

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**LAPEER COUNTY, MICHIGAN**

**FOR THE YEAR ENDED DECEMBER 31, 2014**

**BOARD OF COMMISSIONERS**

**Gary Roy, Chairperson  
Cheryl Clark, Vice Chairperson  
Dyle Henning  
Lenny Schneider  
Dave Eady  
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

## TABLE OF CONTENTS DECEMBER 31, 2014

### Page Number

#### **SECTION ONE: INTRODUCTORY SECTION**

Letter of Transmittal	i
GFOA Certificate of Achievement	x
Organizational Chart	xi
List of Elected and Appointed Officials	xiii

#### **SECTION TWO: FINANCIAL SECTION**

<b>Independent Auditor's Report</b>	<b>1</b>
<b>Management's Discussion and Analysis</b>	<b>4</b>
<b>Basic Financial Statements:</b>	
Government-wide Financial Statements:	
Statement of Net Position	15
Statement of Activities	16
Fund Financial Statements:	
Balance Sheet - Governmental Funds	18
Reconciliation of the Balance Sheet for Governmental Funds to the Statement of Net Position	19
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	20
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	21
Statement of Net Position - Proprietary Funds	22
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	24
Statement of Cash Flows - Proprietary Funds	25
Statement of Fiduciary Net Position - Fiduciary Funds	27
Statement of Changes in Fiduciary Net Position - Fiduciary Funds	27
Component Units:	
Combining Statement of Net Position - Discretely Presented Component Units	28
Combining Statement of Activities - Discretely Presented Component Units	29
Notes to the Basic Financial Statements	30

# LAPEER COUNTY, MICHIGAN

## TABLE OF CONTENTS DECEMBER 31, 2014

	<u>Page Number</u>
<b>Required Supplementary Information:</b>	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	
General Fund	70
Community Mental Health	73
<b>Supplementary Information:</b>	
General Fund:	
Combining Balance Sheet Schedule	74
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance	76
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - GAAP Basis Components	78
Combining and Individual Fund Statements and Schedules:	
Nonmajor Governmental Funds -	
Combining Balance Sheet	79
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	85
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	91
Internal Service Funds -	
Combining Statement of Net Position	103
Combining Statement of Revenues, Expenses and Changes in Net Position	105
Combining Statement of Cash Flows	107
Fiduciary Funds -	
Agency Funds -	
Combining Statement of Assets and Liabilities	109
Combining Statement of Changes in Assets and Liabilities	110
Capital Assets Used in the Operation of Governmental Funds:	
Schedule of Changes in Capital Assets	112
Schedule of Capital Assets by Function and Activity	113
Schedule of Changes in Capital Assets by Function and Activity	114
Discretely Presented Component Units:	
Board of Public Works Funds -	
Balance Sheet	115

# LAPEER COUNTY, MICHIGAN

## TABLE OF CONTENTS DECEMBER 31, 2014

	<u>Page Number</u>
<b>Supplementary Information: - (cont'd)</b>	
Discretely Presented Component Units - (cont'd)	
Board of Public Works Funds - (cont'd)	
Reconciliation of the Balance Sheet for the Board of Public Works to the Statement of Net Position	117
Statement of Revenues, Expenditures and Changes in Fund Balances - Board of Public Works	118
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of the Board of Public Works to the Statement of Activities	120
Drainage District -	
Balance Sheet	121
Reconciliation of the Balance Sheet for Drain Funds to the Statement of Net Position	123
Statement of Revenues, Expenditures and Changes in Fund Balances - Drain Funds	124
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Drain Funds to the Statement of Activities	126
Statement of Net Position - Proprietary Fund	127
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Fund	127
Statement of Cash Flows - Proprietary Fund	128
 <b>SECTION THREE: STATISTICAL SECTION</b>	
<b>Financial Trends Information:</b>	
Government-Wide Net Position by Component	S-1
Government-Wide Changes in Net Position	S-2
Fund Balances of Governmental Funds	S-4
Changes in Fund Balance of Governmental Funds	S-5
General Fund Changes in Fund Balances	S-6
 <b>Revenue Capacity Information:</b>	
Assessed Value and Estimated Actual Value of Taxable Property	S-7
Property Rates Direct and Overlapping Governments	S-8
Principal Property Taxpayers	S-10
Property Tax Levies and Collections - All Taxing Units	S-11
Property Tax Levies and Collections - County Operating Levy	S-12
Drain Special Assessment Levies and Collections	S-13

# LAPEER COUNTY, MICHIGAN

## TABLE OF CONTENTS DECEMBER 31, 2014

	<u>Page Number</u>
<b>Debt Capacity:</b>	
Ratios of Net General Bonded Debt Outstanding	S-14
Computation of Direct and Overlapping Long-Term Bonded Debt	S-15
Legal Debt Margin Information	S-16
<b>Demographic and Economic Information:</b>	
Demographic and Economic Statistics	S-17
Principal Employers	S-18
Demographic Statistics - Property Values	S-20
Miscellaneous Statistics - Employment by Industry	S-21
<b>Operating Information:</b>	
Full-Time Equivalent County Government Employee Positions by Function	S-22
Operating Indicators by Function	S-23
Capital Asset Statistics by Function	S-29
<b>Miscellaneous Statistics:</b>	
Description of Insurance Coverage in Force	S-30
Other Statistics	S-31



MICHIGAN'S OLDEST COURTHOUSE

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

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June 16, 2015,

*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, 2014, 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 Position and a Statement of Activities are 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, 2014, 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 unmodified opinion that Lapeer County's financial statements for the year ended December 31, 2014, 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. 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, along with ample hunting and fishing opportunities, are 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, Talmer, PNC, Tri-County Bank, Independent Bank, Oxford Bank, and four credit unions also offer financial services to residents

The taxable value of property in FY 14 was \$2,628,945,178 compared to \$2,604,828,481 in 2013, an increase of approximately, .92%. During the same period, S.E.V. increased from \$2,905,176,552 to \$3,028,649,198 up approximately 4.25%. The tax levy of 3.7886 remained the same from the prior year for general County operations. Only five Michigan Counties have a lower operational tax rate than Lapeer County.

Considered by the U.S. Census Bureau as part of the Detroit Metropolitan Statistical Area, the County population in 2010 was 88,319 compared to the 2000 Census total of 87,904. The Census Bureau estimated the 2014 population at 88,153.

The real estate market throughout the County continued to reflect the effects of the economic downturn. The average residential selling price in 2013 was \$112,705 increasing to \$125,384 in 2014, based on data from Realcomp II Ltd. While reflecting a favorable trend, sale prices are still below the 2008 average of \$127,403.

With over 250 lakes, two County, two State, and a number of local parks, abundant 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 2014, LDC assisted in the creation/retention of 134 jobs, and \$11 million of new investment value. Since its inception in 1981, the LDC has brought a private sector investment of over \$666 million into the County and has assisted with the creation/retention of 8,119 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.

A major economic initiative focused on jobs and investment continues with the I-69 International Trade Corridor, Next Michigan Corporation, which is one of five designations permitted in the State. This Corporation is an independently established entity that works to establish a logistics hub around intermodal access points to create a cooperative partnership involving 35 local communities in St. Clair, Lapeer, Genesee and Shiawassee counties located along the I-69 corridor that allows the use of tax incentives to attract new businesses. The partnership includes agencies, authorities, municipalities, and businesses.

McLaren-Lapeer Region, an acute care facility serves the County and is affiliated with McLaren Health Care Corporation. Located in the City of Lapeer, the Hospital has 222 beds with a staff of 350 doctors and more than 500 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. The Hospital has also been verified as a Level Two Trauma Center, the only facility in the Thumb with that prestigious designation.

In addition to private nursing home facilities throughout the County, the County Medical Care Facility provides 202 beds with a staff of 3 doctors and approximately 350 employees.

The Lapeer Community Foundation continues to perform a vital role in supporting various projects and initiatives in the community. Since beginning as a fund of the Community Foundation of Flint in 1996, the Foundation's assets have grown to \$9.4 million with approximately \$265,159 awarded in scholarships and grants to non-profit groups, educational and government institutions in 2014. The Foundation, which became independent in 2005, also manages 60 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 seventeenth year of operation in August. Located in the City of Lapeer, the school has an enrollment of 295 elementary students.

Mott Community College maintains a campus site in the City of Lapeer. Significant improvements have been made to accommodate additional parking at the facility and the College continues to modify classroom space and enhance the use of technology.

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. The District Judge serves a six-year term and is elected at large. One Judge is elected at large for a six-year term in the Probate Court. 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 Courts. 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.

The Board of Commissioners appoints several County Officers including the County Administrator/Controller, the Health Officer, the Medical Examiner, the E-911 Director, the Equalization 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 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**

Focused budget oversight efforts over the past seven years have enabled the County to withstand the impact of dramatic revenue reductions in that time period without significant limitations in services. With the improving Michigan economic environment, the contraction of the property tax base has reversed, and the State restored Revenue Sharing payment to \$1,440,655 in FY 2014, still less than the peak of \$1,774,671 in 2001. As two of the major general fund revenue sources, these changes have allowed a renewed stability in the budget process.

The County continues to comply with the requirements from the State in order to receive full revenue sharing payments. With the adoption of the “County Incentive Program,” (CIP) each County was required to implement the following; 1) Accountability and Transparency Requirements; 2) Consolidation of Services Requirement; and 3) Employee Compensation Requirements. Pursuant to PA 200 of 2012, the County submitted each compliance document to the Michigan Department of Treasury and posted each document as required on the County’s publicly accessible website.

Growth in the tax base through 2008 had historically 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 2012 confirmed the continued reduction in the growth of the property tax base and consequently, tax revenue. Significantly though, 2013 saw a slight modification in the downward trend, and for the first time since 2008, property tax revenues were slightly higher than the prior year. In 2012, \$9,211,869 was received in property tax as compared to \$9,216,360 in 2013. This upward trend continued into 2014 with \$9,283,923 posted. As a point of reference, in 2008, Lapeer County received \$11,016,896 in property tax revenue.

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 county general fund. The revenue produced for the general fund by multiplying the taxable value of property by the adopted tax rate was reduced by approximately \$589,422 that was “captured” by local government TIFA's and DDA's in 2014. It should be noted that \$433,518 that was considered “excess revenue” was returned to the County in FY 2014 from the City of Lapeer. These funds were treated as a one time revenue, since there is no assurance of similar events of “excess revenue” reoccurring, and placed in the multi-year capital budget.

While progress is being made in the overall stability of the State budget, Michigan continues to face cyclical and structural budget problems that create a perplexing dilemma at the County level of government. With uncertainty of State funding for court equity, diverted felon, community corrections, revenue sharing, public health programs, and other functions supported by restricted revenue, in addition to substantial year end receivables for grant programs, vigilance regarding decisions in Lansing that may have a direct effect on county government operation remains 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 uncertainty, 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.

The multi-year technology plan approved by the Board of Commissioners continued into 2014. 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

Substantial improvements were completed at the Animal Control facility during the year. All dog cages were replaced with new units that included automatic watering devices. The interior of the building was painted, the floor was replaced improving drainage, and new lighting was installed. The addition of a quarantine room enhanced the Department's capacity for disease control and the addition of an outside yard provided for a safe exercise space.

ADA accessibility was enhanced at the Annex and the DHS building. Electronic automatic doors were installed at both facilities improving ease of entrance and exit.

### **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**

A continued element 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, remain contracted with a private vendor. Custodial and snow removal, vehicle repair and technology services continue 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. 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.

The City of Lapeer and the County continued snow plowing project around the downtown court complex area with City staff and equipment extending their plowing to include county sidewalks. With reduced grounds personnel, this cost effective accommodation allowed County staff to concentrate on other County facilities.

With the approval of the State Department of Health, Lapeer County also maintains an inter-county agreement to share the County Medical Officer with eight 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 on Oct. 31, 2014. 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 funds 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 2014. 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 expanded and 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 County, in a major step for economic development, remains a member of the I-69 International Trade Corridor Next Michigan Development Corporation. This initiative, in cooperation with the State was created to benefit from the commercial link I-69 provides from Canada to the Mid-West.

The City of Lapeer requested that the County participate in the application of a MEDC DIG grant to improve Court and Clay streets around the Court House square. Since the County was planning to make improvement to the security area of the administration building abutting Clay Street, this partnership would allow for a combined project, with work to occur concurrently. The Grant was awarded and the project progressed with both the street scape and the repairs to the security area of the County Administration Building as a single coordinated effort. Not only was the surface improved and new lighting added, ADA accessibility was significantly enhanced on both streets. Of further benefit to the County, a retention wall was repaired, drainage problems were resolved, and pipe replacement resulted in greater water pressure for the fire suppression system in the Administration/Courts Building.

## AWARDS AND ACKNOWLEDGEMENTS:

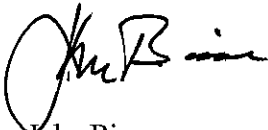
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Lapeer County for its CAFR for the fiscal year ending December 31, 2013. The Certificate of Achievement is a prestigious national award that 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.

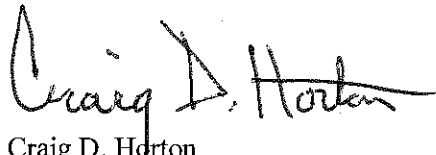
The Certificate of Achievement is valid for a period of one year only. We believe our current report conforms to Certificate of Achievement Program requirements, and are submitting it to the GFOA to determine eligibility for recognition for FY 2014.

**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



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

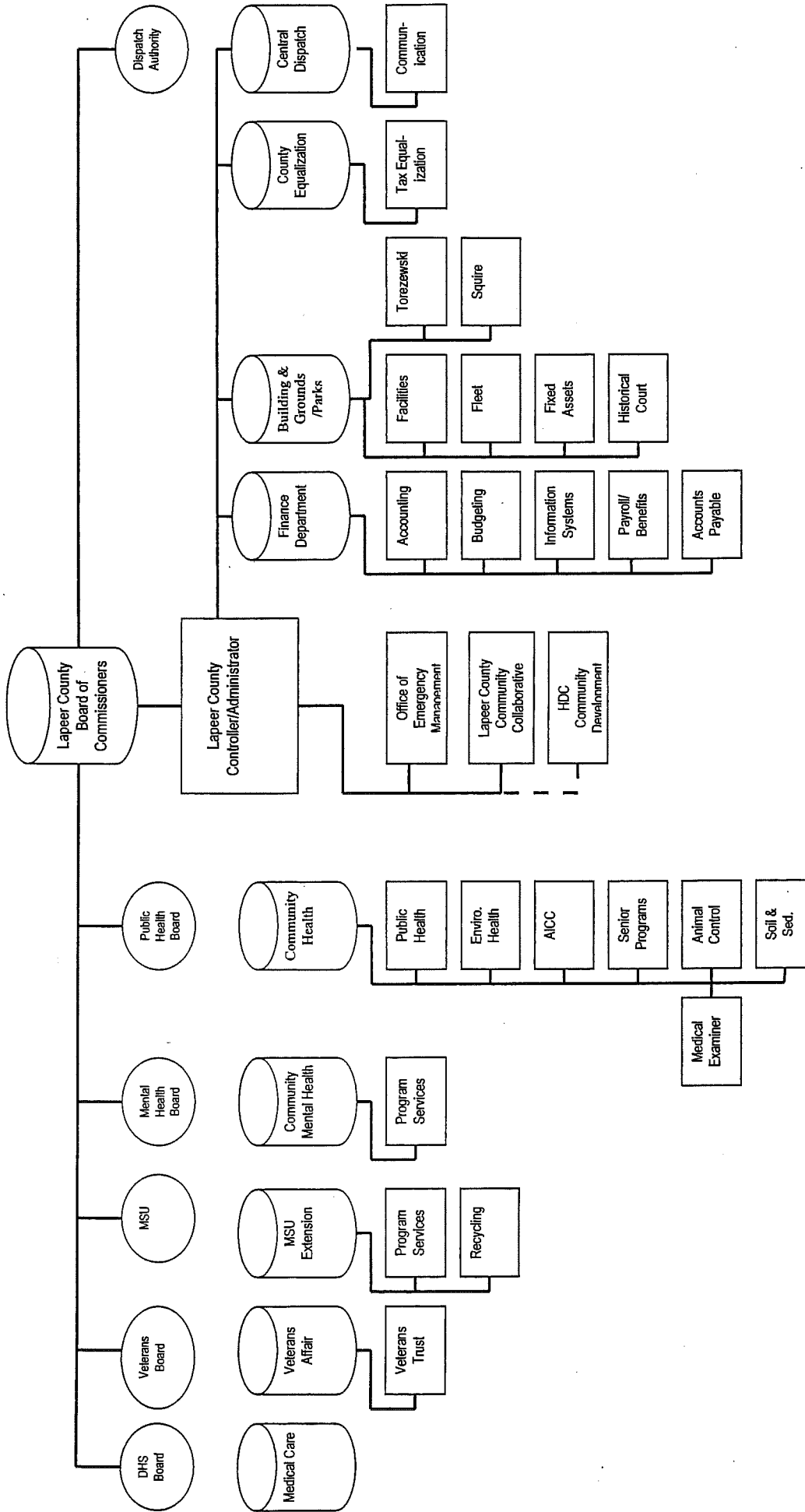
**Lapeer County  
Michigan**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2013**

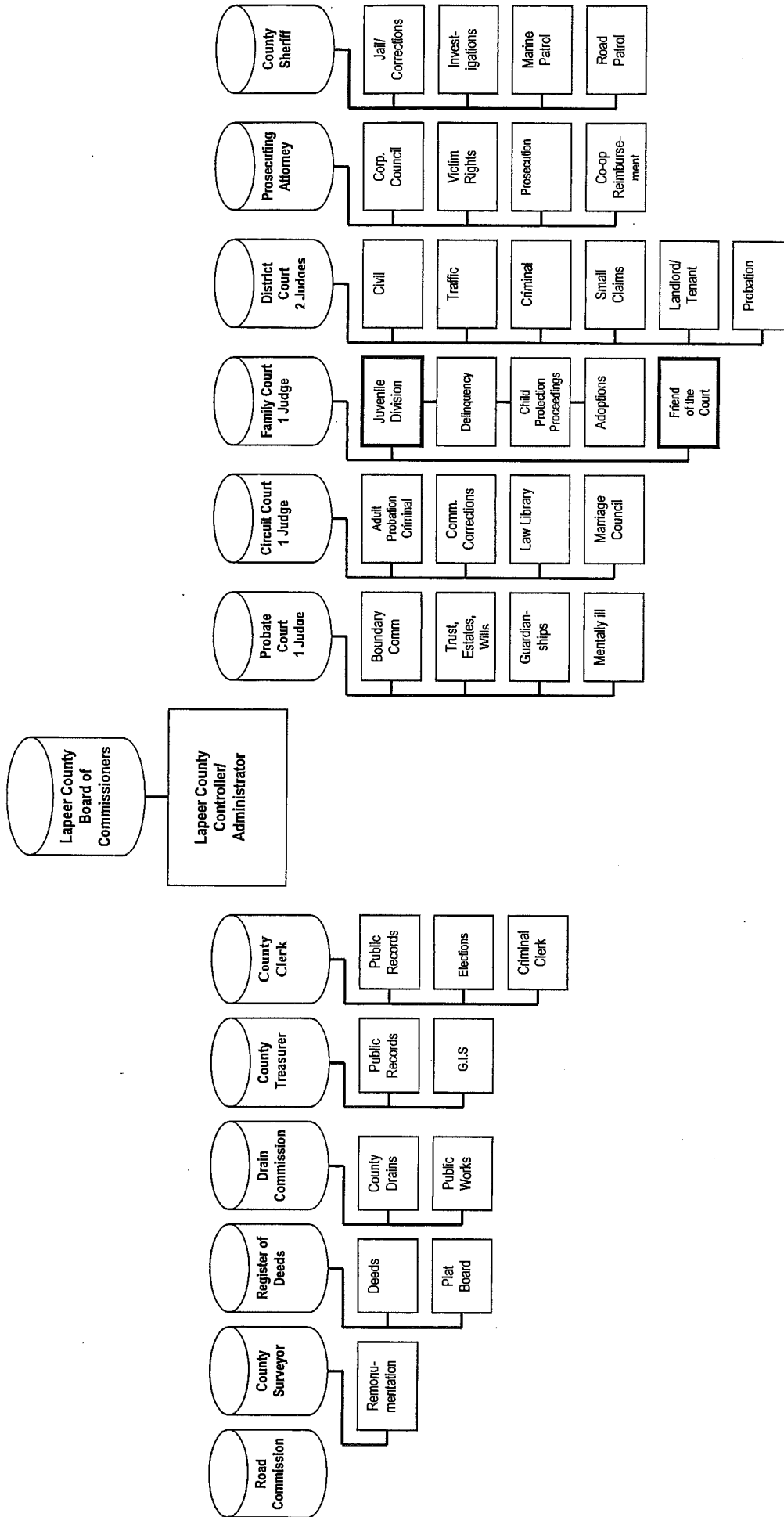
Executive Director/CEO

# 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**

Nick O. Holowka  
Family Court

Justus Scott  
Family Court

Bryon Konschuh  
Family/District Court

Laura Chegar Barnard  
District Court

## **COUNTY ELECTED OFFICIALS**

Dana M. Miller  
Treasurer

Ronald J. Kalanquin  
Sheriff

Joseph Suma  
Drain Commissioner

Theresa Spencer  
Clerk

Timothy Turkelson  
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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lapeer County ("County"), Michigan as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Lapeer County Land Bank Authority, which represents .1 percent, .1 percent, and .2 percent, respectively of the assets, net position, 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 solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## ***Opinions***

In our opinion based on our audit and the report of the 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, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4-14 and 70-73 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.

### ***Other Information***

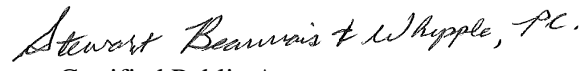
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Lapeer County, Michigan's basic financial statements. The combining General Fund schedules, combining and individual nonmajor fund statements and schedules, schedules of capital assets used in the operation of governmental funds, combining and individual fund financial statements of the Board of Public Works and Drainage Districts discretely presented component units, and introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information as listed in the table of contents and presented on pages 74-128 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information presented on pages 74-128 is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2015 on our consideration of Lapeer County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Lapeer County's internal control over financial reporting and compliance.

  
Certified Public Accountants

June 16, 2015

## 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, 2014. 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

- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources by \$85,490,371 (net position) at December 31, 2014. Of this amount, \$44,214,858 represents unrestricted net position, which may be used to meet the County's ongoing obligations to citizens and creditors. Also included is \$9,277,640 of restricted net position restricted for specific purposes (specific millage funds, E-911, etc.) and \$31,997,873 representing investment in capital assets, net of related liabilities.
- The County's net position increased by \$1,396,705 during 2014.
- At December 31, 2014 the County's governmental funds reported a combined ending fund balance of \$23,498,000, an increase of \$619,872 compared to the prior year. Approximately 25% of this amount \$5,794,629 is available for spending at the government's discretion (general fund unassigned fund balance).
- Capital assets of the primary government (carrying value net of accumulated depreciation) decreased by \$878,543 over the previous year due to annual depreciation costs exceeding net capital additions. Long-term debt of the primary government decreased \$1,714,066 due primarily to scheduled bond payments.

### 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 Independent 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 special revenue fund), additional Supplementary Information for combining general fund and all non-major governmental, proprietary 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 position presents information on all of the County's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between them reported as net position. This statement format combines and consolidates the governmental funds current financial resources with capital assets and long-term obligations including internal service funds. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position 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 vacation.)

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, recreation and culture and debt service. The business-type activities of the County include Medical Care Facility and Delinquent Tax functions.

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

The government-wide financial statements can be found on pages 15 - 17 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 where, unlike the government-wide financial statements, governmental fund financial statements focus on the near-term inflows and outflows of spendable resources 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, the Special Revenue funds, the Debt Service fund, and the Capital Projects 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 fund financial statements and government-wide financial statements.

The County maintains 37 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 Fund, Community Mental Health, and E-911 Debt, all of which are considered major funds. Schedules for the combining General Fund – non-GAAP budgetary to GAAP basis presentation and data for the other 34 governmental funds that are combined into a single, aggregated column on the basic financial statements are provided as supplemental information. Individual fund data of the budgetary basis of the Local Reserve, Budget Stabilization, Emergency Disaster and Rental Property funds and each of the non-major governmental funds are provided elsewhere in this report.

As required by State law, the County adopts an annual budget for its General Fund 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 18-21 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 different types of proprietary funds.

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

Internal Service 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 acquisition 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. The proprietary funds are required to present a statement of cash flows, which is not required for the government-wide presentation. The proprietary fund financial statements provide separate information for the Medical Care Facility and Delinquent Tax, 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 Fund column.

The basic proprietary fund financial statements can be found on pages 22-26 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 County also has a Retiree Health Care Trust fund within the fiduciary fund category. The accounting used for the fiduciary funds is much like that used for proprietary funds.

The fiduciary funds financial statements can be found on page 27 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 30-69 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 two major governmental funds. This required supplementary information can be found on pages 70-73 of this report.

The combining statements referred to earlier in connection with the combining non-GAAP budgetary basis General Fund schedules, non-major governmental, internal service and fiduciary funds are presented immediately following the required supplementary information. These statements and schedules can be found on pages 74-111 of this report.

### Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$85,490,371 at December 31, 2014.

Approximately 52%, or \$44,214,858 of the County's net position, is unrestricted and available for future obligations. Approximately 11%, or \$9,277,640, of the County's net position is restricted for specific purposes by external parties, constitutional provisions or enabling legislation. Approximately 37%, or \$31,997,873, of net position represents our investment in capital assets (e.g., land, buildings, machinery and equipment net of any related debt used to acquire those assets). 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 position of the County's governmental and business-type activities.

#### Net Position

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
<b>Assets</b>						
Current and Other Assets	\$ 40,630,826	\$ 38,191,383	\$ 29,134,818	\$ 27,942,911	\$ 69,765,644	\$ 66,134,294
Capital Assets, net	<u>24,995,055</u>	<u>25,231,766</u>	<u>14,127,443</u>	<u>14,769,275</u>	<u>39,122,498</u>	<u>40,001,041</u>
Total Assets	<u>65,625,881</u>	<u>63,423,149</u>	<u>43,262,261</u>	<u>42,712,186</u>	<u>108,888,142</u>	<u>106,135,335</u>
<b>Deferred Outflows of Resources</b>						
Refunding loss	<u>-</u>	<u>13,930</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,930</u>
<b>Liabilities</b>						
Long-term Liabilities	10,317,420	12,009,727	716,153	737,912	11,033,573	12,747,639
Other Liabilities	<u>5,652,761</u>	<u>5,026,869</u>	<u>3,834,865</u>	<u>1,420,830</u>	<u>9,487,626</u>	<u>6,447,699</u>
Total Liabilities	<u>15,970,181</u>	<u>17,036,596</u>	<u>4,551,018</u>	<u>2,158,742</u>	<u>20,521,199</u>	<u>19,195,338</u>
<b>Deferred Inflows of Resources</b>						
Taxes levied for a subsequent year	<u>2,876,572</u>	<u>2,860,261</u>	<u>-</u>	<u>-</u>	<u>2,876,572</u>	<u>2,860,261</u>
<b>Net Position:</b>						
Net investment in capital assets	17,870,430	16,659,094	14,127,443	14,769,275	31,997,873	31,428,369
Restricted	6,839,225	7,325,294	2,438,415	2,244,192	9,277,640	9,569,486
Unrestricted	<u>22,069,473</u>	<u>19,555,834</u>	<u>22,145,385</u>	<u>23,539,977</u>	<u>44,214,858</u>	<u>43,095,811</u>
Total Net Position	<u>\$ 46,779,128</u>	<u>\$ 43,540,222</u>	<u>\$ 38,711,243</u>	<u>\$ 40,553,444</u>	<u>\$ 85,490,371</u>	<u>\$ 84,093,666</u>

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

The County's net position increased from \$84,093,666 to \$85,490,371 for a net change of Governmental and Business-type activities of \$1,396,705 from the prior year.

### **Normal Impacts**

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

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

**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 net investment in capital assets and an increase in related debt which will not change the net investment in capital assets 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 position and increase net investment in capital assets.

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

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

The following condensed financial information was derived from the Government-wide Statement of Activities and reflects how the County's net position changed during 2014 and 2013.

### **Changes in Net Position**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
<b>Revenue:</b>						
Program Revenue:						
Charges for services	\$ 25,800,595	\$ 24,130,779	\$ 22,503,802	\$ 24,617,590	\$ 48,304,397	\$ 48,748,369
Operating grants and contributions	7,942,683	7,208,391	-	-	7,942,683	7,208,391
Capital Grants and contributions	524,318	-	-	-	524,318	-
General Revenue:						
Property taxes	12,797,132	12,256,788	810,147	876,530	13,607,279	13,133,318
Grants and contributions not restricted to specific programs	1,444,556	1,304,881	7,830	19,434	1,452,386	1,324,315
Other	173,195	51,699	25,684	18,455	198,879	70,154
<b>Total Revenue</b>	<b>48,682,479</b>	<b>44,952,538</b>	<b>23,347,463</b>	<b>25,532,009</b>	<b>72,029,942</b>	<b>70,484,547</b>

## Changes in Net Position (cont'd)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
<b>Expenses:</b>						
Legislative	\$ 281,705	\$ 272,414	\$ -	\$ -	\$ 281,705	\$ 272,414
Judicial	4,874,708	4,757,337	-	-	4,874,708	4,757,337
General Government	7,466,262	5,406,198	-	-	7,466,262	5,406,198
Public Safety	10,678,702	10,516,750	-	-	10,678,702	10,516,750
Public Works	341,165	370,012	-	-	341,165	370,012
Health and Welfare	22,681,428	22,094,300	-	-	22,681,428	22,094,300
Recreation and Culture	437,936	449,245	-	-	437,936	449,245
Interest on Long-Term Debt	351,578	405,496	-	-	351,578	405,496
Medical Care Facility	-	-	23,047,871	22,240,772	23,047,871	22,240,772
Delinquent Tax	-	-	291,793	267,737	291,793	267,737
<b>Total Expenses</b>	<u>47,113,484</u>	<u>44,271,752</u>	<u>23,339,664</u>	<u>22,508,509</u>	<u>70,453,148</u>	<u>66,780,261</u>
Change in net position before transfers	1,568,995	680,786	7,799	3,023,500	1,576,794	3,704,286
Transfers	<u>1,669,911</u>	<u>385,639</u>	<u>( 1,850,000)</u>	<u>( 315,000)</u>	<u>( 180,089)</u>	<u>70,639</u>
Change in net position	3,238,906	1,066,425	( 1,842,201)	2,708,500	1,396,705	3,774,925
Net position at beginning of year	<u>43,540,222</u>	<u>42,473,797</u>	<u>40,553,444</u>	<u>37,844,944</u>	<u>84,093,666</u>	<u>80,318,741</u>
Net position at end of year	<u>\$ 46,779,128</u>	<u>\$ 43,540,222</u>	<u>\$ 38,711,243</u>	<u>\$ 40,553,444</u>	<u>\$ 85,490,371</u>	<u>\$ 84,093,666</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 have 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 discontinued 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 General Fund property tax rate remained at 3.7886 in 2014 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 increased from \$2,604,828,481 in 2013 to \$2,628,945,178 in 2014 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 \$600,000 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 \$1,440,656 and \$1,294,384 in 2014 and 2013, respectively.

#### **Revenue by Source – Governmental Activities**

	<u>2014</u>	<u>2013</u>
Charges for services	\$ 25,800,595	\$ 24,130,779
Operating grants and contributions	7,942,683	7,208,391
Capital grants and contributions	524,318	-
Property taxes	12,797,132	12,256,788
Other general revenues	<u>1,617,751</u>	<u>1,356,580</u>
	<u>\$ 48,682,479</u>	<u>\$ 44,952,538</u>

In total, fiscal year 2014 governmental activity revenue increased by \$3,729,941, charges for services increased by \$1,669,816 and operating/capital grants and contributions combined increased by \$1,258,610. A significant portion of the increase to charges for services was attributable to approximately \$1,030,000 increase in mental health services provided. The increase in operating/capital grants was attributable to an approximately \$220,000 federal surplus property grant and an approximately \$300,000 capital contribution for purchase of E-911 equipment.

**Business-type Activities:**

Business-type activities decreased the County's net position by \$1,842,201.

**Revenue by Source - Business-Type Activities**

	<u>2014</u>	<u>2013</u>
Charges for services	\$ 22,503,802	\$ 24,617,590
Property taxes	810,147	876,530
Other general revenues	<u>33,514</u>	<u>37,889</u>
	<u>\$ 23,347,463</u>	<u>\$ 25,532,009</u>

In total, fiscal year 2014 business-type activity revenue decreased by \$2,184,546. The decrease was due primarily to a decrease in charges for services related to the Medical Care Facility's Medicaid cost adjustment from the State.

**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 spendable 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.

At December 31, 2014, the County's governmental funds reported combined ending fund balances of \$23,498,000, an increase of \$619,872 in comparison to the prior year. Nonspendable fund balance is \$532,244 consisting of inventory, advances and prepaids. Restricted fund balance is \$9,269,667. Committed fund balance is \$7,901,460 and unassigned fund balance is \$5,794,629.

The General Fund is the chief operating fund of the County. At December 31, 2014 the General Fund reported an ending fund balance of \$12,469,314 with \$5,794,629 of that amount unassigned. As a measure of the general fund's liquidity, the unassigned fund balance represents approximately 29% of the total general fund expenditures and transfers out, while total fund balance represents 62% of total general fund expenditures and transfers out.

During the fiscal year 2014, three significant budget amendments were approved for the general fund. The original budget was amended by reducing Probate Court expenditures and increasing Circuit Court expenditures due to combining of court systems in the amount of approximately \$560,000. The budgeted amounts were increased for property taxes, convention liquor taxes and state shared revenue to amend estimates based on more accurate data. Also, transfers out were increased approximately \$1,900,000 to provide resources for capital acquisitions and to supplement contributions to the pension and retiree health savings plans.

The 2014 final budget of the general fund had projected revenues of \$17,823,518 and transfers in of \$1,860,340 with expenditures of \$16,505,061 and transfers out of \$4,009,041. The final budget anticipated expenditures and other financing sources over revenues and other financing sources of \$830,244 or approximately 4% of combined expenditures and transfers out. There were no significant budget-to-actual variances for the year.

The second major governmental fund is the Community Mental Health. At December 31, 2014 Community Mental Health reported a fund balance of \$1,897,277. Fund balance decreased \$45,635 from the prior year. The decrease was primarily due to an increase in expenditures of providing mental health services.

The third major governmental fund is the E-911 Debt. At December 31, 2014 the E-911 Debt reported a fund balance of \$1,548,959. Fund balance increased by \$86,834 over the prior fiscal year. The increase was due to the property tax collections and interest exceeding the principal and interest payments on the debt.

**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, 2014.

The Delinquent Tax fund reported a decrease in net position of \$722,070 to \$19,361,062. This decrease was primarily due to a transfer out to provide additional resources to the County General Fund of \$1,850,000. The Medical Care Facility reported a net position decrease of \$1,120,131 to \$19,350,181. This decrease was due to a Medicaid cost adjustment from the State for approximately \$2,300,000.

### **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, 2014 amounted to \$39,122,498. This investment in capital assets includes land, land improvements, building and building improvements, machinery and equipment, and vehicles.

#### **Capital Assets (net of depreciation)**

	Governmental Activities		Business-type Activities		Total Governmental	
	2014	2013	2014	2013	2014	2013
Land	\$ 958,833	\$ 958,833	\$ -	\$ -	\$ 958,833	\$ 958,833
Construction in Progress	-	-	46,488	-	46,488	-
Land improvement	746,846	536,463	-	-	746,846	536,463
Buildings and improvements	11,373,806	11,842,078	13,624,741	14,412,565	24,998,547	26,254,643
Machinery and equipment	11,352,511	11,502,413	456,214	356,710	11,808,725	11,859,123
Vehicles	<u>563,059</u>	<u>391,979</u>	<u>-</u>	<u>-</u>	<u>563,059</u>	<u>391,979</u>
Totals	<u>\$ 24,995,055</u>	<u>\$ 25,231,766</u>	<u>\$ 14,127,443</u>	<u>\$ 14,769,275</u>	<u>\$ 39,122,498</u>	<u>\$ 40,001,041</u>

Major capital outlay additions for the year included public safety equipment and an armored vehicle.

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

## Outstanding Debt

**Long-term Debt:** At December 31, 2014, the County had a total debt outstanding of \$10,901,119 declining from the 2013 debt of \$12,581,750. There was no new debt issued for 2014.

	Governmental Activities		Business-type Activities		Total Governmental	
	2014	2013	2014	2013	2014	2013
General Obligation Bonds	\$ 9,475,000	\$ 11,160,000	\$ -	\$ -	\$ 9,475,000	\$ 11,160,000
Accrued Vacation and Sick	498,345	482,614	265,967	320,912	764,312	803,526
Accrued Claims Liability	<u>211,621</u>	<u>201,224</u>	<u>450,186</u>	<u>417,000</u>	<u>661,807</u>	<u>618,224</u>
Totals (1)	<u>\$ 10,184,966</u>	<u>\$ 11,843,838</u>	<u>\$ 716,153</u>	<u>\$ 737,912</u>	<u>\$ 10,901,119</u>	<u>\$ 12,581,750</u>

- (1) Total does not include deferred amounts of \$132,454 for 2014 and \$165,889 for 2013. See Note 8 to the financial statements for additional information regarding long-term debt.

## Economic Outlook

While there is reason for optimism for a more favorable fiscal environment three years after the 2008-2012 recession, the acute lessons of that period are ingrained. A new normal in the budgeting process and greater emphasis on long term effects of decisions are now a salient part of our financial practices.

The property tax base continues to reflect a modest upturn but the Headlee Amendment and Proposal A limit, and captured revenues modify, the available gains from this source. The restoration of State Revenue Sharing is again a vital element in sustaining the budget. Nevertheless, the realization that both of these principle revenues can, and have declined, offers a sober reminder. Other revenue sources reflect limited increases, yet some have declined, adding further uncertainty.

Although unemployment remains troubling, home sales show a slight increase in average price, and a stable population base are further indicators of a slowly recovering economy. Tax foreclosures and delinquencies have also declined. The tracking of this and other germane data continues to be helpful in fiscal forecasting. Ignoring trends from this basic economic data is a precursor to repeating the consequences of the dramatic budget reductions that affected so many units of local government.

Expenditure control, particularly as it relates to unfunded State mandates is problematic. As the full cost of the Affordable Health Care Act is realized, the impact on the budget appears significant. Cost containment remains as a core element of the budget process given the impact of external factors and areas of mandatory statutory expenses.

Consequently, pressure will remain for the foreseeable future requiring ongoing review and modification of the budget. The use of ten year forecasting, even with evident limitations, is a methodology that compels attention and may help minimize the effects of the next downturn. The process of analyzing relevant and timely data will remain in the forefront of budget practice and philosophy.

The use of multi-year budgeting creates a structure, in addition to other tools, that allows policy makers to address issues from a longer term perspective. As new economic conditions emerge, this process provides some time to deliberate as opposed to perceptive action with a budget.

### **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 POSITION**  
**DECEMBER 31, 2014**

	Primary Government			Component
	Governmental	Business Type	Total	Units
	Activities	Activities		
<b>Assets:</b>				
Cash and cash equivalents	\$ 14,855,140	\$ 21,824,386	\$ 36,679,526	\$ 6,651,840
Investments	14,766,899	-	14,766,899	1,186,540
Receivables (net of allowance)	6,188,595	6,910,391	13,098,986	4,331,969
Prepaid items/deposits	414,135	261,737	675,872	302,674
Internal balances	( 20,902)	( 104)	( 21,006)	-
Inventory	2,374	122,888	125,262	603,705
Properties held for sale	-	-	-	19,115
Advance to component units	90,000	-	90,000	-
Other assets	19,075	-	19,075	-
Net pension asset	4,178,648	-	4,178,648	-
Restricted assets -				
Cash and cash equivalents	136,862	15,520	152,382	-
Contracts receivable	-	-	-	3,192,164
Capital assets (net of accumulated depreciation)				
Assets not being depreciated	958,833	46,488	1,005,321	51,074,069
Assets being depreciated	24,036,222	14,080,955	38,117,177	40,646,805
Total Assets	<u>65,625,881</u>	<u>43,262,261</u>	<u>108,888,142</u>	<u>108,008,881</u>
<b>Liabilities:</b>				
Payables and accrued liabilities	5,502,538	3,819,345	9,321,883	1,321,635
Advances and deposits	-	-	-	385,695
Advances from primary government	-	-	-	90,000
Unearned revenue	150,223	-	150,223	-
Liabilities payable from restricted assets	-	15,520	15,520	-
Non-current liabilities -				
Net OPEB obligation	-	-	-	4,937,803
Due within one year	2,130,419	402,984	2,533,403	714,418
Due in more than one year	8,187,001	313,169	8,500,170	5,115,031
Total Liabilities	<u>15,970,181</u>	<u>4,551,018</u>	<u>20,521,199</u>	<u>12,564,582</u>
<b>Deferred Inflows of Resources:</b>				
Taxes levied for a subsequent period	<u>2,876,572</u>	<u>-</u>	<u>2,876,572</u>	<u>-</u>
<b>Net Position:</b>				
Net investment in capital assets	17,870,430	14,127,443	31,997,873	89,271,275
Restricted - Expendable -				
Acquisition/construction of capital assets	8,097	-	8,097	2,241,230
Foreclosure sales	-	2,438,415	2,438,415	-
Debt Service	1,548,959	-	1,548,959	3,749,672
Health and Welfare	554,510	-	554,510	-
Public Safety	1,492,190	-	1,492,190	-
General Government	3,130,541	-	3,130,541	-
Other Purposes	104,928	-	104,928	-
Unrestricted	22,069,473	22,145,385	44,214,858	182,122
Total Net Position	<u>\$ 46,779,128</u>	<u>\$ 38,711,243</u>	<u>\$ 85,490,371</u>	<u>\$ 95,444,299</u>

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

# LAPEER COUNTY, MICHIGAN

## STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2014

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government</b>				
Governmental activities:				
Legislative	\$ 281,705	\$ -	\$ -	\$ -
Judicial	4,874,708	1,280,631	1,241,828	-
General Government	7,466,262	4,069,704	1,110,760	-
Public Safety	10,678,702	3,599,361	623,483	524,318
Public Works	341,165	-	-	-
Health and Welfare	22,681,428	16,538,510	4,960,867	-
Recreation and Culture	437,936	126,311	5,745	-
Interest on Long Term Debt	351,578	186,078	-	-
Total governmental activities	47,113,484	25,800,595	7,942,683	524,318
Business type activities:				
Medical Care Facility	23,047,871	21,105,999	-	-
Delinquent Tax	291,793	1,397,803	-	-
Total business type activities	23,339,664	22,503,802	-	-
Total Primary Government	\$ 70,453,148	\$ 48,304,397	\$ 7,942,683	\$ 524,318
<b>Component Units</b>				
Road Commission	\$ 11,068,583	\$ 1,894,363	\$ 9,969,217	\$ 1,233,254
Board of Public Works	85,478	85,478	-	-
Drainage Districts	1,172,979	784,399	-	-
Land Bank Authority	29,907	30,248	-	-
Total Component Units	\$ 12,356,947	\$ 2,794,488	\$ 9,969,217	\$ 1,233,254
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 Position				
Net position at beginning of year				
Net position at end of year				

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

Net (Expense) Revenue and Change in Net Position

<u>Primary Government</u>		<u>Total</u>	<u>Component Units</u>
<u>Governmental Activities</u>	<u>Business Type Activities</u>		
\$( 281,705)	\$ -	\$( 281,705)	\$ -
( 2,352,249)	-	( 2,352,249)	-
( 2,285,798)	-	( 2,285,798)	-
( 5,931,540)	-	( 5,931,540)	-
( 341,165)	-	( 341,165)	-
( 1,182,051)	-	( 1,182,051)	-
( 305,880)	-	( 305,880)	-
( 165,500)	-	( 165,500)	-
<u>( 12,845,888)</u>	<u>-</u>	<u>( 12,845,888)</u>	<u>-</u>
-	( 1,941,872)	( 1,941,872)	-
-	1,106,010	1,106,010	-
<u>-</u>	<u>( 835,862)</u>	<u>( 835,862)</u>	<u>-</u>
<u>( 12,845,888)</u>	<u>( 835,862)</u>	<u>( 13,681,750)</u>	<u>-</u>
-	-	-	2,028,251
-	-	-	-
-	-	-	( 388,580)
-	-	-	341
<u>-</u>	<u>-</u>	<u>-</u>	<u>1,640,012</u>
12,797,132	810,147	13,607,279	-
1,444,556	7,830	1,452,386	-
173,195	25,684	198,879	13,808
-	-	-	102,993
1,669,911	( 1,850,000)	( 180,089)	-
<u>16,084,794</u>	<u>( 1,006,339)</u>	<u>15,078,455</u>	<u>116,801</u>
3,238,906	( 1,842,201)	1,396,705	1,756,813
<u>43,540,222</u>	<u>40,553,444</u>	<u>84,093,666</u>	<u>93,687,486</u>
<u>\$ 46,779,128</u>	<u>\$ 38,711,243</u>	<u>\$ 85,490,371</u>	<u>\$ 95,444,299</u>

**LAPEER COUNTY, MICHIGAN**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2014**

	General	Community Mental Health	E-911 Debt	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>					
Cash and cash equivalents	\$ -	\$ 861,716	\$ 1,751,292	\$ 7,181,176	\$ 9,794,184
Investments	14,766,899	-	-	-	14,766,899
Receivables (net of allowance) -					
Property taxes	1,061,033	-	1,760,255	812,271	3,633,559
Accounts and interest	31,927	256,069	-	964,963	1,252,959
Due from other governmental units	319,394	273,796	-	708,887	1,302,077
Due from other funds	110	-	-	-	110
Interfund receivables	-	3,267,553	-	-	3,267,553
Inventory	-	-	-	2,374	2,374
Advances to other funds	25,000	7,500	-	-	32,500
Advances to component units	90,000	-	-	-	90,000
Prepaid items	178,341	169,283	-	59,746	407,370
Restricted assets - Cash	-	136,862	-	-	136,862
<b>Total Assets</b>	<b>\$ 16,472,704</b>	<b>\$ 4,972,779</b>	<b>\$ 3,511,547</b>	<b>\$ 9,729,417</b>	<b>\$ 34,686,447</b>
<b>Liabilities:</b>					
Accounts payable	\$ 116,355	\$ 1,303,770	\$ -	\$ 102,344	\$ 1,522,469
Accrued liabilities	229,217	162,777	-	226,715	618,709
Due to other governmental units	533,392	1,524,033	-	1,628	2,059,053
Due to other funds	23,043	13,180	-	19,016	55,239
Interfund payables	3,101,383	-	-	166,170	3,267,553
Advances from other funds	-	-	-	32,500	32,500
Unearned revenue	-	71,742	-	78,481	150,223
<b>Total Liabilities</b>	<b>4,003,390</b>	<b>3,075,502</b>	<b>-</b>	<b>626,854</b>	<b>7,705,746</b>
<b>Deferred Inflows of Resources:</b>					
Unavailable revenues - revolving loans	-	-	-	606,129	606,129
Taxes levied for a subsequent period	-	-	1,962,588	913,984	2,876,572
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>1,962,588</b>	<b>1,520,113</b>	<b>3,482,701</b>
<b>Fund Balances:</b>					
Nonspendable -					
Inventory/Advances/Prepays	293,341	176,783	-	62,120	532,244
Restricted	2,560,317	136,862	1,548,959	5,023,529	9,269,667
Committed	3,821,027	1,583,632	-	2,496,801	7,901,460
Unassigned	5,794,629	-	-	-	5,794,629
<b>Total Fund Balances</b>	<b>12,469,314</b>	<b>1,897,277</b>	<b>1,548,959</b>	<b>7,582,450</b>	<b>23,498,000</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 16,472,704</b>	<b>\$ 4,972,779</b>	<b>\$ 3,511,547</b>	<b>\$ 9,729,417</b>	<b>\$ 34,686,447</b>

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

# LAPEER COUNTY, MICHIGAN

## RECONCILIATION OF THE BALANCE SHEET FOR GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION DECEMBER 31, 2014

Fund Balances - total governmental funds	\$ 23,498,000
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.	
Capital assets	45,001,439
Accumulated depreciation	( 22,832,320)
Pension assets do not represent current financial resources and therefore are not reported in the funds.	4,178,648
Other long-term assets are not available to pay for current period expenditures and, therefore, are a deferred inflow of resources in the governmental funds.	
Housing revolving loans	606,129
Premiums on bonds are reported as other financing sources in the governmental funds, whereas they are capitalized and amortized from net position (and netted against bonds payable).	
Bond premiums	( 132,454)
Internal Service Funds used by management to charge cost of health, unemployment, and workers' compensation expenses and claims, 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 position.	6,638,777
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	( 498,345)
Bonds payable	( 9,475,000)
Insurance claims payable	( 116,621)
Accrued interest on bonds/note payable	( 89,125)
Net Position of governmental activities	<u>\$ 46,779,128</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, 2014**

	General	Community Mental Health	E-911 Debt	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Taxes	\$ 9,905,240	\$ -	\$ 1,965,740	\$ 926,152	\$ 12,797,132
Licenses and permits	60,335	-	-	496,128	556,463
Intergovernmental	2,881,812	2,240,208	-	4,068,524	9,190,544
Charges for services	2,127,751	15,310,416	-	3,647,778	21,085,945
Fines and forfeits	202,479	-	-	157,176	359,655
Rents	188,958	-	-	202,275	391,233
Interest	170,165	802	344	1,884	173,195
Other	2,906,648	254,110	-	553,848	3,714,606
Total Revenues	<u>18,443,388</u>	<u>17,805,536</u>	<u>1,966,084</u>	<u>10,053,765</u>	<u>48,268,773</u>
<b>Expenditures:</b>					
Current -					
Legislative	281,705	-	-	-	281,705
Judicial	3,601,312	-	-	1,273,396	4,874,708
General Government	5,153,277	-	-	130,356	5,283,633
Public Safety	6,001,753	-	-	4,149,853	10,151,606
Public Works	340,565	-	-	-	340,565
Health and Welfare	86,455	17,954,071	-	5,090,113	23,130,639
Recreation and Cultural	211,761	-	-	148,473	360,234
Other Activities	408,093	-	-	-	408,093
Capital Outlay	-	-	-	555,236	555,236
Debt Service -					
Principal	-	-	1,500,000	185,000	1,685,000
Interest	-	-	379,250	4,625	383,875
Total Expenditures	<u>16,084,921</u>	<u>17,954,071</u>	<u>1,879,250</u>	<u>11,537,052</u>	<u>47,455,294</u>
Revenues over (under) expenditures	<u>2,358,467</u>	<u>( 148,535)</u>	<u>86,834</u>	<u>( 1,483,287)</u>	<u>813,479</u>
<b>Other Financing Sources (Uses):</b>					
Transfers in	1,850,000	202,900	-	2,578,032	4,630,932
Transfers out	( 3,925,568)	( 100,000)	-	( 798,971)	( 4,824,539)
Total Other Financing Sources (Uses)	<u>( 2,075,568)</u>	<u>102,900</u>	<u>-</u>	<u>1,779,061</u>	<u>( 193,607)</u>
Net Change in Fund Balances	282,899	( 45,635)	86,834	295,774	619,872
Fund Balances at beginning of year	<u>12,186,415</u>	<u>1,942,912</u>	<u>1,462,125</u>	<u>7,286,676</u>	<u>22,878,128</u>
Fund Balances at end of year	<u>\$ 12,469,314</u>	<u>\$ 1,897,277</u>	<u>\$ 1,548,959</u>	<u>\$ 7,582,450</u>	<u>\$ 23,498,000</u>

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

# LAPEER COUNTY, MICHIGAN

## RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2014

Net change in fund balances - total governmental funds	\$ 619,872
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.	
Capital outlay	748,707
Depreciation expense	( 1,660,856)
Governmental funds report pension contributions as expenditures. However, in the statement of activities net payments in excess of the annual required contribution are recorded as an asset.	
	1,676,906
Governmental funds do not report the fair value of donated assets as revenues and expenditures. However, the fair value is reported as both revenues and expenses in the statement of activities.	
Fair value of donated assets	226,021
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
	( 1,861)
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 position.	
Principal payments on long-term liabilities	1,685,000
Accrued interest expense on bonds and the amortization of bond discounts, premiums and deferred losses are not recorded by governmental funds, but are reported under interest and fiscal charges for the purpose of net position:	
Decrease accrued interest payable	12,792
Amortization of premium on bonds	33,435
Amortization of deferred loss on refunding	( 13,930)
Internal Service Funds used by management to charge costs of healthcare, unemployment, and workers' 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.	
	( 106,052)
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.	
Increase in compensated absences	( 15,731)
Decrease in accrued insurance claims payable	34,603
Change in net position of governmental activities	<u>\$ 3,238,906</u>

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



# LAPEER COUNTY, MICHIGAN

## STATEMENT OF NET POSITION PROPRIETARY FUNDS DECEMBER 31, 2014

	Business Type Activities-Enterprise Funds			Governmental Activities
	Medical Care Facility	Delinquent Tax	Total	Internal Service Fund
<b>Assets:</b>				
Current Assets:				
Cash and cash equivalents	\$ 6,734,101	\$ 15,090,285	\$ 21,824,386	\$ 5,060,956
Receivables (net of allowance) -				
Current and delinquent taxes	772,133	2,461,708	3,233,841	-
Accounts	1,877,228	-	1,877,228	-
Accrued interest	-	402,692	402,692	-
Due from other governmental units	-	1,011,278	1,011,278	-
Note receivable	-	126,530	126,530	-
Deposit with agent	-	-	-	19,075
Inventories	122,888	-	122,888	-
Prepaid items	261,737	-	261,737	6,765
Due from other funds	-	-	-	34,227
Restricted assets - Cash	15,520	-	15,520	-
Total Current Assets	<u>9,783,607</u>	<u>19,092,493</u>	<u>28,876,100</u>	<u>5,121,023</u>
Noncurrent Assets:				
Capital assets, net	14,081,468	45,975	14,127,443	2,825,936
Note receivable	-	258,822	258,822	-
Total Noncurrent Assets	<u>14,081,468</u>	<u>304,797</u>	<u>14,386,265</u>	<u>2,825,936</u>
Total Assets	<u>23,865,075</u>	<u>19,397,290</u>	<u>43,262,365</u>	<u>7,946,959</u>

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

# LAPEER COUNTY, MICHIGAN

## STATEMENT OF NET POSITION PROPRIETARY FUNDS DECEMBER 31, 2014

	Business Type Activities-Enterprise Funds			Governmental Activities
	Medical Care Facility	Delinquent Tax	Total	Internal Service Fund
<b>Liabilities:</b>				
Current Liabilities:				
Accounts payable	\$ 548,210	\$ 9,159	\$ 557,369	\$ 1,213,182
Accrued liabilities	716,863	1,560	718,423	-
Due to other governmental units	2,518,148	25,405	2,543,553	-
Due to other funds	-	104	104	-
Current portion of-				
Accrued vacation and sick	132,984	-	132,984	-
Accrued claims	270,000	-	270,000	85,000
Liabilities payable from restricted assets -				
Patient deposits	15,520	-	15,520	-
Total Current Liabilities	<u>4,201,725</u>	<u>36,228</u>	<u>4,237,953</u>	<u>1,298,182</u>
Long-Term Liabilities (less current portions):				
Accrued vacation and sick	132,983	-	132,983	-
Accrued claims	180,186	-	180,186	10,000
Total Long-Term Liabilities	<u>313,169</u>	<u>-</u>	<u>313,169</u>	<u>10,000</u>
Total Liabilities	<u>4,514,894</u>	<u>36,228</u>	<u>4,551,122</u>	<u>1,308,182</u>
<b>Net Position:</b>				
Net investment in capital assets	14,081,468	45,975	14,127,443	2,825,936
Restricted - Foreclosures sales	-	2,438,415	2,438,415	-
Unrestricted	5,268,713	16,876,672	22,145,385	3,812,841
Total Net Position	<u>\$ 19,350,181</u>	<u>\$ 19,361,062</u>	<u>\$ 38,711,243</u>	<u>\$ 6,638,777</u>

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

# LAPEER COUNTY, MICHIGAN

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION PROPRIETARY FUNDS FOR THE YEAR ENDED DECEMBER 31, 2014

	Business Type Activities-Enterprise Funds			Governmental Activities
	Medical Care Facility	Delinquent Tax	Total	Internal Service Funds
<b>Operating Revenues:</b>				
Charges for services	\$ 21,066,599	\$ 419,628	\$ 21,486,227	\$ 6,557,373
Interest on taxes	-	717,292	717,292	-
Fees and penalties on delinquent taxes	-	260,883	260,883	-
Other	24,400	-	24,400	-
Total Operating Revenues	<u>21,090,999</u>	<u>1,397,803</u>	<u>22,488,802</u>	<u>6,557,373</u>
<b>Operating Expenses:</b>				
Administrative and general	2,686,841	131,922	2,818,763	428,967
Maintenance	1,712,032	-	1,712,032	-
Nursing	9,710,798	-	9,710,798	-
Daycare	323,954	-	323,954	-
Professional service	5,925,620	-	5,925,620	-
Other services	-	152,981	152,981	-
Insurance and claims	-	-	-	3,831,583
Retirement and health care savings contributions	1,246,832	-	1,246,832	3,814,817
Depreciation	879,678	6,890	886,568	459,634
Total Operating Expenses	<u>22,485,755</u>	<u>291,793</u>	<u>22,777,548</u>	<u>8,535,001</u>
Operating Income (Loss)	<u>( 1,394,756)</u>	<u>1,106,010</u>	<u>( 288,746)</u>	<u>( 1,977,628)</u>
<b>Non-Operating Revenues (Expenses):</b>				
Donations	7,830	-	7,830	-
Property taxes	810,147	-	810,147	-
Interest on investments	3,764	6,148	9,912	-
Maintenance of effort	( 562,116)	-	( 562,116)	-
Interest on note	-	15,772	15,772	-
Gain on sale of assets	15,000	-	15,000	8,058
Total Non-Operating Revenues (Expenses)	<u>274,625</u>	<u>21,920</u>	<u>296,545</u>	<u>8,058</u>
Net Income (Loss) Before Transfers	<u>( 1,120,131)</u>	<u>1,127,930</u>	<u>7,799</u>	<u>( 1,969,570)</u>
<b>Transfers:</b>				
Transfers in	-	-	-	2,803,518
Transfers out	-	( 1,850,000)	( 1,850,000)	( 940,000)
Total Transfers	<u>-</u>	<u>( 1,850,000)</u>	<u>( 1,850,000)</u>	<u>1,863,518</u>
Change in Net Position	<u>( 1,120,131)</u>	<u>( 722,070)</u>	<u>( 1,842,201)</u>	<u>( 106,052)</u>
Net Position at beginning of year	<u>20,470,312</u>	<u>20,083,132</u>	<u>40,553,444</u>	<u>6,744,829</u>
Net Position end of year	<u>\$ 19,350,181</u>	<u>\$ 19,361,062</u>	<u>\$ 38,711,243</u>	<u>\$ 6,638,777</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, 2014

	Business Type Activities-Enterprise Funds			Governmental Activities
	Medical Care Facility	Delinquent Tax	Total	Internal Service Funds
<b>Cash Flows From Operating Activities:</b>				
Cash receipts from customers	\$ 21,202,150	\$ 7,526,386	\$ 28,728,536	\$ -
Cash receipts from interfund services	-	-	-	6,550,993
Cash payments to employees	150,300	-	150,300	-
Cash payments to suppliers	( 20,016,537)	( 5,530,717)	( 25,547,254)	( 7,019,323)
Other cash receipts	24,400	-	24,400	-
Net Cash Provided by (Used in) Operating Activities	1,360,313	1,995,669	3,355,982	( 468,330)
<b>Cash Flows From Noncapital Financing Activities:</b>				
Patient trust deposits	( 22,034)	-	( 22,034)	-
Property taxes and contributions	838,639	-	838,639	-
Interfund transfers	-	( 1,850,000)	( 1,850,000)	999,795
Net Cash Provided by (Used in) Noncapital Financing Activities	816,605	( 1,850,000)	( 1,033,395)	999,795
<b>Cash Flows From Capital and Related Financing Activities:</b>				
Acquisition of capital assets	( 244,736)	-	( 244,736)	( 913,595)
Interfund transfers	-	-	-	863,723
Proceeds from sale of capital assets	15,000	-	15,000	12,602
Net Cash Used in Capital and Related Financing Activities	( 229,736)	-	( 229,736)	( 37,270)
<b>Cash Flows From Investing Activities:</b>				
Promissory note payments received	-	124,648	124,648	-
Interest received	3,764	21,920	25,684	-
Net Cash Provided by Investing Activities	3,764	146,568	150,332	-
Net Increase in cash and cash equivalents	1,950,946	292,237	2,243,183	494,195
Cash and cash equivalents at beginning of year	4,798,675	14,798,048	19,596,723	4,566,761
Cash and cash equivalents at end of year	<u>\$ 6,749,621</u>	<u>\$ 15,090,285</u>	<u>\$ 21,839,906</u>	<u>\$ 5,060,956</u>
<b>Statement of Net Position -</b>				
Cash and Cash Equivalents -				
Cash and cash equivalents	\$ 6,734,101	\$ 15,090,285	\$ 21,824,386	\$ 5,060,956
Restricted assets - cash	15,520	-	15,520	-
Cash and cash equivalents at end of year	<u>\$ 6,749,621</u>	<u>\$ 15,090,285</u>	<u>\$ 21,839,906</u>	<u>\$ 5,060,956</u>

Continued

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, 2014**

	Business Type Activities-Enterprise Funds			Governmental Activities
	Medical Care Facility	Delinquent Tax	Total	Internal Service 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	\$( 1,394,756)	\$ 1,106,010	\$( 288,746)	\$( 1,977,628)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities -				
Depreciation	879,678	6,890	886,568	459,634
Maintenance of effort	( 562,116)	-	( 562,116)	-
Change in assets and liabilities-				
(Increase) decrease in -				
Receivables	135,551	1,752,585	1,888,136	-
Due from other governmental units	-	( 871,916)	( 871,916)	-
Due from other funds	-	-	-	( 6,380)
Prepaid items	( 91,758)	-	( 91,758)	20,691
Inventories	( 18,516)	-	( 18,516)	-
Increase (decrease) in-				
Accounts payable	( 20,875)	598	( 20,277)	990,353
Accrued liabilities	46,470	169	46,639	45,000
Due to other funds	-	20	20	-
Due to other governmental units	2,386,635	1,313	2,387,948	-
Net Cash Provided By (Used in) Operating Activities	<u>\$ 1,360,313</u>	<u>\$ 1,995,669</u>	<u>\$ 3,355,982</u>	<u>\$( 468,330)</u>

Concluded

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

# LAPEER COUNTY, MICHIGAN

## STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS DECEMBER 31, 2014

	Retiree Health Care	Agency Funds
<b>Assets:</b>		
Cash and cash equivalents	\$ -	\$ 1,170,852
Interest in pooled investment	432,954	-
Contributions receivable	556,676	-
Total Assets	<u>989,630</u>	<u>\$ 1,170,852</u>
<b>Liabilities:</b>		
Due to individuals and agencies	-	\$ 503,566
Due to other governmental units	-	667,286
Total Liabilities	<u>-</u>	<u>\$ 1,170,852</u>
<b>Net Position:</b>		
Restricted for retiree health care benefits	<u>\$ 989,630</u>	

## STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS FOR THE YEAR ENDED DECEMBER 31, 2014

	Retiree Health Care
<b>Additions:</b>	
Employer contributions	\$ 556,676
Forfeitures	4,366
Investment income	22,843
Total Additions	<u>583,885</u>
<b>Deductions:</b>	
Contributions to participant accounts	245,372
Administration	264
Total Deductions	<u>245,636</u>
Net increase	338,249
Net Position - Beginning of year	<u>651,381</u>
End of year	<u>\$ 989,630</u>

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

## **COMPONENT UNITS**

# LAPEER COUNTY, MICHIGAN

## COMBINING STATEMENT OF NET POSITION DISCRETELY PRESENTED COMPONENT UNITS DECEMBER 31, 2014

	Road Commission	Board of Public Works	Drainage Districts	Land Bank Authority	Totals
<b>Assets:</b>					
Cash and cash equivalents	\$ 3,442,590	\$ 38,904	\$ 3,065,071	\$ 105,275	\$ 6,651,840
Investments	-	-	1,186,540	-	1,186,540
Receivables	1,897,089	-	2,434,880	-	4,331,969
Inventory	603,705	-	-	-	603,705
Properties held for sale	-	-	-	19,115	19,115
Prepaid items/deposits	132,057	-	170,617	-	302,674
Restricted asset - contracts receivables	-	3,192,164	-	-	3,192,164
Capital Assets (net of accumulated depreciation) -					
Assets not being depreciated	47,020,584	-	4,053,485	-	51,074,069
Assets being depreciated	30,368,724	-	10,278,081	-	40,646,805
Total Assets	<u>83,464,749</u>	<u>3,231,068</u>	<u>21,188,674</u>	<u>124,390</u>	<u>108,008,881</u>
<b>Liabilities:</b>					
Payables and accrued liabilities	1,174,960	-	118,774	-	1,293,734
Accrued interest	-	15,154	12,747	-	27,901
Advances and deposits	385,695	-	-	-	385,695
Advance from primary government	-	-	90,000	-	90,000
Non-current liabilities -					
Net OPEB obligation	4,937,803	-	-	-	4,937,803
Due within one year	-	283,120	431,298	-	714,418
Due in more than one year	163,936	2,932,794	2,018,301	-	5,115,031
Total Liabilities	<u>6,662,394</u>	<u>3,231,068</u>	<u>2,671,120</u>	<u>-</u>	<u>12,564,582</u>
<b>Net Position:</b>					
Net investment in capital assets	77,389,308	-	11,881,967	-	89,271,275
Restricted -					
Debt Service	-	-	3,749,672	-	3,749,672
Acquisition/construction of capital assets	-	-	2,241,230	-	2,241,230
Unrestricted	( 586,953)	-	644,685	124,390	182,122
Total Net Position	<u>\$ 76,802,355</u>	<u>\$ -</u>	<u>\$ 18,517,554</u>	<u>\$ 124,390</u>	<u>\$ 95,444,299</u>

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, 2014

	Road Commission	Board of Public Works	Drainage Districts	Land Bank Authority	Total
<b>Expenses:</b>					
General Government	\$ -	\$ -	\$ -	\$ 29,907	\$ 29,907
Public Works	-	-	1,172,979	-	1,172,979
Highways and Streets	11,068,583	-	-	-	11,068,583
Interest on Long Term Debt	-	85,478	-	-	85,478
Total Expenses	<u>11,068,583</u>	<u>85,478</u>	<u>1,172,979</u>	<u>29,907</u>	<u>12,356,947</u>
<b>Program Revenues:</b>					
Charges for services	1,894,363	85,478	784,399	30,248	2,794,488
Operating grants and contributions	9,969,217	-	-	-	9,969,217
Capital grants and contributions	<u>1,233,254</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,233,254</u>
Total Program Revenues	<u>13,096,834</u>	<u>85,478</u>	<u>784,399</u>	<u>30,248</u>	<u>13,996,959</u>
Net program revenue (expense)	<u>2,028,251</u>	<u>-</u>	<u>( 388,580)</u>	<u>341</u>	<u>1,640,012</u>
<b>General Revenues:</b>					
Unrestricted investment income	7,296	-	6,512	-	13,808
Gain on sale of capital assets	<u>102,993</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>102,993</u>
Total General Revenues	<u>110,289</u>	<u>-</u>	<u>6,512</u>	<u>-</u>	<u>116,801</u>
Change in Net Position	2,138,540	-	( 382,068)	341	1,756,813
Net Position at the beginning of year	<u>74,663,815</u>	<u>-</u>	<u>18,899,622</u>	<u>124,049</u>	<u>93,687,486</u>
Net Position at the end of year	<u>\$ 76,802,355</u>	<u>\$ -</u>	<u>\$ 18,517,554</u>	<u>\$ 124,390</u>	<u>\$ 95,444,299</u>

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

## **LAPEER COUNTY, MICHIGAN**

### **NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2014**

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

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

The County of Lapeer, Michigan, was organized in 1835 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 (7 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 operation. 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 any general obligation bond issuances require County authorization and the County is secondarily responsible for all operations and obligations.

# **LAPEER COUNTY, MICHIGAN**

## **NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2014**

### **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 Inter-County Drainage Boards consist 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 of 2003 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 entities' administration offices 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 units associated with the activities of the public works projects administered by the Lapeer County Board of Public Works 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, 2014

### 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, Child Care, and Mental Health Court 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 position 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 and 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, 2014

#### 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 at the time eligible expenditures are incurred provided the billing is consistent with normal practice. 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** - 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.

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

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** - 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 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, 2014**

### **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 that are restricted or committed to expenditures for specified purposes.

**Debt Service Funds** - are used to account for all financial resources that are restricted to expenditures for payment of principal and interest on long-term debt.

**Capital Project Funds** - are used to account for all financial resources that are restricted to expenditures 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, workers' 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 Types -**

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Lapeer County's fiduciary funds include:

**Retiree Health Care Fund** - is used to account for the activity of the Section 115 Governmental Integral Part Trust held with MERS. Assets held in trust are legally protected from creditors and are only used for providing benefits to retirees.

**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.

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.

# **LAPEER COUNTY, MICHIGAN**

## **NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2014**

### **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 fund's 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.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first and then unrestricted resources as they are needed.

#### **D. Assets, Liabilities, Deferred Inflows/Outflows of Resources, and Net Position or Fund Balance -**

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

The County maintains a common checking account for its funds. Each participating fund reports its share separately. To the extent that some funds have negative balances as 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 and time deposits, money markets, investment trust funds and certificates of deposit with original maturities of three months or less from the date of acquisition. The investment trust 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 their 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).

# **LAPEER COUNTY, MICHIGAN**

## **NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2014**

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

#### **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 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.

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

Inventories are valued at the lower of cost or market using the first in/first out (FIFO) method, except for the Road Commission (component unit) that is stated at average cost. Inventories are recorded as expenditures when purchased, except for the Personal Care Aide Program Fund, Road Commission and Medical Care Facility, which are recognized using the consumption method (recorded as an expense when used).

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

#### **Properties Held for Sale -**

Properties held for sale in the Land Bank Authority are foreclosure properties purchased from the primary government to hold, manage, and develop to be productive and economically viable. These properties are stated using the specific identification method and are recognized using the consumption method.

#### **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 (extra voted levies) 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 and Medical Care Facility levies are recognized in the year of the levy. The special purpose taxes levied on December 1, except for the Medical Care Facility levy, are recorded as a receivable and a deferred inflow of resources since they are levied for the subsequent year operations. For the 2014 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 debt, .2500 for Senior Citizens programs, and 1.000 for Veterans programs.



# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2014

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

#### 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.

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 of depreciation for road equipment which is computed on the sum-of-the-years' digits method:

	Years		
	Primary Government	Road Commission	Drainage Districts
Building/Improvements	5-50	40	-
Drain System	-	-	50
Road Systems/Other Infrastructure	-	8-50	-
Machinery/Equipment/Vehicles	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 position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2014

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts 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 proceeds received, are reported as debt service expenditures.

#### **Deferred Outflows/Inflows of Resources -**

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenses/expenditures) until then. The County does not have any items that qualify for reporting in this category.

In addition to liabilities, the statement of net position/balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenues) until that time. The County had two items, one reported on both the government-wide statement of net position (accrual basis of accounting) and the governmental fund balance sheet (modified accrual basis of accounting) for taxes levied for a subsequent period and another item on the governmental fund balance sheet for unavailable revenues that are not collected within the 60 day period. The County had unavailable revenues primarily from long-term contracts paid by individuals. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The taxes levied are deferred and are recognized as an inflow of resources in the period for which the tax is levied.

#### **Fund Balance -**

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 is not in a spendable form or is contractually required to be maintained intact. The County currently has nonspendable fund balance that is not in spendable form.

*Restricted fund balance* – the portion of fund balance that is mandated for a specific purpose 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.

*Assigned* – The portion of fund balance that reflects the County's intended use of resources. Currently the Controller has authority to set aside funds pursuant to board resolution. Amounts in excess of nonspendable, restricted and committed fund balance in funds other than the General Fund is 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 previously explained.

# **LAPEER COUNTY, MICHIGAN**

## **NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2014**

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

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.

#### **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 the 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.

At December 31, 2014, the accumulation within the Budget Stabilization Fund was \$2,560,317 and is reported within the General Fund as restricted fund balance for the stabilization arrangement.

#### **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 September 30, 2015, under separate cover as supplementary information to the Annual Financial Report.

#### **Upcoming Accounting Pronouncements -**

GASB Statement No. 72, *Fair Value Measurement and Application* was issued in February 2015 and will become effective for the County's December 31, 2016 fiscal year. This statement addresses accounting and financial reporting issues related to fair value measurements.

# **LAPEER COUNTY, MICHIGAN**

## **NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2014**

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

This statement will enhance comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and accepted valuation techniques. This statement will also enhance fair value application guidance and related disclosures in order to provide information to financial statement users about the impact of fair value measurements on the County's financial position.

### **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/Controller. Budgetary comparisons have not been provided for the component unit financial statements in the Annual Financial Report but for the Road Commission are available in the Road Commission's separately issued component unit financial statements.

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.

# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2014

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

During the year, 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:

#### Excess of Expenditures Over Appropriations -

#### PRIMARY GOVERNMENT -

<u>Fund Type/Function/Activity/Account</u>	<u>Appropriations</u>	<u>Expended</u>	<u>Variance</u>
<b>General Fund (GAAP - Basis) -</b>			
General Fund -			
General Government			
Elections	\$ 147,985	\$ 194,510	\$ 46,525
County Clerk	588,833	589,075	242
Public Safety			
Sheriff	2,845,233	2,883,958	38,725
Jail/Feeding Prisoners	3,055,618	3,099,927	44,309
Transfers out			
Parks Department	-	16,164	16,164
Community Development	55,539	55,684	145
Rental Property -			
General Government	9,080	9,306	226
<b>Major Special Revenue Fund -</b>			
Community Mental Health			
Transfers out	-	100,000	100,000
<b>Nonmajor Special Revenue Funds -</b>			
Parks Department			
Recreation and Cultural	138,996	142,475	3,479
E-911			
Public Safety	1,717,281	1,737,590	20,309
Transfers out	-	150,000	150,000
Health Department			
Health and Welfare	2,404,608	2,415,035	10,427
Personal Care Aide Program			
Health and Welfare	1,117,102	1,149,100	31,998
County Surveyor			
General Government	73,218	74,303	1,085
Law Enforcement Programs			
Public Safety	44,645	87,511	42,866
Law Enforcement - Other			
Public Safety	37,400	57,921	20,521
Community Development			
Health and Welfare	-	111,091	111,091
Veterans' Trust			
Health and Welfare	6,092	32,601	26,509
Senior Millage			
Transfers out	637,000	648,971	11,971
Lapeer Family Continuation Coordinator			
Health and Welfare	-	3,255	3,255

# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2014

### 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; repurchase agreements consisting of bonds, securities and other direct obligations of the United States government or an agency or instrumentality of the United States; 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; and investment pools organized under the Surplus Funds Investment Pool Act, 1982 PA 367, 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:

	<u>Primary Government</u>	<u>Component Units</u>	<u>Fiduciary Funds</u>	<u>Reporting Entity</u>
Cash on Hand	\$ 7,725	\$ 350	\$ 300	\$ 8,375
Deposits with Financial Institutions	<u>37,140,311</u>	<u>6,923,496</u>	<u>1,170,552</u>	<u>45,234,359</u>
Investments				
Corporate Bonds	-	255,003	-	255,003
Municipal Bonds	2,315,804	50,768	-	2,366,572
U.S. Government Securities	9,714,604	603,497	-	10,318,101
Mutual Funds	2,396,029	5,266	-	2,401,295
Interest in Pooled Investments	-	-	432,954	432,954
Investment Trust Funds	<u>24,334</u>	<u>-</u>	<u>-</u>	<u>24,334</u>
Total Investments	<u>14,450,771</u>	<u>914,534</u>	<u>432,954</u>	<u>15,798,259</u>
Grand Total	<u>\$ 51,598,807</u>	<u>\$ 7,838,380</u>	<u>\$ 1,603,806</u>	<u>\$ 61,040,993</u>

# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2014

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

#### Reconciliation to Statements of Net Position

	Primary Government	Component Units	Fiduciary Funds	Reporting Entity
Reported as Cash and Cash Equivalents -				
Cash on Hand	\$ 7,725	\$ 350	\$ 300	\$ 8,375
Cash in Checking/Money Market/Savings	36,799,849	6,651,490	1,170,552	44,621,891
Investment Trust Funds	<u>24,334</u>	<u>-</u>	<u>-</u>	<u>24,334</u>
Total Cash and Cash Equivalents Reported on Statements of Net Position	<u>36,831,908</u>	<u>6,651,840</u>	<u>1,170,852</u>	<u>44,654,600</u>
Reported as Investments -				
Corporate Bonds	-	255,003	-	255,003
Municipal Bonds	2,315,804	50,768	-	2,366,572
U.S. Government Securities	9,714,604	603,497	-	10,318,101
Certificates of Deposit	340,462	272,006	-	612,468
Mutual Funds	2,396,029	5,266	-	2,401,295
Interest in Pooled Investments	<u>-</u>	<u>-</u>	<u>432,954</u>	<u>432,954</u>
Total Investments Reported on Statements of Net Position	<u>14,766,899</u>	<u>1,186,540</u>	<u>432,954</u>	<u>16,386,393</u>
Grand Total – Statements of Net Position	<u>\$ 51,598,807</u>	<u>\$ 7,838,380</u>	<u>\$ 1,603,806</u>	<u>\$ 61,040,993</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.

***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, 2014, the book value of the County's deposits was \$45,234,359 with a corresponding bank balance of \$45,641,601. Insured deposits were \$1,915,737, and the remaining \$43,725,864 was uninsured and uncollateralized.

The County's Investment Policy does not address custodial credit risk for deposits.

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

# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2014

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

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 (excluding Retiree Health Care) -

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	\$ 10,318,101	67.2 %
Investment Trust Funds	24,334	0.1
Municipal Bonds	2,366,572	15.4
Mutual Funds	2,401,295	15.6
Corporate Bonds	<u>255,003</u>	<u>1.7</u>
Total	<u>\$ 15,365,305</u>	<u>100.00 %</u>

**Credit Risk - Investments** - The MBIA Michigan CLASS investment trust fund is invested primarily in U.S. Treasuries, U.S. Agencies, repurchase agreements, and commercial paper.

	<u>Amount</u>	<u>Rating</u>	<u>Rating Agency</u>	<u>Average Days to Maturity</u>
Primary Government - MBIA Michigan CLASS	\$ 24,334	AAAm	Standard & Poors	45

This investment pool has been reported in the financial statements as cash equivalents because it has 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.

As of December 31, 2014, the County investments, excluding the investment trust fund previously reported and U.S. government securities and mutual funds, had the following Moody ratings:

<u>Fair Value</u>	<u>Ratings</u>
\$ 255,003	AAA
451,689	AA+
1,191,748	AA
238,379	AA-
127,399	AA1
198,010	AA2
<u>159,347</u>	<u>A+</u>
<u>\$ 2,621,575</u>	



# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2014

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

The County's investment policy stipulates a recommendation that investments be made only in institutions that meet the median rating or above. In deciding which institutions to invest, the Treasurer and the Investment Committee will weigh information gained from rating services, asset size, and historical information gained such as profitability, past ratings, asset growth, etc.

The County's investment policy establishes the following criteria relative to diversifying the investment portfolio. With the exception of U.S. Treasury Securities, the primary depository institution, and authorized pools, no more than 25 percent of the total investment portfolio will be invested in a single security type or with a single financial institution.

***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, 2014, \$12,939,676 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 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 should not exceed the income generated from the remainder of the portfolio.

***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:

Investment Type	Fair Value	Maturity (Years)			
		<1	1-5	6-10	>10
Municipal Bonds	\$ 2,366,572	\$ 1,211,089	\$ 1,155,483	\$	\$ -
Corporate Bonds	<u>255,003</u>	-	<u>255,003</u>	-	-
Total Investments	<u>\$ 2,621,575</u>	<u>\$ 1,211,089</u>	<u>\$ 1,410,486</u>	<u>\$ -</u>	<u>\$ -</u>

***Investments of Retiree Health Care Plan*** - The Retiree Health Care Fund is authorized by Michigan Public Act 314 of 1965, as amended, to invest in stocks, diversified investment companies, annuity investment contracts, real estate leased to public entities, mortgages, real estate (if the trust fund's assets exceed \$250 million), debt or equity of certain small businesses, certain reverse repurchase agreements, certain state and local government obligations, and certain other specified investment vehicles. The County has authorized investment in a retiree healthcare funding plan provided by the Municipal Employees' Retirement System of Michigan (MERS), the Lapeer County Retiree Health Care Plan. The funds the County has invested are part of the MERS total market fund, a diversified fund, designed to provide reasonable growth and income while minimizing volatility for all MERS clients.

# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2014

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

**Credit Risk** - The MERS total market fund was rated by Standard & Poors, Moodys and Fitch credit rating services. The following table summarizes the ratings for Lapeer County's interest in the pool as of December 31, 2014:

<u>Fair Value</u>	<u>Rating</u>
\$ 86,331	AAA/Aaa
26,021	AA+/Aa1
7,187	AA/Aa2
8,140	AA-/Aa3
9,612	A+/A1
16,842	A/A2
22,124	A-/A3
19,137	BBB+/Baa1
24,332	BBB/Baa2
32,125	BBB-/Baa3
11,560	BB+/Ba1
10,607	BB/Ba2
8,096	BB-/Ba3
6,841	B+/B1
5,282	B/B2
4,330	B-/B3
4,070	CCC/Caa1 and below
<u>130,317</u>	Not rated
<u>\$ 432,954</u>	

### NOTE 4 - RECEIVABLES:

Receivables as of December 31, 2014 in the governmental and business-type activities are as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Property taxes	\$ 3,633,559	\$ 3,233,841
Interest, accounts and note	1,252,959	2,907,872
Intergovernmental	<u>1,302,077</u>	<u>1,011,278</u>
	6,188,595	7,152,991
Less - allowance for uncollectible	<u>-</u>	<u>242,600</u>
	<u>\$ 6,188,595</u>	<u>\$ 6,910,391</u>

# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2014

### NOTE 5 - CAPITAL ASSETS:

#### Primary Government

Capital asset activity of the primary government for the year ended December 31, 2014 was as follows:

	Balance January 1, 2014	Additions	Adjustments/ Disposals	Balance December 31, 2014
<b>Governmental activities:</b>				
Capital Assets, not being depreciated:				
Land	\$ 958,833	\$ -	\$ -	\$ 958,833
Capital Assets, being depreciated:				
Buildings	25,313,729	343,059	-	25,656,788
Improvements other than Buildings	1,890,027	261,006	-	2,151,033
Machinery and Equipment	20,024,035	845,643	-	20,869,678
Vehicles	2,134,475	438,615	147,167	2,425,923
Total Capital Assets being depreciated	49,362,266	1,888,323	147,167	51,103,422
Less Accumulated Depreciation for:				
Buildings	13,471,651	811,331	-	14,282,982
Improvements other than Buildings	1,353,564	50,623	-	1,404,187
Machinery and Equipment	8,521,622	995,545	-	9,517,167
Vehicles	1,742,496	262,991	142,623	1,862,864
Total Accumulated Depreciation	25,089,333	2,120,490	142,623	27,067,200
Total Capital Assets being depreciated, net	24,272,933	( 232,167)	4,544	24,036,222
Governmental Activities Capital Assets, net	\$ 25,231,766	\$ ( 232,167)	\$ 4,544	\$ 24,995,055
<b>Business-type Activities:</b>				
Capital Assets, not being depreciated:				
Construction in Progress	\$ -	\$ 46,488	\$ -	\$ 46,488
Capital Assets, being depreciated:				
Buildings	23,054,289	15,848	-	23,070,137
Improvements other than Buildings	6,750	-	-	6,750
Machinery and Equipment	3,482,900	182,400	119,978	3,545,322
Total Capital Assets, being depreciated	26,543,939	198,248	119,978	26,622,209
Less Accumulated Depreciation for:				
Buildings	8,641,724	803,672	-	9,445,396
Improvements other than Buildings	6,750	-	-	6,750
Machinery and Equipment	3,126,190	82,896	119,978	3,089,108
Total Accumulated Depreciation	11,774,664	886,568	119,978	12,541,254
Total Capital Assets being depreciated, net	14,769,275	( 688,320)	-	14,080,955
Business-type Activities Capital Assets, net	\$ 14,769,275	\$( 641,832)	\$ -	\$ 14,127,443

# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2014

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

Depreciation expense for 2014 was charged to functions/programs of the primary government as follows:

Governmental Activities -	
General Government	\$ 331,940
Public Safety	1,078,708
Public Works	600
Health and Welfare	171,906
Recreation and Cultural	<u>77,702</u>
Depreciation Expense-Governmental Activities	1,660,856
Depreciation Expense in the Internal Service Funds	<u>459,634</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 2,120,490</u>
Business-type Activities -	
Medical Care Facility	\$ 879,678
Delinquent Tax Revolving	<u>6,890</u>
Total Depreciation Expense - Business-type Activities	<u>\$ 886,568</u>

### Discretely Presented Component Units

**Drainage Districts:** Capital asset activity for the Drainage Districts for the year ended December 31, 2014, was as follows:

	Balance January 1, 2014	Additions	Adjustments/ Disposals	Balance December 31, 2014
Capital Assets, not being depreciated:				
Land Improvements	\$ 2,859,107	\$ -	\$ -	\$ 2,859,107
Construction in Progress	<u>1,194,378</u>	<u>-</u>	<u>-</u>	<u>1,194,378</u>
Total Capital Assets, not being depreciated	<u>4,053,485</u>	<u>-</u>	<u>-</u>	<u>4,053,485</u>
Capital Assets, being depreciated:				
Equipment	743,522	-	-	743,522
Infrastructure	<u>25,491,829</u>	<u>-</u>	<u>-</u>	<u>25,491,829</u>
Total Capital Assets, being depreciated	<u>26,235,351</u>	<u>-</u>	<u>-</u>	<u>26,235,351</u>
Less Accumulated Depreciation for:				
Equipment	737,684	2,919	-	740,603
Infrastructure	<u>14,678,377</u>	<u>538,290</u>	<u>-</u>	<u>15,216,667</u>
Total Accumulated Depreciation	<u>15,416,061</u>	<u>541,209</u>	<u>-</u>	<u>15,957,270</u>
Total Capital Assets being depreciated, net	<u>10,819,290</u>	<u>( 541,209)</u>	<u>-</u>	<u>10,278,081</u>
Drainage Districts Capital Assets, net	<u>\$ 14,872,775</u>	<u>\$ ( 541,209)</u>	<u>\$ -</u>	<u>\$ 14,331,566</u>

Depreciation expense was \$541,209 for 2014.

**LAPEER COUNTY, MICHIGAN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014**

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

**Road Commission:** Capital asset activity for the Road Commission for the year ended September 30, 2014 was as follows:

	Balance October 1, 2013	Additions	Removal/ Deletions	Balance September 30, 2014
Capital Assets, not being depreciated:				
Land	\$ 159,507	\$ -	\$ -	\$ 159,507
Land Improvements	44,246,740	2,434,291	-	46,681,031
Right of Ways	<u>180,046</u>	<u>-</u>	<u>-</u>	<u>180,046</u>
Total Capital Assets, not being depreciated	<u>44,586,293</u>	<u>2,434,291</u>	<u>-</u>	<u>47,020,584</u>
Capital Assets, being depreciated:				
Building and Improvements	1,939,401	2,819	-	1,942,220
Road Equipment	7,624,843	589,837	505,627	7,709,053
Shop Equipment	154,591	-	-	154,591
Office Equipment	507,095	-	-	507,095
Engineering Equipment	70,700	-	-	70,700
Infrastructure -				
Roads	42,577,291	1,993,096	1,801,117	42,769,270
Bridges	15,140,860	88,368	-	15,229,228
Traffic Signals	83,723	-	-	83,723
Depletable Assets	<u>205,130</u>	<u>-</u>	<u>-</u>	<u>205,130</u>
	<u>68,303,634</u>	<u>2,674,120</u>	<u>2,306,744</u>	<u>68,671,010</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	1,623,441	47,747	-	1,671,188
Road Equipment	6,666,547	433,469	505,620	6,594,396
Shop Equipment	154,591	-	-	154,591
Office Equipment	507,095	-	-	507,095
Engineering Equipment	70,700	-	-	70,700
Infrastructure -				
Roads	22,673,458	2,399,878	1,801,117	23,272,219
Bridges	5,516,649	301,601	-	5,818,250
Traffic Signals	74,794	4,770	-	79,564
Depletable Assets	<u>134,283</u>	<u>-</u>	<u>-</u>	<u>134,283</u>
	<u>37,421,558</u>	<u>3,187,465</u>	<u>2,306,737</u>	<u>38,302,286</u>
Total Capital Assets, being depreciated, net	<u>30,882,076</u>	<u>( 513,345)</u>	<u>7</u>	<u>30,368,724</u>
Governmental Activities Capital Assets, net	<u>\$ 75,468,369</u>	<u>\$ 1,920,946</u>	<u>\$ 7</u>	<u>\$ 77,389,308</u>

Depreciation expense was \$3,187,465 for 2014.

**LAPEER COUNTY, MICHIGAN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014**

**NOTE 6 - PAYABLES:**

Payables as of December 31, 2014 in the governmental and business-type activities are as follows:

	Governmental Activities	Business-type Activities
Accounts payable	\$ 2,735,651	\$ 557,369
Accrued liabilities	618,709	718,423
Accrued interest	89,125	-
Intergovernmental	<u>2,059,053</u>	<u>2,543,553</u>
	<u>\$ 5,502,538</u>	<u>\$ 3,819,345</u>

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

The composition of interfund balances as of December 31, 2014 is as follows:

**Due To/From Other Funds -**

	Receivable	Payable
<b>Governmental Funds -</b>		
General Fund	\$ 110	\$ 23,043
Community Mental Health	-	13,180
Nonmajor Special Revenue Funds -		
E-911	-	3,794
Friend of the Court	-	1,976
Health Department	-	5,453
Personal Care Aid Program	-	1,373
Animal Control	-	318
Emergency Management	-	102
Police Service Contracts	-	4,441
Law Enforcement Programs	-	22
Law Enforcement	-	547
Child Care	-	440
Soldiers' Relief	-	279
Multi-Purpose Collaborative Body	-	95
Soil and Sedimentation	-	148
Mental Health Court	-	28
	<u>-</u>	<u>19,016</u>
<b>Internal Service Funds -</b>		
Retirement	34,227	-
<b>Proprietary Fund -</b>		
Delinquent Tax	-	104
Total per Financial Statements	34,337	55,343
Reconciling item for September 30, year-end funds	<u>21,006</u>	<u>-</u>
Total	<u>\$ 55,343</u>	<u>\$ 55,343</u>

# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2014

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

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 \$21,006, was attributable to transactions with funds reported on a September 30 year-end.

#### Advances From/To Other Funds -

	Receivable	Payable
General Fund	\$ 25,000	\$ -
Community Mental Health	7,500	-
Multi-Purpose Collaborative Body	-	7,500
Parks Department	-	25,000
	<u>\$ 32,500</u>	<u>\$ 32,500</u>

The advances are executed to assist with cash flows.

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

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

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

#### Interfund Receivable/Payable -

	Receivable	Payable
<b>Governmental Funds -</b>		
General Fund	\$ -	\$ 3,101,383
Community Mental Health	3,267,553	-
Friend of the Court	-	72,833
Personal Care Aide Program	-	8,869
County Surveyor	-	30,600
Community Grants	-	30,227
Police Service Contracts	-	21,595
Mental Health Court	-	2,046
	<u>\$ 3,267,553</u>	<u>\$ 3,267,553</u>
Total		

The interfund receivable/payable balances at December 31, 2014 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.

# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2014

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

#### Transfers In and Out -

<u>Transfers in</u>	<u>Transfers out</u>	<u>Amount</u>
Parks Department	General Fund	\$ 16,164 (5)
Friend of Court		289,000 (1)
Community Mental Health		202,900 (1)
Health Department		800,759 (1)
Animal Control		15,000 (1)
Environment/Recycling		10,000 (1)
Emergency Management		39,198 (1)
Community Grants		26,994 (1)
Police Service Contracts		321,831 (1)
Law Enforcement Programs		4,008 (1)
Law Enforcement		68,923 (1)
Law Library		4,500 (1)
Child Care		438,590 (1)
Multi-Purpose Collaborative Body		18,500 (1)
Soil and Sedimentation		55,683 (1)
Equipment Acquisition and Replacement		763,723 (3)
Retirement		260,000 (4)
Public Employee Health Care		<u>589,795 (1)</u>
		3,925,568
General Fund	Delinquent Tax	1,850,000 (6)
Retirement	E-911	150,000 (4)
	Health Insurance	90,000 (4)
	Unemployment Insurance	50,000 (4)
	Workers' Compensation	800,000 (4)
CMH Equipment Acquisition & Replacement	Community Mental Health	100,000 (3)
Personal Care Aide Program	Senior Millage	<u>684,971 (2)</u>
		7,614,539
		Total Transfers out per Fund Financial Statements
		Reconciling item for September 30, year-end funds ( 180,089)
		Total Transfers in \$ <u>7,434,450</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 budgeted to expend the tax collections.
- (3) The transfer of funds to finance capital acquisition.
- (4) The transfer of funds to provide supplemental retirement contributions.
- (5) To subsidize the costs of park operations.
- (6) The transfer of funds to provide the General Fund operational needs as budgeted.



# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2014

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

Total transfers in for the primary government funds as reported in the accompanying financial statements were \$7,434,450 and total transfers out were \$7,614,539. The difference between these amounts, \$180,089, 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, 2014:

	Balance January 1, 2014	Additions	Reductions	Balance December 31, 2014	Due Within One Year
<u>Governmental Activities:</u>					
Governmental Funds -					
2011 Capital Improvement					
Bonds	\$10,975,000	\$ -	\$ 1,500,000	\$ 9,475,000	\$ 1,500,000
2004 Building Authority					
Refunding Bonds	185,000	-	185,000	-	-
Accrued Claims Liability	151,224	287,490	322,093	116,621	25,000
Accrued Vacation	482,614	498,345	482,614	498,345	498,345
Amounts For - Issuance Premium	165,889	-	33,435	132,454	22,074
Total Governmental Funds	11,959,727	785,835	2,523,142	10,222,420	2,045,419
Internal Service Funds -					
Workers' Compensation					
Accrued Claims Liabilities	50,000	178,450	133,450	95,000	85,000
Total Governmental Activities	12,009,727	964,285	2,656,592	10,317,420	2,130,419
<u>Business-type Activities:</u>					
Medical Care Facility -					
Accrued Claims Liabilities	417,000	1,395,841	1,362,655	450,186	270,000
Accrued Vacation and Sick	320,912	265,967	320,912	265,967	132,984
Total Business-type Activities	737,912	1,661,808	1,683,567	716,153	402,984
Total Primary Government	\$12,747,639	\$ 2,626,093	\$ 4,340,159	\$11,033,573	\$ 2,533,403

# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2014

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

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

#### 2011 Capital Improvement Bonds -

The County issued \$14,475,000 of General Obligation Limited Tax Bonds, pursuant to the provisions of Act 34, Public Acts of Michigan of 2001. 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 \$1,975,000 through April 1, 2020 with interest ranging from 3.125% to 4.0%, payable semi-annually.

\$ 9,475,000

#### Accrued Claims Liability -

The County has estimated an accrued claims liability for its employees, including an estimate for claims incurred but not reported (IBNR), administered through Michigan Municipal Risk Management Authority. The dollar amount of these estimated claims is \$116,621 at December 31, 2014.

The County has estimated accrued outstanding workers' compensation insurance claims including an estimate for the claims incurred but not reported (IBNR) at December 31, 2014. The dollar amount of these claims reported as a liability on the statement of net position of the Workers' Compensation Fund is \$95,000 at December 31, 2014.

The Medical Care Facility has estimated accrued outstanding workers' compensation insurance claims including an estimate for the claims incurred but not reported (IBNR) at December 31, 2014. The dollar amount of these claims reported as a liability on the statement of net position of the Medical Care Facility (Enterprise) Fund is \$450,186 at December 31, 2014.

**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. Accrued vacation and sick of \$265,967 has been recorded as a long-term liability in the Medical Care Facility (Enterprise) Fund. The governmental funds' portion of \$498,345 has been recorded in the government-wide financial statements as a long-term liability and is generally liquidated by the General Fund or the fund where the employee salary is charged.

Annual debt service requirements to maturity for the following bonds of the Primary Government (Governmental Activities) is as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>
2015	\$ 1,500,000	\$ 333,063
2016	1,500,000	284,313
2017	1,500,000	229,000
2018	1,500,000	169,000
2019	1,500,000	109,000
2020	<u>1,975,000</u>	<u>39,500</u>
	<u>\$ 9,475,000</u>	<u>\$ 1,163,876</u>

# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2014

### 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, 2014 and Board of Public Works and Drainage Districts for the year ended December 31, 2014:

	Balance October 1, 2013	Additions	Reductions	Balance September 30, 2014	Due Within One Year
<b>Road Commission -</b>					
Accrued Vacation	\$ 154,676	\$ 163,936	\$ 154,676	\$ 163,936	\$ -
Other Postemployment Benefits	<u>4,366,333</u>	<u>970,018</u>	<u>398,548</u>	<u>4,937,803</u>	<u>-</u>
Total Road Commission	<u>4,521,009</u>	<u>1,133,954</u>	<u>553,224</u>	<u>5,101,739</u>	<u>-</u>
	Balance January 1, 2014	Additions	Reductions	Balance December 31, 2014	Due Within One Year
<b>Board of Public Works -</b>					
General Obligation Bonds	1,130,000	-	230,000	900,000	100,000
State of Michigan Revolving Loans	2,479,069	-	175,000	2,304,069	180,000
Amount for - Bond Premium	<u>14,965</u>	<u>-</u>	<u>3,120</u>	<u>11,845</u>	<u>3,120</u>
Total Board of Public Works	<u>3,624,034</u>	<u>-</u>	<u>408,120</u>	<u>3,215,914</u>	<u>283,120</u>
<b>Drainage Districts -</b>					
Drainage Bonds	2,364,015	-	299,768	2,064,247	304,768
Note payable	<u>510,000</u>	<u>-</u>	<u>124,648</u>	<u>385,352</u>	<u>126,530</u>
Total Drainage District	<u>2,874,015</u>	<u>-</u>	<u>424,416</u>	<u>2,449,599</u>	<u>431,298</u>
Total Component Units	<u>\$ 11,019,058</u>	<u>\$ 1,133,954</u>	<u>\$ 1,385,760</u>	<u>\$10,767,252</u>	<u>\$ 714,418</u>

#### Road Commission

##### 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 amounts to \$163,936 at September 30, 2014.

##### Other Postemployment Benefits

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

## **LAPEER COUNTY, MICHIGAN**

### **NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2014**

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

##### **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.

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.

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). Principal on bonds is due December 1 of each year through December 1, 2022 with interest due semi-annually with rates ranging from 3.00-4.00%.

##### **State of Michigan Revolving Loans**

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.

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:

##### **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 through April 1, 2019, in amounts ranging from \$55,000 to \$65,000 with interest of 2.50% payable semi-annually on April 1 and October 1 of each year.

# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2014

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

#### **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, 2013, Lapeer County Board of Public Works has drawn \$2,017,030 from the authorized amount. The principal payments are due in annual installments through October 1, 2028, in amounts ranging from \$90,000 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, 2012, Lapeer County Board of Public Works has drawn \$694,868 from the authorized amount. The principal payments are due in annual installments through October 1, 2027, in amounts ranging from \$35,000 to \$40,000 with interest of 2.125% payable semi-annually on April 1 and October 1 of each year.

The State of Michigan Drinking Water Revolving Loans outstanding at December 31, 2014 are as follows:

	<u>Interest Rate</u>	
1998 Water System (Village of Dryden)	2.50 %	\$ 306,507
2007 Water System (Village of Almont)	2.125	1,512,694
2007 Water System (Village of Dryden)	2.125	<u>484,868</u>
		<u>\$ 2,304,069</u>

Annual debt service requirements to maturity for the general obligation bonds and loans are as follows:

<u>Year Ending December 31,</u>	<u>G.O. Bonds</u>		<u>Water Revolving Loans</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2015	\$ 100,000	\$ 31,519	\$ 180,000	\$ 49,423
2016	100,000	28,519	190,000	45,330
2017	105,000	25,519	195,000	41,005
2018	110,000	22,369	200,000	36,617
2019	110,000	17,969	196,507	32,167
2020-2024	375,000	26,887	735,000	112,576
2025-2028	<u>-</u>	<u>-</u>	<u>607,562</u>	<u>31,141</u>
	<u>\$ 900,000</u>	<u>\$ 152,782</u>	<u>\$ 2,304,069</u>	<u>\$ 348,259</u>

# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2014

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

#### Drainage Districts

#### Drainage Bonds

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, Public 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.

On November 1, 2001, the County issued \$525,000 in bonds in connection with the Winn Lake Drain District. The principal payments are due in annual installments on May 1 of \$30,000 through 2021 with interest ranging from 5.15-5.60% due on May 1 and November 1 of each year.

On March 29, 2005, the County issued \$2,830,000 in bonds in connection with the Imlay-Bigelow Drain Branches Drainage Districts. The principal payments are due in annual installments on June 1, ranging from \$125,000 to \$150,000 through 2025, with interest ranging from 4.25% to 4.7% due on June 1 and December 1 of each year.

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 payments on the bonds are due on June 1 through 2017 with interest due semi-annually with interest ranging from 5.0% to 6.0%.

The balances of outstanding Drainage Bonds at December 31, 2014 are as follows:

	<u>Interest Rate</u>	
<b>Governmental Activities -</b>		
Drainage Bonds -		
Winn Lake District	5.15 - 5.60	\$ 210,000
Imlay-Bigelow and Branches Drainage District	4.25 - 4.70	1,480,000
South Branch of Mill Creek Inter-County Drain	5.00 - 6.00	<u>374,247</u>
		<u>\$ 2,064,247</u>

# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2014

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

#### Note Payable

On January 1, 2013 the Talmage Drain Drainage District entered into a promissory note with the Delinquent Tax Fund of the primary government in accordance with provisions of Act No. 40 of the Michigan Public Acts of 1956 as amended by Act No. 71 of the Public Acts of 1976 to finance improvements to the drain. Repayment of the promissory note will be made from special assessments against property owners and public corporations within the Drainage District. The balance at December 31, 2014 was \$385,352 with interest at a 5% annual rate.

Annual debt service requirements to maturity for the general obligation bonds and note are as follows:

Year Ended December 31,	Drainage Bonds		Note Payable	
	Principal	Interest	Principal	Interest
2015	\$ 304,762	\$ 83,018	\$ 126,530	\$ 4,913
2016	304,762	71,188	128,441	3,002
2017	304,723	60,483	130,381	1,062
2018	180,000	48,685	-	-
2019	160,000	40,997	-	-
2020-2024	685,000	103,666	-	-
2025	125,000	2,938	-	-
	<u>\$ 2,064,247</u>	<u>\$ 410,975</u>	<u>\$ 385,352</u>	<u>\$ 8,977</u>

### NOTE 9 - RETIREMENT PLAN:

#### Primary Government

#### Plan Description -

Lapeer County, Michigan 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.

# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2014

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

#### Contribution and Funding Policy -

The Plan's funding policy provides for periodic employer contributions at actuarially determined rates that, expressed percentages of annual covered payroll for all eligible employees, are designed to accumulate sufficient assets to pay benefits when due. In 2014 the County made contributions at the actuarially determined rates plus additional lump-sum payments of \$1,716, 298 as described below.

Division	Actuarial Rate	Actual Contribution	
		Rate	Additional Lump-sum
Police/Sheriff	12.73%	12.73%	\$ 260,000
CMH Union	8.71	8.71	219,742
AFSCME	9.73	9.73	420,000
General Non Union	7.22	7.22	-
General Teamsters	8.64	8.64	520,000
Elected and Appointed			
Department Head	6.40	6.40	-
COAM/POAM Disp.	11.55	11.55	150,000
CMH Non Union	8.85	8.85	146,556
MCF Non Union	13.98	13.98	-
S.T.A.R.S.	7.76	7.76	-

The members contributed at actuarially determined rates between 1.00-2.53%. These rates are applied to eligible compensation. The contribution requirements of the plan members and the County are established and may be amended by the County, depending on the MERS contribution program adopted by the County.

For the year ended December 31, 2014, the County's annual pension cost was \$2,630,248. The County's required and actual contributions were \$2,598,958 and \$4,307,154, respectively. The required contribution was determined as part of the December 31, 2012 actuarial valuation using the entry age normal 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 using techniques that smooth the effect of short-term volatility in the market value of investments over a 10 year period. The County's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis with a remaining amortization period of 26 years.



# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2014

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

#### Annual Pension Cost and Net Pension Asset -

The County's annual pension cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined. 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 of 26 years. The annual pension cost for the year, the amount actually contributed, and changes in the net pension asset are as follows:

Annual required contribution	\$ 2,598,958
Interest on net pension asset	( 200,139)
ARC adjustment	<u>231,429</u>
Annual pension cost	2,630,248
Contributions made	( 4,307,154)
Increase in net pension asset	( 1,676,906)
Net pension asset – beginning of year	<u>( 2,501,742)</u>
Net pension asset – end of year	<u><u>\$ ( 4,178,648)</u></u>

#### Schedule of Funding Progress -

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll [(b-a)/c]
12/31/12	\$ 81,065,887	\$ 89,282,225	\$ 8,216,338	90.8 %	\$ 25,902,816	32 %
12/31/13	84,858,437	94,903,895	10,045,458	89.4	25,830,762	39
12/31/14	89,811,826	101,824,866	12,013,040	88.2	26,625,465	45

#### Schedule of Employer Contributions -

##### Primary Government

Year Ended December 31,	Annual Pension Cost	Percentage Contributed	Change in Net Pension Asset	Net Pension Asset
2012	\$ 2,484,412	100 %	\$( 1,995)	\$ 2,422,778
2013	2,532,923	103	78,964	2,501,742
2014	2,630,248	164	1,676,906	4,178,648

#### Component Units -

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, 2014, employer contributions totaling \$583,057 were made in accordance with contribution requirements determined by an actuarial valuation of the plan as of December 31, 2012. 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.

The Board of Public Works, Drainage Districts, and Land Bank Authority are included in the County MERS plan and salaries and benefits for the employees of these component units are budgeted within departments of the Primary Government.

## **LAPEER COUNTY, MICHIGAN**

### **NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2014**

#### **NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS:**

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

The County sponsors a defined contribution plan known as the Lapeer County Retiree Health Care Plan and is available to all full-time employees to provide resources for postemployment health care expenses. The County provides a basic contribution of \$30 per month per individual into an account in the employee's name. The Plan assets are maintained and invested at MERS in a Section 115 trust account. 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. Employer contributions to participant accounts of \$370,141 were made for the year ended December 31, 2014. The Medical Care Facility made a separate contribution to the Plan of \$73,050 for the year ended December 31, 2014. The County obligation is limited to the amount of employer contributions provided to the Plan.

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

##### **Plan Description -**

The 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' collective bargaining units.

The Retiree Health Plan does not issue a separately audited financial statement.

##### **Contribution and 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. The County Road Commission can periodically make contributions to an irrevocable trust to provide advance funds for these benefits which are counted towards the ARC contribution. During the year ended September 30, 2014, employer contributions of \$398,548 were made by the Road Commission. The alternative measurement method dated September 30, 2014 determined an annual required contribution of \$962,213.

##### **Actuarial Methods and Assumptions -**

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

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

# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2014

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

The benefit costs were developed using the entry age cost method. The assumptions included (a) 4.0% investment rate of return, (b) 4.0% discount rate, (c) projected health care premium increases of 0% increasing to 6.6% after 6 years, (d) life expectancies based on United States Life Tables - 2007 version, and (e) assumed retirement at the first subsequent year in which the member would qualify for benefits. The plan's unfunded actuarial liability is being amortized by level percent of payroll contributions over 30 years on an open period.

#### 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	\$ 962,213
Interest on net OPEB obligation	174,653
Adjustment to annual required contribution	( 166,848)
Annual OPEB cost (expense)	970,018
Contributions made	( 398,548)
Increase in net OPEB obligation	571,470
Net OPEB obligation – beginning of year	<u>4,366,333</u>
Net OPEB obligation – end of year	<u>\$ 4,937,803</u>

#### Schedule of Employer Contributions -

Year Ended September 30,	Annual OPEB Cost	Percentage Contributed	Change in Net OPEB Obligation	Net OPEB Obligation
2012	\$ 996,636	33 %	\$ 671,463	\$ 3,687,771
2013	1,000,950	32	678,562	4,366,333
2014	970,018	41	571,470	4,937,803

#### Schedule of Funding Progress -

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll [(b-a)/c]
12/31/2008	\$ -	\$ 11,116,553	\$ 11,116,553	0.00 %	\$ 2,776,247	400 %
12/31/2011	10,084	12,287,321	12,277,237	0.08	2,636,426	466
9/30/2014*	20,341	9,782,390	9,762,049	0.21	2,838,141	343

\* The interest rate and discount rate assumptions were reduced.

#### 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.

## **LAPEER COUNTY, MICHIGAN**

### **NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2014**

#### **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 Single Audit of the federal programs and the periodic program compliance audits of many of the 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 workers' 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 workers' 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 \$450,000 per occurrence. 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.

In addition, the Primary Government 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.

# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2014

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

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 per Occurrence</u>
General and Auto Liability	\$ 75,000
Vehicle Physical Damage	15,000 per vehicle 30,000 per occurrence
Property and Crime	1,000 per occurrence, plus 10% 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 2014, the Stop Loss Program limited the retention for Lapeer County to \$278,000 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 reserve 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.

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

	<u>General Fund</u>		<u>Workers' Compensation</u>		<u>Medical Care Facility</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Unpaid claims, beginning of year	\$ 151,224	\$ 67,000	\$ 50,000	\$ 140,000	\$ 417,000	\$ 440,682
Incurred claims (including IBNR's)	287,490	108,788	178,450	448,101	1,395,841	1,066,313
Claims Paid	( 322,093)	( 24,564)	( 133,450)	( 538,101)	( 1,362,655)	( 1,089,995)
Unpaid claims, end of year	116,621	151,224	95,000	50,000	450,186	417,000
Less current portion	( 25,000)	( 25,000)	( 85,000)	( 14,000)	( 270,000)	( 150,000)
Long-term Liabilities	<u>\$ 91,621</u>	<u>\$ 126,224</u>	<u>\$ 10,000</u>	<u>\$ 36,000</u>	<u>\$ 180,186</u>	<u>\$ 267,000</u>

# **LAPEER COUNTY, MICHIGAN**

## **NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2014**

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

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

The Road Commission is exposed to various risks of loss related to life, disability, and health insurance, automobile liability, error and 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 - 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, these 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.

### **NOTE 14 - NET POSITION/FUND BALANCE:**

#### **NET INVESTMENT IN CAPITAL ASSETS -**

##### **Governmental Activities:**

Capital Assets			\$ 24,995,055
Less related debt -			
2011 G.O. Bonds	\$( 9,475,000)		
Unspent portion of 2011 G.O. Bonds	<u>2,482,829</u>	( 6,992,171)	
Bond premium		<u>( 132,454)</u>	
			<u>\$ 17,870,430</u>

##### **Business-type Activities:**

Capital Assets			<u>\$ 14,127,443</u>
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# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2014

### NOTE 14 - NET POSITION/FUND BALANCE - (cont'd):

#### RESTRICTED FUND BALANCE/NET POSITION -

The fund balance and net position of the Primary Government have been restricted for the following purposes at December 31, 2014:

	Enabling Legislation	Other	Total
<b>Governmental Activities:</b>			
Acquisition/construction of capital assets:			
E-911 Construction	\$ -	\$ 2,482,829	\$ 2,482,829
Old Courthouse	-	8,097	<u>8,097</u>
			<u>2,490,926</u>
Debt Service:			
E-911	1,548,959	-	<u>1,548,959</u>
Health and Welfare:			
Community Mental Health	-	136,862	136,862
Community Development	-	49,175	49,175
Senior Millage	199,917	-	199,917
Soldiers' Relief	164,601	-	164,601
Veterans' Trust	-	2,100	2,100
Lapeer Family Continuation Coordinator		1,855	<u>1,855</u>
			<u>554,510</u>
Public Safety:			
E-911	1,106,638	-	1,106,638
Thumb Narcotics Unit	-	250,115	250,115
Law Enforcement - Other	-	83,050	<u>83,050</u>
			<u>1,439,803</u>
General Government:			
Budget Stabilization	2,560,317	-	2,560,317
Register of Deeds	570,224	-	<u>570,224</u>
			<u>3,130,541</u>
Other:			
Polly Ann Trail	-	618	618
Friend of Court	-	25,191	25,191
Family Marriage Counseling	66,307	-	66,307
County Surveyor	-	12,812	<u>12,812</u>
			<u>104,928</u>
Total Restricted Fund Balance - Governmental Funds			9,269,667
Unspent Bond Proceeds	-	( 2,482,829)	( 2,482,829)
Nonspendable -			
E-911	52,387	-	<u>52,387</u>
Total Restricted Net Position - Governmental Activities			<u>\$ 6,839,225</u>
<b>Business-type Activities</b>			
Other:			
Foreclosure sales	\$ 2,438,415	\$ -	<u>\$ 2,438,415</u>

# LAPEER COUNTY, MICHIGAN

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2014

### NOTE 14 - NET POSITION/FUND BALANCE - (cont'd):

#### COMMITTED FUND BALANCES -

At December 31, 2014, the County Controller/Administrator had committed the following fund balances:

#### Major Funds -

##### General Fund -

##### General Government -

Local Reserve	\$ 3,762,680
Emergency Disaster	34,100
Rental Property	<u>24,247</u>
	3,821,027

##### Community Mental Health -

Health and Welfare	1,583,632
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#### Nonmajor Funds -

##### Judicial -

Law Library	30,295
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##### Public Safety -

Animal Control	135,510
Emergency Management	41,629
Community Grants	1,560
Police Service Contracts	108,283
Law Enforcement Programs	160,582
Law Enforcement	98,427

##### Health and Welfare -

Health Department	554,245
Personal Care Aide Program	6,027
Environment/Recycling	10,000
Department of Human Services	31,307
Child Care	648,788
Multi-Purpose Collaborative Body	7,047

##### Recreation and Cultural -

Parks Department	3,543
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##### Acquisition/Construction of Capital Assets -

Jail	629,558
Capital Construction/Improvement	<u>30,000</u>

Total Committed Fund Balance	<u>\$ 7,901,460</u>
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**LAPEER COUNTY, MICHIGAN**

**NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2014**

**NOTE 15 - EFFECT OF UPCOMING CHANGES IN ACCOUNTING PRONOUNCEMENTS:**

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, will become effective for the County's December 31, 2015 fiscal year. These statements will require the recognition of a net pension liability equal to the unfunded portion of the County's defined benefit plan, as defined and calculated in accordance with the new standards. The net pension liability is the difference between the total pension liability (the present value of projected benefit payments to employees based on their past service) and the assets (mostly investments reported at fair value) set aside in a trust and restricted to paying benefits to current employees, retirees, and their beneficiaries. While the exact amount of this liability is not readily determinable at this time, management estimates that it may approximate \$12,000,000 for the County's MERS defined benefit pension plan. The new standards will require the net pension liability to be recorded for the year ending December 31, 2015, by restating beginning net position as of January 1, 2015.

## **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, 2014**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 9,067,000	\$ 9,584,918	\$ 9,905,240	\$ 320,322
Licenses and permits	22,030	22,030	60,335	38,305
Intergovernmental	2,445,739	2,743,105	2,881,812	138,707
Charges for services	2,043,495	2,175,370	2,127,751	( 47,619)
Fines and forfeits	193,550	210,883	202,479	( 8,404)
Interest and rent	320,712	320,712	329,596	8,884
Other	2,766,500	2,766,500	2,906,648	140,148
Total Revenues	16,859,026	17,823,518	18,413,861	590,343
<b>Expenditures:</b>				
<b>Legislative:</b>				
Board of Commissioners	285,617	287,039	281,705	5,334
<b>Judicial:</b>				
Circuit Court	1,094,961	1,665,889	1,543,630	122,259
District Court	1,494,687	1,494,687	1,485,651	9,036
Jury Board	4,257	4,561	4,560	1
Indigent Counsel	423,943	543,868	543,859	9
Probate Court	560,928	-	-	-
Adult Probation	24,976	24,976	23,612	1,364
	3,603,752	3,733,981	3,601,312	132,669
<b>General Government:</b>				
Administrative	224,310	228,573	223,289	5,284
Elections	122,574	147,985	194,510	( 46,525)
Professional Services	253,706	249,377	151,966	97,411
County Clerk	583,333	588,833	589,075	( 242)
Tax Equalization	242,622	244,779	244,618	161
Prosecuting Attorney	1,171,061	1,171,061	1,151,145	19,916
Register of Deeds	292,975	297,304	296,980	324
County Treasurer	373,571	373,571	363,676	9,895
Computer Operations	220,059	220,059	199,549	20,510
Accounting	359,193	359,193	336,290	22,903
Building Operations	406,609	406,609	384,460	22,149
Building and Grounds	743,775	765,775	742,073	23,702
Drain Commissioner	322,840	324,189	266,340	57,849
Boundary Commission	400	400	-	400
	5,317,028	5,377,708	5,143,971	233,737

Continued

**LAPEER COUNTY, MICHIGAN**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Public Safety:</b>				
Sheriff	\$ 2,835,117	\$ 2,845,233	\$ 2,883,958	\$( 38,725)
Criminal Justice Training	9,500	9,500	9,411	89
Jail/Feeding Prisoners	3,054,493	3,055,618	3,099,927	( 44,309)
Livestock Claims	1,000	1,000	-	1,000
Planning Commission	2,072	17,072	8,457	8,615
PLAT Board	597	597	-	597
	<u>5,902,779</u>	<u>5,929,020</u>	<u>6,001,753</u>	<u>( 72,733)</u>
<b>Public Works:</b>				
Road Commission	225,500	227,937	227,937	-
Drains - County at Large	140,000	140,000	112,628	27,372
	<u>365,500</u>	<u>367,937</u>	<u>340,565</u>	<u>27,372</u>
<b>Health and Welfare:</b>				
Medical Examiner	64,727	85,597	76,455	9,142
Lapeer Development Corporation	10,000	10,000	10,000	-
	<u>74,727</u>	<u>95,597</u>	<u>86,455</u>	<u>9,142</u>
<b>Recreation and Cultural:</b>				
Cooperative Extension	<u>214,786</u>	<u>214,786</u>	<u>211,761</u>	<u>3,025</u>
<b>Other:</b>				
Bonds and Insurance	484,193	484,193	393,824	90,369
Memberships and Dues	14,800	14,800	14,269	531
Contingency	343,540	-	-	-
	<u>842,533</u>	<u>498,993</u>	<u>408,093</u>	<u>90,900</u>
 Total Expenditures	 <u>16,606,722</u>	 <u>16,505,061</u>	 <u>16,075,615</u>	 <u>429,446</u>
 Revenues over expenditures	 <u>252,304</u>	 <u>1,318,457</u>	 <u>2,338,246</u>	 <u>1,019,789</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, 2014**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Other Financing Sources (Uses):</b>				
Transfer In	\$ 1,860,340	\$ 1,860,340	\$ 1,850,000	\$ ( 10,340)
Transfers Out				
Special Revenue Funds -				
Parks Department	-	-	( 16,164)	( 16,164)
Friend of the Court	( 280,000)	( 289,000)	( 289,000)	-
Health Department -				
Operations	( 370,000)	( 370,000)	( 370,000)	-
Liquor tax	( 139,000)	( 432,277)	( 430,758)	1,519
Mental Health	( 202,900)	( 202,900)	( 202,900)	-
Animal Control	( 30,000)	( 30,000)	( 15,000)	15,000
Environment/Recycling	( 400)	( 10,000)	( 10,000)	-
Emergency Management	( 49,000)	( 40,000)	( 39,198)	802
Community Corrections	( 47,106)	( 40,669)	( 26,994)	13,675
Police Service Contracts	( 329,205)	( 329,206)	( 321,831)	7,375
Law Enforcement Programs	( 4,008)	( 4,008)	( 4,008)	-
Law Enforcement	( 71,965)	( 71,965)	( 68,923)	3,042
Law Library	( 4,500)	( 4,500)	( 4,500)	-
Community Development	( 49,102)	( 55,539)	( 55,684)	( 145)
Department of Human Services	( 21,135)	( 21,135)	-	21,135
Child Care	( 475,823)	( 475,823)	( 438,590)	37,233
Multi Purpose Collaborative Body	( 18,500)	( 18,500)	( 18,500)	-
Internal Service Funds -				
Equipment Acquisition & Replacement	( 20,000)	( 763,724)	( 763,723)	1
Retirement	-	( 260,000)	( 260,000)	-
Public Employee Health Care	-	( 589,795)	( 589,795)	-
Total Transfers Out	( 2,112,644)	( 4,009,041)	( 3,925,568)	83,473
Total Other Financing Sources (Uses)	( 252,304)	( 2,148,701)	( 2,075,568)	73,133
Net Change in Fund Balance	-	( 830,244)	262,678	1,092,922
Fund Balance at beginning of year	5,825,292	5,825,292	5,825,292	-
Fund Balance at end of year	\$ 5,825,292	\$ 4,995,048	\$ 6,087,970	\$ 1,092,922

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

Net Change in General Fund Fund Balance - Budgetary Basis	\$ 262,678
Perspective difference -	
Other Budgeted Funds Net Change Allocated to the General Fund for GAAP-Basis General Fund	
Local Reserve	( 457)
Budget Stabilization	12,518
Emergency Disaster	-
Rental Property	8,160
Net Change in General Fund Fund Balance - GAAP-Basis	\$ 282,899

Concluded

# LAPEER COUNTY, MICHIGAN

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL - COMMUNITY MENTAL HEALTH FOR THE YEAR ENDED DECEMBER 31, 2014

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 2,252,288	\$ 2,373,630	\$ 2,240,208	\$( 133,422)
Charges for services	15,629,486	16,206,977	15,310,416	( 896,561)
Interest	2,750	1,750	802	( 948)
Other	250,906	244,906	254,110	9,204
Total Revenues	18,135,430	18,827,263	17,805,536	( 1,021,727)
<b>Expenditures:</b>				
Health and Welfare	18,338,330	19,030,163	17,954,071	1,076,092
Revenues under expenditures	( 202,900)	( 202,900)	( 148,535)	54,365
<b>Other Financing Sources (Uses):</b>				
Transfers in	202,900	202,900	202,900	-
Transfers out	-	-	( 100,000)	( 100,000)
Total Other Financing Sources (Uses)	202,900	202,900	102,900	( 100,000)
Net Change in Fund Balance	-	-	( 45,635)	( 45,635)
Fund Balance at beginning of year	1,942,912	1,942,912	1,942,912	-
Fund Balance at end of year	<u>\$ 1,942,912</u>	<u>\$ 1,942,912</u>	<u>\$ 1,897,277</u>	<u>\$( 45,635)</u>

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

1. The General Fund budgetary comparison schedule (non-GAAP budgetary basis) on pages 70-72 is presented on the same basis of accounting as that used in preparing the adopted budget. The County budgets the activities of the Local Reserve Fund, Budget Stabilization Fund, Emergency Disaster Fund and Rental Property Fund separately from the General Fund. However, the activities of the above mentioned funds are combined with the General Fund non-GAAP budgetary basis presentation to establish for financial reporting purposes the GAAP basis General Fund basic financial statement as required by GASB No. 54.
2. The budget for the Community Mental Health Fund (major special revenue fund) shown above as required supplementary information was 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.

## **SUPPLEMENTARY INFORMATION**

# LAPEER COUNTY, MICHIGAN

## COMBINING BALANCE SHEET GENERAL FUND DECEMBER 31, 2014

	General Fund (Budgetary Basis)	Local Reserve	Budget Stabilization	Emergency Disaster
<b>Assets:</b>				
Cash and cash equivalents	\$( 2,317,712)	\$ 1,749,357	\$ 509,954	\$ 34,100
Investments	10,632,317	2,011,791	2,122,791	-
Receivables -				
Property taxes	1,061,033	-	-	-
Accounts and interest	23,118	1,532	7,277	-
Due from other governmental units	319,394	-	-	-
Due from other funds	110	-	-	-
Intrafund receivables	79,705	-	( 79,705)	-
Advances to other funds	25,000	-	-	-
Advances to component units	90,000	-	-	-
Prepaid items	178,341	-	-	-
	<u>\$ 10,091,306</u>	<u>\$ 3,762,680</u>	<u>\$ 2,560,317</u>	<u>\$ 34,100</u>
Total Assets				
	<u>\$ 10,091,306</u>	<u>\$ 3,762,680</u>	<u>\$ 2,560,317</u>	<u>\$ 34,100</u>
<b>Liabilities:</b>				
Accounts payable	\$ 116,301	\$ -	\$ -	\$ -
Accrued liabilities	229,217	-	-	-
Due to other governmental units	533,392	-	-	-
Due to other funds	23,043	-	-	-
Interfund payables	3,101,383	-	-	-
Total Liabilities	<u>4,003,336</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance:</b>				
Nonspendable - advances/prepays	293,341	-	-	-
Restricted	-	-	2,560,317	-
Committed	-	3,762,680	-	34,100
Unassigned	5,794,629	-	-	-
Total Fund Balance	<u>6,087,970</u>	<u>3,762,680</u>	<u>2,560,317</u>	<u>34,100</u>
Total Liabilities and Fund Balance	<u>\$ 10,091,306</u>	<u>\$ 3,762,680</u>	<u>\$ 2,560,317</u>	<u>\$ 34,100</u>



Rental Property	General Fund (GAAP-Basis)
\$ 24,301	\$ -
-	14,766,899
-	1,061,033
-	31,927
-	319,394
-	110
-	-
-	25,000
-	90,000
-	178,341
<u>\$ 24,301</u>	<u>\$ 16,472,704</u>

\$ 54	\$ 116,355
-	229,217
-	533,392
-	23,043
-	3,101,383
<u>54</u>	<u>4,003,390</u>

-	293,341
-	2,560,317
24,247	3,821,027
-	5,794,629
<u>24,247</u>	<u>12,469,314</u>
<u>\$ 24,301</u>	<u>\$ 16,472,704</u>

# LAPEER COUNTY, MICHIGAN

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

### GENERAL FUND

**FOR THE YEAR ENDED DECEMBER 31, 2014**

	General Fund (Budgetary - Basis)	Local Reserve	Budget Stabilization	Emergency Disaster
<b>Revenues:</b>				
Taxes	\$ 9,905,240	\$ -	\$ -	\$ -
Licenses and permits	60,335	-	-	-
Intergovernmental	2,881,812	-	-	-
Charges for services	2,127,751	-	-	-
Fines and forfeits	202,479	-	-	-
Rents	171,492	-	-	-
Interest	158,104	( 457)	12,518	-
Other	2,906,648	-	-	-
Total Revenues	<u>18,413,861</u>	<u>( 457)</u>	<u>12,518</u>	<u>-</u>
<b>Expenditures:</b>				
Current -				
Legislative	281,705	-	-	-
Judicial	3,601,312	-	-	-
General Government	5,143,971	-	-	-
Public Safety	6,001,753	-	-	-
Public Works	340,565	-	-	-
Health and Welfare	86,455	-	-	-
Recreation and Cultural	211,761	-	-	-
Other Activities	408,093	-	-	-
Total Expenditures	<u>16,075,615</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>2,338,246</u>	<u>( 457)</u>	<u>12,518</u>	<u>-</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in	1,850,000	-	-	-
Transfers out	( 3,925,568)	-	-	-
Total Other Financing Sources (Uses)	<u>( 2,075,568)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	262,678	( 457)	12,518	-
Fund Balances at beginning of year	<u>5,825,292</u>	<u>3,763,137</u>	<u>2,547,799</u>	<u>34,100</u>
Fund Balances at end of year	<u><u>\$ 6,087,970</u></u>	<u><u>\$ 3,762,680</u></u>	<u><u>\$ 2,560,317</u></u>	<u><u>\$ 34,100</u></u>

<u>Rental Property</u>	<u>General Fund (GAAP-Basis)</u>
\$ -	\$ 9,905,240
-	60,335
-	2,881,812
-	2,127,751
-	202,479
17,466	188,958
-	170,165
-	2,906,648
<u>17,466</u>	<u>18,443,388</u>

-	281,705
-	3,601,312
9,306	5,153,277
-	6,001,753
-	340,565
-	86,455
-	211,761
-	408,093
<u>9,306</u>	<u>16,084,921</u>
<u>8,160</u>	<u>2,358,467</u>

-	1,850,000
-	( 3,925,568)
-	( 2,075,568)
8,160	282,899
<u>16,087</u>	<u>12,186,415</u>
<u>\$ 24,247</u>	<u>\$ 12,469,314</u>

**LAPEER COUNTY, MICHIGAN**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - GAAP BASIS COMPONENTS OF THE GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Original/Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>LOCAL RESERVE</b>			
<b>Revenues:</b>			
Interest	\$ 1,266	\$ ( 457)	\$ ( 1,723)
Fund Balance at beginning of year	<u>3,763,137</u>	<u>3,763,137</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 3,764,403</u></u>	<u><u>\$ 3,762,680</u></u>	<u><u>\$ ( 1,723)</u></u>
<b>BUDGET STABILIZATION</b>			
<b>Revenues:</b>			
Interest	\$ -	\$ 12,518	\$ 12,518
Fund Balance at beginning of year	<u>2,547,799</u>	<u>2,547,799</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 2,547,799</u></u>	<u><u>\$ 2,560,317</u></u>	<u><u>\$ 12,518</u></u>
<b>EMERGENCY DISASTER</b>			
Net Change in Fund Balance	\$ -	\$ -	\$ -
Fund Balance at beginning of year	<u>34,100</u>	<u>34,100</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 34,100</u></u>	<u><u>\$ 34,100</u></u>	<u><u>\$ -</u></u>
<b>RENTAL PROPERTY</b>			
<b>Revenues:</b>			
Rent	\$ 15,000	\$ 17,466	\$ 2,466
<b>Expenditures:</b>			
General Government	<u>9,080</u>	<u>9,306</u>	<u>( 226)</u>
Net Change in Fund Balance	5,920	8,160	2,240
Fund Balance at beginning of year	<u>16,087</u>	<u>16,087</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 22,007</u></u>	<u><u>\$ 24,247</u></u>	<u><u>\$ 2,240</u></u>

Note: The schedules presented above provide the budgetary comparisons for the special revenue funds that are combined with the General Fund for the financial statement presentation required by GASB Statement No. 54.

## 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 or committed 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 charges for services. 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 operations of providing health protection and preventive health services. Financing is provided by state and federal grants, charges for services, licenses and permits 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. Other sources of support are provided by a transfer from the Senior Millage Fund.

**Environment/Recycling** - is used to account for the operations of providing services associated with the control of environment recycling of solid waste, clean sweep and waste management within the County.

**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 and is funded primarily by licenses and fees.

**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 charges for services 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.

**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.

**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 charges for services.

**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 services 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 and charges for services.

**Veterans' Trust** - is used to account for the operations of providing aid to veterans. This fund is required by state law and financed by state grants.

**Soldiers' Relief** - is used to account for an ad valorem voted property tax millage to provide programs for veterans.

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

**Soil and Sedimentation** - is used to account for operations of providing soil and sedimentation enforcement and inspection services. Financing is provided by permits, fines and General Fund appropriations.

The remaining special revenue funds are Community Grants, Thumb Narcotics Unit, Police Service Contracts, Law Enforcement Programs, Law Enforcement, Multi Purpose Collaborative Body, Lapeer Family Continuation Coordinator, and Mental Health Court. These funds are utilized to maintain various programs and activities financed primarily with federal and state grants, charges for services and fines and forfeits.

### **DEBT SERVICE FUND**

The Debt Service Fund of the County is used to account for all restricted financial resources for the payment of general long-term debt principal, interest and related costs. 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 restricted resources to be used for the acquisition or construction of capital assets. The Capital Projects Funds of the County are as follows:

**E-911 Construction** - is used to account for the accumulation of bond proceeds and earnings to finance the cost of acquiring and updating facilities and equipment associated with the E-911 Central Dispatch System.

**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 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, 2014**

	Special Revenue Funds				
	Parks Department	Polly Ann Trail	E-911	Friend of the Court	Family Marriage Counseling
<b>Assets:</b>					
Cash and cash equivalents	\$ 28,620	\$ 618	\$ 742,425	\$ -	\$ 66,307
Receivables (net of allowance) -					
Property taxes	-	-	-	-	-
Accounts and interest	-	-	345,533	-	-
Due from other governmental units	-	-	62,286	130,746	-
Inventory	-	-	-	-	-
Prepaid items	-	-	52,387	-	-
	<u>-</u>	<u>-</u>	<u>52,387</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 28,620</u>	<u>\$ 618</u>	<u>\$ 1,202,631</u>	<u>\$ 130,746</u>	<u>\$ 66,307</u>
<b>Liabilities:</b>					
Accounts payable	\$ 77	\$ -	\$ 3,617	\$ 5,925	\$ -
Accrued liabilities	-	-	36,195	24,821	-
Due to other governmental units	-	-	-	-	-
Due to other funds	-	-	3,794	1,976	-
Interfund payables	-	-	-	72,833	-
Advances from other funds	25,000	-	-	-	-
Unearned revenues	-	-	-	-	-
Total Liabilities	<u>25,077</u>	<u>-</u>	<u>43,606</u>	<u>105,555</u>	<u>-</u>
<b>Deferred Inflows of Resources:</b>					
Unavailable revenue - revolving loans	-	-	-	-	-
Taxes levied for subsequent period	-	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance:</b>					
Nonspendable - inventory/prepays	-	-	52,387	-	-
Restricted	-	618	1,106,638	25,191	66,307
Committed	3,543	-	-	-	-
Total Fund Balance	<u>3,543</u>	<u>618</u>	<u>1,159,025</u>	<u>25,191</u>	<u>66,307</u>
 Total Liabilities, Deferred Inflows of Resources and Fund Balance	 <u>\$ 28,620</u>	 <u>\$ 618</u>	 <u>\$ 1,202,631</u>	 <u>\$ 130,746</u>	 <u>\$ 66,307</u>

Special Revenue Funds

Health Department	Personal Care Aide Program	Animal Control	Environment/ Recycling	County Surveyor	Register of Deeds Automation	Emergency Management
\$ 631,789	\$ -	\$ 218,138	\$ 10,000	\$ -	\$ 572,735	\$ 23,673
-	-	-	-	-	-	-
4,598	-	-	-	-	-	-
16,580	57,232	-	-	43,412	-	28,727
-	2,374	-	-	-	-	-
7,359	-	-	-	-	-	-
<u>\$ 660,326</u>	<u>\$ 59,606</u>	<u>\$ 218,138</u>	<u>\$ 10,000</u>	<u>\$ 43,412</u>	<u>\$ 572,735</u>	<u>\$ 52,400</u>
\$ 9,229	\$ 16,345	\$ 6,138	\$ -	\$ -	\$ 2,460	\$ 7,761
77,740	24,618	3,745	-	-	51	1,526
1,628	-	-	-	-	-	-
5,453	1,373	318	-	-	-	102
-	8,869	-	-	30,600	-	-
-	-	-	-	-	-	-
4,672	-	72,427	-	-	-	1,382
<u>98,722</u>	<u>51,205</u>	<u>82,628</u>	<u>-</u>	<u>30,600</u>	<u>2,511</u>	<u>10,771</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
7,359	2,374	-	-	-	-	-
-	-	-	-	12,812	570,224	-
554,245	6,027	135,510	10,000	-	-	41,629
<u>561,604</u>	<u>8,401</u>	<u>135,510</u>	<u>10,000</u>	<u>12,812</u>	<u>570,224</u>	<u>41,629</u>
<u>\$ 660,326</u>	<u>\$ 59,606</u>	<u>\$ 218,138</u>	<u>\$ 10,000</u>	<u>\$ 43,412</u>	<u>\$ 572,735</u>	<u>\$ 52,400</u>

Continued



**LAPEER COUNTY, MICHIGAN**

**COMBINING BALANCE SHEET**

**NONMAJOR GOVERNMENTAL FUNDS**

**DECEMBER 31, 2014**

	Special Revenue Funds				
	Community Grants	Thumb Narcotics Unit	Police Service Contracts	Law Enforcement Programs	Law Enforcement
<b>Assets:</b>					
Cash and cash equivalents	\$ -	\$ 249,213	\$ -	\$ 161,654	\$ 103,660
Receivables -					
Property taxes	-	-	-	-	-
Accounts and interest	-	-	-	-	-
Due from other governmental units	41,844	8,963	169,879	-	-
Inventory	-	-	-	-	-
Prepaid items	-	-	-	-	-
Total Assets	<u>\$ 41,844</u>	<u>\$ 258,176</u>	<u>\$ 169,879</u>	<u>\$ 161,654</u>	<u>\$ 103,660</u>
<b>Liabilities:</b>					
Accounts payable	\$ 6,106	\$ 8,061	\$ -	\$ 878	\$ 70
Accrued liabilities	3,951	-	35,560	172	4,616
Due to other governmental units	-	-	-	-	-
Due to other funds	-	-	4,441	22	547
Interfund payables	30,227	-	21,595	-	-
Advances from other funds	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Total Liabilities	<u>40,284</u>	<u>8,061</u>	<u>61,596</u>	<u>1,072</u>	<u>5,233</u>
<b>Deferred Inflows of Resources:</b>					
Unavailable revenue - revolving loans	-	-	-	-	-
Taxes levied for subsequent period	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance:</b>					
Nonspendable - inventory/prepays	-	-	-	-	-
Restricted	-	250,115	-	-	-
Committed	1,560	-	108,283	160,582	98,427
Total Fund Balance	<u>1,560</u>	<u>250,115</u>	<u>108,283</u>	<u>160,582</u>	<u>98,427</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 41,844</u>	<u>\$ 258,176</u>	<u>\$ 169,879</u>	<u>\$ 161,654</u>	<u>\$ 103,660</u>

Special Revenue Funds

Law Enforcement - Other	Law Library	Community Development	Department of Human Services	Child Care	Veterans' Trust	Soldiers' Relief	Multi-Purpose Collaborative Body
\$ 85,233	\$ 31,099	\$ 49,175	\$ 31,321	\$ 539,793	\$ 2,100	\$ 202,927	\$ 7,837
-	-	-	-	-	-	227,347	-
-	-	606,129	-	-	-	-	8,703
-	-	2,456	-	144,273	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 85,233</u>	<u>\$ 31,099</u>	<u>\$ 657,760</u>	<u>\$ 31,321</u>	<u>\$ 684,066</u>	<u>\$ 2,100</u>	<u>\$ 430,274</u>	<u>\$ 16,540</u>
\$ 2,183	\$ 804	\$ 2,456	\$ 14	\$ 28,291	\$ -	\$ 488	\$ -
-	-	-	-	6,547	-	3,276	1,898
-	-	-	-	-	-	-	-
-	-	-	-	440	-	279	95
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	7,500
-	-	-	-	-	-	-	-
<u>2,183</u>	<u>804</u>	<u>2,456</u>	<u>14</u>	<u>35,278</u>	<u>-</u>	<u>4,043</u>	<u>9,493</u>
-	-	606,129	-	-	-	-	-
-	-	-	-	-	-	261,630	-
-	-	606,129	-	-	-	261,630	-
-	-	-	-	-	-	-	-
83,050	-	49,175	-	-	2,100	164,601	-
-	30,295	-	31,307	648,788	-	-	7,047
<u>83,050</u>	<u>30,295</u>	<u>49,175</u>	<u>31,307</u>	<u>648,788</u>	<u>2,100</u>	<u>164,601</u>	<u>7,047</u>
<u>\$ 85,233</u>	<u>\$ 31,099</u>	<u>\$ 657,760</u>	<u>\$ 31,321</u>	<u>\$ 684,066</u>	<u>\$ 2,100</u>	<u>\$ 430,274</u>	<u>\$ 16,540</u>

Continued

**LAPEER COUNTY, MICHIGAN**

**COMBINING BALANCE SHEET**

**NONMAJOR GOVERNMENTAL FUNDS**

**DECEMBER 31, 2014**

	Special Revenue Funds				Debt Service Fund
	Senior Millage	Soil and Sedimentation	Lapeer Family Continuation Coordinator	Mental Health Court	Community Mental Health
<b>Assets:</b>					
Cash and cash equivalents	\$ 267,487	\$ 1,830	\$ 1,855	\$ -	\$ -
Receivables -					
Property taxes	584,924	-	-	-	-
Accounts and interest	-	-	-	-	-
Due from other governmental units	-	-	-	2,489	-
Inventory	-	-	-	-	-
Prepaid items	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 852,411</b>	<b>\$ 1,830</b>	<b>\$ 1,855</b>	<b>\$ 2,489</b>	<b>\$ -</b>
<b>Liabilities:</b>					
Accounts payable	\$ 140	\$ 98	\$ -	\$ -	\$ -
Accrued liabilities	-	1,584	-	415	-
Due to other governmental units	-	-	-	-	-
Due to other funds	-	148	-	28	-
Interfund payables	-	-	-	2,046	-
Advances from other funds	-	-	-	-	-
Unearned revenues	-	-	-	-	-
<b>Total Liabilities</b>	<b>140</b>	<b>1,830</b>	<b>-</b>	<b>2,489</b>	<b>-</b>
<b>Deferred Inflows of Resources:</b>					
Unavailable revenue - revolving loans	-	-	-	-	-
Taxes levied for subsequent period	652,354	-	-	-	-
	<u>652,354</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance:</b>					
Nonspendable - inventory/prepays	-	-	-	-	-
Restricted	199,917	-	1,855	-	-
Committed	-	-	-	-	-
<b>Total Fund Balance</b>	<b>199,917</b>	<b>-</b>	<b>1,855</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<b>\$ 852,411</b>	<b>\$ 1,830</b>	<b>\$ 1,855</b>	<b>\$ 2,489</b>	<b>\$ -</b>

Capital Project Funds

<u>E-911 Construction</u>	<u>Jail</u>	<u>Capital Construction/ Improvement</u>	<u>Old Courthouse</u>	<u>Total</u>
\$ 2,484,032	\$ 629,558	\$ 30,000	\$ 8,097	\$ 7,181,176
-	-	-	-	812,271
-	-	-	-	964,963
-	-	-	-	708,887
-	-	-	-	2,374
-	-	-	-	59,746
<u>\$ 2,484,032</u>	<u>\$ 629,558</u>	<u>\$ 30,000</u>	<u>\$ 8,097</u>	<u>\$ 9,729,417</u>
\$ 1,203	\$ -	\$ -	\$ -	\$ 102,344
-	-	-	-	226,715
-	-	-	-	1,628
-	-	-	-	19,016
-	-	-	-	166,170
-	-	-	-	32,500
-	-	-	-	78,481
<u>1,203</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>626,854</u>
-	-	-	-	606,129
-	-	-	-	913,984
-	-	-	-	1,520,113
-	-	-	-	62,120
2,482,829	-	-	8,097	5,023,529
-	629,558	30,000	-	2,496,801
<u>2,482,829</u>	<u>629,558</u>	<u>30,000</u>	<u>8,097</u>	<u>7,582,450</u>
<u>\$ 2,484,032</u>	<u>\$ 629,558</u>	<u>\$ 30,000</u>	<u>\$ 8,097</u>	<u>\$ 9,729,417</u>

Concluded

**LAPEER COUNTY, MICHIGAN**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Special Revenue Funds

	Parks Department	Polly Ann Trail	E-911	Friend of the Court	Family Marriage Counseling
<b>Revenues:</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	6,533
Intergovernmental	-	5,745	2,500	851,326	-
Charges for services	126,286	-	1,750,936	108,896	-
Fines and forfeits	-	-	-	-	-
Rents	25	-	16,172	-	-
Interest	-	-	914	-	-
Other	-	-	-	14	-
Total Revenues	<u>126,311</u>	<u>5,745</u>	<u>1,770,522</u>	<u>960,236</u>	<u>6,533</u>
<b>Expenditures:</b>					
Current -					
Judicial	-	-	-	1,261,479	2,356
General Government	-	-	-	-	-
Public Safety	-	-	1,737,590	-	-
Health and Welfare	-	-	-	-	-
Recreation and Cultural	142,475	5,998	-	-	-
Capital Outlay	-	-	-	-	-
Debt Service -					
Principal	-	-	-	-	-
Interest and charges	-	-	-	-	-
Total Expenditures	<u>142,475</u>	<u>5,998</u>	<u>1,737,590</u>	<u>1,261,479</u>	<u>2,356</u>
Revenues over (under) expenditures	<u>( 16,164)</u>	<u>( 253)</u>	<u>32,932</u>	<u>( 301,243)</u>	<u>4,177</u>
<b>Other Financing Sources (Uses):</b>					
Transfer In	16,164	-	-	289,000	-
Transfer Out	<u>-</u>	<u>-</u>	<u>( 150,000)</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>16,164</u>	<u>-</u>	<u>( 150,000)</u>	<u>289,000</u>	<u>-</u>
Net Change in Fund Balances	-	( 253)	( 117,068)	( 12,243)	4,177
Fund Balances at beginning of year	<u>3,543</u>	<u>871</u>	<u>1,276,093</u>	<u>37,434</u>	<u>62,130</u>
Fund Balances at end of year	<u>\$ 3,543</u>	<u>\$ 618</u>	<u>\$ 1,159,025</u>	<u>\$ 25,191</u>	<u>\$ 66,307</u>

Special Revenue Funds

Health Department	Personal Care Aide Program	Animal Control	Environment/ Recycling	County Surveyor	Register of Deeds Automation	Emergency Management
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
240,443	-	188,209	-	-	-	-
1,599,959	475,527	-	-	72,475	-	101,959
307,347	-	52,494	-	-	79,075	720
-	-	12,385	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	221	-
121,335	32,622	2,892	-	-	-	2,900
<u>2,269,084</u>	<u>508,149</u>	<u>255,980</u>	<u>-</u>	<u>72,475</u>	<u>79,296</u>	<u>105,579</u>
-	-	-	-	-	-	-
-	-	-	-	74,303	53,931	-
-	-	251,522	-	-	-	144,652
2,415,035	1,149,100	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>2,415,035</u>	<u>1,149,100</u>	<u>251,522</u>	<u>-</u>	<u>74,303</u>	<u>53,931</u>	<u>144,652</u>
( 145,951)	( 640,951)	4,458	-	( 1,828)	25,365	( 39,073)
620,670	648,971	15,000	10,000	-	-	39,198
-	-	-	-	-	-	-
<u>620,670</u>	<u>648,971</u>	<u>15,000</u>	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>39,198</u>
474,719	8,020	19,458	10,000	( 1,828)	25,365	125
86,885	381	116,052	-	14,640	544,859	41,504
<u>\$ 561,604</u>	<u>\$ 8,401</u>	<u>\$ 135,510</u>	<u>\$ 10,000</u>	<u>\$ 12,812</u>	<u>\$ 570,224</u>	<u>\$ 41,629</u>

Continued

# LAPEER COUNTY, MICHIGAN

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2014

### Special Revenue Funds

	Community Grants	Thumb Narcotics Unit	Police Service Contracts	Law Enforcement Programs	Law Enforcement
<b>Revenues:</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	7,650	-	-	-	-
Intergovernmental	232,233	50,359	-	26,947	86,025
Charges for services	56,952	-	963,833	1,772	18,893
Fines and forfeits	-	85,535	-	-	-
Rents	-	-	-	-	-
Interest	-	139	-	-	-
Other	1,530	21,713	-	4,653	-
Total Revenues	<u>298,365</u>	<u>157,746</u>	<u>963,833</u>	<u>33,372</u>	<u>104,918</u>
<b>Expenditures:</b>					
Current -					
Judicial	-	-	-	-	-
General Government	-	-	-	-	-
Public Safety	325,400	73,808	1,287,324	87,511	184,125
Health and Welfare	-	-	-	-	-
Recreation and Cultural	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Debt Service -					
Principal	-	-	-	-	-
Interest and charges	-	-	-	-	-
Total Expenditures	<u>325,400</u>	<u>73,808</u>	<u>1,287,324</u>	<u>87,511</u>	<u>184,125</u>
Revenues over (under) expenditures	<u>( 27,035)</u>	<u>83,938</u>	<u>( 323,491)</u>	<u>( 54,139)</u>	<u>( 79,207)</u>
<b>Other Financing Sources (Uses):</b>					
Transfers In	26,994	-	321,831	4,008	68,923
Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>26,994</u>	<u>-</u>	<u>321,831</u>	<u>4,008</u>	<u>68,923</u>
Net Change in Fund Balances	<u>( 41)</u>	<u>83,938</u>	<u>( 1,660)</u>	<u>( 50,131)</u>	<u>( 10,284)</u>
Fund Balances at beginning of year	<u>1,601</u>	<u>166,177</u>	<u>109,943</u>	<u>210,713</u>	<u>108,711</u>
Fund Balances at end of year	<u>\$ 1,560</u>	<u>\$ 250,115</u>	<u>\$ 108,283</u>	<u>\$ 160,582</u>	<u>\$ 98,427</u>

Special Revenue Funds

Law Enforcement - Other	Law Library	Community Development	Department of Human Services	Child Care	Veterans' Trust	Soliders' Relief	Multi-Purpose Collaborative Body
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 262,985	\$ -
-	-	-	-	-	-	-	-
-	-	111,091	3,054	418,493	28,342	-	-
-	-	33,926	-	108,406	-	545	37,697
48,228	6,500	-	-	2,528	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	129	-
-	-	-	-	50,008	-	-	8,874
<u>48,228</u>	<u>6,500</u>	<u>145,017</u>	<u>3,054</u>	<u>579,435</u>	<u>28,342</u>	<u>263,659</u>	<u>46,571</u>
-	9,561	-	-	-	-	-	-
-	-	-	-	-	-	-	-
57,921	-	-	-	-	-	-	-
-	-	111,091	4,165	987,778	32,601	196,040	59,297
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>57,921</u>	<u>9,561</u>	<u>111,091</u>	<u>4,165</u>	<u>987,778</u>	<u>32,601</u>	<u>196,040</u>	<u>59,297</u>
( 9,693)	( 3,061)	33,926	( 1,111)	( 408,343)	( 4,259)	67,619	( 12,726)
-	4,500	-	-	438,590	-	-	18,500
-	-	-	-	-	-	-	-
-	4,500	-	-	438,590	-	-	18,500
( 9,693)	1,439	33,926	( 1,111)	30,247	( 4,259)	67,619	5,774
<u>92,743</u>	<u>28,856</u>	<u>15,249</u>	<u>32,418</u>	<u>618,541</u>	<u>6,359</u>	<u>96,982</u>	<u>1,273</u>
<u>\$ 83,050</u>	<u>\$ 30,295</u>	<u>\$ 49,175</u>	<u>\$ 31,307</u>	<u>\$ 648,788</u>	<u>\$ 2,100</u>	<u>\$ 164,601</u>	<u>\$ 7,047</u>

Continued



**LAPEER COUNTY, MICHIGAN**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Special Revenue Funds				Debt Service Fund
	Senior Millage	Soil and Sedimentation	Lapeer Family Continuation Coordinator	Mental Health Court	Community Mental Health
<b>Revenues:</b>					
Taxes	\$ 663,167	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	53,293	-	-	-
Intergovernmental	-	-	-	2,489	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	2,000	-	-	-
Rents	-	-	-	-	186,078
Interest	-	-	-	-	-
Other	-	-	5,110	-	-
Total Revenues	<u>663,167</u>	<u>55,293</u>	<u>5,110</u>	<u>2,489</u>	<u>186,078</u>
<b>Expenditures:</b>					
Current -					
Judicial	-	-	-	-	-
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Health and Welfare	18,286	110,976	3,255	2,489	-
Recreation and Cultural	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Debt Service -					
Principal	-	-	-	-	185,000
Interest and charges	-	-	-	-	4,625
Total Expenditures	<u>18,286</u>	<u>110,976</u>	<u>3,255</u>	<u>2,489</u>	<u>189,625</u>
Revenues under expenditures	<u>644,881</u>	<u>( 55,683)</u>	<u>1,855</u>	<u>-</u>	<u>( 3,547)</u>
<b>Other Financing Sources (Uses):</b>					
Transfer In	-	55,683	-	-	-
Transfer Out	<u>( 648,971)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>( 648,971)</u>	<u>55,683</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	( 4,090)	-	1,855	-	( 3,547)
Fund Balances at beginning of year	<u>204,007</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,547</u>
Fund Balances at end of year	<u>\$ 199,917</u>	<u>\$ -</u>	<u>\$ 1,855</u>	<u>\$ -</u>	<u>\$ -</u>

Capital Projects Funds

E-911 Construction	Jail	Capital Construction/ Improvement	Old Courthouse	Total
\$ -	\$ -	\$ -	\$ -	\$ 926,152
-	-	-	-	496,128
-	-	-	-	4,068,524
-	-	-	-	3,647,778
-	-	-	-	157,176
-	-	-	-	202,275
481	-	-	-	1,884
298,297	-	-	3,900	553,848
<u>298,778</u>	<u>-</u>	<u>-</u>	<u>3,900</u>	<u>10,053,765</u>
-	-	-	-	1,273,396
-	-	-	2,122	130,356
-	-	-	-	4,149,853
-	-	-	-	5,090,113
-	-	-	-	148,473
555,236	-	-	-	555,236
-	-	-	-	185,000
-	-	-	-	4,625
<u>555,236</u>	<u>-</u>	<u>-</u>	<u>2,122</u>	<u>11,537,052</u>
( 256,458)	-	-	1,778	( 1,483,287)
-	-	-	-	2,578,032
-	-	-	-	( 798,971)
-	-	-	-	1,779,061
( 256,458)	-	-	1,778	295,774
<u>2,739,287</u>	<u>629,558</u>	<u>30,000</u>	<u>6,319</u>	<u>7,286,676</u>
<u>\$ 2,482,829</u>	<u>\$ 629,558</u>	<u>\$ 30,000</u>	<u>\$ 8,097</u>	<u>\$ 7,582,450</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, 2014

	Amended Budget	Actual	Variance Positive (Negative)
<b>PARKS DEPARTMENT</b>			
<b>Revenues:</b>			
Charges for services	\$ 132,996	\$ 126,286	\$( 6,710)
Rent	6,000	25	( 5,975)
Total Revenues	<u>138,996</u>	<u>126,311</u>	<u>( 12,685)</u>
<b>Expenditures:</b>			
Recreation and Cultural	<u>138,996</u>	<u>142,475</u>	<u>( 3,479)</u>
Revenues under expenditures	-	( 16,164)	( 16,164)
<b>Other Financing Sources:</b>			
Transfers in	<u>-</u>	<u>16,164</u>	<u>16,164</u>
Net Change in Fund Balance	-	-	-
Fund Balance at beginning of year	<u>3,543</u>	<u>3,543</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 3,543</u></u>	<u><u>\$ 3,543</u></u>	<u><u>\$ -</u></u>

### POLLY ANN TRAIL

<b>Revenues:</b>			
Intergovernmental	\$ 10,000	\$ 5,745	\$( 4,255)
<b>Expenditures:</b>			
Recreation and Cultural	<u>10,000</u>	<u>5,998</u>	<u>4,002</u>
Net Change in Fund Balance	-	( 253)	( 253)
Fund Balance at beginning of year	<u>871</u>	<u>871</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 871</u></u>	<u><u>\$ 618</u></u>	<u><u>\$( 253)</u></u>

### E - 911

<b>Revenues:</b>			
Intergovernmental	\$ -	\$ 2,500	\$ 2,500
Charges for services	1,715,000	1,750,936	35,936
Interest	1,200	914	( 286)
Rent	<u>20,000</u>	<u>16,172</u>	<u>( 3,828)</u>
Total Revenues	<u>1,736,200</u>	<u>1,770,522</u>	<u>34,322</u>
<b>Expenditures:</b>			
Public Safety	<u>1,717,281</u>	<u>1,737,590</u>	<u>( 20,309)</u>
Revenues over expenditures	18,919	32,932	14,013
<b>Other Financing Uses:</b>			
Transfers out	<u>-</u>	<u>( 150,000)</u>	<u>( 150,000)</u>
Net Change in Fund Balance	18,919	( 117,068)	( 135,987)
Fund Balance at beginning of year	<u>1,276,093</u>	<u>1,276,093</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 1,295,012</u></u>	<u><u>\$ 1,159,025</u></u>	<u><u>\$( 135,987)</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, 2014

	Amended Budget	Actual	Variance Positive (Negative)
<b>FRIEND OF THE COURT</b>			
<b>Revenues:</b>			
Intergovernmental	\$ 908,367	\$ 851,326	\$( 57,041)
Charges for services	122,900	108,896	( 14,004)
Other	37,000	14	( 36,986)
Total Revenues	<u>1,068,267</u>	<u>960,236</u>	<u>( 108,031)</u>
<b>Expenditures:</b>			
Judicial	<u>1,292,555</u>	<u>1,261,479</u>	<u>31,076</u>
Revenues under expenditures	( 224,288)	( 301,243)	( 76,955)
<b>Other Financing Sources:</b>			
Transfers in	<u>280,000</u>	<u>289,000</u>	<u>9,000</u>
Net Change in Fund Balance	55,712	( 12,243)	( 67,955)
Fund Balance at beginning of year	<u>37,434</u>	<u>37,434</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 93,146</u></u>	<u><u>\$ 25,191</u></u>	<u><u>\$( 67,955)</u></u>

### FAMILY MARRIAGE COUNSELING

<b>Revenues:</b>			
Licenses and permits	\$ 7,500	\$ 6,533	\$( 967)
<b>Expenditures:</b>			
Judicial	<u>7,500</u>	<u>2,356</u>	<u>5,144</u>
Net Change in Fund Balance	-	4,177	4,177
Fund Balance at beginning of year	<u>62,130</u>	<u>62,130</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 62,130</u></u>	<u><u>\$ 66,307</u></u>	<u><u>\$ 4,177</u></u>

# 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, 2014

	Amended Budget	Actual	Variance Positive (Negative)
<b>HEALTH DEPARTMENT</b>			
<b>Revenues:</b>			
Licenses and permits	\$ 226,601	\$ 240,443	\$ 13,842
Intergovernmental	1,230,271	1,599,959	369,688
Charges for services	330,150	307,347	( 22,803)
Other	116,900	121,335	4,435
Total Revenues	<u>1,903,922</u>	<u>2,269,084</u>	<u>365,162</u>
<b>Expenditures:</b>			
Health and Welfare	<u>2,404,608</u>	<u>2,415,035</u>	<u>( 10,427)</u>
Revenues under expenditures	( 500,686)	( 145,951)	354,735
<b>Other Financing Sources:</b>			
Transfers in	<u>517,104</u>	<u>620,670</u>	<u>103,566</u>
Net Change in Fund Balance	16,418	474,719	458,301
Fund Balance at beginning of year	<u>86,885</u>	<u>86,885</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 103,303</u></u>	<u><u>\$ 561,604</u></u>	<u><u>\$ 458,301</u></u>

### PERSONAL CARE AIDE PROGRAM

<b>Revenues:</b>			
Intergovernmental	\$ 448,012	\$ 475,527	\$ 27,515
Other	26,804	32,622	5,818
Total Revenues	<u>474,816</u>	<u>508,149</u>	<u>33,333</u>
<b>Expenditures:</b>			
Health and Welfare	<u>1,117,102</u>	<u>1,149,100</u>	<u>( 31,998)</u>
Revenues under expenditures	( 642,286)	( 640,951)	1,335
<b>Other Financing Sources:</b>			
Transfers in	<u>645,000</u>	<u>648,971</u>	<u>3,971</u>
Net Change in Fund Balance	2,714	8,020	5,306
Fund Balance at beginning of year	<u>381</u>	<u>381</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 3,095</u></u>	<u><u>\$ 8,401</u></u>	<u><u>\$ 5,306</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, 2014

	Amended Budget	Actual	Variance Positive (Negative)
<b>ANIMAL CONTROL</b>			
<b>Revenues:</b>			
Licenses and permits	\$ 163,000	\$ 188,209	\$ 25,209
Charges for services	50,809	52,494	1,685
Fines and forfeits	9,000	12,385	3,385
Other	600	2,892	2,292
Total Revenues	<u>223,409</u>	<u>255,980</u>	<u>32,571</u>
<b>Expenditures:</b>			
Public Safety	<u>262,369</u>	<u>251,522</u>	<u>10,847</u>
Revenues over (under) expenditures	( 38,960)	4,458	43,418
<b>Other Financing Sources:</b>			
Transfers in	<u>30,000</u>	<u>15,000</u>	( 15,000)
Net Change in Fund Balance	( 8,960)	19,458	28,418
Fund Balance at beginning of year	<u>116,052</u>	<u>116,052</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 107,092</u></u>	<u><u>\$ 135,510</u></u>	<u><u>\$ 28,418</u></u>
<b>ENVIRONMENT/RECYCLING</b>			
<b>Revenues:</b>			
Intergovernmental	\$ 5,000	\$ -	\$( 5,000)
Charges for services	<u>10,000</u>	<u>-</u>	<u>( 10,000)</u>
	15,000	-	( 15,000)
<b>Expenditures:</b>			
Public Works	<u>25,000</u>	<u>-</u>	<u>25,000</u>
Revenues under expenditures	( 10,000)	-	10,000
<b>Other Financing Sources:</b>			
Transfers in	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Net change in Fund Balance	-	10,000	10,000
Fund Balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ 10,000</u></u>	<u><u>\$ 10,000</u></u>

# 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, 2014

	Amended Budget	Actual	Variance Positive (Negative)
<b>COUNTY SURVEYOR</b>			
<b>Revenues:</b>			
Intergovernmental	\$ 73,218	\$ 72,475	\$( 743)
<b>Expenditures:</b>			
General Government	73,218	74,303	( 1,085)
Net Change in Fund Balance	-	( 1,828)	( 1,828)
Fund Balance at beginning of year	14,640	14,640	-
Fund Balance at end of year	<u>\$ 14,640</u>	<u>\$ 12,812</u>	<u>\$( 1,828)</u>

### REGISTER OF DEEDS AUTOMATION

<b>Revenues:</b>			
Charges for services	\$ 100,000	\$ 79,075	\$( 20,925)
Interest	2,000	221	( 1,779)
Total Revenues	102,000	79,296	( 22,704)
<b>Expenditures:</b>			
General Government	211,780	53,931	157,849
Net Change in Fund Balance	( 109,780)	25,365	135,145
Fund Balance at beginning of year	544,859	544,859	-
Fund Balance at end of year	<u>\$ 435,079</u>	<u>\$ 570,224</u>	<u>\$ 135,145</u>

### EMERGENCY MANAGEMENT

<b>Revenues:</b>			
Intergovernmental	\$ 224,300	\$ 101,959	\$( 122,341)
Charges for services	300	720	420
Other	500	2,900	2,400
Total Revenues	225,100	105,579	( 119,521)
<b>Expenditures:</b>			
Public Safety	274,100	144,652	129,448
Revenues under expenditures	( 49,000)	( 39,073)	9,927
<b>Other Financing Sources:</b>			
Transfers in	49,000	39,198	( 9,802)
Net Change in Fund Balance	-	125	125
Fund Balance at beginning of year	41,504	41,504	-
Fund Balance at end of year	<u>\$ 41,504</u>	<u>\$ 41,629</u>	<u>\$ 125</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, 2014

	Amended Budget	Actual	Variance Positive (Negative)
<b>COMMUNITY GRANTS</b>			
<b>Revenues:</b>			
Licenses and permits	\$ -	\$ 7,650	7,650
Intergovernmental	293,758	232,233	( 61,525)
Charges for services	73,000	56,952	( 16,048)
Other	6,000	1,530	( 4,470)
Total Revenues	<u>372,758</u>	<u>298,365</u>	<u>( 74,393)</u>
<b>Expenditures:</b>			
Public Safety	<u>419,864</u>	<u>325,400</u>	<u>94,464</u>
Revenues under expenditures	( 47,106)	( 27,035)	20,071
<b>Other Financing Sources:</b>			
Transfers in	<u>47,106</u>	<u>26,994</u>	<u>( 20,112)</u>
Net Change in Fund Balance	-	( 41)	( 41)
Fund Balance at beginning of year	<u>1,601</u>	<u>1,601</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 1,601</u></u>	<u><u>\$ 1,560</u></u>	<u><u>\$( 41)</u></u>

### THUMB NARCOTICS UNIT

<b>Revenues:</b>			
Intergovernmental	\$ 35,000	\$ 50,359	\$ 15,359
Fines and forfeits	90,000	85,535	( 4,465)
Interest	-	139	139
Other	10,000	21,713	11,713
Total Revenues	<u>135,000</u>	<u>157,746</u>	<u>22,746</u>
<b>Expenditures:</b>			
Public Safety	<u>135,000</u>	<u>73,808</u>	<u>61,192</u>
Net Change in Fund Balance	-	83,938	83,938
Fund Balance at beginning of year	<u>166,177</u>	<u>166,177</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 166,177</u></u>	<u><u>\$ 250,115</u></u>	<u><u>\$ 83,938</u></u>



# 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, 2014

	Amended Budget	Actual	Variance Positive (Negative)
<b>POLICE SERVICE CONTRACTS</b>			
<b>Revenues:</b>			
Charges for services	\$ 987,616	\$ 963,833	\$( 23,783)
<b>Expenditures:</b>			
Public Safety	<u>1,316,821</u>	<u>1,287,324</u>	<u>29,497</u>
Revenues under expenditures	( 329,205)	( 323,491)	5,714
<b>Other Financing Sources:</b>			
Transfers in	<u>329,205</u>	<u>321,831</u>	<u>( 7,374)</u>
Net Change in Fund Balance	-	( 1,660)	( 1,660)
Fund Balance at beginning of year	<u>109,943</u>	<u>109,943</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 109,943</u></u>	<u><u>\$ 108,283</u></u>	<u><u>\$( 1,660)</u></u>

### LAW ENFORCEMENT PROGRAMS

<b>Revenues:</b>			
Intergovernmental	\$ 24,837	\$ 26,947	\$ 2,110
Charges for services	14,300	1,772	( 12,528)
Other	<u>1,500</u>	<u>4,653</u>	<u>3,153</u>
Total Revenues	40,637	33,372	( 7,265)
<b>Expenditures:</b>			
Public Safety	<u>44,645</u>	<u>87,511</u>	<u>( 42,866)</u>
Revenues under expenditures	( 4,008)	( 54,139)	( 50,131)
<b>Other Financing Sources:</b>			
Transfers in	<u>4,008</u>	<u>4,008</u>	<u>-</u>
Net Change in Fund Balance	-	( 50,131)	( 50,131)
Fund Balance at beginning of year	<u>210,713</u>	<u>210,713</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 210,713</u></u>	<u><u>\$ 160,582</u></u>	<u><u>\$( 50,131)</u></u>

# 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, 2014

	Amended Budget	Actual	Variance Positive (Negative)
<b>LAW ENFORCEMENT</b>			
<b>Revenues:</b>			
Intergovernmental	\$ 83,250	\$ 86,025	\$ 2,775
Charges for services	20,000	18,893	( 1,107)
Other	10,000	-	( 10,000)
Total Revenues	<u>113,250</u>	<u>104,918</u>	<u>( 8,332)</u>
<b>Expenditures:</b>			
Public Safety	<u>185,215</u>	<u>184,125</u>	<u>1,090</u>
Revenues under expenditures	( 71,965)	( 79,207)	( 7,242)
<b>Other Financing Sources:</b>			
Transfers in	<u>71,965</u>	<u>68,923</u>	<u>( 3,042)</u>
Net Change in Fund Balance	-	( 10,284)	( 10,284)
Fund Balance at beginning of year	<u>108,711</u>	<u>108,711</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 108,711</u></u>	<u><u>\$ 98,427</u></u>	<u><u>\$( 10,284)</u></u>

### LAW ENFORCEMENT - OTHER

<b>Revenues:</b>			
Fines and forfeits	\$ 37,400	\$ 48,228	\$ 10,828
<b>Expenditures:</b>			
Public Safety	<u>37,400</u>	<u>57,921</u>	<u>( 20,521)</u>
Net Change in Fund Balance	-	( 9,693)	( 9,693)
Fund Balance at beginning of year	<u>92,743</u>	<u>92,743</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 92,743</u></u>	<u><u>\$ 83,050</u></u>	<u><u>\$( 9,693)</u></u>

### LAW LIBRARY

<b>Revenues:</b>			
Fines and forfeits	\$ 6,500	\$ 6,500	\$ -
<b>Expenditures:</b>			
Judicial	<u>11,000</u>	<u>9,561</u>	<u>1,439</u>
Revenues under expenditures	( 4,500)	( 3,061)	1,439
<b>Other Financing Sources:</b>			
Transfers in	<u>4,500</u>	<u>4,500</u>	<u>-</u>
Net Change in Fund Balance	-	1,439	1,439
Fund Balance at beginning of year	<u>28,856</u>	<u>28,856</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 28,856</u></u>	<u><u>\$ 30,295</u></u>	<u><u>\$ 1,439</u></u>

# 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, 2014

	Amended Budget	Actual	Variance Positive (Negative)
<b>COMMUNITY DEVELOPMENT</b>			
<b>Revenues:</b>			
Intergovernmental	\$ -	\$ 111,091	\$ 111,091
Charges for services	-	33,926	33,926
Total Revenues	<u>-</u>	<u>145,017</u>	<u>145,017</u>
<b>Expenditures:</b>			
Health and Welfare	<u>-</u>	<u>111,091</u>	<u>( 111,091)</u>
Net change in Fund Balance	-	33,926	33,926
Fund Balance at beginning of year	<u>15,249</u>	<u>15,249</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 15,249</u></u>	<u><u>\$ 49,175</u></u>	<u><u>\$ 33,926</u></u>
<b>DEPARTMENT OF HUMAN SERVICES</b>			
<b>Revenues:</b>			
Intergovernmental	\$ -	\$ 3,054	\$ 3,054
<b>Expenditures:</b>			
Health and Welfare	<u>21,135</u>	<u>4,165</u>	<u>16,970</u>
Revenues under expenditures	( 21,135)	( 1,111)	20,024
<b>Other Financing Sources:</b>			
Transfers in	<u>21,135</u>	<u>-</u>	<u>( 21,135)</u>
Net Change in Fund Balance	-	( 1,111)	( 1,111)
Fund Balance at beginning of year	<u>32,418</u>	<u>32,418</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 32,418</u></u>	<u><u>\$ 31,307</u></u>	<u><u>\$( 1,111)</u></u>
<b>CHILD CARE</b>			
<b>Revenues:</b>			
Intergovernmental	\$ 674,130	\$ 418,493	\$( 255,637)
Charges for services	161,500	108,406	( 53,094)
Fines and forfeitures	16,256	2,528	( 13,728)
Other	<u>47,000</u>	<u>50,008</u>	<u>3,008</u>
Total Revenues	<u>898,886</u>	<u>579,435</u>	<u>( 319,451)</u>
<b>Expenditures:</b>			
Health and Welfare	<u>1,457,210</u>	<u>987,778</u>	<u>469,432</u>
Revenues under expenditures	( 558,324)	( 408,343)	149,981
<b>Other Financing Sources:</b>			
Transfers in	<u>475,823</u>	<u>438,590</u>	<u>( 37,233)</u>
Net Change in Fund Balance	( 82,501)	30,247	112,748
Fund Balance at beginning of year	<u>618,541</u>	<u>618,541</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 536,040</u></u>	<u><u>\$ 648,788</u></u>	<u><u>\$ 112,748</u></u>

# 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, 2014

	Amended Budget	Actual	Variance Positive (Negative)
<b>VETERANS' TRUST</b>			
<b>Revenues:</b>			
Intergovernmental	\$ 6,092	\$ 28,342	\$ 22,250
<b>Expenditures:</b>			
Health and Welfare	<u>6,092</u>	<u>32,601</u>	<u>( 26,509)</u>
Net Change in Fund Balance	-	( 4,259)	( 4,259)
Fund Balance at beginning of year	<u>6,359</u>	<u>6,359</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 6,359</u></u>	<u><u>\$ 2,100</u></u>	<u><u>\$( 4,259)</u></u>
<b>SOLIDERS' RELIEF FUND</b>			
<b>Revenues:</b>			
Taxes	\$ 224,744	\$ 262,985	\$ 38,241
Fines and forfeitures	-	545	545
Interest	-	129	129
Total Revenues	<u>224,744</u>	<u>263,659</u>	<u>38,915</u>
<b>Expenditures:</b>			
Health and Welfare	<u>224,744</u>	<u>196,040</u>	<u>28,704</u>
Net Change in Fund Balance	-	67,619	67,619
Fund Balance at beginning of year	<u>96,982</u>	<u>96,982</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 96,982</u></u>	<u><u>\$ 164,601</u></u>	<u><u>\$ 67,619</u></u>
<b>MULTI-PURPOSE COLLABORATIVE BODY</b>			
<b>Revenues:</b>			
Charges for services	\$ 32,731	\$ 37,697	\$ 4,966
Other	<u>10,000</u>	<u>8,874</u>	<u>( 1,126)</u>
Total Revenues	42,731	46,571	3,840
<b>Expenditures:</b>			
Health and Welfare	<u>61,231</u>	<u>59,297</u>	<u>1,934</u>
Revenues under expenditures	( 18,500)	( 12,726)	5,774
<b>Other Financing Sources:</b>			
Transfers in	<u>18,500</u>	<u>18,500</u>	<u>-</u>
Net Change in Fund Balance	-	5,774	5,774
Fund Balance at beginning of year	<u>1,273</u>	<u>1,273</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 1,273</u></u>	<u><u>\$ 7,047</u></u>	<u><u>\$ 5,774</u></u>

# 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, 2014

	Amended Budget	Actual	Variance Positive (Negative)
<b>SENIOR MILLAGE</b>			
<b>Revenues:</b>			
Taxes	\$ 630,000	\$ 663,167	\$ 33,167
<b>Expenditures:</b>			
Health and Welfare	21,000	18,286	2,714
Revenues over expenditures	609,000	644,881	35,881
<b>Other Financing Uses:</b>			
Transfers out	( 637,000)	( 648,971)	( 11,971)
Net Change in Fund Balance	( 28,000)	( 4,090)	23,910
Fund Balance at beginning of year	204,007	204,007	-
Fund Balance at end of year	<u>\$ 176,007</u>	<u>\$ 199,917</u>	<u>\$ 23,910</u>

### SOIL AND SEDIMENTATION

<b>Revenues:</b>			
Licenses and permits	\$ 68,400	\$ 53,293	\$( 15,107)
Fines and forfeits	5,000	2,000	( 3,000)
Total Revenues	<u>73,400</u>	<u>55,293</u>	<u>( 18,107)</u>
<b>Expenditures:</b>			
Health and Welfare	122,502	110,976	11,526
Revenues under expenditures	( 49,102)	( 55,683)	( 6,581)
<b>Other Financing Sources (Uses):</b>			
Transfers in	49,102	55,683	6,581
Net Change in Fund Balance	-	-	-
Fund Balance at beginning of year	-	-	-
Fund Balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

### LAPEER FAMILY CONTINUATION COORDINATOR

<b>Revenues:</b>			
Other	\$ -	\$ 5,110	\$ 5,110
<b>Expenditures:</b>			
Health and Welfare	-	3,255	( 3,255)
Net Change in Fund Balance	-	1,855	1,855
Fund Balance at beginning of year	-	-	-
Fund Balance at end of year	<u>\$ -</u>	<u>\$ 1,855</u>	<u>\$ 1,855</u>

# 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, 2014

	Amended Budget	Actual	Variance Positive (Negative)
<b>MENTAL HEALTH COURT</b>			
<b>Revenues:</b>			
Intergovernmental	\$ 10,855	\$ 2,489	\$ ( 8,366)
<b>Expenditures:</b>			
Health and Welfare	10,855	2,489	8,366
Net Change in Fund Balance	-	-	-
Fund Balance at beginning of year	-	-	-
Fund Balance at end of year	\$ -	\$ -	\$ -
			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, workers' 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 POSITION  
INTERNAL SERVICE FUNDS  
DECEMBER 31, 2014**

	Health Insurance	Unemployment Insurance	Workers' Compensation	Centralized Purchasing
<b>Assets:</b>				
Current Assets:				
Cash and cash equivalents	\$ 1,108,289	\$ 66,108	\$ 433,899	\$ 6,009
Deposits with agent	3,075	-	16,000	-
Due from other funds	-	-	-	-
Prepaid items	6,653	-	-	-
Total Current Assets	1,118,017	66,108	449,899	6,009
Property, Plant, and Equipment, Net	-	-	-	-
Total Assets	1,118,017	66,108	449,899	6,009
<b>Liabilities:</b>				
Current Liabilities:				
Accounts payable	32,121	19,570	1,545	-
Accrued claims	-	-	85,000	-
Total Current Liabilities	32,121	19,570	86,545	-
Long-Term Liabilities:				
Accrued claims	-	-	10,000	-
Total Liabilities	32,121	19,570	96,545	-
<b>Net Position:</b>				
Net investment in capital assets	-	-	-	-
Unrestricted	1,085,896	46,538	353,354	6,009
Total Net Position	\$ 1,085,896	\$ 46,538	\$ 353,354	\$ 6,009



CMH Equipment Acquisition & Replacement	Equipment Acquisition & Replacement	Retirement	Public Employee Health Care	Total
\$ 24,313	\$ 2,234,737	\$ 597,194	\$ 590,407	\$ 5,060,956
.	-	-	-	19,075
-	-	34,227	-	34,227
-	-	112	-	6,765
24,313	2,234,737	631,533	590,407	5,121,023
633,625	2,192,311	-	-	2,825,936
657,938	4,427,048	631,533	590,407	7,946,959
-	211,427	391,843	556,676	1,213,182
-	-	-	-	85,000
-	211,427	391,843	556,676	1,298,182
-	-	-	-	10,000
-	211,427	391,843	556,676	1,308,182
633,625	2,192,311	-	-	2,825,936
24,313	2,023,310	239,690	33,731	3,812,841
\$ 657,938	\$ 4,215,621	\$ 239,690	\$ 33,731	\$ 6,638,777

**LAPEER COUNTY, MICHIGAN**

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Health Insurance</u>	<u>Unemployment Insurance</u>	<u>Workers' Compensation</u>	<u>Centralized Purchasing</u>
<b>Operating Revenues:</b>				
Charges for services	\$ 3,938,481	\$ -	\$ -	\$ -
<b>Operating Expenses:</b>				
Administrative and general	17,697	211	462	-
Retirement and health care savings contributions	-	-	-	-
Insurance and claims	3,718,476	19,570	93,537	-
Depreciation	-	-	-	-
Total Operating Expenses	<u>3,736,173</u>	<u>19,781</u>	<u>93,999</u>	<u>-</u>
Operating Income (Loss)	202,308	( 19,781)	( 93,999)	-
<b>Non-Operating Revenues:</b>				
Gain on sale of assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Income (Loss) before Transfers	<u>202,308</u>	<u>( 19,781)</u>	<u>( 93,999)</u>	<u>-</u>
<b>Transfers:</b>				
Transfers In	-	-	-	-
Transfers Out	( 90,000)	( 50,000)	( 800,000)	-
Total Transfers	<u>( 90,000)</u>	<u>( 50,000)</u>	<u>( 800,000)</u>	<u>-</u>
Change in Net Position	112,308	( 69,781)	( 893,999)	-
Net Position at beginning of year	<u>973,588</u>	<u>116,319</u>	<u>1,247,353</u>	<u>6,009</u>
Net Position at end of year	<u><u>\$ 1,085,896</u></u>	<u><u>\$ 46,538</u></u>	<u><u>\$ 353,354</u></u>	<u><u>\$ 6,009</u></u>

<u>CMH Equipment Acquisition &amp; Replacement</u>	<u>Equipment Acquisition &amp; Replacement</u>	<u>Retirement</u>	<u>Public Employee Health Care</u>	<u>Total</u>
\$ 106,903	\$ 589,649	\$ 1,801,950	\$ 120,390	\$ 6,557,373
355	410,186	-	56	428,967
-	-	3,133,372	681,445	3,814,817
-	-	-	-	3,831,583
87,188	372,446	-	-	459,634
<u>87,543</u>	<u>782,632</u>	<u>3,133,372</u>	<u>681,501</u>	<u>8,535,001</u>
19,360	( 192,983)	( 1,331,422)	( 561,111)	( 1,977,628)
-	8,058	-	-	8,058
<u>19,360</u>	<u>( 184,925)</u>	<u>( 1,331,422)</u>	<u>( 561,111)</u>	<u>( 1,969,570)</u>
100,000	763,723	1,350,000	589,795	2,803,518
-	-	-	-	( 940,000)
<u>100,000</u>	<u>763,723</u>	<u>1,350,000</u>	<u>589,795</u>	<u>1,863,518</u>
119,360	578,798	18,578	28,684	( 106,052)
<u>538,578</u>	<u>3,636,823</u>	<u>221,112</u>	<u>5,047</u>	<u>6,744,829</u>
<u>\$ 657,938</u>	<u>\$ 4,215,621</u>	<u>\$ 239,690</u>	<u>\$ 33,731</u>	<u>\$ 6,638,777</u>

**LAPEER COUNTY, MICHIGAN**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Health Insurance</u>	<u>Unemployment Insurance</u>	<u>Workers' Compensation</u>	<u>Centralized Purchasing</u>
<b>Cash Flows From Operating Activities:</b>				
Cash receipts for interfund services	\$ 3,938,481	\$ -	\$ -	\$ -
Cash payments to suppliers	( 3,691,424)	( 30,804)	( 50,264)	-
Net Cash Provided by (Used in) Operating Activities	<u>247,057</u>	<u>( 30,804)</u>	<u>( 50,264)</u>	<u>-</u>
<b>Cash Flows From Noncapital Financing Activities:</b>				
Transfers in	-	-	-	-
Transfers out	( 90,000)	( 50,000)	( 800,000)	-
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>( 90,000)</u>	<u>( 50,000)</u>	<u>( 800,000)</u>	<u>-</u>
<b>Cash Flows From Capital and Related Financing Activities:</b>				
Acquisition of capital assets	-	-	-	-
Transfers in	-	-	-	-
Proceeds from sale of assets	-	-	-	-
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Increase (decrease) in cash and cash equivalents	157,057	( 80,804)	( 850,264)	-
Cash and cash equivalents at beginning of year	<u>951,232</u>	<u>146,912</u>	<u>1,284,163</u>	<u>6,009</u>
Cash and cash equivalents at end of year	<u><u>\$ 1,108,289</u></u>	<u><u>\$ 66,108</u></u>	<u><u>\$ 433,899</u></u>	<u><u>\$ 6,009</u></u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:</b>				
Operating Income (Loss)	\$ 202,308	\$( 19,781)	\$( 93,999)	\$ -
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities -				
Depreciation	-	-	-	-
Change in assets and liabilities:				
Due to/from other funds	-	-	-	-
Prepaid items/Deposits with agent	12,628	-	-	-
Accounts payable	32,121	( 11,023)	( 1,265)	-
Accrued claims	-	-	45,000	-
Net Cash Provided by (Used in) Operating Activities	<u><u>\$ 247,057</u></u>	<u><u>\$( 30,804)</u></u>	<u><u>\$( 50,264)</u></u>	<u><u>\$ -</u></u>

CMH Equipment Acquisition & Replacement	Equipment Acquisition & Replacement	Retirement	Public Employee Health Care	Total
\$ 106,903	\$ 589,649	\$ 1,795,570	\$ 120,390	\$ 6,550,993
( 355)	( 249,647)	( 2,872,004)	( 124,825)	( 7,019,323)
<u>106,548</u>	<u>340,002</u>	<u>( 1,076,434)</u>	<u>( 4,435)</u>	<u>( 468,330)</u>
-	-	1,350,000	589,795	1,939,795
-	-	-	-	( 940,000)
<u>-</u>	<u>-</u>	<u>1,350,000</u>	<u>589,795</u>	<u>999,795</u>
( 326,074)	( 587,521)	-	-	( 913,595)
100,000	763,723	-	-	863,723
<u>-</u>	<u>12,602</u>	<u>-</u>	<u>-</u>	<u>12,602</u>
( 226,074)	188,804	-	-	( 37,270)
( 119,526)	528,806	273,566	585,360	494,195
143,839	1,705,931	323,628	5,047	4,566,761
<u>\$ 24,313</u>	<u>\$ 2,234,737</u>	<u>\$ 597,194</u>	<u>\$ 590,407</u>	<u>\$ 5,060,956</u>
\$ 19,360	\$( 192,983)	\$( 1,331,422)	\$( 561,111)	\$( 1,977,628)
87,188	372,446	-	-	459,634
-	-	( 6,380)	-	( 6,380)
-	8,175	( 112)	-	20,691
-	152,364	261,480	556,676	990,353
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,000</u>
<u>\$ 106,548</u>	<u>\$ 340,002</u>	<u>\$( 1,076,434)</u>	<u>\$( 4,435)</u>	<u>\$( 468,330)</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, 2014

	<u>General Agency</u>	<u>Library Penal Fines</u>	<u>District Court</u>	<u>Common Banking</u>	<u>Treasurer's Tax</u>	<u>Total</u>
<b>Assets:</b>						
Cash and cash equivalents	\$ 754,520	\$ 35,405	\$ 105,696	\$ 67,927	\$ 207,304	\$ 1,170,852
<b>Liabilities:</b>						
Due to other governmental units	\$ 326,388	\$ -	\$ 76,291	\$ 67,927	\$ 196,680	\$ 667,286
Due to individuals and agencies	428,132	35,405	29,405	-	10,624	503,566
Total Liabilities	\$ 754,520	\$ 35,405	\$ 105,696	\$ 67,927	\$ 207,304	\$ 1,170,852

**LAPEER COUNTY, MICHIGAN**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Balance January 1, 2014	Additions	Reductions	Balance December 31, 2014
<b>TOTAL ALL AGENCY FUNDS</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ 942,178	\$ 54,496,984	\$ 54,268,310	\$ 1,170,852
Due from other governmental units	33,936	-	33,936	-
Total Assets	<u>\$ 976,114</u>	<u>\$ 54,496,984</u>	<u>\$ 54,302,246</u>	<u>\$ 1,170,852</u>
<b>Liabilities:</b>				
Due to other governmental units	\$ 510,109	\$ 32,910,502	\$ 32,753,325	\$ 667,286
Due to individuals and agencies	466,005	1,444,287	1,406,726	503,566
Total Liabilities	<u>\$ 976,114</u>	<u>\$ 34,354,789</u>	<u>\$ 34,160,051</u>	<u>\$ 1,170,852</u>
<b>GENERAL AGENCY FUND</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ 761,412	\$ 9,259,323	\$ 9,266,215	\$ 754,520
Due from other governmental units	33,936	-	33,936	-
Total Assets	<u>\$ 795,348</u>	<u>\$ 9,259,323</u>	<u>\$ 9,300,151</u>	<u>\$ 754,520</u>
<b>Liabilities:</b>				
Due to other governmental units	\$ 389,376	\$ 9,610,161	\$ 9,673,149	\$ 326,388
Due to individuals and agencies	405,972	568,268	546,108	428,132
Total Liabilities	<u>\$ 795,348</u>	<u>\$ 10,178,429</u>	<u>\$ 10,219,257</u>	<u>\$ 754,520</u>
<b>LIBRARY PENAL FINES</b>				
<b>Assets:</b>				
Cash and cash equivalents	<u>\$ 26,131</u>	<u>\$ 349,076</u>	<u>\$ 339,802</u>	<u>\$ 35,405</u>
<b>Liabilities:</b>				
Due to individuals and agencies	<u>\$ 26,131</u>	<u>\$ 682,290</u>	<u>\$ 673,016</u>	<u>\$ 35,405</u>

Continued



**LAPEER COUNTY, MICHIGAN**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Balance January 1, 2014	Additions	Reductions	Balance December 31, 2014
<b>DISTRICT COURT</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ 88,118	\$ 2,077,472	\$ 2,059,894	\$ 105,696
<b>Liabilities:</b>				
Due to other governmental units	\$ 58,107	\$ 3,029,040	\$ 3,010,856	\$ 76,291
Due to individuals and agencies	30,011	182,676	183,282	29,405
Total Liabilities	\$ 88,118	\$ 3,211,716	\$ 3,194,138	\$ 105,696
<b>COMMON BANKING</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ 66,517	\$ 28,439,260	\$ 28,437,850	\$ 67,927
<b>Liabilities:</b>				
Due to other governmental units	\$ 62,626	\$ 5,901,513	\$ 5,896,212	\$ 67,927
Due to individuals and agencies	3,891	-	3,891	-
Total Liabilities	\$ 66,517	\$ 5,901,513	\$ 5,900,103	\$ 67,927
<b>TREASURER'S TAX</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ -	\$ 14,371,853	\$ 14,164,549	\$ 207,304
<b>Liabilities:</b>				
Due to other governmental units	\$ -	\$ 14,369,788	\$ 14,173,108	\$ 196,680
Due to individuals and agencies	-	11,053	429	10,624
Total Liabilities	\$ -	\$ 14,380,841	\$ 14,173,537	\$ 207,304

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, 2014

	Balance January 1, 2014	Additions	Disposals/ Adjustments	Balance December 31, 2014
<b>General County:</b>				
Land	\$ 768,833	\$ -	\$ -	\$ 768,833
Land improvements	1,668,381	-	-	1,668,381
Buildings	22,465,416	-	-	22,465,416
Equipment	18,872,415	774,728	-	19,647,143
Vehicles	251,666	200,000	-	451,666
	<u>44,026,711</u>	<u>974,728</u>	<u>-</u>	<u>45,001,439</u>
Less - accumulated depreciation	<u>( 21,171,464)</u>	<u>( 1,660,856)</u>	<u>-</u>	<u>( 22,832,320)</u>
Total Capital Assets, Net	<u>\$ 22,855,247</u>	<u>\$( 686,128)</u>	<u>\$ -</u>	<u>\$ 22,169,119</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 position.

# LAPEER COUNTY, MICHIGAN

## CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS SCHEDULE OF CAPITAL ASSETS BY FUNCTION AND ACTIVITY DECEMBER 31, 2014

	Total	Land and Improvements	Buildings	Equipment	Vehicles
<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	213,607	-	-	213,607	-
Marine Safety	21,500	-	-	-	21,500
911 Communications Center	19,330,019	75,926	990,938	18,263,155	-
Community Corrections	5,535	-	-	5,535	-
Sheriff	6,315,450	498,389	5,486,924	130,137	200,000
	<u>26,160,435</u>	<u>599,617</u>	<u>6,699,662</u>	<u>18,639,656</u>	<u>221,500</u>
<b>Health and Welfare:</b>					
Health Department	714,045	37,221	238,782	438,042	-
Mental Health	3,153,794	180,894	2,761,706	211,194	-
D.O.S.A.	32,686	-	-	32,686	-
Family Independence Agency	1,913,734	143,480	1,758,724	11,530	-
	<u>5,814,259</u>	<u>361,595</u>	<u>4,759,212</u>	<u>693,452</u>	<u>-</u>
<b>Recreation and Cultural:</b>					
Parks and Recreation	2,482,770	911,415	1,529,305	42,050	-
Libraries	139,797	41,597	98,200	-	-
	<u>2,622,567</u>	<u>953,012</u>	<u>1,627,505</u>	<u>42,050</u>	<u>-</u>
Total Capital Assets	45,001,439	2,437,214	22,465,416	19,647,143	451,666
Less: accumulated depreciation	( 22,832,320)	( 1,385,569)	( 12,671,262)	( 8,503,823)	( 271,666)
Total Capital Assets - (Net of Accumulated Depreciation)	<u>\$ 22,169,119</u>	<u>\$ 1,051,645</u>	<u>\$ 9,794,154</u>	<u>\$ 11,143,320</u>	<u>\$ 180,000</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 position.

# 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, 2014

	Balance January 1, 2014	Additions	Disposals	Balance December 31, 2014
<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	143,999	69,608	-	213,607
Marine Safety	21,500	-	-	21,500
911 Communications Center	18,667,539	662,480	-	19,330,019
Community Corrections	5,535	-	-	5,535
Sheriff	6,115,450	200,000	-	6,315,450
Total Public Safety	<u>25,228,347</u>	<u>932,088</u>	<u>-</u>	<u>26,160,435</u>
<b>Health and Welfare:</b>				
Health Department	714,045	-	-	714,045
Mental Health	3,111,154	42,640	-	3,153,794
D.O.S.A.	32,686	-	-	32,686
Family Independence Agency	1,913,734	-	-	1,913,734
Total Health and Welfare	<u>5,771,619</u>	<u>42,640</u>	<u>-</u>	<u>5,814,259</u>
<b>Recreation and Cultural:</b>				
Parks and Recreation	2,482,770	-	-	2,482,770
Libraries	139,797	-	-	139,797
Total Recreation and Cultural	<u>2,622,567</u>	<u>-</u>	<u>-</u>	<u>2,622,567</u>
Total Capital Assets	<u>\$ 44,026,711</u>	<u>\$ 974,728</u>	<u>\$ -</u>	<u>\$ 45,001,439</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 position.

## **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

## BALANCE SHEET BOARD OF PUBLIC WORKS DECEMBER 31, 2014

### Debt Service Funds

	Dryden Wastewater Treatment	North Branch Wastewater Treatment	Dryden Drinking Water	Almont WSS 2007	Almont Sewage Disposal 2002
<b>Assets:</b>					
Cash and cash equivalents	\$ 4,664	\$ 766	\$ 877	\$ 5,915	\$ 9,427
Contracts receivable	-	-	306,507	1,512,694	900,000
Total Assets	<u>\$ 4,664</u>	<u>\$ 766</u>	<u>\$ 307,384</u>	<u>\$ 1,518,609</u>	<u>\$ 909,427</u>
<b>Deferred Inflows of Resources:</b>					
Unavailable revenue - special assessments	\$ -	\$ -	\$ 306,507	\$ 1,512,694	\$ 900,000
<b>Fund Balance:</b>					
Restricted - Debt service	<u>4,664</u>	<u>766</u>	<u>877</u>	<u>5,915</u>	<u>9,427</u>
Total Deferred Inflows of Resources and Fund Balance	<u>\$ 4,664</u>	<u>\$ 766</u>	<u>\$ 307,384</u>	<u>\$ 1,518,609</u>	<u>\$ 909,427</u>



Debt Service Funds				
Dryden WSS 2007	Almont Wastewater Treatment	Almont Sewer Improvement	Elba Wastewater Treatment	Total
\$ 641	\$ 6,718	\$ 1,065	\$ 8,831	\$ 38,904
484,868	-	-	-	3,204,069
<u>\$ 485,509</u>	<u>\$ 6,718</u>	<u>\$ 1,065</u>	<u>\$ 8,831</u>	<u>\$ 3,242,973</u>
\$ 484,868	\$ -	\$ -	\$ -	\$ 3,204,069
641	6,718	1,065	8,831	38,904
<u>\$ 485,509</u>	<u>\$ 6,718</u>	<u>\$ 1,065</u>	<u>\$ 8,831</u>	<u>\$ 3,242,973</u>

**LAPEER COUNTY, MICHIGAN**

**RECONCILIATION OF THE BALANCE SHEET FOR THE BOARD OF PUBLIC WORKS  
TO THE STATEMENT OF NET POSITION  
DECEMBER 31, 2014**

Fund Balance - total board of public works funds	\$ 38,904
Amounts reported for governmental activities in the statement of net position are different because:	
Amounts available in the funds that reduce the contract receivable on the government wide statements	( 11,905)
Long-term liabilities that are not payable in the current period and are therefore not reported in the governmental fund statements	
Bonds/notes payable	( 3,204,069)
Accrued interest on bonds/notes payable	( 15,154)
Discounts and premiums on bonds are reported as other financing sources or uses in the governmental funds, whereas they are capitalized and amortized from net position (netted against bonds payable)	
Bond premium	( 11,845)
Revenues that are deferred in the governmental fund statements because the amounts are not available	
Lease revenue	<u>3,204,069</u>
Net Position of Board of Public Works	<u><u>\$ -</u></u>

**LAPEER COUNTY, MICHIGAN**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BOARD OF PUBLIC WORKS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Debt Service Funds				
	Dryden Wastewater Treatment	North Branch Wastewater Treatment	Dryden Drinking Water	Almont WSSI 2007	Almont Sewage Disposal 2002
<b>Revenues:</b>					
Intergovernmental	\$ 137,925	\$ -	\$ 63,350	\$ 124,057	\$ 130,119
<b>Expenditures:</b>					
Debt Service -					
Principal retirement	135,000	-	55,000	90,000	95,000
Interest and fiscal charges	2,700	-	8,350	34,057	35,119
Total Expenditures	<u>137,700</u>	<u>-</u>	<u>63,350</u>	<u>124,057</u>	<u>130,119</u>
Net Change in Fund Balance	225	-	-	-	-
Fund Balance at beginning of year	<u>4,439</u>	<u>766</u>	<u>877</u>	<u>5,915</u>	<u>9,427</u>
Fund Balance at end of year	<u><u>\$ 4,664</u></u>	<u><u>\$ 766</u></u>	<u><u>\$ 877</u></u>	<u><u>\$ 5,915</u></u>	<u><u>\$ 9,427</u></u>

Debt Service Funds				
<u>Dryden WSSI 2007</u>	<u>Almont Wastewater Treatment</u>	<u>Almont Sewer Improvement</u>	<u>Elba Wastewater Treatment</u>	<u>Total</u>
<u>\$ 40,941</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 496,392</u>
30,000	-	-	-	405,000
<u>10,941</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>91,167</u>
<u>40,941</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>496,167</u>
-	-	-	-	225
<u>641</u>	<u>6,718</u>	<u>1,065</u>	<u>8,831</u>	<u>38,679</u>
<u>\$ 641</u>	<u>\$ 6,718</u>	<u>\$ 1,065</u>	<u>\$ 8,831</u>	<u>\$ 38,904</u>

## LAPEER COUNTY, MICHIGAN

### RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE BOARD OF PUBLIC WORKS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2014

Net Change in Fund Balances - total board of public works funds	\$	225
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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 position.

Principal payments on long-term liabilities	405,000
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Accrued interest expense on bonds and the amortization of discounts, premiums and deferred losses are not recorded by governmental funds, but are reported under interest and fiscal charges for purposes of net position.

Decrease in accrued interest payable	2,569
Amortization of premium on bonds	3,120

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	(	410,914)
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Change in Net Position of the Board of Public Works	\$	-
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## **DRAINAGE DISTRICT FUNDS**

# LAPEER COUNTY, MICHIGAN

## BALANCE SHEET DRAIN FUNDS DECEMBER 31, 2014

	Debt Service Funds			
	Talmage Drain	South Branch Mill Creek	Imlay Bigelow	Winn Lake
<b>Assets:</b>				
Cash and cash equivalents	\$ 79,133	\$ 169,761	\$ 786,918	\$ 143,191
Investments	-	-	-	-
Receivables -				
Special assessments	374,738	323,124	1,382,296	122,874
Interest	-	-	-	-
Due from other funds	30,591	-	239,382	-
Due from other governmental units	-	17,964	-	-
Deposits	-	128,887	-	-
	<u>\$ 484,462</u>	<u>\$ 639,736</u>	<u>\$ 2,408,596</u>	<u>\$ 266,065</u>
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ 778	\$ -	\$ -
Due to other governmental units	-	-	21,945	-
Due to other funds	-	14,204	-	-
Advances from primary government	-	-	-	-
	<u>-</u>	<u>14,982</u>	<u>21,945</u>	<u>-</u>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenue - special assessments	<u>262,886</u>	<u>219,358</u>	<u>1,404,241</u>	<u>100,691</u>
<b>Fund Balance:</b>				
Restricted -				
Debt service	221,576	405,396	982,410	165,374
Acquisition/construction of capital assets	-	-	-	-
	<u>221,576</u>	<u>405,396</u>	<u>982,410</u>	<u>165,374</u>
<b>Total Fund Balance</b>	<u>221,576</u>	<u>405,396</u>	<u>982,410</u>	<u>165,374</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 484,462</u>	<u>\$ 639,736</u>	<u>\$ 2,408,596</u>	<u>\$ 266,065</u>

Debt Service Funds		Capital Projects Funds				
Lake Lapeer Lake Level	Potter's Lake	South Branch Mill Creek	Special Assessment Drain	Drain Revolving	Talmage Drain	Total
\$ 487	\$ -	\$ -	\$ 930,018	\$ 151,534	\$ -	\$ 2,261,042
-	-	-	1,186,540	-	-	1,186,540
-	-	-	188,589	-	-	2,391,621
-	-	-	1,724	-	-	1,724
-	-	-	14,204	-	-	284,177
-	-	-	-	-	-	17,964
-	-	41,730	-	-	-	170,617
<u>\$ 487</u>	<u>\$ -</u>	<u>\$ 41,730</u>	<u>\$ 2,321,075</u>	<u>\$ 151,534</u>	<u>\$ -</u>	<u>\$ 6,313,685</u>
\$ -	\$ -	\$ -	\$ 23,811	\$ -	\$ -	\$ 24,589
-	-	-	52,000	-	-	73,945
-	-	-	51,250	56,048	-	121,502
-	-	-	-	90,000	-	90,000
-	-	-	127,061	146,048	-	310,036
-	-	-	-	-	-	1,987,176
487	-	-	-	-	-	1,775,243
-	-	41,730	2,194,014	5,486	-	2,241,230
487	-	41,730	2,194,014	5,486	-	4,016,473
<u>\$ 487</u>	<u>\$ -</u>	<u>\$ 41,730</u>	<u>\$ 2,321,075</u>	<u>\$ 151,534</u>	<u>\$ -</u>	<u>\$ 6,313,685</u>



# LAPEER COUNTY, MICHIGAN

## RECONCILIATION OF THE BALANCE SHEET FOR DRAIN FUNDS TO THE STATEMENT OF NET POSITION DECEMBER 31, 2014

Fund Balances - total drainage district funds	\$ 4,016,473
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.	
Capital assets	29,905,991
Accumulated depreciation	( 15,577,344)
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	
Special assessments	1,987,176
An Internal Service Fund is used by management to charge costs of maintenance. The assets and liabilities of the Internal Service Fund are included in governmental activities in the statement of net position.	
	647,604
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	
Bonds/notes payable	( 2,449,599)
Accrued interest on bonds/notes payable	( 12,747)
Net Position of Drainage Districts	<u>\$ 18,517,554</u>

# LAPEER COUNTY, MICHIGAN

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES DRAIN FUNDS FOR THE YEAR ENDED DECEMBER 31, 2014

	Debt Service Funds			
	Talmage Drain	South Branch Mill Creek	Imlay Bigelow	Winn Lake
<b>Revenues:</b>				
Local contribution	\$ -	\$ -	\$ -	\$ -
Interest	470	-	-	-
Other - special assessments	170,453	129,596	223,261	27,018
Total Revenues	<u>170,923</u>	<u>129,596</u>	<u>223,261</u>	<u>27,018</u>
<b>Expenditures:</b>				
Maintenance	-	-	-	-
Debt Service -				
Principal retirement	124,648	124,768	150,000	25,000
Interest and fiscal charges	6,795	13,363	68,755	12,248
Total Expenditures	<u>131,443</u>	<u>138,131</u>	<u>218,755</u>	<u>37,248</u>
Revenues over (under) expenditures	<u>39,480</u>	<u>( 8,535)</u>	<u>4,506</u>	<u>( 10,230)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers In	9,958	-	-	-
Transfers Out	-	-	-	-
Total Other Sources (Uses)	<u>9,958</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	49,438	( 8,535)	4,506	( 10,230)
Fund Balances at beginning of year	<u>172,138</u>	<u>413,931</u>	<u>977,904</u>	<u>175,604</u>
Fund Balances at end of year	<u>\$ 221,576</u>	<u>\$ 405,396</u>	<u>\$ 982,410</u>	<u>\$ 165,374</u>

Debt Service Funds		Capital Project Funds				
Lake Lapeer Lake Level	Potter's Lake	South Branch Mill Creek	Special Assessment Drain	Drain Revolving	Talmage Drain	Total
\$ -	\$ -	\$ -	\$ 165,616	\$ -	\$ -	\$ 165,616
-	-	-	5,741	36	-	6,247
-	-	-	315,407	-	-	865,735
-	-	-	486,764	36	-	1,037,598
-	-	-	271,931	-	-	271,931
-	-	-	-	-	-	424,416
-	-	-	-	-	-	101,161
-	-	-	271,931	-	-	797,508
-	-	-	214,833	36	-	240,090
-	-	-	3,287	-	-	13,245
-	( 3,287)	-	-	-	( 9,958)	( 13,245)
-	( 3,287)	-	3,287	-	( 9,958)	-
-	( 3,287)	-	218,120	36	( 9,958)	240,090
487	3,287	41,730	1,975,894	5,450	9,958	3,776,383
\$ 487	\$ -	\$ 41,730	\$ 2,194,014	\$ 5,486	\$ -	\$ 4,016,473

## LAPEER COUNTY, MICHIGAN

### RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF DRAIN FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2014

Net Change in Fund Balances - total drainage district funds	\$	240,090
<p>Governmental funds report capital outlay 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	(	538,290)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.</p>		
	(	420,003)
<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 position.</p>		
Principal payments on long-term liabilities		424,416
<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>		
	(	92,687)
<p>Accrued interest expense on bonds and the amortization of discounts, premiums and deferred losses are not recorded by governmental funds, but are reported under interest and fiscal charges for purposes of net position.</p>		
Decrease in accrued interest payable		<u>4,406</u>
Change in Net Position of Drainage Districts	\$	<u><u>( 382,068)</u></u>

**LAPEER COUNTY, MICHIGAN**

**STATEMENT OF NET POSITION  
PROPRIETARY FUND - DRAINAGE DISTRICTS  
INTERNAL SERVICE FUND  
DECEMBER 31, 2014**

**Assets:**

Current Assets:

Cash and cash equivalents	\$ 804,029
Due from other governmental units	23,571
Total Current Assets	<u>827,600</u>

Property, Plant and Equipment, Net	<u>2,919</u>
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Total Assets	<u>830,519</u>
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**Liabilities:**

Current Liabilities:

Accounts payable	20,240
Due to other funds	162,675
Total Current Liabilities	<u>182,915</u>

**Net Position:**

Net investment in capital assets	2,919
Unrestricted	644,685
Total Net Position	<u>\$ 647,604</u>

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
PROPRIETARY FUND - DRAINAGE DISTRICTS  
INTERNAL SERVICE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**Operating Revenue:**

Charges for services	<u>\$ 173,051</u>
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**Operating Expenses:**

Drain Maintenance	263,084
Depreciation	2,919
Total Operating Expenses	<u>266,003</u>

Operating Loss	( 92,952)
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**Non-Operating Revenue:**

Interest	<u>265</u>
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Change in Net Position	( 92,687)
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Net Position at beginning of year	<u>740,291</u>
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Net Position at end of year	<u>\$ 647,604</u>
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**LAPEER COUNTY, MICHIGAN**

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUND - DRAINAGE DISTRICTS  
INTERNAL SERVICE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**Cash Flows From Operating Activities:**

Cash receipts for services	\$ 193,885
Cash payments to suppliers	( 253,214)
Net Cash Used in Operating Activities	( 59,329)

**Cash Flows From Non-Capital Related Financing Activities:**

Due to other funds	162,675
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**Cash Flows From Investing Activities:**

Interest received	265
Net increase in cash and cash equivalents	103,611
Cash and cash equivalents at beginning of year	700,418
Cash and cash equivalents at end of year	\$ 804,029

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

Operating loss	\$( 92,952)
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	( 23,571)
Due from other funds	44,405
Accounts payable	9,870
Net Cash Used in Operating Activities	\$( 59,329)

## 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.

<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-29
<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-30 to S-31
<i>These schedules contain miscellaneous information to help the reader assess the County Government.</i>	

**LAPEER COUNTY, MICHIGAN**

**NET POSITION BY COMPONENT  
LAST TEN YEARS - UNAUDITED  
(accrual basis of accounting)**

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<b>Governmental Activities</b>										
Net investment in capital assets	\$ 19,165,973	\$ 18,342,068	\$ 17,818,625	\$ 17,396,631	\$ 16,654,707	\$ 15,896,442	\$ 15,527,553	\$ 16,505,966	\$ 16,659,094	\$ 17,870,430
Restricted	11,296,788	13,948,783	14,073,426	12,860,615	8,221,319	5,574,262	13,556,947	9,284,737	7,325,294	6,839,225
Unrestricted	4,516,543	5,070,872	5,631,585	5,942,806	11,426,758	16,095,799	11,269,021	16,683,094	19,555,834	22,069,473
Total Government Activities Net Position	<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>\$37,566,503</u>	<u>\$40,353,521</u>	<u>\$42,473,797</u>	<u>\$43,540,222</u>	<u>\$46,779,128</u>
<b>Business-Type Activities</b>										
Net investment in capital assets	\$ 7,433,275	\$ 7,007,742	\$ 7,464,355	\$ 8,831,167	\$ 9,276,606	\$ 14,796,843	\$ 16,327,713	\$ 15,466,114	\$ 14,769,275	\$ 14,127,443
Restricted	615,632	773,255	926,562	1,049,307	1,308,557	1,166,837	1,421,146	2,087,594	2,244,192	2,438,415
Unrestricted	13,942,229	17,519,560	19,600,864	20,158,728	21,211,382	18,587,939	17,180,730	20,291,236	23,539,977	22,145,385
Total Business-Type Activities Net Position	<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>	<u>\$37,844,944</u>	<u>\$40,553,444</u>	<u>\$38,711,243</u>
<b>Primary Government</b>										
Net investment in capital assets	\$ 26,599,248	\$ 25,349,810	\$ 25,282,980	\$ 26,227,798	\$ 25,931,313	\$ 30,693,285	\$ 31,855,266	\$ 31,972,080	\$ 31,428,369	\$ 31,997,873
Restricted	11,912,420	14,722,038	14,999,988	13,909,922	9,529,876	6,741,099	14,978,093	11,372,331	9,569,486	9,277,640
Unrestricted	18,458,772	22,590,432	25,232,449	26,101,534	32,638,140	34,683,738	28,449,751	36,974,330	43,095,811	44,214,858
Total Primary Government Net Position	<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>\$72,118,122</u>	<u>\$75,283,110</u>	<u>\$80,318,741</u>	<u>\$84,093,666</u>	<u>\$85,490,371</u>

Source: Lapeer County Finance Department

NOTE: The net position 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**  
**CHANGES IN NET POSITION**  
**LAST TEN YEARS - UNAUDITED**  
**(accrual basis of accounting)**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Expenses</b>										
Governmental Activities:										
Legislative	\$ 273,694	\$ 249,736	\$ 244,333	\$ 259,301	\$ 275,784	\$ 290,948	\$ 261,095	\$ 267,547	\$ 272,414	\$ 281,705
Judicial	4,588,516	4,741,232	5,037,955	5,021,694	5,318,644	5,172,038	4,785,333	4,858,563	4,757,337	4,874,708
General Government	5,627,863	5,836,173	5,730,609	6,407,816	6,329,101	6,728,278	6,006,053	5,651,341	5,406,198	7,466,262
Public Safety	9,080,322	10,685,775	10,308,041	10,394,105	10,578,956	10,471,631	9,789,747	10,312,058	10,516,750	10,678,702
Public Works	486,381	451,726	466,202	384,302	380,476	810,776	398,268	292,231	370,012	341,165
Health and Welfare	21,418,610	19,833,250	21,500,048	21,809,561	21,212,635	21,070,057	21,046,547	22,340,301	22,094,300	22,681,428
Recreation and Culture	846,669	822,279	794,640	877,814	822,024	592,701	422,204	426,620	449,245	437,936
Other Activities	1,567,547	1,544,827	1,085,590	1,187,124	-	-	-	-	-	-
Interest on long term debt	66,483	63,684	60,650	57,550	51,166	43,334	380,024	391,699	405,496	351,578
Total Governmental Activities Expenses	43,956,085	44,228,682	45,228,068	46,399,267	44,968,786	45,179,763	43,089,271	44,540,360	44,271,752	47,113,484
Business-Type Activities										
Medical Care Facility	15,304,504	16,813,212	17,323,832	18,392,690	18,054,605	18,645,836	21,726,473	21,664,598	22,240,772	23,047,871
Delinquent Tax Revolving	130,799	50,379	126,066	74,646	119,969	222,351	230,860	490,112	267,737	291,793
Total Business-Type Activities Expenses	15,435,303	16,863,591	17,449,898	18,467,336	18,174,574	18,868,187	21,957,333	22,154,710	22,508,509	23,339,664
Total Primary Government Expenses	59,391,388	61,092,273	62,677,966	64,866,603	63,143,360	64,047,950	65,046,604	66,695,070	66,780,261	70,453,148
<b>Program Revenues</b>										
Governmental Activities:										
Charges for Services										
Legislative	-	1,119	-	-	1,044	-	-	-	-	-
Judicial	1,580,081	1,517,028	1,437,137	1,500,757	1,547,048	1,415,294	1,246,428	1,300,445	1,311,455	1,280,631
General Government	3,660,140	3,449,296	3,544,590	3,338,296	4,655,630	4,509,171	4,044,677	4,494,863	3,991,391	4,069,704
Public Safety	2,166,574	1,804,213	1,962,379	2,000,750	2,056,577	1,942,126	2,164,267	3,611,740	3,750,022	3,599,361
Public Works	-	-	-	-	1,412	-	-	-	-	-
Health and Welfare	2,696,314	12,382,563	14,127,168	13,901,118	13,779,838	14,159,046	15,068,511	15,848,697	14,939,287	16,538,510
Recreation and Culture	229,879	226,032	205,904	229,657	153,867	104,791	74,050	154,965	138,624	126,311
Other Activities	413,985	568,204	615,958	351,488	-	-	-	-	-	-
Interest on Long Term Debt	207,622	231,926	148,677	161,503	161,503	161,503	161,503	-	-	186,078
Operating Grants and Contributions	17,645,715	7,694,183	7,996,328	7,777,755	7,823,955	9,971,597	7,332,088	7,542,063	7,208,391	7,942,683
Capital Grants and Contributions	785,924	397,396	29,445	239,556	46,076	-	137,046	122,323	-	524,318
Total Governmental Activities Program Revenues	29,386,234	28,271,960	30,067,586	29,500,880	30,226,950	32,263,528	30,228,570	33,075,096	31,339,170	34,267,596
Business-Type Activities										
Charges for Services										
Medical Care Facility	13,876,815	17,192,706	16,212,479	17,121,835	17,327,488	19,234,378	19,723,547	21,656,561	23,451,325	21,105,999
Delinquent Tax	660,487	1,071,008	1,219,237	1,217,491	1,472,821	1,317,845	1,643,288	2,520,600	1,166,265	1,397,803
Operating Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Total Business-Type Activities Program Revenues	14,537,302	18,263,714	17,431,716	18,339,326	18,800,309	20,552,223	21,366,835	24,177,161	24,617,590	22,503,802
Total Primary Government Program Revenues	43,923,536	46,535,674	47,499,302	47,840,206	49,027,259	52,815,751	51,595,405	57,252,257	55,956,760	56,771,398
Net (expense)/revenue										
Governmental Activities	( 14,569,851)	( 15,956,722)	( 15,160,482)	( 16,898,387)	( 14,741,836)	( 12,916,235)	( 12,860,701)	( 11,465,264)	( 12,932,582)	( 12,845,888)
Business-Type Activities	( 898,001)	1,400,123	( 18,182)	( 128,010)	625,735	1,684,036	( 590,498)	2,022,451	2,109,081	( 835,862)
Total Primary Government Net Expenses	\$( 15,467,852)	\$( 14,556,599)	\$( 15,178,664)	\$( 17,026,397)	\$( 14,116,101)	\$( 11,232,199)	\$( 13,451,199)	\$( 9,442,813)	\$( 10,823,501)	\$( 13,681,750)

Continued

**LAPEER COUNTY, MICHIGAN**  
**CHANGES IN NET POSITION**  
**LAST TEN YEARS - UNAUDITED**  
**(accrual basis of accounting)**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities										
Property taxes	\$ 15,081,491	\$ 15,972,806	\$ 13,661,065	\$ 14,141,996	\$ 13,944,341	\$ 12,766,862	\$ 13,680,318	\$ 12,086,201	\$ 12,256,788	\$ 12,797,132
Unrestricted grants and contributions	-	429,022	391,679	375,956	4,875	8,975	1,557,117	1,281,637	1,304,881	1,444,556
Investment earnings	567,529	1,156,276	1,262,949	931,362	433,575	392,381	404,060	213,681	51,699	173,195
Transfers	253,026	781,037	6,702	125,489	46,614	4,697	6,224	4,021	385,639	1,669,911
Total Governmental Activities	15,902,046	18,339,141	15,322,395	15,574,803	14,429,405	13,172,915	15,647,719	13,585,540	13,999,007	16,084,794
Business-Type Activities										
Property taxes	2,054,142	2,024,514	2,301,179	1,151,144	1,011,140	930,705	909,353	863,590	876,530	810,147
Unrestricted grants and contributions	311,804	395,858	29,746	48,070	51,997	24,765	30,973	9,274	19,434	7,830
Investment earnings	125,453	426,375	378,481	314,808	68,471	115,568	28,142	20,040	18,455	25,684
Loss on sale of capital assets	( 223)	-	-	-	-	-	-	-	-	-
Transfers	( 414,845)	( 900,000)	-	-	-	-	-	-	( 315,000)	( 1,850,000)
Total Business-Type Activities	2,076,331	1,946,747	2,709,406	1,514,022	1,131,608	1,071,038	968,468	892,904	599,419	( 1,006,339)
Total Primary Government	17,978,377	20,285,888	18,031,801	17,088,825	15,561,013	14,243,953	16,616,187	14,478,444	14,598,426	15,078,455
<b>Change in Net Position</b>										
Governmental Activities	1,332,195	2,382,419	161,913	( 1,323,584)	( 312,431)	256,680	2,787,018	2,120,276	1,066,425	3,238,906
Business-Type Activities	1,178,330	3,346,870	2,691,224	1,386,012	1,757,343	2,755,074	377,970	2,915,355	2,708,500	( 1,842,201)
Total Primary Government	\$ 2,510,525	\$ 5,729,289	\$ 2,853,137	\$ 62,428	\$ 1,444,912	\$ 3,011,754	\$ 3,164,988	\$ 5,035,631	\$ 3,774,925	\$ 1,396,705

Source: Lapeer County Finance Department

Concluded

NOTE: The general government expenses and charges for services and net (expenses) revenue for the years 2004 - 2009 have not been restated 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 OF GOVERNMENTAL FUNDS  
LAST TEN YEARS - UNAUDITED  
(modified accrual basis of accounting)**

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General Fund										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 144,292	\$ 161,941	\$ 293,351	\$ 293,341
Restricted	-	-	-	-	-	-	2,504,748	2,533,796	2,547,799	2,560,317
Committed	-	-	-	-	-	-	3,784,958	3,800,594	3,813,324	3,821,027
Unassigned	-	-	-	-	-	-	5,190,092	5,445,711	5,531,941	5,794,629
Reserved	198,000	198,000	198,000	198,000	198,000	110,110	-	-	-	-
Unreserved	<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>	<u>-</u>	<u>-</u>	<u>-</u>
Total General Fund	<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>	<u>\$ 11,942,042</u>	<u>\$ 12,186,415</u>	<u>\$ 12,469,314</u>
All other Governmental Funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 67,637	\$ 111,655	\$ 90,311	\$ 238,903
Restricted	-	-	-	-	-	-	8,627,426	7,224,611	7,487,340	6,709,350
Committed	-	-	-	-	-	-	2,160,986	2,945,758	3,114,062	4,080,433
Reserved	308,045	444,784	485,734	581,497	472,453	497,271	-	-	-	-
Unreserved, reported in:										
Special revenue funds	10,177,462	12,836,097	12,941,505	12,023,209	11,177,792	10,404,991	-	-	-	-
Debt service funds	180,756	208,701	162,346	137,061	93,883	63,400	-	-	-	-
Capital project funds	<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>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other Governmental Funds	<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>	<u>\$ 10,282,024</u>	<u>\$ 10,691,713</u>	<u>\$ 11,028,686</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 in the years after 2011.

**LAPEER COUNTY, MICHIGAN**

**CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS  
LAST TEN YEARS - UNAUDITED  
(modified accrual basis of accounting)**

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<b>Revenues:</b>										
Property taxes	\$ 15,215,837	\$ 15,972,806	\$ 13,661,065	\$ 14,141,996	\$ 13,944,341	\$ 12,776,677	\$ 13,680,318	\$ 12,229,576	\$ 12,256,788	\$ 12,797,132
Licenses and permits	744,802	604,566	636,952	540,707	520,455	518,583	485,784	509,203	508,940	556,463
Intergovernmental	18,431,639	8,524,913	8,378,993	8,337,676	7,635,175	9,849,554	8,988,252	8,941,848	8,593,470	9,190,544
Charges for services	6,595,429	15,740,144	17,329,614	17,115,895	16,985,601	17,002,625	17,688,094	20,577,714	20,286,836	21,085,945
Fines and forfeits	567,729	470,635	494,446	493,068	457,485	419,357	351,642	403,012	370,531	359,655
Rents and royalties	454,466	498,268	424,512	410,797	378,183	382,454	211,516	376,174	360,241	391,233
Interest	567,529	1,156,276	1,289,965	931,362	430,689	392,381	564,776	213,681	51,699	173,195
Other	2,592,169	2,949,922	3,167,732	2,933,850	3,899,379	3,977,887	3,868,684	3,710,285	3,422,509	3,714,606
Total Revenues	<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>45,839,066</u>	<u>46,961,493</u>	<u>45,851,014</u>	<u>48,268,773</u>
<b>Expenditures:</b>										
Current-										
Legislative	273,694	249,736	244,333	259,301	275,784	290,948	261,095	267,547	272,414	281,705
Judicial	4,567,986	4,735,978	5,043,981	4,984,112	5,333,356	5,172,038	4,785,333	4,858,563	4,757,337	4,874,708
General Government	5,328,706	5,429,748	5,388,954	5,728,076	5,430,567	5,390,083	4,893,618	5,213,509	4,992,545	5,283,633
Public Safety	8,334,778	9,998,558	10,170,522	10,051,004	10,370,496	10,513,273	9,922,910	9,744,481	9,772,045	10,151,606
Public Works	485,781	451,126	465,602	383,702	379,876	397,993	397,668	291,631	369,412	340,565
Health and Welfare	21,091,963	19,691,902	21,372,120	21,469,941	21,039,622	21,549,585	21,642,974	22,173,092	22,083,897	23,130,639
Recreation and Culture	743,898	746,350	754,773	788,519	760,738	512,103	414,190	375,424	380,680	360,234
Other Activities	1,461,013	1,586,008	1,130,590	1,152,124	497,101	1,254,825	414,047	418,961	231,067	408,093
Capital Outlay	841,275	312,739	387,887	26,141	8,612	4,584	10,772,923	1,305,461	236,100	555,236
Debt Service-										
Principal	110,000	155,000	150,000	140,000	160,000	155,000	145,000	2,170,000	1,665,000	1,685,000
Interest and Charges	59,350	56,700	53,650	50,575	45,000	37,125	256,313	508,500	437,625	383,875
Bond issuance costs	-	-	-	-	-	-	78,706	-	-	-
Total Expenditures	<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>	<u>47,327,169</u>	<u>45,198,122</u>	<u>47,455,294</u>
Revenues over (under) expenditures	<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>( 8,145,711)</u>	<u>( 365,676)</u>	<u>652,892</u>	<u>813,479</u>
<b>Other financing sources (uses):</b>										
Issuance of bonds	-	-	-	-	-	-	14,475,000	-	-	-
Premium of refunding bonds	-	-	-	-	-	-	220,756	-	-	-
Transfers in	4,768,233	5,520,243	5,043,699	5,075,455	5,411,211	5,158,443	2,748,041	2,811,347	2,575,900	4,630,932
Transfers out	( 4,702,707)	( 5,167,418)	( 5,187,497)	( 5,318,942)	( 5,403,160)	( 5,159,713)	( 2,761,992)	( 2,839,286)	( 2,574,730)	( 4,824,539)
Total other financing sources (uses)	<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>	<u>( 27,939)</u>	<u>1,170</u>	<u>( 193,607)</u>
<b>Net Change in Fund Balances</b>	<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>\$ 6,536,094</u>	<u>\$( 393,615)</u>	<u>\$ 654,062</u>	<u>\$ 619,872</u>
Debt service as a percentage of noncapital expenditures	<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>0.9%</u>	<u>5.8%</u>	<u>4.7%</u>	<u>4.4%</u>

Source: Lapeer County Finance Department

**LAPEER COUNTY, MICHIGAN**

**GENERAL FUND CHANGES IN FUND BALANCES  
LAST TEN YEARS - UNAUDITED  
(modified accrual basis of accounting)**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Revenues:</b>										
Property taxes	\$ 9,723,100	\$ 10,318,105	\$ 10,282,079	\$ 11,127,623	\$ 10,778,574	\$ 10,185,744	\$ 9,729,526	\$ 9,488,760	\$ 9,359,926	\$ 9,905,240
Licenses and permits	18,818	13,065	14,850	16,938	31,132	32,051	26,990	25,075	40,608	60,335
Intergovernmental	1,375,351	1,452,774	1,475,177	1,580,159	1,308,866	1,849,879	2,795,363	2,658,672	2,642,041	2,881,812
Charges for services	3,009,202	2,503,694	2,375,527	2,350,982	2,359,230	2,255,845	2,133,293	2,360,289	2,350,542	2,127,751
Fines and forfeits	445,362	350,626	388,865	368,619	355,790	326,271	241,189	220,998	205,975	202,479
Rents and royalties	167,920	167,953	164,344	160,712	160,716	160,712	15,884	177,001	178,854	188,958
Interest on long term debt	437,402	750,799	677,447	659,910	291,566	266,795	549,646	200,432	40,359	170,165
Other	2,235,759	2,450,480	2,656,004	2,294,978	3,506,467	3,441,681	2,957,892	3,129,152	2,742,557	2,906,648
Total Revenues	<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>	<u>18,260,379</u>	<u>17,560,862</u>	<u>18,443,388</u>
<b>Expenditures:</b>										
Current-										
Legislative	273,694	249,736	244,333	259,301	275,784	290,948	261,095	267,547	272,414	281,705
Judicial	3,383,182	3,475,960	3,759,549	3,677,076	3,837,743	3,710,484	3,504,248	3,589,040	3,456,771	3,601,312
General Government	5,083,180	5,139,061	5,109,540	5,479,372	5,274,237	5,211,179	4,820,982	5,113,500	4,897,991	5,153,277
Public Safety	4,931,469	5,061,635	5,495,975	5,444,513	5,843,892	5,801,534	5,668,884	5,711,327	5,840,850	6,001,753
Public Works	458,180	422,514	443,428	359,718	367,816	297,441	278,040	291,631	369,412	340,565
Health and Welfare	171,403	166,274	174,991	169,203	197,450	198,156	183,878	179,862	98,335	86,455
Recreation and Culture	230,892	242,019	248,237	246,416	275,310	273,511	226,735	197,273	215,473	211,761
Other Activities	1,402,842	1,586,008	1,130,590	1,152,124	497,101	1,254,825	414,047	418,961	231,067	408,093
Total Expenditures	<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>	<u>15,769,141</u>	<u>15,382,313</u>	<u>16,084,921</u>
Revenues over expenditures	<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>	<u>2,491,238</u>	<u>2,178,549</u>	<u>2,358,467</u>
<b>Other Financing Sources (Uses):</b>										
Transfers in	1,480,197	1,513,709	1,569,716	1,605,819	1,721,318	1,625,587	9,518	-	-	1,850,000
Transfers out	( 2,684,205)	( 3,110,222)	( 3,085,890)	( 2,632,600)	( 2,976,964)	( 2,791,721)	( 2,102,474)	( 2,173,286)	( 1,934,176)	( 3,925,568)
Total Other Financing Uses	<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>	<u>( 2,173,286)</u>	<u>( 1,934,176)</u>	<u>( 2,075,568)</u>
<b>Net Change in Fund Balances</b>	<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>	<u>\$ 317,952</u>	<u>\$ 244,373</u>	<u>\$ 282,899</u>

Source: Lapeer County Finance Department

**LAPEER COUNTY, MICHIGAN**

**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN FISCAL YEARS - UNAUDITED**

Fiscal Year Ended December 31,	Tax Year	Assessed Value of Real Property				Assessed Value of Personal Property	Total Assessed Value	Total Assessed Value Captured	Total Direct Tax Rate	Total Estimated Actual Value
		Residential Property	Agricultural Property	Commercial Property	Other Property					
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	\$ 3,821,919,320	\$ 177,868,981	4.3642	\$ 7,643,838,640
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	5.1186	\$ 6,193,193,554
2012	2011	\$ 2,025,772,813	\$ 372,295,452	\$ 261,688,127	\$ 64,354,683	\$ 186,546,886	\$ 2,910,657,961	\$ 144,045,208	5.2186	\$ 5,821,315,922
2013	2012	\$ 2,045,548,843	\$ 357,950,077	\$ 246,235,902	\$ 57,677,692	\$ 197,764,038	\$ 2,905,176,552	\$ 149,578,826	5.2186	\$ 5,810,353,104
2014	2013	\$ 2,162,320,660	\$ 380,850,934	\$ 231,788,886	\$ 59,371,428	\$ 194,317,290	\$ 3,028,649,198	\$ 139,511,142	5.2186	\$ 6,057,298,396

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 Equalized 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 Tax Increment Financing Authorities (TIFA's) and Downtown Development Authorities (DDA's)

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

**LAPEER COUNTY, MICHIGAN**

**DIRECT AND OVERLAPPING PROPERTY TAXES RATES  
LAST TEN FISCAL YEARS - UNAUDITED**

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
County-										
Operating	3.8165	3.7886	3.7886	3.7886	3.7886	3.7886	3.7886	3.7886	3.7886	3.7886
Extra Voted	<u>1.8021</u>	<u>1.7888</u>	<u>0.9757</u>	<u>0.5756</u>	<u>0.5756</u>	<u>1.0800</u>	<u>1.3300</u>	<u>1.4300</u>	<u>1.4300</u>	<u>1.4300</u>
Total County	<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>	<u>5.2186</u>	<u>5.2186</u>	<u>5.2186</u>
Townships-										
Almont	3.7556	3.7556	5.0056	4.5616	4.5616	4.5616	4.5783	3.6312	3.6312	3.6126
Arcadia	1.4305	1.4149	2.3149	2.3096	2.3096	2.3096	2.3096	2.3096	2.3096	2.3072
Attica	3.9624	3.3695	4.3695	4.3695	4.3695	4.3695	4.3695	4.3695	4.3695	4.3695
Burlington	1.6188	1.6003	2.4969	2.4969	2.4969	2.4969	2.4969	2.4969	2.4969	2.4850
Burnside	1.5966	1.5966	2.4788	2.4535	2.4514	2.4514	2.4514	2.4514	2.4514	2.4514
Deerfield	1.4012	1.6349	2.5267	2.5122	2.5122	2.5122	2.5122	2.5267	2.5267	2.5130
Dryden	4.6975	4.6252	4.6252	4.6252	4.6675	4.6675	4.6675	4.6675	4.7149	4.7149
Elba	2.9006	3.1285	4.0285	4.0285	4.0285	4.0285	3.7785	3.7785	4.0285	4.0285
Goodland	1.4625	1.4332	2.3332	2.3217	2.3217	2.3217	2.3217	2.3217	2.3217	2.3217
Hadley	2.0237	1.9367	2.7812	2.7699	2.7699	2.8153	2.9942	2.9764	2.9461	2.9173
Imlay	2.4535	1.9790	2.9702	2.9702	2.9702	2.9702	2.9702	2.9724	2.9428	2.9413
Lapeer	1.6148	1.8572	2.7572	2.7572	2.7572	2.7572	2.7572	2.7572	2.7572	2.7572
Marathon	1.4071	1.3927	2.2927	2.2927	2.2927	2.2927	2.2927	2.2927	2.2927	2.2858
Mayfield	1.5720	1.8091	2.7053	2.7053	2.7053	2.7053	2.7053	2.7053	2.7053	2.7053
Metamora	4.5845	4.4955	5.3965	5.3955	5.3955	5.3955	5.3955	5.3955	5.3955	5.3955
North Branch	2.9458	2.9207	3.9174	4.8965	3.8665	3.8665	3.8965	4.0045	4.5045	4.5045
Oregon	1.4807	1.7238	2.6238	2.6238	2.6238	2.6238	2.6238	2.6238	2.6238	2.6238
Rich	4.5856	4.5035	5.4035	5.4035	5.4577	5.4572	5.4572	5.4572	5.4344	5.4344
Cities-										
Imlay City	19.7627	20.2061	20.5000	18.4500	17.3860	17.3500	17.2000	20.3500	20.3500	20.7213
City of Lapeer	9.8000	10.0500	10.9500	10.9500	10.9500	10.9500	10.9500	10.9500	10.9500	10.9500
Brown City	17.9716	18.1233	18.1233	18.1233	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>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Villages-										
Almont	14.6711	14.1004	13.0070	13.6177	13.6031	16.6151	17.6151	17.8020	17.6670	17.3420
Clifford	16.1034	19.6034	19.1700	19.1700	19.1700	19.1700	19.1700	19.1700	18.8109	18.8095
Columbiaville	13.5184	13.2101	13.1241	13.1241	13.1241	13.1241	13.1241	13.1241	13.1241	14.1241
Dryden	9.8110	9.8110	9.8110	9.8110	9.8110	9.8110	11.8110	11.8100	11.8100	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	14.8215	14.7918	14.6483	14.6483	14.6483	14.6483	14.6483	14.6483	14.6483	14.6483
Otter Lake	12.6688	13.2483	12.8932	12.7720	12.7720	12.7720	12.2772	12.7720	12.7720	12.7043
Local School Districts-										
Almont	14.4500	14.4500	14.4500	14.4500	14.4500	14.4500	14.4500	14.4500	14.4500	15.4500
Brandon	14.2400	14.2400	14.2400	14.2400	14.2400	14.2400	14.2400	14.2400	14.2400	15.6600
Brown City	11.9980	11.9980	11.9980	11.9980	11.9980	11.9980	11.9980	13.0000	13.0000	13.0000
Capac	9.9000	9.9000	9.9000	9.9000	10.2000	10.7000	10.7000	10.6000	10.6000	10.6000
Davison	9.4016	9.3325	9.3316	9.2616	9.1916	9.1316	9.1316	10.7000	10.1516	10.1416
Dryden	8.2400	8.2400	8.2400	8.2400	8.3000	9.1000	9.1000	9.2500	9.3500	9.3500
Goodrich	13.7498	13.7500	13.7500	13.7500	13.7500	10.5600	13.7500	10.6300	13.7500	13.7500
Inlay	11.7500	11.7500	11.7500	11.7500	11.7500	11.7500	11.7500	12.1000	12.1000	13.0000
Kingston	12.5000	12.2500	12.1500	12.0500	11.8500	12.1500	12.1500	11.9000	11.7500	11.6200
Lakeville	10.7000	10.3400	10.1000	9.9000	9.6500	9.6500	9.6500	10.7000	10.6000	10.3600
Lapeer	8.2194	8.2038	8.2038	8.2000	8.3500	8.8000	8.6000	9.0000	9.0000	9.0000
Marlette	6.0000	6.0000	6.0000	6.0000	6.0000	6.0000	6.0000	7.9500	7.3000	7.3000
Mayville	12.0000	12.0000	12.0000	10.5000	11.0000	11.1500	11.1500	11.7500	11.8000	11.4000
North Branch	13.0000	13.0000	13.0000	13.0000	13.0000	13.0000	13.0000	13.0000	13.0000	13.8300
Oxford	13.0000	13.0000	13.0000	13.0000	13.0000	13.0000	13.0000	13.0000	13.0000	13.9000
Intermediate School Districts-										
Lapeer	2.9509	2.9295	2.9295	2.9295	2.9295	2.9295	2.9295	2.9295	2.9295	2.9295

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

Concluded



**LAPEER COUNTY, MICHIGAN**  
**PRINCIPAL PROPERTY TAXPAYERS**  
**CURRENT YEAR AND NINE YEARS AGO - UNAUDITED**

<u><b>Taxpayer</b></u>	<b>2014</b>			<b>2005</b>		
	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total Taxable Assessed Value</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total Taxable Assessed Value</b>
DTE Energy	52,930,176	1	1.75%	46,165,829	1	1.65%
ITC	18,343,113	2	0.61%	15,362,250	2	0.55%
Consumers Energy	16,206,108	3	0.54%	12,539,368	3	0.45%
Pinnacle Foods	13,844,896	4	0.46%	8,939,108	5	0.32%
Enbridge Energy	9,241,463	5	0.31%			0.00%
Gestamp	8,724,200	6	0.29%			0.00%
Lapeer Industries	5,500,000	7	0.18%			0.00%
Toyo Seat	4,680,146	8	0.15%	5,466,904	8	0.19%
Meijer	4,589,102	9	0.15%			0.00%
Imlay Plaza	4,372,785	10	0.14%			0.00%
<b>Total</b>	<u><u>\$ 138,431,989</u></u>		4.58%	<u><u>\$ 88,473,459</u></u>		3.16%
Total Assessed Value	\$ 3,028,649,198			\$ 2,805,165,220		

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 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
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%
2012	2011	\$ 81,865,272	( 906,941)	\$ 80,958,331	\$ 74,824,932	92.42	\$ 6,252,661	\$ 81,077,593	100%
2013	2012	\$ 79,963,989	( 603,476)	\$ 76,360,513	\$ 71,118,512	93.14	\$ 5,242,001	\$ 76,360,513	100%
2014	2013	\$ 78,374,046	( 747,323)	\$ 77,626,723	\$ 72,685,639	93.63	\$ 4,941,084	\$ 77,626,723	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 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
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%
2012	2011	\$ 9,856,913	( 23,340)	\$ 9,833,573	\$ 9,394,302	95.53	\$ 439,274	\$ 9,833,576	100%
2013	2012	\$ 9,860,571	( 37,503)	\$ 9,823,068	\$ 9,395,141	95.64	\$ 428,330	\$ 9,823,471	100%
2014	2013	\$ 9,952,836	( 38,492)	\$ 9,914,344	\$ 9,499,354	95.81	\$ 414,990	\$ 9,914,344	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 of the levy year in the General Fund, for County general operations and in the year following the levy year for the extra voted levies for Soldiers' Relief 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 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.

# LAPEER COUNTY, MICHIGAN

## DRAIN SPECIAL ASSESSMENT LEVIES AND COLLECTIONS LAST TEN YEARS - UNAUDITED

Fiscal Year	Levy Year	Total Adjusted Levy	Total collections Current Year	
			Current Amt. of Collections Thru 'March 1	Percentage of Adjusted Levy Collected
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%
2012	2011	\$ 497,802	\$ 497,802	100%
2013	2012	\$ 724,662	\$ 724,662	100%
2014	2013	\$ 620,581	\$ 620,581	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 Fund whereby (in the normal case) all outstanding assessment receivables 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	Governmental Activities				Business-type Activities	Primary Government	Percentage of Personal Income	Percentage of Actual Value of Taxable Property	Per Capita
						General Obligation Bonds	Premium, Discount, and Adjustments	Total	General Obligation Bonds					
2005	2004	93,220	\$ 28,686	\$ 3,701,389,668	\$ 4,386,856	\$ 1,425,000	\$ ( 23,144)	\$ 1,401,856	\$ 2,985,000	\$ 4,386,856	0.16%	0.11%	47.06	
2006	2005	93,761	\$ 28,729	\$ 4,004,946,212	\$ 3,314,427	\$ 1,270,000	\$ ( 20,573)	\$ 1,249,427	\$ 2,065,000	\$ 3,314,427	0.12%	0.08%	35.35	
2007	2006	95,682	\$ 28,989	\$ 4,221,145,112	\$ 2,171,999	\$ 1,120,000	\$ ( 18,001)	\$ 1,101,999	\$ 1,070,000	\$ 2,171,999	0.08%	0.05%	22.70	
2008	2007	95,262	\$ 29,101	\$ 4,327,575,426	\$ 964,571	\$ 980,000	\$ ( 15,429)	\$ 964,571	\$ -	\$ 964,571	0.03%	0.02%	10.13	
2009	2008	87,904	\$ 21,462	\$ 3,203,594,051	\$ 807,143	\$ 820,000	\$ ( 12,857)	\$ 807,143	\$ -	\$ 807,143	0.04%	0.02%	9.18	
2010	2009	88,319	\$ 25,502	\$ 3,320,773,773	\$ 654,715	\$ 665,000	\$ ( 10,285)	\$ 654,715	\$ -	\$ 654,715	0.03%	0.02%	7.41	
2011	2010	88,082	\$ 30,386	\$ 3,096,596,777	\$ 15,185,967	\$ 14,995,000	\$ 190,967	\$ 15,185,967	\$ -	\$ 15,185,967	0.57%	0.49%	172.41	
2012	2011	88,173	\$ 31,825	\$ 2,910,657,961	\$ 13,021,463	\$ 12,850,000	\$ 171,463	\$ 13,021,463	\$ -	\$ 13,021,463	0.46%	0.45%	147.68	
2013	2012	88,257	\$ 33,720	\$ 2,905,176,552	\$ 11,311,959	\$ 11,160,000	\$ 151,959	\$ 11,311,959	\$ -	\$ 11,311,959	0.38%	0.39%	128.17	
2014	2013	88,153	\$ 34,813	\$ 3,028,649,198	\$ 9,607,454	\$ 9,475,000	\$ 132,454	\$ 9,607,454	\$ -	\$ 9,607,454	0.31%	0.32%	108.99	

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, 2014 - UNAUDITED

#### Direct Debt:

General Obligation	\$ 9,475,000
Premiums, Discounts, and Adjustments	<u>132,454</u>
	<u>\$ 9,607,454</u>

#### Overlapping Debt of County:

School Districts	173,942,933
Cities	7,236,568
Townships	4,040,465
Villages	6,034,995
Intermediate School Districts	2,398,577
Community College	<u>912,853</u>
Total Overlapping Debt	<u>194,566,391</u>
Total County Net Direct and Overlapping Debt	<u>\$ 204,173,845</u>

#### Legal Debt Margin Calculation for 2014

Assessed Value	<u>\$ 3,028,649,198</u>
Debt limit (10% of assessed value)	302,864,920
Less: Amount of outstanding debt	<u>9,607,454</u>
Legal debt margin	<u>\$ 293,257,466</u>

Source: Michigan Advisory Council of Michigan via Stauter Barch & Associates

Note: Percentage of overlap based on assessed property values.

## LAPEER COUNTY, MICHIGAN

### LEGAL DEBT MARGIN INFORMATION LAST TEN YEARS - UNAUDITED

Fiscal Year	Levy Year	State Equalized Value of Property	10% Legal Debt Limit	Bonded Debt	Legal Debt Margin	Bonded Debt as a Percentage of Debt Limit
2005	2004	\$ 3,701,389,668	\$ 370,138,967	\$ 4,386,856	\$ 365,752,111	1.19%
2006	2005	\$ 4,004,172,237	\$ 400,417,224	\$ 3,314,427	\$ 397,102,797	0.83%
2007	2006	\$ 4,221,145,112	\$ 422,114,511	\$ 2,171,999	\$ 419,942,512	0.51%
2008	2007	\$ 4,327,575,426	\$ 432,757,543	\$ 964,571	\$ 431,792,972	0.22%
2009	2008	\$ 3,821,919,300	\$ 382,191,930	\$ 807,143	\$ 381,384,787	0.21%
2010	2009	\$ 3,320,773,773	\$ 332,077,377	\$ 654,715	\$ 322,849,990	3.00%
2011	2010	\$ 3,096,596,777	\$ 309,659,678	\$ 15,185,967	\$ 294,473,711	4.90%
2012	2011	\$ 2,910,657,961	\$ 291,065,796	\$ 13,021,463	\$ 278,044,333	4.47%
2013	2012	\$ 2,905,176,552	\$ 290,517,655	\$ 11,311,959	\$ 279,205,696	3.89%
2014	2013	\$ 3,028,649,198	\$ 302,864,920	\$ 9,607,454	\$ 293,257,466	3.17%

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 accrued vacation and insurance claims liabilities.

Source: County Treasurer's Office

# LAPEER COUNTY, MICHIGAN

## DEMOGRAPHICS AND ECONOMIC STATISTICS LAST TEN YEARS - UNAUDITED

Fiscal Year	Population I	Personal Income II	Per Capita Personal Income III	K -12 School Enrollment IV	Unemployment Rate V
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%
2012	88,173	\$ 2,803,219,000	\$ 31,825	14,643	13.10%
2013	88,257	\$ 2,976,053,000	\$ 33,720	12,799	10.80%
2014	88,153	\$ 3,068,860,000	\$ 34,813	12,512	12.00%

### 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 2014 AND ELEVEN YEARS AGO - UNAUDITED**

**Current Year (2014)**

<b><u>Employer</u></b>	<b><u>Product/Service</u></b>	<b><u>Employees</u></b>	<b><u>Rank</u></b>
McLaren-Lapeer Regional Hospital	Health Care	750	1
Lapeer Community Schools	Education	687	2
Mold Masters	Plastics	400	3
Lapeer County	Governmental	380	4
Lapeer Plating & Plastics	Plastics	345	5
Walmart	Retail	335	6
Thumb Correctional Facility	Prison	327	7
Meijer	Retail	325	8
Pinnacle Foods (Vlasic Foods)	Food Processing	325	9
Lapeer Industries	Manufacturing	225	10

Continued

Source: Lapeer Economic Development Commission and Lapeer County Treasurer

**LAPEER COUNTY, MICHIGAN**  
**PRINCIPAL EMPLOYERS**  
**CURRENT YEAR 2014 AND ELEVEN YEARS AGO - UNAUDITED**

**Historical Fiscal Year (2004)**

<b><u>Employers</u></b>	<b><u>Product/Service</u></b>	<b><u>Employees</u></b>	<b><u>Rank</u></b>
McLaren-Lapeer Regional Hospital	Health Care	778	1
Lapeer Community Schools	Education	745	2
Lapeer Metal Products	Metal Stamping	361	3
Lapeer County	Governmental	466	4
Metamora Products Corp.	Injection Molding	375	5
Toyo Seat USA Corp.	Automotive Supplier	290	6
Vlasic Foods	Food Processing	289	7
Champion Motor Coach	Manufacturing	260	8
Albar Industries	Manufacturing	256	9
Durakon	Truck Bed Liners	250	10

Concluded

\* The information is presented for fiscal year 2004 because the 2005 data is not readily available.

## LAPEER COUNTY, MICHIGAN

### PROPERTY VALUES LAST TEN YEARS - UNAUDITED

Year	State Equalized Value (S.E.V.)	Taxable Value	Estimated Property Value (S.E.V. x 2)
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
2012	2,910,657,961	2,603,370,271	5,821,315,922
2013	2,905,176,552	2,604,828,481	5,810,353,104
2014	3,028,649,198	2,628,945,178	6,057,298,396

#### 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: 2014 Equalization Report

## LAPEER COUNTY, MICHIGAN

### EMPLOYMENT BY INDUSTRY 2010 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 2010 U.S. Census:

<u>Category</u>	County of Lapeer		State of Michigan	
	Number of Workers	% of Total Workers	Number of Workers	% of Total Workers
Management, Professional & Related	11,162	30.72%	1,459,767	34.18%
Service Occupations	5,924	16.30%	792,133	18.55%
Sales and Office Occupations	7,793	21.45%	1,056,849	24.75%
Natural resources, construction, and maint.	3,770	10.38%	336,308	7.88%
Production, Transp. & Mat. Moving	7,686	21.15%	625,429	14.65%
Total	36,335	100%	4,270,486	100%

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 2010 U.S. Census:

<u>Category</u>	County of Lapeer		State of Michigan	
	Number of Workers	% of Total Workers	Number of Workers	% of Total Workers
Agriculture, Forestry, Mining & Fishing	791	2.18%	57,564	1.35%
Construction	2,549	7.02%	207,349	4.86%
Manufacturing	9,233	25.41%	722,680	16.93%
Wholesale Trade	773	2.13%	109,849	2.57%
Retail Trade	3,940	10.84%	499,742	11.70%
Transportation, Warehousing & Utilities	1,335	3.67%	177,645	4.16%
Information	384	1.06%	73,331	1.72%
Finance, Insurance, Real Estate & Rental	1,624	4.47%	235,788	5.52%
Professional, Scientific, Management, Administrative & Waste Services	2,976	8.19%	390,370	9.14%
Educational, Health & Social Services	7,344	20.21%	1,024,364	23.99%
Arts, Entertainment, Recreation, Accommodation & Food Services	2,381	6.55%	400,969	9.39%
Public Administration	1,137	3.13%	163,877	3.84%
Other Categories of Employment	1,868	5.14%	206,337	4.83%
Total	36,335	100%	4,269,865	100%

Source: U. S. Department of Commerce - Bureau of Census - 2010

**LAPEER COUNTY, MICHIGAN**

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

Function	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Legislative</b>										
Board of Commissioners	7.0	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	3.0	3.1	3.1	2.0	2.3	2.4	2.5
<b>Judicial</b>										
Circuit Court	7.0	7.0	7.0	14.9	19.1	15.1	14.4	14.3	13.5	16.7
District Court	22.7	22.7	23.0	22.4	23.7	21.8	21.9	21.5	19.6	20.8
Friend of the Court	18.9	18.9	18.9	19.0	19.7	18.2	17.9	17.7	18.2	17.9
Probate Court	12.8	12.5	12.8	4.0	3.6	3.7	3.7	3.7	3.7	0.1
Community Corrections	3.6	3.7	3.7	3.6	3.7	3.5	3.2	3.3	3.2	2.5
Child Care	3.0	2.3	3.3	3.8	3.8	3.3	3.0	2.6	2.5	2.7
<b>General Government</b>										
County Clerk	7.8	8.0	8.0	8.0	8.3	8.0	7.9	8.0	8.0	8.0
Equalization	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Prosecuting Attorney	15.9	15.9	16.0	16.0	16.1	14.7	13.8	14.0	14.1	14.0
Register of Deeds	5.8	5.5	4.9	5.0	5.0	4.1	3.7	4.0	4.0	4.2
County Treasurer	6.1	6.2	6.1	6.4	6.2	6.3	6.3	6.2	6.4	6.3
G.I.S.	0.0	0.0	0.0	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	3.9	4.0	4.0	4.0	4.1	4.0	4.0	4.0	3.9	3.9
Building and Grounds	7.0	7.0	7.0	6.0	6.2	5.9	5.9	4.5	4.8	5.0
Drain Office	6.0	6.0	6.0	6.0	6.1	6.0	5.1	4.9	5.0	4.6
MSU Extension	4.7	4.6	4.8	4.4	4.2	2.7	2.0	2.0	2.0	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	50.4	50.7	51.2	51.7	51.7	49.8	47.8	47.0	48.1	48.5
County Jail	29.2	29.3	29.9	29.8	31.0	29.7	29.9	29.9	29.9	29.8
Central Dispatch	18.8	18.4	19.0	18.7	19.4	18.3	18.6	18.4	18.6	18.1
Animal Control	5.0	5.0	5.0	5.0	4.2	3.0	3.0	2.8	2.9	3.4
Emergency Operations	1.0	1.4	1.1	1.0	1.0	1.0	1.0	1.0	1.0	1.0
<b>Health and Welfare</b>										
Parks Department	11.8	11.0	10.8	11.6	8.5	2.7	1.7	2.6	2.7	2.1
Community Health										
Public Health	64.5	68.1	67.0	61.5	54.8	50.0	47.5	34.1	33.4	34.6
Senior Services	7.2	5.9						12.8	14.4	14.0
Community Mental Health	70.1	70.8	69.7	68.6	68.7	69.4	68.1	67.4	68.6	72.4
Multi-Purpose	6.8	6.4	6.0	5.5	6.0	5.9	4.7	3.9	2.5	0.7
Veterans	1.6	1.0	1.0	1.0	1.0	1.0	1.3	1.4	2.0	2.9
Community Development	3.0	3.8	3.9	3.7	2.2	1.0	0.0	1.0	1.2	1.5
	407.5	409.1	403.1	394.6	391.4	362.2	348.4	345.3	346.6	350.2

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 EIGHT YEARS - UNAUDITED**

<b>FUNCTION</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>LEGISLATIVE</b>								
<u><b>Board of Commissioners</b></u>								
Full Board Meetings	26	24	25	26	25	25	24	25
Committee of the Whole Meetings	25	24	23	23	24	23	22	20
Other Special Meeting/Hearings Held	4	-	-	-	4	6	4	6
Board Motions Acted Upon	412	446	436	426	398	421	418	433
<b>JUDICIAL</b>								
<u><b>40th Circuit Court</b></u>								
PPO's Issued	302	279	279	213	223	209	172	186
Appeals	50	65	65	59	47	50	63	50
Domestic Cases	711	669	669	659	583	583	671	644
Civil Cases	318	313	313	285	270	295	231	245
Adoption	32	51	51	33	33	37	22	22
Child Protection	34	32	32	19	21	26	35	20
Juvenile	359	311	311	313	290	259	204	220
Criminal	392	376	376	331	362	338	293	406
Misc. Family Filings	54	35	36	48	24	43	24	28
<u><b>71-A District Court</b></u>								
<u><b>Criminal</b></u>								
Felonies	653	646	700	633	655	623	658	687
Drunk Driving	815	769	682	469	453	485	465	464
Traffic Offenses	8,841	9,193	9,374	7,413	6,192	7,180	7,501	7,461
Misdemeanors	1,568	1,387	1,156	1,240	1,315	1,127	1,089	1,126
Non-Traffic Offenses	1,020	813	980	831	776	470	369	434
<u><b>Civil</b></u>								
General Civil	2,676	3,004	2,789	2,856	2,518	2,356	2,158	1,927
Landlord/Tenant	663	813	748	737	824	841	897	765
Small Claims	738	657	486	369	364	322	362	353
<u><b>Probate/Family Court</b></u>								
<u><b>Civil</b></u>								
Conservatorship/Protective Orders	39	28	30	35	31	19	28	27
Estates	174	173	171	166	167	148	171	173
Guardianships	95	97	84	78	60	98	88	94
Judicial Admin/Mental Commitments	67	54	47	42	167	41	36	45
Trusts	4	7	10	8	10	12	7	4
Wills for Safe Keeping	94	78	71	72	63	69	73	86
<u><b>Friend of the Court</b></u>								
Caseload	5,922	5,951	5,916	6,000	5,976	4,916	4,977	4,949
Children IV-D Cases	7,821	8,025	8,010	7,667	8,123	N/A	N/A	N/A
Bench Warrants Issued	574	635	295	466	235	590	488	502
Referee Hearings Conducted	4,257	4,707	6,167	3,797	6,055	1,931	941	1,587
Cases Mediated	25	29	21	22	18	19	54	41

**LAPEER COUNTY, MICHIGAN**  
**OPERATING INDICATORS BY FUNCTION**  
**LAST EIGHT YEARS - UNAUDITED**

<b>FUNCTION</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>PUBLIC SAFETY</b>								
<b><u>Community Corrections</u></b>								
Clients - Community Service	51	28	37	62	56	49	29	21
Clients - Jail Crew	66	64	51	64	49	56	57	37
Clients - Day Reporting	64	80	57	74	64	68	63	56
Drunk Driver Jail Reduction Program	33	43	35	66	39	19	17	21
Jail Beds Saved	5,737	7,638	6,700	6,406	5,146	4,707	6,625	5,061
<b><u>Prosecuting Attorney</u></b>								
Felony Cases Authorized	730	732	677	626	662	676	687	633
Domestic Violence - Felony	24	23	27	56	50	70	59	68
Misdemeanor Cases Filed	2,379	3,014	2,660	2,256	2,130	2,158	1,779	1,938
Misdemeanor Domestic Violence	182	184	155	203	181	139	116	99
Juvenile Petitions Filed	312	405	358	383	299	239	260	188
Juvenile Domestic Violence Authorized	13	19	20	15	14	13	18	17
Victims Rights - Eligible Victims	866	821	773	824	815	760	724	808
Victims Rights Domestic Fel/Misd/Juv	219	-	202	212	220	222	294	184
Drug - Misdemeanor/Felony Authorized	412	415	N/A	1,109	445	424	554	506
Drunk Driving Misd/Felony	836	730	696	463	404	468	486	496
Non-Support	186	120	134	105	258	207	241	276
Paternity	82	76	57	62	67	92	105	92
URESA	13	10	19	7	18	19	14	19
<b><u>Sheriff's Department</u></b>								
Jail Bookings	3,531	3,525	3,092	2,687	2,521	2,634	2,381	2,178
Calls Answered	24,878	25,076	23,883	21,644	21,906	23,451	23,451	21,211
Fatal Crashes	11	9	N/A	7	12	5	5	12
Personal Injury Crashes	480	443	N/A	401	435	415	407	391
Property Damage Crashes	2,780	2,804	N/A	2,401	2,316	2,311	2,304	2,378
Private Property Crashes	132	N/A	N/A	N/A	N/A	N/A	612	N/A
Detective Bureau Arrests	216	218	498	538	755	669	669	651
Secondary Road Patrol Tickets Issued	355	208	208	177	211	478	3,471	442
Purchase Permits Issued	1,839	1,798	1,130	2,465	1,049	3,471	2,542	568
Marine Division Patrol Hours	1,017	819	819	1,180	723	777	269	786
Township Complaints Responded To	N/A	N/A	N/A	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	5,252	5,425	5,635
Wireless Calls	18,411	18,697	18,628	20,466	21,494	21,497	22,160	21,576
VOIP	394	387	373	318	311	213	348	315
Text to 911	N/A	N/A	N/A	N/A	N/A	N/A	N/A	74
Non-Emergency Calls	80,147	82,075	76,637	68,856	62,476	58,882	54,331	78,798
CAD Reports/Dispatch	72,915	74,951	72,307	70,344	68,222	70,154	72,969	72,462

Continued

**LAPEER COUNTY, MICHIGAN**  
**OPERATING INDICATORS BY FUNCTION**  
**LAST EIGHT YEARS - UNAUDITED**

<b>FUNCTION</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>PUBLIC SAFETY - (cont'd)</b>								
<u><b>Emergency Management</b></u>								
EMAC Meetings Held	4	4	5	5	6	4	4	4
Local Meetings Attended	44	42	35	48	61	53	58	48
Regional Homeland Security Meetings	48	43	38	88	42	29	17	11
Disaster Exercise Planning Meetings	4	6	7	7	3	4	9	7
District Meetings Attended	6	6	6	4	4	5	4	3
EAG Plan Updates/Policies Written	7	4	6	13	11	2	6	3
Quarterly Reports Completed	9	9	4	6	4	4	4	4
Trainings Hosted	4	3	2	6	3	2	3	2
Tier II Plans Filed	51	49	53	42	78	67	3	3
Special Events Planned	10	4	3	3	5	6	2	3
Identification Badges Created	50	75	111	137	166	147	225	181
<b>HEALTH AND WELFARE</b>								
<u><b>Parks Department</b></u>								
Water Park Attendance	20,969	24,634	17,757	12,516	9,989	22,573	21,177	20,384
Reservation Attendance	8,915	11,740	5,902	6,350	5,750	7,125	N/A	N/A
Winter Park Attendance	830	1,265	1,135	N/A	N/A	N/A	N/A	N/A
Special Events Attendance	2,500	3,300	2,500	-	-	N/A	N/A	N/A
<u><b>Health Department</b></u>								
<u><b>Medical Examiner</b></u>								
Medical Examiner Cases	52	56	66	76	71	71	85	88
Cremation Permits	200	216	224	237	234	262	351	382
Hospice	38	54	115	45	N/A	N/A	N/A	N/A
<u><b>Animal Control</b></u>								
Animal Control Complaints	2,485	2,573	2,262	2,034	1,952	1,629	1,755	1,054
Animals Held at Shelter	2,718	2,275	1,988	1,930	1,909	1,538	1,593	1,365
Animals Picked Up	466	443	342	323	373	196	N/A	N/A
Animal Bites - Cases	262	220	273	240	209	164	141	139
Animals Tested for Rabies	85	157	144	166	176	N/A	22	16
Animal Rabies Cases	3	8	4	7	-	1	-	-
<u><b>Environmental Health Division</b></u>								
EH - Sewage Applications	215	24	120	105	117	116	155	183
EH - Sewage Permits	199	136	131	97	110	62	143	172
EH - Well Permits	353	232	236	232	225	230	244	224
Food Service Inspections	576	605	602	554	413	627	451	672
<u><b>Home Health Division</b></u>								
Home Health Clients	298	209	N/A	N/A	N/A	N/A	N/A	N/A
<u><b>Public Health Nursing</b></u>								
Maternal Infant Health Visits	3,250	3,152	2,640	2,125	1,825	2,091	1,566	1,469



**LAPEER COUNTY, MICHIGAN**  
**OPERATING INDICATORS BY FUNCTION**  
**LAST EIGHT YEARS - UNAUDITED**

<b>FUNCTION</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>HEALTH AND WELFARE (Cont'd)</b>								
<b><u>Immunizations</u></b>								
Childhood Immunizations Given	4,074	3,654	3,910	4,425	4,186	4,451	3,511	-
Adult Immunizations Given	1,121	1,423	2,103	1,005	667	575	538	-
Total Immunizations Given	5,195	5,080	6,013	5,430	4,853	5,026	4,049	-
<b><u>WIC Program</u></b>								
Individuals Participating in WIC	1,713	1,855	1,905	2,028	1,984	2,023	1,937	1,965
<b><u>Hearing &amp; Vision Screening</u></b>								
Hearing & Vision Screening Cases	10,358	11,094	11,504	9,965	10,831	8,896	9,494	10,869
<b><u>AICC Program</u></b>								
AICC Clients	396	437	474	497	480	427	411	416
<b><u>Senior Programs</u></b>								
Home-Delivered Meals	100,920	109,168	116,454	87,281	78,096	76,262	72,651	78,156
Congregate Meals	7,411	9,935	9,524	9,595	15,462	12,569	12,897	14,457
Medication Management Clients	13	5	8	11	7	9	6	6
Personal Care/Homemaker Clients	241	170	152	142	145	138	157	161
Case Coordination Clients	99	43	57	46	49	68	88	84
Care Management Clients	32	32	33	29	29	29	27	32
Health Screening Clients	23	22	26	7	N/A	N/A	N/A	N/A
Chore Maintenance Clients	145	142	174	215	223	223	243	252
Respite Care Clients	100	74	73	72	72	64	88	108
<b><u>Mental Health</u></b>								
Adults with Psychiatric Disorders	788	864	946	1,013	1,004	959	991	911
Persons with Developmental Disabilities	324	305	315	318	366	395	374	370
Children with Emotional Disturbances	153	200	239	272	262	281	257	275
<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	341	393	407
All Other Cases Filed	1,411	1,338	1,292	1,281	1,173	1,188	1,553	1,171
Adult Probation Receipts	1,271	1,344	1,804	2,038	2,110	1,949	1,817	2,340
<b><u>Vital Records Division</u></b>								
Marriage License Applications	568	514	513	519	545	532	540	599
Assumed Names	899	817	891	784	779	648	644	673
Notary Bonds	222	195	70	121	180	191	176	150
Death Certificates Filed	500	522	543	525	511	555	689	749
Birth Certificates Filed	603	564	599	598	592	565	436	360
Voter Registrations	5,569	6,810	5,046	5,653	5,561	6,627	5,145	3,207
Concealed Pistol Permits	285	538	1,075	1,107	910	1,035	1,899	1,551

Continued

**LAPEER COUNTY, MICHIGAN**  
**OPERATING INDICATORS BY FUNCTION**  
**LAST EIGHT YEARS - UNAUDITED**

<b>FUNCTION</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</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	1,032	443	370
Payroll Direct Deposits Processed	9,603	9,693	9,761	9,114	8,972	9,667	9,793	9,865
W-2's Forms Prepared	549	551	477	436	420	431	440	437
<b><u>Accounts Payable Dept.</u></b>								
Accounts Payable Invoices Processed	17,487	17,089	15,381	13,982	12,938	13,555	13,540	13,585
Accounts Payable Checks Processed	12,589	12,778	11,339	10,040	9,674	9,771	9,604	9,769
1099 Forms Prepared	142	149	165	165	132	144	133	129
<b><u>Computer Dept.</u></b>								
General Ledger Reports Distributed	3,150	3,500	3,550	3,400	3,200	3,000	3,100	3,000
Journal Entries Entered	2,064	2,199	2,323	2,158	1,989	2,100	2,000	1,885
Budget Amendments Processed	93	128	160	74	95	70	59	65
Budgets Entered	142	142	150	148	145	140	140	140
Computers Countywide	428	430	432	451	440	420	420	420
<b><u>Accounting Dept.</u></b>								
Bank Accounts Reconciled	456	432	396	528	576	576	580	600
Grants Reviewed & Processed	47	49	52	58	93	93	94	95
General Ledger Funds Maintained	79	79	79	85	83	84	86	88
<b><u>Budget Dept.</u></b>								
Total Amount of Gen Fund Budget (orig.)	20,542,500	20,901,523	20,852,909	18,822,641	18,777,480	18,793,299	18,331,608	18,719,365
Total Amt of Spec Rev Funds Budgeted	28,640,518	29,940,907	29,590,028	30,054,446	30,769,120	30,787,599	30,162,567	30,823,613
Total Amt of Debt Svs Funds Budgeted	3,074,354	3,338,309	3,338,309	1,548,947	3,641,486	3,641,486	2,847,365	2,972,065
<b><u>Register of Deeds</u></b>								
Warranty Deeds	1,209	912	858	951	941	1,171	1,556	1,705
Quit Claim Deeds	1,340	1,211	1,308	1,207	1,334	1,369	1,431	1,379
Death Certificates	224	211	220	210	280	305	360	353
Land Contracts	20	7	27	31	609	500	25	195
Memo Land Contracts	69	70	78	112	1,984	1,900	142	1,314
Misc. Recordings	3,586	4,626	4,743	4,842	2,124	2,502	3,985	2,147
Mortgages	4,543	2,840	2,849	2,144	2,242	3,448	3,549	2,537
Discharges	4,472	3,048	2,980	2,435	2,658	3,817	4,372	2,976
Assignment of Mortgages	1,233	669	895	1,632	1,297	1,113	984	621
Misc. Mortgage Recordings	2,370	2,427	2,303	2,324	2,019	2,948	2,297	2,588
UCC Financing Filings	170	274	341	243	-	N/A		
<b><u>Community Development</u></b>								
<b><u>Housing Division</u></b>								
CDBG Homes Improved	14	9	16	16	15	N/A	N/A	N/A
CDBG - Senior Clients	2	2	5	5	5	N/A	N/A	N/A
CDBG - Handicapped Clients	7	2	5	5	2	N/A	N/A	N/A
<b><u>Soil &amp; Sedimentation</u></b>								
SESC Permits Issued	215	298	345	345	228	206	218	145

**LAPEER COUNTY, MICHIGAN**  
**OPERATING INDICATORS BY FUNCTION**  
**LAST EIGHT YEARS - UNAUDITED**

<b>FUNCTION</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>GENERAL GOVERNMENT (Cont'd)</b>								
<b><u>Drain Commissioner</u></b>								
Drains (&Other) Maintained	71	79	85	7	83	83	61	62
Drains Sprayed	11	18	17	15	-	10	14	-
Drains Assessed	59	57	53	45	29	37	48	52
Plan Reviews	6	6	4	-	3	4	3	9
Act 40 Permits Issued	11	14	10	8	12	3	8	1
Utility Permits (new in 2013)	N/A	N/A	N/A	N/A	N/A	N/A	9	3
Letter of Agreement - Building in ROW (new in 2013)	N/A	N/A	N/A	N/A	N/A	N/A	1	-
KWA crossing agreements (new in 2014)	N/A	N/A	N/A	N/A	N/A	N/A		16
<b><u>Treasurer</u></b>								
Total Number of Parcels	47,395	50,077	51,012	43,617	46,879	46,758	46,703	46,692
Number of Delinquent Parcels	5,060	5,510	5,266	5,455	5,125	4,788	4,495	4,501
Parcels Forfeited	666	932	977	1,008	879	751	708	639
Taxable Value	3,129,128,779	3,195,751,102	3,129,825,150	2,845,481,660	2,717,825,167	2,603,370,271	2,604,828,481	2,628,945,178
S.E.V.	4,327,575,426	4,292,379,530	3,822,452,922	3,320,773,773	3,096,596,777	2,910,657,961	2,905,176,552	3,028,649,198
<b><u>Collaborative Planning Commission</u></b>								
Rezoning/Text Amendment Reviews	23	13	12	15	5	5	5	-
Annual Conference Attendance	95	136	176	182	-	-	-	-
<b><u>Building &amp; Grounds</u></b>								
Work Orders Completed	969	903	1,104	1,199	1,009	863	748	835
<b><u>Veterans Affairs</u></b>								
# Scheduled Appointments	N/A	N/A	552	411	512	N/A	583	N/A
Walk-in Clients (Est)			1,000-1,500	1,500	1,000-1,500	N/A	837	N/A
<b><u>MSUE</u></b>								
Educational Workshops/Events	201	181	115	118	319	318	416	143
4-H Club Members	1,043	686	591	596	565	571	474	452
Non-Club Youth Involved (Short-Term)	4,145	3,331	1,088	876	810	271	310	989
Active Master Gardeners	155	145	173	167	180	N/A	N/A	N/A
Food Safety Participants Trained	1,773	1,039	1,572	2,001	1,712	448	932	314
Number of Grants Administered	9	5	5	4	7	3	3	3
Leadership Training Participants	346	422	417	84	350	378	316	348
Food & Nutrition Participants Trained - Adults	N/A	N/A	N/A	N/A	N/A	619	604	618
Financial Management and Housing	N/A	N/A	N/A	N/A	N/A	89	130	N/A

N/A - Information is Not Available at this Time

Concluded

**LAPEER COUNTY, MICHIGAN**

**CAPITAL ASSET STATISTICS BY FUNCTION  
LAST NINE YEARS (A) - UNAUDITED**

Function	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Legislative</b>									
Computers	10	10	10	9	9	9	9	9	9
<b>Judicial</b>									
Court Rooms	6	6	6	6	6	6	6	6	6
Vehicles	9	9	9	10	10	10	10	10	9
Computers	72	74	98	98	98	101	105	107	107
* Network Printers/Copiers	17	17	14	14	14	14	7	10	10
<b>General Government</b>									
All County Buildings	11	12	12	12	12	12	12	12	12
Vehicles not reported elsewhere	15	15	19	18	18	18	17	17	16
Computers	67	69	83	85	85	86	87	89	90
* Network Printers/Copiers	25	26	18	20	20	20	15	16	16
<b>Public Safety</b>									
Jail Beds Available	123	123	123	123	123	123	123	123	123
Vehicles									
Patrol	18	18	20	20	20	20	20	20	21
Other	22	22	25	25	25	27	27	27	27
Computers	48	53	59	60	60	61	62	62	65
* Network Printers/Copiers	10	11	10	10	10	10	5	6	6
<b>Health and Welfare</b>									
Vehicles	22	22	22	21	21	21	21	21	25
Park Acreage									
Torzewski	70	70	70	70	70	70	70	70	70
Squire	80	80	80	80	80	87	87	87	87
Other	1	8	8	8	8	8	8	8	8
Computers	203	203	202	201	201	199	197	201	203
* Network Printers/Copiers	70	75	20	20	20	20	16	17	17

(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, 2014 - 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 2014 is approximately \$406,622 reported in the General Fund.

Lapeer County is self-insured for Workers' Compensation for claims up to an annual aggregate amount of \$450,000 per claim. 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. The County's total net expenditures for claims and insurance costs reported in the Workers' Compensation Fund for 2014 is \$93,537. The County's ending net position for the Workers' Compensation Fund at December 31, 2014 is \$353,354.

Lapeer is self insured for Unemployment Insurance. The County's total expenditures for claims reported in the Unemployment Insurance Fund for 2014 is \$19,570. The County's ending net position for the the Unemployment Insurance Fund at December 31, 2014 is \$46,538.

**LAPEER COUNTY, MICHIGAN**  
**OTHER STATISTICS**  
**DECEMBER 31, 2014 - 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 state highways, M-21, M-24, M-90, and M-53 and the Interstate I-69.