTY, MICHIGAN**

**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
AGENCY FUNDS  
DECEMBER 31, 2011**

**ASSETS:**

|                           |              |
|---------------------------|--------------|
| Cash and cash equivalents | \$ 1,881,425 |
|---------------------------|--------------|

**LIABILITIES:**

|                                 |            |
|---------------------------------|------------|
| Due to individuals and agencies | \$ 643,191 |
|---------------------------------|------------|

|                                 |           |
|---------------------------------|-----------|
| Due to other governmental units | 1,238,234 |
|---------------------------------|-----------|

|                   |              |
|-------------------|--------------|
| Total Liabilities | \$ 1,881,425 |
|-------------------|--------------|

The accompanying notes are an integral part of these financial statements.

## **COMPONENT UNITS**



# LAPEER COUNTY, MICHIGAN

## COMBINING STATEMENT OF NET ASSETS DISCRETELY PRESENTED COMPONENT UNITS DECEMBER 31, 2011

|   | Road<br>Commission | Board<br>of Public<br>Works | Drainage<br>Districts | Land<br>Bank | Totals        |
|---|--------------------|-----------------------------|-----------------------|--------------|---------------|
| <b>ASSETS</b>   |                    |                             |                       |              |               |
| Cash and cash equivalents                                 | \$ 2,903,077       | \$ -                        | \$ 2,746,711          | \$ 42,151    | \$ 5,691,939  |
| Investments   | -                  | -                           | 1,170,251             | -            | 1,170,251     |
| Receivables   | 2,012,145          | 102,250                     | 3,071,235             | -            | 5,185,630     |
| Due from other component units                            | -                  | -                           | 3,096                 | -            | 3,096         |
| Inventories   | 718,722            | -                           | -                     | 70,900       | 789,622       |
| Prepayments and deposits                                  | 78,987             | -                           | 170,617               | -            | 249,604       |
| Restricted Assets - Receivables                           | -                  | 4,279,118                   | -                     | -            | 4,279,118     |
| Capital Assets (net of accumulated depreciation)          |                    |                             |                       |              |               |
| Assets not being depreciated                              | 40,813,381         | -                           | 4,003,481             | -            | 44,816,862    |
| Assets being depreciated                                  | 30,560,122         | -                           | 11,424,667            | -            | 41,984,789    |
| Total Assets  | 77,086,434         | 4,381,368                   | 22,590,058            | 113,051      | 104,170,911   |
| <b>LIABILITIES</b>  |                    |                             |                       |              |               |
| Payables and accrued liabilities                          | 759,103            | -                           | 86,988                | -            | 846,091       |
| Accrued interest  | 546                | 22,439                      | 733                   | -            | 23,718        |
| Advances and deposits                                     | 267,043            | -                           | -                     | -            | 267,043       |
| Due to other governmental units                           | 225                | -                           | -                     | -            | 225           |
| Due to primary government                                 | -                  | -                           | -                     | 16,750       | 16,750        |
| Due to other component units                              | -                  | 3,096                       | -                     | -            | 3,096         |
| Advance from primary government                           | -                  | -                           | 90,000                | -            | 90,000        |
| Non-current liabilities -                                 |                    |                             |                       |              |               |
| Net OPEB Obligation                                       | 3,016,308          | -                           | -                     | -            | 3,016,308     |
| Due within one year                                       | 80,000             | 378,237                     | 289,660               | -            | 747,897       |
| Due in more than one year                                 | 167,334            | 3,977,596                   | 2,532,485             | -            | 6,677,415     |
| Total Liabilities   | 4,290,559          | 4,381,368                   | 2,999,866             | 16,750       | 11,688,543    |
| <b>NET ASSETS</b>   |                    |                             |                       |              |               |
| Invested in capital assets,<br>net of related liabilities | 71,373,503         | -                           | 12,606,003            | -            | 83,979,506    |
| Restricted for -  |                    |                             |                       |              |               |
| Debt service  | -                  | -                           | 1,635,545             | -            | 1,635,545     |
| Capital projects  | -                  | -                           | 1,840,439             | -            | 1,840,439     |
| Unrestricted  | 1,422,372          | -                           | 3,508,205             | 96,301       | 5,026,878     |
| Total Net Assets  | \$ 72,795,875      | \$ -                        | \$ 19,590,192         | \$ 96,301    | \$ 92,482,368 |

The accompanying notes are an integral part of these financial statements.

# LAPEER COUNTY, MICHIGAN

## COMBINING STATEMENT OF ACTIVITIES DISCRETELY PRESENTED COMPONENT UNITS FOR THE YEAR ENDED DECEMBER 31, 2011

|                                    | Road<br>Commission          | Board of<br>Public<br>Works | Drainage<br>Districts       | Land<br>Bank            | Total                       |
|------------------------------------|-----------------------------|-----------------------------|-----------------------------|-------------------------|-----------------------------|
| <b>Expenses:</b>                   |                             |                             |                             |                         |                             |
| General Government                 | \$ -                        | \$ -                        | \$ -                        | \$ 34,165               | \$ 34,165                   |
| Public Works                       | -                           | 159,627                     | 1,133,143                   | -                       | 1,292,770                   |
| Highways and Streets               | 11,384,189                  | -                           | -                           | -                       | 11,384,189                  |
| Total Expenses                     | <u>11,384,189</u>           | <u>159,627</u>              | <u>1,133,143</u>            | <u>34,165</u>           | <u>12,711,124</u>           |
| <b>Program revenues:</b>           |                             |                             |                             |                         |                             |
| Charges for services               | 1,773,660                   | -                           | 175,989                     | 9,738                   | 1,959,387                   |
| Operating grants and contributions | 9,413,951                   | -                           | 39,145                      | -                       | 9,453,096                   |
| Capital grants and contributions   | 315,399                     | 158,419                     | 411,063                     | -                       | 884,881                     |
| Total Program Revenues             | <u>11,503,010</u>           | <u>158,419</u>              | <u>626,197</u>              | <u>9,738</u>            | <u>12,297,364</u>           |
| Net program revenue (expense)      | <u>118,821</u>              | <u>( 1,208)</u>             | <u>( 506,946)</u>           | <u>( 24,427)</u>        | <u>( 413,760)</u>           |
| <b>General Revenues:</b>           |                             |                             |                             |                         |                             |
| Unrestricted investment income     | 10,601                      | 1,208                       | 28,925                      | 49                      | 40,783                      |
| Gain on sale of capital assets     | 2,478                       | -                           | -                           | -                       | 2,478                       |
| Total General Revenues             | <u>13,079</u>               | <u>1,208</u>                | <u>28,925</u>               | <u>49</u>               | <u>43,261</u>               |
| Change in Net Assets               | 131,900                     | -                           | ( 478,021)                  | ( 24,378)               | ( 370,499)                  |
| Net Assets, beginning of year      | <u>72,663,975</u>           | <u>-</u>                    | <u>20,068,213</u>           | <u>120,679</u>          | <u>92,852,867</u>           |
| Net Assets, end of year            | <u><u>\$ 72,795,875</u></u> | <u><u>\$ -</u></u>          | <u><u>\$ 19,590,192</u></u> | <u><u>\$ 96,301</u></u> | <u><u>\$ 92,482,368</u></u> |

The accompanying notes are an integral part of these financial statements.

## **LAPEER COUNTY, MICHIGAN**

### **NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2011**

#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

##### **A. Reporting Entity -**

The County of Lapeer, Michigan, was organized in 1837 and covers an area of approximately 666 square miles with the County seat located in the City of Lapeer, Michigan. The County operates under an elected Board of Commissioners (seven members) and provides services to approximately 88,000 residents in many areas; including law enforcement, administration of justice, community enrichment and development, public works, health and welfare, and recreation and culture.

These financial statements present the County and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the County.

##### **BLENDED COMPONENT UNIT -**

**LAPEER COUNTY BUILDING AUTHORITY** is governed by a three (3) member Board appointed by the County Board of Commissioners. Although it is legally separate from the County, the Lapeer County Building Authority is reported as if it were part of the primary government because its sole purpose is to finance and construct the County's public buildings. Separate financial statements for the Authority are not published.

##### **DISCRETELY PRESENTED COMPONENT UNITS -**

**LAPEER COUNTY ROAD COMMISSION** maintains local, state and federal trunklines within Lapeer County. The Road Commission operations are financed primarily from the State distribution of gas and weight taxes, federal financial assistance and contributions from other local governmental units within the County. The three (3) member Board of Road Commissioners are elected by Lapeer County residents through a general election. The Road Commission is financially accountable to the County for the following reasons: All general long-term debt issuances excluding capital lease purchase agreements require County authorization. In addition, the County must approve the annual budget appropriating the salaries and fringe benefits of the members of the Board of County Road Commissioners.

**LAPEER COUNTY BOARD OF PUBLIC WORKS (BPW)** is administrated by the Drain Commissioner as appointed by the County Board of Commissioners. The BPW Board establishes policy and reviews operations of the BPW for the County Board of Commissioners. The BPW has the responsibility of administering the various public works construction projects and the associated debt service funds under the provision of Act 185 P.A. 1957, as amended. The Board of Public Works is financially accountable to the County because all general obligation bond issuances require County authorization and are backed by the full faith and credit of the County.

## **LAPEER COUNTY, MICHIGAN**

### **NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2011**

#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (cont'd):**

**LAPEER COUNTY DRAINAGE DISTRICTS** established pursuant to Act 40, P.A. 1956, as amended, of the Michigan Drain Code and are under the administration of the Lapeer County Drain Commissioner. The statutory Intercounty Drainage Board consists of the State Director of Agriculture and the Drain Commissioners of each County involved in the projects. Each of the drainage districts are separate legal entities. The Drainage Board or Drain Commissioner, on behalf of the drainage district, may issue debt and levy special assessments authorized by the Drain Code without the prior approval of the County Board of Commissioners. The full faith and credit of the County may be given for the debt of the drainage district upon authorization of the County Board of Commissioners. The Drain Commission and all operations for the Drain Commission office are budgeted and reported as part of the County General Fund, except for maintenance and construction of individual drains, which is accounted for through the various drain funds. Maintenance and construction of individual drains are assessed to the benefited property owner.

**LAPEER COUNTY LAND BANK AUTHORITY** established pursuant to the Michigan Land Bank Fast Track Public Act 258 and an Intergovernmental Agreement entered into between the Michigan Land Bank Fast Track Authority and the Lapeer County Treasurer. The Land Bank Authority is governed by a five-member board including the Lapeer County Treasurer, who is, by law, its Chairperson, and four other members appointed by the Lapeer County Board of Commissioners. The Land Bank Authority was created to acquire, hold, manage and develop tax-foreclosed properties, as well as other vacant and abandoned properties. The County Board of Commissioners can significantly influence the operations of the Land Bank Authority.

**COMPONENT UNIT FINANCIAL STATEMENTS** - Complete financial statements of the Lapeer County Road Commission and Lapeer County Land Bank Authority, which are audited separately, may be obtained from the entity's administration office at the following locations:

Lapeer County Road Commission  
820 Davis Lake Road  
Lapeer, Michigan 48446

Lapeer County Land Bank Authority  
255 Clay Street 3<sup>rd</sup> Floor Room 302  
Lapeer, Michigan 48446

The funds associated with the activities of the public works projects administered by the Lapeer County BPW and the drainage districts administered by the Lapeer County Drain Commissioner are included within the scope of the audit of the basic financial statements. Separate audited financial statements for these component units were not issued.

# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2011

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (cont'd):

**FISCAL YEAR ENDS** - All of the County Funds and Component Units operate and are reported on a December 31 year end, with the exception of the Road Commission, Community Mental Health, Health Department, Personal Care Aide Program, Community Grants, Law Enforcement, Thumb Narcotics Unit, Department of Human Services, Multi-Purpose Collaborative Body and Child Care funds, which operate and are reported as of September 30.

#### **B. Government-wide and fund financial statements -**

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) 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 is 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, and fiduciary funds, even though the latter 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.

#### **C. 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. (Agency funds, a type of fiduciary fund, are unlike all other types of funds, reporting only assets and liabilities. Agency funds do not have a measurement focus. They do, however, use the accrual basis of accounting to recognize receivables and payables). Revenues are 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.

# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2011

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (cont'd):

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are 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 normally collected within 60 days of the end of the current fiscal period except for reimbursement grants, which are recognized if collected within 90 days. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

State shared revenues, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and therefore have been recognized as revenues of the current fiscal period. Property taxes are recognized as revenue in the year for which they are levied. Also, only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The County reports the following major governmental funds:

**General Fund** - is the County's primary operating fund. It accounts for all financial resources of the primary government not accounted for and reported in another fund.

**Community Mental Health Fund** - is used to account for the operations of providing specialized mental health services. Financing is provided by State Public Act 258, federal grants, charges for services and General Fund appropriations.

**Community Development** - is used to account for programs which benefit the members of the community. The funding is primarily federal grants for qualified housing renovations and a community development infrastructure project and permit fees.

**E-911 Debt Fund** - is used to account for the accumulation of resources for and the payment of principal, interest and related costs of the bonded debt associated with the E-911 Central Dispatch System.

**E-911 Construction Fund**- is used to account for and report the restricted bond proceeds and other financial resources that are restricted, committed, or assigned to expenditures for the construction and equipping of a new E-911 Central Dispatch Facility.

The County reports the following major proprietary funds:

**Medical Care Facility** - is used to account for the operations of the County-owned Long-Term Care Facility.

**Delinquent Tax Fund** - is used to account for the County's annual purchase of delinquent real property taxes from each of the local taxing units within the County and the ultimate collection from the property owners of the delinquent taxes with penalties and interest. Also the fund is used to account for the activity related to property foreclosures.

# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2011

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (cont'd):

Additionally, the County reports the following fund types:

#### **Governmental Fund Types -**

**Special Revenue Funds** - are used to account for the proceeds of specific revenue sources that are restricted, committed or assigned to expenditures for specified purposes.

**Debt Service Funds** - are used to account for all financial resources that are restricted, committed, or assigned to expenditures for principal and interest.

**Capital Project Funds** - are used to account for all financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities or other capital assets.

#### **Proprietary Fund Type -**

**Internal Service Funds** - are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the County, for unemployment, worker's compensation, retirement and supplemental health care benefit programs, equipment acquisition and replacement, and health care, and to account for the payment of related insurance claims, retirement and supplemental health care contributions, and expenses.

#### **Fiduciary Fund Type -**

**Agency Funds** - are used to account for assets held by the County as an agent for individuals, private organizations, other governments and other funds, including tax collections, payroll liabilities, and library collections of penal fines.

Private sector standards of accounting and financial reporting 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 or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for the business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's enterprise funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

# **LAPEER COUNTY, MICHIGAN**

## **NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2011**

### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (cont'd):**

Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary funds principal on-going operations. The principal operating revenues of the Enterprise and Internal Services Funds are charges to customers for sales and services and intergovernmental operating grants. Operating expenses for Enterprise and Internal Service Funds include costs of sales and services, administrative expenses, retirement and supplemental health care contributions, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

#### **D. Assets, Liabilities and Net Assets or Equity -**

##### **Deposits and Investments -**

The County maintains a common checking account for its operating funds. Each participating fund reports its share separately. To the extent that some funds have negative balances in their share of common cash, such negative balances represent temporary interfund borrowings and, at December 31, have been recorded as interfund payables to funds with positive balances.

The County's cash and cash equivalents are considered to be cash on hand, demand deposits, certificates of deposit with original maturities of three months or less from the date of acquisition and financial institution pooled funds. The financial institution pooled funds have the general characteristics of demand deposit accounts in that the County may deposit additional cash at any time and effectively may withdraw cash at any time without prior notice or penalty and are reported as cash and cash equivalents.

Investments are stated at fair value, which is determined as follows: (a) short-term investments are reported at cost, which approximates fair value; (b) securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates; (c) investments that do not have established market values are reported at estimated fair value; and (d) cash deposits are reported at carrying amount which reasonably approximates fair value.

State statutes authorize the County to deposit in the accounts of federally insured banks, credit unions, and savings and loan associations, and to invest in obligations of the U.S. Treasury, certain commercial paper, repurchase agreements, bankers' acceptances, and mutual funds composed of otherwise legal investments (except those with a fluctuating per share value).

##### **Receivables and Payables -**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Advances to other funds, as reported in the governmental fund financial statements, have fund balance in the amount of the outstanding advance classified as nonspendable to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are shown net of an allowance for uncollectible accounts.



# **LAPEER COUNTY, MICHIGAN**

## **NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2011**

### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (cont'd):**

#### **Inventories and Prepaid Items -**

All inventories are valued at cost using the first in/first out (FIFO) method, except for the Road Commission (component unit) inventory that is stated at average cost and Land Bank Authority (component unit) that uses the specific identification method. Inventories of governmental funds are recorded as expenditures when purchased, except for the Personal Care Aide Program Fund, the Road Commission, Land Bank Authority and Medical Care Facility, which are recognized using the consumption method (recorded as expenditures when used).

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

#### **Property Tax Calendar -**

The property taxes for the County's general fund are levied on July 1 (the lien date), with all special purpose taxes levied on December 1 (the lien date), based on the taxable value of property located in the County as of the preceding December 31, by the various municipalities within the County. The July 1 taxes are due on or before September 15 and the December 1 taxes are due on or before February 15. The general fund levy and the Medicaid Care Facility levy are recognized in the year of the levy. The E-911 Debt Fund and Senior Millage Fund taxes levied on December 1 are recorded as a receivable and deferred since they are budgeted as revenues in the subsequent year. For the 2011 year the County levied 3.7886 mills for the General Fund operations and extra voted levies of .3300 mills for Medical Care Facility, .7500 mills for E-911 Central Dispatch debt and .2500 for Senior Citizens programs.

#### **Capital Assets -**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. For the County, infrastructure exists in the Road Commission and Drainage Districts component units. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years, except for the Lapeer County Road Commission equipment which is capitalized as defined by the Michigan Department of Transportation without consideration of a minimum cost. 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. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

# **LAPEER COUNTY, MICHIGAN**

## **NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2011**

### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (cont'd):**

Property, plant and equipment of the primary government, as well as the component units, are depreciated using the straight line method over the following estimated useful lives, with the exception for road equipment which is computed on the sum-of-the-years' digits method:

|                                      | Years                 |                    |                       |
|--------------------------------------|-----------------------|--------------------|-----------------------|
|                                      | Primary<br>Government | Road<br>Commission | Drainage<br>Districts |
| Building/Improvements                | 5-50                  | 40                 | -                     |
| Drain System                         | -                     | -                  | 50                    |
| Road Systems/Other<br>Infrastructure | -                     | 8-50               | -                     |
| Equipment                            | 5-15                  | 5-8                | 5-15                  |

#### **Compensated Absences -**

In accordance with contracts negotiated with the various employee groups of the County, individual employees have vested rights upon termination of employment to receive payment for unused vacation leave under formulas and conditions specified in the contracts. All vested vacation is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for this amount is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. For the governmental activities, the entire amount of accrued vacation is considered current because the unused balances must be used prior to employee anniversary dates.

#### **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 statements of net assets. Bond premiums and discounts, as well as issuance costs, if significant, 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 on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2011

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (cont'd):

#### **Fund Equity -**

In March 2009, the GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund-type Definitions*. The objective of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed on the use of the resources reported in governmental funds. Under this standard adopted in 2011, the fund balance classifications of reserved, designated, and unreserved-undesignated were replaced with five new classifications: nonspendable, restricted, committed, assigned, and unassigned.

In the fund financial statements, governmental funds reported fund balances in one or more of the following classifications:

*Nonspendable fund balance* – the portion of fund balance that cannot be spent based on its form or because it must be maintained intact.

*Restricted fund balance* – the portion of fund balance that has limitations imposed by external parties, constitutional provisions or enabling legislation.

*Committed fund balance* – the portion of fund balance that is set aside for a specific purpose by the County itself, using the highest level of decision-making authority (Board of Commissioners) by the passage of a resolution or ordinance.

*Assigned fund balance* – the portion of fund balance that reflects the County's intended use of resources. Currently, the County Controller/Administrator has the authority to set aside funds. Amounts in excess of nonspendable, restricted and committed fund balance in funds other than the general fund are reported as assigned.

*Unassigned fund balance* – the portion of fund balance in the general fund that cannot be classified into one of the four categories above.

When different classifications of fund balance are present, it is the County's policy that expenditures are to be spent from restricted fund balance first, if appropriate, followed in order by committed fund balance, assigned fund balance and lastly, unassigned fund balance.

#### **Accounting and Reporting Change -**

For the year ended December 31, 2011, the County adopted Government Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The County had four special revenue funds that did not meet the criteria to remain separate funds and therefore were required to be included in the General Fund for reporting purposes. In order to conform the classifications of the funds to the appropriate fund types under these new definitions, the beginning fund balance of the General Fund was restated as follows:

|   |                      |
|---|----------------------|
| Fund Balance – December 31, 2010 – as previously reported | \$ 4,422,705         |
| Local Reserve Fund  | 3,744,798            |
| Budget Stabilization Fund                                 | 2,423,282            |
| Emergency Disaster  | 34,100               |
| Rental Property   | <u>287</u>           |
| Fund Balance – December 31, 2010 – as restated            | <u>\$ 10,625,172</u> |

# **LAPEER COUNTY, MICHIGAN**

## **NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2011**

### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (cont'd):**

#### **Budget Stabilization Arrangement -**

The Budget Stabilization Fund was established in accordance with Michigan Compiled Laws 141.442, which required the County Board of Commissioners to adopt a resolution passed by 2/3 vote of the Board members. Subsequent additions to the fund are subject to the same 2/3 voting approval by the Board with the total accumulation in the fund not to exceed 15% of the County's most recent General Fund budget or 15% of the County's five most recent General Fund budgets, as amended, whichever is less. Any interest earned on the fund's accumulated balances must be returned to General fund. The Budget Stabilization Fund accumulated fund balance may be appropriated only by a 2/3 vote on a resolution passed by the County Board of Commissioners and only for the following purposes:

- To cover a General Fund deficit.
- To prevent reduction in the level of public services or in the number of employees at any time in a fiscal year when the budgeted revenue is insufficient to cover budgeted expenses or when preparing the budget for the next year the estimated revenues are insufficient to cover estimated expenses.
- To cover expenses arising from a natural disaster with the stipulation that if Federal or State funding is provided to reimburse for cost the amount reimbursed is to be replenished back to the Budget Stabilization Fund.

As described on the previous page, under accounting and reporting change, the Budget Stabilization Fund no longer meets the criteria to be reported as a special revenue fund and with the implementation of GASB No. 54 is reported as part of the General Fund. At December 31, 2011, the accumulation within the Budget Stabilization Fund was \$2,504,748 and is reported as fund balance restricted for the stabilization arrangement within the General Fund.

#### **Estimates -**

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### **Federal Programs -**

Federal Programs are accounted for in specific Special Revenue Funds or as part of the various fund types to which the programs pertain. The County has not integrated its Single Audit Reports and Schedule of Expenditures of Federal Awards as part of the Annual Financial Report. The Single Audit Financial Report will be issued prior to August 31, 2012, under separate cover as supplementary information to the Annual Financial Report.

## **LAPEER COUNTY, MICHIGAN**

### **NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2011**

#### **NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY:**

##### **Budgetary Information -**

The budgets of General and Special Revenue Funds reported in schedules of budgetary comparison presented with the financial statements as required supplementary information for the major funds and supplementary information for the nonmajor funds are prepared on a basis consistent with accounting principles generally accepted in the United States of America and on the same modified accrual basis used to reflect actual results.

The County departments, in conjunction with the Finance Committee, prior to July 1, prepare budgets for the calendar year commencing the following January 1. The budgets include proposed expenditures and resources to finance them.

Prior to December 31, the proposed budgets are presented to the County Board of Commissioners. The Board holds a public hearing and may add to, subtract from, or change appropriations. The budget is then legally enacted through passage of a Board of County Commissioners Resolution.

The approved budgets of the County were adopted for the General Fund at the activity level except for transfers out, which are at the account level, and the Special Revenue Funds at the functional level. These are the enacted levels under the State of Michigan Uniform Budgeting and Accounting Act and the legally adopted levels of the budget. State statutes do not require legally adopted budgets for debt service or capital projects funds.

Budgets are maintained throughout the year at the account level, to provide additional control in preventing over-expenditures at the legally adopted levels. Amendments at the activity level for the General Fund and functional level for the Special Revenue Funds must be approved by the County Board of Commissioners. The Administrator/Controller is given authorization by the Board of Commissioners to make the final amendments to the legally adopted budget in December of each year, to allow for efficiency of the budget process.

The County does not employ encumbrance accounting as an extension of formal budgetary integration. All unexpended appropriations lapse at year-end.

Budget amounts are reported as originally adopted, or as amended by the Board of Commissioners, during the year.

Similar procedures are followed in the case of the Component Units included in the Reporting Entity of Lapeer County, except that the respective Administrator/Director of each performs the function described above rather than the County Administrator. Budgetary comparisons have not been made for the component unit financial statements but are available in the Road Commission's separately issued component unit financial statements.

# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2011

### NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - (cont'd):

Michigan Public Act 621 of 1978 Section 18, as amended, provides that a local governmental unit shall not incur expenditures in excess of the amount appropriated at the legally enacted level.

During the year ended December 31, 2011, the County (primary government) incurred expenditures in the General Fund and Special Revenue Funds, which were in excess of the amounts appropriated at the activity level for the General Fund except for transfers out, which are at the account level, and functional level for the Special Revenue Funds as follows:

#### Expenditures Over Appropriations -

| <u>Fund Type/Function/Activity/Account</u> | <u>Appropriations</u> | <u>Expended</u> | <u>Variance</u> |
|--|-----------------------|-----------------|-----------------|
| <b>PRIMARY GOVERNMENT -</b>                |                       |                 |                 |
| <b>General Fund -</b>                      |                       |                 |                 |
| Transfers Out                              |                       |                 |                 |
| Parks Department                           | \$ 47,654             | \$ 49,153       | \$ 1,499        |
| Health Department -                        |                       |                 |                 |
| Operations                                 | 444,000               | 467,500         | 23,500          |
| <b>Community Development -</b>             |                       |                 |                 |
| Public Works                               | -                     | 119,628         | 119,628         |
| <b>Nonmajor Special Revenue Funds -</b>    |                       |                 |                 |
| Parks Department -                         |                       |                 |                 |
| Recreation and Culture                     | 172,952               | 184,955         | 12,003          |
| Transfer Out                               | -                     | 50,000          | 50,000          |
| Emergency Management -                     |                       |                 |                 |
| Public Safety                              | 76,978                | 197,551         | 120,573         |
| Thumb Narcotics Unit -                     |                       |                 |                 |
| Public Safety                              | 237,605               | 283,964         | 46,359          |
| Policing Contracts -                       |                       |                 |                 |
| Transfer Out                               | -                     | 9,518           | 9,518           |
| Law Enforcement - Other -                  |                       |                 |                 |
| Public Safety                              | 45,600                | 52,114          | 6,514           |
| Department of Human Services -             |                       |                 |                 |
| Health and Welfare                         | 23,910                | 117,156         | 93,246          |
| Veterans' Trust -                          |                       |                 |                 |
| Health and Welfare                         | 6,092                 | 6,719           | 627             |
| K.I.N.D. -                                 |                       |                 |                 |
| General Government                         | -                     | 77              | 77              |

The budget reported for the Department of Human Services Fund reflects only the anticipated local portion of the Agency budget provided by an annual County appropriation. The balance of the budget is financed through the State of Michigan. The Department of Human Services only requires a budget for the locally funded portion of the Department of Human Services Fund.

# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2011

### NOTE 3 - DEPOSITS AND INVESTMENTS:

#### Authorized Deposits and Investments -

Investments are carried at cost or fair value as explained in Note 1, and are deposited in the name of the Lapeer County Treasurer. Act 217 PA 1982 as amended authorizes the County to deposit in certificates of deposit, savings accounts, depository accounts or depository receipts of a state or nationally chartered bank or a state or federally chartered savings and loan association, savings bank or credit union whose deposits are insured by an agency of the United States government and which maintains a principal office or branch office located in this State under the laws of this State or the United States, but only if the bank, savings and loan association, savings bank or credit union is eligible to be a depository of surplus funds belonging to the State under Section 5 or 6 of Act 105 of the Public Acts of 1855, as amended, by section 21.145 and 21.146 of the Michigan Compiled Laws.

Act 20 PA 1943 as amended by Act 1997 PA 1999 authorizes the County to invest surplus funds in bonds, securities and other direct obligations of the United States government or an agency or instrumentality of the United States; certificates of deposit, savings accounts, deposit accounts or depository receipts of a financial institution only if the bank, savings and loan association, or credit union is eligible to be a depository of funds belonging to the State; bankers' acceptances of United States banks; commercial paper rated at the time of purchase within the highest classification established by not less than two standard rating services, which mature not more than 270 days after the date of purchase; mutual funds registered under the Investment Company Act of 1940, with the authority to purchase only investment vehicles that are legal for direct investment by a public corporation, investment pools through an interlocal agreement under the Urban Cooperation Act of 1967, investment pools organized under the Surplus Funds Investment Pool Act, 1982 PA 3657, 129.111 to 129.118.

#### Carrying Amount -

At year-end, the carrying amount of the County Reporting Entity's deposits and investments is as follows:

|   | Primary<br>Government | Component<br>Units  | Fiduciary<br>Funds  | Reporting<br>Entity  |
|---|-----------------------|---------------------|---------------------|----------------------|
| Cash on Hand                                    | \$ 11,475             | \$ 350              | \$ 300              | \$ 12,125            |
| Deposits with Financial Institutions            | <u>29,562,038</u>     | <u>3,160,696</u>    | <u>1,881,125</u>    | <u>34,603,859</u>    |
|   | <u>29,573,513</u>     | <u>3,161,046</u>    | <u>1,881,425</u>    | <u>34,615,984</u>    |
| Investments                                     |                       |                     |                     |                      |
| Corporate Bonds                                 | 245,094               | -                   | -                   | 245,094              |
| Municipal Bonds                                 | 2,900,996             | 100,458             | -                   | 3,001,454            |
| U.S. Government Securities                      | 6,660,534             | 356,356             | -                   | 7,016,890            |
| Mutual Funds                                    | 990,565               | 369,227             | -                   | 1,359,792            |
| Investment Trust Funds                          | <u>24,268</u>         | <u>2,875,103</u>    | <u>-</u>            | <u>2,899,371</u>     |
| Total Investments                               | <u>10,821,457</u>     | <u>3,701,144</u>    | <u>-</u>            | <u>14,522,601</u>    |
| Total Cash on Hand, Deposits<br>and Investments | <u>\$ 40,394,970</u>  | <u>\$ 6,862,190</u> | <u>\$ 1,881,425</u> | <u>\$ 49,138,585</u> |

# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2011

### NOTE 3 - DEPOSITS AND INVESTMENTS - (cont'd):

#### Reconciliation to Statement of Net Assets and Statement of Fiduciary Net Assets (Combining Balance Sheet)

|  | <u>Primary<br/>Government</u> | <u>Component<br/>Units</u> | <u>Fiduciary<br/>Funds</u> | <u>Reporting<br/>Entity</u> |
|--|-------------------------------|----------------------------|----------------------------|-----------------------------|
| Reported as Cash and Cash<br>Equivalents -                               |                               |                            |                            |                             |
| Cash on Hand   | \$ 11,475                     | \$ 350                     | \$ 300                     | \$ 12,125                   |
| Cash in Checking/Money<br>Market/Savings                                 | 27,954,403                    | 2,816,486                  | 1,881,125                  | 32,652,014                  |
| Investment Trust Funds   | <u>24,268</u>                 | <u>2,875,103</u>           | <u>-</u>                   | <u>2,899,371</u>            |
| Total Cash and Cash<br>Equivalents Reported on<br>Combined Balance Sheet | <u>27,990,146</u>             | <u>5,691,939</u>           | <u>1,881,425</u>           | <u>35,563,510</u>           |
| Reported as Investments -  |                               |                            |                            |                             |
| Corporate Bonds  | 245,094                       | -                          | -                          | 245,094                     |
| Municipal Bonds  | 2,900,996                     | 100,458                    | -                          | 3,001,454                   |
| U.S. Government Securities   | 6,660,534                     | 356,356                    | -                          | 7,016,890                   |
| Certificates of Deposit  | 1,607,635                     | 344,210                    | -                          | 1,951,845                   |
| Mutual Funds   | <u>990,565</u>                | <u>369,227</u>             | <u>-</u>                   | <u>1,359,792</u>            |
| Total Investments Reported on<br>Combined Balance Sheet                  | <u>12,404,824</u>             | <u>1,170,251</u>           | <u>-</u>                   | <u>13,575,075</u>           |
| Grand Total - Combined<br>Balance Sheet                                  | <u>\$ 40,394,970</u>          | <u>\$ 6,862,190</u>        | <u>\$ 1,881,425</u>        | <u>\$ 49,138,585</u>        |

#### Deposits with Financial Institutions -

The County has deposits and investments, which are maintained for its primary government, component units, and fiduciary fund types.

Michigan Public Acts authorize the units of local government in Michigan to deposit in the accounts of federally insured banks, insured credit unions, and savings and loan associations. All deposits of the County are at federally insured banks in the State of Michigan in the name of the County.

Deposit insurance regulations provide that deposits of governmental units are to be separately insured for the amount of \$250,000 for interest bearing accounts and \$250,000 for non-interest bearing accounts (unlimited insurance for non-interest bearing accounts in a participating financial institution).



# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2011

### NOTE 3 - DEPOSITS AND INVESTMENTS - (cont'd):

***Custodial Credit Risk - Deposits*** - Custodial credit risk for deposits is the risk that in the event of a bank failure, the County's deposits may not be returned. As an indication of the level of deposit custodial credit risk assumed by the County, as of December 31, 2011, the book value of the County's deposits was \$34,603,859 with a corresponding bank balance of \$35,590,001. Insured deposits were \$3,149,311, and the remaining \$32,440,690 was uninsured or uncollateralized.

The County's Investment Policy allows for the use of bank deposits including certificates of deposit. The County's Investment Policy does not address custodial credit risk for deposits.

The common account is utilized by most of the funds and component units within the reporting entity. The common account consists of checking and savings accounts. Segregation of the bank balance between the primary government and component units was not practical. The bank balance of the common checking account was included as part of the primary government's demand deposits for the determination of Deposit Insurance coverage.

The County believes that due to the dollar amounts of cash deposits and the limits of Deposit Insurance, it is impractical to insure all bank deposits. As a result, the County evaluates each financial institution and assesses the level of risk. The County uses only those financial institutions with an acceptable estimated risk level as depositories.

#### **Investments -**

As of December 31, the County had the following investment types:

| <u>Investment Type</u>     | <u>Fair Value</u>    | <u>Percentage</u> |
|----------------------------|----------------------|-------------------|
| U.S. Government Securities | \$ 7,016,890         | 48.3 %            |
| Investment Trust Funds     | 2,899,371            | 20.0              |
| Municipal Bonds            | 3,001,454            | 20.7              |
| Mutual Funds               | 1,359,792            | 9.0               |
| Corporate Bonds            | <u>245,094</u>       | <u>2.0</u>        |
| Total                      | <u>\$ 14,522,601</u> | 100.00 %          |

***Credit Risk - Investments*** - The County has \$2,899,371 invested in investment trust funds that invest primarily in U.S. Treasuries, U.S. Agencies, repurchase agreements, and commercial paper. The County's investment policy does not specifically address credit risk for investments. The investment trusts have been rated as follows:

|  | <u>Amount</u> | <u>Rating</u> | <u>Rating Agency</u> | <u>Average Days to Maturity</u> |
|--|---------------|---------------|----------------------|---------------------------------|
| Primary Government -<br>MBIA Michigan CLASS              | \$ 24,268     | AAAm          | Standard & Poors     | 43                              |
| Component Unit -<br>Chase - Sweep Investment<br>Accounts | 2,875,103     | Aaa           | Moody's              | N/A                             |

These investment pools have been reported in the financial statements as cash equivalents because they have the general characteristics of demand deposit accounts in that the County may deposit additional cash at any time and effectively may withdraw cash at any time without prior notice or penalty.

# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2011

### NOTE 3 - DEPOSITS AND INVESTMENTS - (cont'd):

In addition to the investment trusts described on the previous page, the County also held investments excluding U.S. government securities and mutual funds, which had the following Moody ratings:

| <u>Fair Value</u>   | <u>Ratings</u> |
|---------------------|----------------|
| \$ 48,495           | AAA            |
| 961,103             | AA2            |
| 1,477,260           | AA3            |
| 217,182             | A1             |
| 100,458             | BAA1           |
| 245,451             | BAA2           |
| <u>196,599</u>      | No Rating      |
| <u>\$ 3,246,548</u> |                |

***Custodial Credit Risk - Investments*** - 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 that are in the possession of another party. The County's policy requires securities to be diversified by institution and may be held by a third party custodian designated by the County Treasurer and evidenced by safekeeping receipts. As of December 31, 2011, \$10,263,438 of investments was held in third-party safekeeping not in the County's name, however, evidenced by safekeeping receipts.

***Concentration of Credit Risk - Investments*** - is the risk of loss attributed to the magnitude of the County's investment in a single issuer. The County's formal investment policy attempts to minimize risk by diversifying its investments by maturity dates, individual financial institutions, and/or security type, so that potential loss on individual securities do not exceed the income generated from the remainder of the portfolio. However, the County's policy does not restrict the amount that can be invested with any one issuer, financial institution or type of investment.

***Interest Rate Risk - Investment*** - Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The County investment policy does not address interest rate risk. At year-end, the County's investments have the following range of maturity dates:

| <u>Investment Type</u> | <u>Fair Value</u>   | <u>Maturity (Years)</u> |                     |             |                  |
|------------------------|---------------------|-------------------------|---------------------|-------------|------------------|
|                        |                     | <u>&lt;1</u>            | <u>1-5</u>          | <u>6-10</u> | <u>&gt;10</u>    |
| Municipal Bonds        | \$ 3,001,454        | \$ 396,354              | \$ 2,594,941        | \$ -        | \$ 10,159        |
| Corporate Bonds        | <u>245,094</u>      | <u>245,094</u>          | -                   | -           | -                |
| Total Investments      | <u>\$ 3,246,548</u> | <u>\$ 641,448</u>       | <u>\$ 2,594,941</u> | <u>\$ -</u> | <u>\$ 10,159</u> |

# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2011

### NOTE 4 - RECEIVABLES:

Receivables in the governmental and business-type activities are as follows:

|                                    | Governmental<br>Activities | Business-type<br>Activities |
|------------------------------------|----------------------------|-----------------------------|
| Property Taxes                     | \$ 1,206,287               | \$ 4,544,699                |
| Interest and Accounts              | 3,789,193                  | 2,602,316                   |
| Intergovernmental -                |                            |                             |
| Federal/State                      | 900,979                    | 159,146                     |
| Local                              | <u>50,497</u>              | <u>-</u>                    |
|                                    | 5,946,956                  | 7,306,161                   |
| Less - allowance for uncollectible | <u>( 100,000)</u>          | <u>( 293,000)</u>           |
|                                    | <u>\$ 5,846,956</u>        | <u>\$ 7,013,161</u>         |

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 earned or are received in advance of the period they are intended to finance. 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:

|  |                 | Unavailable         | Unearned            |
|--|-----------------|---------------------|---------------------|
| General Fund   | Grants          | \$ 11,237           | \$ -                |
| Community Mental Health                                | Grants and Fees | 81,727              | -                   |
| Community Development                                  | Revolving Loan  | 1,281,681           | -                   |
| E-911 Debt Fund  | Property Taxes  | -                   | 2,030,869           |
| Non-Major Governmental Funds                           | Property Taxes  | -                   | 670,376             |
|  | Fees            | -                   | 30,279              |
|  | Grants          | <u>113,693</u>      | <u>-</u>            |
| Total deferred/unearned revenues in governmental funds |                 | <u>\$ 1,488,338</u> | <u>\$ 2,731,524</u> |

# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2011

### NOTE 5 - CAPITAL ASSETS:

#### Primary Government

Capital asset activity of the primary government for the year ended December 31, 2011 was as follows:

|   | Balance<br>January 1,<br>2011 | Additions            | Disposals           | Balance<br>December 31,<br>2011 |
|---|-------------------------------|----------------------|---------------------|---------------------------------|
| <b>Governmental activities:</b>             |                               |                      |                     |                                 |
| Capital Assets, not being depreciated:      |                               |                      |                     |                                 |
| Land  | \$ 1,016,863                  | \$ 70,000            | \$ -                | \$ 1,086,863                    |
| Construction in Progress                    | <u>-</u>                      | <u>10,770,756</u>    | <u>-</u>            | <u>10,770,756</u>               |
| Total Capital Assets Not Being Depreciated  | <u>1,016,863</u>              | <u>10,840,756</u>    | <u>-</u>            | <u>11,857,619</u>               |
| Capital Assets, being depreciated:          |                               |                      |                     |                                 |
| Buildings                                   | 25,431,498                    | 69,701               | 220,000             | 25,281,199                      |
| Improvement other than Buildings            | 1,620,462                     | -                    | -                   | 1,620,462                       |
| Machinery and Equipment                     | 7,832,089                     | 190,628              | -                   | 8,022,717                       |
| Vehicles                                    | <u>1,831,413</u>              | <u>149,654</u>       | <u>101,905</u>      | <u>1,879,162</u>                |
| Total Capital Assets being depreciated      | <u>36,715,462</u>             | <u>409,983</u>       | <u>321,905</u>      | <u>36,803,540</u>               |
| Less Accumulated Depreciation for:          |                               |                      |                     |                                 |
| Buildings                                   | 11,156,883                    | 812,768              | 126,500             | 11,843,151                      |
| Improvements other than Buildings           | 1,228,294                     | 40,251               | -                   | 1,268,545                       |
| Machinery and Equipment                     | 7,369,458                     | 168,536              | -                   | 7,537,994                       |
| Vehicles                                    | <u>1,416,248</u>              | <u>202,327</u>       | <u>97,338</u>       | <u>1,521,237</u>                |
| Total Accumulated Depreciation              | <u>21,170,883</u>             | <u>1,223,882</u>     | <u>223,838</u>      | <u>22,170,927</u>               |
| Total Capital Assets Being Depreciated, net | <u>15,544,579</u>             | <u>( 813,899)</u>    | <u>98,067</u>       | <u>14,632,613</u>               |
| Governmental Activities Capital Assets, net | <u>\$ 16,561,442</u>          | <u>\$ 10,026,857</u> | <u>\$ 98,067</u>    | <u>\$ 26,490,232</u>            |
| <b>Business-type Activities:</b>            |                               |                      |                     |                                 |
| Capital Assets, not being depreciated:      |                               |                      |                     |                                 |
| Construction in Progress                    | \$ 7,022,070                  | \$ 2,252,841         | \$ 9,274,911        | \$ -                            |
| Capital Assets, being depreciated:          |                               |                      |                     |                                 |
| Buildings                                   | 13,663,699                    | 9,300,343            | -                   | 22,964,042                      |
| Improvement other than Buildings            | 6,750                         | -                    | -                   | 6,750                           |
| Machinery and Equipment                     | <u>3,261,635</u>              | <u>69,770</u>        | <u>994</u>          | <u>3,330,411</u>                |
| Total Capital Assets, being depreciated     | <u>16,932,084</u>             | <u>9,370,113</u>     | <u>994</u>          | <u>26,301,203</u>               |
| Less Accumulated Depreciation for:          |                               |                      |                     |                                 |
| Buildings                                   | 6,354,942                     | 685,251              | -                   | 7,040,193                       |
| Improvements other than Buildings           | 6,386                         | 337                  | -                   | 6,723                           |
| Machinery and Equipment                     | <u>2,795,983</u>              | <u>131,585</u>       | <u>994</u>          | <u>2,926,574</u>                |
| Total Accumulated Depreciation              | <u>9,157,311</u>              | <u>817,173</u>       | <u>994</u>          | <u>9,973,490</u>                |
| Total Capital Assets Being Depreciated, net | <u>7,774,773</u>              | <u>8,552,940</u>     | <u>-</u>            | <u>16,327,713</u>               |
| Business Activities Capital Assets, net     | <u>\$ 14,796,843</u>          | <u>\$ 10,805,781</u> | <u>\$ 9,274,911</u> | <u>\$ 16,327,713</u>            |

# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2011

### NOTE 5 - CAPITAL ASSETS - (cont'd):

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

|   |                     |
|---|---------------------|
| Governmental Activities:                              |                     |
| General Government                                    | \$ 339,913          |
| Public Safety   | 233,589             |
| Public Works  | 600                 |
| Health and Welfare                                    | 178,794             |
| Recreation and Cultural                               | <u>78,014</u>       |
| Depreciation Expense-Governmental Activities          | 830,910             |
| Depreciation in the Internal Service Funds            | <u>392,972</u>      |
| Total Depreciation Expense - Governmental Activities  | <u>\$ 1,223,882</u> |
| Business-type Activities:                             |                     |
| Medical Care Facility                                 | \$ 813,708          |
| Delinquent Tax Revolving                              | <u>3,465</u>        |
| Total Depreciation Expense - Business-type Activities | <u>\$ 817,173</u>   |

### Discretely Presented Component Units:

**Drainage Districts:** Capital asset activity for the Drainage Districts for the year ended December 31, 2011, was as follows:

|   | Balance<br>January 1,<br>2011 | Additions           | Deletions   | Balance<br>December 31,<br>2011 |
|---|-------------------------------|---------------------|-------------|---------------------------------|
| Capital Assets, not being depreciated -     |                               |                     |             |                                 |
| Land Improvements                           | \$ 2,809,103                  | \$ -                | \$ -        | \$ 2,809,103                    |
| Construction in Progress                    | <u>1,194,378</u>              | <u>-</u>            | <u>-</u>    | <u>1,194,378</u>                |
| Total Capital Assets, not being depreciated | <u>4,003,481</u>              | <u>-</u>            | <u>-</u>    | <u>4,003,481</u>                |
| Capital Assets, being depreciated -         |                               |                     |             |                                 |
| Equipment                                   | 728,927                       | 14,595              | -           | 743,522                         |
| Infrastructure                              | <u>25,041,791</u>             | <u>-</u>            | <u>-</u>    | <u>25,041,791</u>               |
| Total Capital Assets Being Depreciated      | <u>25,770,718</u>             | <u>14,595</u>       | <u>-</u>    | <u>25,785,313</u>               |
| Less Accumulated Depreciation for -         |                               |                     |             |                                 |
| Equipment                                   | 728,927                       | 2,919               | -           | 731,846                         |
| Infrastructure                              | <u>13,108,512</u>             | <u>520,288</u>      | <u>-</u>    | <u>13,628,800</u>               |
| Total Depreciation                          | <u>13,837,439</u>             | <u>523,207</u>      | <u>-</u>    | <u>14,360,646</u>               |
| Total Capital Assets Being Depreciated, net | <u>11,933,279</u>             | <u>( 508,612)</u>   | <u>-</u>    | <u>11,424,667</u>               |
| Drainage Districts Capital Assets, net      | <u>\$ 15,936,760</u>          | <u>\$( 508,612)</u> | <u>\$ -</u> | <u>\$ 15,428,148</u>            |

Depreciation expense was \$523,207 for 2011.

**LAPEER COUNTY, MICHIGAN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2011**

**NOTE 5 - CAPITAL ASSETS - (cont'd):**

**Road Commission:** Capital asset activity for the Road Commission for the year ended September 30, 2011 was as follows:

|  | Balance<br>October 1,<br>2010 | Additions         | Deletions        | Balance<br>September 30,<br>2011 |
|--|-------------------------------|-------------------|------------------|----------------------------------|
| Capital Assets, not being depreciated -      |                               |                   |                  |                                  |
| Land   | \$ 159,507                    | \$ -              | \$ -             | \$ 159,507                       |
| Land Improvements                            | 39,255,127                    | 1,218,701         | -                | 40,473,828                       |
| Right of Ways                                | 180,046                       | -                 | -                | 180,046                          |
| Total Capital Assets, not being depreciated  | <u>39,594,680</u>             | <u>1,218,701</u>  | <u>-</u>         | <u>40,813,381</u>                |
| Capital Assets, being depreciated -          |                               |                   |                  |                                  |
| Building and Improvements                    | 1,932,201                     | -                 | -                | 1,932,201                        |
| Road Equipment                               | 7,205,142                     | 548,751           | 13,050           | 7,740,843                        |
| Shop Equipment                               | 154,591                       | -                 | -                | 154,591                          |
| Office Equipment                             | 507,095                       | -                 | -                | 507,095                          |
| Engineering Equipment                        | 70,700                        | -                 | -                | 70,700                           |
| Infrastructure -                             |                               |                   |                  |                                  |
| Roads  | 40,151,096                    | 1,828,052         | 1,742,515        | 40,236,633                       |
| Bridges                                      | 14,124,778                    | 562,191           | -                | 14,686,969                       |
| Traffic Signals                              | 83,723                        | -                 | -                | 83,723                           |
| Depletable Assets -                          |                               |                   |                  |                                  |
| Gravel Pits                                  | 205,130                       | -                 | -                | 205,130                          |
|  | <u>64,434,456</u>             | <u>2,938,994</u>  | <u>1,755,565</u> | <u>65,617,885</u>                |
| Less - Accumulated Depreciation for -        |                               |                   |                  |                                  |
| Buildings and Improvements                   | 1,480,355                     | 47,954            | -                | 1,528,309                        |
| Road Equipment                               | 5,886,979                     | 550,263           | 13,028           | 6,424,214                        |
| Shop Equipment                               | 154,591                       | -                 | -                | 154,591                          |
| Office Equipment                             | 507,095                       | -                 | -                | 507,095                          |
| Engineering Equipment                        | 70,700                        | -                 | -                | 70,700                           |
| Infrastructure -                             |                               |                   |                  |                                  |
| Roads  | 20,723,086                    | 2,298,113         | 1,742,515        | 21,278,684                       |
| Bridges                                      | 4,626,396                     | 292,087           | -                | 4,918,483                        |
| Traffic Signals                              | 41,404                        | -                 | -                | 41,404                           |
| Depletable Assets                            | 134,283                       | -                 | -                | 134,283                          |
|  | <u>33,624,889</u>             | <u>3,188,417</u>  | <u>1,755,543</u> | <u>35,057,763</u>                |
| Total Capital Assets, being depreciated, net | <u>30,809,567</u>             | <u>( 249,423)</u> | <u>22</u>        | <u>30,560,122</u>                |
| Road Commission Capital Assets, net          | <u>\$ 70,404,247</u>          | <u>\$ 969,278</u> | <u>\$ 22</u>     | <u>\$ 71,373,503</u>             |

Total depreciation for the year ended September 30, 2011 was \$3,188,417. Roads are removed from the capital assets at the time the group of individually recorded roads has been fully depreciated.

**LAPEER COUNTY, MICHIGAN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2011**

**NOTE 6 - PAYABLES:**

Payables in the governmental and business-type activities are as follows:

|                                      | <u>Governmental<br/>Activities</u> | <u>Business-type<br/>Activities</u> |
|--------------------------------------|------------------------------------|-------------------------------------|
| Accounts Payable/Accrued Liabilities | \$ 2,082,192                       | \$ 522,019                          |
| Accrued Interest                     | 135,958                            | -                                   |
| Wages and Fringe Benefits            | 424,720                            | 548,746                             |
| Intergovernmental -                  |                                    |                                     |
| Federal/State                        | 358,480                            | 201,891                             |
| Local                                | <u>288,692</u>                     | <u>45,633</u>                       |
|                                      | <u>\$ 3,290,042</u>                | <u>\$ 1,318,289</u>                 |
| Payables from Restricted Assets      |                                    |                                     |
| Patient Trust Liability              | \$ -                               | \$ 42,280                           |
| Patient Deposits                     | <u>-</u>                           | <u>83,090</u>                       |
|                                      | <u>\$ -</u>                        | <u>\$ 125,370</u>                   |

**NOTE 7 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS:**

The composition of interfund balances as of December 31, 2011 is as follows:

**Due To/From Other Funds -**

|                                  | <u>Receivable</u> | <u>Payable</u> |
|----------------------------------|-------------------|----------------|
| <b>Governmental Funds -</b>      |                   |                |
| General Fund -                   | \$ 100            | \$ 15,594      |
| Community Mental Health -        | -                 | 18,309         |
| Nonmajor Special Revenue Funds - |                   |                |
| Parks Department                 | -                 | 66             |
| E-911                            | -                 | 2,758          |
| Friend of the Court              | -                 | 1,472          |
| Health Department                | -                 | 5,782          |
| Personal Care Aid                | -                 | 1,328          |
| Animal Control                   | -                 | 237            |
| Emergency Management             | -                 | 72             |
| Community Grants                 | -                 | 251            |
| Police Service Contracts         | -                 | 2,336          |
| Law Enforcement                  | -                 | 466            |
| Child Care                       | -                 | 27,881         |
| Multi-Purpose Collaborative Body | <u>-</u>          | <u>524</u>     |
| Total per Financial Statements   | <u>-</u>          | <u>43,173</u>  |

# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2011

### NOTE 7 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS - (cont'd):

|  | <u>Receivable</u> | <u>Payable</u>   |
|--|-------------------|------------------|
| <b>Internal Service Funds -</b>                  |                   |                  |
| Unemployment                                     | \$ 1,977          | \$ -             |
| Worker's Compensation                            | 1,976             | -                |
| Equipment Acquisition & Replacement              | 27,482            | -                |
| Retirement Fund                                  | <u>18,657</u>     | <u>-</u>         |
|  | <u>50,092</u>     | <u>-</u>         |
| <br><b>Proprietary Funds -</b>                   |                   |                  |
| DTR Fund   | <u>-</u>          | <u>74</u>        |
| <br>Total per Financial Statements               | 50,192            | 77,150           |
| <br>Adjustments for September 30, year-end funds | <u>26,958</u>     | <u>-</u>         |
| <br>Total  | <u>\$ 77,150</u>  | <u>\$ 77,150</u> |

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Total due to primary government funds, as shown on the accompanying financial statements, reporting more than due from primary government funds by \$26,958, was attributable to transactions with funds reported on a September 30 year-end.

### Due To/From Primary Government and Component Units -

|                       | <u>Receivable</u> | <u>Payable</u>   |
|-----------------------|-------------------|------------------|
| Primary Government -  |                   |                  |
| DTR Fund              | \$ 16,750 (1)     | \$ -             |
| Component Unit -      |                   |                  |
| Land Bank Authority   | -                 | 16,750 (1)       |
| Drain Districts       | 3,096 (2)         | -                |
| Board of Public Works | <u>-</u>          | <u>3,096 (2)</u> |
|                       | <u>\$ 19,846</u>  | <u>\$ 19,846</u> |

(1) Loan to acquire inventory

(2) Short-term borrowings to cover negative cash

### Advances From/To Other Funds -

|                                  | <u>Receivable</u> | <u>Payable</u>  |
|----------------------------------|-------------------|-----------------|
| <b>Primary Government</b>        |                   |                 |
| Mental Health                    | \$ 7,500          | \$ -            |
| Multi Purpose Collaborative Body | <u>-</u>          | <u>7,500</u>    |
|                                  | <u>\$ 7,500</u>   | <u>\$ 7,500</u> |

The advance was executed in order to assist with cash flow.



# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2011

### NOTE 7 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS - (cont'd):

#### Advances From/To Primary Government & Component Units -

|                      | <u>Receivable</u> | <u>Payable</u>   |
|----------------------|-------------------|------------------|
| Primary Government - |                   |                  |
| General Fund         | \$ 90,000         | \$ -             |
| Component Unit -     |                   |                  |
| Drainage Districts   | -                 | 90,000           |
|                      | <u>\$ 90,000</u>  | <u>\$ 90,000</u> |

The advance from the General Fund to the Drainage Districts was executed in order to assist in providing cash flow for various drain projects prior to the levy of special assessments.

#### Interfund Receivable/Payable -

|                                  | <u>Receivable</u>   | <u>Payable</u>      |
|----------------------------------|---------------------|---------------------|
| <b>Primary Government -</b>      |                     |                     |
| Governmental Funds -             |                     |                     |
| General Fund                     | \$ -                | \$ 2,600,000        |
| Community Mental Health          | 2,652,412           | -                   |
| Polly Ann Trail                  | -                   | 2,198               |
| Friend of the Court              | -                   | 29,547              |
| Community Grants                 | -                   | 11,533              |
| Veterans' Trust                  | -                   | 1,959               |
| Multi-Purpose Collaborative Body | -                   | 7,175               |
|                                  | <u>\$ 2,652,412</u> | <u>\$ 2,652,412</u> |

The interfund receivable/payable balances at December 31, 2011 represent short-term borrowing between funds to cover negative cash balances in the common checking account in accordance with County Board of Commissioner's Policy.

#### Transfers In and Out -

| <u>Transfers In</u>              | <u>Transfers Out</u>    | <u>Amount</u> |
|----------------------------------|-------------------------|---------------|
| Parks Department                 | (1) General Fund        | \$ 49,153     |
| Friend of the Court              | (1) General Fund        | 280,000       |
| Community Mental Health          | (1) General Fund        | 150,000       |
| Health Department                | (1) General Fund        | 467,500       |
| Health Department                | (1) General Fund        | 4,021         |
| Health Department                | (1) General Fund        | 157,593       |
| Animal Control                   | (1) General Fund        | 50,000        |
| Emergency Management             | (1) General Fund        | 49,000        |
| Police Service Contracts         | (1) General Fund        | 287,777       |
| Law Enforcement Programs         | (1) General Fund        | 8,858         |
| Law Enforcement Grants           | (1) General Fund        | 58,897        |
| Law Library                      | (1) General Fund        | 2,500         |
| Department of Human Services     | (1) General Fund        | 22,000        |
| Child Care                       | (1) General Fund        | 465,000       |
| Multi-Purpose Collaborative Body | (1) General Fund        | 30,000        |
| Personal Care Aide Program       | (2) Senior Millage Fund | 600,000       |
| Community Mental Health          | (4) Parks Department    | 50,000        |
| General Fund                     | (6) Policing Contracts  | 9,518         |

# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2011

### NOTE 7 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS - (cont'd):

#### Transfers In and Out -

| <u>Transfers In</u>                       | <u>Transfers Out</u>                              | <u>Amount</u>       |
|---|---|---------------------|
| Internal Service Fund -                   |   |                     |
| Equipment Acquisition and Replacement     | (3) General Fund                                  | \$ 20,175           |
| Health Insurance Fund                     | (5) Unemployment Insurance                        | <u>200,000</u>      |
|   | Total Transfers Out Per Fund Financial Statements | 2,961,992           |
| Adjusted for September 30, year-end funds |   | <u>6,224</u>        |
| Total Transfers In                        |   | <u>\$ 2,968,216</u> |

Transfers represent (1) the movement of unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations (annual appropriations), (2) the movement of tax revenue from the collecting fund to the fund that is authorized to expend the tax collections, (3) the transfer of funds to finance capital acquisition, (4) to fund operations, (5) reallocation of internal service fund net assets, and (6) to close fund.

Total transfers in for the primary government funds as reported in the accompanying financial statements were \$2,968,216 and total transfers out were \$2,691,992. The difference between these amounts, \$6,224, was attributable to transactions with funds, which are reported on a September 30, year-end. As such, this is reported as an uneliminated internal balance in the statement of activities.

### NOTE 8 - LONG-TERM LIABILITIES:

#### PRIMARY GOVERNMENT -

The following is a summary of changes in the long-term liabilities (including current portions) of the Primary Government for the year ended December 31, 2011:

|                                   | <u>Balance<br/>January 1,<br/>2011</u> | <u>Additions</u>  | <u>Reductions</u> | <u>Balance<br/>December 31,<br/>2011</u> | <u>Due Within<br/>One Year</u> |
|-----------------------------------|--|-------------------|-------------------|--|--------------------------------|
| <b>Governmental Activities:</b>   |  |                   |                   |  |                                |
| Governmental Funds -              |  |                   |                   |  |                                |
| 2011 Capital Improvement Bonds \$ | -                                      | \$ 14,475,000     | \$ -              | \$ 14,475,000                            | \$ 2,000,000                   |
| 2004 Building Authority           |  |                   |                   |  |                                |
| Refunding Bonds                   | 665,000                                | -                 | 145,000           | 520,000                                  | 170,000                        |
| Accrued Claims Liability          | 95,000                                 | 100,292           | 118,292           | 77,000                                   | 10,000                         |
| Accrued Vacation                  | 495,765                                | 482,176           | 495,765           | 482,176                                  | 482,176                        |
| Add (Less) Deferred Amounts For - |  |                   |                   |  |                                |
| Issuance Premium                  | 45,438                                 | 220,756           | 33,435            | 232,759                                  | 33,435                         |
| Bond Issuance Costs               | ( 19,715)                              | ( 78,706)         | ( 12,799)         | ( 85,622)                                | ( 12,799)                      |
| Refunding Loss                    | ( 55,723)                              | -                 | ( 13,931)         | ( 41,792)                                | ( 13,931)                      |
| Total Governmental Funds          | <u>1,225,765</u>                       | <u>15,199,518</u> | <u>765,762</u>    | <u>15,659,521</u>                        | <u>2,668,881</u>               |
| Internal Service Funds -          |  |                   |                   |  |                                |
| Worker's Compensation Fund -      |  |                   |                   |  |                                |
| Accrued Claims Liabilities        | <u>210,000</u>                         | <u>134,599</u>    | <u>238,599</u>    | <u>106,000</u>                           | <u>85,000</u>                  |
| Total Governmental Activities     | <u>1,435,765</u>                       | <u>15,334,117</u> | <u>1,004,361</u>  | <u>15,765,521</u>                        | <u>2,753,881</u>               |

# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2011

### NOTE 8 - LONG-TERM LIABILITIES - (cont'd):

#### Business-type Activities:

##### Medical Care Facility -

|                                |                     |                     |                     |                     |                     |
|--------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Accrued Claims Liabilities     | 220,476             | 664,777             | 504,630             | 380,623             | 150,000             |
| Accrued Vacation and Sick      | <u>249,575</u>      | <u>907,888</u>      | <u>872,154</u>      | <u>285,309</u>      | <u>142,655</u>      |
| Total Business-type Activities | <u>470,051</u>      | <u>1,572,665</u>    | <u>1,376,784</u>    | <u>665,932</u>      | <u>292,655</u>      |
| Total Primary Government       | <u>\$ 1,905,816</u> | <u>\$16,906,782</u> | <u>\$ 2,381,145</u> | <u>\$16,431,453</u> | <u>\$ 3,046,536</u> |

Significant details regarding outstanding long-term liabilities (including current portions) are presented as follows:

#### **2011 General Obligation Bonds -**

The County issued \$14,475,000 of General Obligation Limited Tax Bonds, pursuant to the provisions of Act 34, Public Acts of Michigan. The bonds were issued for the cost of acquiring and updating E-911 facilities and equipment. The bonds, dated April 26, 2011 are due in annual installments from \$1,500,000 to \$2,000,000 through April 1, 2020 with interest ranging from 3.0% to 4.0%, payable semi-annually.

\$ 14,475,000

#### **2004 Building Authority Refunding Bonds -**

Building authority bonds (Limited Tax General Obligation) in the amount of \$2,300,000, dated March 23, 1989 were issued in connection with the construction of the CMH Building completed in 1990.

Building authority refunding bonds in the amount of \$2,170,000, dated July 13, 1994 were issued to partially defease the 1989 issue.

The Building Authority Refunding Bonds - Series 2004 were issued net of a premium of \$113,593 and an underwriter's discount of \$9,898 in the amount of \$1,638,695. After paying \$26,386 for bond issuance and \$13,000 for insurance costs, the net proceeds of \$1,599,309 were placed in a special escrow account.

As a result of the advance refunding, the County reduced the total debt service requirements by \$140,107. This resulted in an economic gain (difference between the present value of the old and new debt) of \$124,601.

The proceeds of the 2004 refunding bonds like the 1994 refunding bonds that were placed in special escrow accounts are invested in securities of the U.S. Government and its agencies. The maturities of these investments coincide with the principal and interest payments on the extinguished debts and are sufficient to pay all principal and interest when due. Accordingly, the trust account assets and liabilities for the defeased bonds outstanding are not included in the Financial Statements. At December 31, 2011, the defeased bonds outstanding amounts to \$540,000 for the 1994 issue.

On February 18, 2004, building authority refunding bonds in the amount of \$1,535,000 was issued to defease the 1994 issue. The payments are due in annual installments on May 1 ranging from \$145,000 to \$185,000 through 2014, with an interest rate of 5.00% due on May 1 and November 1 of each year. Issuance costs net of premium amounted to \$75,000.

\$ 520,000

# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2011

### NOTE 8 - LONG-TERM LIABILITIES - (cont'd):

#### Accrued Claims Liability -

The County has estimated accrued liability claims, including an estimate for claims incurred but not reported (IBNR), administered through Citizen Management Inc. The dollar amount of these estimated claims is \$77,000 at December 31, 2011.

The County has estimated accrued outstanding worker's compensation insurance claims including an estimate for the claims incurred but not reported (IBNR) at December 31, 2011. The dollar amount of these claims reported as a liability on the balance sheet of the Worker's Compensation Fund is \$106,000 at December 31, 2011.

The Medical Care Facility has estimated accrued outstanding worker's compensation insurance claims including an estimate for the claims incurred but not reported (IBNR) at December 31, 2011. The dollar amount of these claims reported as a liability on the balance sheet of the Medical Care Facility (Enterprise) Fund is \$380,623 at December 31, 2011.

**Accrued Vacation and Sick** - In accordance with contracts negotiated with the various employee groups of the County, individual employees have vested rights upon termination of employment to receive payments for unused vacation and sick under formulas and conditions specified in the contracts. The Enterprise Funds portion of \$285,309 has been recorded as a long-term liability of the respective funds. The governmental fund portion of \$482,176, as well as the enterprise fund portion, has been recorded in the government-wide financial statements as a long-term liability. The governmental fund portion is generally liquidated by the General Fund or the fund where the employee salary is charged.

**Annual Debt Requirements** - The annual requirements to pay the debt outstanding at December 31, 2011, for the following bonds and notes (excluding accrued vacation and sick and accrued insurance claims) of the Primary Government are as follows:

| Year Ending<br>December 31, _____ | General Obligation Bonds |                     |
|-----------------------------------|--------------------------|---------------------|
|                                   | Principal                | Interest            |
| 2012                              | \$ 2,170,000             | \$ 508,250          |
| 2013                              | 1,665,000                | 437,375             |
| 2014                              | 1,685,000                | 383,625             |
| 2015                              | 1,500,000                | 333,063             |
| 2016                              | 1,500,000                | 284,313             |
| 2017-2020                         | <u>6,475,000</u>         | <u>546,500</u>      |
|                                   | <u>\$ 14,995,000</u>     | <u>\$ 2,493,126</u> |

# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2011

### NOTE 8 - LONG-TERM LIABILITIES - (cont'd):

#### COMPONENT UNITS -

The following is a summary of changes in long-term liabilities (including current portions) of the Component Units of the Road Commission for the year ended September 30, 2011 and both Board of Public Works and Drainage Districts for the year ended December 31, 2011:

|                                | Balance<br>October 1,<br>2010 | Additions           | Reductions          | Balance<br>September 30,<br>2011 | Due Within<br>One Year |
|--------------------------------|-------------------------------|---------------------|---------------------|----------------------------------|------------------------|
| <b>Road Commission -</b>       |                               |                     |                     |                                  |                        |
| MTF Notes                      | \$ 210,000                    | \$ -                | \$ 130,000          | \$ 80,000                        | \$ 80,000              |
| Installment Purchase Agreement | 106,976                       | -                   | 106,976             | -                                | -                      |
| Accrued Vacation               | 167,334                       | -                   | -                   | 167,334                          | -                      |
| OPEB Obligation                | <u>2,282,552</u>              | <u>733,756</u>      | <u>-</u>            | <u>3,016,308</u>                 | <u>-</u>               |
| Total Road Commission          | <u>2,766,862</u>              | <u>733,756</u>      | <u>236,976</u>      | <u>3,263,642</u>                 | <u>80,000</u>          |
|                                | Balance<br>January 1,<br>2011 | Additions           | Reductions          | Balance<br>December 31,<br>2011  | Due Within<br>One Year |
| <b>Board of Public Works -</b> |                               |                     |                     |                                  |                        |
| General Obligation Bonds       | 2,105,000                     | 1,180,000           | 1,710,000           | 1,575,000                        | 220,000                |
| Michigan State Revolving Loan  | 2,984,069                     | -                   | 165,000             | 2,819,069                        | 165,000                |
| Less Deferred Amount for:      |                               |                     |                     |                                  |                        |
| Issuance Costs                 | ( 8,705)                      | ( 46,828)           | ( 6,434)            | ( 49,099)                        | ( 6,434)               |
| Bond Discount                  | ( 7,022)                      | -                   | ( 1,756)            | ( 5,266)                         | ( 1,756)               |
| Refunding Loss                 | ( 6,769)                      | -                   | ( 1,693)            | ( 5,076)                         | ( 1,693)               |
| Bond Premium                   | <u>-</u>                      | <u>24,325</u>       | <u>3,120</u>        | <u>21,205</u>                    | <u>3,120</u>           |
| Total Board of Public Works    | <u>5,066,573</u>              | <u>1,157,497</u>    | <u>1,868,237</u>    | <u>4,355,833</u>                 | <u>378,237</u>         |
| <b>Drainage District -</b>     |                               |                     |                     |                                  |                        |
| Drain Bonds                    | 3,263,318                     | -                   | 299,768             | 2,963,550                        | 299,761                |
| Less Deferred Amount for:      |                               |                     |                     |                                  |                        |
| Bond Issuance Costs            | ( 151,506)                    | -                   | ( 10,101)           | ( 141,405)                       | ( 10,101)              |
| Total Drainage District        | <u>3,111,812</u>              | <u>-</u>            | <u>289,667</u>      | <u>2,822,145</u>                 | <u>289,660</u>         |
| Total Component Units          | <u>\$ 10,945,247</u>          | <u>\$ 1,891,253</u> | <u>\$ 2,394,880</u> | <u>\$ 10,441,620</u>             | <u>\$ 747,897</u>      |

#### Road Commission

The County of Lapeer issued the following Motor Transportation Fund Note Series pursuant to provisions of Act 202 Public Acts of Michigan 1943, as amended. The Notes are issued in anticipation of and are payable from money derived from State collected taxes returned to the Road Commission from the Michigan Transportation Fund for highway construction and construction work incidental thereto pursuant to Act 202.

#### MTF Note - Series 2002

The Road Commission is obligated for Michigan Transportation Fund Notes, Series 2002, dated April 1, 2002, in the original amount of \$500,000. The final principal payment of \$50,000 was paid on August 1, 2011.

# **LAPEER COUNTY, MICHIGAN**

## **NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2011**

### **NOTE 8 - LONG-TERM LIABILITIES - (cont'd):**

#### **MTF Note - Series 2002 B**

The Road Commission is also obligated for Michigan Transportation Fund Notes, Series 2002B, dated May 15, 2002 in the original amount of \$800,000. The final principal payment of \$80,000 is due on August 1, 2012 with interest of 4.10% due on February 1 and August 1. At September 30, 2011, the outstanding balance is \$80,000.

The annual requirements to amortize long-term liabilities outstanding at September 30, 2011, except for compensated absences and OPEB obligations, is \$80,000 of principal and \$3,169 of interest related to the MTF Note – Series 2002 B.

#### **Installment Purchase Agreement**

The Road Commission entered into an Installment Purchase Agreement in connection with the purchase of 12 truck boxes, dated November 17, 2005 in the original amount of \$534,877. The final payment of \$106,976 was paid on November 17, 2010.

#### **Accrued Vacation -**

In accordance with contracts negotiated with the various employee groups of the Road Commission, individual employees have a vested right upon termination of employment to receive payment for unused vacation under formulas and conditions specified in the contracts. The dollar amount of these vested rights, which has been accrued on the financial statements in the government-wide statements, amounts to \$167,334 at September 30, 2011.

#### **Other Postemployment Benefits -**

The Lapeer County Road Commission provides postemployment health care benefits to eligible retirees and their families, as described in Note 10.

#### **Board of Public Works:**

#### **General Obligation Bonds**

General Obligation Bonds have been issued by the County to construct several water supply and sewage disposal systems for various townships, villages and cities in the County. The County in turn is leasing the systems to the various municipalities who operate, maintain and manage the systems. The bonds were sold with the full faith and credit of the townships, villages, cities, and County pursuant to Act 185, Public Acts of Michigan, 1957, as amended. Original amount of the general obligation bonds issued in prior years was \$7,265,000.

The principal and interest on the bonds are to be paid out of money received from the various municipalities by the Board of Public Works of the County pursuant to the lease agreements. Upon final payment of the bond issues, ownership of the systems reverts to the townships, villages or cities. General Obligation Bonds currently outstanding are as follows:

| <u>Purpose</u>                      | <u>Interest Rate</u> |                     |
|-------------------------------------|----------------------|---------------------|
| Governmental Activities - refunding | 2.00 - 4.00          | \$ 1,180,000        |
| Governmental Activities - refunding | 3.80 - 4.00          | <u>395,000</u>      |
|                                     |                      | <u>\$ 1,575,000</u> |

# **LAPEER COUNTY, MICHIGAN**

## **NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2011**

### **NOTE 8 - LONG-TERM LIABILITIES - (cont'd):**

On April 11, 1996, the County, through its Board of Public Works, defeased a portion of the Village of Dryden Wastewater Treatment System Bonds dated March 1, 1990 by establishing an irrevocable trust with the U.S. Treasury Bills and Notes sufficient to meet the annual installment principal obligations of \$1,550,000. Accordingly, the trust account's assets and liabilities for the defeased bond issue are not included in the County's financial statements. At December 31, 2011, the bond outstanding of \$450,000 is considered defeased.

On October 5, 2011, the County through its Board of Public Works issued 2011 (tax exempt) refunding bonds in the amount of \$1,180,000. The bond proceeds and other accumulated resources were used to redeem the remaining principal of \$1,490,000 of the 2002 Sewage Disposal System Improvement Bonds – Limited Tax General Obligation (Village of Almont). The refunding had issuance costs of \$42,828 and bond premium of \$24,325. The 2011 Bonds outstanding principal at December 31, 2011 is \$1,180,000.

On February 28, 2006, the County through its Board of Public Works issued 2006 (tax exempt) refunding bonds to refund 1996 Waste Water Treatment System Refunding Bonds – Limited Tax General Obligation (Village of Dryden). The refunding resulted in issuance costs of \$17,413, bond discount \$14,046, and loss on the refunding in an amount of \$13,541. The 1996 Bonds were issued April 11, 1996 in the principal amount of \$1,500,000 and remaining outstanding principal at December 31, 2010 is \$395,000.

Annual debt service requirements to maturities for general obligation bonds are as follows:

| Year Ending<br>December 31, | General Bonds Refunded |                   |
|-----------------------------|------------------------|-------------------|
|                             | Principal              | Interest          |
| 2012                        | \$ 220,000             | \$ 51,009         |
| 2013                        | 225,000                | 44,204            |
| 2014                        | 230,000                | 37,069            |
| 2015                        | 100,000                | 31,519            |
| 2016                        | 100,000                | 28,519            |
| 2017-2021                   | 570,000                | 88,195            |
| 2022                        | 130,000                | 4,549             |
|                             | <u>\$ 1,575,000</u>    | <u>\$ 285,064</u> |

### **Board of Public Works**

### **State of Michigan Revolving Loan**

State of Michigan Revolving Loans have been obtained to construct Drinking Water Systems for Villages in the County. The County in turn is leasing the systems to the Villages who operate, maintain and manage the systems. The loans are backed by the full faith and credit of the Villages and County pursuant to Act 185, Public Act of Michigan 1957, as amended.

# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2011

### NOTE 8 - LONG-TERM LIABILITIES - (cont'd):

The principal and interest are to be paid out of money received from the Villages by the Board of Public Works pursuant to the lease agreements. Upon final payment of the loans, ownership of the system reverts to the Villages. State of Michigan Revolving Loans currently outstanding are as follows:

#### Governmental Activities -

##### 1998 Village of Dryden Drinking Water Revolving Loan Project #7042-01

On September 29, 1998, the loan was issued in amount of \$1,021,207. Principal payments are due in annual installments on April 1, 2010 through 2019, in amounts ranging from \$50,000 to \$61,507 with interest of 2.50% payable semi-annually on April 1 and October 1 of each year.

##### 2007 Village of Almont Drinking Water Revolving Loan Project #7192-01

On September 20, 2007, the loan was authorized to be drawn in amount of \$2,090,000. As of December 31, 2011, Lapeer County Board of Public Works has drawn \$2,032,694 from the authorized amount. The principal payments will be due in annual installments on October 1, 2011 through 2028, in amounts ranging from \$85,000 to \$125,000 with interest of 2.125% payable semi-annually on April 1 and October 1 of each year.

##### 2007 Village of Dryden Drinking Water Revolving Loan Project #7191-01

On September 27, 2007, the loan was authorized to be drawn in an amount of \$695,000. As of December 31, 2011, Lapeer County Board of Public Works has drawn \$694,868 from the authorized amount. The principal payments will be due in annual installments on October 1, 2011 through 2027, in amounts ranging from \$30,000 to \$40,000 with interest of 2.125% payable semi-annually on April 1 and October 1 of each year.

Annual debt service requirements to maturities for the State of Michigan Revolving Loan are as follows:

| Year Ending<br>December 31, | Michigan Revolving Loans |                   |
|-----------------------------|--------------------------|-------------------|
|                             | Principal                | Interest          |
| 2012                        | \$ 165,000               | \$ 61,030         |
| 2013                        | 175,000                  | 57,273            |
| 2014                        | 175,000                  | 53,348            |
| 2015                        | 180,000                  | 49,423            |
| 2016                        | 190,000                  | 45,330            |
| 2017-2021                   | 866,507                  | 163,979           |
| 2022-2026                   | 780,000                  | 80,809            |
| 2027-2028                   | <u>287,562</u>           | <u>8,718</u>      |
|                             | <u>\$ 2,819,069</u>      | <u>\$ 519,910</u> |



# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2011

### NOTE 8 - LONG-TERM LIABILITIES - (cont'd):

| <b>Governmental Activities (G.O. Bonds) -</b>      | <u>Interest Rate</u> |                     |
|--|----------------------|---------------------|
| Sewage Disposal Systems Refunding                  |                      |                     |
| Bonds - Series 2002 (Village of Almont)            | 2.00 - 4.00 %        | \$ 1,180,000        |
| <br>   |                      |                     |
| <b>Governmental Activities (G.O. Refunding) -</b>  |                      |                     |
| Wastewater Treatment System Refunding              |                      |                     |
| Bonds – Series 2006 (Village of Dryden)            | 3.80 - 4.00          | 395,000             |
|  |                      | <u>\$ 1,575,000</u> |
| <br>   |                      |                     |
| <b>Governmental Activities (Revolving Loans) -</b> |                      |                     |
| 1998 Water System (Village of Dryden)              | 2.50                 | \$ 466,507          |
| 2007 Water System (Village of Almont)              | 2.125                | 1,777,694           |
| 2007 Water System (Village of Dryden)              | 2.125                | 574,868             |
|  |                      | <u>\$ 2,819,069</u> |

### Drainage Districts:

Lapeer County through the Drain Commissioner, administers the construction of drains, which are deemed to benefit properties against which special assessments are levied. To finance the construction, notes and bonds are issued in accordance with the provisions of Act No. 40 of the Michigan Public Acts of 1956, as amended by Act No. 71, Pubic Acts of 1976. Repayment of the notes and bonds are made from the special assessment revenues collected and are serviced from debt service funds. The full faith and credit of the Drainage Districts have been pledged for the making of said payments. Also, pursuant to a resolution adopted by its Board of Commissioners, the County of Lapeer has pledged its full faith and credit as additional security for the payment of the principal of and interest on the bonds.

In November 2006, the South Branch of Mill Creek Intercounty Drainage District issued \$3,220,000 of bonds for improvements to the drain. The Drainage District includes both Lapeer and St. Clair Counties and the bonds are backed by the full faith and credit of both Counties. Payments on the bonds have been split 38.39% and 61.61% for Lapeer County and St. Clair County, respectively, and will be paid from special assessments against property and public corporations within the Drainage District. St. Clair County is responsible for maintaining the fund to account for the activity of the issue and the construction, with the respective portions being reported by the two Counties.

Principal on the bonds is due on June 1 through 2017 with interest due semi-annually at interest rates ranging from 5.0% to 6.0%. Lapeer County's balance at December 31, 2011 was \$748,550.

The balance at December 31, 2011 is as follows:

| <b>Governmental Activities -</b>             | <u>Interest Rate</u> |                     |
|--|----------------------|---------------------|
| Drain Bonds -                                |                      |                     |
| Winn Lake District                           | 5.00 - 5.60          | \$ 285,000          |
| Imlay-Bigelow and Branches Drainage District | 4.20 - 4.70          | 1,930,000           |
| Mill Creek Intercounty Drain                 | 5.00 - 6.00          | 748,550             |
|  |                      | <u>\$ 2,963,550</u> |

# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2011

### NOTE 8 - LONG-TERM LIABILITIES - (cont'd):

Annual debt service requirements to maturities are as follows:

| Year Ended<br>December 31, | Drain Bonds         |                   |
|----------------------------|---------------------|-------------------|
|                            | Principal           | Interest          |
| 2012                       | \$ 299,761          | \$ 119,193        |
| 2013                       | 299,761             | 106,987           |
| 2014                       | 299,761             | 95,257            |
| 2015                       | 304,762             | 83,019            |
| 2016                       | 304,762             | 71,188            |
| 2017-2021                  | 954,743             | 210,486           |
| 2022-2025                  | 500,000             | 46,281            |
|                            | <u>\$ 2,963,550</u> | <u>\$ 732,411</u> |

### NOTE 9 - RETIREMENT PLAN:

#### Plan Description -

Lapeer County, Michigan (the Primary Government along with the Board of Public Works and Drainage Districts) participates in the Michigan Municipal Employees Retirement System (MERS); an agent multiple employer state-wide, public employee defined benefit pension plan created under Public Act 135 of 1945, and now operates under Public Act 220 of 1996, and the MERS Plan Document as revised. MERS was established to provide retirement, survivor and disability benefits on a voluntary basis to the State of Michigan's local government employees. The MERS plan was organized pursuant to Section 12A of Act 156, Public Acts of 1851 (MSA 5.33(a); MCLA 46.12(a), as amended, and is regulated under Act No. 427 of the Public Acts of 1984, as amended, establishes and amends the benefit provisions of the participants in MERS. The Municipal Employees Retirement System of Michigan issues a publicly available financial report that includes financial statements and required supplementary information for MERS. That report may be obtained by writing to the Municipal Employees Retirement System of Michigan, 1134 Municipal Way, Lansing, Michigan 48917 or by calling (800) 767-6377.

#### Funding Policy -

The plan adopted by the Board of County Commissioners requires no member contribution except for department heads, elected officials, and POLC (sheriff union employees). The County is required to contribute at an actuarially determined rate; the weighted average rate for 2011 was 11.30% for sheriff's department employees, 7.73% for former Medical Care Facility union employees and 12.43% for non-union employees at the Medical Care Facility, 8.80% for Department of Senior Activities and Health Department employees, 5.98% for general non-union employees, 11.84% for Central Dispatch employees, and 7.61% for elected commissioners. Also, the County is required to contribute 9.24% for union Community Mental Health employees, 9.19% for non-union Community Mental Health employees, and 8.47% for General Teamsters. The County elected to charge higher rates for certain employee groups to improve their funding levels. During 2011, the actual contribution rates used for the Community Mental Health union, Community Mental Health non-union, and Central Dispatch were 13.52%, 18.99% and 18.78%, respectively. The contribution requirements of plan members and the County is established and may be amended by the County, depending on the MERS contribution program adopted by the County.

# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2011

### NOTE 9 - RETIREMENT PLAN - (cont'd):

#### Annual Pension Costs -

For the year ended December 31, 2011, the County's annual pension cost of \$1,775,099 for MERS was equal to the County's required and actual contributions. The required contribution was determined as part of the December 31, 2009 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions include (a) a rate of return on the investment of present and future assets of 8% per year compounded annually, (b) projected salary increases of 4.5% per year compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0% to 8.40% per year, depending on age, attributable to seniority/merit, and (d) the assumption that benefits will increase 2.5% per year (annually), after retirement for persons under Benefit E-1 or E-2. The actuarial value of MERS assets was determined on a basis of evaluation method that assumes the funds earn the expected rate of return (8%) and includes as an adjustment to reflect market value. The County's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2008, was 28 years.

#### Three-Year Trend Information

##### Schedule of Employer Contributions

| Fiscal Year<br>Ending<br>December 31, | Annual Pension<br>Costs (APC) | Percentage<br>of APC Net<br>Contribution | Pension<br>Obligation |
|---------------------------------------|-------------------------------|--|-----------------------|
| 2009                                  | \$ 1,693,950                  | 100 %                                    | -                     |
| 2010                                  | 1,741,972                     | 100                                      | -                     |
| 2011                                  | 1,775,099                     | 100                                      | -                     |

##### Schedule of Funding Progress

| Actuarial<br>Valuation<br>Date | Actuarial<br>Value of<br>Assets<br>(a) | Actuarial<br>Accrued Liability<br>(AAL) Entry Age<br>(b) | Unfunded<br>(Overfunded)<br>Liability<br>(UAAL)<br>(b-a) | Funded Ratio<br>(AAL)<br>(a/b) | Covered<br>Payroll<br>(c) | UAAL as a % of<br>Covered Payroll<br>[(b-a)/c] |
|--------------------------------|--|--|--|--------------------------------|---------------------------|--|
| 2008                           | \$ 64,884,220                          | \$ 72,924,490  | \$ 8,040,270   | 89 %                           | \$ 24,246,001             | 33 %   |
| 2009                           | 69,487,923                             | 75,451,001   | 5,963,078  | 92                             | 27,718,957                | 22   |
| 2010                           | 73,526,774                             | 79,860,857   | 6,334,083  | 92                             | 26,598,885                | 24   |

#### Component Unit - Road Commission -

The Lapeer County Road Commission, a component unit of the Lapeer County reporting entity, maintains a separate plan with MERS.

For the year ended September 30, 2011, employer contributions totaling \$412,306 were made in accordance with contribution requirements determined by an actuarial valuation of the plan as of December 31, 2009.

Detailed information regarding the Lapeer County Road Commission pension plan is presented in its separately issued financial statements. The actuarially determined contribution requirement has been met.

# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2011

### NOTE 10 - OTHER POST EMPLOYMENT BENEFITS:

#### Primary Government -

The County sponsors a defined contribution plan available to all full-time employees providing resources to employees for postemployment health care expenses and is called the Lapeer County Postemployment Health Plan. The County provides a basic contribution of \$30 per month per individual into an account in the employee's name. The County Board has also approved certain "jump start" contributions for employees based on longevity. The Plan assets are maintained and invested at MERS. Earnings on investment net of administrative costs are allocated to participants accounts based on the ratio of the participants holdings to the entire pool. The Plan requires 10 years of continuous service in a full-time capacity to vest. Forfeitures are used to reduce the County's contributions. The County Board of Commissioners has the authority to amend the Plan.

#### Component Unit - Road Commission -

##### Plan Description -

In addition to the pension benefits described in Note 9, the Lapeer County Road Commission provides postemployment benefits through a single-employer defined benefit healthcare plan (the "Retiree Health Plan") to eligible employees who retire from the Road Commission on or after attaining retirement age with at least ten years of service. Benefits provided by the plan consist of healthcare, vision, dental, and prescription drug coverage. Benefit provisions are established through negotiations between the Road Commission's management and Board of Road Commissioners and the employees' unions.

The Retiree Health Plan does not issue a publicly available financial report.

##### Funding Policy -

The Road Commission funds the benefits on a pay-as-you-go method for current retirees. The plan requires no member contributions for Road Commission employees. During the year ended September 30, 2011, employer contributions of \$258,167 were made by the Road Commission.

##### Annual OPEB Cost and Net OPEB Obligation -

The Road Commission's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount calculated in accordance with the alternative measurement method permitted by GASB Statement 45 for employers in plans with fewer than one hundred total plan members. The ARC represents the level of funding necessary to cover the normal cost each year and the amortization of any unfunded actuarial liabilities (or funding excess) amortized over a period not to exceed thirty years. The Road Commission's annual OPEB cost for the year, the amount actually contributed, and changes in the net OPEB obligation are as follows:

|  |                     |
|--|---------------------|
| Annual required contribution               | \$ 977,259          |
| Interest on net OPEB obligation            | 159,779             |
| Adjustment to annual required contribution | ( 145,115)          |
| Annual OPEB cost (expense)                 | 991,923             |
| Contributions made                         | ( 258,167)          |
| Increase in net OPEB obligation            | 733,756             |
| NET OPEB obligation – beginning of year    | 2,282,552           |
| NET OPEB obligation – end of year          | <u>\$ 3,016,308</u> |

# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2011

### NOTE 10 - OTHER POST EMPLOYMENT BENEFITS - (cont'd):

#### Schedule of Employer Contributions

| Year Ended | Annual OPEB<br>Cost | Percentage<br>Contributed | Change in<br>Net OPEB<br>Obligation | Ending<br>Net OPEB<br>Obligation |
|------------|---------------------|---------------------------|-------------------------------------|----------------------------------|
| 2009       | \$ 1,103,061        | 31.55 %                   | \$ 755,026                          | \$ 1,429,182                     |
| 2010       | 1,107,911           | 22.97                     | 853,370                             | 2,282,552                        |
| 2011       | 991,923             | 26.02                     | 733,756                             | 3,016,308                        |

#### Schedule of Funding Progress

| Actuarial<br>Valuation<br>Date | Actuarial<br>Value of<br>Assets<br>(a) | Actuarial<br>Accrued Liability<br>(AAL) Entry Age<br>(b) | Unfunded<br>(Overfunded)<br>Liability<br>(UAAL)<br>(b-a) | Funded Ratio<br>(AAL)<br>(a/b) | Covered<br>Payroll<br>(c) | UAAL as a % of<br>Covered Payroll<br>[(b-a)/c] |
|--------------------------------|--|--|--|--------------------------------|---------------------------|--|
| 2008                           | \$ -                                   | \$ 11,116,553  | \$ 11,116,553  | 0 %                            | \$ 2,776,247              | 400 %  |
| 2011                           | -                                      | 12,287,321   | 12,277,237   | 0                              | 2,636,426                 | 466  |

#### Funded Status and Funding Progress -

The projection of future benefit payments for an ongoing plan involves estimates for the value of reported amounts and assumptions about the probability or occurrence of events far into the future. 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.

#### Methods and Assumptions -

The 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. The benefit costs were developed using the entry age cost method. The assumptions included (a) 7.0% investment rate of return, (b) 4.8% discount rate, (c) projected health care premium increases of 6.0% to 7.3% per year, (d) life expectancies for males and females of 77 and 81 years, respectively, (e) assumed retirement age of 58, or at the first subsequent year in which the member would qualify for benefits. The plan unfunded actuarial accrued liability is being amortized by level percent of payroll contributions over 30 years on an open period.

## **LAPEER COUNTY, MICHIGAN**

### **NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2011**

#### **NOTE 11 - CONTINGENT LIABILITIES:**

##### **Primary Government -**

The County participates in a number of federal and state assisted grant programs, which are subject to compliance audits. The periodic program compliance monitoring of many of the federal and state programs have not yet been conducted or completed. Accordingly, the County's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

There are various other legal actions pending against the County. Due to the inconclusive nature of many of the actions, it is not possible for Corporation Counsel to determine the probable outcome or a reasonable estimate of the County's potential liability, if any. Those actions, for which a reasonable estimate can be determined of the County's potential liability, if any, are considered to be immaterial.

##### **Component Unit - Road Commission -**

In the normal course of its operations, the Lapeer County Road Commission often becomes a party to various claims and lawsuits. In the opinion of the Road Commission's legal counsel, if any of these claims should result in an unfavorable resolution to the Road Commission, the Road Commission's liability would be limited to its deductible under insurance policies. The insurer would pay the losses, and there should be no material effect on the financial position of the Road Commission.

Also as a part of its trunkline maintenance agreement with the State of Michigan, the Road Commission's costs charged to the State are subject to audit. The amounts, if any, which may have to be paid back to the State, cannot be determined at this time, although the Road Commission expects such amounts, if any, to be immaterial.

#### **NOTE 12 - RISK MANAGEMENT:**

##### **Primary Government -**

The County maintains separate internal service funds to account for the costs of providing worker's compensation, unemployment, retirement, health insurance and health care savings and the resources to finance those costs. Each participating fund of the County makes payments to the respective internal service fund equal to an established percentage of gross salaries for that fund. These payments are accounted for as other services and charges in the paying fund and charges for services in the receiving fund. The settlements have not exceeded insurance coverage for each of the past three years for worker's compensation, health care and the risk covered through participation with the Michigan Municipal Risk Management Authority.

The County is completely self-insured for unemployment compensation, and is self-insured for workers' compensation claims up to an aggregate annual amount of \$325,000. The County is insured for the amount of claims in excess of such limitation to a maximum of \$5,000,000. The County is then self-insured for annual aggregate claims in excess of insurance coverage.

# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2011

### NOTE 12 - RISK MANAGEMENT - (cont'd):

In addition, the Primary Government, including the Board of Public Works and Drainage Districts, is a voluntary member of the Michigan Risk Management Authority established pursuant to laws of the State of Michigan which authorize local units of government to exercise jointly any power, privilege or authority which each might exercise separately.

The administration of the Authority is directed by a nine member Board of Directors composed of municipal representatives from the membership elected by the membership. The Board establishes the general policy of the Authority, creates and publishes rules to be followed by the Manager and Board and is empowered with the authority to impose sanctions or terminate membership. The County, by resolution of the County Board of Commissioners, has designated a representative to the Authority to be responsible for the execution of all loss control measures, to ensure the payment of all annual and supplementary or other payment requirements, and to ensure the filing of all required reports and to act as a liaison between the County and the Authority.

The Authority administers risk management funds providing Lapeer County with loss protection for general and auto liability, motor vehicle physical damage, and property. Under most circumstances the County's maximum loss per occurrence is limited as follows:

| <u>Type of Risk</u>           | <u>Maximum Retention<br/>per Occurrence</u>                     |
|-------------------------------|---|
| General and Auto Liability    | \$ 75,000   |
| Motor Vehicle Physical Damage | 15,000 per vehicle<br>30,000 per occurrence                     |
| Property and Crime            | 1,000 per occurrence, plus 10%<br>of the next \$100,000 of loss |

The County has also elected to be a member of the Stop Loss Program, which limits the County's self-insurance retention. For 2011, the Stop Loss Program limited the retention for Lapeer County to \$270,000 in aggregate claims paid during the year.

The Authority provides risk management, underwriting, reinsurance and claims services with member contributions allocated to meet these obligations.

The Authority has established a reserved fund balance to pay losses incurred by members, which exceed individual retention levels and are not covered under existing reinsurance agreements. Losses incurred within the established limits are general obligations of the Authority. In the event that Lapeer County incurs a loss in excess of the resources available, the County is liable for the excess.

The County provides health insurance coverage through a private carrier, paying premiums adjusted annually. The coverage provided does not have individual or aggregate claims limits beyond deductibles of \$1,000 per claim. The deductible is shared \$800 by the County and \$200 by the employee.

# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2011

### NOTE 12 - RISK MANAGEMENT - (cont'd):

Changes in the balance of claims liability during the past year are as follows:

|                                     | <u>General Fund</u> |                  | <u>Medical Care Facility</u> |                   | <u>Worker's Compensation</u> |                  |
|-------------------------------------|---------------------|------------------|------------------------------|-------------------|------------------------------|------------------|
|                                     | <u>2011</u>         | <u>2010</u>      | <u>2011</u>                  | <u>2010</u>       | <u>2011</u>                  | <u>2010</u>      |
| Unpaid claims, beginning of year    | \$ 95,000           | \$ 110,000       | \$ 220,476                   | \$ 78,797         | \$ 210,000                   | \$ 50,000        |
| Incurring claims (including IBNR's) | 100,292             | 156,885          | 664,777                      | 327,427           | 169,077                      | 333,747          |
| Claims Paid                         | ( 118,292)          | ( 171,885)       | ( 504,630)                   | ( 185,748)        | ( 273,077)                   | ( 173,747)       |
| Unpaid claims, end of year          | 77,000              | 95,000           | 380,623                      | 220,476           | 106,000                      | 210,000          |
| Less current portion                | ( 10,000)           | ( 10,000)        | ( 150,000)                   | ( 100,000)        | ( 85,000)                    | ( 175,000)       |
| Long-term Liabilities               | <u>\$ 67,000</u>    | <u>\$ 85,000</u> | <u>\$ 230,623</u>            | <u>\$ 120,476</u> | <u>\$ 21,000</u>             | <u>\$ 35,000</u> |

### Component Unit - Road Commission -

The Road Commission is exposed to various risks of loss related to life, disability, and health insurance, automobile liability, error or omissions liability, bodily injury, property damage, personal, injury liability and property (building) and grounds. The Road Commission has acquired commercial insurance coverage for each of these types of losses. However, the Road Commission would be responsible for claims in excess of coverage limits. The amount of the settlement claims for the last three years has not exceeded insurance coverages.

The Road Commission provides for its employees dental/optical reimbursement programs for regular full-time employees, spouses and dependent children under nineteen (19) years of age. Based on their bargaining unit, employees may be reimbursed for dental and/or optical up to \$650 for bills or apply their reimbursement amount to the cost of the insurance premiums.

### NOTE 13 - CONSTRUCTION CONTRACT COMMITMENTS:

The County has construction activities reported in the E-911 Construction Fund. The construction is for updating E-911 facilities and equipment for the Central Dispatch. At December 31, 2011, the County had committed \$13,306,561 for construction contracts and had spent \$10,702,953 through the end of the year leaving \$2,603,608 remaining on the commitments.

### NOTE 14 - DEFERRED COMPENSATION:

The County, including its component units, offers its employees Deferred Compensation Plans created in accordance with the Internal Revenue Code Section 457.

A trust, custodial account or annuity contract assets are owned or held by a trust, custodian or insurer for the exclusive benefit of participants and beneficiaries, and are not subject to the claims of public employer creditors nor can they be used by the public employer for any purpose other than the payment of benefits to those individuals participating in the plan or their designated beneficiaries. As a result, the County and its component units have determined a fiduciary relationship does not exist and therefore the Deferred Compensation Plans are not reported as part of the County or its component units.

As part of its fiduciary role, the County, including its component units, has an obligation of due care in selecting the third party administrator. The County, including its component units, believes they have acted in a prudent manner and are not liable for losses that may arise from the administration of the plan.



# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2011

### NOTE 15 - FUND EQUITY:

#### INVESTMENT IN CAPITAL ASSETS, NET OF RELATED DEBT -

|                                  | Enabling<br>Legislation | Other         | Total                |
|----------------------------------|-------------------------|---------------|----------------------|
| <b>Governmental Activities:</b>  |                         |               |                      |
| Capital Assets                   | \$ -                    | \$ 26,490,232 | \$ 26,490,232        |
| Less related debt -              |                         |               |                      |
| 2004A Refunding Bonds - CMH      | -                       | ( 520,000)    | ( 520,000)           |
| 2011 G.O. Bonds                  | -                       | ( 14,475,000) | ( 14,475,000)        |
|                                  |                         |               | <u>\$ 11,495,232</u> |
| <b>Business-type Activities:</b> |                         |               |                      |
| Capital Assets                   | -                       | 16,327,713    | <u>\$ 16,327,713</u> |

#### RESTRICTED FUND BALANCE/NET ASSETS -

The fund balance and net assets of the Primary Government have been restricted for the following purposes at December 31, 2011:

|   | Enabling<br>Legislation | Other        | Total                |
|---|-------------------------|--------------|----------------------|
| Acquisition/construction of capital assets:             |                         |              |                      |
| E-911 Construction                                      | \$ -                    | \$ 4,223,288 | \$ 4,223,288         |
| Jail  | -                       | 629,558      | 629,558              |
| Capital Construction & Improvement                      | -                       | 30,000       | 30,000               |
| Old Courthouse  | -                       | 38,504       | <u>38,504</u>        |
|   |                         |              | <u>4,921,350</u>     |
| Debt Service:   |                         |              |                      |
| E-911 Debt Fund   | 1,829,519               | -            | 1,829,519            |
| Mental Health Debt Fund                                 | -                       | 50,461       | <u>50,461</u>        |
|   |                         |              | <u>1,879,980</u>     |
| Health and Welfare:                                     |                         |              |                      |
| Community Mental Health                                 | -                       | 116,825      | 116,825              |
| Community Development                                   | -                       | 20,117       | 20,117               |
| Senior Millage  | 142,251                 | -            | 142,251              |
| Veterans' Trust   | -                       | 1,882        | <u>1,882</u>         |
|   |                         |              | <u>281,075</u>       |
| Public Safety:  |                         |              |                      |
| E-911   | 906,270                 | -            | 906,270              |
| Thumb Narcotics Unit                                    | -                       | 30,797       | 30,797               |
| Law Enforcement - Other                                 | -                       | 85,284       | <u>85,284</u>        |
|   |                         |              | <u>1,022,351</u>     |
| Other:  |                         |              |                      |
| General Fund - Budget                                   |                         |              |                      |
| Stabilization Arrangement                               | 2,504,748               | -            | 2,504,748            |
| Polly Ann Trail   | -                       | 800          | 800                  |
| Friend of Court   | -                       | 7,773        | 7,773                |
| Family Marriage Counseling                              | -                       | 51,158       | 51,158               |
| County Surveyor   | -                       | 14,422       | 14,422               |
| Register of Deeds                                       | -                       | 448,517      | <u>448,517</u>       |
|   |                         |              | <u>3,027,418</u>     |
| Total Restricted Net Assets,<br>governmental activities |                         |              | <u>\$ 11,132,174</u> |

**LAPEER COUNTY, MICHIGAN**

**NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2011**

**NOTE 15 - FUND EQUITY - (cont'd):**

**Business-type Activities:**

Other:

|                   |   |           |                     |
|-------------------|---|-----------|---------------------|
| Foreclosure sales | - | 1,421,146 | <u>\$ 1,421,146</u> |
|-------------------|---|-----------|---------------------|

**ASSIGNED FUND BALANCES -**

At December 31, 2011, the Administrator/Controller had assigned the following fund balances:

Major Funds -

|                         |                  |
|-------------------------|------------------|
| General Fund            | \$ 3,784,958     |
| Community Mental Health | <u>1,131,382</u> |
|                         | <u>4,916,340</u> |

Nonmajor Funds -

|                                  |                  |
|----------------------------------|------------------|
| Parks Department                 | 141              |
| Health Department                | 96               |
| Personal Care Aide Program       | 35,761           |
| Animal Control                   | 71,414           |
| Emergency Management             | 23,140           |
| Community Grants                 | 18,182           |
| Police Service Contracts         | 110,578          |
| Law Enforcement Programs         | 210,662          |
| Law Enforcement                  | 101,889          |
| Law Library                      | 25,149           |
| Department of Human Services     | 36,792           |
| Child Care                       | 378,816          |
| Multi-Purpose Collaborative Body | <u>16,984</u>    |
|                                  | <u>1,029,604</u> |

|                             |                     |
|-----------------------------|---------------------|
| Total Assigned Fund Balance | <u>\$ 5,945,944</u> |
|-----------------------------|---------------------|

## **REQUIRED SUPPLEMENTARY INFORMATION**

**LAPEER COUNTY, MICHIGAN**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

|                            | Budget            |                   | Actual            | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|----------------------------|-------------------|-------------------|-------------------|---|
|                            | Original          | Final             |                   |   |
| <b>Revenues:</b>           |                   |                   |                   |   |
| Taxes                      | \$ 9,205,000      | \$ 9,737,000      | \$ 9,729,526      | \$( 7,474)  |
| Licenses and permits       | 32,530            | 32,530            | 26,990            | ( 5,540)  |
| Intergovernmental -        |                   |                   |                   |   |
| Federal/State              | 2,945,935         | 2,696,595         | 2,795,363         | 98,768  |
| Charges for services       | 1,967,763         | 2,023,828         | 2,133,293         | 109,465   |
| Fines and forfeits         | 298,300           | 298,300           | 241,189           | ( 57,111)   |
| Interest and rent          | 410,713           | 422,591           | 462,888           | 40,297  |
| Other                      | 2,893,450         | 2,893,450         | 2,957,892         | 64,442  |
| Total Revenues             | <u>17,753,691</u> | <u>18,104,294</u> | <u>18,347,141</u> | <u>242,847</u>  |
| <b>Expenditures:</b>       |                   |                   |                   |   |
| <b>Legislative:</b>        |                   |                   |                   |   |
| Board of Commissioners     | <u>276,984</u>    | <u>286,291</u>    | <u>261,095</u>    | <u>25,196</u>   |
| <b>Judicial:</b>           |                   |                   |                   |   |
| Circuit Court              | 1,085,959         | 1,103,523         | 1,081,975         | 21,548  |
| District Court             | 1,472,208         | 1,545,532         | 1,520,360         | 25,172  |
| Jury Board                 | 4,408             | 4,408             | 3,996             | 412   |
| Indigent Counsel           | 491,013           | 491,013           | 380,723           | 110,290   |
| Probate Court              | 556,157           | 569,626           | 493,817           | 75,809  |
| Adult Probation            | <u>22,420</u>     | <u>23,690</u>     | <u>23,377</u>     | <u>313</u>  |
|                            | <u>3,632,165</u>  | <u>3,737,792</u>  | <u>3,504,248</u>  | <u>233,544</u>  |
| <b>General Government:</b> |                   |                   |                   |   |
| Administrative             | 260,414           | 268,325           | 203,176           | 65,149  |
| Elections                  | 38,268            | 47,333            | 44,999            | 2,334   |
| Professional Services      | 318,939           | 320,539           | 176,311           | 144,228   |
| County Clerk               | 545,229           | 560,953           | 553,329           | 7,624   |
| Tax Equalization           | 240,425           | 243,142           | 242,931           | 211   |
| Prosecuting Attorney       | 1,086,486         | 1,141,821         | 1,094,910         | 46,911  |
| Register of Deeds          | 264,522           | 277,507           | 277,507           | -   |
| County Treasurer           | 365,266           | 375,946           | 363,933           | 12,013  |
| Computer Operations        | 192,472           | 192,896           | 142,127           | 50,769  |
| Accounting                 | 296,715           | 307,608           | 299,181           | 8,427   |
| Building Operations        | 405,630           | 405,630           | 358,792           | 46,838  |
| Building and Grounds       | 735,951           | 748,357           | 724,214           | 24,143  |
| Drain Commissioner         | 369,853           | 382,274           | 323,169           | 59,105  |
| Boundary Commission        | <u>400</u>        | <u>400</u>        | <u>-</u>          | <u>400</u>  |
|                            | <u>5,120,570</u>  | <u>5,272,731</u>  | <u>4,804,579</u>  | <u>468,152</u>  |

Continued

**LAPEER COUNTY, MICHIGAN**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

|                                 | Budget                |                       | Actual                | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------|-----------------------|-----------------------|-----------------------|---|
|                                 | Original              | Final                 |                       |   |
| <b>Public Safety:</b>           |                       |                       |                       |   |
| Sheriff                         | \$ 2,754,846          | \$ 2,871,913          | \$ 2,769,982          | \$ 101,931  |
| Criminal Justice Training       | 9,524                 | 9,524                 | 8,856                 | 668   |
| Marine Safety                   | 9,366                 | 9,366                 | 4,712                 | 4,654   |
| Jail/Feeding Prisoners          | 2,817,287             | 2,921,533             | 2,884,014             | 37,519  |
| Livestock Claims                | 1,000                 | 1,000                 | -                     | 1,000   |
| Planning Commission             | 3,320                 | 3,320                 | 1,320                 | 2,000   |
| PLAT Board                      | 607                   | 607                   | -                     | 607   |
|                                 | <u>5,595,950</u>      | <u>5,817,263</u>      | <u>5,668,884</u>      | <u>148,379</u>  |
| <b>Public Works:</b>            |                       |                       |                       |   |
| Road Commission                 | 209,802               | 220,977               | 220,976               | 1   |
| Drains - County at Large        | 64,650                | 64,650                | 57,064                | 7,586   |
|                                 | <u>274,452</u>        | <u>285,627</u>        | <u>278,040</u>        | <u>7,587</u>  |
| <b>Health and Welfare:</b>      |                       |                       |                       |   |
| Medical Examiner                | 63,877                | 68,789                | 68,755                | 34  |
| Veterans' Burial                | 8,946                 | 8,946                 | 7,480                 | 1,466   |
| Veterans' Affairs               | 114,381               | 116,167               | 100,643               | 15,524  |
| Veterans' Relief                | 1,000                 | 1,000                 | -                     | 1,000   |
| Lapeer Development Corporation  | 7,000                 | 7,000                 | 7,000                 | -   |
|                                 | <u>195,204</u>        | <u>201,902</u>        | <u>183,878</u>        | <u>18,024</u>   |
| <b>Recreation and Cultural:</b> |                       |                       |                       |   |
| Cooperative Extension           | 224,406               | 230,797               | 226,735               | 4,062   |
| <b>Other:</b>                   |                       |                       |                       |   |
| Bonds and Insurance             | 482,984               | 482,984               | 399,278               | 83,706  |
| Memberships and Dues            | 14,300                | 14,800                | 14,769                | 31  |
| Contingency                     | 764,313               | 470,480               | -                     | 470,480   |
|                                 | <u>1,261,597</u>      | <u>968,264</u>        | <u>414,047</u>        | <u>554,217</u>  |
| <br>Total Expenditures          | <br><u>16,581,328</u> | <br><u>16,800,667</u> | <br><u>15,341,506</u> | <br><u>1,459,161</u>                                    |
| <br>Revenues over expenditures  | <br><u>1,172,363</u>  | <br><u>1,303,627</u>  | <br><u>3,005,635</u>  | <br><u>1,702,008</u>                                    |

Continued

# LAPEER COUNTY, MICHIGAN

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL - GENERAL FUND FOR THE YEAR ENDED DECEMBER 31, 2011

|  | Budget              |                     | Actual              | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|---------------------|---------------------|---------------------|---|
|  | Original            | Final               |                     |   |
| <b>Other Financing Sources (Uses):</b> |                     |                     |                     |   |
| Transfer In                            | \$ 907,000          | \$ 7,000            | \$ 9,518            | \$ 2,518  |
| Transfers Out                          |                     |                     |                     |   |
| Special Revenue Funds -                |                     |                     |                     |   |
| Parks Department                       | -                   | ( 47,654)           | ( 49,153)           | ( 1,499)  |
| Friend of the Court                    | ( 280,000)          | ( 280,000)          | ( 280,000)          | -   |
| Health Department                      |                     |                     |                     |   |
| Operations                             | ( 400,000)          | ( 444,000)          | ( 467,500)          | ( 23,500)   |
| Cigarette tax                          | ( 8,073)            | ( 4,022)            | ( 4,021)            | 1   |
| Liquor tax                             | ( 145,311)          | ( 157,593)          | ( 157,593)          | -   |
| Mental Health                          | ( 150,000)          | ( 150,000)          | ( 150,000)          | -   |
| Animal Control                         | ( 50,000)           | ( 50,000)           | ( 50,000)           | -   |
| Rental Property                        | -                   | ( 1,000)            | ( 1,000)            | -   |
| Emergency Management                   | ( 49,000)           | ( 49,000)           | ( 49,000)           | -   |
| Community Corrections                  | ( 60,000)           | ( 60,000)           | -                   | 60,000  |
| Police Service Contracts               | ( 300,462)          | ( 299,666)          | ( 287,777)          | 11,889  |
| Law Enforcement Programs               | ( 4,573)            | ( 8,858)            | ( 8,858)            | -   |
| Law Enforcement                        | ( 30,000)           | ( 58,897)           | ( 58,897)           | -   |
| Law Library                            | ( 2,500)            | ( 2,500)            | ( 2,500)            | -   |
| Department of Human Services           | ( 23,910)           | ( 22,000)           | ( 22,000)           | -   |
| Child Care                             | ( 676,134)          | ( 620,467)          | ( 465,000)          | 155,467   |
| Multi Purpose Collaborative Body       | ( 30,000)           | ( 30,000)           | ( 30,000)           | -   |
| Internal Service Funds -               |                     |                     |                     |   |
| Equipment Acquisition & Replacement    | ( 31,350)           | ( 20,175)           | ( 20,175)           | -   |
| Total Transfers Out                    | ( 2,241,313)        | ( 2,305,832)        | ( 2,103,474)        | 202,358   |
| Total Transfers                        | ( 1,334,313)        | ( 2,298,832)        | ( 2,093,956)        | 204,876   |
| Net Change in Fund Balance             | ( 161,950)          | ( 995,205)          | 911,679             | 1,906,884   |
| Fund Balance at beginning of year      | 4,422,705           | 4,422,705           | 4,422,705           | -   |
| Fund Balance at end of year            | <u>\$ 4,260,755</u> | <u>\$ 3,427,500</u> | <u>\$ 5,334,384</u> | <u>\$ 1,906,884</u>                                     |

### Reconciliation of Budget-Basis to GAAP-Basis Reporting:

|  |                   |
|--|-------------------|
| Net Change in General Fund   |                   |
| Fund Balance - Budgetary Basis   | \$ 911,679        |
| Perspective difference -   |                   |
| Other Budgeted Funds Net Change allocated to<br>the General Fund for GAAP-Basis General Fund |                   |
| Local Reserve  | 5,292             |
| Budget Stabilization   | 81,466            |
| Emergency Disaster   | -                 |
| Rental Property  | 481               |
| Net Change in Fund Balance - GAAP-Basis  | <u>\$ 998,918</u> |

# LAPEER COUNTY

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2011

|                                   | Original/Final<br>Budget | Actual              | Variance<br>Positive<br>(Negative) |
|-----------------------------------|--------------------------|---------------------|------------------------------------|
| <b>LOCAL RESERVE</b>              |                          |                     |                                    |
| <b>Revenues:</b>                  |                          |                     |                                    |
| Interest                          | \$ -                     | \$ 5,292            | \$ 5,292                           |
| <b>Other Financing Uses:</b>      |                          |                     |                                    |
| Transfers out                     | ( 800,000)               | -                   | 800,000                            |
| Net Change in Fund Balance        | ( 800,000)               | 5,292               | 805,292                            |
| Fund Balance at beginning of year | 3,744,798                | 3,744,798           | -                                  |
| Fund Balance at end of year       | <u>\$ 2,944,798</u>      | <u>\$ 3,750,090</u> | <u>\$ 805,292</u>                  |

### BUDGET STABILIZATION

|                                   |                     |                     |                   |
|-----------------------------------|---------------------|---------------------|-------------------|
| <b>Revenues:</b>                  |                     |                     |                   |
| Interest                          | \$ -                | \$ 81,466           | \$ 81,466         |
| <b>Other Financing Uses:</b>      |                     |                     |                   |
| Transfers out                     | ( 100,000)          | -                   | 100,000           |
| Net Change in Fund Balance        | ( 100,000)          | 81,466              | 181,466           |
| Fund Balance at beginning of year | 2,423,282           | 2,423,282           | -                 |
| Fund Balance at end of year       | <u>\$ 2,323,282</u> | <u>\$ 2,504,748</u> | <u>\$ 181,466</u> |

### EMERGENCY DISASTER

|                                   |                  |                  |             |
|-----------------------------------|------------------|------------------|-------------|
| Net Change in Fund Balance        | \$ -             | \$ -             | \$ -        |
| Fund Balance at beginning of year | 34,100           | 34,100           | -           |
| Fund Balance at end of year       | <u>\$ 34,100</u> | <u>\$ 34,100</u> | <u>\$ -</u> |

### RENTAL PROPERTY

|                                   |               |               |               |
|-----------------------------------|---------------|---------------|---------------|
| <b>Revenues:</b>                  |               |               |               |
| Rent and royalties                | \$ 21,780     | \$ 15,884     | \$( 5,896)    |
| <b>Expenditures:</b>              |               |               |               |
| General Government                | 21,780        | 16,403        | 5,377         |
| Revenues under expenditures       | -             | ( 519)        | ( 519)        |
| <b>Other Financing Sources:</b>   |               |               |               |
| Transfers in                      | -             | 1,000         | 1,000         |
| Net Change in Fund Balance        | -             | 481           | 481           |
| Fund Balance at beginning of year | 287           | 287           | -             |
| Fund Balance at end of year       | <u>\$ 287</u> | <u>\$ 768</u> | <u>\$ 481</u> |

**LAPEER COUNTY, MICHIGAN**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - COMMUNITY MENTAL HEALTH SPECIAL REVENUE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011**

|                                   | <u>Budget</u>              |                            | <u>Actual</u>              | <u>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</u> |
|-----------------------------------|----------------------------|----------------------------|----------------------------|---|
|                                   | <u>Original</u>            | <u>Final</u>               |                            |   |
| <b>Revenues:</b>                  |                            |                            |                            |   |
| Intergovernmental -               |                            |                            |                            |   |
| Federal/State                     | \$ 2,279,264               | \$ 2,312,223               | \$ 1,804,710               | \$( 507,513)  |
| Charges for services              | 13,562,353                 | 13,632,354                 | 13,640,135                 | 7,781   |
| Interest                          | 11,750                     | 11,750                     | 11,099                     | ( 651)  |
| Other                             | 109,819                    | 227,499                    | 238,208                    | 10,709  |
| Total Revenues                    | <u>15,963,186</u>          | <u>16,183,826</u>          | <u>15,694,152</u>          | <u>( 489,674)</u>   |
| <b>Expenditures:</b>              |                            |                            |                            |   |
| Health and Welfare                | <u>16,113,186</u>          | <u>16,383,826</u>          | <u>16,127,820</u>          | <u>256,006</u>  |
| Revenues under expenditures       | ( 150,000)                 | ( 200,000)                 | ( 433,668)                 | ( 233,668)  |
| <b>Other Financing Sources:</b>   |                            |                            |                            |   |
| Transfers in                      | <u>150,000</u>             | <u>200,000</u>             | <u>200,000</u>             | <u>-</u>  |
| Net Change in Fund Balance        | -                          | -                          | ( 233,668)                 | ( 233,668)  |
| Fund Balance at beginning of year | <u>1,542,733</u>           | <u>1,542,733</u>           | <u>1,542,733</u>           | <u>-</u>  |
| Fund Balance at end of year       | <u><u>\$ 1,542,733</u></u> | <u><u>\$ 1,542,733</u></u> | <u><u>\$ 1,309,065</u></u> | <u><u>\$( 233,668)</u></u>  |



# LAPEER COUNTY, MICHIGAN

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL - COMMUNITY DEVELOPMENT FOR THE YEAR ENDED DECEMBER 31, 2011

|                                   | Budget                  |                         | Actual                  | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|-----------------------------------|-------------------------|-------------------------|-------------------------|---|
|                                   | Original                | Final                   |                         |   |
| <b>Revenues:</b>                  |                         |                         |                         |   |
| Intergovernmental -               |                         |                         |                         |   |
| Federal/State                     | \$ 219,470              | \$ 219,470              | \$ 109,994              | \$( 109,476)  |
| Charges for services              | 12,995                  | 12,995                  | 37,845                  | 24,850  |
| Total Revenues                    | <u>232,465</u>          | <u>232,465</u>          | <u>147,839</u>          | <u>( 84,626)</u>  |
| <b>Expenditures:</b>              |                         |                         |                         |   |
| Public Works                      | -                       | -                       | 119,628                 | ( 119,628)  |
| Health and Welfare                | 232,465                 | 232,465                 | 33,560                  | 198,905   |
| Total Expenditures                | <u>232,465</u>          | <u>232,465</u>          | <u>153,188</u>          | <u>79,277</u>   |
| Revenue over (under) expenditures | <u>-</u>                | <u>-</u>                | <u>( 5,349)</u>         | <u>( 5,349)</u>   |
| Net Change in Fund Balance        | -                       | -                       | ( 5,349)                | ( 5,349)  |
| Fund Balance at beginning of year | <u>25,466</u>           | <u>25,466</u>           | <u>25,466</u>           | <u>-</u>  |
| Fund Balance at end of year       | <u><u>\$ 25,466</u></u> | <u><u>\$ 25,466</u></u> | <u><u>\$ 20,117</u></u> | <u><u>\$( 5,349)</u></u>                                |

## **SUPPLEMENTARY INFORMATION**

# LAPEER COUNTY, MICHIGAN

## COMBINING BALANCE SHEET SCHEDULE GENERAL FUND DECEMBER 31, 2011

|                                     | General Fund -<br>Budgetary<br>Basis | Local<br>Reserve    | Budget<br>Stabilization | Emergency<br>Disaster |
|-------------------------------------|--------------------------------------|---------------------|-------------------------|-----------------------|
| <b>ASSETS</b>                       |                                      |                     |                         |                       |
| Cash and cash equivalents           | \$ 1,398                             | \$ 750,090          | \$ 510,020              | \$ 34,100             |
| Investments                         | 7,321,233                            | 3,000,000           | 2,065,550               | -                     |
| Receivables -                       |                                      |                     |                         |                       |
| Property taxes                      | 608,833                              | -                   | -                       | -                     |
| Accounts and interest               | 27,311                               | -                   | 8,884                   | -                     |
| Due from other governmental units - |                                      |                     |                         |                       |
| Federal/State                       | 104,494                              | -                   | -                       | -                     |
| Due from other funds                | 100                                  | -                   | -                       | -                     |
| Interfund receivables               | 79,706                               | -                   | ( 79,706)               | -                     |
| Advances to component units         | 90,000                               | -                   | -                       | -                     |
| Prepayments and deposits            | 54,292                               | -                   | -                       | -                     |
|                                     | <u>\$ 8,287,367</u>                  | <u>\$ 3,750,090</u> | <u>\$ 2,504,748</u>     | <u>\$ 34,100</u>      |
| Total Assets                        |                                      |                     |                         |                       |
|                                     | <u>\$ 8,287,367</u>                  | <u>\$ 3,750,090</u> | <u>\$ 2,504,748</u>     | <u>\$ 34,100</u>      |
| <b>LIABILITIES AND FUND BALANCE</b> |                                      |                     |                         |                       |
| <b>Liabilities:</b>                 |                                      |                     |                         |                       |
| Accounts payable                    | \$ 165,784                           | \$ -                | \$ -                    | \$ -                  |
| Accrued liabilities                 | 141,847                              | -                   | -                       | -                     |
| Due to other governmental units -   |                                      |                     |                         |                       |
| Federal/State                       | 18,521                               | -                   | -                       | -                     |
| Due to other funds                  | 15,594                               | -                   | -                       | -                     |
| Interfund payables                  | 2,600,000                            | -                   | -                       | -                     |
| Deferred revenue                    | 11,237                               | -                   | -                       | -                     |
| Total Liabilities                   | <u>2,952,983</u>                     | <u>-</u>            | <u>-</u>                | <u>-</u>              |
| <b>Fund Balance:</b>                |                                      |                     |                         |                       |
| Nonspendable -                      |                                      |                     |                         |                       |
| Prepayments and deposits            | 54,292                               | -                   | -                       | -                     |
| Advances                            | 90,000                               | -                   | -                       | -                     |
| Restricted                          | -                                    | -                   | 2,504,748               | -                     |
| Assigned                            | -                                    | 3,750,090           | -                       | 34,100                |
| Unassigned                          | 5,190,092                            | -                   | -                       | -                     |
| Total Fund Balance                  | <u>5,334,384</u>                     | <u>3,750,090</u>    | <u>2,504,748</u>        | <u>34,100</u>         |
| Total Liabilities and Fund Balance  | <u>\$ 8,287,367</u>                  | <u>\$ 3,750,090</u> | <u>\$ 2,504,748</u>     | <u>\$ 34,100</u>      |

| Rental<br>Property | General Fund<br>(GAAP-Basis) |
|--------------------|------------------------------|
| \$ 1,243           | \$ 1,296,851                 |
| -                  | 12,386,783                   |
| -                  | 608,833                      |
| -                  | 36,195                       |
| -                  | 104,494                      |
| -                  | 100                          |
| -                  | -                            |
| -                  | 90,000                       |
| -                  | 54,292                       |
| <u>\$ 1,243</u>    | <u>\$ 14,577,548</u>         |

|            |                  |
|------------|------------------|
| \$ 475     | \$ 166,259       |
| -          | 141,847          |
| -          | 18,521           |
| -          | 15,594           |
| -          | 2,600,000        |
| -          | 11,237           |
| <u>475</u> | <u>2,953,458</u> |

|                 |                      |
|-----------------|----------------------|
| -               | 54,292               |
| -               | 90,000               |
| -               | 2,504,748            |
| 768             | 3,784,958            |
| -               | 5,190,092            |
| <u>768</u>      | <u>11,624,090</u>    |
| <u>\$ 1,243</u> | <u>\$ 14,577,548</u> |

# LAPEER COUNTY, MICHIGAN

## COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

### GENERAL FUND

**FOR THE YEAR ENDED DECEMBER 31, 2011**

|  | General Fund<br>Budgetary -<br>Basis | Local<br>Reserve    | Budget<br>Stabilization | Emergency<br>Disaster |
|--|--------------------------------------|---------------------|-------------------------|-----------------------|
| <b>Revenues:</b>                       |                                      |                     |                         |                       |
| Taxes                                  | \$ 9,729,526                         | \$ -                | \$ -                    | \$ -                  |
| Licenses and permits                   | 26,990                               | -                   | -                       | -                     |
| Intergovernmental - Federal/State      | 2,795,363                            | -                   | -                       | -                     |
| Charges for services                   | 2,133,293                            | -                   | -                       | -                     |
| Fines and forfeits                     | 241,189                              | -                   | -                       | -                     |
| Rents and royalties                    | -                                    | -                   | -                       | -                     |
| Interest                               | 462,888                              | 5,292               | 81,466                  | -                     |
| Other                                  | 2,957,892                            | -                   | -                       | -                     |
| Total Revenues                         | <u>18,347,141</u>                    | <u>5,292</u>        | <u>81,466</u>           | <u>-</u>              |
| <b>Expenditures:</b>                   |                                      |                     |                         |                       |
| Current -                              |                                      |                     |                         |                       |
| Legislative                            | 261,095                              | -                   | -                       | -                     |
| Judicial                               | 3,504,248                            | -                   | -                       | -                     |
| General Government                     | 4,804,579                            | -                   | -                       | -                     |
| Public Safety                          | 5,668,884                            | -                   | -                       | -                     |
| Public Works                           | 278,040                              | -                   | -                       | -                     |
| Health and Welfare                     | 183,878                              | -                   | -                       | -                     |
| Recreation and Cultural                | 226,735                              | -                   | -                       | -                     |
| Other Activities                       | 414,047                              | -                   | -                       | -                     |
| Total Expenditures                     | <u>15,341,506</u>                    | <u>-</u>            | <u>-</u>                | <u>-</u>              |
| Revenues over (under) expenditures     | <u>3,005,635</u>                     | <u>5,292</u>        | <u>81,466</u>           | <u>-</u>              |
| <b>Other Financing Sources (Uses):</b> |                                      |                     |                         |                       |
| Intrafund transfers                    | ( 1,000)                             |                     |                         |                       |
| Transfers in                           | 9,518                                | -                   | -                       | -                     |
| Transfers out                          | ( 2,102,474)                         | -                   | -                       | -                     |
| Total Other Financing Sources (Uses)   | <u>( 2,093,956)</u>                  | <u>-</u>            | <u>-</u>                | <u>-</u>              |
| Net Change in Fund Balances            | 911,679                              | 5,292               | 81,466                  | -                     |
| Fund Balances at beginning of year     | <u>4,422,705</u>                     | <u>3,744,798</u>    | <u>2,423,282</u>        | <u>34,100</u>         |
| Fund Balances at end of year           | <u>\$ 5,334,384</u>                  | <u>\$ 3,750,090</u> | <u>\$ 2,504,748</u>     | <u>\$ 34,100</u>      |

| <u>Rental<br/>Property</u> | <u>General Fund<br/>(GAAP-Basis)</u> |
|----------------------------|--------------------------------------|
| \$ -                       | \$ 9,729,526                         |
| -                          | 26,990                               |
| -                          | 2,795,363                            |
| -                          | 2,133,293                            |
| -                          | 241,189                              |
| 15,884                     | 15,884                               |
| -                          | 549,646                              |
| -                          | 2,957,892                            |
| <u>15,884</u>              | <u>18,449,783</u>                    |

|               |                   |
|---------------|-------------------|
| -             | 261,095           |
| -             | 3,504,248         |
| 16,403        | 4,820,982         |
| -             | 5,668,884         |
| -             | 278,040           |
| -             | 183,878           |
| -             | 226,735           |
| -             | 414,047           |
| <u>16,403</u> | <u>15,357,909</u> |

|               |                  |
|---------------|------------------|
| <u>( 519)</u> | <u>3,091,874</u> |
|---------------|------------------|

|              |                     |
|--------------|---------------------|
| 1,000        | -                   |
| -            | 9,518               |
| -            | ( 2,102,474)        |
| <u>1,000</u> | <u>( 2,092,956)</u> |

|               |                      |
|---------------|----------------------|
| 481           | 998,918              |
| <u>287</u>    | <u>10,625,172</u>    |
| <u>\$ 768</u> | <u>\$ 11,624,090</u> |

## NONMAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

The Special Revenue Funds of the County are used to account for the proceeds of specific revenue sources that are restricted, committed or assigned to expenditures for specified purposes other than debt service and capital projects. The Nonmajor Special Revenue Funds of the County are as follows:

**Parks Department** - is used to account for the operations of the County Park System financed primarily with fees and state grant funds. Other sources of support are provided by a General Fund appropriation.

**Polly Ann Trail** - is used to account for grants to develop old railroad right-of-ways into walking and hiking trails.

**E - 911** - is used to report the operations of the county-wide E-911 system. The operations are financed primarily with telephone surcharges.

**Friend of the Court** - is used to account for the revenues and expenditures of the Friend of the Court office required in 1982 under Public Acts 294 through 298. A significant amount of the financing of operations is from federal and state sources in the form of grant funding. Other sources of revenue include fees and General Fund appropriations.

**Family Marriage Counseling** - is used to account for the portion of marriage license fees set aside for providing family counseling to individuals who have domestic-related actions pending before the Circuit Court.

**Health Department** - is used to account for the portions of providing health protection and preventive health services. Financing is provided by state and federal grants, charges for services and General Fund appropriations.

**Personal Care Aide Program** - is used to account for the federal and state funded grant program to provide in-home services to eligible recipients.

**Animal Control** - is used to account for the operations of providing public safety services associated with the control of domestic and wild animals within the County.

**County Surveyor** - is used to account for funds received from Michigan Department of Labor & Economic Growth, Bureau of Construction Codes & Fire Safety Office of Land Survey and Remonumentation.

**Register of Deeds Automation** - is used to account for the revenues and expenditures set aside for the updating and streamlining of the records system in the Register of Deeds office.

**Emergency Management** - is used to account for the costs of assuring that the County is ready and prepared for any emergency disasters and is primarily funded through federal and state grants.

**Policing Contracts** - is used to account for the providing of deputies to various communities through federal funding under the C.O.P.S. program.

**Law Enforcement Programs** - is used to account for a number of law enforcement programs financed primarily with federal and state funding.

**Law Enforcement - Other** - is used to account for seized drug forfeitures and confiscated property earmarked for drug law enforcement under the provision of Public Act 135 of 1985.

**Law Library** - is used to account for penal fines earmarked for maintaining a law library. The County also supplements the operations with General Fund appropriations.

**Department of Human Services** - is used to maintain the operations of the County Family Independence Agency. The Agency administers programs financed primarily with federal and state funds to provide assistance to enable eligible recipients to gain self-sufficiency.

**Child Care** - is used to account for court-ordered expenses for the health and welfare of minor children. Financing is provided by state matching of certain eligible costs. Other sources of support are provided by a General Fund appropriation.

**Veterans' Trust** - is used to account for earmarked revenue for aid to veterans. This fund is required by state law and financed by state grants.

**Senior Millage** - is used to account for an ad valorem special property tax Millage and the distribution to various funds and agencies that provide programs for seniors.

The remaining special revenue funds are Community Grants, Thumb Narcotics Unit, Police Service Contracts, Law Enforcement, KIND and Multi Purpose Collaborative Body. These funds are utilized to maintain various programs and activities financed primarily with federal and state grants.

### **DEBT SERVICE FUND**

The Debt Service Fund of the County is used to account for all financial resources that are restricted, committed, or assigned to expenditures for principal and interest. The Debt Service Fund of the County is as follows:

**Community Mental Health** - is used to account for the accumulation of rent paid by the Community Mental Health Department for payment of the Building Authority bond issue sold to defray the cost of construction of the Community Mental Health Building.

### **CAPITAL PROJECTS FUNDS**

Capital Projects Funds of the County are used to account for all financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities or other capital assets. The Capital Projects Funds of the County are as follows:

**Jail** - is used to account for the construction of the new jail facility.

**Capital Construction & Improvement** - is used to account for the construction costs associated with the development and furnishing of the County Complex.

**Old Courthouse** - is used to account for local and other revenue sources provided to fund the ongoing renovation project of the Historic County Courthouse.



**LAPEER COUNTY, MICHIGAN**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2011**

|                                     | Special Revenue Funds |                    |                   |                        |                                  |
|-------------------------------------|-----------------------|--------------------|-------------------|------------------------|----------------------------------|
|                                     | Parks<br>Department   | Polly Ann<br>Trail | E-911             | Friend of<br>the Court | Family<br>Marriage<br>Counseling |
| <b>ASSETS</b>                       |                       |                    |                   |                        |                                  |
| Cash and cash equivalents           | \$ 1,838              | \$ -               | \$ 491,564        | \$ -                   | \$ 51,543                        |
| Receivables -                       |                       |                    |                   |                        |                                  |
| Property taxes                      | -                     | -                  | -                 | -                      | -                                |
| Accounts and interest               | -                     | -                  | 385,311           | -                      | -                                |
| Due from other governmental units - |                       |                    |                   |                        |                                  |
| Federal/State                       | -                     | 2,998              | 59,147            | 118,062                | -                                |
| Inventory                           | -                     | -                  | -                 | -                      | -                                |
| Prepayments and deposits            | -                     | -                  | -                 | -                      | -                                |
| Total Assets                        | <u>\$ 1,838</u>       | <u>\$ 2,998</u>    | <u>\$ 936,022</u> | <u>\$ 118,062</u>      | <u>\$ 51,543</u>                 |
| <b>LIABILITIES AND FUND BALANCE</b> |                       |                    |                   |                        |                                  |
| <b>Liabilities:</b>                 |                       |                    |                   |                        |                                  |
| Accounts payable                    | \$ 765                | \$ -               | \$ 4,691          | \$ 5,234               | \$ 385                           |
| Accrued liabilities                 | 866                   | -                  | 22,303            | 15,320                 | -                                |
| Due to other governmental units -   |                       |                    |                   |                        |                                  |
| Federal/State                       | -                     | -                  | -                 | -                      | -                                |
| Due to other funds                  | 66                    | -                  | 2,758             | 1,472                  | -                                |
| Interfund payables                  | -                     | 2,198              | -                 | 29,547                 | -                                |
| Advances from other funds           | -                     | -                  | -                 | -                      | -                                |
| Deferred revenue                    | -                     | -                  | -                 | 58,716                 | -                                |
| Total Liabilities                   | <u>1,697</u>          | <u>2,198</u>       | <u>29,752</u>     | <u>110,289</u>         | <u>385</u>                       |
| <b>Fund Balance:</b>                |                       |                    |                   |                        |                                  |
| Nonspendable -                      |                       |                    |                   |                        |                                  |
| Inventory                           | -                     | -                  | -                 | -                      | -                                |
| Prepayments and deposits            | -                     | -                  | -                 | -                      | -                                |
| Restricted                          | -                     | 800                | 906,270           | 7,773                  | 51,158                           |
| Assigned                            | 141                   | -                  | -                 | -                      | -                                |
| Total Fund Balance                  | <u>141</u>            | <u>800</u>         | <u>906,270</u>    | <u>7,773</u>           | <u>51,158</u>                    |
| Total Liabilities and Fund Balance  | <u>\$ 1,838</u>       | <u>\$ 2,998</u>    | <u>\$ 936,022</u> | <u>\$ 118,062</u>      | <u>\$ 51,543</u>                 |

Continued

Special Revenue Funds

| <u>Health<br/>Department</u> | <u>Personal<br/>Care<br/>Aide Program</u> | <u>Animal<br/>Control</u> | <u>County<br/>Surveyor</u> | <u>Register<br/>of Deeds<br/>Automation</u> | <u>Emergency<br/>Management</u> | <u>Community<br/>Grants</u> |
|------------------------------|---|---------------------------|----------------------------|---|---------------------------------|-----------------------------|
| \$ 52,734                    | \$ 65,670                                 | \$ 104,816                | \$ 14,422                  | \$ 451,032                                  | \$ 17,764                       | \$ -                        |
| -                            | -   | -                         | -                          | -   | -                               | -                           |
| 26,882                       | -   | -                         | -                          | -   | -                               | -                           |
| 76,776                       | 43,530                                    | -                         | -                          | -   | 12,382                          | 46,049                      |
| -                            | 1,251                                     | -                         | -                          | -   | -                               | -                           |
| 4,474                        | -   | -                         | -                          | -   | -                               | -                           |
| <u>\$ 160,866</u>            | <u>\$ 110,451</u>                         | <u>\$ 104,816</u>         | <u>\$ 14,422</u>           | <u>\$ 451,032</u>                           | <u>\$ 30,146</u>                | <u>\$ 46,049</u>            |
|                              |   |                           |                            |   |                                 |                             |
| \$ 9,231                     | \$ 53,629                                 | \$ 314                    | \$ -                       | \$ 2,515                                    | \$ -                            | \$ 10,591                   |
| 65,970                       | 18,482                                    | 2,572                     | -                          | -   | 934                             | 5,492                       |
| 57,215                       | -   | -                         | -                          | -   | -                               | -                           |
| 5,782                        | 1,328                                     | 237                       | -                          | -   | 72                              | 251                         |
| -                            | -   | -                         | -                          | -   | -                               | 11,533                      |
| -                            | -   | -                         | -                          | -   | -                               | -                           |
| 18,098                       | -   | 30,279                    | -                          | -   | 6,000                           | -                           |
| <u>156,296</u>               | <u>73,439</u>                             | <u>33,402</u>             | <u>-</u>                   | <u>2,515</u>                                | <u>7,006</u>                    | <u>27,867</u>               |
|                              |   |                           |                            |   |                                 |                             |
| -                            | 1,251                                     | -                         | -                          | -   | -                               | -                           |
| 4,474                        | -   | -                         | -                          | -   | -                               | -                           |
| -                            | -   | -                         | 14,422                     | 448,517                                     | -                               | -                           |
| 96                           | 35,761                                    | 71,414                    | -                          | -   | 23,140                          | 18,182                      |
| <u>4,570</u>                 | <u>37,012</u>                             | <u>71,414</u>             | <u>14,422</u>              | <u>448,517</u>                              | <u>23,140</u>                   | <u>18,182</u>               |
| <u>\$ 160,866</u>            | <u>\$ 110,451</u>                         | <u>\$ 104,816</u>         | <u>\$ 14,422</u>           | <u>\$ 451,032</u>                           | <u>\$ 30,146</u>                | <u>\$ 46,049</u>            |

Continued

**LAPEER COUNTY, MICHIGAN**

**COMBINING BALANCE SHEET**

**NONMAJOR GOVERNMENTAL FUNDS**

**DECEMBER 31, 2011**

|                                     | Special Revenue Funds      |                                |                                |                       |                    |
|-------------------------------------|----------------------------|--------------------------------|--------------------------------|-----------------------|--------------------|
|                                     | Thumb<br>Narcotics<br>Unit | Police<br>Service<br>Contracts | Law<br>Enforcement<br>Programs | Policing<br>Contracts | Law<br>Enforcement |
| <b>ASSETS</b>                       |                            |                                |                                |                       |                    |
| Cash and cash equivalents           | \$ 42,522                  | \$ 5,195                       | \$ 211,453                     | \$ -                  | \$ 106,788         |
| Receivables -                       |                            |                                |                                |                       |                    |
| Property taxes                      | -                          | -                              | -                              | -                     | -                  |
| Accounts and interest               | -                          | -                              | -                              | -                     | -                  |
| Due from other governmental units - |                            |                                |                                |                       |                    |
| Federal/State                       | 47,093                     | 125,307                        | -                              | -                     | -                  |
| Inventory                           | -                          | -                              | -                              | -                     | -                  |
| Prepayments and deposits            | -                          | -                              | -                              | -                     | -                  |
|                                     |                            |                                |                                |                       |                    |
| Total Assets                        | <u>\$ 89,615</u>           | <u>\$ 130,502</u>              | <u>\$ 211,453</u>              | <u>\$ -</u>           | <u>\$ 106,788</u>  |
| <b>LIABILITIES AND FUND BALANCE</b> |                            |                                |                                |                       |                    |
| <b>Liabilities:</b>                 |                            |                                |                                |                       |                    |
| Accounts payable                    | \$ 58,818                  | \$ -                           | \$ 791                         | \$ -                  | \$ 692             |
| Accrued liabilities                 | -                          | 17,588                         | -                              | -                     | 3,741              |
| Due to other governmental units -   |                            |                                |                                |                       |                    |
| Federal/State                       | -                          | -                              | -                              | -                     | -                  |
| Due to other funds                  | -                          | 2,336                          | -                              | -                     | 466                |
| Interfund payables                  | -                          | -                              | -                              | -                     | -                  |
| Advances from other funds           | -                          | -                              | -                              | -                     | -                  |
| Deferred revenue                    | -                          | -                              | -                              | -                     | -                  |
| Total Liabilities                   | <u>58,818</u>              | <u>19,924</u>                  | <u>791</u>                     | <u>-</u>              | <u>4,899</u>       |
| <b>Fund Balance:</b>                |                            |                                |                                |                       |                    |
| Nonspendable -                      |                            |                                |                                |                       |                    |
| Inventory                           | -                          | -                              | -                              | -                     | -                  |
| Prepayments and deposits            | -                          | -                              | -                              | -                     | -                  |
| Restricted                          | 30,797                     | -                              | -                              | -                     | -                  |
| Assigned                            | -                          | 110,578                        | 210,662                        | -                     | 101,889            |
| Total Fund Balance                  | <u>30,797</u>              | <u>110,578</u>                 | <u>210,662</u>                 | <u>-</u>              | <u>101,889</u>     |
|                                     |                            |                                |                                |                       |                    |
| Total Liabilities and Fund Balance  | <u>\$ 89,615</u>           | <u>\$ 130,502</u>              | <u>\$ 211,453</u>              | <u>\$ -</u>           | <u>\$ 106,788</u>  |

Continued

Special Revenue Funds

| Law<br>Enforcement -<br>Other | Law<br>Library   | Department<br>of Human<br>Services | Child<br>Care     | Veterans'<br>Trust | K.I.N.D.    | Multi Purpose<br>Collaborative<br>Body | Senior<br>Millage |
|-------------------------------|------------------|------------------------------------|-------------------|--------------------|-------------|--|-------------------|
| \$ 87,588                     | \$ 25,560        | \$ 55,985                          | \$ 335,976        | \$ -               | \$ -        | \$ -                                   | \$ 215,173        |
| -                             | -                | -                                  | -                 | -                  | -           | -                                      | 597,454           |
| -                             | -                | -                                  | -                 | -                  | -           | -                                      | -                 |
| -                             | -                | -                                  | 150,658           | 3,841              | -           | 40,325                                 | -                 |
| -                             | -                | -                                  | -                 | -                  | -           | -                                      | -                 |
| -                             | 1,054            | -                                  | -                 | -                  | -           | -                                      | -                 |
| <u>\$ 87,588</u>              | <u>\$ 26,614</u> | <u>\$ 55,985</u>                   | <u>\$ 486,634</u> | <u>\$ 3,841</u>    | <u>\$ -</u> | <u>\$ 40,325</u>                       | <u>\$ 812,627</u> |
| \$ 2,304                      | \$ 411           | \$ 4,193                           | \$ 45,289         | \$ -               | \$ -        | \$ 1,167                               | \$ -              |
| -                             | -                | -                                  | 3,769             | -                  | -           | 6,975                                  | -                 |
| -                             | -                | 15,000                             | -                 | -                  | -           | -                                      | -                 |
| -                             | -                | -                                  | 27,881            | -                  | -           | 524                                    | -                 |
| -                             | -                | -                                  | -                 | 1,959              | -           | 7,175                                  | -                 |
| -                             | -                | -                                  | -                 | -                  | -           | 7,500                                  | -                 |
| -                             | -                | -                                  | 30,879            | -                  | -           | -                                      | 670,376           |
| <u>2,304</u>                  | <u>411</u>       | <u>19,193</u>                      | <u>107,818</u>    | <u>1,959</u>       | <u>-</u>    | <u>23,341</u>                          | <u>670,376</u>    |
| -                             | -                | -                                  | -                 | -                  | -           | -                                      | -                 |
| -                             | 1,054            | -                                  | -                 | -                  | -           | -                                      | -                 |
| 85,284                        | -                | -                                  | -                 | 1,882              | -           | -                                      | 142,251           |
| -                             | 25,149           | 36,792                             | 378,816           | -                  | -           | 16,984                                 | -                 |
| <u>85,284</u>                 | <u>26,203</u>    | <u>36,792</u>                      | <u>378,816</u>    | <u>1,882</u>       | <u>-</u>    | <u>16,984</u>                          | <u>142,251</u>    |
| <u>\$ 87,588</u>              | <u>\$ 26,614</u> | <u>\$ 55,985</u>                   | <u>\$ 486,634</u> | <u>\$ 3,841</u>    | <u>\$ -</u> | <u>\$ 40,325</u>                       | <u>\$ 812,627</u> |

Continued

**LAPEER COUNTY, MICHIGAN**

**COMBINING BALANCE SHEET**

**NONMAJOR GOVERNMENTAL FUNDS**

**DECEMBER 31, 2011**

|                                     | Debt<br>Service Fund          | Capital Project Funds |  |                   |                     |
|-------------------------------------|-------------------------------|-----------------------|--|-------------------|---------------------|
|                                     | Community<br>Mental<br>Health | Jail                  | Capital<br>Construction &<br>Improvement | Old<br>Courthouse | Total               |
| <b>ASSETS</b>                       |                               |                       |  |                   |                     |
| Cash and cash equivalents           | \$ 50,461                     | \$ 629,558            | \$ 30,000                                | \$ 38,504         | \$ 3,086,146        |
| Receivables -                       |                               |                       |  |                   |                     |
| Property taxes                      | -                             | -                     | -  | -                 | 597,454             |
| Accounts and interest               | -                             | -                     | -  | -                 | 412,193             |
| Due from other governmental units - |                               |                       |  |                   |                     |
| Federal/State                       | -                             | -                     | -  | -                 | 726,168             |
| Inventory                           | -                             | -                     | -  | -                 | 1,251               |
| Prepayments and deposits            | -                             | -                     | -  | -                 | 5,528               |
|                                     |                               |                       |  |                   |                     |
| Total Assets                        | <u>\$ 50,461</u>              | <u>\$ 629,558</u>     | <u>\$ 30,000</u>                         | <u>\$ 38,504</u>  | <u>\$ 4,828,740</u> |
| <b>LIABILITIES AND FUND BALANCE</b> |                               |                       |  |                   |                     |
| <b>Liabilities:</b>                 |                               |                       |  |                   |                     |
| Accounts payable                    | \$ -                          | \$ -                  | \$ -                                     | \$ -              | \$ 201,020          |
| Accrued liabilities                 | -                             | -                     | -  | -                 | 164,012             |
| Due to other governmental units -   |                               |                       |  |                   |                     |
| Federal/State                       | -                             | -                     | -  | -                 | 72,215              |
| Due to other funds                  | -                             | -                     | -  | -                 | 43,173              |
| Interfund payables                  | -                             | -                     | -  | -                 | 52,412              |
| Advances from other funds           | -                             | -                     | -  | -                 | 7,500               |
| Deferred revenue                    | -                             | -                     | -  | -                 | 814,348             |
| Total Liabilities                   | <u>-</u>                      | <u>-</u>              | <u>-</u>                                 | <u>-</u>          | <u>1,354,680</u>    |
| <b>Fund Balance:</b>                |                               |                       |  |                   |                     |
| Nonspendable -                      |                               |                       |  |                   |                     |
| Inventory                           | -                             | -                     | -  | -                 | 1,251               |
| Prepayments and deposits            | -                             | -                     | -  | -                 | 5,528               |
| Restricted                          | 50,461                        | 629,558               | 30,000                                   | 38,504            | 2,437,677           |
| Assigned                            | -                             | -                     | -  | -                 | 1,029,604           |
| Total Fund Balance                  | <u>50,461</u>                 | <u>629,558</u>        | <u>30,000</u>                            | <u>38,504</u>     | <u>3,474,060</u>    |
|                                     |                               |                       |  |                   |                     |
| Total Liabilities and Fund Balance  | <u>\$ 50,461</u>              | <u>\$ 629,558</u>     | <u>\$ 30,000</u>                         | <u>\$ 38,504</u>  | <u>\$ 4,828,740</u> |

Concluded

**LAPEER COUNTY, MICHIGAN**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2011**

|   | Special Revenue Funds |                      |                          |                        |                                  |
|---|-----------------------|----------------------|--------------------------|------------------------|----------------------------------|
|   | Parks<br>Department   | Polly Ann<br>Trail   | E-911                    | Friend of<br>the Court | Family<br>Marriage<br>Counseling |
| <b>Revenues:</b>                        |                       |                      |                          |                        |                                  |
| Taxes                                   | \$ -                  | \$ -                 | \$ 1,815,419             | \$ -                   | \$ -                             |
| Licenses and permits                    | -                     | -                    | -                        | -                      | 8,245                            |
| Intergovernmental -                     |                       |                      |                          |                        |                                  |
| Federal/State                           | 40,615                | 2,998                | -                        | 885,808                | -                                |
| Charges for services                    | 71,242                | -                    | -                        | 106,579                | -                                |
| Fines and forfeits                      | -                     | -                    | -                        | -                      | -                                |
| Rents and royalties                     | 2,808                 | -                    | 31,321                   | -                      | -                                |
| Interest                                | -                     | -                    | 2,130                    | -                      | -                                |
| Other                                   | -                     | -                    | 1,287                    | 7                      | -                                |
| Total Revenues                          | <u>114,665</u>        | <u>2,998</u>         | <u>1,850,157</u>         | <u>992,394</u>         | <u>8,245</u>                     |
| <b>Expenditures:</b>                    |                       |                      |                          |                        |                                  |
| Current -                               |                       |                      |                          |                        |                                  |
| Judicial                                | -                     | -                    | -                        | 1,270,567              | 1,875                            |
| General Government                      | -                     | -                    | -                        | -                      | -                                |
| Public Safety                           | -                     | -                    | 1,681,225                | -                      | -                                |
| Health and Welfare                      | -                     | -                    | -                        | -                      | -                                |
| Recreation and Cultural                 | 184,955               | 2,500                | -                        | -                      | -                                |
| Capital Outlay                          | -                     | -                    | -                        | -                      | -                                |
| Debt Service -                          |                       |                      |                          |                        |                                  |
| Principal                               | -                     | -                    | -                        | -                      | -                                |
| Interest and charges                    | -                     | -                    | -                        | -                      | -                                |
| Total Expenditures                      | <u>184,955</u>        | <u>2,500</u>         | <u>1,681,225</u>         | <u>1,270,567</u>       | <u>1,875</u>                     |
| Revenues over (under) expenditures      | <u>( 70,290)</u>      | <u>498</u>           | <u>168,932</u>           | <u>( 278,173)</u>      | <u>6,370</u>                     |
| <b>Other Financing Sources (Uses):</b>  |                       |                      |                          |                        |                                  |
| Transfer In                             | 49,153                | -                    | -                        | 280,000                | -                                |
| Transfer Out                            | ( 50,000)             | -                    | -                        | -                      | -                                |
| Total Other Financing<br>Sources (Uses) | <u>( 847)</u>         | <u>-</u>             | <u>-</u>                 | <u>280,000</u>         | <u>-</u>                         |
| Net Change in Fund Balances             | <u>( 71,137)</u>      | <u>498</u>           | <u>168,932</u>           | <u>1,827</u>           | <u>6,370</u>                     |
| Fund Balances at beginning of year      | <u>71,278</u>         | <u>302</u>           | <u>737,338</u>           | <u>5,946</u>           | <u>44,788</u>                    |
| Fund Balances at end of year            | <u><u>\$ 141</u></u>  | <u><u>\$ 800</u></u> | <u><u>\$ 906,270</u></u> | <u><u>\$ 7,773</u></u> | <u><u>\$ 51,158</u></u>          |

Continued

Special Revenue Funds

| Health<br>Department | Personal<br>Care<br>Aide Program | Animal<br>Control | County<br>Surveyor | Register<br>of Deeds<br>Automation | Emergency<br>Management | Community<br>Grants |
|----------------------|----------------------------------|-------------------|--------------------|------------------------------------|-------------------------|---------------------|
| \$ -                 | \$ -                             | \$ -              | \$ -               | \$ -                               | \$ -                    | \$ -                |
| 278,584              | -                                | 171,965           | -                  | -                                  | -                       | -                   |
| 1,260,525            | 403,224                          | -                 | 29,129             | -                                  | 147,218                 | 278,093             |
| 357,268              | 3,170                            | 35,285            | -                  | 77,440                             | 652                     | 86,601              |
| 1,707                | -                                | 11,390            | -                  | -                                  | -                       | -                   |
| -                    | -                                | -                 | -                  | -                                  | -                       | -                   |
| -                    | -                                | -                 | -                  | 1,680                              | -                       | -                   |
| 168,776              | 47,286                           | 3,744             | -                  | -                                  | 1,000                   | 20,168              |
| <u>2,066,860</u>     | <u>453,680</u>                   | <u>222,384</u>    | <u>29,129</u>      | <u>79,120</u>                      | <u>148,870</u>          | <u>384,862</u>      |
| -                    | -                                | -                 | -                  | -                                  | -                       | -                   |
| -                    | -                                | -                 | 14,707             | 57,852                             | -                       | -                   |
| -                    | -                                | 246,997           | -                  | -                                  | 197,551                 | 391,876             |
| 2,723,913            | 1,091,417                        | -                 | -                  | -                                  | -                       | -                   |
| -                    | -                                | -                 | -                  | -                                  | -                       | -                   |
| -                    | -                                | -                 | -                  | -                                  | -                       | -                   |
| -                    | -                                | -                 | -                  | -                                  | -                       | -                   |
| <u>2,723,913</u>     | <u>1,091,417</u>                 | <u>246,997</u>    | <u>14,707</u>      | <u>57,852</u>                      | <u>197,551</u>          | <u>391,876</u>      |
| ( 657,053)           | ( 637,737)                       | ( 24,613)         | 14,422             | 21,268                             | ( 48,681)               | ( 7,014)            |
| 635,338              | 600,000                          | 50,000            | -                  | -                                  | 49,000                  | -                   |
| -                    | -                                | -                 | -                  | -                                  | -                       | -                   |
| <u>635,338</u>       | <u>600,000</u>                   | <u>50,000</u>     | <u>-</u>           | <u>-</u>                           | <u>49,000</u>           | <u>-</u>            |
| ( 21,715)            | ( 37,737)                        | 25,387            | 14,422             | 21,268                             | 319                     | ( 7,014)            |
| 26,285               | 74,749                           | 46,027            | -                  | 427,249                            | 22,821                  | 25,196              |
| <u>\$ 4,570</u>      | <u>\$ 37,012</u>                 | <u>\$ 71,414</u>  | <u>\$ 14,422</u>   | <u>\$ 448,517</u>                  | <u>\$ 23,140</u>        | <u>\$ 18,182</u>    |

Continued

**LAPEER COUNTY, MICHIGAN**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2011**

|   | Special Revenue Funds      |                             |                                |                       |                    |
|---|----------------------------|-----------------------------|--------------------------------|-----------------------|--------------------|
|   | Thumb<br>Narcotics<br>Unit | Police Service<br>Contracts | Law<br>Enforcement<br>Programs | Policing<br>Contracts | Law<br>Enforcement |
| <b>Revenues:</b>                        |                            |                             |                                |                       |                    |
| Taxes                                   | \$ -                       | \$ -                        | \$ -                           | \$ -                  | \$ -               |
| Licenses and permits                    | -                          | -                           | -                              | -                     | -                  |
| Intergovernmental -                     |                            |                             |                                |                       |                    |
| Federal/State                           | 240,193                    | -                           | 17,284                         | -                     | 92,500             |
| Charges for services                    | -                          | 909,432                     | 12,344                         | -                     | 15,205             |
| Fines and forfeits                      | 35,549                     | -                           | -                              | -                     | -                  |
| Rents and royalties                     | -                          | -                           | -                              | -                     | -                  |
| Interest                                | 38                         | -                           | -                              | -                     | -                  |
| Other                                   | 20,967                     | -                           | 6,627                          | -                     | -                  |
| Total Revenues                          | <u>296,747</u>             | <u>909,432</u>              | <u>36,255</u>                  | <u>-</u>              | <u>107,705</u>     |
| <b>Expenditures:</b>                    |                            |                             |                                |                       |                    |
| Current -                               |                            |                             |                                |                       |                    |
| Judicial                                | -                          | -                           | -                              | -                     | -                  |
| General Government                      | -                          | -                           | -                              | -                     | -                  |
| Public Safety                           | 283,964                    | 1,200,341                   | 34,728                         | -                     | 165,230            |
| Health and Welfare                      | -                          | -                           | -                              | -                     | -                  |
| Recreation and Cultural                 | -                          | -                           | -                              | -                     | -                  |
| Capital Outlay                          | -                          | -                           | -                              | -                     | -                  |
| Debt Service -                          |                            |                             |                                |                       |                    |
| Principal                               | -                          | -                           | -                              | -                     | -                  |
| Interest and charges                    | -                          | -                           | -                              | -                     | -                  |
| Total Expenditures                      | <u>283,964</u>             | <u>1,200,341</u>            | <u>34,728</u>                  | <u>-</u>              | <u>165,230</u>     |
| Revenues over (under) expenditures      | <u>12,783</u>              | <u>( 290,909)</u>           | <u>1,527</u>                   | <u>-</u>              | <u>( 57,525)</u>   |
| <b>Other Financing Sources (Uses):</b>  |                            |                             |                                |                       |                    |
| Transfers In                            | -                          | 287,777                     | 8,858                          | -                     | 58,897             |
| Transfers Out                           | -                          | -                           | -                              | ( 9,518)              | -                  |
| Total Other Financing<br>Sources (Uses) | <u>-</u>                   | <u>287,777</u>              | <u>8,858</u>                   | <u>( 9,518)</u>       | <u>58,897</u>      |
| Net Change in Fund Balances             | 12,783                     | ( 3,132)                    | 10,385                         | ( 9,518)              | 1,372              |
| Fund Balances at beginning of year      | <u>18,014</u>              | <u>113,710</u>              | <u>200,277</u>                 | <u>9,518</u>          | <u>100,517</u>     |
| Fund Balances at end of year            | <u>\$ 30,797</u>           | <u>\$ 110,578</u>           | <u>\$ 210,662</u>              | <u>\$ -</u>           | <u>\$ 101,889</u>  |

Continued



Special Revenue Funds

| Law<br>Enforcement -<br>Other | Law<br>Library   | Department<br>Of Human<br>Services | Child<br>Care     | Veterans'<br>Trust | K.I.N.D.    | Multi Purpose<br>Collaborative<br>Body | Senior<br>Millage |
|-------------------------------|------------------|------------------------------------|-------------------|--------------------|-------------|--|-------------------|
| \$ -                          | \$ -             | \$ -                               | \$ -              | \$ -               | \$ -        | \$ -                                   | \$ 460            |
| -                             | -                | -                                  | -                 | -                  | -           | -                                      | -                 |
| -                             | -                | 115,542                            | 416,690           | 6,719              | -           | 204,105                                | -                 |
| -                             | -                | -                                  | 145,307           | -                  | -           | 56,296                                 | -                 |
| 28,158                        | 6,500            | -                                  | 27,149            | -                  | -           | -                                      | -                 |
| -                             | -                | -                                  | -                 | -                  | -           | -                                      | -                 |
| -                             | -                | -                                  | -                 | -                  | -           | -                                      | -                 |
| -                             | -                | -                                  | 59,545            | -                  | -           | 37,880                                 | -                 |
| <u>28,158</u>                 | <u>6,500</u>     | <u>115,542</u>                     | <u>648,691</u>    | <u>6,719</u>       | <u>-</u>    | <u>298,281</u>                         | <u>460</u>        |
| -                             | 8,643            | -                                  | -                 | -                  | -           | -                                      | -                 |
| -                             | -                | -                                  | -                 | -                  | 77          | -                                      | -                 |
| 52,114                        | -                | -                                  | -                 | -                  | -           | -                                      | -                 |
| -                             | -                | 117,156                            | 1,024,970         | 6,719              | -           | 320,287                                | 13,254            |
| -                             | -                | -                                  | -                 | -                  | -           | -                                      | -                 |
| -                             | -                | -                                  | -                 | -                  | -           | -                                      | -                 |
| -                             | -                | -                                  | -                 | -                  | -           | -                                      | -                 |
| <u>52,114</u>                 | <u>8,643</u>     | <u>117,156</u>                     | <u>1,024,970</u>  | <u>6,719</u>       | <u>77</u>   | <u>320,287</u>                         | <u>13,254</u>     |
| ( 23,956)                     | ( 2,143)         | ( 1,614)                           | ( 376,279)        | -                  | ( 77)       | ( 22,006)                              | ( 12,794)         |
| -                             | 2,500            | 22,000                             | 465,000           | -                  | -           | 30,000                                 | -                 |
| -                             | -                | -                                  | -                 | -                  | -           | -                                      | ( 600,000)        |
| <u>-</u>                      | <u>2,500</u>     | <u>22,000</u>                      | <u>465,000</u>    | <u>-</u>           | <u>-</u>    | <u>30,000</u>                          | <u>( 600,000)</u> |
| ( 23,956)                     | 357              | 20,386                             | 88,721            | -                  | ( 77)       | 7,994                                  | ( 612,794)        |
| <u>109,240</u>                | <u>25,846</u>    | <u>16,406</u>                      | <u>290,095</u>    | <u>1,882</u>       | <u>77</u>   | <u>8,990</u>                           | <u>755,045</u>    |
| <u>\$ 85,284</u>              | <u>\$ 26,203</u> | <u>\$ 36,792</u>                   | <u>\$ 378,816</u> | <u>\$ 1,882</u>    | <u>\$ -</u> | <u>\$ 16,984</u>                       | <u>\$ 142,251</u> |

Continued

**LAPEER COUNTY, MICHIGAN**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2011**

|   | Debt<br>Service Fund          | Capital Project Funds |  |                   |                     |
|---|-------------------------------|-----------------------|--|-------------------|---------------------|
|   | Community<br>Mental<br>Health | Jail                  | Capital<br>Construction &<br>Improvement | Old<br>Courthouse | Total               |
| <b>Revenues:</b>                        |                               |                       |  |                   |                     |
| Taxes                                   | \$ -                          | \$ -                  | \$ -                                     | \$ -              | \$ 1,815,879        |
| Licenses and permits                    | -                             | -                     | -  | -                 | 458,794             |
| Intergovernmental -                     |                               |                       |  |                   |                     |
| Federal/State                           | -                             | -                     | -  | -                 | 4,140,643           |
| Charges for services                    | -                             | -                     | -  | -                 | 1,876,821           |
| Fines and forfeits                      | -                             | -                     | -  | -                 | 110,453             |
| Rents and royalties                     | 161,503                       | -                     | -  | -                 | 195,632             |
| Interest                                | 183                           | -                     | -  | -                 | 4,031               |
| Other                                   | -                             | -                     | -  | 7,000             | 374,287             |
| Total Revenues                          | <u>161,686</u>                | <u>-</u>              | <u>-</u>                                 | <u>7,000</u>      | <u>8,976,540</u>    |
| <b>Expenditures:</b>                    |                               |                       |  |                   |                     |
| Current -                               |                               |                       |  |                   |                     |
| Judicial                                | -                             | -                     | -  | -                 | 1,281,085           |
| General Government                      | -                             | -                     | -  | -                 | 72,636              |
| Public Safety                           | -                             | -                     | -  | -                 | 4,254,026           |
| Health and Welfare                      | -                             | -                     | -  | -                 | 5,297,716           |
| Recreation and Cultural                 | -                             | -                     | -  | -                 | 187,455             |
| Capital Outlay                          | -                             | -                     | -  | 2,158             | 2,158               |
| Debt Service -                          |                               |                       |  |                   |                     |
| Principal                               | 145,000                       | -                     | -  | -                 | 145,000             |
| Interest and charges                    | 29,625                        | -                     | -  | -                 | 29,625              |
| Total Expenditures                      | <u>174,625</u>                | <u>-</u>              | <u>-</u>                                 | <u>2,158</u>      | <u>11,269,701</u>   |
| Revenues over (under) expenditures      | <u>( 12,939)</u>              | <u>-</u>              | <u>-</u>                                 | <u>4,842</u>      | <u>( 2,293,161)</u> |
| <b>Other Financing Sources (Uses):</b>  |                               |                       |  |                   |                     |
| Transfer In                             | -                             | -                     | -  | -                 | 2,538,523           |
| Transfer Out                            | -                             | -                     | -  | -                 | ( 659,518)          |
| Total Other Financing<br>Sources (Uses) | <u>-</u>                      | <u>-</u>              | <u>-</u>                                 | <u>-</u>          | <u>1,879,005</u>    |
| Net Change in Fund Balances             | <u>( 12,939)</u>              | <u>-</u>              | <u>-</u>                                 | <u>4,842</u>      | <u>( 414,156)</u>   |
| Fund Balances at beginning of year      | <u>63,400</u>                 | <u>629,558</u>        | <u>30,000</u>                            | <u>33,662</u>     | <u>3,888,216</u>    |
| Fund Balances at end of year            | <u>\$ 50,461</u>              | <u>\$ 629,558</u>     | <u>\$ 30,000</u>                         | <u>\$ 38,504</u>  | <u>\$ 3,474,060</u> |

Concluded

# LAPEER COUNTY, MICHIGAN

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL - NONMAJOR SPECIAL REVENUE FUNDS FOR THE YEAR ENDED DECEMBER 31, 2011

|  | Final<br>Budget         | Actual               | Variance<br>Positive<br>(Negative) |
|--|-------------------------|----------------------|------------------------------------|
| <b>PARKS DEPARTMENT</b>                |                         |                      |                                    |
| <b>Revenues:</b>                       |                         |                      |                                    |
| Intergovernmental -                    |                         |                      |                                    |
| State                                  | \$ 12,000               | \$ 40,615            | \$ 28,615                          |
| Charges for services                   | 74,000                  | 71,242               | ( 2,758)                           |
| Rent and royalties                     | 6,200                   | 2,808                | ( 3,392)                           |
| Total Revenues                         | <u>92,200</u>           | <u>114,665</u>       | <u>22,465</u>                      |
| <b>Expenditures:</b>                   |                         |                      |                                    |
| Recreation and Cultural                | <u>172,952</u>          | <u>184,955</u>       | <u>( 12,003)</u>                   |
| Revenues under expenditures            | <u>( 80,752)</u>        | <u>( 70,290)</u>     | <u>10,462</u>                      |
| <b>Other Financing Sources (Uses):</b> |                         |                      |                                    |
| Transfers in                           | 39,252                  | 49,153               | 9,901                              |
| Transfers out                          | <u>-</u>                | <u>( 50,000)</u>     | <u>( 50,000)</u>                   |
| Total Other Financing Sources (Uses)   | <u>39,252</u>           | <u>( 847)</u>        | <u>( 40,099)</u>                   |
| Net Change in Fund Balance             | ( 41,500)               | ( 71,137)            | ( 29,637)                          |
| Fund Balance at beginning of year      | <u>71,278</u>           | <u>71,278</u>        | <u>-</u>                           |
| Fund Balance at end of year            | <u><u>\$ 29,778</u></u> | <u><u>\$ 141</u></u> | <u><u>\$( 29,637)</u></u>          |

### POLLY ANN TRAIL

|                                   |                      |                      |                      |
|-----------------------------------|----------------------|----------------------|----------------------|
| <b>Revenues:</b>                  |                      |                      |                      |
| Intergovernmental -               |                      |                      |                      |
| Federal/State                     | \$ 20,000            | \$ 2,998             | \$( 17,002)          |
| <b>Expenditures:</b>              |                      |                      |                      |
| Recreation and Cultural           | <u>20,000</u>        | <u>2,500</u>         | <u>17,500</u>        |
| Net Change in Fund Balance        | -                    | 498                  | 498                  |
| Fund Balance at beginning of year | <u>302</u>           | <u>302</u>           | <u>-</u>             |
| Fund Balance at end of year       | <u><u>\$ 302</u></u> | <u><u>\$ 800</u></u> | <u><u>\$ 498</u></u> |

Continued

# LAPEER COUNTY, MICHIGAN

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL - NONMAJOR SPECIAL REVENUE FUNDS FOR THE YEAR ENDED DECEMBER 31, 2011

|                                   | Final<br>Budget          | Actual                   | Variance<br>Positive<br>(Negative) |
|-----------------------------------|--------------------------|--------------------------|------------------------------------|
| <b>E - 911</b>                    |                          |                          |                                    |
| <b>Revenues:</b>                  |                          |                          |                                    |
| Taxes                             | \$ 1,680,812             | \$ 1,815,419             | \$ 134,607                         |
| Interest                          | 23,663                   | 2,130                    | ( 21,533)                          |
| Rent and royalties                | 21,238                   | 31,321                   | 10,083                             |
| Other                             | -                        | 1,287                    | 1,287                              |
| Total Revenues                    | <u>1,725,713</u>         | <u>1,850,157</u>         | <u>124,444</u>                     |
| <b>Expenditures:</b>              |                          |                          |                                    |
| Public Safety                     | <u>1,728,213</u>         | <u>1,681,225</u>         | <u>46,988</u>                      |
| Net Change in Fund Balance        | ( 2,500)                 | 168,932                  | 171,432                            |
| Fund Balance at beginning of year | <u>737,338</u>           | <u>737,338</u>           | <u>-</u>                           |
| Fund Balance at end of year       | <u><u>\$ 734,838</u></u> | <u><u>\$ 906,270</u></u> | <u><u>\$ 171,432</u></u>           |

### FRIEND OF THE COURT

|                                   |                           |                        |                         |
|-----------------------------------|---------------------------|------------------------|-------------------------|
| <b>Revenues:</b>                  |                           |                        |                         |
| Intergovernmental -               |                           |                        |                         |
| Federal/State                     | \$ 916,067                | \$ 885,808             | \$( 30,259)             |
| Charges for services              | 116,200                   | 106,579                | ( 9,621)                |
| Other                             | <u>37,000</u>             | <u>7</u>               | <u>( 36,993)</u>        |
| Total Revenues                    | 1,069,267                 | 992,394                | ( 76,873)               |
| <b>Expenditures:</b>              |                           |                        |                         |
| Judicial                          | <u>1,417,835</u>          | <u>1,270,567</u>       | <u>147,268</u>          |
| Revenues under expenditures       | ( 348,568)                | ( 278,173)             | 70,395                  |
| <b>Other Financing Sources:</b>   |                           |                        |                         |
| Transfers in                      | <u>280,000</u>            | <u>280,000</u>         | <u>-</u>                |
| Net Change in Fund Balance        | ( 68,568)                 | 1,827                  | 70,395                  |
| Fund Balance at beginning of year | <u>5,946</u>              | <u>5,946</u>           | <u>-</u>                |
| Fund Balance at end of year       | <u><u>\$( 62,622)</u></u> | <u><u>\$ 7,773</u></u> | <u><u>\$ 70,395</u></u> |

Continued

# LAPEER COUNTY, MICHIGAN

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL - NONMAJOR SPECIAL REVENUE FUNDS FOR THE YEAR ENDED DECEMBER 31, 2011

|                                   | Final<br>Budget | Actual    | Variance<br>Positive<br>(Negative) |
|-----------------------------------|-----------------|-----------|------------------------------------|
| <b>FAMILY MARRIAGE COUNSELING</b> |                 |           |                                    |
| <b>Revenues:</b>                  |                 |           |                                    |
| Licenses and permits              | \$ 7,500        | \$ 8,245  | \$ 745                             |
| <b>Expenditures:</b>              |                 |           |                                    |
| Judicial                          | 7,500           | 1,875     | 5,625                              |
| Net Change in Fund Balance        | -               | 6,370     | 6,370                              |
| Fund Balance at beginning of year | 44,788          | 44,788    | -                                  |
| Fund Balance at end of year       | \$ 44,788       | \$ 51,158 | \$ 6,370                           |

### HEALTH DEPARTMENT

|                                   |            |            |             |
|-----------------------------------|------------|------------|-------------|
| <b>Revenues:</b>                  |            |            |             |
| Licenses and permits              | \$ 283,550 | \$ 278,584 | \$( 4,966)  |
| Intergovernmental -               |            |            |             |
| Federal/State                     | 1,390,467  | 1,260,525  | ( 129,942)  |
| Charges for services              | 479,872    | 357,268    | ( 122,604)  |
| Fines and forfeits                | 1,500      | 1,707      | 207         |
| Other                             | 198,090    | 168,776    | ( 29,314)   |
| Total Revenues                    | 2,353,479  | 2,066,860  | ( 286,619)  |
| <b>Expenditures:</b>              |            |            |             |
| Health and Welfare                | 2,906,863  | 2,723,913  | 182,950     |
| Revenues under expenditures       | ( 553,384) | ( 657,053) | ( 103,669)  |
| <b>Other Financing Sources:</b>   |            |            |             |
| Transfers in                      | 553,384    | 635,338    | 81,954      |
| Net Change in Fund Balance        | -          | ( 21,715)  | ( 21,715)   |
| Fund Balance at beginning of year | 26,285     | 26,285     | -           |
| Fund Balance at end of year       | \$ 26,285  | \$ 4,570   | \$( 21,715) |

Continued

# LAPEER COUNTY, MICHIGAN

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL - NONMAJOR SPECIAL REVENUE FUNDS FOR THE YEAR ENDED DECEMBER 31, 2011

|                                   | Final<br>Budget         | Actual                  | Variance<br>Positive<br>(Negative) |
|-----------------------------------|-------------------------|-------------------------|------------------------------------|
| <b>PERSONAL CARE AIDE PROGRAM</b> |                         |                         |                                    |
| <b>Revenues:</b>                  |                         |                         |                                    |
| Intergovernmental -               |                         |                         |                                    |
| Federal/State                     | \$ 401,427              | \$ 403,224              | \$ 1,797                           |
| Charges for services              | 3,100                   | 3,170                   | 70                                 |
| Other                             | 47,100                  | 47,286                  | 186                                |
| Total Revenues                    | <u>451,627</u>          | <u>453,680</u>          | <u>2,053</u>                       |
| <b>Expenditures:</b>              |                         |                         |                                    |
| Health and Welfare                | <u>1,099,127</u>        | <u>1,091,417</u>        | <u>7,710</u>                       |
| Revenues under expenditures       | ( 647,500)              | ( 637,737)              | 9,763                              |
| <b>Other Financing Sources:</b>   |                         |                         |                                    |
| Transfers in                      | <u>600,000</u>          | <u>600,000</u>          | <u>-</u>                           |
| Net Change in Fund Balance        | ( 47,500)               | ( 37,737)               | 9,763                              |
| Fund Balance at beginning of year | <u>74,749</u>           | <u>74,749</u>           | <u>-</u>                           |
| Fund Balance at end of year       | <u><u>\$ 27,249</u></u> | <u><u>\$ 37,012</u></u> | <u><u>\$ 9,763</u></u>             |

### ANIMAL CONTROL

|                                   |                         |                         |                         |
|-----------------------------------|-------------------------|-------------------------|-------------------------|
| <b>Revenues:</b>                  |                         |                         |                         |
| Licenses and permits              | \$ 194,025              | \$ 171,965              | \$( 22,060)             |
| Charges for services              | 26,000                  | 35,285                  | 9,285                   |
| Fines and forfeits                | 3,000                   | 11,390                  | 8,390                   |
| Other                             | 1,000                   | 3,744                   | 2,744                   |
| Total Revenues                    | <u>224,025</u>          | <u>222,384</u>          | <u>( 1,641)</u>         |
| <b>Expenditures:</b>              |                         |                         |                         |
| Public Safety                     | <u>274,025</u>          | <u>246,997</u>          | <u>27,028</u>           |
| Revenues under expenditures       | ( 50,000)               | ( 24,613)               | 25,387                  |
| <b>Other Financing Sources:</b>   |                         |                         |                         |
| Transfers in                      | <u>50,000</u>           | <u>50,000</u>           | <u>-</u>                |
| Net Change in Fund Balance        | -                       | 25,387                  | 25,387                  |
| Fund Balance at beginning of year | <u>46,027</u>           | <u>46,027</u>           | <u>-</u>                |
| Fund Balance at end of year       | <u><u>\$ 46,027</u></u> | <u><u>\$ 71,414</u></u> | <u><u>\$ 25,387</u></u> |

Continued

# LAPEER COUNTY, MICHIGAN

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL - NONMAJOR SPECIAL REVENUE FUNDS FOR THE YEAR ENDED DECEMBER 31, 2011

|                                      | Final<br>Budget | Actual    | Variance<br>Positive<br>(Negative) |
|--------------------------------------|-----------------|-----------|------------------------------------|
| <b>COUNTY SURVEYOR</b>               |                 |           |                                    |
| <b>Revenues:</b>                     |                 |           |                                    |
| Intergovernmental -<br>Federal/State | \$ 33,548       | \$ 29,129 | \$( 4,419)                         |
| <b>Expenditures:</b>                 |                 |           |                                    |
| General Government                   | 48,548          | 14,707    | 33,841                             |
| Revenues over (under) expenditures   | ( 15,000)       | 14,422    | 29,422                             |
| <b>Other Financing Sources:</b>      |                 |           |                                    |
| Transfers in                         | 15,000          | -         | ( 15,000)                          |
| Net Change in Fund Balance           | -               | 14,422    | 14,422                             |
| Fund Balance at beginning of year    | -               | -         | -                                  |
| Fund Balance at end of year          | \$ -            | \$ 14,422 | \$ 14,422                          |

### REGISTER OF DEEDS AUTOMATION

|                                   |            |            |             |
|-----------------------------------|------------|------------|-------------|
| <b>Revenues:</b>                  |            |            |             |
| Charges for services              | \$ 90,000  | \$ 77,440  | \$( 12,560) |
| Interest                          | 4,363      | 1,680      | ( 2,683)    |
| Total Revenues                    | 94,363     | 79,120     | ( 15,243)   |
| <b>Expenditures:</b>              |            |            |             |
| General Government                | 94,363     | 57,852     | 36,511      |
| Net Change in Fund Balance        | -          | 21,268     | 21,268      |
| Fund Balance at beginning of year | 427,249    | 427,249    | -           |
| Fund Balance at end of year       | \$ 427,249 | \$ 448,517 | \$ 21,268   |

### EMERGENCY MANAGEMENT

|                                      |           |            |            |
|--------------------------------------|-----------|------------|------------|
| <b>Revenues:</b>                     |           |            |            |
| Intergovernmental -<br>Federal/State | \$ 23,798 | \$ 147,218 | \$ 123,420 |
| Charges for services                 | -         | 652        | 652        |
| Other                                | 1,360     | 1,000      | ( 360)     |
| Total Revenues                       | 25,158    | 148,870    | 123,712    |
| <b>Expenditures:</b>                 |           |            |            |
| Public Safety                        | 76,978    | 197,551    | ( 120,573) |
| Revenues under expenditures          | ( 51,820) | ( 48,681)  | 3,139      |
| <b>Other Financing Sources:</b>      |           |            |            |
| Transfers in                         | 49,000    | 49,000     | -          |
| Net Change in Fund Balance           | ( 2,820)  | 319        | 3,139      |
| Fund Balance at beginning of year    | 22,821    | 22,821     | -          |
| Fund Balance at end of year          | \$ 20,001 | \$ 23,140  | \$ 3,139   |

Continued

# LAPEER COUNTY, MICHIGAN

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL - NONMAJOR SPECIAL REVENUE FUNDS FOR THE YEAR ENDED DECEMBER 31, 2011

|                                   | Final<br>Budget         | Actual                  | Variance<br>Positive<br>(Negative) |
|-----------------------------------|-------------------------|-------------------------|------------------------------------|
| <b>COMMUNITY GRANTS</b>           |                         |                         |                                    |
| <b>Revenues:</b>                  |                         |                         |                                    |
| Intergovernmental -               |                         |                         |                                    |
| Federal/State                     | \$ 284,983              | \$ 278,093              | \$( 6,890)                         |
| Charges for services              | 68,000                  | 86,601                  | 18,601                             |
| Other                             | 5,000                   | 20,168                  | 15,168                             |
| Total Revenues                    | <u>357,983</u>          | <u>384,862</u>          | <u>26,879</u>                      |
| <b>Expenditures:</b>              |                         |                         |                                    |
| Public Safety                     | <u>422,983</u>          | <u>391,876</u>          | <u>31,107</u>                      |
| Revenues under expenditures       | ( 65,000)               | ( 7,014)                | 57,986                             |
| <b>Other Financing Sources:</b>   |                         |                         |                                    |
| Transfers in                      | <u>65,000</u>           | <u>-</u>                | <u>( 65,000)</u>                   |
| Net Change in Fund Balance        | -                       | ( 7,014)                | ( 7,014)                           |
| Fund Balance at beginning of year | <u>25,196</u>           | <u>25,196</u>           | <u>-</u>                           |
| Fund Balance at end of year       | <u><u>\$ 25,196</u></u> | <u><u>\$ 18,182</u></u> | <u><u>\$( 7,014)</u></u>           |

### THUMB NARCOTICS UNIT

|                                   |                         |                         |                         |
|-----------------------------------|-------------------------|-------------------------|-------------------------|
| <b>Revenues:</b>                  |                         |                         |                         |
| Intergovernmental -               |                         |                         |                         |
| Federal/State                     | \$ 148,870              | \$ 240,193              | \$ 91,323               |
| Fines and forfeitures             | 50,000                  | 35,549                  | ( 14,451)               |
| Interest                          | 3,735                   | 38                      | ( 3,697)                |
| Other                             | 35,000                  | 20,967                  | ( 14,033)               |
| Total Revenues                    | <u>237,605</u>          | <u>296,747</u>          | <u>59,142</u>           |
| <b>Expenditures:</b>              |                         |                         |                         |
| Public Safety                     | <u>237,605</u>          | <u>283,964</u>          | <u>( 46,359)</u>        |
| Net Change in Fund Balance        | -                       | 12,783                  | 12,783                  |
| Fund Balance at beginning of year | <u>18,014</u>           | <u>18,014</u>           | <u>-</u>                |
| Fund Balance at end of year       | <u><u>\$ 18,014</u></u> | <u><u>\$ 30,797</u></u> | <u><u>\$ 12,783</u></u> |

Continued



**LAPEER COUNTY, MICHIGAN**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2011**

|                                   | <u>Final<br/>Budget</u>  | <u>Actual</u>            | <u>Variance<br/>Positive<br/>(Negative)</u> |
|-----------------------------------|--------------------------|--------------------------|---|
| <b>POLICE SERVICE CONTRACTS</b>   |                          |                          |   |
| <b>Revenues:</b>                  |                          |                          |   |
| Charges for services              | \$ 976,867               | \$ 909,432               | \$( 67,435)                                 |
| <b>Expenditures:</b>              |                          |                          |   |
| Public Safety                     | <u>1,277,329</u>         | <u>1,200,341</u>         | <u>76,988</u>                               |
| Revenues under expenditures       | ( 300,462)               | ( 290,909)               | 9,553                                       |
| <b>Other Financing Sources:</b>   |                          |                          |   |
| Transfers in                      | <u>300,462</u>           | <u>287,777</u>           | <u>( 12,685)</u>                            |
| Net Change in Fund Balance        | -                        | ( 3,132)                 | ( 3,132)                                    |
| Fund Balance at beginning of year | <u>113,710</u>           | <u>113,710</u>           | <u>-</u>                                    |
| Fund Balance at end of year       | <u><u>\$ 113,710</u></u> | <u><u>\$ 110,578</u></u> | <u><u>\$( 3,132)</u></u>                    |

**LAW ENFORCEMENT PROGRAMS**

|                                    |                          |                          |                         |
|------------------------------------|--------------------------|--------------------------|-------------------------|
| <b>Revenues:</b>                   |                          |                          |                         |
| Intergovernmental -                |                          |                          |                         |
| Federal/State                      | \$ 86,945                | \$ 17,284                | \$( 69,661)             |
| Charges for services               | 10,000                   | 12,344                   | 2,344                   |
| Other                              | <u>2,935</u>             | <u>6,627</u>             | <u>3,692</u>            |
| Total Revenues                     | <u>99,880</u>            | <u>36,255</u>            | <u>( 63,625)</u>        |
| <b>Expenditures:</b>               |                          |                          |                         |
| Public Safety                      | <u>107,332</u>           | <u>34,728</u>            | <u>72,604</u>           |
| Revenues over (under) expenditures | ( 7,452)                 | 1,527                    | 8,979                   |
| <b>Other Financing Sources:</b>    |                          |                          |                         |
| Transfers in                       | <u>4,573</u>             | <u>8,858</u>             | <u>4,285</u>            |
| Net Change in Fund Balance         | ( 2,879)                 | 10,385                   | 13,264                  |
| Fund Balance at beginning of year  | <u>200,277</u>           | <u>200,277</u>           | <u>-</u>                |
| Fund Balance at end of year        | <u><u>\$ 197,398</u></u> | <u><u>\$ 210,662</u></u> | <u><u>\$ 13,264</u></u> |

**POLICING CONTRACTS**

|                                   |                        |                    |                          |
|-----------------------------------|------------------------|--------------------|--------------------------|
| <b>Other Financing Uses:</b>      |                        |                    |                          |
| Transfers out                     | <u>\$ -</u>            | <u>\$( 9,518)</u>  | <u>\$( 9,518)</u>        |
| Net Change in Fund Balance        | -                      | ( 9,518)           | ( 9,518)                 |
| Fund Balance at beginning of year | <u>9,518</u>           | <u>9,518</u>       | <u>-</u>                 |
| Fund Balance at end of year       | <u><u>\$ 9,518</u></u> | <u><u>\$ -</u></u> | <u><u>\$( 9,518)</u></u> |

Continued

# LAPEER COUNTY, MICHIGAN

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL - NONMAJOR SPECIAL REVENUE FUNDS FOR THE YEAR ENDED DECEMBER 31, 2011

|                                   | Final<br>Budget          | Actual                   | Variance<br>Positive<br>(Negative) |
|-----------------------------------|--------------------------|--------------------------|------------------------------------|
| <b>LAW ENFORCEMENT</b>            |                          |                          |                                    |
| <b>Revenues:</b>                  |                          |                          |                                    |
| Intergovernmental -               |                          |                          |                                    |
| Federal/State                     | \$ 106,703               | \$ 92,500                | \$( 14,203)                        |
| Local                             | 3,000                    | -                        | ( 3,000)                           |
| Charges for services              | 20,000                   | 15,205                   | ( 4,795)                           |
| Other                             | 13,668                   | -                        | ( 13,668)                          |
| Total Revenues                    | <u>143,371</u>           | <u>107,705</u>           | <u>( 35,666)</u>                   |
| <b>Expenditures:</b>              |                          |                          |                                    |
| Public Safety                     | <u>173,371</u>           | <u>165,230</u>           | <u>8,141</u>                       |
| Revenues under expenditures       | ( 30,000)                | ( 57,525)                | ( 27,525)                          |
| <b>Other Financing Sources:</b>   |                          |                          |                                    |
| Transfers in                      | <u>30,000</u>            | <u>58,897</u>            | <u>28,897</u>                      |
| Net Change in Fund Balance        | -                        | 1,372                    | 1,372                              |
| Fund Balance at beginning of year | <u>100,517</u>           | <u>100,517</u>           | <u>-</u>                           |
| Fund Balance at end of year       | <u><u>\$ 100,517</u></u> | <u><u>\$ 101,889</u></u> | <u><u>\$ 1,372</u></u>             |

### LAW ENFORCEMENT - OTHER

|                                   |                          |                         |                           |
|-----------------------------------|--------------------------|-------------------------|---------------------------|
| <b>Revenues:</b>                  |                          |                         |                           |
| Fines and forfeitures             | \$ 45,600                | \$ 28,158               | \$( 17,442)               |
| <b>Expenditures:</b>              |                          |                         |                           |
| Public Safety                     | <u>45,600</u>            | <u>52,114</u>           | <u>( 6,514)</u>           |
| Net Change in Fund Balance        | -                        | ( 23,956)               | ( 23,956)                 |
| Fund Balance at beginning of year | <u>109,240</u>           | <u>109,240</u>          | <u>-</u>                  |
| Fund Balance at end of year       | <u><u>\$ 109,240</u></u> | <u><u>\$ 85,284</u></u> | <u><u>\$( 23,956)</u></u> |

Continued

# LAPEER COUNTY, MICHIGAN

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL - NONMAJOR SPECIAL REVENUE FUNDS FOR THE YEAR ENDED DECEMBER 31, 2011

|                                   | Final<br>Budget  | Actual           | Variance<br>Positive<br>(Negative) |
|-----------------------------------|------------------|------------------|------------------------------------|
| <b>LAW LIBRARY</b>                |                  |                  |                                    |
| <b>Revenues:</b>                  |                  |                  |                                    |
| Fines and forfeitures             | \$ 6,500         | \$ 6,500         | \$ -                               |
| <b>Expenditures:</b>              |                  |                  |                                    |
| Judicial                          | 9,080            | 8,643            | 437                                |
| Revenues under expenditures       | ( 2,580)         | ( 2,143)         | 437                                |
| <b>Other Financing Sources:</b>   |                  |                  |                                    |
| Transfers in                      | 2,500            | 2,500            | -                                  |
| Net Change in Fund Balance        | ( 80)            | 357              | 437                                |
| Fund Balance at beginning of year | 25,846           | 25,846           | -                                  |
| Fund Balance at end of year       | <u>\$ 25,766</u> | <u>\$ 26,203</u> | <u>\$ 437</u>                      |

### DEPARTMENT OF HUMAN SERVICES

|                                      |                  |                  |                  |
|--------------------------------------|------------------|------------------|------------------|
| <b>Revenues:</b>                     |                  |                  |                  |
| Intergovernmental -<br>Federal/State | \$ -             | \$ 115,542       | \$ 115,542       |
| <b>Expenditures:</b>                 |                  |                  |                  |
| Health and Welfare                   | 23,910           | 117,156          | ( 93,246)        |
| Revenues under expenditures          | ( 23,910)        | ( 1,614)         | 22,296           |
| <b>Other Financing Sources:</b>      |                  |                  |                  |
| Transfers in                         | 23,910           | 22,000           | ( 1,910)         |
| Net Change in Fund Balance           | -                | 20,386           | 20,386           |
| Fund Balance at beginning of year    | 16,406           | 16,406           | -                |
| Fund Balance at end of year          | <u>\$ 16,406</u> | <u>\$ 36,792</u> | <u>\$ 20,386</u> |

Continued

# LAPEER COUNTY, MICHIGAN

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL - NONMAJOR SPECIAL REVENUE FUNDS FOR THE YEAR ENDED DECEMBER 31, 2011

|                                   | Final<br>Budget          | Actual                   | Variance<br>Positive<br>(Negative) |
|-----------------------------------|--------------------------|--------------------------|------------------------------------|
| <b>CHILD CARE</b>                 |                          |                          |                                    |
| <b>Revenues:</b>                  |                          |                          |                                    |
| Intergovernmental -               |                          |                          |                                    |
| Federal/State                     | \$ 676,134               | \$ 416,690               | \$( 259,444)                       |
| Charges for services              | 158,500                  | 145,307                  | ( 13,193)                          |
| Fines and forfeitures             | 9,000                    | 27,149                   | 18,149                             |
| Other                             | 47,700                   | 59,545                   | 11,845                             |
| Total Revenues                    | <u>891,334</u>           | <u>648,691</u>           | <u>( 242,643)</u>                  |
| <b>Expenditures:</b>              |                          |                          |                                    |
| Health and Welfare                | <u>1,567,468</u>         | <u>1,024,970</u>         | <u>542,498</u>                     |
| Revenues under expenditures       | ( 676,134)               | ( 376,279)               | 299,855                            |
| <b>Other Financing Sources:</b>   |                          |                          |                                    |
| Transfers in                      | <u>676,134</u>           | <u>465,000</u>           | <u>( 211,134)</u>                  |
| Net Change in Fund Balance        | -                        | 88,721                   | 88,721                             |
| Fund Balance at beginning of year | <u>290,095</u>           | <u>290,095</u>           | <u>-</u>                           |
| Fund Balance at end of year       | <u><u>\$ 290,095</u></u> | <u><u>\$ 378,816</u></u> | <u><u>\$ 88,721</u></u>            |

### VETERANS' TRUST

|                                   |                        |                        |                    |
|-----------------------------------|------------------------|------------------------|--------------------|
| <b>Revenues:</b>                  |                        |                        |                    |
| Intergovernmental -               |                        |                        |                    |
| Federal/State                     | \$ 6,092               | \$ 6,719               | \$ 627             |
| <b>Expenditures:</b>              |                        |                        |                    |
| Health and Welfare                | <u>6,092</u>           | <u>6,719</u>           | <u>( 627)</u>      |
| Net Change in Fund Balance        | -                      | -                      | -                  |
| Fund Balance at beginning of year | <u>1,882</u>           | <u>1,882</u>           | <u>-</u>           |
| Fund Balance at end of year       | <u><u>\$ 1,882</u></u> | <u><u>\$ 1,882</u></u> | <u><u>\$ -</u></u> |

### K.I.N.D.

|                                   |                     |                    |                       |
|-----------------------------------|---------------------|--------------------|-----------------------|
| <b>Expenditures:</b>              |                     |                    |                       |
| General Government                | <u>\$ -</u>         | <u>\$ 77</u>       | <u>\$( 77)</u>        |
| Net Change in Fund Balance        | -                   | ( 77)              | ( 77)                 |
| Fund Balance at beginning of year | <u>77</u>           | <u>77</u>          | <u>-</u>              |
| Fund Balance at end of year       | <u><u>\$ 77</u></u> | <u><u>\$ -</u></u> | <u><u>\$( 77)</u></u> |

Continued

# LAPEER COUNTY, MICHIGAN

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL - NONMAJOR SPECIAL REVENUE FUNDS FOR THE YEAR ENDED DECEMBER 31, 2011

|   | Final<br>Budget          | Actual                   | Variance<br>Positive<br>(Negative) |
|---|--------------------------|--------------------------|------------------------------------|
| <b>MULTI PURPOSE COLLABORATIVE BODY</b> |                          |                          |                                    |
| <b>Revenues:</b>                        |                          |                          |                                    |
| Intergovernmental -                     |                          |                          |                                    |
| Federal/State                           | \$ 273,275               | \$ 204,105               | \$( 69,170)                        |
| Charges for services                    | 38,725                   | 56,296                   | 17,571                             |
| Other                                   | 49,413                   | 37,880                   | ( 11,533)                          |
| Total Revenues                          | <u>361,413</u>           | <u>298,281</u>           | <u>( 63,132)</u>                   |
| <b>Expenditures:</b>                    |                          |                          |                                    |
| Health and Welfare                      | <u>391,413</u>           | <u>320,287</u>           | <u>71,126</u>                      |
| Revenues under expenditures             | ( 30,000)                | ( 22,006)                | 7,994                              |
| <b>Other Financing Sources:</b>         |                          |                          |                                    |
| Transfers in                            | <u>30,000</u>            | <u>30,000</u>            | <u>-</u>                           |
| Net Change in Fund Balance              | -                        | 7,994                    | 7,994                              |
| Fund Balance at beginning of year       | <u>8,990</u>             | <u>8,990</u>             | <u>-</u>                           |
| Fund Balance at end of year             | <u><u>\$ 8,990</u></u>   | <u><u>\$ 16,984</u></u>  | <u><u>\$ 7,994</u></u>             |
| <b>SENIOR MILLAGE</b>                   |                          |                          |                                    |
| <b>Revenues:</b>                        |                          |                          |                                    |
| Taxes                                   | \$ -                     | \$ 460                   | \$ 460                             |
| <b>Expenditures:</b>                    |                          |                          |                                    |
| Health and Welfare                      | <u>17,024</u>            | <u>13,254</u>            | <u>3,770</u>                       |
| Revenues under expenditures             | ( 17,024)                | ( 12,794)                | 4,230                              |
| <b>Other Financing Uses:</b>            |                          |                          |                                    |
| Transfers out                           | <u>( 600,000)</u>        | <u>( 600,000)</u>        | <u>-</u>                           |
| Net Change in Fund Balance              | ( 617,024)               | ( 612,794)               | 4,230                              |
| Fund Balance at beginning of year       | <u>755,045</u>           | <u>755,045</u>           | <u>-</u>                           |
| Fund Balance at end of year             | <u><u>\$ 138,021</u></u> | <u><u>\$ 142,251</u></u> | <u><u>\$ 4,230</u></u>             |

Concluded

## **INTERNAL SERVICE FUNDS**

Internal Service Funds are used to account for financing of goods or services provided by one department or agency to other departments or agencies of the County, for unemployment, worker's compensation, equipment acquisition and replacement, health care, health care savings and retirement and to account for payment of related insurance claims, expenses and contributions remitted to third party administrators.

**LAPEER COUNTY, MICHIGAN**

**COMBINING STATEMENT OF NET ASSETS  
INTERNAL SERVICE FUNDS  
DECEMBER 31, 2011**

|   | <u>Health<br/>Insurance</u> | <u>Unemployment<br/>Insurance</u> | <u>Workers'<br/>Compensation</u> | <u>Centralized<br/>Purchasing</u> |
|---|-----------------------------|-----------------------------------|----------------------------------|-----------------------------------|
| <b>ASSETS:</b>  |                             |                                   |                                  |                                   |
| <b>Current Assets:</b>  |                             |                                   |                                  |                                   |
| Cash and cash equivalents   | \$ 635,594                  | \$ 85,622                         | \$ 1,188,028                     | \$ 6,009                          |
| Deposits with agent   | -                           | -                                 | 8,000                            | -                                 |
| Receivables -   |                             |                                   |                                  |                                   |
| Accounts  | 2,150                       | 6                                 | -                                | -                                 |
| Due from other funds  | -                           | 1,977                             | 1,976                            | -                                 |
| Prepaid expenses  | 84,135                      | -                                 | -                                | -                                 |
|   | <u>721,879</u>              | <u>87,605</u>                     | <u>1,198,004</u>                 | <u>6,009</u>                      |
| Total Current Assets  |                             |                                   |                                  |                                   |
| <b>Noncurrent Assets:</b>   |                             |                                   |                                  |                                   |
| Property, plant, and equipment<br>net of accumulated depreciation | -                           | -                                 | -                                | -                                 |
|   | <u>721,879</u>              | <u>87,605</u>                     | <u>1,198,004</u>                 | <u>6,009</u>                      |
| Total Assets  |                             |                                   |                                  |                                   |
| <b>LIABILITIES:</b>   |                             |                                   |                                  |                                   |
| <b>Current Liabilities:</b>                                       |                             |                                   |                                  |                                   |
| Accounts payable  | -                           | 51,833                            | 4,368                            | -                                 |
| Current portion of claims liabilities                             | -                           | -                                 | 85,000                           | -                                 |
|   | <u>-</u>                    | <u>51,833</u>                     | <u>89,368</u>                    | <u>-</u>                          |
| Total Current Liabilities   |                             |                                   |                                  |                                   |
| <b>Long-Term Liabilities:</b>                                     |                             |                                   |                                  |                                   |
| Accrued claims liabilities  | -                           | -                                 | 21,000                           | -                                 |
|   | <u>-</u>                    | <u>51,833</u>                     | <u>110,368</u>                   | <u>-</u>                          |
| Total Liabilities   |                             |                                   |                                  |                                   |
| <b>NET ASSETS:</b>  |                             |                                   |                                  |                                   |
| <b>Net Assets:</b>  |                             |                                   |                                  |                                   |
| Invested in capital assets  | -                           | -                                 | -                                | -                                 |
| Unrestricted  | 721,879                     | 35,772                            | 1,087,636                        | 6,009                             |
|   | <u>721,879</u>              | <u>35,772</u>                     | <u>1,087,636</u>                 | <u>6,009</u>                      |
| Total Net Assets  | <u>\$ 721,879</u>           | <u>\$ 35,772</u>                  | <u>\$ 1,087,636</u>              | <u>\$ 6,009</u>                   |

| CMH<br>Equipment<br>Acquisition &<br>Replacement | Equipment<br>Acquisition &<br>Replacement | Retirement | Public<br>Employee<br>Health Care | Total        |
|--|---|------------|-----------------------------------|--------------|
| \$ 94,062  | \$ 1,103,253                              | \$ 347,585 | \$ 142                            | \$ 3,460,295 |
| -  | -   | -          | -                                 | 8,000        |
| -  | 5,000                                     | -          | -                                 | 7,156        |
| -  | 27,482                                    | 18,657     | -                                 | 50,092       |
| -  | -   | -          | -                                 | 84,135       |
| 94,062   | 1,135,735                                 | 366,242    | 142                               | 3,609,678    |
| 442,416  | 1,992,613                                 | -          | -                                 | 2,435,029    |
| 536,478  | 3,128,348                                 | 366,242    | 142                               | 6,044,707    |
| -  | 19,061                                    | 200,440    | -                                 | 275,702      |
| -  | -   | -          | -                                 | 85,000       |
| -  | 19,061                                    | 200,440    | -                                 | 360,702      |
| -  | -   | -          | -                                 | 21,000       |
| -  | 19,061                                    | 200,440    | -                                 | 381,702      |
| 442,416  | 1,992,613                                 | -          | -                                 | 2,435,029    |
| 94,062   | 1,116,674                                 | 165,802    | 142                               | 3,227,976    |
| \$ 536,478                                       | \$ 3,109,287                              | \$ 165,802 | \$ 142                            | \$ 5,663,005 |



**LAPEER COUNTY, MICHIGAN**

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2011**

|  | <u>Health<br/>Insurance</u> | <u>Unemployment<br/>Insurance</u> | <u>Workers'<br/>Compensation</u> | <u>Centralized<br/>Purchasing</u> |
|--|-----------------------------|-----------------------------------|----------------------------------|-----------------------------------|
| <b>Operating Revenues:</b>                       |                             |                                   |                                  |                                   |
| Charges for services                             | \$ 3,357,904                | \$ 153,489                        | \$ 162,715                       | \$ -                              |
| <b>Operating Expenses:</b>                       |                             |                                   |                                  |                                   |
| Administrative and operating                     | 16,733                      | 214                               | 538                              | -                                 |
| Retirement and health care savings contributions | -                           | -                                 | -                                | -                                 |
| Insurance and claims                             | 3,573,558                   | 51,833                            | 20,593                           | -                                 |
| Depreciation                                     | -                           | -                                 | -                                | -                                 |
| Total Operating Expenses                         | <u>3,590,291</u>            | <u>52,047</u>                     | <u>21,131</u>                    | <u>-</u>                          |
| Operating Income (Loss)                          | <u>( 232,387)</u>           | <u>101,442</u>                    | <u>141,584</u>                   | <u>-</u>                          |
| <b>Non-Operating Revenues:</b>                   |                             |                                   |                                  |                                   |
| Interest   | 442                         | 322                               | 1,616                            | -                                 |
| Gain on sale of assets                           | -                           | -                                 | -                                | -                                 |
| Total Non-Operating Revenues                     | <u>442</u>                  | <u>322</u>                        | <u>1,616</u>                     | <u>-</u>                          |
| Net Income (Loss) before Transfers               | <u>( 231,945)</u>           | <u>101,764</u>                    | <u>143,200</u>                   | <u>-</u>                          |
| <b>Transfers:</b>                                |                             |                                   |                                  |                                   |
| Transfers In                                     | 200,000                     | -                                 | -                                | -                                 |
| Transfers Out                                    | -                           | ( 200,000)                        | -                                | -                                 |
| Total Transfers                                  | <u>200,000</u>              | <u>( 200,000)</u>                 | <u>-</u>                         | <u>-</u>                          |
| Change in Net Assets                             | <u>( 31,945)</u>            | <u>( 98,236)</u>                  | <u>143,200</u>                   | <u>-</u>                          |
| Net Assets at beginning of year                  | <u>753,824</u>              | <u>134,008</u>                    | <u>944,436</u>                   | <u>6,009</u>                      |
| Net Assets at end of year                        | <u><u>\$ 721,879</u></u>    | <u><u>\$ 35,772</u></u>           | <u><u>\$ 1,087,636</u></u>       | <u><u>\$ 6,009</u></u>            |

| <u>CMH<br/>Equipment<br/>Acquisition &amp;<br/>Replacement</u> | <u>Equipment<br/>Acquisition &amp;<br/>Replacement</u> | <u>Retirement</u> | <u>Public<br/>Employee<br/>Health Care</u> | <u>Total</u>        |
|--|--|-------------------|--|---------------------|
| \$ 58,645  | \$ 815,373   | \$ 1,546,115      | \$ 60,240                                  | \$ 6,154,481        |
| 228  | 391,183  | 390               | 84   | 409,370             |
| -  | -  | 1,775,099         | 666,860                                    | 2,441,959           |
| -  | -  | -                 | -  | 3,645,984           |
| 63,064   | 329,908  | -                 | -  | 392,972             |
| <u>63,292</u>  | <u>721,091</u>   | <u>1,775,489</u>  | <u>666,944</u>                             | <u>6,890,285</u>    |
| ( 4,647)   | 94,282   | ( 229,374)        | ( 606,704)                                 | ( 735,804)          |
| -  | -  | -                 | -  | 2,380               |
| -  | 167,674  | -                 | -  | 167,674             |
| <u>-</u>   | <u>167,674</u>   | <u>-</u>          | <u>-</u>                                   | <u>170,054</u>      |
| ( 4,647)   | 261,956  | ( 229,374)        | ( 606,704)                                 | ( 565,750)          |
| -  | 20,175   | -                 | -  | 220,175             |
| -  | -  | -                 | -  | ( 200,000)          |
| <u>-</u>   | <u>20,175</u>  | <u>-</u>          | <u>-</u>                                   | <u>20,175</u>       |
| ( 4,647)   | 282,131  | ( 229,374)        | ( 606,704)                                 | ( 545,575)          |
| <u>541,125</u>   | <u>2,827,156</u>                                       | <u>395,176</u>    | <u>606,846</u>                             | <u>6,208,580</u>    |
| <u>\$ 536,478</u>  | <u>\$ 3,109,287</u>                                    | <u>\$ 165,802</u> | <u>\$ 142</u>                              | <u>\$ 5,663,005</u> |

**LAPEER COUNTY, MICHIGAN**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

|   | Health<br>Insurance      | Unemployment<br>Insurance | Workers'<br>Compensation   | Centralized<br>Purchasing |
|---|--------------------------|---------------------------|----------------------------|---------------------------|
| <b>Cash Flows From Operating Activities:</b>  |                          |                           |                            |                           |
| Cash receipts for interfund services  | \$ 3,355,754             | \$ 153,438                | \$ 162,665                 | \$ -                      |
| Cash payments to suppliers  | ( 3,306,423)             | ( 97,922)                 | ( 112,909)                 | -                         |
| Net Cash Provided by (Used in) Operating Activities   | <u>49,331</u>            | <u>55,516</u>             | <u>49,756</u>              | <u>-</u>                  |
| <b>Cash Flows From Noncapital Financing Activities:</b>   |                          |                           |                            |                           |
| Transfer in   | 200,000                  | -                         | -                          | -                         |
| Transfer out  | -                        | ( 200,000)                | -                          | -                         |
| Net Cash Provided by (Used in) Non-capital<br>Financing Activities  | <u>200,000</u>           | <u>( 200,000)</u>         | <u>-</u>                   | <u>-</u>                  |
| <b>Cash Flows From Capital and Related Financing Activities:</b>  |                          |                           |                            |                           |
| Acquisition of capital assets   | -                        | -                         | -                          | -                         |
| Good faith deposit received   | -                        | -                         | -                          | -                         |
| Proceeds from sale of assets  | -                        | -                         | -                          | -                         |
| Net Cash Provided by (Used in) Capital and Related<br>Financing Activities                                    | <u>-</u>                 | <u>-</u>                  | <u>-</u>                   | <u>-</u>                  |
| <b>Cash Flows From Investing Activities:</b>  |                          |                           |                            |                           |
| Interest earned   | 442                      | 322                       | 1,616                      | -                         |
| Net increase (decrease) in cash and cash equivalents  | 249,773                  | ( 144,162)                | 51,372                     | -                         |
| Cash and Cash Equivalents at beginning of year  | <u>385,821</u>           | <u>229,784</u>            | <u>1,136,656</u>           | <u>6,009</u>              |
| Cash and Cash Equivalents at end of year  | <u><u>\$ 635,594</u></u> | <u><u>\$ 85,622</u></u>   | <u><u>\$ 1,188,028</u></u> | <u><u>\$ 6,009</u></u>    |
| <b>Reconciliation of Operating Income (Loss) to Net Cash<br/>Provided by (Used for) Operating Activities:</b> |                          |                           |                            |                           |
| Operating Income (Loss)   | \$( 232,387)             | \$ 101,442                | \$ 141,584                 | \$ -                      |
| Adjustments to reconcile operating income (loss)<br>to net cash provided by (used in) operating activities:   |                          |                           |                            |                           |
| Depreciation  | -                        | -                         | -                          | -                         |
| Change in assets and liabilities:   |                          |                           |                            |                           |
| Accounts receivables  | ( 2,150)                 | -                         | -                          | -                         |
| Due to/from other funds   | -                        | ( 51)                     | ( 50)                      | -                         |
| Prepaid expenses/deposits   | 283,868                  | -                         | 15,550                     | -                         |
| Accounts payable  | -                        | ( 45,875)                 | ( 3,328)                   | -                         |
| Accrued claims  | -                        | -                         | ( 104,000)                 | -                         |
| Net Cash Provided by (Used in) Operating Activities   | <u><u>\$ 49,331</u></u>  | <u><u>\$ 55,516</u></u>   | <u><u>\$ 49,756</u></u>    | <u><u>\$ -</u></u>        |

| CMH<br>Equipment<br>Acquisition &<br>Replacement | Equipment<br>Acquisition &<br>Replacement  | Retirement  | Public<br>Employee<br>Health Care            | Total   |
|--|--|---|--|---|
| \$ 58,645<br>( 228)<br><u>58,417</u>             | \$ 797,094<br>( 386,077)<br><u>411,017</u> | \$ 1,546,265<br>( 1,803,065)<br><u>( 256,800)</u> | \$ 60,240<br>( 666,944)<br><u>( 606,704)</u> | \$ 6,134,101<br>( 6,373,568)<br><u>( 239,467)</u> |
| -  | 20,175                                     |   |  | 220,175   |
| -  | -  | -   | -  | ( 200,000)  |
| -  | 20,175                                     | -   | -  | 20,175  |
| ( 58,783)  | ( 153,825)                                 | -   | -  | ( 212,608)  |
| -  | ( 25,000)                                  |   |  | ( 25,000)   |
| -  | 265,741                                    | -   | -  | 265,741   |
| ( 58,783)  | 86,916                                     | -   | -  | 28,133  |
| -  | -  | -   | -  | 2,380   |
| ( 366)   | 518,108                                    | ( 256,800)  | ( 606,704)                                   | ( 188,779)  |
| 94,428   | 585,145                                    | 604,385   | 606,846                                      | 3,649,074   |
| <u>\$ 94,062</u>                                 | <u>\$ 1,103,253</u>                        | <u>\$ 347,585</u>                                 | <u>\$ 142</u>                                | <u>\$ 3,460,295</u>                               |
| \$ ( 4,647)                                      | \$ 94,282                                  | \$ ( 229,374)                                     | \$ ( 606,704)                                | \$ ( 735,804)                                     |
| 63,064   | 329,908                                    | -   | -  | 392,972   |
| -  | ( 5,000)                                   |   |  | ( 7,150)  |
| -  | ( 13,279)                                  | 150   | -  | ( 13,230)   |
| -  | 2,594                                      | -   | -  | 302,012   |
| -  | 2,512                                      | ( 27,576)   | -  | ( 74,267)   |
| -  | -  | -   | -  | ( 104,000)  |
| <u>\$ 58,417</u>                                 | <u>\$ 411,017</u>                          | <u>\$ ( 256,800)</u>                              | <u>\$ ( 606,704)</u>                         | <u>\$ ( 239,467)</u>                              |

## **FIDUCIARY FUNDS**

Fiduciary Funds are used to account for assets held by the County for the other parties that cannot be used to finance the County's own operating programs.

**Agency Funds** - are used to account for the assets held by the County as an agent for individuals, private organizations or other governments and funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operation.

**LAPEER COUNTY, MICHIGAN**

**COMBINING STATEMENT OF ASSETS AND LIABILITIES  
AGENCY FUNDS  
DECEMBER 31, 2011**

|                                 | Agency Funds      |                           |                   |                   |              |
|---------------------------------|-------------------|---------------------------|-------------------|-------------------|--------------|
|                                 | General<br>Agency | Library<br>Penal<br>Fines | District<br>Court | Common<br>Banking | Total        |
| <b>Assets:</b>                  |                   |                           |                   |                   |              |
| Cash and cash equivalents       | \$ 1,717,712      | \$ 19,898                 | \$ 106,371        | \$ 37,444         | \$ 1,881,425 |
| <b>Liabilities:</b>             |                   |                           |                   |                   |              |
| Due to other governmental units | \$ 1,162,090      | \$ -                      | \$ 38,610         | \$ 37,534         | \$ 1,238,234 |
| Due to individuals and agencies | 555,622           | 19,898                    | 67,761            | ( 90)             | 643,191      |
| Total Liabilities               | \$ 1,717,712      | \$ 19,898                 | \$ 106,371        | \$ 37,444         | \$ 1,881,425 |

**LAPEER COUNTY, MICHIGAN**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2011**

|                                 | Balance<br>January 1,<br>2011 | Additions      | Reductions     | Balance<br>December 31,<br>2011 |
|---------------------------------|-------------------------------|----------------|----------------|---------------------------------|
| <b>TOTAL ALL AGENCY FUNDS</b>   |                               |                |                |                                 |
| <b>Assets:</b>                  |                               |                |                |                                 |
| Cash and cash equivalents       | \$ 2,219,052                  | \$ 109,494,855 | \$ 109,832,482 | \$ 1,881,425                    |
| <b>Liabilities:</b>             |                               |                |                |                                 |
| Due to other governmental units | \$ 1,151,958                  | \$ 77,887,043  | \$ 77,800,767  | \$ 1,238,234                    |
| Due to individuals and agencies | 1,067,094                     | 2,861,467      | 3,285,370      | 643,191                         |
| Total Liabilities               | \$ 2,219,052                  | \$ 80,748,510  | \$ 81,086,137  | \$ 1,881,425                    |

**GENERAL AGENCY FUND**

|                                 |              |               |               |              |
|---------------------------------|--------------|---------------|---------------|--------------|
| <b>Assets:</b>                  |              |               |               |              |
| Cash and cash equivalents       | \$ 2,003,328 | \$ 79,418,929 | \$ 79,704,545 | \$ 1,717,712 |
| <b>Liabilities:</b>             |              |               |               |              |
| Due to other governmental units | \$ 1,079,474 | \$ 69,598,948 | \$ 69,516,332 | \$ 1,162,090 |
| Due to individuals and agencies | 923,854      | 1,121,004     | 1,489,236     | 555,622      |
| Total Liabilities               | \$ 2,003,328 | \$ 70,719,952 | \$ 71,005,568 | \$ 1,717,712 |

**LIBRARY PENAL FINES**

|                                 |           |            |            |           |
|---------------------------------|-----------|------------|------------|-----------|
| <b>Assets:</b>                  |           |            |            |           |
| Cash and cash equivalents       | \$ 24,572 | \$ 304,896 | \$ 309,570 | \$ 19,898 |
| <b>Liabilities:</b>             |           |            |            |           |
| Due to individuals and agencies | \$ 24,572 | \$ 607,354 | \$ 612,028 | \$ 19,898 |

Continued

**LAPEER COUNTY, MICHIGAN**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2011**

|                                 | Balance<br>January 1,<br>2011 | Additions           | Reductions          | Balance<br>December 31,<br>2011 |
|---------------------------------|-------------------------------|---------------------|---------------------|---------------------------------|
| <b>DISTRICT COURT</b>           |                               |                     |                     |                                 |
| <b>Assets:</b>                  |                               |                     |                     |                                 |
| Cash and cash equivalents       | \$ 153,626                    | \$ 2,059,948        | \$ 2,107,203        | \$ 106,371                      |
| <b>Liabilities:</b>             |                               |                     |                     |                                 |
| Due to other governmental units | \$ 34,684                     | \$ 2,931,468        | \$ 2,927,542        | \$ 38,610                       |
| Due to individuals and agencies | 118,942                       | 242,752             | 293,933             | 67,761                          |
|                                 | <u>\$ 153,626</u>             | <u>\$ 3,174,220</u> | <u>\$ 3,221,475</u> | <u>\$ 106,371</u>               |
| <b>COMMON BANKING</b>           |                               |                     |                     |                                 |
| <b>Assets:</b>                  |                               |                     |                     |                                 |
| Cash and cash equivalents       | \$ 37,526                     | \$ 27,711,082       | \$ 27,711,164       | \$ 37,444                       |
| <b>Liabilities:</b>             |                               |                     |                     |                                 |
| Due to other governmental units | \$ 37,800                     | \$ 5,356,627        | \$ 5,356,893        | \$ 37,534                       |
| Due to individuals and agencies | ( 274)                        | 890,357             | 890,173             | ( 90)                           |
| Total Liabilities               | <u>\$ 37,526</u>              | <u>\$ 6,246,984</u> | <u>\$ 6,247,066</u> | <u>\$ 37,444</u>                |

Concluded



**CAPITAL ASSETS USED IN THE OPERATION OF  
GOVERNMENTAL FUNDS**

**LAPEER COUNTY, MICHIGAN**

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
SCHEDULE OF CHANGES IN CAPITAL ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2011**

|   | Balance<br>January 1,<br>2011 | Additions                   | Disposals          | Balance<br>December 31,<br>2011 |
|---|-------------------------------|-----------------------------|--------------------|---------------------------------|
| <b>General County:</b>                  |                               |                             |                    |                                 |
| Land                                    | \$ 698,833                    | \$ 70,000                   | \$ -               | \$ 768,833                      |
| Land improvements                       | 1,617,179                     | -                           | -                  | 1,617,179                       |
| Buildings                               | 22,431,347                    | 51,201                      | -                  | 22,482,548                      |
| Equipment                               | 6,408,532                     | 146,174                     | -                  | 6,554,706                       |
| Vehicles                                | 251,666                       | -                           | -                  | 251,666                         |
|   | <u>31,407,557</u>             | <u>267,375</u>              | <u>-</u>           | <u>31,674,932</u>               |
| Less - accumulated depreciation         | ( 17,559,575)                 | ( 830,910)                  | -                  | ( 18,390,485)                   |
|   | <u>13,847,982</u>             | <u>( 563,535)</u>           | <u>-</u>           | <u>13,284,447</u>               |
| Construction in progress                | <u>-</u>                      | <u>10,770,756</u>           | <u>-</u>           | <u>10,770,756</u>               |
| Total Investment in Capital Assets, Net | <u><u>\$ 13,847,982</u></u>   | <u><u>\$ 10,207,221</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 24,055,203</u></u>     |

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

# LAPEER COUNTY, MICHIGAN

## CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS SCHEDULE OF CAPITAL ASSETS BY FUNCTION AND ACTIVITY DECEMBER 31, 2011

|   | <u>Total</u>         | <u>Land and<br/>Improvements</u> | <u>Buildings</u>     | <u>Equipment</u>     | <u>Vehicles</u> |
|---|----------------------|----------------------------------|----------------------|----------------------|-----------------|
| <b>General Government:</b>                                  |                      |                                  |                      |                      |                 |
| Legislative   | \$ 678,772           | \$ 225,000                       | \$ 453,772           | \$ -                 | \$ -            |
| Judicial  | 3,368,189            | 85,861                           | 3,193,214            | 59,169               | 29,945          |
| General Services  | 6,132,543            | 212,129                          | 5,702,051            | 212,816              | 5,547           |
|   | <u>10,179,504</u>    | <u>522,990</u>                   | <u>9,349,037</u>     | <u>271,985</u>       | <u>35,492</u>   |
| <b>Public Works:</b>  |                      |                                  |                      |                      |                 |
| Environmental/Recycling                                     | 30,000               | -                                | 30,000               | -                    | -               |
| Drain Commission  | 194,674              | -                                | -                    | -                    | 194,674         |
|   | <u>224,674</u>       | <u>-</u>                         | <u>30,000</u>        | <u>-</u>             | <u>194,674</u>  |
| <b>Public Safety:</b>                                       |                      |                                  |                      |                      |                 |
| Animal Shelter  | 274,324              | 25,302                           | 221,800              | 27,222               | -               |
| Emergency Preparedness                                      | 143,999              | -                                | -                    | 143,999              | -               |
| Marine Safety   | 21,500               | -                                | -                    | -                    | 21,500          |
| 911 Communications Center                                   | 6,373,316            | 75,926                           | 990,939              | 5,306,451            | -               |
| Sheriff   | 6,115,450            | 498,389                          | 5,486,924            | 130,137              | -               |
|   | <u>12,928,589</u>    | <u>599,617</u>                   | <u>6,699,663</u>     | <u>5,607,809</u>     | <u>21,500</u>   |
| <b>Health and Welfare:</b>                                  |                      |                                  |                      |                      |                 |
| Health Department   | 714,045              | 37,221                           | 238,782              | 438,042              | -               |
| Mental Health   | 3,096,566            | 129,692                          | 2,803,770            | 163,104              | -               |
| D.O.S.A.  | 25,665               | -                                | -                    | 25,665               | -               |
| Cooperative Extension                                       | 7,021                | -                                | -                    | 7,021                | -               |
| Family Independence Agency                                  | 1,913,734            | 143,480                          | 1,758,724            | 11,530               | -               |
|   | <u>5,757,031</u>     | <u>310,393</u>                   | <u>4,801,276</u>     | <u>645,362</u>       | <u>-</u>        |
| <b>Recreation and Cultural:</b>                             |                      |                                  |                      |                      |                 |
| Parks and Recreation  | 2,445,337            | 911,415                          | 1,504,372            | 29,550               | -               |
| Libraries   | 139,797              | 41,597                           | 98,200               | -                    | -               |
|   | <u>2,585,134</u>     | <u>953,012</u>                   | <u>1,602,572</u>     | <u>29,550</u>        | <u>-</u>        |
| Total Capital Assets  | 31,674,932           | 2,386,012                        | 22,482,548           | 6,554,706            | 251,666         |
| Less: accumulated depreciation                              | ( 18,390,485)        | ( 1,264,816)                     | ( 10,678,109)        | ( 6,204,825)         | ( 242,735)      |
|   | <u>13,284,447</u>    | <u>1,121,196</u>                 | <u>11,804,439</u>    | <u>349,881</u>       | <u>8,931</u>    |
| Construction in progress                                    | <u>10,770,756</u>    | <u>-</u>                         | <u>-</u>             | <u>10,770,756</u>    | <u>-</u>        |
| Total Capital Assets -<br>(Net of Accumulated Depreciation) | <u>\$ 24,055,203</u> | <u>\$ 1,121,196</u>              | <u>\$ 11,804,439</u> | <u>\$ 11,120,637</u> | <u>\$ 8,931</u> |

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

# LAPEER COUNTY, MICHIGAN

## CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS SCHEDULE OF CHANGES IN CAPITAL ASSETS BY FUNCTION AND ACTIVITY FOR THE YEAR ENDED DECEMBER 31, 2011

|                                 | Balance<br>January 1,<br>2011 | Additions                | Disposals       | Balance<br>December 31,<br>2011 |
|---------------------------------|-------------------------------|--------------------------|-----------------|---------------------------------|
| <b>General Government:</b>      |                               |                          |                 |                                 |
| Legislative                     | \$ 678,772                    | \$ -                     | \$ -            | \$ 678,772                      |
| Judicial                        | 3,368,189                     | -                        | -               | 3,368,189                       |
| General Services                | 6,132,543                     | -                        | -               | 6,132,543                       |
| Total General Government        | <u>10,179,504</u>             | <u>-</u>                 | <u>-</u>        | <u>10,179,504</u>               |
| <b>Public Works:</b>            |                               |                          |                 |                                 |
| Environmental/Recycling         | 30,000                        | -                        | -               | 30,000                          |
| Drain Commission                | 194,674                       | -                        | -               | 194,674                         |
| Total Public Works              | <u>224,674</u>                | <u>-</u>                 | <u>-</u>        | <u>224,674</u>                  |
| <b>Public Safety:</b>           |                               |                          |                 |                                 |
| Animal Shelter                  | 274,324                       | -                        | -               | 274,324                         |
| Emergency Preparedness          | 83,351                        | 60,648                   | -               | 143,999                         |
| Marine Safety                   | 21,500                        | -                        | -               | 21,500                          |
| 911 Center                      | 6,373,316                     | 10,770,756               | -               | 17,144,072                      |
| Sheriff                         | 6,115,450                     | -                        | -               | 6,115,450                       |
| Total Public Safety             | <u>12,867,941</u>             | <u>10,831,404</u>        | <u>-</u>        | <u>23,699,345</u>               |
| <b>Health and Welfare:</b>      |                               |                          |                 |                                 |
| Health Department               | 628,519                       | 85,526                   | -               | 714,045                         |
| Mental Health                   | 3,045,365                     | 51,201                   | -               | 3,096,566                       |
| D.O.S.A.                        | 32,686                        | -                        | -               | 32,686                          |
| Family Independence Agency      | 1,913,734                     | -                        | -               | 1,913,734                       |
| Total Health and Welfare        | <u>5,620,304</u>              | <u>136,727</u>           | <u>-</u>        | <u>5,757,031</u>                |
| <b>Recreation and Cultural:</b> |                               |                          |                 |                                 |
| Parks and Recreation            | 2,375,337                     | 70,000                   | -               | 2,445,337                       |
| Libraries                       | 139,797                       | -                        | -               | 139,797                         |
| Total Recreation and Cultural   | <u>2,515,134</u>              | <u>70,000</u>            | <u>-</u>        | <u>2,585,134</u>                |
| <br>Total Capital Assets        | <br><u>\$ 31,407,557</u>      | <br><u>\$ 11,038,131</u> | <br><u>\$ -</u> | <br><u>\$ 42,445,688</u>        |

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

## **DISCRETELY PRESENTED COMPONENT UNITS**

### **LAPEER COUNTY BOARD OF PUBLIC WORKS (BPW) -**

The BPW is administrated by the Drain Commissioner as appointed by the County Board of Commissioners. The BPW Board establishes policy and reviews operations of the BPW for the County Board of Commissioners. The BPW has the responsibility of administering the various public works construction projects and the associated debt service funds under the provision of Act 185 P.A. 1957, as amended. The Board of Public Works is financially accountable to the County because all general obligation bond issuances require County authorization and are backed by the full faith and credit of the County.

### **LAPEER COUNTY DRAINAGE DISTRICTS -**

The Drainage Districts are established pursuant to Act 40, P.A. 1956, as amended, (the Michigan Drain Code) and are under the administration of the Lapeer County Drain Commissioner. The statutory Intercounty Drainage Board consists of the State Director of Agriculture and the Drain Commissioners of each County involved in the projects. Each of the drainage districts are separate legal entities. The Drainage Board or Drain Commissioner, on behalf of the drainage district, may issue debt and levy special assessments authorized by the Drain Code without the prior approval of the County Board of Commissioners. The full faith and credit of the County may be given for the debt of the drainage district upon authorization of the County Board of Commissioners. The Drain Commission and all operations for the Drain Commission office are budgeted and reported as part of the County General Fund, except for maintenance and construction of individual drains, which is accounted for through the various drain funds.

## **BOARD OF PUBLIC WORKS FUNDS**

# LAPEER COUNTY, MICHIGAN

## COMBINING BALANCE SHEET GOVERNMENTAL FUND TYPES BOARD OF PUBLIC WORKS DECEMBER 31, 2011

### Major Funds

### Debt Service Funds

| Dryden<br>Wastewater<br>Treatment | North Branch<br>Wastewater<br>Treatment | Dryden<br>Drinking<br>Water | Almont<br>WSS<br>2007 | Almont<br>Sewage<br>Disposal 2002 | Dryden<br>WSS<br>2007 |
|-----------------------------------|---|-----------------------------|-----------------------|-----------------------------------|-----------------------|
|-----------------------------------|---|-----------------------------|-----------------------|-----------------------------------|-----------------------|

### ASSETS

|                                     |                   |               |                   |                     |                     |                   |
|-------------------------------------|-------------------|---------------|-------------------|---------------------|---------------------|-------------------|
| Cash and cash equivalents           | \$ 3,981          | \$ 764        | \$ 875            | \$ -                | \$ ( 90,152)        | \$ -              |
| Due from other governmental units - |                   |               |                   |                     |                     |                   |
| Local                               | -                 | -             | -                 | -                   | 102,250             | -                 |
| Contracts receivable                | 395,000           | -             | 466,507           | 1,777,694           | 1,180,000           | 574,868           |
| Total Assets                        | <u>\$ 398,981</u> | <u>\$ 764</u> | <u>\$ 467,382</u> | <u>\$ 1,777,694</u> | <u>\$ 1,192,098</u> | <u>\$ 574,868</u> |

### LIABILITIES AND FUND BALANCE

#### Liabilities:

|                              |                |          |                |                  |                  |                |
|------------------------------|----------------|----------|----------------|------------------|------------------|----------------|
| Due to other component units | \$ -           | \$ -     | \$ -           | \$ -             | \$ 3,096         | \$ -           |
| Deferred revenue             | 395,000        | -        | 466,507        | 1,777,694        | 1,180,000        | 574,868        |
| Total Liabilities            | <u>395,000</u> | <u>-</u> | <u>466,507</u> | <u>1,777,694</u> | <u>1,183,096</u> | <u>574,868</u> |

#### Fund Balance:

|                                    |                   |               |                   |                     |                     |                   |
|------------------------------------|-------------------|---------------|-------------------|---------------------|---------------------|-------------------|
| Restricted -                       |                   |               |                   |                     |                     |                   |
| Debt service                       | 3,981             | 764           | 875               | -                   | 9,002               | -                 |
| Acquisition/construction           |                   |               |                   |                     |                     |                   |
| of capital assets                  | -                 | -             | -                 | -                   | -                   | -                 |
| Total Fund Balance                 | <u>3,981</u>      | <u>764</u>    | <u>875</u>        | <u>-</u>            | <u>9,002</u>        | <u>-</u>          |
| Total Liabilities and Fund Balance | <u>\$ 398,981</u> | <u>\$ 764</u> | <u>\$ 467,382</u> | <u>\$ 1,777,694</u> | <u>\$ 1,192,098</u> | <u>\$ 574,868</u> |

| Major Funds            |                        | Nonmajor Funds                    |                                   |                                 |                                   |                     |
|------------------------|------------------------|-----------------------------------|-----------------------------------|---------------------------------|-----------------------------------|---------------------|
| Capital Project Funds  |                        | Debt Service Funds                |                                   |                                 | Capital Project Fund              |                     |
| Almont<br>WSSI<br>2007 | Dryden<br>WSSI<br>2007 | Almont<br>Wastewater<br>Treatment | Almont<br>Wastewater<br>Treatment | Elba<br>Wastewater<br>Treatment | Almont<br>Sewage<br>Disposal 2002 | Total               |
| \$ 5,902               | \$ 639                 | \$ 6,718                          | \$ 1,063                          | \$ 8,811                        | \$ 61,399                         | \$ -                |
| -                      | -                      | -                                 | -                                 | -                               | -                                 | 102,250             |
| -                      | -                      | -                                 | -                                 | -                               | -                                 | 4,394,069           |
| <u>\$ 5,902</u>        | <u>\$ 639</u>          | <u>\$ 6,718</u>                   | <u>\$ 1,063</u>                   | <u>\$ 8,811</u>                 | <u>\$ 61,399</u>                  | <u>\$ 4,496,319</u> |
|                        |                        |                                   |                                   |                                 |                                   |                     |
| \$ -                   | \$ -                   | \$ -                              | \$ -                              | \$ -                            | \$ -                              | \$ 3,096            |
| -                      | -                      | -                                 | -                                 | -                               | -                                 | 4,394,069           |
| -                      | -                      | -                                 | -                                 | -                               | -                                 | 4,397,165           |
|                        |                        |                                   |                                   |                                 |                                   |                     |
| -                      | -                      | 6,718                             | 1,063                             | 8,811                           | -                                 | 31,214              |
| 5,902                  | 639                    | -                                 | -                                 | -                               | 61,399                            | 67,940              |
| <u>5,902</u>           | <u>639</u>             | <u>6,718</u>                      | <u>1,063</u>                      | <u>8,811</u>                    | <u>61,399</u>                     | <u>99,154</u>       |
| <u>\$ 5,902</u>        | <u>\$ 639</u>          | <u>\$ 6,718</u>                   | <u>\$ 1,063</u>                   | <u>\$ 8,811</u>                 | <u>\$ 61,399</u>                  | <u>\$ 4,496,319</u> |



**LAPEER COUNTY, MICHIGAN**

**RECONCILIATION OF FUND BALANCE ON THE BALANCE SHEET  
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES  
ON THE STATEMENT OF NET ASSETS  
BOARD OF PUBLIC WORKS  
DECEMBER 31, 2011**

|  |    |              |                  |
|--|----|--------------|------------------|
| Fund Balance - total governmental funds  |    | \$           | 99,154           |
| Amounts reported for governmental activities in the statement of net assets are different because:   |    |              |                  |
| Amounts available in the funds that reduce the contract receivable on the government wide statements   |    | (            | 114,951)         |
| Liabilities that are not payable in the current period and therefore not reported in the governmental fund statements  |    |              |                  |
| Bonds/notes payable  |    | (            | 4,394,069)       |
| Accrued interest on bonds/notes payable  |    | (            | 22,439)          |
| Losses on refunding are reported in the governmental funds, whereas they are capitalized and amortized from net assets (netted against bonds payables)   | \$ | 49,099       |                  |
| Discounts and Premiums on bonds are reported as other financing sources or uses in the governmental funds, where they are capitalized and amortized from net assets (netted against bonds payable) |    |              |                  |
| Bond discount  |    | 5,076        |                  |
| Bond premium   | (  | 21,205)      |                  |
| Bond Issuance costs reported as debt retirement in the governmental funds, where they are deferred and amortized from net assets (netted against bonds payable)                                    |    | <u>5,266</u> | 38,236           |
| Revenues that are deferred in the governmental fund statements because the amounts are not available   |    |              |                  |
| Lease revenue  |    |              | <u>4,394,069</u> |
| Net Assets of governmental activities  | \$ |              | <u><u>-</u></u>  |

# LAPEER COUNTY, MICHIGAN

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUND TYPES - BOARD OF PUBLIC WORKS FOR THE YEAR ENDED DECEMBER 31, 2011

|  | Major Funds                       |   |                             |                        |                                   |                        |
|--|-----------------------------------|---|-----------------------------|------------------------|-----------------------------------|------------------------|
|  | Debt Service Funds                |   |                             |                        |                                   |                        |
|  | Dryden<br>Wastewater<br>Treatment | North Branch<br>Wastewater<br>Treatment | Dryden<br>Drinking<br>Water | Almont<br>WSSI<br>2007 | Almont<br>Sewage<br>Disposal 2002 | Dryden<br>WSSI<br>2007 |
| <b>Revenues:</b>                       |                                   |   |                             |                        |                                   |                        |
| Intergovernmental -                    |                                   |   |                             |                        |                                   |                        |
| Local                                  | \$ 138,110                        | \$ -                                    | \$ 62,288                   | \$ 124,582             | \$ 178,026                        | \$ 42,853              |
| Interest                               | 17                                | 4                                       | 4                           | -                      | 822                               | -                      |
| Total Revenues                         | <u>138,127</u>                    | <u>4</u>                                | <u>62,292</u>               | <u>124,582</u>         | <u>178,848</u>                    | <u>42,853</u>          |
| <b>Expenditures:</b>                   |                                   |   |                             |                        |                                   |                        |
| Debt Service -                         |                                   |   |                             |                        |                                   |                        |
| Principal retirement                   | 120,000                           | -                                       | 50,000                      | 85,000                 | 100,000                           | 30,000                 |
| Interest and fiscal charges            | 17,885                            | -                                       | 12,288                      | 39,582                 | 81,719                            | 12,853                 |
| Bond issuance costs                    | -                                 | -                                       | -                           | -                      | 46,828                            | -                      |
| Total Expenditures                     | <u>137,885</u>                    | <u>-</u>                                | <u>62,288</u>               | <u>124,582</u>         | <u>228,547</u>                    | <u>42,853</u>          |
| Revenues over (under) expenditures     | <u>242</u>                        | <u>4</u>                                | <u>4</u>                    | <u>-</u>               | <u>( 49,699)</u>                  | <u>-</u>               |
| <b>Other Financing Sources (Uses):</b> |                                   |   |                             |                        |                                   |                        |
| Issuance of refunding bonds            | -                                 | -                                       | -                           | -                      | 1,180,000                         | -                      |
| Bond premium                           | -                                 | -                                       | -                           | -                      | 24,325                            | -                      |
| Refunded bonds redeemed                | -                                 | -                                       | -                           | -                      | ( 1,490,000)                      | -                      |
| Total Other Sources (Uses)             | <u>-</u>                          | <u>-</u>                                | <u>-</u>                    | <u>-</u>               | <u>( 285,675)</u>                 | <u>-</u>               |
| Net Change in Fund Balances            | 242                               | 4                                       | 4                           | -                      | ( 335,374)                        | -                      |
| Fund Balances at beginning of year     | <u>3,739</u>                      | <u>760</u>                              | <u>871</u>                  | <u>-</u>               | <u>344,376</u>                    | <u>-</u>               |
| Fund Balances at end of year           | <u>\$ 3,981</u>                   | <u>\$ 764</u>                           | <u>\$ 875</u>               | <u>\$ -</u>            | <u>\$ 9,002</u>                   | <u>\$ -</u>            |

| Major Funds            |                        | Nonmajor Funds                    |                                   |                                 |                                   |                     |
|------------------------|------------------------|-----------------------------------|-----------------------------------|---------------------------------|-----------------------------------|---------------------|
| Capital Projects Funds |                        | Debt Service Funds                |                                   |                                 | Capital Project Fund              |                     |
| Almont<br>WSSI<br>2007 | Dryden<br>WSSI<br>2007 | Almont<br>Wastewater<br>Treatment | Almont<br>Wastewater<br>Treatment | Elba<br>Wastewater<br>Treatment | Almont<br>Sewage<br>Disposal 2002 | Total               |
| \$ -                   | \$ -                   | \$ -                              | \$ -                              | \$ -                            | \$ -                              | \$ 545,859          |
| 26                     | 3                      | 14                                | 5                                 | 39                              | 274                               | 1,208               |
| <u>26</u>              | <u>3</u>               | <u>14</u>                         | <u>5</u>                          | <u>39</u>                       | <u>274</u>                        | <u>547,067</u>      |
| -                      | -                      | -                                 | -                                 | -                               | -                                 | 385,000             |
| -                      | -                      | -                                 | -                                 | -                               | -                                 | 164,327             |
| -                      | -                      | -                                 | -                                 | -                               | -                                 | 46,828              |
| -                      | -                      | -                                 | -                                 | -                               | -                                 | <u>596,155</u>      |
| <u>26</u>              | <u>3</u>               | <u>14</u>                         | <u>5</u>                          | <u>39</u>                       | <u>274</u>                        | <u>( 49,088)</u>    |
| -                      | -                      | -                                 | -                                 | -                               | -                                 | 1,180,000           |
| -                      | -                      | -                                 | -                                 | -                               | -                                 | 24,325              |
| -                      | -                      | -                                 | -                                 | -                               | -                                 | <u>( 1,490,000)</u> |
| -                      | -                      | -                                 | -                                 | -                               | -                                 | <u>( 285,675)</u>   |
| 26                     | 3                      | 14                                | 5                                 | 39                              | 274                               | <u>( 334,763)</u>   |
| <u>5,876</u>           | <u>636</u>             | <u>6,704</u>                      | <u>1,058</u>                      | <u>8,772</u>                    | <u>61,125</u>                     | <u>433,917</u>      |
| <u>\$ 5,902</u>        | <u>\$ 639</u>          | <u>\$ 6,718</u>                   | <u>\$ 1,063</u>                   | <u>\$ 8,811</u>                 | <u>\$ 61,399</u>                  | <u>\$ 99,154</u>    |

# LAPEER COUNTY, MICHIGAN

## RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES - BOARD OF PUBLIC WORKS FOR THE YEAR ENDED DECEMBER 31, 2011

|  |              |
|--|--------------|
| Net Change in Fund Balances - total governmental funds | \$( 334,763) |
|--|--------------|

Amounts reported for governmental activities in the statement  
activities are different because:

The issuance of long-term debt (e.g. bonds and notes) provides current  
financial resources to governmental funds, while the repayment of the principal  
of long-term debt consumes the current financial resources of governmental funds.  
Neither transaction, however, has any effect on net assets.

|   |              |
|---|--------------|
| Payment to refunding bond escrow agent      | 1,490,000    |
| Principal payments on long-term liabilities | 385,000      |
| Bond issuance costs                         | 46,828       |
| Bond proceeds                               | ( 1,180,000) |
| Bond premium                                | ( 24,325)    |

Accrued interest expense on bonds and the amortization of bond issuance costs,  
discounts, premiums and deferred losses are not recorded by governmental funds,  
but are reported under interest and fiscal charges:

|  |          |
|--|----------|
| Decrease in accrued interest payable       | 11,463   |
| Amortization of bond issuance costs        | ( 6,434) |
| Amortization of discount on bonds          | ( 1,756) |
| Amortization of deferred loss on refunding | ( 1,693) |
| Amortization of premium on bonds           | 3,120    |

|  |            |
|--|------------|
| Revenues in the statement of activities that do not provide current financial resources<br>are not reported as revenues in the funds | ( 387,440) |
|--|------------|

|   |             |
|---|-------------|
| Change in Net Assets of governmental activities | <u>\$ -</u> |
|---|-------------|

## **DRAINAGE DISTRICT FUNDS**

# LAPEER COUNTY, MICHIGAN

## COMBINING BALANCE SHEET GOVERNMENTAL FUND TYPES DRAINAGE DISTRICTS DECEMBER 31, 2011

|   | Major Funds        |                               |                     |                               |                                |
|---|--------------------|-------------------------------|---------------------|-------------------------------|--------------------------------|
|   | Debt Service Funds |                               |                     | Capital Projects Funds        |                                |
|   | Potter's<br>Lake   | South<br>Branch<br>Mill Creek | Imlay<br>Bigelow    | South<br>Branch<br>Mill Creek | Special<br>Assessment<br>Drain |
| <b>ASSETS</b>                                 |                    |                               |                     |                               |                                |
| Cash and cash equivalents                     | \$ 3,280           | \$ 159,601                    | \$ 716,098          | \$ -                          | \$ 1,024,386                   |
| Investments                                   | -                  | -                             | -                   | -                             | 1,170,251                      |
| Receivables -                                 |                    |                               |                     |                               |                                |
| Special assessments                           | -                  | 690,837                       | 2,071,877           | -                             | 99,171                         |
| Interest                                      | -                  | -                             | -                   | -                             | 2,289                          |
| Due from other funds                          | -                  | -                             | -                   | -                             | -                              |
| Due from other component units                | -                  | -                             | -                   | -                             | 3,096                          |
| Due from other governmental units             | -                  | 11,040                        | -                   | -                             | -                              |
| Deposits                                      | -                  | 128,887                       | -                   | 41,730                        | -                              |
| Total Assets                                  | <u>\$ 3,280</u>    | <u>\$ 990,365</u>             | <u>\$ 2,787,975</u> | <u>\$ 41,730</u>              | <u>\$ 2,299,193</u>            |
| <b>LIABILITIES AND FUND BALANCE</b>           |                    |                               |                     |                               |                                |
| <b>Liabilities:</b>                           |                    |                               |                     |                               |                                |
| Accounts payable                              | \$ -               | \$ -                          | \$ 112              | \$ -                          | \$ -                           |
| Due to other governmental units -             |                    |                               |                     |                               |                                |
| Local   | -                  | -                             | -                   | -                             | 85,000                         |
| Due to other funds                            | -                  | -                             | -                   | -                             | 378,933                        |
| Advances from primary government              | -                  | -                             | -                   | -                             | -                              |
| Deferred revenue                              | -                  | 566,593                       | 1,825,513           | -                             | -                              |
| Total Liabilities                             | <u>-</u>           | <u>566,593</u>                | <u>1,825,625</u>    | <u>-</u>                      | <u>463,933</u>                 |
| <b>Fund Balance:</b>                          |                    |                               |                     |                               |                                |
| Nonspendable - deposits                       | -                  | 128,887                       | -                   | 41,730                        | -                              |
| Restricted -                                  |                    |                               |                     |                               |                                |
| Debt service                                  | 3,280              | 294,885                       | 962,350             | -                             | -                              |
| Acquisition/construction<br>of capital assets | -                  | -                             | -                   | -                             | 1,835,260                      |
| Total Fund Balance                            | <u>3,280</u>       | <u>423,772</u>                | <u>962,350</u>      | <u>41,730</u>                 | <u>1,835,260</u>               |
| Total Liabilities and Fund Balance            | <u>\$ 3,280</u>    | <u>\$ 990,365</u>             | <u>\$ 2,787,975</u> | <u>\$ 41,730</u>              | <u>\$ 2,299,193</u>            |

| Major Fund         | Nonmajor Funds     |                   |                              |                     |
|--------------------|--------------------|-------------------|------------------------------|---------------------|
| Capital            |                    |                   |                              |                     |
| Project Fund       | Debt Service Funds |                   |                              |                     |
| Drain<br>Revolving | Drain              | Winn<br>Lake      | Lake<br>Lapeer<br>Lake Level | Total               |
| \$ 5,049           | \$ -               | \$ 181,363        | \$ 486                       | \$ 2,090,263        |
| -                  | -                  | -                 | -                            | 1,170,251           |
| -                  | -                  | 173,600           | -                            | 3,035,485           |
| -                  | -                  | -                 | -                            | 2,289               |
| 90,130             | -                  | -                 | -                            | 90,130              |
| -                  | -                  | -                 | -                            | 3,096               |
| -                  | -                  | -                 | -                            | 11,040              |
| -                  | -                  | -                 | -                            | 170,617             |
| <u>\$ 95,179</u>   | <u>\$ -</u>        | <u>\$ 354,963</u> | <u>\$ 486</u>                | <u>\$ 6,573,171</u> |
|                    |                    |                   |                              |                     |
| \$ -               | \$ -               | \$ -              | \$ -                         | \$ 112              |
| -                  | -                  | -                 | -                            | 85,000              |
| -                  | -                  | -                 | -                            | 378,933             |
| 90,000             | -                  | -                 | -                            | 90,000              |
| -                  | -                  | 151,036           | -                            | 2,543,142           |
| <u>90,000</u>      | <u>-</u>           | <u>151,036</u>    | <u>-</u>                     | <u>3,097,187</u>    |
| -                  | -                  | -                 | -                            | 170,617             |
| -                  | -                  | 203,927           | 486                          | 1,464,928           |
| <u>5,179</u>       | <u>-</u>           | <u>-</u>          | <u>-</u>                     | <u>1,840,439</u>    |
| <u>5,179</u>       | <u>-</u>           | <u>203,927</u>    | <u>486</u>                   | <u>3,475,984</u>    |
| <u>\$ 95,179</u>   | <u>\$ -</u>        | <u>\$ 354,963</u> | <u>\$ 486</u>                | <u>\$ 6,573,171</u> |

# **LAPEER COUNTY, MICHIGAN**

## **RECONCILIATION OF FUND BALANCES ON THE BALANCE SHEET TO NET ASSETS OF GOVERNMENTAL ACTIVITIES ON THE STATEMENT OF NET ASSETS - DRAINAGE DISTRICTS DECEMBER 31, 2011**

|  |                             |
|--|-----------------------------|
| Fund Balances - total governmental funds   | \$ 3,475,984                |
| Amounts reported for governmental activities in the statement of net assets<br>are different because:  |                             |
| Capital assets used in governmental activities are not financial resources<br>and therefore are not reported in the governmental funds.  |                             |
| Capital assets   | 29,405,949                  |
| Accumulated depreciation   | ( 13,989,477)               |
| Other long-term assets are not available to pay for current period<br>expenditures and, therefore, are deferred in the funds.  |                             |
| Special assessments  | 2,543,142                   |
| An Internal Service Fund is used by management to charge costs of maintenance.<br>The assets and liabilities of the Internal Service Fund are included in<br>governmental activities in the statement of net assets. |                             |
|  | 977,472                     |
| Long-term liabilities, including bonds payable, are not due and payable<br>in the current period and therefore are not reported in the funds.  |                             |
| Bonds/notes payable  | ( 2,963,550)                |
| Bond issuance cost (netted against bonds payables)   | 141,405                     |
| Accrued interest on bonds/notes payable  | ( 733)                      |
| Net Assets of governmental activities  | <u><u>\$ 19,590,192</u></u> |



# LAPEER COUNTY, MICHIGAN

## COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUND TYPES - DRAINAGE DISTRICTS FOR THE YEAR ENDED DECEMBER 31, 2011

|  | Major Funds        |                               |                   |                               |                                |
|--|--------------------|-------------------------------|-------------------|-------------------------------|--------------------------------|
|  | Debt Service Funds |                               |                   | Capital Project Funds         |                                |
|  | Potter's<br>Lake   | South<br>Branch<br>Mill Creek | Imlay<br>Bigelow  | South<br>Branch<br>Mill Creek | Special<br>Assessment<br>Drain |
| <b>Revenues:</b>                       |                    |                               |                   |                               |                                |
| Local contribution                     | \$ -               | \$ -                          | \$ -              | \$ -                          | \$ 39,145                      |
| Interest                               | 14                 | 468                           | 2,404             | -                             | 22,376                         |
| Other -                                |                    |                               |                   |                               |                                |
| Special assessments                    | -                  | 179,688                       | 246,634           | -                             | 247,888                        |
| Total Revenues                         | <u>14</u>          | <u>180,156</u>                | <u>249,038</u>    | <u>-</u>                      | <u>309,409</u>                 |
| <b>Expenditures:</b>                   |                    |                               |                   |                               |                                |
| Maintenance                            | -                  | -                             | -                 | -                             | 227,317                        |
| Debt Service -                         |                    |                               |                   |                               |                                |
| Principal retirement                   | -                  | 124,768                       | 150,000           | -                             | -                              |
| Interest and fiscal charges            | 150                | 26,386                        | 87,730            | -                             | -                              |
| Total Expenditures                     | <u>150</u>         | <u>151,154</u>                | <u>237,730</u>    | <u>-</u>                      | <u>227,317</u>                 |
| Revenues over (under) expenditures     | <u>( 136)</u>      | <u>29,002</u>                 | <u>11,308</u>     | <u>-</u>                      | <u>82,092</u>                  |
| <b>Other Financing Sources (Uses):</b> |                    |                               |                   |                               |                                |
| Transfers In                           | 45,131             | 39,183                        | -                 | -                             | 99,484                         |
| Transfers Out                          | ( 99,484)          | -                             | -                 | -                             | ( 162,231)                     |
| Total Other Sources (Uses)             | <u>( 54,353)</u>   | <u>39,183</u>                 | <u>-</u>          | <u>-</u>                      | <u>( 62,747)</u>               |
| Net Change in Fund Balances            | <u>( 54,489)</u>   | <u>68,185</u>                 | <u>11,308</u>     | <u>-</u>                      | <u>19,345</u>                  |
| Fund Balances at beginning of year     | <u>57,769</u>      | <u>355,587</u>                | <u>951,042</u>    | <u>41,730</u>                 | <u>1,815,915</u>               |
| Fund Balances at end of year           | <u>\$ 3,280</u>    | <u>\$ 423,772</u>             | <u>\$ 962,350</u> | <u>\$ 41,730</u>              | <u>\$ 1,835,260</u>            |

| Major Fund         | Nonmajor Funds     |              |                              |              |
|--------------------|--------------------|--------------|------------------------------|--------------|
| Capital            |                    |              |                              |              |
| Project Fund       | Debt Service Funds |              |                              |              |
| Drain<br>Revolving | Drain              | Winn<br>Lake | Lake<br>Lapeer<br>Lake Level | Total        |
| \$ -               | \$ -               | \$ -         | \$ -                         | \$ 39,145    |
| 114                | -                  | 494          | 2                            | 25,872       |
| -                  | -                  | 27,489       | -                            | 701,699      |
| 114                | -                  | 27,983       | 2                            | 766,716      |
| -                  | 1,498              | -            | -                            | 228,815      |
| -                  | -                  | 25,000       | -                            | 299,768      |
| -                  | -                  | 15,998       | -                            | 130,264      |
| -                  | 1,498              | 40,998       | -                            | 658,847      |
| 114                | ( 1,498)           | ( 13,015)    | 2                            | 107,869      |
| -                  | -                  | 77,917       | -                            | 261,715      |
| -                  | -                  | -            | -                            | ( 261,715)   |
| -                  | -                  | 77,917       | -                            | -            |
| 114                | ( 1,498)           | 64,902       | 2                            | 107,869      |
| 5,065              | 1,498              | 139,025      | 484                          | 3,368,115    |
| \$ 5,179           | \$ -               | \$ 203,927   | \$ 486                       | \$ 3,475,984 |

## LAPEER COUNTY, MICHIGAN

### RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES - DRAINAGE DISTRICTS FOR THE YEAR ENDED DECEMBER 31, 2011

|   |           |                   |
|---|-----------|-------------------|
| Net Change in Fund Balances - total governmental funds  | \$        | 107,869           |
| <p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>   |           |                   |
| Depreciation expense  | (         | 520,288)          |
| <p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.</p>  |           |                   |
|   | (         | 290,636)          |
| <p>The issuance of long-term debt (e.g. bonds and notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources to governmental funds. Neither transaction, however, has any effect on net assets.</p> |           |                   |
| Principal payments on long-term liabilities   |           | 299,768           |
| Amortization of bond issuance costs   | (         | 10,101)           |
| <p>An Internal Service Fund is used by management to charge costs of maintenance. The net revenues (expenses) attributable to this fund are reported with governmental activities</p>   |           |                   |
|   | (         | 77,506)           |
| <p>Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.</p>  |           |                   |
| Decrease in accrued interest payable  |           | <u>12,873</u>     |
| Change in Net Assets of governmental activities   | <u>\$</u> | <u>( 478,021)</u> |

**LAPEER COUNTY, MICHIGAN**

**STATEMENT OF NET ASSETS  
PROPRIETARY FUND - DRAINAGE DISTRICTS  
INTERNAL SERVICE FUND  
DECEMBER 31, 2011**

**ASSETS:**

**Current Assets -**

|                                   |                |
|-----------------------------------|----------------|
| Cash and cash equivalents         | \$ 656,448     |
| Due from other governmental units | 22,421         |
| Due from other funds              | 288,803        |
|                                   | <u>967,672</u> |

**Property, Plant and Equipment:**

|  |               |
|--|---------------|
| Property, plant and equipment<br>net of accumulated depreciation | <u>11,676</u> |
|--|---------------|

|              |                |
|--------------|----------------|
| Total Assets | <u>979,348</u> |
|--------------|----------------|

**LIABILITIES:**

**Current Liabilities:**

|                  |              |
|------------------|--------------|
| Accounts payable | <u>1,876</u> |
|------------------|--------------|

**NET ASSETS:**

|                            |                          |
|----------------------------|--------------------------|
| Invested in capital assets | 11,676                   |
| Unrestricted               | 965,796                  |
| Total Net Assets           | <u><u>\$ 977,472</u></u> |

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
PROPRIETARY FUND - DRAINAGE DISTRICTS  
INTERNAL SERVICE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011**

**Operating Revenue:**

|                      |                   |
|----------------------|-------------------|
| Charges for services | <u>\$ 175,989</u> |
|----------------------|-------------------|

**Operating Expenses:**

|                                |                |
|--------------------------------|----------------|
| Administrative and Operating - |                |
| Drain Maintenance              | 253,629        |
| Depreciation                   | 2,919          |
| Total Operating Expenses       | <u>256,548</u> |

|                |           |
|----------------|-----------|
| Operating Loss | ( 80,559) |
|----------------|-----------|

**Non-Operating Revenue:**

|          |              |
|----------|--------------|
| Interest | <u>3,053</u> |
|----------|--------------|

|                      |           |
|----------------------|-----------|
| Change in Net Assets | ( 77,506) |
|----------------------|-----------|

|                                 |                  |
|---------------------------------|------------------|
| Net Assets at beginning of year | <u>1,054,978</u> |
|---------------------------------|------------------|

|                           |                          |
|---------------------------|--------------------------|
| Net Assets at end of year | <u><u>\$ 977,472</u></u> |
|---------------------------|--------------------------|

**LAPEER COUNTY, MICHIGAN**

**STATEMENT OF CASH FLOWS**

**DRAIN EQUIPMENT AND MAINTENANCE PROPRIETARY FUND - DRAINAGE DISTRICTS**

**INTERNAL SERVICE FUND**

**FOR THE YEAR ENDED DECEMBER 31, 2011**

**Cash Flows From Operating Activities:**

|                                       |            |
|---------------------------------------|------------|
| Receipts for services                 | \$ 73,627  |
| Payments to suppliers                 | ( 283,900) |
| Net Cash Used in Operating Activities | ( 210,273) |

**Cash Flows From Capital and Related Financing Activities:**

|                               |           |
|-------------------------------|-----------|
| Acquisition of capital assets | ( 14,595) |
|-------------------------------|-----------|

**Cash Flows From Investing Activities:**

|  |            |
|--|------------|
| Interest earned on investments                 | 3,053      |
| Net decrease in cash and cash equivalents      | ( 221,815) |
| Cash and cash equivalents at beginning of year | 878,263    |
| Cash and cash equivalents at end of year       | \$ 656,448 |

**Reconciliation of Operating Loss to Net Cash Used  
in Operating Activities:**

|   |              |
|---|--------------|
| Operating loss  | \$( 80,559)  |
| Adjustments to reconcile operating loss to net cash used in operating activities: |              |
| Depreciation  | 2,919        |
| Changes in assets and liabilities:  |              |
| Due from other governmental units   | ( 22,421)    |
| Due from other funds  | ( 79,941)    |
| Accounts payable  | ( 30,271)    |
| Net Cash Used in Operating Activities   | \$( 210,273) |

## SECTION THREE: STATISTICAL SECTION

This section of Lapeer County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required reports about the County's overall financial health. These tables are presented because they are representative of the County activity and are the statistics commonly used to assess County operations and financial position.

| <b>Contents</b>   | <b><u>Page Number</u></b> |
|---|---------------------------|
| <u>Financial Trends</u>   | S-1 to S-6                |
| <i>These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.</i>  |                           |
| <u>Revenue Capacity</u>   | S-7 to S-13               |
| <i>These schedules contain information to help the reader assess the government's most significant local revenue source, property taxes.</i>  |                           |
| <u>Debt Capacity</u>  | S-14 to S-16              |
| <i>These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the ability to issue additional debt in the future.</i>                         |                           |
| <u>Demographic and Economic Information</u>   | S-17 to S-21              |
| <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.</i>   |                           |
| <u>Operating Information</u>  | S-22 to S-28              |
| <i>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 activities it performs.</i> |                           |
| <u>Miscellaneous Statistics</u>   | S-29 to S-30              |
| <i>These schedules contain miscellaneous information to help the reader assess the County Government.</i>   |                           |

# LAPEER COUNTY, MICHIGAN

## GOVERNMENT-WIDE NET ASSETS BY COMPONENT LAST NINE YEARS (A) ACCRUAL BASIS OF ACCOUNTING (UNAUDITED)

|  | <u>2003</u>         | <u>2004</u>         | <u>2005</u>         | <u>2006</u>         | <u>2007</u>         | <u>2008</u>         | <u>2009</u>         | <u>2010</u>         | <u>2011</u>         |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Governmental Activities</b>                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Invested in capital assets, net<br>of related debt | \$19,997,437        | \$19,575,975        | \$19,165,973        | \$18,342,068        | \$17,818,625        | \$17,396,631        | \$16,654,707        | \$15,896,442        | \$11,495,232        |
| Restricted   | -                   | 6,562,611           | 11,296,788          | 13,948,783          | 14,073,426          | 12,860,615          | 8,221,319           | 5,574,262           | 11,132,174          |
| Unrestricted                                       | 12,714,648          | 7,508,523           | 4,516,543           | 5,070,872           | 5,631,585           | 5,942,806           | 11,426,758          | 14,793,477          | 15,163,800          |
| Total Government Activities Net Assets             | <u>\$32,712,085</u> | <u>\$33,647,109</u> | <u>\$34,979,304</u> | <u>\$37,361,723</u> | <u>\$37,523,636</u> | <u>\$36,200,052</u> | <u>\$36,302,784</u> | <u>\$36,264,181</u> | <u>\$37,791,206</u> |
| <b>Business-Type Activities</b>                    |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Invested in capital assets, net<br>of related debt | \$ 6,893,437        | \$ 7,145,228        | \$ 7,433,275        | \$ 7,007,742        | \$ 7,464,355        | \$ 8,831,167        | \$ 9,276,606        | \$14,796,843        | \$16,327,713        |
| Restricted   | 399,139             | 498,836             | 615,632             | 773,255             | 926,562             | 1,049,307           | 1,308,557           | 1,166,837           | 1,421,146           |
| Unrestricted                                       | 13,287,507          | 13,168,742          | 13,942,229          | 17,519,560          | 19,600,864          | 20,158,728          | 21,211,382          | 18,587,939          | 17,180,730          |
| Total Business-Type Activities Net Assets          | <u>\$20,580,083</u> | <u>\$20,812,806</u> | <u>\$21,991,136</u> | <u>\$25,300,557</u> | <u>\$27,991,781</u> | <u>\$30,039,202</u> | <u>\$31,796,545</u> | <u>\$34,551,619</u> | <u>\$34,929,589</u> |
| <b>Primary Government</b>                          |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Invested in capital assets, net<br>of related debt | \$26,890,874        | \$26,721,203        | \$26,599,248        | \$25,349,810        | \$25,282,980        | \$26,227,798        | \$25,931,313        | \$30,693,285        | \$27,822,945        |
| Restricted   | 399,139             | 7,061,447           | 11,912,420          | 14,722,038          | 14,999,988          | 13,909,922          | 9,529,876           | 6,741,099           | 12,553,320          |
| Unrestricted                                       | 26,002,155          | 20,677,265          | 18,458,772          | 22,590,432          | 25,232,449          | 26,101,534          | 32,638,140          | 33,381,416          | 32,344,530          |
| Total Primary Government Net Assets                | <u>\$53,292,168</u> | <u>\$54,459,915</u> | <u>\$56,970,440</u> | <u>\$62,662,280</u> | <u>\$65,515,417</u> | <u>\$66,239,254</u> | <u>\$68,099,329</u> | <u>\$70,815,800</u> | <u>\$72,720,795</u> |

(A) - Lapeer County implemented GASB Statement No. 34 as of and for the year ended December 31, 2003. Accordingly, data prior to 2003 is not available.

Source: Lapeer County Finance Department

NOTE: The net assets for the governmental activities and the total primary government have not been restated for the years 2004 - 2009 for a reporting entity change made in 2010. For 2010, the activities relating to the Retirement and Public Employee Health Care Funds were changed from reporting as pension trust funds to internal service funds and included as part of the governmental activities.

**LAPEER COUNTY, MICHIGAN**  
**GOVERNMENT-WIDE CHANGES IN NET ASSETS**  
**LAST NINE YEARS (A)**  
**(UNAUDITED)**

|   | 2003            | 2004            | 2005            | 2006            | 2007            | 2008            | 2009            | 2010            | 2011            |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>Expenses</b>                                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Governmental Activities:                        |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Legislative                                     | \$ 249,625      | \$ 252,618      | \$ 273,694      | \$ 249,736      | \$ 244,333      | \$ 259,301      | \$ 275,784      | \$ 290,948      | \$ 261,095      |
| Judicial  | 4,300,006       | 4,418,052       | 4,588,516       | 4,741,232       | 5,037,955       | 5,021,694       | 5,318,644       | 5,172,038       | 4,785,333       |
| General Government                              | 5,684,277       | 6,320,824       | 5,627,863       | 5,836,173       | 5,730,609       | 6,407,816       | 6,329,101       | 6,925,829       | 6,181,739       |
| Public Safety                                   | 8,000,530       | 8,052,226       | 9,080,322       | 10,685,775      | 10,308,041      | 10,394,105      | 10,578,956      | 10,779,183      | 10,098,018      |
| Public Works                                    | 233,266         | 378,218         | 486,381         | 451,726         | 466,202         | 384,302         | 380,476         | 810,776         | 398,268         |
| Health and Welfare                              | 22,243,064      | 21,641,181      | 21,418,610      | 19,833,250      | 21,500,048      | 21,809,561      | 21,212,635      | 21,687,405      | 21,685,041      |
| Recreation and Culture                          | 1,656,481       | 821,982         | 846,669         | 822,279         | 794,640         | 877,814         | 822,024         | 592,701         | 422,204         |
| Other Activities                                | 666,630         | 1,403,536       | 1,567,547       | 1,544,827       | 1,085,590       | 1,187,124       | -               | -               | -               |
| Interest on long term debt                      | 105,844         | 33,098          | 66,483          | 63,684          | 60,650          | 57,550          | 51,166          | 43,334          | 380,024         |
| Total Governmental Activities Expenses          | 43,139,723      | 43,321,735      | 43,956,085      | 44,228,682      | 45,228,068      | 46,399,267      | 44,968,786      | 46,302,214      | 44,211,722      |
| Business-Type Activities                        |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Medical Care Facility                           | 15,208,745      | 16,057,336      | 15,304,504      | 16,813,212      | 17,323,832      | 18,392,690      | 18,054,605      | 18,645,836      | 21,726,473      |
| Delinquent Tax Revolving                        | 165,983         | 57,718          | 130,799         | 126,066         | 119,969         | 74,646          | 119,969         | 222,351         | 230,860         |
| Total Business-Type Activities Expenses         | 15,374,728      | 16,115,054      | 15,435,303      | 16,863,591      | 17,449,898      | 18,467,336      | 18,174,574      | 18,868,187      | 21,957,333      |
| Total Primary Government Expenses               | 58,514,451      | 59,436,789      | 59,391,388      | 61,092,273      | 62,677,966      | 64,866,603      | 63,143,360      | 65,170,401      | 66,169,055      |
| <b>Program Revenues</b>                         |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Governmental Activities:                        |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Charges for Services                            |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Legislative                                     | -               | -               | -               | 1,119           | -               | -               | 1,044           | -               | -               |
| Judicial  | 1,518,238       | 1,472,387       | 1,580,081       | 1,517,028       | 1,437,137       | 1,500,757       | 1,547,048       | 1,415,294       | 1,246,428       |
| General Government                              | 3,490,415       | 3,604,610       | 3,660,140       | 3,449,296       | 3,544,590       | 3,338,296       | 4,655,630       | 4,509,171       | 4,044,677       |
| Public Safety                                   | 3,586,791       | 1,990,574       | 2,166,574       | 1,804,213       | 1,962,379       | 2,000,750       | 2,056,577       | 1,942,126       | 2,164,267       |
| Public Works                                    | 45,463          | 90              | -               | -               | -               | -               | 1,412           | -               | -               |
| Health and Welfare                              | 12,429,967      | 12,184,060      | 2,696,314       | 12,382,563      | 14,127,168      | 13,901,118      | 13,779,838      | 14,159,046      | 15,068,511      |
| Recreation and Culture                          | 185,350         | 165,998         | 229,879         | 226,032         | 205,904         | 229,657         | 153,867         | 104,791         | 74,050          |
| Other Activities                                | 306,996         | 334,424         | 413,985         | 568,204         | 615,958         | 351,488         | -               | -               | -               |
| Interest on Long Term Debt                      | 207,623         | 207,623         | 207,622         | 231,926         | 148,677         | 161,503         | 161,503         | 161,503         | 161,503         |
| Operating Grants and Contributions              | 7,168,123       | 7,660,864       | 17,645,715      | 7,694,183       | 7,996,328       | 7,777,755       | 7,823,955       | 9,971,597       | 8,744,663       |
| Capital Grants and Contributions                | 143,718         | 181,941         | 785,924         | 397,396         | 29,445          | 239,556         | 46,076          | -               | 137,046         |
| Total Governmental Activities Program Revenues  | 29,082,684      | 27,802,571      | 29,386,234      | 28,271,960      | 30,067,586      | 29,500,880      | 30,226,950      | 32,263,528      | 31,641,145      |
| Business-Type Activities                        |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Charges for Services                            |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Medical Care Facility                           | 15,097,043      | 13,714,790      | 13,876,815      | 17,192,706      | 16,212,479      | 17,121,835      | 17,327,488      | 19,234,378      | 19,723,547      |
| Delinquent Tax Revolving                        | 988,896         | 969,041         | 660,487         | 1,071,008       | 1,219,237       | 1,217,491       | 1,472,821       | 1,317,845       | 1,643,288       |
| Operating Grants and Contributions              | -               | -               | -               | -               | -               | -               | -               | -               | -               |
| Total Business-Type Activities Program Revenues | 16,085,939      | 14,683,831      | 14,537,302      | 18,263,714      | 17,431,716      | 18,339,326      | 18,800,309      | 20,552,223      | 21,366,835      |
| Total Primary Government Revenues               | 45,168,623      | 42,486,402      | 43,923,536      | 46,535,674      | 47,499,302      | 47,840,206      | 49,027,259      | 52,815,751      | 53,007,980      |
| Net (expense) revenue                           |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Government Activities                           | ( 14,057,039)   | ( 15,519,164)   | ( 14,569,851)   | ( 15,956,722)   | ( 15,160,482)   | ( 16,898,387)   | ( 14,741,836)   | ( 14,038,686)   | ( 12,570,577)   |
| Business-Type Activities                        | 711,211         | ( 1,431,223)    | ( 898,001)      | 1,400,123       | ( 18,182)       | ( 128,010)      | 625,735         | 1,684,036       | ( 590,498)      |
| Total Primary Government Net Expenses           | \$( 13,345,828) | \$( 16,950,387) | \$( 15,467,852) | \$( 14,556,599) | \$( 15,178,664) | \$( 17,026,397) | \$( 14,116,101) | \$( 12,354,650) | \$( 13,161,075) |

Continued



**LAPEER COUNTY, MICHIGAN**  
**GOVERNMENT-WIDE CHANGES IN NET ASSETS**  
**LAST NINE YEARS (A)**  
**ACCRUAL BASIS OF ACCOUNTING**  
**(UNAUDITED)**

|                                       | <u>2003</u>       | <u>2004</u>         | <u>2005</u>         | <u>2006</u>         | <u>2007</u>         | <u>2008</u>       | <u>2009</u>         | <u>2010</u>         | <u>2011</u>         |
|---------------------------------------|-------------------|---------------------|---------------------|---------------------|---------------------|-------------------|---------------------|---------------------|---------------------|
| <b>General Revenues</b>               |                   |                     |                     |                     |                     |                   |                     |                     |                     |
| Governmental Activities               |                   |                     |                     |                     |                     |                   |                     |                     |                     |
| Property taxes                        | \$ 9,121,348      | \$ 13,825,956       | \$ 15,081,491       | \$ 15,972,806       | \$ 13,661,065       | \$ 14,141,996     | \$ 13,944,341       | \$ 12,766,862       | \$ 13,680,318       |
| Unrestricted grants and contributions | 2,164,556         | 1,287,208           | -                   | 429,022             | 391,679             | 375,956           | 4,875               | 8,975               | 7,000               |
| Investment earnings                   | 199,943           | 537,174             | 567,529             | 1,156,276           | 1,262,949           | 931,362           | 433,575             | 392,381             | 404,060             |
| Gain on sale of capital assets        | 446,923           | -                   | -                   | -                   | -                   | -                 | -                   | -                   | -                   |
| Transfers                             | 393,860           | 803,850             | 253,026             | 781,037             | 6,702               | 125,489           | 46,614              | 4,697               | 6,224               |
| Total Governmental Activities         | <u>12,326,630</u> | <u>16,454,188</u>   | <u>15,902,046</u>   | <u>18,339,141</u>   | <u>15,322,395</u>   | <u>15,574,803</u> | <u>14,429,405</u>   | <u>13,172,915</u>   | <u>14,097,602</u>   |
| Business-Type Activities              |                   |                     |                     |                     |                     |                   |                     |                     |                     |
| Property taxes                        | 1,877,376         | 1,925,363           | 2,054,142           | 2,024,514           | 2,301,179           | 1,151,144         | 1,011,140           | 930,705             | 909,353             |
| Unrestricted grants and contributions | 230,864           | 317,946             | 311,804             | 395,858             | 29,746              | 48,070            | 51,997              | 24,765              | 30,973              |
| Investment earnings                   | 82,373            | 20,637              | 125,453             | 426,375             | 378,481             | 314,808           | 68,471              | 115,568             | 28,142              |
| Loss on sale of capital assets        | ( 26,526)         | -                   | ( 223)              | -                   | -                   | -                 | -                   | -                   | -                   |
| Transfers                             | ( 600,000)        | ( 600,000)          | ( 414,845)          | ( 900,000)          | -                   | -                 | -                   | -                   | -                   |
| Total Business-Type Activities        | <u>1,564,087</u>  | <u>1,663,946</u>    | <u>2,076,331</u>    | <u>1,946,747</u>    | <u>2,709,406</u>    | <u>1,514,022</u>  | <u>1,131,608</u>    | <u>1,071,038</u>    | <u>968,468</u>      |
| Total Primary Government Expenses     | <u>13,890,717</u> | <u>18,118,134</u>   | <u>17,978,377</u>   | <u>20,285,888</u>   | <u>18,031,801</u>   | <u>17,088,825</u> | <u>15,561,013</u>   | <u>14,243,953</u>   | <u>15,066,070</u>   |
| Change in Net Assets                  |                   |                     |                     |                     |                     |                   |                     |                     |                     |
| Government Activities                 | ( 1,730,409)      | 935,024             | 1,332,195           | 2,382,419           | 161,913             | ( 1,323,584)      | ( 312,431)          | ( 865,771)          | 1,527,025           |
| Business-Type Activities              | <u>2,275,298</u>  | <u>232,723</u>      | <u>1,178,330</u>    | <u>3,346,870</u>    | <u>2,691,224</u>    | <u>1,386,012</u>  | <u>1,757,343</u>    | <u>2,755,074</u>    | <u>377,970</u>      |
| Total Primary Government              | <u>\$ 544,889</u> | <u>\$ 1,167,747</u> | <u>\$ 2,510,525</u> | <u>\$ 5,729,289</u> | <u>\$ 2,853,137</u> | <u>\$ 62,428</u>  | <u>\$ 1,444,912</u> | <u>\$ 1,889,303</u> | <u>\$ 1,904,995</u> |

(A) - Lapeer County implemented GASB Statement No. 34 as of and for the year ended December 31, 2003. Accordingly, data prior to 2003 is not available.

Source: Lapeer County Finance Department

Concluded

NOTE: The general government expenses and charges for services and net (expenses) revenue for the years 2003 - 2009 for a reporting entity change made in 2010. For 2010, the activities relating to the Retirement and Public Employee Health Care Funds were changed from reporting as pension trust funds to internal service funds and included as part of the governmental activities.

**LAPEER COUNTY, MICHIGAN**

**FUND BALANCES, GOVERNMENTAL FUNDS**

**LAST TEN YEARS**

**MODIFIED ACCRUAL BASIS OF ACCOUNTING**

**(UNAUDITED)**

|                                     | <u>2002</u>         | <u>2003</u>         | <u>2004</u>         | <u>2005</u>          | <u>2006</u>          | <u>2007</u>          | <u>2008</u>          | <u>2009</u>          | <u>2010</u>          | <u>*<br/>2011</u>    |
|-------------------------------------|---------------------|---------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>General Fund</b>                 |                     |                     |                     |                      |                      |                      |                      |                      |                      |                      |
| Nonspendable                        | \$ -                | \$ -                | \$ -                | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ 144,292           |
| Restricted                          | -                   | -                   | -                   | -                    | -                    | -                    | -                    | -                    | -                    | 2,504,748            |
| Assigned                            | -                   | -                   | -                   | -                    | -                    | -                    | -                    | -                    | -                    | 3,784,958            |
| Unassigned                          | -                   | -                   | -                   | -                    | -                    | -                    | -                    | -                    | -                    | 5,190,092            |
| Reserved                            | 327,575             | 208,000             | 198,596             | 198,000              | 198,000              | 198,000              | 198,000              | 198,000              | 110,110              | -                    |
| Unreserved                          | <u>1,532,529</u>    | <u>1,725,292</u>    | <u>1,943,248</u>    | <u>2,217,908</u>     | <u>2,285,684</u>     | <u>2,197,160</u>     | <u>2,942,577</u>     | <u>3,909,939</u>     | <u>4,312,595</u>     | <u>-</u>             |
| Total General Fund                  | <u>\$ 1,860,104</u> | <u>\$ 1,933,292</u> | <u>\$ 2,141,844</u> | <u>\$ 2,415,908</u>  | <u>\$ 2,483,684</u>  | <u>\$ 2,395,160</u>  | <u>\$ 3,140,577</u>  | <u>\$ 4,107,939</u>  | <u>\$ 4,422,705</u>  | <u>\$ 11,624,090</u> |
| <b>All other Governmental Funds</b> |                     |                     |                     |                      |                      |                      |                      |                      |                      |                      |
| Nonspendable                        | \$ -                | \$ -                | \$ -                | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ 67,637            |
| Restricted                          | -                   | -                   | -                   | -                    | -                    | -                    | -                    | -                    | -                    | 8,627,426            |
| Assigned                            | -                   | -                   | -                   | -                    | -                    | -                    | -                    | -                    | -                    | 2,160,986            |
| Reserved                            | 1,326,378           | 569,624             | 378,004             | 308,045              | 444,784              | 485,734              | 581,497              | 472,453              | 497,271              | -                    |
| Unreserved, reported in:            |                     |                     |                     |                      |                      |                      |                      |                      |                      |                      |
| Special revenue funds               | 6,227,882           | 5,654,640           | 8,149,382           | 10,177,462           | 12,836,097           | 12,941,505           | 12,023,209           | 11,177,792           | 10,404,991           | -                    |
| Debt service funds                  | 85,703              | 87,198              | 138,128             | 180,756              | 208,701              | 162,346              | 137,061              | 93,883               | 63,400               | -                    |
| Capital project funds               | <u>843,372</u>      | <u>1,364,928</u>    | <u>1,276,701</u>    | <u>938,570</u>       | <u>903,985</u>       | <u>969,575</u>       | <u>692,566</u>       | <u>688,829</u>       | <u>693,220</u>       | <u>-</u>             |
| Total all other Governmental Funds  | <u>\$ 8,483,335</u> | <u>\$ 7,676,390</u> | <u>\$ 9,942,215</u> | <u>\$ 11,604,833</u> | <u>\$ 14,393,567</u> | <u>\$ 14,559,160</u> | <u>\$ 13,434,333</u> | <u>\$ 12,432,957</u> | <u>\$ 11,658,882</u> | <u>\$ 10,856,049</u> |

\* As of and for the year ended December 31, 2011, the County implemented GASB Statement No. 54, which modified fund balance classifications. The modifications are reflected above.

Source: Lapeer County Finance Department

**LAPEER COUNTY, MICHIGAN**

**CHANGES IN FUND BALANCE, GOVERNMENTAL FUNDS  
LAST TEN YEARS  
MODIFIED ACCRUAL BASIS OF ACCOUNTING  
(UNAUDITED)**

|  | <u>2002</u>       | <u>2003</u>          | <u>2004</u>         | <u>2005</u>         | <u>2006</u>         | <u>2007</u>       | <u>2008</u>          | <u>2009</u>         | <u>2010</u>          | <u>2011</u>         |
|--|-------------------|----------------------|---------------------|---------------------|---------------------|-------------------|----------------------|---------------------|----------------------|---------------------|
| <b>Revenues</b>  |                   |                      |                     |                     |                     |                   |                      |                     |                      |                     |
| Taxes  | \$ 10,569,557     | \$ 10,272,241        | \$ 13,827,448       | \$ 15,215,837       | \$ 15,972,806       | \$ 13,661,065     | \$ 14,141,996        | \$ 13,944,341       | \$ 12,776,677        | \$ 13,680,318       |
| Licenses and permits                                       | 583,292           | 665,679              | 673,888             | 744,802             | 604,566             | 636,952           | 540,707              | 520,455             | 518,583              | 485,784             |
| Intergovernmental  | 19,484,696        | 19,161,681           | 18,564,780          | 18,431,639          | 8,524,913           | 8,378,993         | 8,337,676            | 7,635,175           | 9,849,554            | 8,850,710           |
| Charges for services                                       | 6,431,061         | 7,133,436            | 6,750,267           | 6,595,429           | 15,740,144          | 17,329,614        | 17,115,895           | 16,985,601          | 17,002,625           | 17,688,094          |
| Fines and forfeits   | 766,103           | 662,086              | 441,379             | 567,729             | 470,635             | 494,446           | 493,068              | 457,485             | 419,357              | 351,642             |
| Rents and royalties  | 1,391,408         | 284,049              | 455,079             | 454,466             | 498,268             | 424,512           | 410,797              | 378,183             | 382,454              | 211,516             |
| Interest   | 636,197           | 405,047              | 537,174             | 567,529             | 1,156,276           | 1,289,965         | 931,362              | 430,689             | 392,381              | 564,776             |
| Other  | 2,292,784         | 2,550,890            | 2,452,965           | 2,592,169           | 2,949,922           | 3,167,732         | 2,933,850            | 3,899,379           | 3,977,887            | 3,868,684           |
| Total Revenues   | <u>42,155,098</u> | <u>41,135,109</u>    | <u>43,702,980</u>   | <u>45,169,600</u>   | <u>45,917,530</u>   | <u>45,383,279</u> | <u>44,905,351</u>    | <u>44,251,308</u>   | <u>45,319,518</u>    | <u>45,701,524</u>   |
| <b>Expenditures</b>  |                   |                      |                     |                     |                     |                   |                      |                     |                      |                     |
| Current-   |                   |                      |                     |                     |                     |                   |                      |                     |                      |                     |
| Legislative  | 218,131           | 249,625              | 252,618             | 273,694             | 249,736             | 244,333           | 259,301              | 275,784             | 290,948              | 261,095             |
| Judicial   | 4,074,305         | 4,300,006            | 4,378,037           | 4,567,986           | 4,735,978           | 5,043,981         | 4,984,112            | 5,333,356           | 5,172,038            | 4,785,333           |
| General Government   | 4,517,676         | 4,817,436            | 5,200,831           | 5,328,706           | 5,429,748           | 5,388,954         | 5,728,076            | 5,430,567           | 5,390,083            | 4,893,618           |
| Public Safety  | 7,847,720         | 6,978,942            | 7,314,798           | 8,334,778           | 9,998,558           | 10,170,522        | 10,051,004           | 10,370,496          | 10,513,273           | 9,922,910           |
| Public Works   | 277,651           | 219,521              | 368,071             | 485,781             | 451,126             | 465,602           | 383,702              | 379,876             | 897,993              | 397,668             |
| Health and Welfare   | 18,815,657        | 21,822,341           | 21,149,886          | 21,091,963          | 19,691,902          | 21,372,120        | 21,469,941           | 21,039,622          | 21,549,585           | 21,642,974          |
| Recreation and Culture                                     | 2,281,305         | 1,165,073            | 726,496             | 743,898             | 746,350             | 754,773           | 788,519              | 760,738             | 512,103              | 414,190             |
| Other Activities   | 499,260           | 666,630              | 1,403,536           | 1,461,013           | 1,586,008           | 1,130,590         | 1,152,124            | 497,101             | 1,254,825            | 414,047             |
| Capital outlay   | 1,723,173         | 1,166,824            | 929,230             | 841,275             | 312,739             | 387,887           | 26,141               | 8,612               | 4,584                | 10,772,923          |
| Debt Service-  |                   |                      |                     |                     |                     |                   |                      |                     |                      |                     |
| Principal  | 755,000           | 100,000              | 115,000             | 110,000             | 155,000             | 150,000           | 140,000              | 160,000             | 155,000              | 145,000             |
| Interest and Charges                                       | 383,130           | 107,107              | 92,284              | 59,350              | 56,700              | 53,650            | 50,575               | 45,000              | 37,125               | 256,313             |
| Bond issuance costs  | -                 | -                    | -                   | -                   | -                   | -                 | -                    | -                   | -                    | 78,706              |
| Total Expenditures   | <u>41,393,008</u> | <u>41,593,505</u>    | <u>41,930,787</u>   | <u>43,298,444</u>   | <u>43,413,845</u>   | <u>45,162,412</u> | <u>45,033,495</u>    | <u>44,301,152</u>   | <u>45,777,557</u>    | <u>53,984,777</u>   |
| Revenues over (under) expenditures                         | <u>762,090</u>    | <u>( 458,396)</u>    | <u>1,772,193</u>    | <u>1,871,156</u>    | <u>2,503,685</u>    | <u>220,867</u>    | <u>( 128,144)</u>    | <u>( 49,844)</u>    | <u>( 458,039)</u>    | <u>( 8,283,253)</u> |
| <b>Other financing sources (uses)</b>                      |                   |                      |                     |                     |                     |                   |                      |                     |                      |                     |
| Issuance of bonds  | -                 | -                    | 1,535,000           | -                   | -                   | -                 | -                    | -                   | -                    | 14,475,000          |
| Premium of refunding bonds                                 | -                 | -                    | 113,593             | -                   | -                   | -                 | -                    | -                   | -                    | 220,756             |
| Payment to refunding escrow agent                          | -                 | -                    | ( 1,599,309)        | -                   | -                   | -                 | -                    | -                   | -                    | -                   |
| Transfers in   | 4,104,897         | 4,472,012            | 4,621,964           | 4,768,233           | 5,520,243           | 5,043,699         | 5,075,455            | 5,411,211           | 5,158,443            | 2,748,041           |
| Transfers out  | ( 4,677,156)      | ( 4,484,171)         | ( 3,969,064)        | ( 4,702,707)        | ( 5,167,418)        | ( 5,187,497)      | ( 5,318,942)         | ( 5,403,160)        | ( 5,159,713)         | ( 2,761,992)        |
| Transfers to component units                               | ( 182,074)        | ( 220,711)           | -                   | -                   | -                   | -                 | -                    | -                   | -                    | -                   |
| Total other financing sources (uses)                       | <u>( 754,333)</u> | <u>( 232,870)</u>    | <u>702,184</u>      | <u>65,526</u>       | <u>352,825</u>      | <u>( 143,798)</u> | <u>( 243,487)</u>    | <u>8,051</u>        | <u>( 1,270)</u>      | <u>14,681,805</u>   |
| Net change in fund balance                                 | <u>\$ 7,757</u>   | <u>\$ ( 691,266)</u> | <u>\$ 2,474,377</u> | <u>\$ 1,936,682</u> | <u>\$ 2,856,510</u> | <u>\$ 77,069</u>  | <u>\$ ( 371,631)</u> | <u>\$ ( 41,793)</u> | <u>\$ ( 459,309)</u> | <u>\$ 6,398,552</u> |
| Debt service as a percentage of<br>noncapital expenditures | <u>2.9%</u>       | <u>0.5%</u>          | <u>0.5%</u>         | <u>0.4%</u>         | <u>0.5%</u>         | <u>0.5%</u>       | <u>0.4%</u>          | <u>0.5%</u>         | <u>0.4%</u>          | <u>1.1%</u>         |

(A) - Lapeer County implemented GASB Statement No. 34 as of and for the year ended December 31, 2003. Accordingly, capital outlay under GASB No. 34. has been allocated to the governmental activities to which it applies with the exception of capital project funds.

Source: Lapeer County Finance Department

**LAPEER COUNTY, MICHIGAN**

**GENERAL FUND CHANGES IN FUND BALANCES  
LAST TEN YEARS  
MODIFIED ACCRUAL BASIS OF ACCOUNTING  
(UNAUDITED)**

|                                       | <u>2002</u>         | <u>2003</u>         | <u>2004</u>         | <u>2005</u>         | <u>2006</u>         | <u>2007</u>         | <u>2008</u>         | <u>2009</u>         | <u>2010</u>         | <u>2011</u>         |
|---------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Revenues</b>                       |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Taxes                                 | \$ 8,269,037        | \$ 8,841,375        | \$ 9,253,271        | \$ 9,723,100        | \$ 10,318,105       | \$ 10,282,079       | \$ 11,127,623       | \$ 10,778,574       | \$ 10,185,744       | \$ 9,729,526        |
| Licenses and permits                  | 37,035              | 12,300              | 22,817              | 18,818              | 13,065              | 14,850              | 16,938              | 31,132              | 32,051              | 26,990              |
| Intergovernmental                     | 3,353,851           | 2,897,238           | 2,169,168           | 1,375,351           | 1,452,774           | 1,475,177           | 1,580,159           | 1,308,866           | 1,849,879           | 2,795,363           |
| Charges for services                  | 3,143,010           | 3,422,080           | 3,018,360           | 3,009,202           | 2,503,694           | 2,375,527           | 2,350,982           | 2,359,230           | 2,255,845           | 2,133,293           |
| Fines and forfeits                    | 321,948             | 405,245             | 367,628             | 445,362             | 350,626             | 388,865             | 368,619             | 355,790             | 326,271             | 241,189             |
| Rents and royalties                   | 168,337             | -                   | 167,314             | 167,920             | 167,953             | 164,344             | 160,712             | 160,716             | 160,712             | 15,884              |
| Interest on long term debt            | 520,945             | 347,269             | 490,240             | 437,402             | 750,799             | 677,447             | 659,910             | 291,566             | 266,795             | 549,646             |
| Other                                 | 1,870,795           | 1,752,176           | 2,062,205           | 2,235,759           | 2,450,480           | 2,656,004           | 2,294,978           | 3,506,467           | 3,441,681           | 2,957,892           |
| Total Revenues                        | <u>17,684,958</u>   | <u>17,677,683</u>   | <u>17,551,003</u>   | <u>17,412,914</u>   | <u>18,007,496</u>   | <u>18,034,293</u>   | <u>18,559,921</u>   | <u>18,792,341</u>   | <u>18,518,978</u>   | <u>18,449,783</u>   |
| <b>Expenditures</b>                   |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Current-                              |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Legislative                           | 218,131             | 249,625             | 252,618             | 273,694             | 249,736             | 244,333             | 259,301             | 275,784             | 290,948             | 261,095             |
| Judicial                              | 2,945,132           | 3,134,079           | 3,212,947           | 3,383,182           | 3,475,960           | 3,759,549           | 3,677,076           | 3,837,743           | 3,710,484           | 3,504,248           |
| General Government                    | 4,420,123           | 4,673,508           | 4,900,931           | 5,083,180           | 5,139,061           | 5,109,540           | 5,479,372           | 5,274,237           | 5,211,179           | 4,820,982           |
| Public Safety                         | 4,561,536           | 4,704,818           | 4,818,071           | 4,931,469           | 5,061,635           | 5,495,975           | 5,444,513           | 5,843,892           | 5,801,534           | 5,668,884           |
| Public Works                          | 136,344             | 129,736             | 351,792             | 458,180             | 422,514             | 443,428             | 359,718             | 367,816             | 297,441             | 278,040             |
| Health and Welfare                    | 168,947             | 189,358             | 181,367             | 171,403             | 166,274             | 174,991             | 169,203             | 197,450             | 198,156             | 183,878             |
| Recreation and Culture                | 218,642             | 242,232             | 243,037             | 230,892             | 242,019             | 248,237             | 246,416             | 275,310             | 273,511             | 226,735             |
| Other Activities                      | 343,802             | 425,239             | 1,147,127           | 1,402,842           | 1,586,008           | 1,130,590           | 1,152,124           | 497,101             | 1,254,825           | 414,047             |
| Capital outlay                        | 76,527              | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Total Expenditures                    | <u>13,089,184</u>   | <u>13,748,595</u>   | <u>15,107,890</u>   | <u>15,934,842</u>   | <u>16,343,207</u>   | <u>16,606,643</u>   | <u>16,787,723</u>   | <u>16,569,333</u>   | <u>17,038,078</u>   | <u>15,357,909</u>   |
| Revenues over expenditures            | <u>4,595,774</u>    | <u>3,929,088</u>    | <u>2,443,113</u>    | <u>1,478,072</u>    | <u>1,664,289</u>    | <u>1,427,650</u>    | <u>1,772,198</u>    | <u>2,223,008</u>    | <u>1,480,900</u>    | <u>3,091,874</u>    |
| <b>Other Financing Sources (Uses)</b> |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Transfers in                          | 1,063               | -                   | 663,154             | 1,480,197           | 1,513,709           | 1,569,716           | 1,605,819           | 1,721,318           | 1,625,587           | 9,518               |
| Transfers out                         | ( 4,427,332)        | ( 3,635,189)        | ( 2,897,715)        | ( 2,684,205)        | ( 3,110,222)        | ( 3,085,890)        | ( 2,632,600)        | ( 2,976,964)        | ( 2,791,721)        | ( 2,102,474)        |
| Transfers to component units          | ( 182,074)          | ( 220,711)          | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Total Other Financing Uses            | <u>( 4,608,343)</u> | <u>( 3,855,900)</u> | <u>( 2,234,561)</u> | <u>( 1,204,008)</u> | <u>( 1,596,513)</u> | <u>( 1,516,174)</u> | <u>( 1,026,781)</u> | <u>( 1,255,646)</u> | <u>( 1,166,134)</u> | <u>( 2,092,956)</u> |
| Net change in Fund Balance            | <u>\$ ( 12,569)</u> | <u>\$ 73,188</u>    | <u>\$ 208,552</u>   | <u>\$ 274,064</u>   | <u>\$ 67,776</u>    | <u>\$ ( 88,524)</u> | <u>\$ 745,417</u>   | <u>\$ 967,362</u>   | <u>\$ 314,766</u>   | <u>\$ 998,918</u>   |

(A) - Lapeer County implemented GASB Statement No. 34 as of and for the year ended December 31, 2003. Accordingly, capital outlay under GASB No. 34. has been allocated to the governmental activities to which it applies.

Source: Lapeer County Finance Department

# LAPEER COUNTY, MICHIGAN

## ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY LAST TEN FISCAL YEARS (UNAUDITED)

| Fiscal<br>Year<br>Ended<br>December 31, | Tax<br>Year | Assessed Value of Real Property |                          |                        |                   | Assessed<br>Value of<br>Personal<br>Property | Total<br>Assessed<br>Value | Total<br>Assessed<br>Value<br>Captured | Total<br>Direct<br>Tax<br>Rate | Total<br>Estimated<br>Actual<br>Value |
|---|-------------|---------------------------------|--------------------------|------------------------|-------------------|--|----------------------------|--|--------------------------------|---------------------------------------|
|   |             | Residential<br>Property         | Agricultural<br>Property | Commercial<br>Property | Other<br>Property |  |                            |  |                                |                                       |
| 2003                                    | 2002        | \$ 2,556,306,399                | \$ 448,224,584           | \$ 246,079,606         | \$ 82,489,628     | \$ 173,032,010                               | \$ 3,506,132,227           | \$ 114,269,022                         | 5.6039                         | \$ 7,012,264,454                      |
| 2004                                    | 2003        | \$ 2,719,638,942                | \$ 452,467,363           | \$ 273,278,745         | \$ 86,901,323     | \$ 169,103,295                               | \$ 3,701,389,668           | \$ 119,857,158                         | 5.6739                         | \$ 7,402,779,336                      |
| 2005                                    | 2004        | \$ 2,907,988,203                | \$ 513,809,132           | \$ 308,289,264         | \$ 97,695,138     | \$ 177,164,475                               | \$ 4,004,946,212           | \$ 126,686,310                         | 5.6186                         | \$ 8,009,892,424                      |
| 2006                                    | 2005        | \$ 3,089,983,948                | \$ 496,143,179           | \$ 328,283,473         | \$ 122,033,651    | \$ 184,700,861                               | \$ 4,221,145,112           | \$ 138,691,363                         | 5.5774                         | \$ 8,442,290,224                      |
| 2007                                    | 2006        | \$ 3,171,262,397                | \$ 511,502,613           | \$ 344,229,658         | \$ 120,089,567    | \$ 180,491,191                               | \$ 4,327,575,426           | \$ 155,457,319                         | 4.7643                         | \$ 8,655,150,852                      |
| 2008                                    | 2007        | \$ 3,109,529,326                | \$ 517,647,550           | \$ 354,253,141         | \$ 120,857,634    | \$ 190,091,879                               | \$ 4,292,379,530           | \$ 174,647,548                         | 4.3642                         | \$ 8,584,759,060                      |
| 2009                                    | 2008        | \$ 2,748,579,863                | \$ 441,042,819           | \$ 339,512,895         | \$ 102,915,747    | \$ 189,867,996                               | \$ 3,821,919,300           | \$ 177,868,981                         | 4.3642                         | \$ 7,643,838,600                      |
| 2010                                    | 2009        | \$ 2,325,344,283                | \$ 420,619,015           | \$ 306,548,119         | \$ 83,992,045     | \$ 184,270,311                               | \$ 3,320,773,773           | \$ 163,255,897                         | 4.8686                         | \$ 6,641,547,546                      |
| 2011                                    | 2010        | \$ 2,169,025,047                | \$ 390,896,551           | \$ 283,417,294         | \$ 68,605,895     | \$ 184,651,990                               | \$ 3,096,596,777           | \$ 161,625,970                         | 3.7886                         | \$ 6,193,193,554                      |

### Notes:

In 1994 the electors of the State of Michigan approved an amendment to the Michigan Constitution permitting the legislature to authorize ad valorem taxes on a non-uniform basis. The legislation implemented this constitutional amendment, added a new measure of property value known as "Taxable Value". Beginning in 1995, taxable property has two valuations - State Equalization Value ("S.E.V.") and Taxable Value. The S.E.V. is 50% of the Total Estimated Value of the Property, and property taxes are levied on the Taxable value.

The Captured amount refers to the total taxable assessed value captured by the local TIFA's and DDA's

Source: Lapeer County Equalization Department's Report of Assessment Roll Changes (Form L-4022)

# LAPEER COUNTY, MICHIGAN

## PROPERTY RATES-ALL DIRECT AND OVERLAPPING GOVERNMENTS LAST TEN FISCAL YEARS (UNAUDITED)

|                | <u>2002</u>   | <u>2003</u>   | <u>2004</u>   | <u>2005</u>   | <u>2006</u>   | <u>2007</u>   | <u>2008</u>   | <u>2009</u>   | <u>2010</u>   | <u>2011</u>   |
|----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| County-        |               |               |               |               |               |               |               |               |               |               |
| Operating      | 3.9454        | 3.8941        | 3.8539        | 3.8165        | 3.7886        | 3.7886        | 3.7886        | 3.7886        | 3.7886        | 3.7886        |
| Extra Voted    | <u>1.7325</u> | <u>1.7098</u> | <u>1.8200</u> | <u>1.8021</u> | <u>1.7888</u> | <u>0.9757</u> | <u>0.5756</u> | <u>0.5756</u> | <u>1.08</u>   | <u>1.33</u>   |
| Total County   | <u>5.6779</u> | <u>5.6039</u> | <u>5.6739</u> | <u>5.6186</u> | <u>5.5774</u> | <u>4.7643</u> | <u>4.3642</u> | <u>4.3642</u> | <u>4.8686</u> | <u>5.1186</u> |
| Townships-     |               |               |               |               |               |               |               |               |               |               |
| Almont         | 3.8704        | 3.6763        | 3.8195        | 3.7556        | 3.7556        | 5.0056        | 4.5616        | 4.5616        | 4.5616        | 4.5783        |
| Arcadia        | 1.5085        | 1.4757        | 1.4509        | 1.4305        | 1.4149        | 2.3149        | 2.3096        | 2.3096        | 2.3096        | 2.3096        |
| Attica         | 4.1806        | 4.0997        | 4.0413        | 3.9624        | 3.3695        | 4.3695        | 4.3695        | 4.3695        | 4.3695        | 4.3695        |
| Burlington     | 1.6769        | 1.6626        | 1.6463        | 1.6188        | 1.6003        | 2.4969        | 2.4969        | 2.4969        | 2.4969        | 2.4969        |
| Burnside       | 1.6462        | 1.6172        | 1.5966        | 1.5966        | 1.5966        | 2.4788        | 2.4535        | 2.4514        | 2.4514        | 2.4514        |
| Deerfield      | 1.4107        | 1.3586        | 1.3185        | 1.4012        | 1.6349        | 2.5267        | 2.5122        | 2.5122        | 2.5122        | 2.5122        |
| Dryden         | 4.6911        | 4.6537        | 4.5652        | 4.6975        | 4.6252        | 4.6252        | 4.6252        | 4.6675        | 4.6675        | 4.6675        |
| Elba           | 2.9212        | 2.8717        | 2.9389        | 2.9006        | 3.1285        | 4.0285        | 4.0285        | 4.0285        | 4.0285        | 3.7785        |
| Goodland       | 1.5209        | 1.5012        | 1.4915        | 1.4625        | 1.4332        | 2.3332        | 2.3217        | 2.3217        | 2.3217        | 2.3217        |
| Hadley         | 2.2440        | 2.1803        | 2.1003        | 2.0237        | 1.9367        | 2.7812        | 2.7699        | 2.7699        | 2.8153        | 2.9942        |
| Imlay          | 2.5634        | 2.5017        | 2.4629        | 2.4535        | 1.9790        | 2.9702        | 2.9702        | 2.9702        | 2.9702        | 2.9702        |
| Lapeer         | 1.6570        | 1.6402        | 1.6287        | 1.6148        | 1.8572        | 2.7572        | 2.7572        | 2.7572        | 2.7572        | 2.7572        |
| Marathon       | 1.7461        | 1.4424        | 1.4206        | 1.4071        | 1.3927        | 2.2927        | 2.2927        | 2.2927        | 2.2927        | 2.2927        |
| Mayfield       | 1.6066        | 1.5948        | 1.5823        | 1.5720        | 1.8091        | 2.7053        | 2.7053        | 2.7053        | 2.7053        | 2.7053        |
| Metamora       | 4.5718        | 4.5667        | 4.6333        | 4.5845        | 4.4955        | 5.3965        | 5.3955        | 5.3955        | 5.3955        | 5.3955        |
| North Branch   | 3.0480        | 3.0144        | 2.9595        | 2.9458        | 2.9207        | 3.9174        | 4.8965        | 3.8665        | 3.8665        | 3.8965        |
| Oregon         | 1.5554        | 1.5298        | 1.5030        | 1.4807        | 1.7238        | 2.6238        | 2.6238        | 2.6238        | 2.6238        | 2.6238        |
| Rich           | 4.5568        | 4.5128        | 4.4256        | 4.5856        | 4.5035        | 5.4035        | 5.4035        | 5.4577        | 5.4572        | 5.4572        |
| Cities-        |               |               |               |               |               |               |               |               |               |               |
| Imlay City     | 17.7500       | 17.7500       | 17.7500       | 19.7627       | 20.2061       | 20.5000       | 18.4500       | 17.3860       | 17.3500       | 17.2000       |
| City of Lapeer | 8.7911        | 8.7911        | 8.7911        | 9.8000        | 10.0500       | 10.9500       | 10.9500       | 10.9500       | 10.9500       | 10.9500       |
| Brown City     | 18.0094       | 17.9962       | 17.9633       | 17.9716       | 18.1233       | 18.1233       | 18.1233       | 18.1233       | 18.1233       | 18.1233       |

Continued

# LAPEER COUNTY, MICHIGAN

## PROPERTY RATES-ALL DIRECT AND OVERLAPPING GOVERNMENTS LAST TEN FISCAL YEARS (UNAUDITED)

|                                | <u>2002</u> | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Villages-                      |             |             |             |             |             |             |             |             |             |             |
| Almont                         | 14.9314     | 14.6769     | 14.5044     | 14.6711     | 14.1004     | 13.0070     | 13.6177     | 13.6031     | 16.6151     | 17.6151     |
| Clifford                       | 21.3587     | 21.1034     | 21.1034     | 16.1034     | 19.6034     | 19.1700     | 19.1700     | 19.1700     | 19.1700     | 19.1700     |
| Columbiaville                  | 14.3150     | 14.0616     | 13.7480     | 13.5184     | 13.2101     | 13.1241     | 13.1241     | 13.1241     | 13.1241     | 13.1241     |
| Dryden                         | 10.1182     | 10.0433     | 10.0021     | 9.8110      | 9.8110      | 9.8110      | 9.8110      | 9.8110      | 9.8110      | 11.8110     |
| Metamora                       | 10.4711     | 10.4711     | 10.4711     | 10.4711     | 10.4711     | 10.4711     | 10.4711     | 10.4711     | 10.4711     | 10.4711     |
| North Branch                   | 15.2703     | 14.9831     | 14.8991     | 14.8215     | 14.7918     | 14.6483     | 14.6483     | 14.6483     | 14.6483     | 14.6483     |
| Otter Lake                     | 14.3672     | 13.8586     | 13.3638     | 12.6688     | 13.2483     | 12.8932     | 12.7720     | 12.7720     | 12.7720     | 12.2772     |
| Local School Districts-        |             |             |             |             |             |             |             |             |             |             |
| Almont                         | 17.8613     | 13.4500     | 14.4500     | 14.4500     | 14.4500     | 14.4500     | 14.4500     | 14.4500     | 14.4500     | 14.4500     |
| Brandon                        | 15.9718     | 13.2400     | 14.2400     | 14.2400     | 14.2400     | 14.2400     | 14.2400     | 14.2400     | 14.2400     | 14.2400     |
| Brown City                     | 17.7948     | 10.9980     | 11.9980     | 11.9980     | 11.9980     | 11.9980     | 11.9980     | 11.9980     | 11.9980     | 11.9980     |
| Capac                          | 17.9748     | 8.9000      | 9.9000      | 9.9000      | 9.9000      | 9.9000      | 9.9000      | 10.2000     | 10.7000     | 10.7000     |
| Davison                        | 17.8525     | 8.4428      | 9.4191      | 9.4016      | 9.3325      | 9.3316      | 9.2616      | 9.1916      | 9.1316      | 9.1316      |
| Dryden                         | 18.0000     | 7.2400      | 8.2400      | 8.2400      | 8.2400      | 8.2400      | 8.2400      | 8.3000      | 9.1000      | 9.1000      |
| Goodrich                       | 17.9973     | 12.7500     | 13.7500     | 13.7498     | 13.7500     | 13.7500     | 13.7500     | 13.7500     | 10.5600     | 13.7500     |
| Imlay                          | 18.0000     | 11.0635     | 11.0000     | 11.7500     | 11.7500     | 11.7500     | 11.7500     | 11.7500     | 11.7500     | 11.7500     |
| Kingston                       | 0.0000      | 11.6400     | 12.6400     | 12.5000     | 12.2500     | 12.1500     | 12.0500     | 11.8500     | 12.1500     | 12.1500     |
| Lakeville                      | 18.0000     | 10.9500     | 10.7500     | 10.7000     | 10.3400     | 10.1000     | 9.9000      | 9.6500      | 9.6500      | 9.6500      |
| Lapeer                         | 18.0000     | 7.2500      | 8.2320      | 8.2194      | 8.2038      | 8.2038      | 8.2000      | 8.3500      | 8.8000      | 8.6000      |
| Marlette                       | 17.8293     | 5.0000      | 6.0000      | 6.0000      | 6.0000      | 6.0000      | 6.0000      | 6.0000      | 6.0000      | 6.0000      |
| Mayville                       | 17.8578     | 5.0000      | 12.0000     | 12.0000     | 12.0000     | 12.0000     | 10.5000     | 11.0000     | 11.1500     | 11.1500     |
| North Branch                   | 17.7750     | 12.3000     | 13.3000     | 13.0000     | 13.0000     | 13.0000     | 13.0000     | 13.0000     | 13.0000     | 13.0000     |
| Oxford                         | 16.3326     | 12.0000     | 13.0000     | 13.0000     | 13.0000     | 13.0000     | 13.0000     | 13.0000     | 13.0000     | 13.0000     |
| Intermediate School Districts- |             |             |             |             |             |             |             |             |             |             |
| Lapeer                         | 3.0467      | 3.0084      | 2.9794      | 2.9509      | 2.9295      | 2.9295      | 2.9295      | 2.9295      | 2.9295      | 2.9295      |

Concluded

Notes:

1. Rates are stated in dollars per one thousand of state-equalized valuation.
2. Rates are levied in December of the year preceding the County's fiscal year end.

Source: County Equalization Department

**LAPEER COUNTY, MICHIGAN**  
**PRINCIPAL PROPERTY TAX PAYERS**  
**CURRENT YEAR AND TEN YEARS AGO**  
**(UNAUDITED)**

| <u><b>Taxpayer</b></u>       | <u><b>Current Year (2011)</b></u> |                    |  | <u><b>Historical Year (2001)</b></u> |                    |  |
|------------------------------|-----------------------------------|--------------------|--|--------------------------------------|--------------------|--|
|                              | <u><b>Assessed<br/>Value</b></u>  | <u><b>Rank</b></u> | <u><b>Percentage<br/>of Total<br/>Taxable<br/>Assessed<br/>Value</b></u> | <u><b>Assessed<br/>Value</b></u>     | <u><b>Rank</b></u> | <u><b>Percentage<br/>of Total<br/>Taxable<br/>Assessed<br/>Value</b></u> |
| Detroit Edison               | 48,864,778                        | 1                  | 1.58%  | 53,144,169                           | 1                  | 1.72%  |
| International Transmission   | 19,333,145                        | 2                  | 0.62%  | N/A                                  |                    | N/A  |
| Pinnacle Foods               | 13,724,501                        | 3                  | 0.44%  | N/A                                  |                    | N/A  |
| Lemforder ZF Corporation     | 13,135,200                        | 4                  | 0.42%  | N/A                                  |                    | N/A  |
| Consumers Power Company      | 13,097,360                        | 5                  | 0.42%  | 12,253,385                           | 2                  | 0.40%  |
| Kamax LP                     | 11,076,932                        | 6                  | 0.36%  | N/A                                  |                    | N/A  |
| Toyo SaeT USA Corp           | 10,912,545                        | 7                  | 0.35%  | 5,173,321                            | 7                  | N/A  |
| Champion Bus Inc.            | 5,289,400                         | 8                  | 0.17%  |                                      |                    |  |
| Rochester Gear               | 5,279,380                         | 9                  | 0.17%  |                                      |                    |  |
| Lapeer Industries Inc.       | 5,012,000                         | 10                 | 0.16%  |                                      |                    |  |
| Meijer, Inc                  | N/A                               |                    | N/A  | 4,838,800                            | 8                  | 0.16%  |
| Vlasic Foods                 | N/A                               |                    | N/A  | 9,407,197                            | 3                  | 0.30%  |
| Michigan DNR/DNR             | N/A                               |                    | N/A  | 8,416,143                            | 4                  | 0.27%  |
| Great Lakes Gas Transmission | N/A                               |                    | N/A  | 7,810,025                            | 5                  | 0.25%  |
| Camtron Coating              | N/A                               |                    | N/A  | 6,094,300                            | 6                  | 0.20%  |
| Johnson Controls Tech.       | N/A                               |                    | N/A  | 4,550,000                            | 9                  | 0.15%  |
| Durakon Industries           | N/A                               |                    | N/A  | 4,243,150                            | 10                 | 0.14%  |
| <b>Total</b>                 | <u><u>\$ 145,725,241</u></u>      |                    | 4.71%  | <u><u>\$ 115,930,490</u></u>         |                    | <u><u>3.74%</u></u>  |

Source: Lapeer County Treasurer's Office



# LAPEER COUNTY, MICHIGAN

## PROPERTY TAX LEVIES AND COLLECTIONS ALL TAXING UNITS WITHIN THE COUNTY LAST TEN YEARS (UNAUDITED)

| Fiscal<br>Year | Levy<br>Year | Original<br>Levy for<br>Year | Adjustments<br>to Original<br>Levy | Total<br>Adjusted<br>Levy | Total collections Current Year                  |   | Collections<br>in Subsequent<br>Years | Total collections to Date               |   |
|----------------|--------------|------------------------------|------------------------------------|---------------------------|---|---|---------------------------------------|---|---|
|                |              |                              |                                    |                           | Current Amt.<br>of Collections<br>Thru 'March 1 | Percentage of<br>Adjusted Levy<br>Collected |                                       | Total Amt.<br>of Collections<br>to Date | Percentage of<br>Adjusted Levy<br>Collected |
| 2002           | 2001         | \$ 60,652,832                | (598,160)                          | \$ 60,054,672             | \$ 54,165,151                                   | 90.19                                       | \$ 5,889,063                          | \$ 60,054,214                           | 100%  |
| 2003           | 2002         | \$ 63,756,492                | (1,272,037)                        | \$ 62,484,455             | \$ 56,708,306                                   | 90.76                                       | \$ 5,773,490                          | \$ 62,481,796                           | 100%  |
| 2004           | 2003         | \$ 67,302,042                | (381,562)                          | \$ 66,920,480             | \$ 61,037,274                                   | 91.21                                       | \$ 5,877,490                          | \$ 66,914,532                           | 100%  |
| 2005           | 2004         | \$ 74,528,140                | (562,368)                          | \$ 73,965,772             | \$ 67,342,098                                   | 91.04                                       | \$ 6,614,998                          | \$ 73,957,096                           | 100%  |
| 2006           | 2005         | \$ 79,929,310                | (488,237)                          | \$ 79,441,073             | \$ 72,500,633                                   | 91.26                                       | \$ 6,830,738                          | \$ 79,331,371                           | 100%  |
| 2007           | 2006         | \$ 84,997,424                | (343,361)                          | \$ 84,654,063             | \$ 76,964,520                                   | 90.92                                       | \$ 6,130,923                          | \$ 83,095,443                           | 100%  |
| 2008           | 2007         | \$ 88,981,038                | (426,757)                          | \$ 88,554,280             | \$ 80,629,430                                   | 91.05                                       | \$ 6,422,866                          | \$ 87,052,296                           | 100%  |
| 2009           | 2008         | \$ 85,088,787                | (320,205)                          | \$ 84,768,541             | \$ 75,241,951                                   | 88.76                                       | \$ 9,526,590                          | \$ 84,768,541                           | 100%  |
| 2010           | 2009         | \$ 87,682,390                | (492,741)                          | \$ 87,189,649             | \$ 79,467,222                                   | 91.14                                       | \$ 7,722,427                          | \$ 87,189,649                           | 100%  |
| 2011           | 2010         | \$ 83,226,932                | (298,510)                          | \$ 82,928,422             | \$ 75,497,463                                   | 91.04                                       | \$ 7,432,960                          | \$ 82,930,423                           | 100%  |

### Notes:

Current property tax collections are made by the individual taxing units of Lapeer County. On approximately March 1, of each year, the County Treasurer "settles" with the treasurer of each taxing unit, accounting for all current property taxes collected, as well as purchasing (in normal case) all delinquent real property taxes from the units via the County's delinquent Tax Revolving Fund.

The levies and collections shown above represent all taxes levied and collected by the individual taxing units on a current basis.

Source: County Treasurer's Office

# LAPEER COUNTY, MICHIGAN

## PROPERTY TAX LEVIES AND COLLECTIONS COUNTY OPERATING LEVY ONLY LAST TEN YEARS (UNAUDITED)

| Fiscal Year | Levy Year | Original Levy for Year | Adjustments to Original Levy | Total Adjusted Levy | Total collections Current Year           |                                       | Collections in Subsequent Years | Total collections to Date         |                                       |
|-------------|-----------|------------------------|------------------------------|---------------------|--|---------------------------------------|---------------------------------|-----------------------------------|---------------------------------------|
|             |           |                        |                              |                     | Current Amt. of Collections Thru March 1 | Percentage of Adjusted Levy Collected |                                 | Total Amt. of Collections to Date | Percentage of Adjusted Levy Collected |
| 2002        | 2001      | \$ 8,693,372           | ( 85)                        | \$ 8,693,592        | \$ 7,904,912                             | 90.93                                 | \$ 788,055                      | \$ 8,692,967                      | 100%                                  |
| 2003        | 2002      | \$ 9,265,797           | ( 8,383)                     | \$ 9,257,414        | \$ 8,437,468                             | 91.14                                 | \$ 819,530                      | \$ 9,256,998                      | 100%                                  |
| 2004        | 2003      | \$ 9,272,473           | ( 14,058)                    | \$ 9,658,415        | \$ 8,776,707                             | 90.87                                 | \$ 880,571                      | \$ 9,657,278                      | 100%                                  |
| 2005        | 2004      | \$ 10,146,331          | ( 18,260)                    | \$ 10,128,070       | \$ 9,176,986                             | 90.61                                 | \$ 948,237                      | \$ 10,125,223                     | 100%                                  |
| 2006        | 2005      | \$ 10,705,364          | ( 15,437)                    | \$ 10,689,927       | \$ 9,826,649                             | 91.92                                 | \$ 849,418                      | \$ 10,676,067                     | 100%                                  |
| 2007        | 2006      | \$ 11,326,328          | ( 1,106)                     | \$ 11,325,222       | \$ 9,934,719                             | 87.72                                 | \$ 1,286,291                    | \$ 11,221,010                     | 100%                                  |
| 2008        | 2007      | \$ 11,854,843          | ( 21,991)                    | \$ 11,832,852       | \$ 10,472,228                            | 88.50                                 | \$ 1,360,624                    | \$ 11,832,852                     | 100%                                  |
| 2009        | 2008      | \$ 11,849,851          | ( 23,211)                    | \$ 11,826,640       | \$ 11,147,868                            | 94.26                                 | \$ 661,104                      | \$ 11,808,972                     | 100%                                  |
| 2010        | 2009      | \$ 10,780,164          | ( 22,905)                    | \$ 10,757,259       | \$ 10,174,532                            | 94.58                                 | \$ 583,326                      | \$ 10,757,858                     | 100%                                  |
| 2011        | 2010      | \$ 10,297,232          | ( 13,524)                    | \$ 10,283,708       | \$ 9,812,091                             | 95.41                                 | \$ 471,617                      | \$ 10,283,708                     | 100%                                  |

Notes:

1. Property taxes for general fund operating shifted its levy from December 1 to July 1 of each year starting in 2004. This schedule does not reflect the change of tax collection due to the shift of levy from December 1 to July 1.
2. Property taxes are levied each July 1; property taxes are budgeted and recognized as revenue in the year following levy year in the General Fund, County Library and Senior Millage (Special Revenue) Funds and the E-911 (Debt Service) Fund. Property taxes are recognized as revenue in the year of the levy in the Medical Care Facility Enterprise Fund because it operates on the accrued basis of accounting.
3. The County operates a Delinquent Tax Revolving Fund whereby (in the normal case) all outstanding delinquent real taxes receivable are purchased from the taxing units. All units including General, Special Revenue, Debt Service and Enterprise Funds receive full payment for all real taxes levied under this arrangement.

Source: County Treasurer's Office

# LAPEER COUNTY, MICHIGAN

## DRAIN SPECIAL ASSESSMENT LEVIES AND COLLECTIONS LAST TEN YEARS (UNAUDITED)

| Fiscal<br>Year | Levy<br>Year | Total<br>Adjusted<br>Levy | Total collections Current Year                 |   |
|----------------|--------------|---------------------------|--|---|
|                |              |                           | Current Amt.<br>of Collections<br>Thru March 1 | Percentage of<br>Adjusted Levy<br>Collected |
| 2002           | 2001         | \$ 413,300                | \$ 413,300                                     | 100%  |
| 2003           | 2002         | \$ 543,486                | \$ 543,486                                     | 100%  |
| 2004           | 2003         | \$ 487,705                | \$ 487,705                                     | 100%  |
| 2005           | 2004         | \$ 420,383                | \$ 420,383                                     | 100%  |
| 2006           | 2005         | \$ 432,740                | \$ 432,740                                     | 100%  |
| 2007           | 2006         | \$ 836,022                | \$ 836,022                                     | 100%  |
| 2008           | 2007         | \$ 557,007                | \$ 557,007                                     | 100%  |
| 2009           | 2008         | \$ 554,498                | \$ 554,498                                     | 100%  |
| 2010           | 2009         | \$ 556,900                | \$ 556,900                                     | 100%  |
| 2011           | 2010         | \$ 306,119                | \$ 306,119                                     | 100%  |

Notes:

1. Special Assessments are levied each December 1; assessments are recognized as revenue in the year following the levy year.
2. The County operates a Delinquent Tax Revolving Fund whereby (in the normal case) all outstanding assessments receivable are purchased from the taxing units. All units receive full payment for all assessments levied under this arrangement.
3. Drain special assessments are levied annually (with one year payback periods) against the benefited properties.

Source: County Treasurer's Office

# LAPEER COUNTY, MICHIGAN

## RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING LAST TEN YEARS (UNAUDITED)

| Fiscal Year | Levy Year | County Population | Average Per Capita Income | Assessed Value of Taxable Property | Net General Bonded Debt | Percentage of Personal Income | Percentage of Actual Value of Taxable Property | Per Capita |
|-------------|-----------|-------------------|---------------------------|------------------------------------|-------------------------|-------------------------------|--|------------|
| 2002        | 2001      | 90,720            | \$ 27,290                 | \$ 2,945,983,749                   | \$ 7,040,000            | 0.28%                         | 0.22%  | 77.60      |
| 2003        | 2002      | 91,454            | \$ 28,240                 | \$ 3,244,559,723                   | \$ 6,205,000            | 0.24%                         | 0.18%  | 67.85      |
| 2004        | 2003      | 92,317            | \$ 28,060                 | \$ 3,506,132,227                   | \$ 5,375,000            | 0.21%                         | 0.15%  | 58.22      |
| 2005        | 2004      | 93,220            | \$ 28,686                 | \$ 3,701,389,668                   | \$ 4,410,000            | 0.16%                         | 0.11%  | 47.31      |
| 2006        | 2005      | 93,761            | \$ 28,729                 | \$ 4,004,946,212                   | \$ 3,335,000            | 0.12%                         | 0.08%  | 35.57      |
| 2007        | 2006      | 95,682            | \$ 28,989                 | \$ 4,221,145,112                   | \$ 2,190,000            | 0.08%                         | 0.05%  | 22.89      |
| 2008        | 2007      | 95,262            | \$ 29,101                 | \$ 4,327,575,426                   | \$ 980,000              | 0.04%                         | 0.02%  | 10.29      |
| 2009        | 2008      | 87,904            | \$ 21,462                 | \$ 3,203,594,051                   | \$ 820,000              | 0.04%                         | 0.02%  | 9.33       |
| 2010        | 2009      | 88,319            | \$ 25,502                 | \$ 3,320,773,773                   | \$ 665,000              | 0.03%                         | 0.02%  | 7.53       |
| 2011        | 2010      | 88,082            | \$ 30,386                 | \$ 3,096,596,777                   | \$ 13,115,020           | 0.49%                         | 0.42%  | 148.90     |

### Notes:

Property Value data can be found in Schedule S-7

County Population and Per Capita Income can be found in Schedule S-17

Source: County Treasurer's Office

# LAPEER COUNTY, MICHIGAN

## COMPUTATION OF DIRECT AND OVERLAPPING LONG-TERM BONDED DEBT DECEMBER 31, 2011 (UNAUDITED)

|  | Gross                | Accumulated<br>Resources<br>Restricted for the<br>Repayment of<br>Outstanding Debt<br>Principal | Net                   |
|--|----------------------|---|-----------------------|
| <b>Direct Debt:</b>                          |                      |   |                       |
| Building Authority                           | \$ 520,000           | \$ 50,461   | \$ 469,539            |
| General Obligation                           | 14,475,000           | 1,829,519   | 12,645,481            |
|  | <u>\$ 14,995,000</u> | <u>\$ 1,879,980</u>   | <u>\$ 13,115,020</u>  |
| <b>Overlapping Debt of County:</b>           |                      |   |                       |
| School Districts                             |                      |   | 194,628,456           |
| Cities                                       |                      |   | 13,241,047            |
| Townships                                    |                      |   | 4,105,242             |
| Villages                                     |                      |   | 7,472,362             |
| Intermediate School Districts                |                      |   | 3,413,711             |
| Community College                            |                      |   | 1,221,074             |
| Total Overlapping Debt                       |                      |   | <u>224,081,892</u>    |
| Total County Net Direct and Overlapping Debt |                      |   | <u>\$ 237,196,912</u> |

### Legal Debt Margin Calculation for 2011

|                                    |                         |
|------------------------------------|-------------------------|
| Assessed Value                     | <u>\$ 3,373,553,247</u> |
| Debt limit (10% of assessed value) | 337,355,325             |
| Less: Amount of outstanding debt   | <u>13,115,020</u>       |
| Legal debt margin                  | <u>\$ 324,240,305</u>   |

Source: Bendzinski & Co.  
and County Treasurer's Office

# LAPEER COUNTY, MICHIGAN

## LEGAL DEBT MARGIN INFORMATION LAST TEN YEARS (UNAUDITED)

| Fiscal Year | Levy Year | State Equalized Value of Property | 10% Legal Debt Limit | General Bonded Debt | Legal Debt Margin | Percentage of Adjusted Levy Collected |
|-------------|-----------|-----------------------------------|----------------------|---------------------|-------------------|---------------------------------------|
| 2002        | 2001      | \$ 2,945,993,749                  | \$ 294,599,375       | \$ 15,668,162       | \$278,931,213     | 0.05                                  |
| 2003        | 2002      | \$ 3,244,559,723                  | \$ 324,455,972       | \$ 14,838,099       | \$309,617,873     | 0.05                                  |
| 2004        | 2003      | \$ 3,510,193,880                  | \$ 351,019,388       | \$ 13,339,507       | \$337,679,881     | 0.04                                  |
| 2005        | 2004      | \$ 3,701,389,668                  | \$ 370,138,967       | \$ 14,326,507       | \$355,812,460     | 0.04                                  |
| 2006        | 2005      | \$ 4,004,172,237                  | \$ 400,417,224       | \$ 13,717,605       | \$386,699,619     | 0.03                                  |
| 2007        | 2006      | \$ 4,221,145,112                  | \$ 422,114,511       | \$ 12,742,822       | \$409,371,689     | 0.03                                  |
| 2008        | 2007      | \$ 4,327,575,426                  | \$ 432,757,543       | \$ 11,310,695       | \$421,446,848     | 0.03                                  |
| 2009        | 2008      | \$ 3,821,919,300                  | \$ 382,191,930       | \$ 10,597,000       | \$371,594,930     | 0.03                                  |
| 2010        | 2009      | \$ 3,320,773,773                  | \$ 332,077,377       | \$ 9,227,387        | \$322,849,990     | 0.03                                  |
| 2011        | 2010      | \$ 3,096,596,777                  | \$ 309,659,678       | \$ 22,432,619       | \$287,227,059     | 0.07                                  |

Notes:

1. State Finance Law limits the County's outstanding general obligation long-term debt to no more than 10 percent of the assessed value of property. The legal margin is the difference between the debt limit and the County's debt outstanding applicable to the limit, and represents the County's legal borrowing authority.
2. The long-term debt does not include accumulated vacation, sick, compensatory time and insurance liability claims.

Source: County Treasurer's Office

## LAPEER COUNTY, MICHIGAN

### DEMOGRAPHICS AND ECONOMIC STATISTICS LAST TEN YEARS (UNAUDITED)

| Fiscal<br>Year | Population I | Personal<br>Income II | Per Capita<br>Personal<br>Income III | K - 12<br>School<br>Enrollment IV | Unemployment<br>Rate V |
|----------------|--------------|-----------------------|--------------------------------------|-----------------------------------|------------------------|
| 2002           | 90,720       | \$ 2,475,760,000      | \$ 27,290                            | 15,392                            | 7.58%                  |
| 2003           | 91,454       | \$ 2,582,646,000      | \$ 28,240                            | 15,433                            | 8.08%                  |
| 2004           | 92,317       | \$ 2,590,374,000      | \$ 28,060                            | 15,462                            | 7.79%                  |
| 2005           | 93,220       | \$ 2,674,133,000      | \$ 28,686                            | 15,376                            | 7.84%                  |
| 2006           | 97,761       | \$ 2,743,000,000      | \$ 29,697                            | 15,257                            | 7.83%                  |
| 2007           | 92,012       | \$ 2,786,000,000      | \$ 30,279                            | 14,916                            | 8.48%                  |
| 2008           | 95,262       | \$ 2,772,000,000      | \$ 29,099                            | 16,116                            | 12.70%                 |
| 2009           | 87,904       | \$ 1,886,596,000      | \$ 21,462                            | 14,082                            | 18.60%                 |
| 2010           | 88,319       | \$ 2,252,311,000      | \$ 25,502                            | 15,251                            | 13.90%                 |
| 2011           | 88,082       | \$ 2,676,479,000      | \$ 30,386                            | 13,415                            | 12.30%                 |

Sources:

- I Population - Bureau of Economic Analysis
- II Personal Income - Bureau of Economic Analysis
- III Per Capita Income - Bureau of Economic Analysis
- IV School Enrollment - Lapeer County ISD (Intermediate School District)
- V Unemployment Rate - Michigan Department of Labor and Economic Growth

**LAPEER COUNTY, MICHIGAN**  
**PRINCIPAL EMPLOYERS**  
**CURRENT YEAR 2011 AND ELEVEN YEARS AGO**  
**(UNAUDITED)**

**Current Year (2011)**

| <b><u>Employer</u></b>         | <b><u>Product/Service</u></b> | <b><u>Employees</u></b> | <b><u>Rank</u></b> |
|--------------------------------|-------------------------------|-------------------------|--------------------|
| Lapeer Regional Medical Center | Health Care                   | 876                     | 1                  |
| Lapeer Community Schools       | Education                     | 715                     | 2                  |
| Lapeer Industries              | Manufacturing                 | 500                     | 3                  |
| Lapeer County                  | Government                    | 375                     | 4                  |
| Thumb Correctional Facility    | State Prison                  | 340                     | 5                  |
| Meijer                         | Retail                        | 340                     | 6                  |
| Walmart                        | Retail                        | 330                     | 7                  |
| Pinnacle Foods                 | Food Processing               | 300                     | 8                  |
| Champion Bus, Inc.             | Manufacturing                 | 300                     | 9                  |
| Mold Masters                   | Manufacturing                 | 260                     | 10                 |

Source: Lapeer Economic Development Commission and Lapeer County Treasurer

continued



**LAPEER COUNTY, MICHIGAN**  
**PRINCIPAL EMPLOYERS**  
**CURRENT YEAR 2011 AND ELEVEN YEARS AGO**  
**(UNAUDITED)**

**Historical Fiscal Year (2000)**

| <b><u>Employers</u></b>        | <b><u>Product/Service</u></b> | <b><u>Employees</u></b> | <b><u>Rank</u></b> |
|--------------------------------|-------------------------------|-------------------------|--------------------|
| Lapeer Regional Medical Center | Health Care                   | 989                     | 1                  |
| Lapeer Community Schools       | Education                     | 805                     | 2                  |
| Lapeer County                  | Government                    | 542                     | 3                  |
| Lapeer Metal Products          | Metal Stamping                | 500                     | 4                  |
| Johnson Controls, Inc.         | Automotive Supplier           | 440                     | 5                  |
| Metamora Products Corp.        | Injection Molding             | 360                     | 6                  |
| Cambridge Industries           | Manufacturing                 | 350                     | 7                  |
| Durakon                        | Truck Bed Liners              | 340                     | 8                  |
| Vlasic Foods                   | Food Processing               | 300                     | 9                  |
| Toyo Seat USA Corp.            | Automotive Supplier           | 275                     | 10                 |
| Albar Industries, Inc.         | Manufacturing                 | 250                     | 11                 |
| MK Chambers Co.                | Screw Machine Shop            | 250                     | 12                 |
| Champion Motor Coach           | Manufacturing                 | 250                     | 13                 |
| Carlisle Industries            | Automotive Headliners         | 225                     | 14                 |
| Deco Plate. A division of DOTT | Manufacturing                 | 225                     | 15                 |
| TOTAL: TOP 10                  |                               | 4,901                   |                    |
| TOTAL: TOP 15                  |                               | 1,200                   |                    |

concluded

\* The information is presented for fiscal year 2000 because the 2001 data is not readily available.

# LAPEER COUNTY, MICHIGAN

## PROPERTY VALUES LAST TEN YEARS (UNAUDITED)

| Year | State<br>Equalized<br>Value (S.E.V.) | Taxable<br>Value | Estimated<br>Property Value<br>(S.E.V. x 2) |
|------|--------------------------------------|------------------|---|
| 2002 | 3,244,559,723                        | 2,348,559,163    | 6,489,119,446                               |
| 2003 | 3,510,193,880                        | 2,483,938,539    | 7,020,387,760                               |
| 2004 | 3,701,389,668                        | 2,632,809,751    | 7,402,779,336                               |
| 2005 | 4,004,172,237                        | 2,805,165,220    | 8,008,344,474                               |
| 2006 | 4,221,145,112                        | 2,989,701,382    | 8,442,290,224                               |
| 2007 | 4,327,575,426                        | 3,129,128,779    | 8,655,150,852                               |
| 2008 | 4,292,379,530                        | 3,195,751,102    | 8,584,759,060                               |
| 2009 | 3,821,919,300                        | 3,127,825,150    | 7,643,838,600                               |
| 2010 | 3,320,773,773                        | 2,845,481,660    | 6,641,547,546                               |
| 2011 | 3,096,596,777                        | 2,717,825,167    | 6,193,193,554                               |

Notes:

In 1994 the electors of the State of Michigan approved an amendment to the Michigan Constitution permitting the Legislature to authorize ad valorem taxes on a non-uniform basis. The legislation implementing this constitutional amendment, added a new measure of property value known as "Taxable Value". Beginning in 1995, taxable property has two valuations - State Equalized Value ("SEV") and Taxable Value. Property taxes are levied on Taxable Value.

Source: County Treasurer's Office

# LAPEER COUNTY, MICHIGAN

## EMPLOYMENT BY INDUSTRY 2000 U.S. CENSUS (UNAUDITED)

The following table reflects the breakdown of employment by category and industry for the County of Lapeer residents and the State of Michigan as of the 2000 U.S. Census:

| Category                               | County of Lapeer |                  |   | State of Michigan |                  |   |
|--|------------------|------------------|---|-------------------|------------------|---|
|  | Number           | % of             |   | Number            | % of             |   |
|  | of<br>Workers    | Total<br>Workers |   | of<br>Workers     | Total<br>Workers |   |
| Management, Professional & Related     | 11,043           | 26.93            | % | 1,459,767         | 31.48            | % |
| Service Occupations                    | 5,608            | 13.67            |   | 687,336           | 14.82            |   |
| Sales and Office Occupations           | 8,581            | 20.92            |   | 1,187,015         | 25.60            |   |
| Farming, Fishing and Forestry          | 165              | 0.40             |   | 21,120            | 0.46             |   |
| Construction, Extraction & Maintenance | 5,687            | 13.87            |   | 425,291           | 9.17             |   |
| Production, Transp. & Mat. Moving      | 9,928            | 24.21            |   | 856,932           | 18.48            |   |
| Total                                  | 41,012           | 100.00           | % | 4,637,461         | 100.00           | % |

The following table reflects the breakdown of employment by major industry groups for the County of Lapeer residents and the State of Michigan as of the 2000 U.S. Census:

| <u>Category</u>  | <u>County of Lapeer</u>          |                                   |   | <u>State of Michigan</u>         |                                   |   |
|--|----------------------------------|-----------------------------------|---|----------------------------------|-----------------------------------|---|
|  | <u>Number<br/>of<br/>Workers</u> | <u>% of<br/>Total<br/>Workers</u> |   | <u>Number<br/>of<br/>Workers</u> | <u>% of<br/>Total<br/>Workers</u> |   |
| Agriculture, Forestry, Mining & Fishing                                  | 610                              | 1.49                              | % | 49,496                           | 1.07                              | % |
| Construction   | 3,767                            | 9.19                              |   | 278,079                          | 6.00                              |   |
| Manufacturing  | 12,237                           | 29.84                             |   | 1,045,651                        | 22.55                             |   |
| Wholesale Trade  | 767                              | 1.87                              |   | 151,656                          | 3.27                              |   |
| Retail Trade   | 4,486                            | 10.94                             |   | 550,918                          | 11.88                             |   |
| Transportation, Warehousing & Utilities                                  | 1,433                            | 3.49                              |   | 191,799                          | 4.14                              |   |
| Information  | 655                              | 1.60                              |   | 98,887                           | 2.13                              |   |
| Finance, Insurance, Real Estate &<br>Rental                              | 1,499                            | 3.66                              |   | 246,633                          | 5.32                              |   |
| Professional, Scientific, Management,<br>Administrative & Waste Services | 2,537                            | 6.19                              |   | 371,119                          | 8.00                              |   |
| Educational, Health & Social Services                                    | 7,209                            | 17.58                             |   | 921,395                          | 19.87                             |   |
| Arts, Entertainment, Recreation,<br>Accommodation & Food Services        | 2,298                            | 5.60                              |   | 351,229                          | 7.57                              |   |
| Public Administration  | 1,255                            | 3.06                              |   | 167,731                          | 3.62                              |   |
| Other Categories of Employment   | 2,259                            | 5.51                              |   | 212,868                          | 4.59                              |   |
| Total  | 41,012                           | 100.00                            | % | 4,637,461                        | 100.00                            | % |

Source: U. S. Department of Commerce - Bureau of Census - 2000

**LAPEER COUNTY, MICHIGAN**

**FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEE POSITIONS BY FUNCTION  
LAST TEN YEARS**

**(UNAUDITED)**

| Function                  | 2002  | 2003  | 2004  | 2005  | 2006  | 2007  | 2008  | 2009  | 2010  | 2011  |
|---------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| <b>Legislative</b>        |       |       |       |       |       |       |       |       |       |       |
| Board of Commissioners    | 5.0   | 7.0   | 7.0   | 7.0   | 7.0   | 7.0   | 7.0   | 7.0   | 7.0   | 7.0   |
| Administrative            | 2.9   | 3.0   | 3.0   | 2.9   | 3.0   | 3.0   | 3.0   | 3.1   | 3.1   | 2.0   |
| <b>Judicial</b>           |       |       |       |       |       |       |       |       |       |       |
| Circuit Court             | 7.0   | 7.0   | 6.9   | 7.0   | 7.0   | 7.0   | 14.9  | 19.1  | 15.1  | 14.4  |
| District Court            | 22.5  | 22.1  | 22.3  | 22.7  | 22.7  | 23.0  | 22.4  | 23.7  | 21.8  | 21.9  |
| Friend of the Court       | 20.3  | 18.9  | 18.9  | 18.9  | 18.9  | 18.9  | 19.0  | 19.7  | 18.2  | 17.9  |
| Probate Court             | 12.9  | 12.5  | 12.9  | 12.8  | 12.5  | 12.8  | 4.0   | 3.6   | 3.7   | 3.7   |
| Community Corrections     | 2.5   | 3.5   | 3.6   | 3.6   | 3.7   | 3.7   | 3.6   | 3.7   | 3.5   | 3.2   |
| Child Care                | 2.0   | 2.3   | 3.5   | 3.0   | 2.3   | 3.3   | 3.8   | 3.8   | 3.3   | 3.0   |
| <b>General Government</b> |       |       |       |       |       |       |       |       |       |       |
| County Clerk              | 7.3   | 7.8   | 7.8   | 7.8   | 8.0   | 8.0   | 8.0   | 8.3   | 8.0   | 7.9   |
| Equalization              | 3.9   | 3.1   | 1.4   | 1.0   | 1.0   | 1.0   | 1.0   | 1.0   | 1.0   | 1.0   |
| Prosecuting Attorney      | 14.4  | 15.9  | 16.0  | 15.9  | 15.9  | 16.0  | 16.0  | 16.1  | 14.7  | 13.8  |
| Register of Deeds         | 5.3   | 5.9   | 6.0   | 5.8   | 5.5   | 4.9   | 5.0   | 5.0   | 4.1   | 3.7   |
| County Treasurer          | 4.6   | 4.4   | 5.7   | 6.1   | 6.2   | 6.1   | 6.4   | 6.2   | 6.3   | 6.3   |
| G.I.S.                    | 1.0   | 1.0   | 0.3   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   |
| Data Systems              | 1.0   | 1.0   | 1.0   | 1.0   | 1.0   | 1.0   | 1.0   | 1.0   | 1.0   | 1.0   |
| Finance                   | 4.4   | 4.0   | 4.0   | 3.9   | 4.0   | 4.0   | 4.0   | 4.1   | 4.0   | 4.0   |
| Building and Grounds      | 8.0   | 6.9   | 6.7   | 7.0   | 7.0   | 7.0   | 6.0   | 6.2   | 5.9   | 5.9   |
| Drain Office              | 6.9   | 6.9   | 6.8   | 6.0   | 6.0   | 6.0   | 6.0   | 6.1   | 6.0   | 5.1   |
| MSU Extension             | 4.8   | 4.9   | 4.7   | 4.7   | 4.6   | 4.8   | 4.4   | 4.2   | 2.7   | 2.0   |
| County Surveyor           | 1.0   | 1.0   | 1.0   | 1.0   | 1.0   | 1.0   | 1.0   | 1.0   | 1.0   | 1.0   |
| <b>Public Safety</b>      |       |       |       |       |       |       |       |       |       |       |
| Sheriffs Department       | 50.5  | 52.1  | 51.2  | 50.4  | 50.7  | 51.2  | 51.7  | 51.7  | 49.8  | 47.8  |
| County Jail               | 29.9  | 29.1  | 29.4  | 29.2  | 29.3  | 29.9  | 29.8  | 31.0  | 29.7  | 29.9  |
| Central Dispatch          | 18.5  | 19.0  | 19.5  | 18.8  | 18.4  | 19.0  | 18.7  | 19.4  | 18.3  | 18.6  |
| Animal Control            | 5.0   | 5.0   | 5.0   | 5.0   | 5.0   | 5.0   | 5.0   | 4.2   | 3.0   | 3.0   |
| Emergency Operations      | 1.0   | 1.2   | 1.4   | 1.0   | 1.4   | 1.1   | 1.0   | 1.0   | 1.0   | 1.0   |
| <b>Health and Welfare</b> |       |       |       |       |       |       |       |       |       |       |
| Parks Department          | 12.6  | 11.4  | 10.9  | 11.8  | 11.0  | 10.8  | 11.6  | 8.5   | 2.7   | 1.7   |
| Community Health          |       |       |       |       |       |       |       |       |       |       |
| Public Health             | 67.8  | 64.6  | 65.1  | 64.5  | 68.1  | 67.0  | 61.5  | 54.8  | 50.0  | 47.5  |
| Senior Services           | 8.5   | 7.9   | 7.5   | 7.2   | 5.9   |       |       |       |       |       |
| Community Mental Health   | 77.3  | 75.6  | 75.8  | 70.1  | 70.8  | 69.7  | 68.6  | 68.7  | 69.4  | 68.1  |
| Multi-Purpose             | 6.8   | 6.7   | 6.2   | 6.8   | 6.4   | 6.0   | 5.5   | 6.0   | 5.9   | 4.7   |
| Veterans                  | 2.0   | 2.0   | 2.0   | 1.6   | 1.0   | 1.0   | 1.0   | 1.0   | 1.0   | 1.3   |
| Community Development     | 1.0   | 1.8   | 2.4   | 3.0   | 3.8   | 3.9   | 3.7   | 2.2   | 1.0   | 0.0   |
|                           | 418.6 | 415.5 | 415.9 | 407.5 | 409.1 | 403.1 | 394.6 | 391.4 | 362.2 | 348.4 |

Note: A full-time employees receive pay for 2,080 hours per year, therefore a full-time equivalent is calculated by dividing total labor hours for each department by 2,080.

**LAPEER COUNTY, MICHIGAN**

**OPERATING INDICATORS BY FUNCTION  
LAST FIVE YEARS  
(UNAUDITED)**

| <b>FUNCTION</b>                      | <b>2007</b> | <b>2008</b> | <b>2009</b> | <b>2010</b> | <b>2011</b> |
|--------------------------------------|-------------|-------------|-------------|-------------|-------------|
| <b>LEGISLATIVE</b>                   |             |             |             |             |             |
| <b><u>Board of Commissioners</u></b> |             |             |             |             |             |
| Full Board Meetings                  | 26          | 24          | 25          | 26          | 25          |
| Committee of the Whole Meetings      | 25          | 24          | 23          | 23          | 24          |
| Other Special Meeting/Hearings Held  | 4           | -           | -           | -           | 4           |
| Board Motions Acted Upon             | 412         | 446         | 436         | 426         | 398         |
| <b>JUDICIAL</b>                      |             |             |             |             |             |
| <b><u>40th Circuit Court</u></b>     |             |             |             |             |             |
| PPO's Issued                         | 302         | 279         | 279         | 213         | 223         |
| Appeals                              | 50          | 65          | 65          | 59          | 47          |
| Domestic Cases                       | 711         | 669         | 669         | 659         | 583         |
| Civil Cases                          | 318         | 313         | 313         | 285         | 270         |
| Adoption                             | 32          | 51          | 51          | 33          | 33          |
| Child Protection                     | 34          | 32          | 32          | 19          | 21          |
| Juvenile                             | 359         | 311         | 311         | 313         | 290         |
| Criminal                             | 392         | 376         | 376         | 331         | 362         |
| Misc. Family Filings                 | 54          | 35          | 36          | 48          | 24          |
| <b><u>71-A District Court</u></b>    |             |             |             |             |             |
| <b><u>Criminal</u></b>               |             |             |             |             |             |
| Felonies                             | 653         | 646         | 700         | 633         | 655         |
| Drunk Driving                        | 815         | 769         | 682         | 469         | 453         |
| Traffic Offenses                     | 8,841       | 9,193       | 9,374       | 7,413       | 6,192       |
| Misdemeanors                         | 1,568       | 1,387       | 1,156       | 1,240       | 1,315       |
| Non-Traffic Offenses                 | 1,020       | 813         | 980         | 831         | 776         |
| <b><u>Civil</u></b>                  |             |             |             |             |             |
| General Civil                        | 2,676       | 3,004       | 2,789       | 2,856       | 2,518       |
| Landlord/Tenant                      | 663         | 813         | 748         | 737         | 824         |
| Small Claims                         | 738         | 657         | 486         | 369         | 364         |
| <b><u>Probate/Family Court</u></b>   |             |             |             |             |             |
| <b><u>Civil</u></b>                  |             |             |             |             |             |
| Conservatorship/Protective Orders    | 39          | 28          | 30          | 35          | 31          |
| Estates                              | 174         | 173         | 171         | 166         | 167         |
| Guardianships                        | 95          | 97          | 84          | 78          | 60          |
| Judicial Admin/Mental Commitments    | 67          | 54          | 47          | 42          | 167         |
| Trusts                               | 4           | 7           | 10          | 8           | 10          |
| Wills for Safe Keeping               | 94          | 78          | 71          | 72          | 63          |
| <b><u>Friend of the Court</u></b>    |             |             |             |             |             |
| Caseload                             | 5,922       | 5,951       | 5,916       | 6,000       | 5,976       |
| Children IV-D Cases                  | 7,821       | 8,025       | 8,010       | 7,667       | 8,123       |
| Bench Warrants Issued                | 574         | 635         | 295         | 466         | 235         |
| Referee Hearings Conducted           | 4,257       | 4,707       | 6,167       | 3,797       | 6,055       |
| Cases Mediated                       | 25          | 29          | 21          | 22          | 18          |
| <b>PUBLIC SAFETY</b>                 |             |             |             |             |             |
| <b><u>Community Corrections</u></b>  |             |             |             |             |             |
| Clients - Community Service          | 51          | 28          | 37          | 62          | 56          |
| Clients - Jail Crew                  | 66          | 64          | 51          | 64          | 49          |
| Clients - Day Reporting              | 64          | 80          | 57          | 74          | 64          |
| Drunk Driver Jail Reduction Program  | 33          | 43          | 35          | 66          | 39          |
| Jail Beds Saved                      | 5,737       | 7,638       | 6,700       | 6,406       | 5,146       |

Continued

**LAPEER COUNTY, MICHIGAN**

**OPERATING INDICATORS BY FUNCTION  
LAST FIVE YEARS  
(UNAUDITED)**

| <b>FUNCTION</b>                       | <b>2007</b> | <b>2008</b> | <b>2009</b> | <b>2010</b> | <b>2011</b> |
|---------------------------------------|-------------|-------------|-------------|-------------|-------------|
| <b><u>Prosecuting Attorney</u></b>    |             |             |             |             |             |
| Felony Cases Authorized               | 730         | 732         | 677         | 626         | 662         |
| Domestic Violence - Felony            | 24          | 23          | 27          | 56          | 50          |
| Misdemeanor Cases Filed               | 2,379       | 3,014       | 2,660       | 2,256       | 2,130       |
| Misdemeanor Domestic Violence         | 182         | 184         | 155         | 203         | 181         |
| Juvenile Petitions Filed              | 312         | 405         | 358         | 383         | 299         |
| Juvenile Domestic Violence Authorized | 13          | 19          | 20          | 15          | 14          |
| Victims Rights - Eligible Victims     | 866         | 821         | 773         | 824         | 815         |
| Victims Rights Domestic Fel/Misd/Juv  | 219         | -           | 202         | 212         | 220         |
| Drug - Misdemeanor/Felony Authorized  | 412         | 415         | N/A         | 1,109       | 445         |
| Drunk Driving Misd/Felony             | 836         | 730         | 696         | 463         | 404         |
| Non-Support                           | 186         | 120         | 134         | 105         | 258         |
| Paternity                             | 82          | 76          | 57          | 62          | 67          |
| URESA                                 | 13          | 10          | 19          | 7           | 18          |
| <b><u>Sheriff's Department</u></b>    |             |             |             |             |             |
| Jail Bookings                         | 3,531       | 3,525       | 3,092       | 2,687       | 2,521       |
| Calls Answered                        | 24,878      | 25,076      | 23,883      | 21,644      | 21,906      |
| Fatal Crashes                         | 11          | 9           | N/A         | 7           | 12          |
| Personal Injury Crashes               | 480         | 443         | N/A         | 401         | 435         |
| Property Damage Crashes               | 2,780       | 2,804       | N/A         | 2,401       | 2,316       |
| Private Property Crashes              | 132         | N/A         | N/A         | N/A         | N/A         |
| Detective Bureau Arrests              | 216         | 218         | 498         | 538         | 755         |
| Secondary Road Patrol Tickets Issued  | 355         | 208         | 208         | 177         | 211         |
| Purchase Permits Issued               | 1,839       | 1,798       | 1,130       | 2,465       | 1,049       |
| Marine Division Patrol Hours          | 1,017       | 819         | 819         | 1,180       | 723         |
| Township Complaints Responded To      | N/A         | N/A         | N/A         | N/A         | N/A         |
| <b><u>E-911 Central Dispatch</u></b>  |             |             |             |             |             |
| Hardware/Landline Calls               | 10,486      | 11,201      | 8,596       | 7,776       | 6,887       |
| Wireless Calls                        | 18,411      | 18,697      | 18,628      | 20,466      | 21,494      |
| VOIP                                  | 394         | 387         | 373         | 318         | 311         |
| Non-Emergency Calls                   | 80,147      | 82,075      | 76,637      | 68,856      | 62,476      |
| CAD Reports/Dispatch                  | 72,915      | 74,951      | 72,307      | 70,344      | 68,222      |
| <b><u>Emergency Management</u></b>    |             |             |             |             |             |
| EMAC Meetings Held                    | 4           | 4           | 5           | 5           | 6           |
| Local Meetings Attended               | 44          | 42          | 35          | 48          | 61          |
| Regional Homeland Security Meetings   | 48          | 43          | 38          | 88          | 42          |
| Disaster Exercise Planning Meetings   | 4           | 6           | 7           | 7           | 3           |
| District Meetings Attended            | 6           | 6           | 6           | 4           | 4           |
| EAG Plan Updates/Policies Written     | 7           | 4           | 6           | 13          | 11          |
| Quarterly Reports Completed           | 9           | 9           | 4           | 6           | 4           |
| Trainings Hosted                      | 4           | 3           | 2           | 6           | 3           |
| Tier II Plans Filed                   | 51          | 49          | 53          | 42          | 78          |
| Special Events Planned                | 10          | 4           | 3           | 3           | 5           |
| Identification Badges Created         | 50          | 75          | 111         | 137         | 166         |
| <b>HEALTH AND WELFARE</b>             |             |             |             |             |             |
| <b><u>Parks Department</u></b>        |             |             |             |             |             |
| Water Park Attendance                 | 20,969      | 24,634      | 17,757      | 12,516      | 9,989       |
| Reservation Attendance                | 8,915       | 11,740      | 5,902       | 6,350       | 5,750       |
| Winter Park Attendance                | 830         | 1,265       | 1,135       | N/A         | N/A         |
| Special Events Attendance             | 2,500       | 3,300       | 2,500       | -           | -           |
| <b><u>Health Department</u></b>       |             |             |             |             |             |
| <b><u>Medical Examiner</u></b>        |             |             |             |             |             |
| Medical Examiner Cases                | 52          | 56          | 66          | 76          | 71          |
| Cremation Permits                     | 200         | 216         | 224         | 237         | 234         |
| Hospice                               | 38          | 54          | 115         | 45          | N/A         |

Continued

**LAPEER COUNTY, MICHIGAN**

**OPERATING INDICATORS BY FUNCTION  
LAST FIVE YEARS  
(UNAUDITED)**

| <b>FUNCTION</b>                              | <b>2007</b> | <b>2008</b> | <b>2009</b> | <b>2010</b> | <b>2011</b> |
|--|-------------|-------------|-------------|-------------|-------------|
| <b><u>Health Department (Cont'd)</u></b>     |             |             |             |             |             |
| <b><u>Animal Control</u></b>                 |             |             |             |             |             |
| Animal Control Complaints                    | 2,485       | 2,573       | 2,262       | 2,034       | 1,952       |
| Animals Held at Shelter                      | 2,718       | 2,275       | 1,988       | 1,930       | 1,909       |
| Animals Picked Up                            | 466         | 443         | 342         | 323         | 373         |
| Animal Bites - Cases                         | 262         | 220         | 273         | 240         | 209         |
| Animals Tested for Rabies                    | 85          | 157         | 144         | 166         | 176         |
| Animal Rabies Cases                          | 3           | 8           | 4           | 7           | -           |
| <b><u>Environmental Health Division</u></b>  |             |             |             |             |             |
| EH - Sewage Applications                     | 215         | 24          | 120         | 105         | 117         |
| EH - Sewage Permits                          | 199         | 136         | 131         | 97          | 110         |
| EH - Well Permits                            | 353         | 232         | 236         | 232         | 225         |
| Food Service Inspections                     | 576         | 605         | 602         | 554         | 413         |
| <b><u>Home Health Division</u></b>           |             |             |             |             |             |
| Home Health Clients                          | 298         | 209         | N/A         | N/A         | N/A         |
| <b><u>Public Health Nursing</u></b>          |             |             |             |             |             |
| Maternal Infant Health Visits                | 3,250       | 3,152       | 2,640       | 2,125       | 1,825       |
| <b><u>Immunizations</u></b>                  |             |             |             |             |             |
| Childhood Immunizations Given                | 4,074       | 3,654       | 3,910       | 4,425       | 4,186       |
| Adult Immunizations Given                    | 1,121       | 1,423       | 2,103       | 1,005       | 667         |
| Total Immunizations Given                    | 5,195       | 5,080       | 6,013       | 5,430       | 4,853       |
| <b><u>WIC Program</u></b>                    |             |             |             |             |             |
| Individuals Participating in WIC             | 1,713       | 1,855       | 1,905       | 2,028       | 1,984       |
| <b><u>Hearing &amp; Vision Screening</u></b> |             |             |             |             |             |
| Hearing & Vision Screening Cases             | 10,358      | 11,094      | 11,504      | 9,965       | 10,831      |
| <b><u>AICC Program</u></b>                   |             |             |             |             |             |
| AICC Clients                                 | 396         | 437         | 474         | 497         | 480         |
| <b><u>Senior Programs</u></b>                |             |             |             |             |             |
| Home-Delivered Meals                         | 100,920     | 109,168     | 116,454     | 87,281      | 78,096      |
| Congregate Meals                             | 7,411       | 9,935       | 9,524       | 9,595       | 15,462      |
| Medication Management Clients                | 13          | 5           | 8           | 11          | 7           |
| Personal Care/Homemaker Clients              | 241         | 170         | 152         | 142         | 145         |
| Case Coordination Clients                    | 99          | 43          | 57          | 46          | 49          |
| Care Management Clients                      | 32          | 32          | 33          | 29          | 29          |
| Health Screening Clients                     | 23          | 22          | 26          | 7           | N/A         |
| Chore Maintenance Clients                    | 145         | 142         | 174         | 215         | 223         |
| Respite Care Clients                         | 100         | 74          | 73          | 72          | 72          |
| <b><u>Mental Health</u></b>                  |             |             |             |             |             |
| Adults with Psychiatric Disorders            | 788         | 864         | 946         | 1,013       | 1,004       |
| Persons with Developmental Disabilities      | 324         | 305         | 315         | 318         | 366         |
| Children with Emotional Disturbances         | 153         | 200         | 239         | 272         | 262         |
| <b>GENERAL GOVERNMENT</b>                    |             |             |             |             |             |
| <b><u>County Clerk</u></b>                   |             |             |             |             |             |
| <b><u>Circuit Court Division</u></b>         |             |             |             |             |             |
| Criminal Cases Filed                         | 398         | 383         | 391         | 334         | 365         |
| All Other Cases Filed                        | 1,411       | 1,338       | 1,292       | 1,281       | 1,173       |
| Adult Probation Receipts                     | 1,271       | 1,344       | 1,804       | 2,038       | 2,110       |
| <b><u>Vital Records Division</u></b>         |             |             |             |             |             |
| Marriage License Applications                | 568         | 514         | 513         | 519         | 545         |
| Assumed Names                                | 899         | 817         | 891         | 784         | 779         |
| Notary Bonds                                 | 222         | 195         | 70          | 121         | 180         |
| Death Certificates Filed                     | 500         | 522         | 543         | 525         | 511         |
| Birth Certificates Filed                     | 603         | 564         | 599         | 598         | 592         |
| Voter Registrations                          | 5,569       | 6,810       | 5,046       | 5,653       | 5,561       |
| Concealed Pistol Permits                     | 285         | 538         | 1,075       | 1,107       | 910         |

Continued

**LAPEER COUNTY, MICHIGAN**

**OPERATING INDICATORS BY FUNCTION  
LAST FIVE YEARS  
(UNAUDITED)**

| <b>FUNCTION</b>                        | <b>2007</b>   | <b>2008</b>   | <b>2009</b>   | <b>2010</b>   | <b>2011</b>   |
|--|---------------|---------------|---------------|---------------|---------------|
| <b>GENERAL GOVERNMENT (Cont'd)</b>     |               |               |               |               |               |
| <b><u>Payroll Dept.</u></b>            |               |               |               |               |               |
| Payroll Checks Processed               | 2,650         | 2,128         | 1,915         | 1,667         | 1,185         |
| Payroll Direct Deposits Processed      | 9,603         | 9,693         | 9,761         | 9,114         | 8,972         |
| W-2's Forms Prepared                   | 549           | 551           | 477           | 436           | 420           |
| <b><u>Accounts Payable Dept.</u></b>   |               |               |               |               |               |
| Accounts Payable Invoices Processed    | 17,487        | 17,089        | 15,381        | 13,982        | 12,938        |
| Accounts Payable Checks Processed      | 12,589        | 12,778        | 11,339        | 10,040        | 9,674         |
| 1099 Forms Prepared                    | 142           | 149           | 165           | 165           | 132           |
| <b><u>Computer Dept.</u></b>           |               |               |               |               |               |
| General Ledger Reports Distributed     | 3,150         | 3,500         | 3,550         | 3,400         | 3,200         |
| Journal Entries Entered                | 2,064         | 2,199         | 2,323         | 2,158         | 1,989         |
| Budget Amendments Processed            | 93            | 128           | 160           | 74            | 95            |
| Budgets Entered                        | 142           | 142           | 150           | 148           | 145           |
| Computers Countywide                   | 428           | 430           | 432           | 451           | 440           |
| <b><u>Accounting Dept.</u></b>         |               |               |               |               |               |
| Bank Accounts Reconciled               | 456           | 432           | 396           | 528           | 576           |
| Grants Reviewed & Processed            | 47            | 49            | 52            | 58            | 93            |
| General Ledger Funds Maintained        | 79            | 79            | 79            | 85            | 83            |
| <b><u>Budget Dept.</u></b>             |               |               |               |               |               |
| Total Amount of Gen Fund Budget        | 20,542,500    | 20,901,523    | 20,852,909    | 18,822,641    | 18,777,480    |
| Total Amt of Spec Rev Funds Budgeted   | 28,640,518    | 29,940,907    | 29,590,028    | 30,054,446    | 30,769,120    |
| Total Amt of Debt Svs Funds Budgeted   | 3,074,354     | 3,338,309     | 3,338,309     | 1,548,947     | 3,641,486     |
| <b><u>Register of Deeds</u></b>        |               |               |               |               |               |
| Warranty Deeds                         | 1,209         | 912           | 858           | 951           | 941           |
| Quit Claim Deeds                       | 1,340         | 1,211         | 1,308         | 1,207         | 1,334         |
| Death Certificates                     | 224           | 211           | 220           | 210           | 280           |
| Land Contracts                         | 20            | 7             | 27            | 31            | 609           |
| Memo Land Contracts                    | 69            | 70            | 78            | 112           | 1,984         |
| Misc. Recordings                       | 3,586         | 4,626         | 4,743         | 4,842         | 2,124         |
| Mortgages                              | 4,543         | 2,840         | 2,849         | 2,144         | 2,242         |
| Discharges                             | 4,472         | 3,048         | 2,980         | 2,435         | 2,658         |
| Assignment of Mortgages                | 1,233         | 669           | 895           | 1,632         | 1,297         |
| Misc. Mortgage Recordings              | 2,370         | 2,427         | 2,303         | 2,324         | 2,019         |
| UCC Financing Filings                  | 170           | 274           | 341           | 243           | -             |
| <b><u>Community Development</u></b>    |               |               |               |               |               |
| <b><u>Housing Division</u></b>         |               |               |               |               |               |
| CDBG Homes Improved                    | 14            | 9             | 16            | 16            | 15            |
| CDBG - Senior Clients                  | 2             | 2             | 5             | 5             | 5             |
| CDBG - Handicapped Clients             | 7             | 2             | 5             | 5             | 2             |
| <b><u>Soil &amp; Sedimentation</u></b> |               |               |               |               |               |
| SESC Permits Issued                    | 215           | 298           | 345           | 345           | 228           |
| <b><u>Drain Commissioner</u></b>       |               |               |               |               |               |
| Drains (&Other) Maintained             | 71            | 79            | 85            | 7             | 83            |
| Drains Sprayed                         | 11            | 18            | 17            | 15            | -             |
| Drains Assessed                        | 59            | 57            | 53            | 45            | 29            |
| Plan Reviews                           | 6             | 6             | 4             | -             | 3             |
| Act 40 Permits Issued                  | 11            | 14            | 10            | 8             | 12            |
| <b><u>Treasurer</u></b>                |               |               |               |               |               |
| Total Number of Parcels                | 47,395        | 50,077        | 51,012        | 43,617        | 46,879        |
| Number of Delinquent Parcels           | 5,060         | 5,510         | 5,266         | 5,455         | 5,125         |
| Parcels Forfeited                      | 666           | 932           | 977           | 1,008         | 879           |
| Taxable Value                          | 3,129,128,779 | 3,195,751,102 | 3,129,825,150 | 2,845,481,660 | 2,717,825,167 |
| C.E.V.                                 | 4,327,575,426 | 4,292,379,530 | 3,822,452,922 | 3,320,773,773 | 3,096,596,777 |

Continued



**LAPEER COUNTY, MICHIGAN**

**OPERATING INDICATORS BY FUNCTION  
LAST FIVE YEARS  
(UNAUDITED)**

| <b>FUNCTION</b>                                 | <b>2007</b> | <b>2008</b> | <b>2009</b> | <b>2010</b> | <b>2011</b> |
|---|-------------|-------------|-------------|-------------|-------------|
| <b><u>Collaborative Planning Commission</u></b> |             |             |             |             |             |
| Rezoning/Text Amendment Reviews                 | 23          | 13          | 12          | 15          | 5           |
| Annual Conference Attendance                    | 95          | 136         | 176         | 182         | -           |
| <b><u>Building &amp; Grounds</u></b>            |             |             |             |             |             |
| Work Orders Completed                           | 969         | 903         | 1,104       | 1,199       |             |
| <b><u>Veterans Affairs</u></b>                  |             |             |             |             |             |
| # Scheduled Appointments                        | N/A         | N/A         | 552         | 411         | 512         |
| Walk-in Clients (Est)                           |             |             | 1,000-1,500 | 1,500       | 1,000-1,500 |
| <b><u>MSUE</u></b>                              |             |             |             |             |             |
| Educational Workshops/Events                    | 201         | 181         | 115         | 118         | 319         |
| 4-H Club Members                                | 1,043       | 686         | 591         | 596         | 565         |
| Non-Club Youth Involved (Short-Term)            | 4,145       | 3,331       | 1,088       | 876         | 810         |
| Active Master Gardeners                         | 155         | 145         | 173         | 167         | 180         |
| Food Safety Participants Trained                | 1,773       | 1,039       | 1,572       | 2,001       | 1,712       |
| Number of Grants Administered                   | 9           | 5           | 5           | 4           | 7           |
| Leadership Training Participants                | 346         | 422         | 417         | 84          | 350         |

*N/A - Information is Not Available at this Time*

Concluded

**LAPEER COUNTY, MICHIGAN**

**CAPITAL ASSET STATISTICS BY FUNCTION  
LAST FIVE YEARS (A)**

**(UNAUDITED)**

| <u>Function</u>                 | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> |
|---------------------------------|-------------|-------------|-------------|-------------|-------------|
| <b>Legislative</b>              |             |             |             |             |             |
| Computers                       | 10          | 10          | 9           | 9           | 9           |
| <b>Judicial</b>                 |             |             |             |             |             |
| Court Rooms                     | 6           | 6           | 6           | 6           | 6           |
| Vehicles                        | 9           | 9           | 10          | 10          | 10          |
| Computers                       | 74          | 98          | 98          | 98          | 101         |
| * Network Printers/Copiers      | 17          | 14          | 14          | 14          | 14          |
| <b>General Government</b>       |             |             |             |             |             |
| All County Buildings            | 12          | 12          | 12          | 12          | 12          |
| Vehicles not reported elsewhere | 15          | 19          | 18          | 18          | 18          |
| Computers                       | 69          | 83          | 85          | 85          | 86          |
| * Network Printers/Copiers      | 26          | 18          | 20          | 20          | 20          |
| <b>Public Safety</b>            |             |             |             |             |             |
| Jail Beds Available             | 123         | 123         | 123         | 123         | 123         |
| Vehicles                        |             |             |             |             |             |
| Patrol                          | 18          | 20          | 20          | 20          | 20          |
| Other                           | 22          | 25          | 25          | 25          | 27          |
| Computers                       | 53          | 59          | 60          | 60          | 61          |
| * Network Printers/Copiers      | 11          | 10          | 10          | 10          | 10          |
| <b>Health and Welfare</b>       |             |             |             |             |             |
| Vehicles                        | 22          | 22          | 21          | 21          | 21          |
| Park Acreage                    |             |             |             |             |             |
| Torzewski                       | 70          | 70          | 70          | 70          | 70          |
| Squire                          | 80          | 80          | 80          | 80          | 87          |
| Other                           | 8           | 8           | 8           | 8           | 8           |
| Computers                       | 203         | 202         | 201         | 201         | 199         |
| * Network Printers/Copiers      | 75          | 20          | 20          | 20          | 20          |

(A) Notes: Data was only available back to 2006.

Source: Lapeer County Finance Department

\* In 2009 Printers were changed to Network Printers and Copiers

## **LAPEER COUNTY, MICHIGAN**

### **DESCRIPTION OF INSURANCE COVERAGE IN FORCE DECEMBER 31, 2011 (UNAUDITED)**

Lapeer County became a member of the Michigan Municipal Risk Management Authority in 1985. The Authority provides risk management, underwriting, reinsurance and claims services with member contributions allocated to meet these obligations. This program covers the Public Officials Surety Bond and Faithful Performance as well as General Liability, Law Enforcement Officers, Business Auto, Building and Contents, Boiler and Machinery, Errors and Omissions, and Umbrella Coverage. The total amount of liability coverage for the County amounts to \$15,000,000. The County's total contribution for 2011 is approximately \$404,486 reported in the General Fund.

Lapeer County is self-insured for Workers' Compensation for claims up to an annual aggregate amount of \$300,000. The County is insured for the amount of claims in excess of such limitation to a maximum of \$3,000,000. The County is then self-insured for annual aggregate claims in excess of insurance coverage. The County's total expenditures for claims and insurance costs reported in the Workers' Compensation Fund for 2011 is \$20,593. The County's ending retained earnings for the Workers' Compensation Fund at December 31, 2011 is \$1,087,636.

Lapeer is self insured for Unemployment Insurance. The County's total expenditures for claims reported in the Unemployment Insurance Fund for 2011 is \$51,833. The County's ending retained earnings for the the Unemployment Insurance Fund at December 31, 2011 is \$35,772.

# **LAPEER COUNTY, MICHIGAN**

## **OTHER STATISTICS DECEMBER 31, 2011 (UNAUDITED)**

### **Form of Government**

The County's legislative body is a seven-member Board of Commissioners elected by districts to two-year terms. The Board annually elects from within its ranks a Chairperson and Vice-Chairperson by majority vote.

The County operates under the Controller/Administrator form of government.

### **Location**

Lapeer County covers an area of approximately 666 square miles in the thumb area of Michigan's lower peninsula and is located 56 miles north of Detroit and 48 miles west of the Canadian border on I-69, between Port Huron and Flint. The County is accessible by four major highways, M-21, M-24, M-90, M-53 and the Interstate.