

# **Livingston County, Michigan**

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**Financial Report  
with Supplemental Information  
December 31, 2008**

# Livingston County, Michigan

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# Livingston County, Michigan

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## Independent Auditor's Report

To the County Board of Commissioners  
Livingston County, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Livingston County, Michigan as of and for the year ended December 31, 2008, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the Livingston County Road Commission, whose assets and revenue totaled \$129,316,218 and \$20,211,113, respectively. Those financial statements were audited by other auditors, whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Livingston County Road Commission, is based solely on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Livingston County, Michigan as of December 31, 2008 and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and the budgetary comparison schedules, as identified in the table of contents, are not required parts of the basic financial statements but are supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of required supplemental information. However, we did not audit the information and express no opinion on it.

To the County Board of Commissioners  
Livingston County, Michigan

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Livingston County, Michigan's basic financial statements. The accompanying other supplemental information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The other supplemental information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, a report dated June 29, 2009 has been issued on our consideration of Livingston County, Michigan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 opinions on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

As described in Note 13 to the financial statements, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*.

*Plante & Moran, PLLC*

June 29, 2009

# Livingston County, Michigan

## Management's Discussion and Analysis

Our discussion and analysis of Livingston County, Michigan's financial performance provides an overview of the financial activities for the fiscal year ended December 31, 2008. Please read it in conjunction with the County's financial statements.

### Financial Highlights

Fiscal year 2008 proved to be a challenging year for Livingston County. We continued to experience the effects of the State of Michigan's fiscal crisis; the fragile national economy; the credit crisis; record real estate foreclosures; job losses; and a slump in new construction. In anticipation of reductions in future tax revenues, Livingston County took measures to reduce costs, which resulted in another strong financial close in fiscal year 2008. However, future years are wrought with challenges (decreased revenues) and limited opportunities. The following represents the most significant financial highlights for the year ended December 31, 2008:

- The County's primary source of General Fund revenue is property taxes, representing 68.4 percent of total revenues. We have experienced impressive percentage increases in property tax revenues for the past three years: 12.5 percent in 2005; 9.7 percent in 2006; and 4.2 percent in 2007. As anticipated, this growth trend was not sustainable in the current economic environment as is evident by the 2008 tax revenues coming in slightly under the 2007 level. We expect tax revenue to continue to decline and are projecting a 2.4 percent decline in 2009 and up to a 20 percent decline in 2010. Another impediment to continued growth is attributable to an amendment to the Property Tax Act (Public Act 356), a mandatory and permanent gradual shift (over a three-year period of time) from a December to a July tax levy. This shift was fully implemented in 2007. All future general tax levies will be on July 1. This legislation has created a major challenge for counties with calendar fiscal years because we bill for our largest revenue source six months after the beginning of annual operations and collect the revenue nine months into the fiscal year. This creates cash flow problems and a future risk of incurring borrowing costs to sustain operations during the first nine months.
- During the past few years, Livingston County has been proactive in reducing the cost of services and redesigning personnel benefits. Departments have continued to be frugal and comply with the purchasing policy to competitively bid supplies and services. The Board of Commissioners took more extreme actions in 2008 to preserve Livingston County's financial capacity in the future. The Board approved a hiring freeze for all vacant general funded positions and encouraged sharing of responsibilities/personnel by departments. The Board also requested departments reduce their 2008 allocation by 1.7 percent in anticipation of the reduced revenues in 2010 and expected reductions continuing through 2011. The culmination of these efforts has been an increase to the General Fund's fund balance for the past four years: \$1.8 million in 2005; \$2.6 million in 2006; \$1.8 million in 2007; and \$1.6 million in 2008. There was, however, a slight decrease to fund balance for other governmental funds (excluding the General Fund). This growth trend is not sustainable.

# Livingston County, Michigan

## Management's Discussion and Analysis (Continued)

### Using this Annual Report

This annual report consists of a series of financial statements. The statement of net assets and the statement of activities provide information about the activities of the County as a whole and present a longer-term view of the County's finances. This longer-term view uses the accrual basis of accounting, so that it can measure the cost of providing services during the current year, and whether the taxpayers have funded the full cost of providing government services. The activities are divided between governmental and business-type. Governmental activities include the General Fund, Special Revenue Funds, Debt Service Fund, Capital Projects Fund, and Internal Service Fund. Business-type activities include the Building and Safety Fund, Airport Fund, Delinquent Tax Revolving Fund, Livingston Essential Transportation Service Fund, and the Septage Receiving Station Fund.

The fund financial statements present a short-term view; they tell us how the taxpayers' resources were spent during the year, as well as how much is available for future spending. Fund financial statements also report the County's operations in more detail than the government-wide financial statements by providing information about the County's most significant funds. The fiduciary fund statements provide financial information about activities for which the County acts solely as a trustee or agent for the benefit of those outside of the government.

### The County as a Whole

The following table shows a condensed format of the net assets (in thousands of dollars) for fiscal years ended December 31, 2008 and 2007:

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
<b>Assets</b>						
Current assets	\$ 63,654	\$ 61,829	\$ 36,478	\$ 34,412	\$ 100,132	\$ 96,241
Noncurrent assets	56,530	56,739	35,141	35,159	91,671	91,898
Total assets	120,184	118,568	71,619	69,571	191,803	188,139
<b>Liabilities</b>						
Current liabilities	6,253	5,938	817	800	7,070	6,738
Long-term liabilities	16,880	19,117	2,980	3,075	19,860	22,192
Total liabilities	23,133	25,055	3,797	3,875	26,930	28,930
<b>Net Assets</b>						
Invested in capital assets -						
Net of related debt	45,625	44,024	32,066	31,994	77,691	76,018
Restricted	25,723	26,462	-	-	25,723	26,462
Unrestricted	25,703	23,027	35,756	33,702	61,459	56,729
Total net assets	<u>\$ 97,051</u>	<u>\$ 93,513</u>	<u>\$ 67,822</u>	<u>\$ 65,696</u>	<u>\$ 164,873</u>	<u>\$ 159,209</u>

# Livingston County, Michigan

## Management's Discussion and Analysis (Continued)

The County's combined net assets for both governmental and business-type activities total \$164.9 million for fiscal year 2008 and \$159.2 million for fiscal year 2007, this is an increase of \$5.7 million (3.5 percent) from 2008 to 2007. The increases are attributable to the purchase of property for the proposed new Emergency Medical Services headquarters, completion of the Hillcrest Tower facility for 911 communications, increased delinquent property taxes, and contributions to fund balance. Net assets are further segregated between restricted and unrestricted net assets. The restricted net assets are those assets that are restricted for a specific purpose/use and invested in capital assets. Unrestricted net assets are those net assets that can be used to finance day-to-day operations.

The following table shows the changes in net assets during the years ended December 31, 2008 and 2007 (in thousands of dollars):

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
<b>Revenue</b>						
Program revenue:						
Charges for services	\$ 20,748	\$ 21,428	\$ 7,036	\$ 5,933	\$ 27,784	\$ 27,361
Operating grants and contributions	10,652	10,111	1,448	1,664	12,100	11,775
Capital grants and contributions	-	-	1,043	1,318	1,043	1,318
General revenue:						
Property taxes	31,901	31,623	-	-	31,901	31,623
Unrestricted investment earnings	1,670	2,563	682	1,084	2,352	3,647
Transfers and other revenue	2,768	2,394	(1,874)	(1,566)	893	828
Total revenue	67,739	68,119	8,335	8,433	76,074	76,552
<b>Program Expenses</b>						
General government	5,259	6,186	-	-	5,259	6,186
Public safety	35,557	34,292	-	-	35,557	34,292
Health and welfare	19,392	18,035	-	-	19,392	18,035
Community and economic development	3,399	3,499	-	-	3,399	3,499
Interest on long-term debt	594	468	-	-	594	468
Building and safety	-	-	1,561	1,708	1,561	1,708
Airport	-	-	1,481	1,244	1,481	1,244
Livingston Essential Transportation Services	-	-	2,562	2,554	2,562	2,554
Sewage receiving station	-	-	586	333	586	333
Delinquent tax revolving funds	-	-	18	15	18	15
Total program expenses	64,201	62,480	6,208	5,854	70,409	68,334
<b>Change in Net Assets</b>	<b>\$ 3,538</b>	<b>\$ 5,639</b>	<b>\$ 2,126</b>	<b>\$ 2,579</b>	<b>\$ 5,665</b>	<b>\$ 8,218</b>

# **Livingston County, Michigan**

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## **Management's Discussion and Analysis (Continued)**

### **Governmental Activities**

Governmental activities are those activities (such as public safety, health and human services, and general governmental services) provided to the constituents of the County and supported by financing from property taxes and state-shared revenues.

The cost of providing services for governmental activities was \$64.2 million for fiscal year 2008. This is a 2.8 percent increase or \$1.7 million over the cost of providing services in 2007. The County expenditure policy has remained stable from 2007 to 2008 for the categories of public safety, health and welfare, general government, public works, and community and economic development. The reasons for the modest increase are expanded use of automation and competitive bid process for products/service, and more efficient/effective processes for service delivery. The \$1.7 million increase was in the area of health and welfare, more specifically, emergency medical services for personnel and equipment costs and job training services to assist eligible residents to enhance their job skills.

The County's total governmental revenues decreased minimally by \$380,000 or six tenths of 1 percent from 2007 to 2008. This is a result of reductions in investment earnings and a decline in charges for services.

### **Business-type Activities**

Business-type activities are those activities that are financed primarily by charges for services or user fees. The County's business-type activities consist of the airport, building and safety department, Livingston essential transportation, and tax delinquent revolving fund; these types of operations are most similar to private businesses. A comparative analysis between fiscal years 2007 and 2008 shows that the cost of providing services increased 6.0 percent, mainly for airport operations and the septage receiving station was operational for the full year versus a partial year in 2007. Building safety operations decreased 8.6 percent because of the decline in new construction.

### **The Funds**

Our analysis of the County's major funds begins on page 13, following the government-wide financial statements. The fund financial statements provide detail information about the most significant funds, not the County as a whole. This includes the General Fund, Ambulance Fund, and Revenue Sharing Reserve Fund. The other nonmajor governmental funds are consolidated and reported under the column with that heading. The County Board creates funds to help manage money for specific purposes, as well as to show accountability for certain activities, such as special property tax millages, 911 surcharge, and restricted revenues from grants or fees.

# Livingston County, Michigan

## Management's Discussion and Analysis (Continued)

The **General Fund** pays for the majority of the County's governmental services. The most significant are the Sheriff's Department, including the jail, the court system, and all of the elected officials' offices. The General Fund incurred costs of \$44.8 million in 2008, including an operating transfer of \$4.7 million to subsidize operations in other funds. This is a decrease of 2.8 percent in the cost of providing services when compared to the original budget for 2008. This was due to the Board of Commissioners enacting a proactive mid-year across-the-board budget reduction of 1.7 percent, and the realization by all county departments that these are unprecedented times which require collaboration by everyone to maintain efficient and effective county services. Because of these proactive measures the General Fund fund balance was increased \$1.6 million.

The **Ambulance Fund** provides emergency medical response and is funded by a special tax levy (approximately 35.3 percent of total revenues) and charges for services (approximately 62.7 percent of total revenues). The cost of providing this service for 2008 was \$6.8 million; however, approximately \$956,000 was used to purchase property and create a construction fund for the proposed new ambulance headquarters. Fund balance decreased by over \$900,000 for the reasons previously stated. These funds will continue to be used in future years to enhance response time for the continuing increase in demand for services.

The **Revenue Sharing Reserve Fund** is a fund mandated by the State to provide replacement funding for the temporary suspension of state-shared revenue. The County will annually draw an amount equal to its state-shared revenue, (approximately \$2.9 million) until the fund is depleted. In 2008, this fund balance decreased by \$1.8 million. It is projected that this fund will be depleted in 2013, being the first year in which replacement monies from the reserve fund are less than the amount that would otherwise have been received in state-shared revenue payments. Full funding for the Revenue Sharing Reserve Fund was completed in 2008. The County is skeptical that the State will have the financial resources to reinstate state-shared revenue as promised in Public Act 357.

### **Budgetary Highlights**

Over the course of the year, the County board amended the budget to take into account events during the year. The following provides specific details regarding the amendments:

- During the year, the General Fund net budget amendments resulted in a decrease of \$1.3 million, as follows:
  - Recognition of board actions regarding (1) recognition of vacancy savings resulting from a mandated hiring freeze for all General Fund positions that became vacant during 2008; (2) mid-year reduction of all General Fund department allocations by 1.7 percent to offset anticipated upcoming reductions to revenue in 2010 and 2011.
  - Projected revenues and expenditures were adjusted to reflect actual receipts and/or spending.
  - Recognition of increases/decrease in grant revenues

# Livingston County, Michigan

## **Management's Discussion and Analysis (Continued)**

- During the year, Special Revenue Funds' and Enterprise Funds' budgets were amended as follows:
  - Creation of the Lutz County Park Fund budget
  - Amendments for capital purchases
  - Projected revenues and expenditures were adjusted to reflect actual receipts and/or spending.
  - Recognition of increases/decrease in grant revenues
  - Recognition of position vacancy savings and/or lay-offs in various departments because of reduction in demand for services.

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

At the end of 2008, the County had \$91.7 million invested in a broad array of capital assets, including buildings, land, emergency response equipment, vehicles, etc. These assets are necessary to carry out the day-to-day operations of the County.

The County continues to sustain its excellent bond ratings with Moody's Aa2 rating and Standard & Poor's AA+ rating, thereby managing interest payments and reducing costs for infrastructure improvements. Additionally, the County is well within its legal debt limit of 10 percent of the state equalized valuation, utilizing less than 1.20 percent of that capacity. The majority of outstanding debt is for our component units: the drainage districts, Department of Public Works, and Road Commission. The County has pledged its full faith and credit to maintain low costs.

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

Michigan's fiscal crisis continues and it is having a waterfall effect on all municipalities within the state. State revenues are at their lowest levels. State funding for education and local governments is in jeopardy. A majority of these reductions were self-inflicted. Enacted state tax cuts have eroded the State's ability to generate revenue; the State's fiscal reserves are depleted and the revenue forecasting committee continues to project annual deficits. The weak national economy, current credit crisis, continued decline in real estate markets, increases in foreclosure rates, and continued job losses create challenges and opportunities for all government agencies.

# **Livingston County, Michigan**

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## **Management's Discussion and Analysis (Continued)**

As previously discussed, fiscal year 2008 signifies the end of business as usual. Major structural changes are necessary to ensure sustainability of our operations into the future. The County closely monitors reserve balances, revenues, and expenditures; we utilize a five-year financial forecasting model for early detection of bad revenue/expenditure policies and potential deficits. It is projected that the 2009 fiscal year will end with minimal contribution to reserves. Unfortunately, it is projected that Livingston County's tax revenues will continue to decline 10 percent in 2009, begin to stabilize in 2011, and then begin a slow 1.0 percent increase in 2012 and 2013. Recovery will be slow because Proposal A limits the increase of taxable value to the rate of inflation or 5 percent, whichever is lowest. As Michigan continues to work through its eighth straight year of economic downturn, we watched as the rest of the country fell into a recession. There were many contributing factors for this such as the meltdown of the banking industry, the housing market collapse, and the U.S. auto industry struggling to survive. As we consider all that has happened in 2008, we understand that Livingston County must continue to make difficult decisions and change the way it conducts business to ensure it continues its history of sound financial performance.

### **Contacting the Administration**

This financial report is intended to provide our citizens, taxpayers, customers, and investors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact the County Administrator's office at (517) 546-3669.

# Livingston County, Michigan

## Statement of Net Assets December 31, 2008

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>Assets</b>				
Cash and investments (Note 3)	\$ 50,494,910	\$ 18,868,403	\$ 69,363,313	\$ 7,516,875
Receivables:				
Taxes	4,640,858	14,417,928	19,058,786	-
Accounts	2,303,615	32,934	2,336,549	-
Leases	-	-	-	80,775,440
Other	-	2,954,051	2,954,051	4,566,100
Internal balances	334,990	(334,990)	-	-
Due from other governmental units	2,227,361	342,540	2,569,901	3,047,725
Inventories	-	77,969	77,969	1,219,328
Prepaid costs and other assets	1,441,538	118,865	1,560,403	-
Net pension asset (Note 12)	1,662,734	-	1,662,734	-
Net OPEB asset (Note 13)	548,295	-	548,295	-
Capital assets not being depreciated (Note 5)	9,363,008	11,158,758	20,521,766	48,257,827
Capital assets being depreciated (Note 5)	47,166,853	23,982,416	71,149,269	120,131,814
<b>Total assets</b>	<b>120,184,162</b>	<b>71,618,874</b>	<b>191,803,036</b>	<b>265,515,109</b>
<b>Liabilities</b>				
Accounts payable	2,249,445	86,567	2,336,012	380,209
Accrued and other liabilities	1,138,223	573,957	1,712,180	1,602,624
Deferred tax revenue	4,874,240	-	4,874,240	-
Due to other governmental units	364,645	60,968	425,613	2,199,387
Long-term obligations (Note 7):				
Due within one year	2,500,965	95,000	2,595,965	8,197,457
Due in more than one year	12,005,335	2,980,000	14,985,335	78,511,322
Net OPEB obligation	-	-	-	354,107
<b>Total liabilities</b>	<b>23,132,853</b>	<b>3,796,492</b>	<b>26,929,345</b>	<b>91,245,106</b>
<b>Net Assets</b>				
Invested in capital assets - Net of related debt	45,624,861	32,066,174	77,691,035	165,779,498
Restricted (Note 9)	25,723,163	-	25,723,163	-
Unrestricted	25,703,285	35,756,208	61,459,493	8,490,505
<b>Total net assets</b>	<b>\$ 97,051,309</b>	<b>\$ 67,822,382</b>	<b>\$ 164,873,691</b>	<b>\$ 174,270,003</b>

# Livingston County, Michigan

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government:</b>				
Governmental activities:				
General government	\$ 5,258,801	\$ 1,311,819	\$ 129,891	\$ -
Public safety	35,557,312	10,974,792	3,186,682	-
Health and welfare	19,392,092	6,311,699	6,564,973	-
Community and economic development	3,399,491	2,149,601	770,008	-
Interest on long-term debt	593,600	-	-	-
Total governmental activities	64,201,296	20,747,911	10,651,554	-
Business-type activities:				
Airport	1,480,678	959,586	-	544,298
Delinquent Tax Revolving Fund	18,097	3,843,342	-	-
Septage receiving station	586,322	414,125	-	-
Livingston Essential Transportation Service	2,561,727	417,753	1,448,166	499,054
Building and safety	1,561,305	1,401,339	-	-
Total business-type activities	6,208,129	7,036,145	1,448,166	1,043,352
Total primary government	<u>\$ 70,409,425</u>	<u>\$ 27,784,056</u>	<u>\$ 12,099,720</u>	<u>\$ 1,043,352</u>
<b>Component units:</b>				
Drain Commission	\$ 3,045,378	\$ 1,545,445	\$ 1,063,924	\$ -
Department of Public Works	4,235,056	3,918,314	-	-
Road Commission	17,011,631	-	20,104,233	-
Livingston County Foundation	8,050	-	15,000	-
Total component units	<u>\$ 24,300,115</u>	<u>\$ 5,463,759</u>	<u>\$ 21,183,157</u>	<u>\$ -</u>
General revenues:				
Property taxes				
Gain on sale of fixed assets				
Unrestricted investment earnings				
Miscellaneous				
Transfers				
Total general revenues and transfers				
<b>Change in Net Assets</b>				
<b>Net Assets - Beginning of year, as restated (Note 15)</b>				
<b>Net Assets - End of year</b>				

**Statement of Activities**  
**Year Ended December 31, 2008**

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
\$ (3,817,091)	\$ -	\$ (3,817,091)	\$ -
(21,395,838)	-	(21,395,838)	-
(6,515,420)	-	(6,515,420)	-
(479,882)	-	(479,882)	-
(593,600)	-	(593,600)	-
<u>(32,801,831)</u>	<u>-</u>	<u>(32,801,831)</u>	<u>-</u>
-	23,206	23,206	-
-	3,825,245	3,825,245	-
-	(172,197)	(172,197)	-
-	(196,754)	(196,754)	-
<u>-</u>	<u>(159,966)</u>	<u>(159,966)</u>	<u>-</u>
<u>-</u>	<u>3,319,534</u>	<u>3,319,534</u>	<u>-</u>
<u>(32,801,831)</u>	<u>3,319,534</u>	<u>(29,482,297)</u>	<u>-</u>
-	-	-	(436,009)
-	-	-	(316,742)
-	-	-	3,092,602
<u>-</u>	<u>-</u>	<u>-</u>	<u>6,950</u>
-	-	-	2,346,801
31,900,862	-	31,900,862	-
-	-	-	(172)
1,670,043	681,792	2,351,835	219,517
894,649	-	894,649	29
<u>1,874,404</u>	<u>(1,874,404)</u>	<u>-</u>	<u>-</u>
<u>36,339,958</u>	<u>(1,192,612)</u>	<u>35,147,346</u>	<u>219,374</u>
3,538,127	2,126,922	5,665,049	2,566,175
<u>93,513,182</u>	<u>65,695,460</u>	<u>159,208,642</u>	<u>171,703,828</u>
<b><u>\$ 97,051,309</u></b>	<b><u>\$ 67,822,382</u></b>	<b><u>\$ 164,873,691</u></b>	<b><u>\$ 174,270,003</u></b>

# Livingston County, Michigan

## Governmental Funds Balance Sheet December 31, 2008

	General Fund	Ambulance Fund	Revenue Sharing Reserve Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Cash and investments	\$ 17,454,592	\$ 3,245,269	\$ 12,290,288	\$ 13,217,994	\$ 46,208,143
Receivables:					
Taxes	2,209,437	2,424,040	-	-	4,633,477
Accounts	44,811	979,257	-	1,208,689	2,232,757
Prepaid costs and other assets	383,998	3,327	-	811,025	1,198,350
Due from other funds (Note 6)	272,075	-	1,054,319	7,000	1,333,394
Due from other governmental units	649,546	-	-	1,577,815	2,227,361
Advance to other fund (Note 6)	476,979	-	-	230,714	707,693
<b>Total assets</b>	<b>\$ 21,491,438</b>	<b>\$ 6,651,893</b>	<b>\$ 13,344,607</b>	<b>\$ 17,053,237</b>	<b>\$ 58,541,175</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 850,356	\$ 433,096	\$ -	\$ 371,064	\$ 1,654,516
Accrued and other liabilities	577,327	87,493	-	71,181	736,001
Due to other funds (Note 6)	1,061,632	-	-	26,450	1,088,082
Due to other governmental units	23,008	-	-	341,637	364,645
Advance from other fund (Note 6)	-	-	-	362,458	362,458
Deferred revenue	1,710,717	2,424,040	-	869,374	5,004,131
<b>Total liabilities</b>	<b>4,223,040</b>	<b>2,944,629</b>	<b>-</b>	<b>2,042,164</b>	<b>9,209,833</b>
<b>Fund Balances</b>					
Reserved (Note 10)	860,977	-	13,344,607	69,545	14,275,129
Unreserved, reported in:					
General Fund	15,407,421	-	-	-	15,407,421
Special Revenue Funds	-	3,707,264	-	8,601,747	12,309,011
General Fund - Designated	1,000,000	-	-	-	1,000,000
Capital Projects Funds - Designated	-	-	-	6,339,781	6,339,781
<b>Total fund balances</b>	<b>17,268,398</b>	<b>3,707,264</b>	<b>13,344,607</b>	<b>15,011,073</b>	<b>49,331,342</b>
<b>Total liabilities and fund balances</b>	<b>\$ 21,491,438</b>	<b>\$ 6,651,893</b>	<b>\$ 13,344,607</b>	<b>\$ 17,053,237</b>	
Amounts reported for governmental activities in the statement of net assets are different because:					
Capital assets used in governmental activities are not financial resources and are not reported in the funds					55,321,975
Long-term liabilities are not due and payable in the current period and are not reported in the funds					(12,395,726)
Interest expense payable is not accrued in the governmental funds					(24,575)
Compensated absences are not included as a liability of the funds					(1,960,930)
Grant receivables in governmental activities are not financial resources and are not available to pay for current year expenditures					129,891
Net pension asset is not included as an asset of the funds					1,662,734
Net OPEB asset is not included as an asset of the funds					548,295
Personal property taxes receivable in governmental activities are not financial resources and are not reported in the funds					7,379
Net self-insurance liabilities are not reported in the funds					(269,175)
Internal Service Funds are included as part of governmental activities					4,700,099
<b>Net assets of governmental activities</b>					<b>\$ 97,051,309</b>

# Livingston County, Michigan

## Governmental Funds Statement of Revenue, Expenditures, and Changes in Fund Balances Year Ended December 31, 2008

	General Fund	Ambulance Fund	Revenue Sharing Reserve Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenue</b>					
Taxes	\$ 29,485,512	\$ 2,430,886	\$ -	\$ -	\$ 31,916,398
Licenses and permits	274,260	-	-	105,026	379,286
Federal sources	241,577	3,655	-	5,872,484	6,117,716
Contributions from local units	958,832	-	-	732,821	1,691,653
State sources	2,104,624	-	-	2,744,623	4,849,247
Charges for services	6,696,047	4,317,005	-	5,847,185	16,860,237
Fines and forfeitures	492,896	-	-	-	492,896
Interest and rent	1,238,151	117,259	-	352,179	1,707,589
Other	1,632,791	12,000	-	155,076	1,799,867
<b>Total revenue</b>	<b>43,124,690</b>	<b>6,880,805</b>	<b>-</b>	<b>15,809,394</b>	<b>65,814,889</b>
<b>Expenditures</b>					
Current:					
General government	5,515,778	-	-	-	5,515,778
Public safety:					
Court systems	10,640,117	-	-	-	10,640,117
Sheriff and jail	15,745,772	-	-	-	15,745,772
Other public safety	1,618,247	-	-	6,328,271	7,946,518
Economic development	4,321,125	-	-	228,099	4,549,224
Health and welfare	2,244,378	6,829,216	-	9,893,653	18,967,247
Capital outlay	-	-	-	486,992	486,992
Principal on debt service	-	-	-	1,810,000	1,810,000
Interest on debt service	-	-	-	633,241	633,241
<b>Total expenditures</b>	<b>40,085,417</b>	<b>6,829,216</b>	<b>-</b>	<b>19,380,256</b>	<b>66,294,889</b>
<b>Excess of Revenue Over (Under)</b>					
<b>Expenditures</b>	3,039,273	51,589	-	(3,570,862)	(480,000)
<b>Other Financing Sources (Uses)</b>					
Operating transfers in (Note 6)	3,308,231	-	1,054,319	6,317,468	10,680,018
Operating transfers out (Note 6)	(4,731,171)	(956,576)	(2,831,940)	(316,635)	(8,836,322)
<b>Total other financing (uses) sources</b>	<b>(1,422,940)</b>	<b>(956,576)</b>	<b>(1,777,621)</b>	<b>6,000,833</b>	<b>1,843,696</b>
<b>Net Change in Fund Balances</b>	<b>1,616,333</b>	<b>(904,987)</b>	<b>(1,777,621)</b>	<b>2,429,971</b>	<b>1,363,696</b>
<b>Fund Balances - Beginning of year</b>	<b>15,652,065</b>	<b>4,612,251</b>	<b>15,122,228</b>	<b>12,581,102</b>	<b>47,967,646</b>
<b>Fund Balances - End of year</b>	<b>\$ 17,268,398</b>	<b>\$ 3,707,264</b>	<b>\$ 13,344,607</b>	<b>\$ 15,011,073</b>	<b>\$ 49,331,342</b>

The Notes to Financial Statements are an  
Integral Part of this Statement.

# Livingston County, Michigan

## **Governmental Funds Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities Year Ended December 31, 2008**

<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$ 1,363,696</b>
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:	
Capital outlay	1,933,009
Depreciation	(2,648,141)
Repayment of bond principal and other long-term obligations is an expenditure in the governmental funds, but not in the statement of activities (where it reduces long-term debt)	2,362,237
Governmental funds report revenue when it is available; in the statement of activities, revenues are reported when they have been earned	(415,368)
Increase in accumulated employee sick and vacation pay is recorded when earned in the statement of activities	105,697
Decrease in accrued interest payable is recorded on the statement of activities	39,640
Increase in net self-insurance liability is recorded as an expense on the statement of activities	(72,612)
Internal Service Funds are also included as governmental activities	400,967
Decrease in delinquent personal property taxes is included in the statement of activities	(15,713)
Decrease in net pension asset is recorded in the statement of activities	(63,580)
Increase in OPEB asset is recorded in the statement of activities	548,295
<b>Change in Net Assets of Governmental Activities</b>	<b><u>\$ 3,538,127</u></b>

# Livingston County, Michigan

	Enterprise Funds		
	Major Funds		
	Airport Fund	Delinquent Tax Revolving Fund	Septage Receiving Station
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ 254,494	\$ 16,048,692	\$ 189,396
Tax receivable	-	14,417,928	-
Accounts receivable	22,599	2,953,245	154
Due from other governmental units	-	19,914	4,303
Due from other funds (Note 6)	-	-	-
Inventories	58,455	-	-
Prepaid costs and other assets	13,437	99,532	-
Total current assets	348,985	33,539,311	193,853
Noncurrent assets:			
Advances to other funds (Note 6)	-	2,350,743	-
Capital assets (Note 5)	29,278,091	-	3,200,500
Total noncurrent assets	29,278,091	2,350,743	3,200,500
Total assets	29,627,076	35,890,054	3,394,353
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	20,757	-	33,466
Accrued and other liabilities	314,126	-	102,105
Due to other funds (Note 6)	30,000	190,469	-
Due to other governmental units	22,899	38,069	-
Current portion of long-term debt (Note 7)	-	-	95,000
Total current liabilities	387,782	228,538	230,571
Noncurrent liabilities:			
Advances from other funds (Note 6)	2,365,264	-	100,000
Long-term debt - Net of current portion (Note 7)	-	-	2,980,000
Total noncurrent liabilities	2,365,264	-	3,080,000
Total liabilities	2,753,046	228,538	3,310,571
<b>Net Assets</b>			
Investment in capital assets - Net of related debt	29,278,091	-	125,500
Unrestricted (deficit)	(2,404,061)	35,661,516	(41,718)
Total net assets	<u>\$ 26,874,030</u>	<u>\$ 35,661,516</u>	<u>\$ 83,782</u>

**Proprietary Funds  
Statement of Net Assets  
December 31, 2008**

Enterprise Funds			
Nonmajor Funds			
Livingston Essential Transportation Service	Building and Safety Fund	Total Enterprise Funds	Internal Service Funds
\$ 121,370	\$ 2,254,451	\$ 18,868,403	\$ 4,244,320
-	-	14,417,928	22,904
10,987	-	2,986,985	-
318,323	-	342,540	-
-	-	-	313
6,528	12,986	77,969	-
-	5,896	118,865	291,143
457,208	2,273,333	36,812,690	4,558,680
-	-	2,350,743	-
2,659,834	2,749	35,141,174	1,207,886
2,659,834	2,749	37,491,917	1,207,886
3,117,042	2,276,082	74,304,607	5,766,566
23,264	9,080	86,567	594,928
69,228	88,498	573,957	215,669
-	-	220,469	25,156
-	-	60,968	-
-	-	95,000	-
92,492	97,578	1,036,961	835,753
-	-	2,465,264	230,714
-	-	2,980,000	-
-	-	5,445,264	230,714
92,492	97,578	6,482,225	1,066,467
2,659,834	2,749	32,066,174	1,207,886
364,716	2,175,755	35,756,208	3,492,213
<b>\$ 3,024,550</b>	<b>\$ 2,178,504</b>	<b>\$ 67,822,382</b>	<b>\$ 4,700,099</b>

# Livingston County, Michigan

	Enterprise Funds		
	Major Funds		
	Airport Fund	Delinquent Tax Revolving Fund	Septage Receiving Station
<b>Operating Revenue</b>			
Charges for services	\$ 940,705	\$ 882,122	\$ 383,156
Penalties and interest	-	2,901,889	-
Other revenue	18,881	59,331	30,969
Total operating revenue	959,586	3,843,342	414,125
<b>Operating Expenses</b>			
Personnel	244,435	-	-
Operating expenses	771,383	-	7,489
Depreciation expense	383,623	-	146,243
Other expenses	-	18,097	305,392
Gain on sale of fixed assets	-	-	-
Total operating expenses	1,399,441	18,097	459,124
<b>Operating Income (Loss)</b>	(439,855)	3,825,245	(44,999)
<b>Nonoperating Revenue (Expense)</b>			
Interest earnings	4,581	603,199	1,401
Federal and state operating subsidies	-	-	-
Interest expense	(81,237)	-	(127,198)
Total nonoperating revenue (expense)	(76,656)	603,199	(125,797)
<b>Income (Loss) - Before transfers and contributions</b>	(516,511)	4,428,444	(170,796)
<b>Operating Transfers In (Note 6)</b>	-	-	-
<b>Operating Transfers Out (Note 6)</b>	-	(1,859,404)	-
<b>Net Income (Loss) - Before capital contributions</b>	(516,511)	2,569,040	(170,796)
<b>Capital Contributions</b>	544,298	-	-
<b>Change in Net Assets</b>	27,787	2,569,040	(170,796)
<b>Net Assets - January 1, 2008</b>	26,846,243	33,092,476	254,578
<b>Net Assets - December 31, 2008</b>	<b>\$ 26,874,030</b>	<b>\$ 35,661,516</b>	<b>\$ 83,782</b>

**Proprietary Funds**  
**Statement of Revenue, Expenses, and Changes in Net Assets**  
**Year Ended December 31, 2008**

Enterprise Funds			
Nonmajor Funds			
Livingston Essential Transportation Service	Building and Safety Fund	Total Enterprise Funds	Internal Service Funds
\$ 315,513	\$ 1,401,339	\$ 3,922,835	\$ 14,556,406
-	-	2,901,889	-
<u>102,240</u>	<u>-</u>	<u>211,421</u>	<u>-</u>
417,753	1,401,339	7,036,145	14,556,406
1,446,902	1,222,451	2,913,788	10,264,849
566,389	337,021	1,682,282	3,584,822
259,425	1,833	791,124	357,848
289,011	-	612,500	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>(21,372)</u>
<u>2,561,727</u>	<u>1,561,305</u>	<u>5,999,694</u>	<u>14,186,147</u>
(2,143,974)	(159,966)	1,036,451	370,259
-	72,611	681,792	-
1,448,166	-	1,448,166	-
<u>-</u>	<u>-</u>	<u>(208,435)</u>	<u>-</u>
<u>1,448,166</u>	<u>72,611</u>	<u>1,921,523</u>	<u>-</u>
(695,808)	(87,355)	2,957,974	370,259
-	-	-	30,708
<u>(15,000)</u>	<u>-</u>	<u>(1,874,404)</u>	<u>-</u>
(710,808)	(87,355)	1,083,570	400,967
<u>499,054</u>	<u>-</u>	<u>1,043,352</u>	<u>-</u>
(211,754)	(87,355)	2,126,922	400,967
<u>3,236,304</u>	<u>2,265,859</u>	<u>65,695,460</u>	<u>4,299,132</u>
<b><u>\$ 3,024,550</u></b>	<b><u>\$ 2,178,504</u></b>	<b><u>\$ 67,822,382</u></b>	<b><u>\$ 4,700,099</u></b>

# Livingston County, Michigan

	Enterprise Funds		
	Major Funds		
	Airport Fund	Delinquent Tax Revolving Fund	Septage Receiving Station
<b>Cash Flows from Operating Activities</b>			
Receipts from customers	\$ 955,211	\$ 20,999,207	\$ 414,125
Receipts from other funds	-	259,024	95,697
Settlement of delinquent taxes	-	(22,191,001)	-
Payments to suppliers	(851,017)	41,525	(360,919)
Payments to employees	(56,512)	-	(600)
Internal activity - Payments to other funds	(78,555)	-	-
Net cash (used in) provided by operating activities	(30,873)	(891,245)	148,303
<b>Cash Flows from Capital and Related Financing Activities</b>			
Capital contributions	-	-	-
Proceeds from sale of assets	-	-	-
Purchase of capital assets	(195,621)	-	-
Interest paid	(81,237)	-	(217,198)
Net cash provided by (used in) capital and related financing activities	(276,858)	-	(217,198)
<b>Cash Flows from Investing Activities - Interest received on investments</b>	4,581	603,199	1,400
<b>Cash Flows from Noncapital Financing Activities</b>			
Federal and state operating subsidies	-	-	-
Transfers out	-	(1,859,404)	-
Transfers in	-	-	-
Net cash (used in) provided by noncapital financing activities	-	(1,859,404)	-
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	(303,150)	(2,147,450)	(67,495)
<b>Cash and Cash Equivalents - Beginning of year</b>	557,644	18,196,142	256,891
<b>Cash and Cash Equivalents - End of year</b>	<b>\$ 254,494</b>	<b>\$ 16,048,692</b>	<b>\$ 189,396</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities</b>			
Operating income (loss)	\$ (439,855)	\$ 3,825,245	\$ (44,999)
Adjustments to reconcile operating income (loss) to net cash from operating activities:			
Depreciation and amortization	383,623	-	146,243
Gain on sale of fixed assets	-	-	-
Changes in assets and liabilities:			
Accounts receivable	(3,722)	(1,070,412)	-
Delinquent tax receivables	-	(4,118,858)	-
Due from other funds	17,112	207,581	(4,303)
Due from other governmental units	(653)	116,646	-
Inventory	(24,706)	-	-
Long-term advance receivable	-	51,443	100,000
Other assets	6,835	92,509	173
Accounts payable	(2,636)	(32,887)	(48,211)
Long-term advance payable	(51,443)	-	-
Due to other funds	(44,224)	-	-
Due to other governmental units	(59,127)	37,488	-
Accrued and other liabilities	187,923	-	(600)
Net cash (used in) provided by operating activities	<b>\$ (30,873)</b>	<b>\$ (891,245)</b>	<b>\$ 148,303</b>

**Noncash Financing Activities** - During the year ended December 31, 2008, various governmental entities contributed capital assets with a value of \$544,298 to the airport.

**Proprietary Funds  
Statement of Cash Flows  
Year Ended December 31, 2008**

Enterprise Funds			
Nonmajor Funds			
Livingston Essential Transportation Service	Building and Safety Fund	Total Enterprise Funds	Internal Service Funds
\$ 417,753	\$ 1,401,339	\$ 24,187,635	\$ -
-	-	354,721	14,595,537
-	-	(22,191,001)	-
(862,234)	(319,698)	(2,352,343)	(3,381,934)
(1,474,443)	(1,243,858)	(2,775,413)	(10,261,360)
-	-	(78,555)	-
(1,918,924)	(162,217)	(2,854,956)	952,243
613,162	-	613,162	-
-	-	-	29,365
(33,418)	-	(229,039)	(871,471)
-	-	(298,435)	-
579,744	-	85,688	(842,106)
-	72,611	681,791	-
1,551,315	-	1,551,315	-
(15,000)	-	(1,874,404)	-
-	-	-	30,708
1,536,315	-	(323,089)	30,708
197,135	(89,606)	(2,410,566)	140,845
(75,765)	2,344,057	21,278,969	4,103,475
<b>\$ 121,370</b>	<b>\$ 2,254,451</b>	<b>\$ 18,868,403</b>	<b>\$ 4,244,320</b>
\$ (2,143,974)	\$ (159,966)	\$ 1,036,451	\$ 370,259
259,425	1,833	791,124	357,848
-	-	-	(21,372)
-	-	(1,074,134)	1,704
-	-	(4,118,858)	-
-	-	220,390	86,187
-	-	115,993	-
19,112	20	(5,574)	-
-	-	151,443	-
2,491	10,857	112,865	(97,294)
(28,437)	6,446	(105,725)	281,165
-	-	(51,443)	11,801
-	-	(44,224)	(34,948)
-	-	(21,639)	-
(27,541)	(21,407)	138,375	(3,107)
<b>\$ (1,918,924)</b>	<b>\$ (162,217)</b>	<b>\$ (2,854,956)</b>	<b>\$ 952,243</b>

# Livingston County, Michigan

## Fiduciary Funds Statement of Net Assets December 31, 2008

	Other Employee Benefit Trust	
	Fund	Agency Funds
<b>Assets</b>		
Cash	\$ -	\$ 3,828,856
Mutual funds	6,934,257	-
Accrued interest receivable	-	6,985
	<hr/>	<hr/>
Total assets	6,934,257	<u>\$ 3,835,841</u>
<b>Liabilities</b>		
Due to other governmental units	-	\$ 1,101,056
Other liabilities	-	2,734,785
	<hr/>	<hr/>
Total liabilities	-	<u>\$ 3,835,841</u>
<b>Net Assets</b> - Held in trust for employee benefits	<u>\$ 6,934,257</u>	



# Livingston County, Michigan

## Component Units Statement of Net Assets December 31, 2008

	Drain Commission	Department of Public Works	Road Commission	Livingston County Foundation	Total
<b>Assets</b>					
Cash and investments	\$ 3,127,886	\$ 1,395,425	\$ 2,693,300	\$ 300,264	\$ 7,516,875
Special assessments receivable	3,653,283	-	63,089	-	3,716,372
Leases receivable from local units	25,645,440	55,130,000	-	-	80,775,440
Due from other governmental units	854,284	-	2,193,441	-	3,047,725
Interest and other receivables	283,152	517,611	48,965	-	849,728
Inventories	-	-	1,219,328	-	1,219,328
Capital assets (Note 5)	2,751,090	42,540,456	123,098,095	-	168,389,641
<b>Total assets</b>	<b>36,315,135</b>	<b>99,583,492</b>	<b>129,316,218</b>	<b>300,264</b>	<b>265,515,109</b>
<b>Liabilities</b>					
Accounts payable	42,263	119,640	218,306	-	380,209
Retainages payable	-	55,877	-	-	55,877
Due to other governmental units	904,355	1,110,246	184,786	-	2,199,387
Other current liabilities	1,014,588	346,027	186,132	-	1,546,747
Long-term debt:					
Due within one year (Note 7)	3,335,701	3,500,000	1,361,756	-	8,197,457
Due in more than one year (Note 7)	25,216,485	51,630,000	1,664,837	-	78,511,322
Net OPEB obligation	-	-	354,107	-	354,107
<b>Total liabilities</b>	<b>30,513,392</b>	<b>56,761,790</b>	<b>3,969,924</b>	<b>-</b>	<b>91,245,106</b>
<b>Net Assets</b>					
Invested in capital assets - Net of related debt	2,751,090	42,540,456	120,487,952	-	165,779,498
Unrestricted	3,050,653	281,246	4,858,342	300,264	8,490,505
<b>Total net assets</b>	<b>\$ 5,801,743</b>	<b>\$ 42,821,702</b>	<b>\$ 125,346,294</b>	<b>\$ 300,264</b>	<b>\$ 174,270,003</b>

# Livingston County, Michigan

	Program Revenues			
	Expenses	Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
Drain Commission - Public works	\$ 3,045,378	\$ 1,545,445	\$ 1,063,924	\$ -
Department of Public Works - Public works	4,235,056	3,918,314	-	-
Road Commission - Public works	17,011,631	-	20,104,233	-
Livingston County Foundation - Recreation	<u>8,050</u>	<u>-</u>	<u>15,000</u>	<u>-</u>
Total governmental activities	<u><b>\$ 24,300,115</b></u>	<u><b>\$ 5,463,759</b></u>	<u><b>\$ 21,183,157</b></u>	<u><b>\$ -</b></u>

General revenues:

Loss on disposition of fixed assets

Miscellaneous

Interest

**Change in Net Assets**

**Net Assets** - Beginning of year, as restated (Note 15)

**Net Assets** - End of year

**Component Units  
Statement of Activities  
Year Ended December 31, 2008**

Net (Expense) Revenue and Changes in Net Assets

Drain Commission	Department of Public Works	Road Commission	Livingston County Foundation	Total
\$ (436,009)	\$ -	\$ -	\$ -	\$ (436,009)
-	(316,742)	-	-	(316,742)
-	-	3,092,602	-	3,092,602
-	-	-	6,950	6,950
(436,009)	(316,742)	3,092,602	6,950	2,346,801
-	-	(172)	-	(172)
-	-	-	29	29
<u>58,064</u>	<u>51,765</u>	<u>106,880</u>	<u>2,808</u>	<u>219,517</u>
(377,945)	(264,977)	3,199,310	9,787	2,566,175
<u>6,179,688</u>	<u>43,086,679</u>	<u>122,146,984</u>	<u>290,477</u>	<u>171,703,828</u>
<b><u>\$ 5,801,743</u></b>	<b><u>\$ 42,821,702</u></b>	<b><u>\$ 125,346,294</u></b>	<b><u>\$ 300,264</u></b>	<b><u>\$ 174,270,003</u></b>

# Livingston County, Michigan

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## Notes to Financial Statements December 31, 2008

### Note I - Summary of Significant Accounting Policies

The accounting policies of Livingston County, Michigan (the "County") conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies used by the County:

#### Reporting Entity

The County was organized in 1836 and operates under an elected board of commissioners consisting of nine members. The County provides services to its residents in the areas of public safety, including law enforcement and administration of justice, economic development, general government, and human services.

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

**Blended Component Units** - The Building Authority is governed by a five-member board that is appointed by the County Board of Commissioners. Although legally separate from the County, the Building Authority is reported as part of the primary government because its sole purpose is to finance and construct the County's public buildings.

The following component units are presented discretely from the County:

**Drain Commission Boards** - Each of the drainage districts established pursuant to the Drain Code of 1956 are separate legal entities, with the power to contract, to sue and be sued, to hold, manage, and dispose of real and personal property, etc. 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.

## **Note I - Summary of Significant Accounting Policies (Continued)**

**Department of Public Works** - Pursuant to Michigan Compiled Law 123.732, the County has entered into a program of water supply and sanitary sewer facility construction. The Department of Public Works is under the general control of the County Board of Commissioners and under the immediate control of the Board of Public Works, which includes the County Drain Commissioner. The Board of Public Works is considered an agency of the County. The Board of Public Works manages water supply and sanitary sewer system construction projects that are bonded by the County. Bonds issued are authorized by an ordinance or a resolution approved by the Board of Public Works and adopted by the County Board of Commissioners.

**Road Commission** - The County Road Commission, which is established pursuant to the County Road Law (MCL 224.1), is governed by the appointed three-member Board of County Road Commissioners. The Road Commission may not issue debt or levy a tax without the approval of the County Board of Commissioners.

**Livingston County Foundation** - The Livingston County Foundation (the "Foundation"), established as a 501(c)(3) not-for-profit entity, is governed by a seven-member board with two members being personnel of Livingston County, one member appointed by those two County personnel, one member being a current member of the Livingston County Board of Commissioners, and the remaining three members being appointed by the Livingston County Board of Commissioners. The Foundation is to be used for the enhancements of the Lutz County Park and for the development and maintenance of the Fillmore Estate, the Owen J. Lutz and Florence B. Lutz Conference Center, and for any other designation by the contributor.

### **Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, normally 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.

## **Note I - Summary of Significant Accounting Policies (Continued)**

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or activity. 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 revenue.

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

### **Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County generally considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

## **Note I - Summary of Significant Accounting Policies (Continued)**

All governmental funds and Agency Funds utilize the modified accrual basis of accounting. The component units record day-to-day activity using the modified accrual basis of accounting but report on the full accrual basis of accounting. The Enterprise Funds utilize the full accrual basis of accounting. Modifications in such method from the accrual basis are as follows:

- Property taxes and other revenue that are both measurable and available for use to finance operations for the County are recorded as revenue when earned.
- Other revenue is recorded when received.
- Properties are assessed as of December 31. The related general operating property taxes are billed on July 1 and become a lien at that time. All other County property taxes are billed on December 1 of the following year and become a lien at that time. These taxes are due on August 31 and February 14, respectively, with a final collection date of February 28 before they are added to the County tax rolls.
- Property taxes are levied to finance the current year's operations, and are recorded as a revenue and receivable in their respective funds on July 1. Each year, the Revenue Sharing Reserve Fund will transfer an amount equal to the County's revenue-sharing allocation to finance the current year's operations.

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

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

Proprietary funds distinguish operating revenue and expenses from nonoperating items. The principal operating revenue of the proprietary funds relates to charges to customers for sales and services. Operating expenses for the proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenue and expenses. When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

## **Note I - Summary of Significant Accounting Policies (Continued)**

The County reports the following major governmental funds:

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

**Ambulance Special Revenue Fund** - The Ambulance Special Revenue Fund accounts for all of the activities of the County's ambulance department.

**Revenue Sharing Reserve Fund** - The Revenue Sharing Reserve Fund is a mandatory fund restricted for replacing state-shared revenues that have been suspended. The source of the replacement funding was the gradual shift from a winter tax levy to a summer tax levy. One-third of the County's December property tax levy was placed in the fund from the December 2004, 2005, and 2006 property tax levies, as required by State regulations.

The County reports the following major proprietary funds:

**Airport Fund** - The Airport Fund accounts for the operations of the rural airport located in the County. The primary revenue source is charges for services and grant monies for the airport expansion.

**Delinquent Tax Revolving Fund** - The Delinquent Tax Revolving Fund accounts for the purchase of delinquent tax rolls from the County's local units. Interest and penalties received within the collection of these receivables are the Delinquent Tax Revolving Fund's primary source of revenue.

**Septage Receiving Station** - This fund is used to account for the operations of the septage receiving station. The primary source of revenue is a per gallon charge for service on waste that local communities dispose of through the receiving station.

## **Note I - Summary of Significant Accounting Policies (Continued)**

Additionally, the County reports the following funds:

**Special Revenue Funds** - Special Revenue Funds account for the revenues and expenditures related to health, 911 services, job training services, child care services, family counseling, Friend of the Court, Small Cities Community Development Block Grant, survey and remonumentation, drug law enforcement activities, prosecutor's drug enforcement, criminal and OUIL forfeitures, law funds, community corrections, social welfare, soldiers and sailors relief, Veterans Trust Fund, Register of Deeds, Federal Equitable Sharing activities, Homestead Property Exemption Fund, Correction Officer's Training, Lutz County Park, Fillmore Estate County Park, and Community Development Block Grant/OLSHA funds.

**Debt Service Funds** - Debt Service Funds account for the debt retirement activity of the governmental activities of the County for the Road Commission refunding bonds issued in 1995 and 2001, mental health bonds issued in 1999, 2000, and 2005, building improvement bonds issued for various capital projects of the County, and the Building Authority Mental Health Fund.

**Capital Projects Funds** - Capital Projects Funds account for the development of capital facilities and equipment other than those financed by the operation of a proprietary fund. These projects include the construction of the mobile command unit, jail expansion, courthouse improvements, administration building renovations, other capital improvements of the County, EMS facility construction, and the West Complex construction.

**Permanent Funds** - Permanent Funds account for the maintenance and care of the cemetery.

**Enterprise Funds** - Enterprise Funds account for building and safety, airport, delinquent tax, Livingston Essential Transportation Services, and septage receiving station revenues collected from users and expenses related to operations.

**Internal Service Funds** - Internal Service Funds account for building services, information technology, carpool, and benefit services provided to other departments of the government on a cost reimbursement basis.

**Trust Funds** - The Other Employee Benefits Trust Fund accounts for the activities of the Post Employment Healthcare Trust Fund, which accumulates resources for health-care benefit payments for qualified employees.

## **Note I - Summary of Significant Accounting Policies (Continued)**

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

### **Assets, Liabilities, and Net Assets or Equity**

**Cash and Investments** - Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value.

**Receivables and Payables** - In general, outstanding balances between funds are reported as "due to/from other funds." Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "advances to/from other funds." Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances."

All trade and property tax receivables are shown as net of an allowance for uncollectible amounts. Property taxes are levied on each July 1 and December 1 on the taxable valuation of property as of the preceding December 31. Taxes are considered delinquent on March 1 of the following year, at which time penalties and interest are assessed.

The 2007 taxable valuation of the County totaled \$8.79 billion, on which ad valorem taxes levied December 1, 2007 consisted of 0.2799 mills for ambulance operating purposes. On July 1, 2008, the general operating millage for the 2008 fiscal year, or 3.3897 mills, was levied on the 2008 taxable valuation of \$8.83 billion for general operating purposes. The ad valorem taxes raised were approximately \$29.9 million for general operations and \$2.4 million for ambulance operations. These amounts are recorded in their respective funds as tax revenue. The amount recorded as revenue includes other miscellaneous revenue and other tax-related items and is net of amounts distributed to local DDAs and TIFAs.

**Inventories and Prepaid Costs** - Inventories are valued at cost, on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements.

### Note I - Summary of Significant Accounting Policies (Continued)

**Capital Assets** - Capital assets, which include property, buildings, furniture, vehicles, machinery, and equipment, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the County as assets with an initial individual cost of more than \$10,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Buildings, furniture, vehicles, machinery, and equipment are depreciated using the straight-line method over the following useful lives:

Buildings	33 to 50 years
Improvements other than buildings	20 to 40 years
Equipment and furniture	3 to 10 years
Machinery and equipment	5 to 20 years
Vehicles	5 to 10 years
Drainage flow rights	99 years

**Compensated Absences** - The County allows employees to accumulate earned but unused sick and vacation pay benefits. The government-wide and proprietary statements accrue all vacation and personal pay as it is earned. Sick pay is accrued according to management estimates of individuals who are eligible for benefits upon termination or retirement. An expenditure for these amounts is reported in governmental funds as it comes due for payment (when the time is taken off or employees terminate).

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

## **Note 1 - Summary of Significant Accounting Policies (Continued)**

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

**Use of Estimates** - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

## **Note 2 - Stewardship, Compliance, and Accountability**

**Budgetary Information** - Annual budgets are adopted for the General Fund and all Special Revenue Funds in compliance with the State Budget Act. The budget is prepared in accordance with accounting principles generally accepted in the United States of America, with the following exceptions:

- Operating transfers have been included in the “revenue” and “expenditure” categories, rather than “other financing sources (uses).”
- Reimbursements from other funds have been included in revenue, rather than a reduction of expenditures.

Any expenditures that exceed the budget must be approved by the County Board of Commissioners through a budget amendment. The County Board of Commissioners approves budget amendments with the exception that the County Administrator has the authority to make interdepartmental line-item transfers that are less than \$10,000.

During the year, the General Fund budget was amended for recognition of Board actions, for the following:

- Projected revenues and/or expenditures were adjusted to reflect actual receipts and/or spending; (2) recommended budget transfers between divisions of the Sheriff’s Office that were presented at the monthly calendarized budget meetings to maintain compliance with the authorized budget; (3) a proactive measure was taken to reduce all general departments and General Fund subsidized funds’ budgets by 1.7 percent. The intent was to create a surplus in 2008 to buffer the reduction in future year’s revenues. Additionally, a hiring freeze was implemented in July 2008; departments are encouraged to share personnel; the allocation to the Capital Replacement Fund was reduced \$222,500; and the delinquent property tax reserve was capped at \$6.0 million; earnings beyond that amount were transferred to the General Fund.

## **Note 2 - Stewardship, Compliance, and Accountability (Continued)**

During the year, the budgets for the Special Revenue and Enterprise Funds were amended as follows:

- Projected revenues and/or expenditures were adjusted to reflect actual receipts and/or spending.
- Recognition of increases/decreases in grant revenues
- Creation of the Lutz County Park and Fillmore Estate County Park Funds
- The closing of Fund 402 - Livingston County Mobile Command and Fund 488 - Courthouse Improvement Fund
- Amendments for capital purchases
- Recognition of position vacancy savings and/or lay-offs in various departments because of reduction in demand for services

The budget document presents information by fund, function, department, and line item. The legal level of budgetary control adopted by the Board of Commissioners is the department level in the General Fund and the fund level for all other funds. All annual appropriations lapse at fiscal year end. Encumbrance accounting utilized in governmental funds is the responsibility of each individual department. Encumbrances (purchase orders or service contracts) outstanding at year end are tracked; however, they do not constitute expenditures or liabilities because the goods or services have not been received by year end. The commitments will be honored during the subsequent year.

The budget process begins in April when the Board of Commissioners conducts a “goal-setting workshop” to formulate the strategic goals, policies, and objectives for the upcoming year. To encourage long-term planning, the County prepares a five-year financial model to project the long-term impact of new or proposed policies and programs.

In May, the strategic goals, policies, and objectives established by the board are shared and discussed with board subcommittees (including elected officials and department heads); public safety; health and human services; infrastructure and development; and general government. The elected officials and department heads make recommendations that may modify the strategic goals, policies, and objectives, and determine how these may impact their departmental budgets.

## **Note 2 - Stewardship, Compliance, and Accountability (Continued)**

Additionally, in May, the finance department prepares the projection for employee costs, including salaries/wages and all fringe benefits, by department and/or fund. The finance department projects total expenditures per functional group: i.e., public safety, health and human services, infrastructure and development, and general government for the General Fund.

Departments are requested to submit budget requests within these limits. Budget requests are due from the departments on July 30.

In August, the finance department reviews the budget to verify that it balances. Additional board subcommittee meetings are held with the departments to review requests and make modifications. During August, the budget plan is compiled and the County administrator distributes the recommended budget plan to the Board of Commissioners, elected officials, and department heads.

During September, the finance subcommittee reviews the budget plan and makes a recommendation to the Board of Commissioners. Upon review and a subsequent public hearing, the Board of Commissioners authorizes the proposed budget plan by adoption of the General Appropriations Resolution. The budget must be adopted by the Board of Commissioners at its annual meeting.

**Accumulated Net Asset and Fund Balance Deficits** - At December 31, 2008, the Airport Enterprise Fund had total net assets of \$26,874,030. The investment in capital assets, net of related debt, totaled \$29,278,091 at year end. Offsetting the investment in capital assets, net of related debt, is an unrestricted net asset deficit balance of \$2,404,061.

At December 31, 2008, the Septage Receiving Station Enterprise Fund had total net assets of \$83,782. The investment in capital assets, net of related debt, totaled \$125,500 at year end. Offsetting the investment in capital assets, net of related debt, is an unrestricted net asset deficit balance of \$41,718.

At December 31, 2008, the Information Technology Internal Service Fund had total net assets of \$498,430. The investment in capital assets, net of related debt, totaled \$686,304 at year end. Offsetting the investment in capital assets, net of related debt, is an unrestricted net asset deficit balance of \$187,874.

# Livingston County, Michigan

## Notes to Financial Statements December 31, 2008

### Note 2 - Stewardship, Compliance, and Accountability (Continued)

**Excess of Expenditures Over Appropriations in Budgeted Funds** - During the year, the County incurred expenditures that were in excess of the amounts budgeted as follows:

	Budget	Actual
General Fund - OLHSA	\$ 109,076	\$ 176,820
General Fund - Transfer to Revenue Sharing Reserve Fund	-	1,054,319
Ambulance Fund - Transfer to EMS construction	-	956,576

### Note 3 - Deposits and Investments

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

The Other Employee Benefit Trust Fund retiree healthcare fund is also authorized by Michigan Public Act 314 of 1965, as amended, to invest in certain reverse repurchase agreements, stocks, diversified investment companies, annuity investment contracts, real estate leased to public entities, mortgages, real estate, debt or equity of certain small businesses, certain state and local government obligations, and certain other specified investment vehicles.

The County has designated seven banks for the deposit of its funds and those funds held by the County on behalf of its component units. The investment policy adopted by the Board in accordance with Public Act 196 of 1997 has authorized investment as allowed under state statutory authority as listed above.

# Livingston County, Michigan

## Notes to Financial Statements December 31, 2008

### Note 3 - Deposits and Investments (Continued)

Cash and investments held by the County are subject to several types of risk, which are examined in more detail below:

**Custodial Credit Risk of Bank Deposits** - Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County's investment policy requires that it shall diversify its investments by security type and institution. No more than 60 percent of the total investment portfolio will be invested in a single security type or with a single financial institution. At year end, the County had bank deposits of \$44,642,678, of which \$2,145,271 was covered by federal depository insurance and \$42,497,407 was uninsured and uncollateralized. The County believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the County evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

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

#### Government-wide

Type of Investment	Fair Value	Less than One		
		Year	1-5 Years	5-10 Years
Federal Home Loan Bank	\$ 6,169,645	\$ 6,169,645	\$ -	\$ -
Federal Home Loan Mortgage Corp.	967,200	967,200	-	-
Fannie Mae	1,015,607	-	1,015,607	-
Fowlerville Downtown Development Bond	500,000	-	-	500,000

# Livingston County, Michigan

## Notes to Financial Statements December 31, 2008

### Note 3 - Deposits and Investments (Continued)

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

#### Government-wide

Investment	Fair Value	Rating	Rating Organization
Federal Home Loan Bank	\$ 2,180,145	A-1	S&P
Federal Home Loan Bank	3,989,500	AAA	S&P
Federal Home Loan Mortgage Corp.	967,200	AAA	S&P
Fannie Mae	1,015,607	AAA	S&P
Fowlerville Downtown Development Bond	500,000	NR	N/A
Money market	3,657,048	A-1 +	S&P
Money market	4,729,986	A-1	S&P
Money market	13,271,570	NR	N/A
Other Employee Benefits Trust Fund - Mutual funds	6,934,257	NR	N/A

**Concentration of Credit Risk** - The County's investment policy requires it shall diversify its investment by security type and institution by allowing no more than 60 percent of the total investment portfolio to be invested in a single investment type, or with a single financial institution. The following shows issuers, other than the U.S. government, holding 5 percent or more of the County's total investments.

#### Government-wide

Investment	Fair Value
Federal Home Loan Bank	\$ 6,169,645
Federal Home Loan Mortgage Corp.	967,200
Fannie Mae	1,015,607

# Livingston County, Michigan

## Notes to Financial Statements December 31, 2008

### Note 4 - Deferred Revenue

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

	Unavailable	Unearned	Total
Property taxes	\$ -	\$ 4,874,240	\$ 4,874,240
Grant revenue	<u>129,891</u>	<u>-</u>	<u>129,891</u>
Total	<u>\$ 129,891</u>	<u>\$ 4,874,240</u>	<u>\$ 5,004,131</u>

### Note 5 - Capital Assets

Capital asset activity of the County's governmental activities, business-type activities, and component units is as follows:

#### Primary Government

	Balance January 1, 2008	Additions	Disposals and Adjustments	Balance December 31, 2008
<b>Governmental Activities</b>				
Capital assets not being depreciated:				
Land	\$ 8,236,801	\$ 660,364	\$ -	\$ 8,897,165
Construction in progress	<u>251,899</u>	<u>465,845</u>	<u>251,901</u>	<u>465,843</u>
Subtotal	8,488,700	1,126,209	251,901	9,363,008
Capital assets being depreciated:				
Buildings	55,224,363	216,177	-	55,440,540
Improvements other than building	2,040,466	-	-	2,040,466
Equipment and furniture	18,364,493	1,099,382	284,231	19,179,644
Vehicles	<u>3,890,394</u>	<u>700,294</u>	<u>494,960</u>	<u>4,095,728</u>
Subtotal	79,519,716	2,015,853	779,191	80,756,378
Accumulated depreciation:				
Buildings	13,747,594	1,107,870	-	14,855,464
Improvements other than building	1,767,235	61,030	-	1,828,265
Equipment and furniture	13,261,083	1,176,783	198,550	14,239,316
Vehicles	<u>2,493,141</u>	<u>660,305</u>	<u>486,966</u>	<u>2,666,480</u>
Subtotal	<u>31,269,053</u>	<u>3,005,988</u>	<u>685,516</u>	<u>33,589,525</u>
Net capital assets being depreciated	<u>48,250,663</u>	<u>(990,135)</u>	<u>93,675</u>	<u>47,166,853</u>
Net capital assets	<u>\$ 56,739,363</u>	<u>\$ 136,074</u>	<u>\$ 345,576</u>	<u>\$ 56,529,861</u>

# Livingston County, Michigan

## Notes to Financial Statements December 31, 2008

### Note 5 - Capital Assets (Continued)

<b>Business-type Activities</b>	Balance January 1, 2008	Additions	Disposals and Adjustments	Balance December 31, 2008
Capital assets not being depreciated:				
Land	\$ 10,946,813	\$ 171,185	\$ -	\$ 11,117,998
Construction in progress	14,564	26,196	-	40,760
Subtotal	10,961,377	197,381	-	11,158,758
Capital assets being depreciated:				
Buildings	6,009,389	-	-	6,009,389
Improvements other than buildings	18,020,058	542,539	-	18,562,597
Vehicles	1,672,877	-	-	1,672,877
Machinery and equipment	1,298,079	32,492	303	1,330,268
Subtotal	27,000,403	575,031	303	27,575,131
Accumulated depreciation:				
Buildings	1,059,722	135,932	-	1,195,654
Improvements other than buildings	624,121	343,625	-	967,746
Vehicles	763,469	205,671	-	969,140
Machinery and equipment	354,582	105,896	303	460,175
Subtotal	2,801,894	791,124	303	3,592,715
Net capital assets being depreciated	24,198,509	(216,093)	-	23,982,416
Net capital assets	<u>\$ 35,159,886</u>	<u>\$ (18,712)</u>	<u>\$ -</u>	<u>\$ 35,141,174</u>

# Livingston County, Michigan

## Notes to Financial Statements December 31, 2008

### Note 5 - Capital Assets (Continued)

<u>Component Units</u>	Balance January 1, 2008 (as restated)	Additions	Disposals and Adjustments	Balance December 31, 2008
Capital assets not being depreciated:				
Land	\$ 25,856,745	\$ 165,571	\$ -	\$ 26,022,316
Construction in progress	22,235,511	-	-	22,235,511
Subtotal	48,092,256	165,571	-	48,257,827
Capital assets being depreciated:				
Land improvements	159,393	-	-	159,393
Buildings and improvements	8,064,006	-	-	8,064,006
Drains and septic systems	7,613,690	-	-	7,613,690
Machinery, equipment, and vehicles	10,599,655	399,703	46,539	10,952,819
Infrastructure - Roads and bridges	160,198,728	10,561,753	-	170,760,481
Drainage flow rights	16,277,420	-	-	16,277,420
Depletable assets	488,543	-	-	488,543
Subtotal	203,401,435	10,961,456	46,539	214,316,352
Accumulated depreciation:				
Land improvements	133,072	-	-	133,072
Buildings and improvements	2,459,461	186,614	-	2,646,075
Drains and septic systems	1,896,438	257,228	-	2,153,666
Machinery, equipment, and vehicles	7,704,581	1,014,202	42,942	8,675,841
Infrastructure - Roads and bridges	72,922,418	6,959,017	-	79,881,435
Drainage flow rights	411,046	164,418	-	575,464
Depletable assets	118,985	-	-	118,985
Subtotal	85,646,001	8,581,479	42,942	94,184,538
Net capital assets being depreciated	117,755,434	2,379,977	3,597	120,131,814
Net capital assets	<u>\$ 165,847,690</u>	<u>\$ 2,545,548</u>	<u>\$ 3,597</u>	<u>\$ 168,389,641</u>

# Livingston County, Michigan

## Notes to Financial Statements December 31, 2008

### Note 5 - Capital Assets (Continued)

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

#### Primary Government

Governmental activities:	
General government	\$ 797,184
Public safety	1,199,518
Health and welfare	512,479
Community and economic development	6,964
Public works	131,995
Internal Service Funds	<u>357,848</u>
Total governmental activities	<u>\$ 3,005,988</u>

Business-type activities:	
Building and safety	\$ 1,833
Airport	383,623
Septage receiving station	146,243
L.E.T.S.	<u>259,425</u>
Total business-type activities	<u>\$ 791,124</u>

#### Component Units

Drain Commission districts	\$ 326,548
Road Commission	<u>7,972,630</u>
Total component unit activities	<u>\$ 8,299,178</u>

During the fiscal years ended December 31, 2006 and 2005, Livingston County accepted the bequests of the Lutz and Fillmore Estates, totaling approximately \$4.04 million. The County reports this property as a capital asset and exercises control over the use of the property, within the stipulations of the trust documents. The trust documents explicitly limit the uses of the property to park or conference center purposes. The property cannot be sold, split, or subdivided. If the County violates the specified uses for these properties, the assets will revert back to the trust.

**Construction Commitments** - The County acquired property and is in the planning stages to construct a new emergency medical services headquarters.

# Livingston County, Michigan

## Notes to Financial Statements December 31, 2008

### Note 6 - Interfund Receivables, Payables, Transfers, and Advances

The composition of interfund balances is as follows:

#### Due to/from Other Funds

Receivable Fund	Payable Fund	Amount
General Fund	Airport Fund	\$ 30,000
	Internal Service Fund	25,156
	Delinquent Tax Revolving Fund	190,469
	Nonmajor governmental funds	<u>26,450</u>
	Total General Fund	272,075
Revenue Sharing Reserve Fund	General Fund	1,054,319
Nonmajor governmental funds	General Fund	7,000
Internal Service Fund	General Fund	<u>313</u>
	Total	<u>\$ 1,333,707</u>

Interfund balances represent routine and temporary cash flow assistance.

Fund Transferred From	Fund Transferred To	Amount
<b>Interfund Transfers</b>		
General Fund	Revenue Sharing Reserve Fund	\$ 1,054,319
	Nonmajor governmental funds	<u>3,676,852</u>
	Total General Fund	4,731,171
Revenue Sharing Reserve Fund	General Fund	2,831,940
Ambulance Fund	EMS Construction - A nonmajor governmental fund	956,576
Nonmajor governmental funds	General Fund	270,822
	Internal Service Funds	30,708
	Nonmajor governmental fund	<u>15,105</u>
	Total nonmajor governmental funds	<u>316,635</u>
	Total operating transfers out from governmental funds	8,836,322
Delinquent Tax Revolving Fund	General Fund	190,469
	Nonmajor governmental funds	<u>1,668,935</u>
	Total Delinquent Tax Revolving Fund	1,859,404
Nonmajor Enterprise Funds	General Fund	<u>15,000</u>
	Total operating transfers out	<u>\$ 10,710,726</u>

# Livingston County, Michigan

## Notes to Financial Statements December 31, 2008

### Note 6 - Interfund Receivables, Payables, Transfers, and Advances (Continued)

Transfers from the General Fund to the Revenue Sharing Reserve Fund and nonmajor governmental funds provide for operations of those funds, capital projects, and capital acquisitions. The transfer from the Revenue Sharing Reserve Fund provides for operations of the General Fund per Public Act 357 of 2004. The transfers from the nonmajor governmental funds to the General Fund were to cover costs of eligible expenditures made by the General Fund. The transfers from the nonmajor governmental funds to the Internal Service Funds and other nonmajor governmental funds were to provide funding for capital improvements. The transfer from the Delinquent Tax Revolving Fund to the General Fund was to transfer monies in excess of the board approved \$6,000,000 cap placed on the fund to the General Fund. The transfers from the Delinquent Tax Revolving Fund to the nonmajor governmental funds provides for debt payments and capital improvements. The transfer from the nonmajor Enterprise Fund to the General Fund was to cover other operating expenses. The transfer from the Ambulance Fund to the EMS Construction Fund was to cover the construction costs of a new facility to be used by the Ambulance Fund.

Advances represent long-term, temporary cash flow assistance between funds.

Receivable Fund	Payable Fund	Amount
<b>Advances</b>		
General Fund	Nonmajor governmental funds	\$ 362,458
	Airport Fund	14,521
	Septage Receiving Station Fund	<u>100,000</u>
	Total General Fund	476,979
Delinquent Tax Revolving Fund	Airport Fund	2,350,743
Nonmajor governmental funds	Internal Service Funds	<u>230,714</u>
	Total advances	<u>\$ 3,058,436</u>

# Livingston County, Michigan

## Notes to Financial Statements December 31, 2008

### Note 7 - Long-term Debt

The County issues bonds to provide for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the County. County contractual agreements and installment purchase agreements are also general obligations of the government.

Long-term obligation activity can be summarized as follows:

<u>Primary Government</u>	<u>Matures</u>	<u>Interest Rate</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions / Adjustments</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental Activities</b>							
General obligation bonds:							
1995 Building Authority - Road Commission refunding bonds	2008	5.80%	\$ 470,000	\$ -	\$ (470,000)	\$ -	\$ -
1999 Building Authority - Mental health bonds	2010	4.30% - 4.50%	285,000	-	(90,000)	195,000	95,000
2000 Building Authority - Building improvement projects	2010	5.25%	2,270,000	-	(720,000)	1,550,000	755,000
2001 Building Authority - Road Commission refunding bonds	2010	4.50%	1,110,000	-	-	1,110,000	545,000
2002 Capital improvement bonds	2012	3.875% - 4.00%	2,725,000	-	(500,000)	2,225,000	520,000
2005 Mental health refunding bonds	2024	3.50% - 5.00%	2,150,000	-	(10,000)	2,140,000	10,000
2005 Building Authority - Mental health refunding bonds	2014	3.25% - 5.00%	3,705,000	-	(20,000)	3,685,000	20,000
Subtotal			12,715,000	-	(1,810,000)	10,905,000	1,945,000
Other obligations:							
Drain at large assessments			460,463	-	(67,736)	392,727	86,327
Landfill postclosure liability			1,582,500	-	(484,500)	1,098,000	91,500
Employee compensated absences			2,212,117	-	(101,544)	2,110,573	378,138
Total governmental activities			\$ 16,970,080	\$ -	\$ (2,463,780)	\$ 14,506,300	\$ 2,500,965
<b>Business-type Activities</b>							
Regional Waste (Septage Receiving Station)	2028	4.00%-4.25%	\$ 3,165,000	\$ -	\$ (90,000)	\$ 3,075,000	\$ 95,000
<b>Component Units</b>							
<b>Component Unit Debt</b>							
Drain Commission districts	2008-2026	2.00%-7.25%	\$ 32,146,463	\$ 75,000	\$ (3,669,277)	\$ 28,552,186	\$ 3,335,701
Department of Public Works	2009-2030	3.10%-10.25%	58,605,000	-	(3,475,000)	55,130,000	3,500,000
Road Commission	2007-2012	3.20%-8.08%	3,877,961	21,924	(873,292)	3,026,593	1,361,756
Total component unit debt			\$ 94,629,424	\$ 96,924	\$ (8,017,569)	\$ 86,708,779	\$ 8,197,457

# Livingston County, Michigan

## Notes to Financial Statements December 31, 2008

### Note 7 - Long-term Debt (Continued)

Annual debt service requirements to maturity for the above governmental, business-type, and component unit bond and note obligations are as follows:

	Governmental Activities			Business-type Activities			Component Units		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2009	\$ 1,945,000	\$ 476,466	\$ 2,421,466	\$ 95,000	\$ 124,098	\$ 219,098	\$ 8,197,457	\$ 3,563,969	\$ 11,761,426
2010	2,035,000	387,019	2,422,019	100,000	120,198	220,198	7,291,620	3,275,146	10,566,766
2011	1,545,000	292,606	1,837,606	105,000	116,098	221,098	6,532,918	2,979,009	9,511,927
2012	1,600,000	230,806	1,830,806	110,000	111,798	221,798	6,055,344	2,726,039	8,781,383
2013	1,060,000	156,706	1,216,706	115,000	107,298	222,298	5,933,000	2,466,536	8,399,536
2014-2018	1,670,000	351,906	2,021,906	660,000	461,588	1,121,588	26,493,440	8,763,292	35,256,732
2019-2023	865,000	154,396	1,019,396	835,000	312,533	1,147,533	18,085,000	3,655,071	21,740,071
2024-2028	185,000	8,094	193,094	1,055,000	116,769	1,171,769	7,170,000	910,101	8,080,101
2029-2030	-	-	-	-	-	-	950,000	64,125	1,014,125
<b>Total</b>	<b>\$ 10,905,000</b>	<b>\$ 2,057,999</b>	<b>\$ 12,962,999</b>	<b>\$ 3,075,000</b>	<b>\$ 1,470,380</b>	<b>\$ 4,545,380</b>	<b>\$ 86,708,779</b>	<b>\$ 28,403,288</b>	<b>\$ 115,112,067</b>

**Landfill Postclosure Liability** - In February of 1988, the State of Michigan Department of Natural Resources (MDNR) ordered the Livingston County landfill to close. Reasons given for the order were that groundwater at the landfill had been contaminated, a daily cover of dirt was not applied to garbage collected each day, leachate had risen to unacceptable depths, and the license to operate the landfill had expired in 1986. The Livingston County Board of Commissioners ordered the landfill to close on April 19, 1988, so that a plan could be developed that would bring the site up to MDNR standards. In December 1988, a decision was made by the Livingston County Board of Commissioners to permanently close the landfill.

On February 21, 1991, a grant in the amount of \$466,604 was received from the State of Michigan to help fund clean-up and closure of the landfill. In 1999, a plan was developed at the insistence of the Michigan Department of Environmental Quality (MDEQ) to monitor methane concentrations in and around the landfill. This plan entitled Methane Monitoring Plan, Livingston County Landfill, Howell Township, Michigan was submitted in April 1999 and subsequently approved by the MDEQ. The plan detailed a commitment to methane monitoring and potential remediation. In 2005, in response to detection of subsurface migration of methane, the Livingston County Board of Public Works (BPW) initiated actions to ensure the safety of neighboring property owners. An active venting system was installed, as well as additional monitoring wells and methane detectors in neighboring homes. The current monitoring and maintenance activities include, but are not limited to, groundwater sampling, leachate hauling, and methane monitoring. These costs are funded through operating transfers into the Landfill Fund.

## **Note 7 - Long-term Debt (Continued)**

State and federal laws and regulations require Livingston County to perform certain maintenance and monitoring functions at the site for 30 years after closure. The estimated costs of these functions over this time frame were established as a postclosure landfill liability and reported in the government-wide financial statements. For the year ended December 31, 2008, the postclosure landfill liability was reassessed and was determined to be too high. A reduction of \$393,000 has been included in the government-wide financial statements in order to present the postclosure landfill liability at the reassessed amount.

**Defeased Debt** - In prior years, the County has defeased portions of bonded debt by placing the proceeds of new bonds in escrow accounts to provide for all future debt service payments on the defeased portions of the old bonds. Accordingly, the escrow accounts' assets and the liabilities for the defeased bonds are not included in the basic financial statements. At December 31, 2008, approximately \$21.475 million of bonds outstanding are considered defeased.

## **Note 8 - Revenues Pledged in Connection with Local Unit Debt**

The County has pledged, as security for bonds issued by various local units within the County's borders, the amounts collected for debt service payments from local unit contributions. The bonds, issued by the County are to provide funding for various drain and department of public works projects, and are payable through 2030. The County has committed to appropriate each year the total amount contributed by local units. Each local unit has pledged, as the primary security for the bonds, the annual debt service requirements of its related debt, as an appropriation to the County. Total principal and interest remaining on the debt at December 31, 2008 is \$111,863,681 with annual requirements ranging from \$10,299,879 in 2009 to \$496,375 in the final year. The local unit contributions from which the appropriations will be made have averaged approximately \$14.7 million over the last five years. For the current year, the principal and interest paid on behalf of the local units and the total local unit contributions recognized by the County were \$10,586,438 and \$9,954,288, respectively.

# Livingston County, Michigan

## Notes to Financial Statements December 31, 2008

### Note 9 - Restricted Net Assets

The balances of the restricted net asset accounts are as follows:

	<u>Governmental Activities</u>
Health and welfare expense	\$ 5,935,224
Public safety expense	3,942,488
Community and economic development expense	2,500,844
Revenue-sharing reserve	<u>13,344,607</u>
Total restricted net assets	<u>\$ 25,723,163</u>

### Note 10 - Reserved and Designated Fund Balances

Fund balances have been reserved and designated as follows:

	<u>Reserved</u>	<u>Designated</u>
General Fund - Reserved for:		
Advance - Health Fund	\$ 304,372	\$ -
Advance - Job Training Services Fund	36,304	-
Advance - Community Corrections Fund	21,782	-
Advance - Airport Fund	14,521	-
Advance - Septage Receiving Station	100,000	
Correction Funds	-	1,000,000
Prepaid costs and other assets	<u>383,998</u>	<u>-</u>
Total General Fund	860,977	1,000,000

# Livingston County, Michigan

## Notes to Financial Statements December 31, 2008

### Note 10 - Reserved and Designated Fund Balances (Continued)

	<u>Reserved</u>	<u>Designated</u>
Special Revenue Fund - Reserved for:		
Lutz County Park	\$ 18,036	\$ -
Fillmore Estate County Park	11,351	
Revenue Sharing Reserve Fund	<u>13,344,607</u>	<u>-</u>
Total Special Revenue Funds	13,373,994	-
Debt Service Funds - Reserved for debt service	13,773	-
Capital Projects Funds - Designated for:		
Jail expansion	-	1,632,549
Ambulance Facility - Genoa	-	471,905
Administration building renovations	-	28,909
Capital replacement	-	4,190,783
West complex construction grant	<u>-</u>	<u>15,635</u>
Total Capital Projects Funds	-	6,339,781
Permanent Fund - Reserved for cemetery care	<u>26,385</u>	<u>-</u>
Total	<u>\$ 14,275,129</u>	<u>\$ 7,339,781</u>

### Note 11 - Risk Management

The County is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The County has purchased commercial insurance for workers' compensation and excess medical benefit claims, and participates in the Michigan Municipal Risk Management Authority risk pool for claims relating to general liability. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

The Michigan Municipal Risk Management Authority (the "Authority") risk pool program operates as a claims servicing pool for amounts up to member retention limits, and operates as a common risk-sharing management program for losses in excess of member retention amounts. Although premiums are paid annually to the Authority that the Authority uses to pay claims up to the retention limits, the ultimate liability for those claims remains with the County.

# Livingston County, Michigan

## Notes to Financial Statements December 31, 2008

### Note 11 - Risk Management (Continued)

At December 31, 2008, the County's Member Retention Fund with the Authority includes approximately \$42,000 reserved for claims and claims adjustment expenses. Upon termination of the program, any amounts remaining on deposit after the Authority has settled all claims incurred prior to termination will be returned to the County.

The County estimates the liability for claims that have been incurred through the end of the fiscal year, including claims that have been reported as well as those that have not yet been reported. Changes in the estimated liability for the past fiscal year are as follows:

<b>Unpaid Claims</b> - Beginning of year	\$ 260,992
Incurred claims (including claims incurred but not reported)	298,343
Claim payments	<u>(247,713)</u>
<b>Unpaid Claims</b> - End of year	<u>\$ 311,622</u>

In addition to the claims paid, the County incurred an additional \$827,928 for insurance expense for the year ended December 31, 2008.

The County is self-insured for medical benefits provided to active employees and retirees. Claims are being paid out of the Benefits Internal Service Fund. The plan is administered by Blue Cross/Blue Shield of Michigan. The County is self-insured under the Blue Cross/Blue Shield of Michigan program up to \$50,000 per contract with an aggregate stop-loss amount of 120 percent of estimated claims. Once the individual contract or aggregate stop-loss amount is reached, reinsurance provides the remaining benefits.

### Note 12 - Defined Benefit Pension Plan

**Plan Description** - The County participates in the Michigan Municipal Employees' Retirement System (MERS), an agent multiple-employer defined benefit pension plan that covers the majority of County employees. The system provides retirement, disability, and death benefits to plan members and their beneficiaries.

# Livingston County, Michigan

## Notes to Financial Statements December 31, 2008

### Note 12 - Defined Benefit Pension Plan (Continued)

MERS issues a publicly available financial report that includes financial statements and required supplementary information for the system. That report may be obtained by writing to the MERS at 1134 Municipal Way, Lansing, Michigan 48917.

During 2003, through collective bargaining, two employee groups (Ambulance Services and 911) opted to institute a defined contribution plan administered by MERS. Existing employees were given the choice to stay in the defined benefit plan or move to the defined contribution plan. Effective in 2003, all new hires are automatically eligible for participation in the defined contribution plan.

**Annual Pension Costs** - For the year ended December 31, 2008, the County's annual pension cost was \$3,434,984 for the plan. The required and actual contribution to the plan was \$3,371,405. The annual required contribution was determined as part of an actuarial valuation at December 31, 2006, using the entry age actuarial funding method. Significant actuarial assumptions used include (a) an 8 percent investment rate of return, (b) projected salary increases of 4.5 percent per year, attributable to inflation, and (c) additional projected salary increases of 0 percent to 8.40 percent per year, attributable to seniority/merit. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility over a 10-year period.

The unfunded actuarial liability is being amortized as a level percentage of payroll on a closed basis over a period of 30 years, with 27 years remaining, and 10 years for negative unfunded accrued liabilities.

For the year ended December 31, 2008, the County's annual pension cost and net pension asset are as follows:

Annual required contribution	\$ 3,371,405
Interest on net pension obligation	(138,104)
Adjustment to annual required contribution	<u>201,684</u>
Annual pension cost	3,434,985
Contributions	<u>(3,371,405)</u>
Decrease in net pension asset	63,580
Net pension asset - Beginning of year	<u>1,726,314</u>
Net pension asset - End of year	<u>\$ 1,662,734</u>

# Livingston County, Michigan

## Notes to Financial Statements December 31, 2008

### Note 12 - Defined Benefit Pension Plan (Continued)

#### Schedule of Employer Contributions

Year Ended December 31	Annual Required Contribution (ARC)	Percentage of ARC Contributed	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Asset
2006	\$ 3,089,598	100%	\$ 3,144,107	98%	\$ 1,785,184
2007	3,078,134	100%	3,137,004	98%	1,726,314
2008	3,371,405	100%	3,434,985	98%	1,662,734

#### Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
12/31/2005	\$ 52,613,632	\$ 69,394,484	\$ 16,780,852	76%	\$ 23,856,630	70%
12/31/2006	57,441,045	75,524,909	18,083,864	76%	23,335,744	77%
12/31/2007	62,345,081	80,312,733	17,967,652	78%	23,980,441	75%

### Note 13 - Other Postemployment Benefits

The County has elected to provide postemployment health benefits to eligible participants and their beneficiaries. An employee is eligible to participate if the employee is a permanent employee and provided eligibility under County policy or an applicable collective bargaining agreement. The retiree healthcare plan provisions were created by the Livingston County Board of Commissioners. The County maintains two plans:

#### Livingston County Retiree Health Care Plan

The County Retiree Health Care Plan (defined benefit) is for eligible employees including employees covered under the Sheriff's Department collective bargaining agreement, elected officials, and nonunion employees elected or hired on or before March 17, 2003 who have elected to remain in this program. Beginning on the effective date, the County shall provide healthcare benefits to each eligible retiree and their spouse or one beneficiary (depending on the employee group). Currently, the plan has 328 members, including employees in active service, retired employees not yet receiving benefits, and retired employees and their spouses or beneficiaries currently receiving benefits.

# Livingston County, Michigan

## Notes to Financial Statements December 31, 2008

### Note 13 - Other Postemployment Benefits (Continued)

As required, Livingston County has adopted GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as of and for the year ended December 31, 2008, on a prospective basis. Trend information is not available at this time but will be presented in future years as it become available.

The adoption of GASB 45 created no impact on the beginning of year net assets and no impact on the fund-based statements. See the table presented below under funding progress for the impact on the full accrual statement of activities.

This is a single employer defined benefit plan administered by the County. The benefits are provided by County resolution under collective bargaining agreements. The plan does not issue a separate stand-alone financial statement. All administrative costs of the plan, except the annual trust account fees, are absorbed by Livingston County. The annual trust account fees are paid by the trust.

**Funding Policy** - The collective bargaining agreements require no contributions from the Sheriff's Department retirees. For elected officials and nonunion employees, the County and eligible participants will share health insurance costs as follows:

<u>Years of Service at Retirement</u>	<u>County Share</u>	<u>Retiree Share</u>
Between 10 and 15	25%	75%
Between 15 and 20	35%	65%
Between 20 and 25	50%	50%
Between 25 and 30	65%	35%
More than 30	75%	25%

Effective January 1, 2009, members and their spouses or beneficiaries will no longer receive the prescription drug coverage portion of the healthcare benefits, after they reach age 65. These persons are required to switch to Medicare Part D for their prescription coverage.

Also effective January 1, 2009, after age 65, an annual payment of \$500 for single and \$1,000 for two person coverage, (in addition to medical coverage), will be payable as long as the retiree or spouse/beneficiary is alive. This flat dollar amount is fixed and does not increase with inflation. The amount is prorated according to the cost-sharing schedule noted above.

# Livingston County, Michigan

## Notes to Financial Statements December 31, 2008

### Note 13 - Other Postemployment Benefits (Continued)

The County has no obligation to make contributions in advance of when the healthcare expenditures are incurred (in other words, this may be financed on a “pay-as-you-go” basis). However, the County has established a Post Employment Health Care Trust (the “Trust”) and annually contributes the actuarial determined annual required contribution (ARC). The Post Employment Health Care Trust is reported in the financial statements as a fiduciary fund type.

**Funding Progress** - For the year ended December 31, 2008, the County has estimated the cost of providing retiree healthcare benefits through an actuarial valuation as of December 31, 2006. The valuation computes an annual required contribution, which represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. This valuation’s computed contribution and actual funding are summarized as follows:

Annual OPEB cost - Annual required contribution	\$ 1,934,425
Amounts contributed:	
Payments of current premiums	(548,295)
Contributions	<u>(1,934,425)</u>
Increase in net OPEB asset	(548,295)
OPEB asset - Beginning of year	<u>-</u>
OPEB asset - End of year	<u><u>\$ (548,295)</u></u>

For the year ended December 31, 2008, the annual OPEB cost was \$1,934,425, the percentage contributed to the plan was 128 percent, and the net OPEB asset is \$548,295.

The funding progress of the plan as of the most recent valuation date including an adjustment made by the actuary in the current year to reflect changes in bargaining agreements of the County is as follows:

	Original	Amended
Valuation as of December 31, 2006	\$ 31,010,338	\$ 31,010,338
Actuarial value of assets	5,129,503	5,129,503
Actuarial accrued liability	26,079,268	24,554,395
Unfunded AAL	20,949,765	19,424,892
Funded ratio	20%	21%
Annual covered payroll	9,463,581	9,591,110
Ratio of UAAL to covered payroll	221%	203%

**No**

## **te 13 - Other Postemployment Benefits (Continued)**

**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 funding of the plan began during 2008, therefore, there is no multiyear trend information disclosed in the current year. Current year funding is disclosed in the table above.

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

In the December 31, 2006 actuarial valuation, the individual entry age actuarial cost method was used. The actuarial assumptions included a 8.0 percent investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets, and an annual healthcare cost trend rate of 10 percent initially, reduced by 0.5 percent decrements to an ultimate rate of 4.5 percent after 10 years. Both rates included a 4.5 percent inflation assumption. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis and as a level dollar for closed groups. The remaining amortization period at December 31, 2006 was 30 years.

**Livingston County Retiree Health Savings Plan** - The County Retiree Health Savings Plan (defined contribution) is for eligible employees hired after March 17, 2003, and/or participants of the Retiree Health Care Plan who made a voluntary irrevocable "opt-out" of the Retiree Health Care Plan and elected participation in this new program. In consideration for such a non-revocable decision to opt-out of the Retiree Health Care Plan, the County made an employer contribution in an amount equal to the maximum amounts as described below for each of the eligible years of County service the employee has served. The opt-out window began in November 2003 and ended in January 2004; therefore, funding of this program spans two fiscal years. The plan is administered under ICMA. The plan was amended during 2008 to allow union Court employees to participate in the plan effective January 1, 2009.

# Livingston County, Michigan

## Notes to Financial Statements December 31, 2008

### Note 13 - Other Postemployment Benefits (Continued)

Between January 1, 2004 and December 31, 2007, participants were required to contribute to the plan by authorizing payroll deductions that were deposited into the participant's plan account. The participant-authorized amounts were deducted on a per pay period basis from the participant's paycheck. The plan was amended in order to comply with Internal Revenue Service (IRS) regulation. Due to this amendment, participant contributions are no longer accepted by the plan effective December 31, 2007.

The employer contributions will be subject to the following maximum limitation in each calendar year of participation: first five years of service with the County - up to \$580 per year (prorated); beginning with the sixth year of service with the County until termination of participation - up to \$1,739 per year (prorated). Adjustments may be made annually consistent with the nonunion salary schedule adjustment. The employer contribution shall be distributed over a 12-month period.

For those employees participating in the defined contribution Retiree Health Care Savings Plan, the County contributed \$278,566 during the year ended December 31, 2008.

### Note 14 - Subsequent Event

Subsequent to year end, the County issued \$18,000,000 in Delinquent Tax Anticipation Notes. The notes were issued to provide immediate cash flow for the County's settlement to local units.

### Note 15 - Prior Period Adjustment

For the year ended December 31, 2008, certain amounts related to the beginning balances of the Road Commission, Drain Commission, and Department of Public Works (component units of the County) were restated. See details in the following table:

#### Road Commission

Net Assets - January 1, 2008	\$ 120,726,775
Adjustment to record fixed assets which were expensed	<u>1,420,209</u>
Net Assets - January 1, 2008, as restated	<u>\$ 122,146,984</u>

# Livingston County, Michigan

## Notes to Financial Statements December 31, 2008

### Note 15 - Prior Period Adjustment (Continued)

#### Drain Commission

Net Assets - January 1, 2008	\$ 6,145,043
Reclassification of a fund from Drain to DPW	<u>34,645</u>
Net Assets - January 1, 2008, as restated	<u>\$ 6,179,688</u>

#### Department of Public Works

Net Assets - January 1, 2008	\$ 515,695
Adjustment to record fixed assets and depreciation that were not previously recorded	42,605,629
Reclassification of a fund from Drain to DPW	<u>(34,645)</u>
Net Assets - January 1, 2008, as restated	<u>\$ 43,086,679</u>

## **Required Supplemental Information**

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# Livingston County

## Required Supplemental Information Budgetary Comparison Schedule - General Fund Year Ended December 31, 2008

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
<b>Revenue</b>				
<b>Taxes</b>				
Property taxes	\$ 30,620,700	\$ 29,595,767	\$ 29,066,245	\$ (529,522)
Mobile home taxes	18,000	18,000	23,568	5,568
Industrial facilities taxes	225,000	225,000	227,558	2,558
Penalties and interest	70,000	120,000	168,141	48,141
Total taxes	30,933,700	29,958,767	29,485,512	(473,255)
<b>Licenses and Permits</b>	338,850	338,850	274,260	(64,590)
<b>Federal Grants</b>				
Family support grant	181,616	181,616	209,734	28,118
Emergency services	300,000	75,000	13,471	(61,529)
Other federal grants	15,000	15,000	18,372	3,372
Total federal grants	496,616	271,616	241,577	(30,039)
<b>State Sources</b>				
Court-related grants	545,152	512,272	505,044	(7,228)
Public safety grants	258,389	265,559	250,039	(15,520)
Alcohol and convention tax	794,285	865,867	865,867	-
MSHDA/OLSHA grant	75,000	109,076	176,820	67,744
Cigarette tax distribution	17,000	17,000	15,871	(1,129)
Liquor licenses	-	12,000	12,911	911
Other state grants	224,280	248,593	278,072	29,479
Total state sources	1,914,106	2,030,367	2,104,624	74,257

# Livingston County

## Required Supplemental Information Budgetary Comparison Schedule - General Fund (Continued) Year Ended December 31, 2008

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
<b>Revenue</b> (Continued)				
<b>Contributions from Local Units</b>	\$ 1,020,825	\$ 952,736	\$ 958,832	\$ 6,096
<b>Charges for Services</b>				
Court-related charges	3,697,978	4,329,919	4,425,382	95,463
Sheriff service contracts	374,600	381,100	421,642	40,542
Jail services	121,500	204,000	211,631	7,631
Plat, site, and construction reviews	39,550	39,550	25,060	(14,490)
Equalization services	60,000	60,000	72,939	12,939
Register of Deeds	783,900	708,900	662,788	(46,112)
Real estate transfer tax	750,000	750,000	726,408	(23,592)
Other charges for services	143,000	151,200	150,197	(1,003)
Total charges for services	5,970,528	6,624,669	6,696,047	71,378
<b>Fines and Forfeitures</b>	395,750	425,750	492,896	67,146
<b>Interest - Interest and investments</b>	720,000	1,070,000	1,238,151	168,151
<b>Other Revenue</b>				
Refunds	206,050	218,150	238,316	20,166
Donations	6,500	6,500	3,917	(2,583)
Reimbursements of clerk's office costs	35,000	85,000	99,830	14,830
Reimbursements of court-related costs	300,060	339,568	344,248	4,680
Reimbursements from other funds	327,828	327,828	459,528	131,700
Reimbursements of public safety costs	342,000	427,000	472,857	45,857
Reimbursements of treasurer's office costs	120,400	20,400	13,474	(6,926)
Proceeds of sale of assets	750	750	621	(129)
Operating transfers in	2,989,680	3,108,480	3,308,231	199,751
Total other revenue	4,328,268	4,533,676	4,941,022	407,346
Total revenue	46,118,643	46,206,431	46,432,921	226,490

# Livingston County

## Required Supplemental Information Budgetary Comparison Schedule - General Fund (Continued) Year Ended December 31, 2008

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
<b><u>Expenditures</u></b>				
<b>Public Safety</b>				
Court systems:				
Circuit Court	\$ 1,510,912	\$ 1,548,789	\$ 1,515,608	\$ 33,181
District Court	2,298,866	2,364,707	2,348,862	15,845
Friend of the Court	325	25	-	25
Probate Court	675,602	699,269	697,811	1,458
Juvenile Court	1,348,943	1,400,798	1,341,409	59,389
Guardianship services	50,000	50,500	50,239	261
Circuit Court probation	107,071	103,589	100,268	3,321
Appellate Court	50,000	75,000	71,161	3,839
Central services - Judicial center	2,486,496	2,553,795	2,401,938	151,857
Prosecuting attorney	2,093,307	2,129,502	2,112,821	16,681
Total court systems	10,621,522	10,925,974	10,640,117	285,857
Sheriff and jail:				
Sheriff and Road Patrol	8,066,225	8,327,992	8,280,701	47,291
Road Patrol	224,366	224,713	236,060	(11,347)
Jail	7,237,181	7,241,170	7,074,752	166,418
Marine	110,031	110,031	72,293	37,738
START	71,500	91,813	81,966	9,847
Total sheriff and jail	15,709,303	15,995,719	15,745,772	249,947
Other public safety:				
Family support	299,677	301,222	315,552	(14,330)
Emergency services	315,300	89,300	79,674	9,626
Animal shelter	613,827	600,623	565,521	35,102
Health department	330,000	468,853	468,853	-
Medical examiner	192,000	202,736	188,647	14,089
Total other public safety	1,750,804	1,662,734	1,618,247	44,487
Total public safety	28,081,629	28,584,427	28,004,136	580,291

# Livingston County

## Required Supplemental Information Budgetary Comparison Schedule - General Fund (Continued) Year Ended December 31, 2008

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
<b>Expenditures (Continued)</b>				
<b>Economic Development</b>				
Equalization	\$ 675,885	\$ 664,312	\$ 648,688	\$ 15,624
Register of Deeds	827,891	813,812	814,779	(967)
Plat Board	1,260	1,260	1,155	105
Drain Commission	2,023,917	2,036,220	1,971,694	64,526
County share of drain costs	290,000	247,381	247,380	1
Planning	473,051	505,422	504,561	861
Solid waste/DPW/Landfill	140,462	138,062	132,868	5,194
Transfer to capital improvement	890,000	667,500	667,500	-
<b>Total economic development</b>	<b>5,322,466</b>	<b>5,073,969</b>	<b>4,988,625</b>	<b>85,344</b>
<b>Human Services</b>				
MSU co-op extension	345,768	339,308	325,836	13,472
Contagious diseases	5,000	5,000	5,000	-
OLHSA	75,000	109,076	176,820	(67,744)
Community action programs	640,310	676,101	676,101	-
Mental health	600,470	600,470	600,470	-
Senior services	152,733	152,733	152,313	420
Veterans' burials	22,972	22,972	18,657	4,315
Veterans' affairs	232,687	231,446	230,613	833
Rental fees	59,581	108,568	58,568	50,000
Transfer to Friend of the Court	836,640	836,640	836,640	-
Transfer to child care	1,771,562	1,528,673	1,528,673	-
Transfer to social welfare	10,500	10,500	10,500	-
Transfer to health - Operating	636,605	511,284	511,284	-
Transfer to soldier and sailor relief	5,275	5,275	5,275	-
Transfer to employee fringe benefits	50,000	-	-	-
Transfer to community corrections	109,978	159,108	116,980	42,128
Transfer to Revenue-sharing Reserve Fund	-	-	1,054,319	(1,054,319)
<b>Total human services</b>	<b>5,555,081</b>	<b>5,297,154</b>	<b>6,308,049</b>	<b>(1,010,895)</b>

# Livingston County

## Required Supplemental Information Budgetary Comparison Schedule - General Fund (Continued) Year Ended December 31, 2008

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
<b>Expenditures</b> (Continued)				
<b>General Government</b>				
Board of Commissioners	\$ 599,667	\$ 618,572	\$ 612,508	\$ 6,064
County administration	592,250	614,962	604,977	9,985
Elections	206,351	202,665	148,774	53,891
Civil counsel	135,000	158,000	143,634	14,366
County Clerk	976,484	938,990	905,908	33,082
Auditing services	144,635	144,635	139,990	4,645
Personnel	422,056	362,362	356,484	5,878
Purchasing	259,804	257,719	252,513	5,206
Tax allocation	1,600	1,600	1,147	453
County treasurer	1,010,171	1,015,438	994,843	20,595
Information technology management	530,968	527,072	527,072	-
Insurance	1,000,000	869,756	827,928	41,828
Other	1,280,481	205,170	-	205,170
Total general government	<u>7,159,467</u>	<u>5,916,941</u>	<u>5,515,778</u>	<u>401,163</u>
Total General Fund expenditures	<u>46,118,643</u>	<u>44,872,491</u>	<u>44,816,588</u>	<u>55,903</u>
<b>Excess of Revenue Over Expenditures</b>	-	1,333,940	1,616,333	282,393
<b>Fund Balance</b> - Beginning of year	<u>15,652,065</u>	<u>15,652,065</u>	<u>15,652,065</u>	<u>-</u>
<b>Fund Balance</b> - End of year	<u><u>\$ 15,652,065</u></u>	<u><u>\$ 16,986,005</u></u>	<u><u>\$ 17,268,398</u></u>	<u><u>\$ 282,393</u></u>

# Livingston County, Michigan

## Required Supplemental Information Budgetary Comparison Schedule Ambulance Special Revenue Fund Year Ended December 31, 2008

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
<b>Revenue</b>				
Property taxes	\$ 2,397,335	\$ 2,397,335	\$ 2,430,886	\$ 33,551
Charges for services	4,608,400	4,608,400	4,317,005	(291,395)
Interests and rents	150,500	150,500	117,259	(33,241)
Federal sources	-	-	3,655	3,655
Other revenue	38,000	38,000	12,000	(26,000)
<b>Total revenue</b>	<b>7,194,235</b>	<b>7,194,235</b>	<b>6,880,805</b>	<b>(313,430)</b>
<b>Expenditures</b>				
Health and welfare:	7,004,847	7,020,420	6,829,216	191,204
Transfer to EMS Construction	-	-	956,576	(956,576)
<b>Total expenditures</b>	<b>7,004,847</b>	<b>7,020,420</b>	<b>7,785,792</b>	<b>(765,372)</b>
<b>Excess of Revenue Over (Under) Expenditures</b>	<b>189,388</b>	<b>173,815</b>	<b>(904,987)</b>	<b>(1,078,802)</b>
<b>Fund Balance - Beginning of year</b>	<b>4,612,251</b>	<b>4,612,251</b>	<b>4,612,251</b>	<b>-</b>
<b>Fund Balance - End of year</b>	<b>\$ 4,801,639</b>	<b>\$ 4,786,066</b>	<b>\$ 3,707,264</b>	<b>\$ (1,078,802)</b>

# Livingston County, Michigan

## Required Supplemental Information Budgetary Comparison Schedule Revenue Sharing Reserve Fund Year Ended December 31, 2008

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
<b>Revenue</b> - Operating transfers in	\$ -	\$ -	\$ 1,054,319	\$ (1,054,319)
<b>Expenditures</b> - Operating transfers out	<u>2,840,320</u>	<u>2,840,320</u>	<u>2,831,940</u>	<u>8,380</u>
<b>Excess of Expenditures Over Revenue</b>	(2,840,320)	(2,840,320)	(1,777,621)	(1,045,939)
<b>Fund Balance</b> - Beginning of year	<u>15,122,228</u>	<u>15,122,228</u>	<u>15,122,228</u>	<u>-</u>
<b>Fund Balance</b> - End of year	<u><b>\$ 12,281,908</b></u>	<u><b>\$ 12,281,908</b></u>	<u><b>\$ 13,344,607</b></u>	<u><b>\$ 1,062,699</b></u>

## **Other Supplemental Information**

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# Livingston County, Michigan

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## Special Revenue Funds

Special Revenue Funds are used to account for the revenue from specific revenue sources that are restricted to expenditures for specific purposes by administrative action or law. A description of the Special Revenue Funds maintained by the County is as follows:

**Ambulance Fund** - This fund accounts for monies received from a special tax levy for the purpose of providing emergency medical services authorized by a vote of the County electors.

**Revenue Sharing Reserve Fund** - This fund is a mandatory fund restricted for replacing state-shared revenues that have been suspended. The source of the replacement funding is the gradual shift from a winter tax levy to a summer tax levy. One-third of the County's December property tax levy was placed in the fund from the December 2004, 2005, and 2006 property tax levies. This fund is required by Public Act 357 of 2004.

**Job Training Services** - This fund accounts for the monies received from federal and state grants related to job training and various Michigan Works! activities.

**Health Fund** - This fund accounts for monies received from federal, state, and local grants and County General Fund appropriations. These monies are utilized in providing a variety of health-related services to County residents. There are two types of activities included in this fund: environmental health and personal protection services.

**911 Service Fund** - This fund is used to account for the monies received under the provisions of Public Act 29 of 1994. These monies are to be used exclusively for the operation of the 911 system and the Enhanced 911 for wireless services.

**Child Care Fund** - This fund accounts for the foster care of children. The fund's primary revenue is a General Fund appropriation and state grants. The fund is required by MCL 400.117a. The Child Care Fund has two separate activities, one each for the Probate Court and Family Independence Agency.

**Family Counseling** - This fund accounts for monies received from a surcharge on all marriage licenses filed with the County. These monies are to be used for family counseling services as directed by the District Court.

**Friend of the Court** - This fund accounts for the monies received from statutory charges and a 3 percent State Court incentive received from the State (Access and Visitation Grant). These monies are to be used for Friend of the Court activities required by Acts 297 and 298 PA 1982, as amended.

**Small Cities Community Development Block Grant Fund** - This fund accounts for the monies received from MSHDA for community development.

**Survey and Remonumentation Fund** - This fund accounts for the revenues and expenditures related to the marking, the corners, and horizontal and vertical control stations. This service is performed by the office of the Register of Deeds.

# Livingston County, Michigan

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## Special Revenue Funds (Continued)

**Prosecutor's Drug Enforcement, Drug Law Enforcement Fund, Criminal Forfeiture Fund, and OUIL Forfeiture Fund** - These funds account for the monies received from the Federal Drug Enforcement Agency for law enforcement purposes and for state funds related to drug enforcement purposes. These monies are to be used to supplement existing law and drug enforcement funds in the law enforcement fields.

**Law Library Fund** - This fund accounts for the maintenance of the County law library. The fund's primary revenue is a specified portion of the penal fines collected each year by the County courts. This fund is required by MCL 600.485 I.

**Community Corrections Fund** - This fund is a state grant used to enhance the delivery of adult probation services in the County.

**Social Welfare Fund** - This fund accounts for the operations of the County Family Independence Agency to assist with the welfare program that offers aid to disadvantaged individuals of Livingston County.

**Soldiers and Sailors Relief Fund** - This fund accounts for assistance to indigent veterans and their families. The fund's primary revenue is a General Fund appropriation. The fund is required by MCL 35.21.

**Veterans' Trust Fund** - This fund accounts for the monies received by the State Department of Military Affairs from the State Veterans Trust Fund. These monies are to be used to aid needy veterans. The fund is required by MCL 35.607.

**Register of Deeds/Technology Fund** - This fund is used to account for funds set aside under provisions of Public Act 698 of 2002 (MCL 600.2568). This fund was created for upgrading technology in the Register of Deed's office.

**Federal Equitable Sharing Fund** - These funds are used in any local unit of government that has budgetary authority over an agency that may seize property involved in the violation of controlled substances statutes, Act 135 PA 1985 (MCL 333.7523). Authorized expenditures include expenses of seizure, forfeiture, and sale of property. The balance remaining must be used to enhance law enforcement efforts.

**Homestead Property Exemption Fund** - This fund is a restricted fund to account for interest distributed to the County from delinquent principal residence exemptions. It is to be used solely for the administration of principal residence exemptions and is required by Public Act 105 of 2003.

# **Livingston County, Michigan**

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## **Special Revenue Funds (Continued)**

**Correction Officer's Training Fund** - This fund is used to account for revenues and expenditures made by the County and used for different training programs in which correction officers participate. Revenue for the fund is earned through incarceration fees, and is used for continuing education, certification, re-certification, training of local correction officers, and inmate programs, including substance abuse and mental health programs.

**Lutz County Park** - This fund is used to account for money held by the County for the maintenance of Lutz County Park.

**Fillmore Estate County Park** - This fund is used to account for money held by the County for the maintenance of Fillmore Estate County Park.

**Community Development Block Grant/OLSHA** - This fund accounts for loans made through a federal program which assists individuals in purchasing homes.

# Livingston County, Michigan

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## Debt Service Funds

Debt Service Funds are required if they are legally mandated and/or if financial resources are being accumulated for principal and interest payments maturing in future years.

**1995 Road Commission Refunding Bonds Fund** - This fund accounts for the Road Commission building refunding bonds issued in 1995.

**Mental Health Bonds Fund** - This fund accounts for the proceeds and repayments from a bond issuance in 1999 for the mental health capital project.

**2000 Building Improvements Bonds Fund** - This fund accounts for the bonds issued in 2000 for the Old Court House, judicial center, law center, jail renovations, animal control, and 911 building capital projects.

**2001 Bonds - Road Commission Refunding Bonds Fund** - This fund accounts for the proceeds and repayments from debt issued in 2001 on behalf of the Road Commission.

**2002 Capital Improvement Bonds** - This fund accounts for the bonds issued in 2002 for the administrative building and other capital projects.

**Building Authority Mental Health Refunding Bonds** - This fund accounts for the proceeds and repayments from the debt issued in 2005 on behalf of the 1999 and 2000 Building Authority Mental Health Bonds.

# Livingston County, Michigan

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## Capital Projects Funds

Capital Projects Funds are used to account for the acquisition or construction of major capital facilities by a governmental unit that are not accounted for by proprietary funds and trust funds.

**Mobile Command Fund** - This fund accounted for the procurement of the mobile command unit.

**Jail Expansion Fund** - This fund accounts for the jail expansion capital project.

**Courthouse Improvement Fund** - This fund is used to account for courthouse improvements.

**Administration Building Renovations Fund** - This fund is used to account for the renovations to the administration building.

**Capital Replacement Fund** - This fund was created to be used for minor/major facility repairs or refurbishment and capital purchases.

**West Complex Construction Fund** - This fund was created to account for monies which will be used to construct the County's West Complex.

**EMS Construction Fund** - This fund was created to account for monies which will be used to construct the County's EMS facility.

# **Livingston County, Michigan**

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## **Permanent Fund**

Permanent funds are a new fund type created by GASB No. 34 used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs.

**Cemetery Trust Fund** - This fund is used to account for money held by the County in trust for the perpetual care of cemetery lots for indigents.

# Livingston County, Michigan

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## Enterprise Funds

Enterprise Funds are used to report any activity for which a fee is charged to external users for goods or services. The cost of operations is supported totally by fees and charges, rather than with taxes or similar revenues.

**Airport Fund, Airport Debt Fund, and Airport Capital Improvement Fund** - These funds account for the operations of the rural airport located in the County. The primary revenue sources are charges for services and grants received from federal and state sources.

**Delinquent Tax Revolving Fund** - This fund accounts for the purchase of delinquent tax rolls from the County's local units. Interest and penalties received with the collection of these receivables are the fund's primary source of revenue.

**Septage Receiving Station** - This fund is used to account for the operations of the septage receiving station. The primary source of revenue is a per gallon charge for service on waste that local communities dispose of through the receiving station.

**Livingston Essential Transportation System** - Livingston Essential Transportation System (the "System"), also known as the Livingston Transit System, operates a bus system that primarily provides busing services to low- to moderate-income persons within Livingston County. Revenue sources include charges for services, federal and state grants, and rental income from the EMS department.

**Building and Safety Fund** - This fund is used to account for revenues earmarked for building construction code enforcement activities. The fund is required by Section 22 (I) of Act 230 PA 1972.

# Livingston County, Michigan

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## Internal Service Funds

Internal Service Funds may be used to report any activity that provides goods or services to other funds, departments, or agencies of the primary government and its component units, or to other governments, on a cost-reimbursement basis.

**Building Services Fund** - This fund oversees the maintenance and operations of all County facilities.

**Information Technology Fund** - This fund includes computer information services, geographical information services, and communications. It is an all-encompassing technology fund for voice and data. Its primary responsibility is the procurement, installation, and maintenance of the County's computer and telephone system.

**Carpool Fund** - This fund is used to account for revenues collected from user departments for the vehicle rental charges to cover the costs incurred to administer the Motor Pool Fund and depreciation of vehicles. The Carpool Fund owns the majority of the County vehicles.

**Benefits Fund** - The fund is used to account for revenues collected from user departments for the payment of costs incurred to administer the self-funded health insurance program, third-party administrative expenses, and actual health claims paid. As part of union contracts and personnel policies, the fund also pays the health insurance on certain retired employees.

# Livingston County, Michigan

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## Component Units

**Drain Commission** - This component unit accounts for all the funds maintained by the drain commissioner. Each of the drainage districts established pursuant to the Drain Code of 1956 are separate legal entities, with the power to contract, to sue and be sued, to hold, manage, and dispose of real and personal property, etc. The Drainage Board of Drain Commissioners, 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 a drainage district.

**Department of Public Works** - Pursuant to Michigan Compiled Law 123.732, the County has entered into a program of water supply and sanitary sewer facility construction. The Department of Public Works is under the general control of the County Board of Commissioners and under the immediate control of the Board of Public Works, which includes the County Drain Commissioner. The Board of Public Works is considered an agency of the County. The board manages water supply and sanitary sewer system construction projects that are bonded by the County. Bonds issued are authorized by an ordinance or a resolution approved by the Board of Public Works and adopted by the County Board of Commissioners.

**Road Commission** - The County Road Commission, which is established pursuant to the County Road Law (MCL 224.1), is governed by an appointed three-member Board of County Road Commissioners. The Road Commission may not issue debt or levy a tax without the approval of the County Board of Commissioners.

**Livingston County Foundation** - The Livingston County Foundation, established as a 501(c)(3) not-for-profit entity, is governed by a seven-member board with two members being personnel of Livingston County, one member appointed by two of the County's personnel, one member being a current member of the Livingston County Board of Commissioners, and the remaining three members being appointed by the Livingston County Board of Commissioners. The Foundation is to be used for the enhancement of the Lutz County Park and for the development and maintenance of the Owen J. Lutz and Florence B. Lutz Conference Center.

# Livingston County, Michigan

## Special Revenue Funds

	Job Training Services	Health Fund	911 Service Fund	Child Care	Family Counseling	Friend of the Court
<b>Assets</b>						
Cash and investments	\$ 44,859	\$ 803,365	\$ 2,514,187	\$ 1,466,133	\$ 29,390	\$ 208,649
Accounts receivable	8,066	118,643	1,080,004	-	-	-
Due from other governments	307,975	27,244	369,614	206	-	79,598
Due from other funds	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-
Other assets	-	-	9,360	-	-	-
<b>Total assets</b>	<b>\$ 360,900</b>	<b>\$ 949,252</b>	<b>\$ 3,973,165</b>	<b>\$ 1,466,339</b>	<b>\$ 29,390</b>	<b>\$ 288,247</b>
<b>Liabilities and Fund Balances</b>						
<b>Liabilities</b>						
Accounts payable	\$ 107,041	\$ 21,181	\$ 87,070	\$ 138,328	\$ -	\$ 4,295
Due to other funds	-	-	-	-	-	-
Accrued liabilities	3,497	26,841	22,210	-	-	16,651
Due to other governmental units	-	-	279,462	33,175	-	-
Advances from other funds	36,304	304,372	-	-	-	-
Deferred revenue	-	-	10,000	-	-	-
<b>Total liabilities</b>	<b>146,842</b>	<b>352,394</b>	<b>398,742</b>	<b>171,503</b>	<b>-</b>	<b>20,946</b>
<b>Fund Balances</b>						
Reserved or designated	-	-	-	-	-	-
Unreserved	214,058	596,858	3,574,423	1,294,836	29,390	267,301
<b>Total fund balances</b>	<b>214,058</b>	<b>596,858</b>	<b>3,574,423</b>	<b>1,294,836</b>	<b>29,390</b>	<b>267,301</b>
<b>Total liabilities and fund balances</b>	<b>\$ 360,900</b>	<b>\$ 949,252</b>	<b>\$ 3,973,165</b>	<b>\$ 1,466,339</b>	<b>\$ 29,390</b>	<b>\$ 288,247</b>

**Other Supplemental Information  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2008**

Special Revenue Funds

Small Cities Community Development Block Grant	Survey and Remonumen- tation	Prosecutor's Drug Enforcement	Drug Law Enforcement	Criminal Forfeiture	OUIL Forfeiture	Law Library	Community Corrections
\$ 531,201	\$ 866,670	\$ 29,607	\$ 119,091	\$ 9,761	\$ 11,027	\$ 20,809	\$ (1,172)
-	-	-	-	-	-	-	-
-	91,452	-	-	-	-	-	26,725
-	-	-	-	-	-	-	7,000
-	-	-	-	-	-	-	-
3,792	2,354	-	-	-	-	-	-
<b>\$ 534,993</b>	<b>\$ 960,476</b>	<b>\$ 29,607</b>	<b>\$ 119,091</b>	<b>\$ 9,761</b>	<b>\$ 11,027</b>	<b>\$ 20,809</b>	<b>\$ 32,553</b>
\$ 4,250	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 263	\$ 5,082
-	-	18,800	-	-	-	-	-
-	126	-	-	-	-	-	1,856
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	21,782
-	91,115	-	-	-	-	-	-
4,250	91,241	18,800	-	-	-	263	28,720
-	-	-	-	-	-	-	-
530,743	869,235	10,807	119,091	9,761	11,027	20,546	3,833
530,743	869,235	10,807	119,091	9,761	11,027	20,546	3,833
<b>\$ 534,993</b>	<b>\$ 960,476</b>	<b>\$ 29,607</b>	<b>\$ 119,091</b>	<b>\$ 9,761</b>	<b>\$ 11,027</b>	<b>\$ 20,809</b>	<b>\$ 32,553</b>

# Livingston County, Michigan

## Special Revenue Funds

	Social Welfare	Soldiers and Sailors Relief	Veterans' Trust	Register of Deeds	Federal Equitable Sharing Fund	Homestead Property Exemption Fund	Correction Officers Training	Lutz County Park
<b>Assets</b>								
Cash and investments	\$ 33,680	\$ 8,979	\$ 1,606	\$ 804,346	\$ 147,644	\$ 1,572	\$ 67,502	\$ 16,774
Accounts receivable	-	-	-	-	-	-	-	\$ 1,976
Due from other governments	12,802	-	-	97	940	87	-	100
Due from other funds	-	-	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-	-	-
Other assets	-	-	-	1,782	-	-	-	-
<b>Total assets</b>	<b>\$ 46,482</b>	<b>\$ 8,979</b>	<b>\$ 1,606</b>	<b>\$ 806,225</b>	<b>\$ 148,584</b>	<b>\$ 1,659</b>	<b>\$ 67,502</b>	<b>\$ 18,850</b>
<b>Liabilities and Fund Balances</b>								
<b>Liabilities</b>								
Accounts payable	\$ -	\$ -	\$ 200	\$ -	\$ 2,150	\$ -	\$ 390	\$ 814
Due to other funds	-	-	-	-	-	-	-	-
Accrued liabilities	-	-	-	-	-	-	-	-
Due to other governmental units	29,000	-	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>29,000</b>	<b>-</b>	<b>200</b>	<b>-</b>	<b>2,150</b>	<b>-</b>	<b>390</b>	<b>814</b>
<b>Fund Balances</b>								
Reserved or designated	-	-	-	-	-	-	-	18,036
Unreserved	17,482	8,979	1,406	806,225	146,434	1,659	67,112	-
<b>Total fund balances</b>	<b>17,482</b>	<b>8,979</b>	<b>1,406</b>	<b>806,225</b>	<b>146,434</b>	<b>1,659</b>	<b>67,112</b>	<b>18,036</b>
<b>Total liabilities and fund balances</b>	<b>\$ 46,482</b>	<b>\$ 8,979</b>	<b>\$ 1,606</b>	<b>\$ 806,225</b>	<b>\$ 148,584</b>	<b>\$ 1,659</b>	<b>\$ 67,502</b>	<b>\$ 18,850</b>

**Other Supplemental Information  
Combining Balance Sheet (Continued)  
Nonmajor Governmental Funds  
December 31, 2008**

Special Revenue Funds				Debt Service Funds			
Fillmore Estate County Park	Community Development Block Grant OLSHA	1995 Road Commission Refunding Bonds	Mental Health Bonds	2000 Building Improvements Bonds	2001 Bonds - Road Commission Refunding Bonds	2002 Capital Improvement Bonds	Refunding Building Authority Mental Health Fund
\$ 11,351	\$ 543	\$ 2,026	\$ 3,365	\$ -	\$ (20,936)	\$ -	\$ 8,326
-	-	-	-	-	-	-	-
-	-	-	-	-	20,975	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	768,257	-	17	-	-	-	-
<b>\$ 11,351</b>	<b>\$ 768,800</b>	<b>\$ 2,026</b>	<b>\$ 3,382</b>	<b>\$ -</b>	<b>\$ 39</b>	<b>\$ -</b>	<b>\$ 8,326</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	768,259	-	-	-	-	-	-
-	768,259	-	-	-	-	-	-
11,351	-	2,026	3,382	-	39	-	8,326
-	541	-	-	-	-	-	-
11,351	541	2,026	3,382	-	39	-	8,326
<b>\$ 11,351</b>	<b>\$ 768,800</b>	<b>\$ 2,026</b>	<b>\$ 3,382</b>	<b>\$ -</b>	<b>\$ 39</b>	<b>\$ -</b>	<b>\$ 8,326</b>

# Livingston County, Michigan

## Capital Projects Funds

	Mobile Command	Jail Expansion	Courthouse Improvement	Administration Building Renovations	Capital Replacement	West Complex Construction Grant	EMS Construction
<b>Assets</b>							
Cash and investments	\$ -	\$ 1,625,874	\$ -	\$ 28,907	\$ 3,308,933	\$ 15,635	\$ 471,905
Accounts receivable	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	640,000	-	-
Due from other funds	-	-	-	-	-	-	-
Advances to other funds	-	-	-	-	230,714	-	-
Other assets	-	6,675	-	2	18,786	-	-
<b>Total assets</b>	<b>\$ -</b>	<b>\$ 1,632,549</b>	<b>\$ -</b>	<b>\$ 28,909</b>	<b>\$ 4,198,433</b>	<b>\$ 15,635</b>	<b>\$ 471,905</b>
<b>Liabilities and Fund Balances</b>							
<b>Liabilities</b>							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	7,650	-	-
Accrued liabilities	-	-	-	-	-	-	-
Due to other governmental units	-	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,650</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>							
Reserved or designated	-	1,632,549	-	28,909	4,190,783	15,635	471,905
Unreserved	-	-	-	-	-	-	-
<b>Total fund balances</b>	<b>-</b>	<b>1,632,549</b>	<b>-</b>	<b>28,909</b>	<b>4,190,783</b>	<b>15,635</b>	<b>471,905</b>
<b>Total liabilities and fund balances</b>	<b>\$ -</b>	<b>\$ 1,632,549</b>	<b>\$ -</b>	<b>\$ 28,909</b>	<b>\$ 4,198,433</b>	<b>\$ 15,635</b>	<b>\$ 471,905</b>

**Other Supplemental Information  
Combining Balance Sheet (Continued)  
Nonmajor Governmental Funds  
December 31, 2008**

Permanent Fund

Cemetery	Total Nonmajor Funds
\$ 26,385	\$ 13,217,994
-	1,208,689
-	1,577,815
-	7,000
-	230,714
-	811,025
<b>\$ 26,385</b>	<b>\$ 17,053,237</b>

\$ -	\$ 371,064
-	26,450
-	71,181
-	341,637
-	362,458
-	869,374
-	2,042,164
26,385	6,409,326
-	8,601,747
26,385	15,011,073
<b>\$ 26,385</b>	<b>\$ 17,053,237</b>

# Livingston County, Michigan

## Special Revenue Funds

	Job Training Services	Health Fund	911 Service Fund	Child Care	Family Counseling	Friend of the Court
<b>Revenue</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	105,026	-	-	-	-
Federal sources	3,105,274	1,160,190	215,637	-	-	1,231,477
State sources	123,373	867,682	333,565	866,803	-	-
Charges for services	24,283	1,298,476	3,720,826	193,657	-	159,649
Contributions from local units	-	-	-	-	-	-
Interest earned	-	-	86,583	-	-	9,940
Other	-	-	-	-	13,980	461
<b>Total revenue</b>	<b>3,252,930</b>	<b>3,431,374</b>	<b>4,356,611</b>	<b>1,060,460</b>	<b>13,980</b>	<b>1,401,527</b>
<b>Expenditures</b>						
Current:						
Public safety	-	-	3,545,676	-	-	2,242,059
Community and economic development	-	-	-	-	-	-
Health and welfare	3,104,098	3,879,438	-	2,437,920	-	-
Capital outlay	-	-	-	-	-	-
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
<b>Total expenditures</b>	<b>3,104,098</b>	<b>3,879,438</b>	<b>3,545,676</b>	<b>2,437,920</b>	<b>-</b>	<b>2,242,059</b>
<b>Excess of Revenue Over (Under)</b>						
<b>Expenditures</b>	148,832	(448,064)	810,935	(1,377,460)	13,980	(840,532)
<b>Other Financing Sources (Uses)</b>						
Operating transfers in	-	511,284	-	1,528,673	-	851,640
Operating transfers out	-	-	(30,708)	-	(15,000)	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>511,284</b>	<b>(30,708)</b>	<b>1,528,673</b>	<b>(15,000)</b>	<b>851,640</b>
<b>Net Change in Fund Balances</b>	<b>148,832</b>	<b>63,220</b>	<b>780,227</b>	<b>151,213</b>	<b>(1,020)</b>	<b>11,108</b>
<b>Fund Balances (Deficit) - Beginning of year</b>	<b>65,226</b>	<b>533,638</b>	<b>2,794,196</b>	<b>1,143,623</b>	<b>30,410</b>	<b>256,193</b>
<b>Fund Balances - End of year</b>	<b>\$ 214,058</b>	<b>\$ 596,858</b>	<b>\$ 3,574,423</b>	<b>\$ 1,294,836</b>	<b>\$ 29,390</b>	<b>\$ 267,301</b>

**Other Supplemental Information**  
**Combining Statement of Revenue, Expenditures, and Changes**  
**in Fund Balances (Deficit) - Nonmajor Governmental Funds**  
**Year Ended December 31, 2008**

Special Revenue Funds

Small Cities Community Development Block Grant	Survey and Remuneration	Prosecutor's Drug Enforcement	Drug Law Enforcement	Criminal Forfeiture	OUIL Forfeiture	Law Library	Community Corrections
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	43,550	-	-	-	-	-	206,199
-	70,576	-	-	-	-	-	-
-	-	-	-	-	-	-	-
23,165	27,409	-	-	-	-	618	-
<u>-</u>	<u>-</u>	<u>19,575</u>	<u>71,781</u>	<u>3,300</u>	<u>3,209</u>	<u>6,500</u>	<u>2,700</u>
23,165	141,535	19,575	71,781	3,300	3,209	7,118	208,899
-	-	13,774	33,485	2,320	-	-	295,896
18,500	155,718	-	-	-	-	7,984	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>18,500</u>	<u>155,718</u>	<u>13,774</u>	<u>33,485</u>	<u>2,320</u>	<u>-</u>	<u>7,984</u>	<u>295,896</u>
4,665	(14,183)	5,801	38,296	980	3,209	(866)	(86,997)
-	-	-	-	-	-	-	116,980
-	-	(18,800)	(50,000)	-	-	-	-
-	-	(18,800)	(50,000)	-	-	-	116,980
4,665	(14,183)	(12,999)	(11,704)	980	3,209	(866)	29,983
<u>526,078</u>	<u>883,418</u>	<u>23,806</u>	<u>130,795</u>	<u>8,781</u>	<u>7,818</u>	<u>21,412</u>	<u>(26,150)</u>
<u>\$ 530,743</u>	<u>\$ 869,235</u>	<u>\$ 10,807</u>	<u>\$ 119,091</u>	<u>\$ 9,761</u>	<u>\$ 11,027</u>	<u>\$ 20,546</u>	<u>\$ 3,833</u>

# Livingston County, Michigan

Special Revenue Funds						
	Social Welfare	Soldiers and Sailors Relief	Veterans' Trust	Register of Deeds	Federal Equitable Sharing Fund	Homestead Property Exemption Fund
<b>Revenue</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Federal sources	-	-	-	-	159,906	-
State sources	260,215	-	43,236	-	-	-
Charges for services	30,430	-	-	171,957	-	-
Contributions from local units	-	-	-	-	-	-
Interest earned	-	-	-	24,776	5,030	245
Other	-	50	-	-	25,000	1,144
<b>Total revenue</b>	<b>290,645</b>	<b>50</b>	<b>43,236</b>	<b>196,733</b>	<b>189,936</b>	<b>1,389</b>
<b>Expenditures</b>						
Current:						
Public safety	-	-	-	-	182,234	-
Community and economic development	-	-	-	-	-	-
Health and welfare	310,735	4,377	43,249	112,766	-	1,070
Capital outlay	-	-	-	-	-	-
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
<b>Total expenditures</b>	<b>310,735</b>	<b>4,377</b>	<b>43,249</b>	<b>112,766</b>	<b>182,234</b>	<b>1,070</b>
<b>Excess of Revenue Over (Under) Expenditures</b>	<b>(20,090)</b>	<b>(4,327)</b>	<b>(13)</b>	<b>83,967</b>	<b>7,702</b>	<b>319</b>
<b>Other Financing Sources (Uses)</b>						
Operating transfers in	10,500	5,275	-	-	-	-
Operating transfers out	-	-	-	(70,000)	(90,000)	(7,148)
<b>Total other financing sources (uses)</b>	<b>10,500</b>	<b>5,275</b>	<b>-</b>	<b>(70,000)</b>	<b>(90,000)</b>	<b>(7,148)</b>
<b>Net Change in Fund Balances</b>	<b>(9,590)</b>	<b>948</b>	<b>(13)</b>	<b>13,967</b>	<b>(82,298)</b>	<b>(6,829)</b>
<b>Fund Balances (Deficit) - Beginning of year</b>	<b>27,072</b>	<b>8,031</b>	<b>1,419</b>	<b>792,258</b>	<b>228,732</b>	<b>8,488</b>
<b>Fund Balances - End of year</b>	<b>\$ 17,482</b>	<b>\$ 8,979</b>	<b>\$ 1,406</b>	<b>\$ 806,225</b>	<b>\$ 146,434</b>	<b>\$ 1,659</b>

**Other Supplemental Information**  
**Combining Statement of Revenue, Expenditures, and Changes**  
**in Fund Balances (Deficit) - Nonmajor Governmental Funds (Continued)**  
**Year Ended December 31, 2008**

Special Revenue Funds				Debt Service Funds					
Correction Officers Training	Lutz County Park	Fillmore Estate County Park	Community Development Block Grant OLSHA	1995 Road Commission Refunding Bonds	Mental Health Bonds	2000 Building Improvements Bonds	2001 Bonds - Road Commission Refunding Bonds	2002 Capital Improvement Bonds	Refunding Building Authority Mental Health Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
34,228	20,533	16,015	-	-	-	-	-	-	-
-	-	-	-	484,130	102,610	-	45,950	-	100,131
-	502	81	1,102	130	228	-	118	-	178
-	-	-	7,376	-	-	-	-	-	-
34,228	21,035	16,096	8,478	484,260	102,838	-	46,068	-	100,309
12,827	-	-	-	-	-	-	-	-	-
-	22,586	4,745	16,842	499	300	150	275	275	225
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	470,000	90,000	720,000	-	500,000	30,000
-	-	-	-	27,260	12,310	118,815	74,925	150,650	249,281
12,827	22,586	4,745	16,842	497,759	102,610	838,965	75,200	650,925	279,506
21,401	(1,551)	11,351	(8,364)	(13,499)	228	(838,965)	(29,132)	(650,925)	(179,197)
-	-	-	-	-	-	838,965	-	650,925	179,150
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	838,965	-	650,925	179,150
21,401	(1,551)	11,351	(8,364)	(13,499)	228	-	(29,132)	-	(47)
45,711	19,587	-	8,905	15,525	3,154	-	29,171	-	8,373
<b>\$ 67,112</b>	<b>\$ 18,036</b>	<b>\$ 11,351</b>	<b>\$ 541</b>	<b>\$ 2,026</b>	<b>\$ 3,382</b>	<b>\$ -</b>	<b>\$ 39</b>	<b>\$ -</b>	<b>\$ 8,326</b>

# Livingston County, Michigan

Capital Projects Funds					
	Mobile Command	Jail Expansion	Courthouse Improvement	Administration Building Renovations	Capital Replacement
<b>Revenue</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Federal sources	-	-	-	-	-
State sources	-	-	-	-	-
Charges for services	-	-	-	-	106,555
Contributions from local units	-	-	-	-	-
Interest earned	-	52,761	-	615	118,698
Other	-	-	-	-	-
Total revenue	-	52,761	-	615	225,253
<b>Expenditures</b>					
Current:					
Public safety	-	-	-	-	-
Community and economic development	-	-	-	-	-
Health and welfare	-	-	-	-	-
Capital outlay	-	2,321	-	-	-
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	-	2,321	-	-	-
<b>Excess of Revenue Over (Under)</b>					
Expenditures	-	50,440	-	615	225,253
<b>Other Financing Sources (Uses)</b>					
Operating transfers in	-	-	-	-	667,500
Operating transfers out	(1,984)	-	(105)	-	(32,890)
Total other financing sources (uses)	(1,984)	-	(105)	-	634,610
<b>Net Change in Fund Balances</b>					
	(1,984)	50,440	(105)	615	859,863
<b>Fund Balances (Deficit) - Beginning of year</b>					
	1,984	1,582,109	105	28,294	3,330,920
<b>Fund Balances - End of year</b>					
	<u>\$ -</u>	<u>\$ 1,632,549</u>	<u>\$ -</u>	<u>\$ 28,909</u>	<u>\$ 4,190,783</u>

**Other Supplemental Information**  
**Combining Statement of Revenue, Expenditures, and Changes**  
**in Fund Balances (Deficit) - Nonmajor Governmental Funds (Continued)**  
**Year Ended December 31, 2008**

<u>Capital Projects Funds</u>		<u>Permanent Fund</u>		
West Complex Construction Grant	EMS Construction	Cemetery	Total Nonmajor Funds	
\$ -	\$ -	\$ -	\$ -	-
-	-	-	-	105,026
-	-	-	-	5,872,484
-	-	-	-	2,744,623
-	-	-	-	5,847,185
-	-	-	-	732,821
-	-	-	-	352,179
-	-	-	-	155,076
-	-	-	-	15,809,394
-	-	-	-	6,328,271
-	-	-	-	228,099
-	-	-	-	9,893,653
-	484,671	-	-	486,992
-	-	-	-	1,810,000
-	-	-	-	633,241
-	484,671	-	-	19,380,256
-	(484,671)	-	-	(3,570,862)
-	956,576	-	-	6,317,468
-	-	-	-	(316,635)
-	956,576	-	-	6,000,833
-	471,905	-	-	2,429,971
15,635	-	26,385	-	12,581,102
<u>\$ 15,635</u>	<u>\$ 471,905</u>	<u>\$ 26,385</u>	<u>\$</u>	<u>\$ 15,011,073</u>

# Livingston County, Michigan

## Other Supplemental Information Combining Statement of Net Assets Internal Service Funds December 31, 2008

	Building Services	Information Technology	Carpool	Benefits	Total
<b>Assets</b>					
Cash and investments	\$ 219,572	\$ 421,526	\$ 1,540,974	\$ 2,062,248	\$ 4,244,320
Accounts receivable	16,714	1,934	4,107	149	22,904
Due from other funds	-	313	-	-	313
Capital assets - Net	63,382	686,304	458,200	-	1,207,886
Other assets	-	134,110	-	157,033	291,143
Total assets	<u>299,668</u>	<u>1,244,187</u>	<u>2,003,281</u>	<u>2,219,430</u>	<u>5,766,566</u>
<b>Liabilities</b>					
Accounts payable	124,483	412,850	31,979	25,616	594,928
Due to other funds	-	-	25,156	-	25,156
Advances to other funds	-	230,714	-	-	230,714
Other current liabilities	70,674	102,193	-	42,802	215,669
Total liabilities	<u>195,157</u>	<u>745,757</u>	<u>57,135</u>	<u>68,418</u>	<u>1,066,467</u>
<b>Net Assets</b>					
Investment in capital assets - Net of related debt	63,382	686,304	458,200	-	1,207,886
Unrestricted (deficit)	41,129	(187,874)	1,487,946	2,151,012	3,492,213
Total net assets	<u>\$ 104,511</u>	<u>\$ 498,430</u>	<u>\$ 1,946,146</u>	<u>\$ 2,151,012</u>	<u>\$ 4,700,099</u>

# Livingston County, Michigan

## Other Supplemental Information Combining Statement of Revenue, Expenses, and Changes in Net Assets Internal Service Funds Year Ended December 31, 2008

	Building Services	Information Technology	Carpool	Benefits	Total
<b>Operating Revenue</b> - Charges for services	\$ 2,732,072	\$ 3,102,278	\$ 876,536	\$ 7,845,520	\$ 14,556,406
<b>Operating Expenses</b>					
Personnel	1,285,076	1,214,292	-	7,765,481	10,264,849
Operating expenses	1,341,912	1,629,602	613,308	-	3,584,822
Depreciation expense	753	87,501	269,594	-	357,848
Gain on sale of assets	-	(1,771)	(19,601)	-	(21,372)
Total operating expenses	<u>2,627,741</u>	<u>2,929,624</u>	<u>863,301</u>	<u>7,765,481</u>	<u>14,186,147</u>
<b>Operating Income</b>	104,331	172,654	13,235	80,039	370,259
<b>Operating Transfers In</b>	<u>-</u>	<u>30,708</u>	<u>-</u>	<u>-</u>	<u>30,708</u>
<b>Net Income</b>	104,331	203,362	13,235	80,039	400,967
<b>Net Assets</b> - January 1, 2008	<u>180</u>	<u>295,068</u>	<u>1,932,911</u>	<u>2,070,973</u>	<u>4,299,132</u>
<b>Net Assets</b> - December 31, 2008	<u>\$ 104,511</u>	<u>\$ 498,430</u>	<u>\$ 1,946,146</u>	<u>\$ 2,151,012</u>	<u>\$ 4,700,099</u>

# Livingston County, Michigan

## Other Supplemental Information Combining Statement of Cash Flows Internal Service Funds Year Ended December 31, 2008

	Building Services	Information Technology	Carpool	Benefits	Total
<b>Cash Flows from Operating Activities</b>					
Receipts from other funds	\$ 2,814,264	\$ 3,089,442	\$ 846,311	\$ 7,845,520	\$ 14,595,537
Payments to suppliers	(1,350,504)	(1,321,573)	(601,311)	(108,546)	(3,381,934)
Payments to employees	(1,293,809)	(1,244,872)	-	(7,722,679)	(10,261,360)
Net cash provided by operating activities	169,951	522,997	245,000	14,295	952,243
<b>Cash Flows from Capital and Related Financing Activities</b>					
Purchase of capital assets	(64,135)	(503,253)	(304,083)	-	(871,471)
Proceeds from sale of assets	-	1,771	27,594	-	29,365
Net cash used in capital financing activities	(64,135)	(501,482)	(276,489)	-	(842,106)
<b>Cash Flows from Noncapital Financing Activities -</b>					
Operating transfer in	-	30,708	-	-	30,708
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	105,816	52,223	(31,489)	14,295	140,845
<b>Cash and Cash Equivalents - January 1, 2008</b>	113,756	369,303	1,572,463	2,047,953	4,103,475
<b>Cash and Cash Equivalents - December 31, 2008</b>	<b>\$ 219,572</b>	<b>\$ 421,526</b>	<b>\$ 1,540,974</b>	<b>\$ 2,062,248</b>	<b>\$ 4,244,320</b>
<b>Reconciliation of Operating Income to Net Cash from Operating Activities</b>					
Operating income	\$ 104,331	\$ 172,654	\$ 13,235	\$ 80,039	\$ 370,259
Adjustments to reconcile operating income to net cash from operating activities:					
Depreciation	753	87,501	269,594	-	357,848
Gain on sale of fixed assets	-	(1,771)	(19,601)	-	(21,372)
Changes in asset and liability balances:					
Accounts receivable	2,239	(535)	-	-	1,704
Due from other funds	86,500	(313)	-	-	86,187
Other assets	-	23,639	(4,107)	(116,826)	(97,294)
Accounts payable	(2,389)	278,771	(3,497)	8,280	281,165
Accrued liabilities	(21,483)	(24,426)	-	42,802	(3,107)
Advances to other funds	-	11,801	-	-	11,801
Due to other funds	-	(24,324)	(10,624)	-	(34,948)
Net cash provided by operating activities	<b>\$ 169,951</b>	<b>\$ 522,997</b>	<b>\$ 245,000</b>	<b>\$ 14,295</b>	<b>\$ 952,243</b>

# Livingston County, Michigan

## Other Supplemental Information Combining Statement of Assets and Liabilities Fiduciary Funds December 31, 2008

	Agency Funds		Total
	Trust and Agency	Library Penal Fines	
<b>Assets</b>			
Cash	\$ 3,447,777	\$ 381,079	\$ 3,828,856
Other assets	<u>4,461</u>	<u>2,524</u>	<u>6,985</u>
Total assets	<u><b>\$ 3,452,238</b></u>	<u><b>\$ 383,603</b></u>	<u><b>\$ 3,835,841</b></u>
<b>Liabilities</b>			
Due to other governmental units	\$ 1,101,056	\$ -	\$ 1,101,056
Other liabilities	<u>2,351,182</u>	<u>383,603</u>	<u>2,734,785</u>
Total liabilities	<u><b>\$ 3,452,238</b></u>	<u><b>\$ 383,603</b></u>	<u><b>\$ 3,835,841</b></u>

# Livingston County, Michigan

## Livingston Essential Transportation System Schedule of Operating, Nonoperating, and Other Revenue Sources Year Ended December 31, 2008

	January 1, 2008 to September 30, 2008	October 1, 2008 to December 31, 2008	Total
<b>Operating Revenues</b>			
Demand-response - Passenger fares	\$ 80,784	\$ 27,605	\$ 108,389
Special transit fares - Contracts	85,336	36,971	122,307
Rent - EMS	76,680	25,560	102,240
Other:			
Sale of fuel to EMS	42,270	8,802	51,072
Outside services	25,779	6,841	32,620
Sale of vehicles	-	1,125	1,125
	<u>68,049</u>	<u>16,768</u>	<u>84,817</u>
Total other			
	<u>68,049</u>	<u>16,768</u>	<u>84,817</u>
Total operating revenues	<u><b>\$ 310,849</b></u>	<u><b>\$ 106,904</b></u>	<u><b>\$ 417,753</b></u>
<b>Nonoperating Revenues</b>			
Federal Operating and Capital Grants:			
U.S. DOT Operating Grant - Section 5307 (2009 and 2010)	\$ -	\$ 278,515	\$ 278,515
U.S. DOT Operating Grant - Section 5307 (2007 and 2008)	329,758	-	329,758
U.S. DOT Capital Grant - Section 5307	63,341	-	63,341
U.S. DOT Capital Grant - Preventative Maintenance - Section 5307 (2009 and 2010)	-	39,808	39,808
U.S. DOT Capital Grant - Preventative Maintenance - Section 5307 (2007 and 2008)	356,414	-	356,414
Federal Capital Grant - Capital Assistance - Section 5309	3,454	-	3,454
State Operating and Capital Grants:			
State Operating Reconciliations - Prior Year Underpayments	180,264	(40,063)	140,201
State Capital Matching Grant - Section 5307	15,835	-	15,835
State Capital Matching Grant - Section 5309	20,202	-	20,202
Transit Operating Assistance	529,776	181,191	710,967
Transit Operating Assistance - State Withholdings for Prior Year Overpayments	(11,275)	-	(11,275)
	<u>(11,275)</u>	<u>-</u>	<u>(11,275)</u>
Total nonoperating revenue	<u><b>\$ 1,487,769</b></u>	<u><b>\$ 459,451</b></u>	<u><b>\$ 1,947,220</b></u>

# Livingston County, Michigan

## Livingston Essential Transportation System Schedule of Operating Expenses Year Ended December 31, 2008

	General			Total
	Operations	Maintenance	Administration	
Labor	\$ 833,473	\$ -	\$ 93,219	\$ 926,692
Pension	79,800	-	20,105	99,905
Other fringe benefits	303,263	-	52,928	356,191
Services	1,235	-	40,220	41,455
Materials and supplies consumed:				
Fuel and lubricants	197,860	-	-	197,860
Other materials and supplies	8,802	-	5,416	14,218
Utilities	-	-	26,571	26,571
Casualty and liability costs	618	-	-	618
Miscellaneous	112	-	7,272	7,384
Operating leases and rentals	-	-	21,274	21,274
Ineligible costs:				
Net depreciation	238,914	-	-	238,914
Revenue associated with building rental	-	-	102,240	102,240
U.S. DOT Capital Grant - Preventative Maintenance Section 5307 FY 2008	-	454,618	-	454,618
Other	56,010	-	32,777	88,787
	<u>1,720,087</u>	<u>454,618</u>	<u>402,022</u>	<u>2,576,727</u>
Total operating expenses				
	<u>1,720,087</u>	<u>454,618</u>	<u>402,022</u>	<u>2,576,727</u>
Total expenses	<u>\$ 1,720,087</u>	<u>\$ 454,618</u>	<u>\$ 402,022</u>	<u>\$ 2,576,727</u>

# Livingston County, Michigan

## Livingston Essential Transportation System Schedule of Net Eligible Cost Computations of General Operations Year Ended December 31, 2008

	January 1, 2008 to September 30, 2008	October 1, 2008 to December 31, 2008	Total
Labor	\$ 749,797	\$ 241,358	\$ 991,155
Pension	85,251	25,135	110,386
Other fringe benefits	281,637	81,015	362,652
Services	305,435	154,031	459,466
Materials and supplies consumed:			
Fuel and lubricants	196,641	52,291	248,932
Other materials and supplies	16,839	8,166	25,005
Utilities	33,469	20,753	54,222
Casualty and liability costs	618	-	618
Depreciation	194,569	64,856	259,425
Operating leases and rentals	16,143	5,131	21,274
Miscellaneous	34,175	9,417	43,592
<b>Total operating expenses</b>	<b>1,914,574</b>	<b>662,153</b>	<b>2,576,727</b>
Ineligible operating expenses:			
Revenue associated with fuel sold to County EMS	42,270	8,802	51,072
Revenue associated with rentals	76,680	25,560	102,240
Ineligible association dues	158	-	158
U.S. DOT capital grant - Preventive maintenance Section 5307	400,211	54,407	454,618
Grant reimbursed building repairs	4,478	460	4,938
Salary and wage reimbursements from other departments	25,779	6,841	32,620 <b>A</b>
Depreciation	194,569	44,345	238,914
<b>Total ineligible expenses</b>	<b>744,145</b>	<b>140,415</b>	<b>884,560</b>
<b>Total eligible expenses</b>	<b>\$ 1,170,429</b>	<b>\$ 521,738</b>	<b>\$ 1,692,167</b>

Capital money used to pay for operating expenses have been subtracted out as ineligible, and is not included in the costs to be reimbursed by the State.

**A** - One individual splits time between LETS and the carpool; a portion of this individual's salary is reimbursed by the Carpool Fund, based on actual hours attributable to the Carpool Fund.

# Livingston County, Michigan

## Livingston Essential Transportation System Schedule of Revenues and Eligible and Ineligible Expenditures

	October 1, 2007 to December 31, 2007	January 1, 2008 to September 30, 2008	Total
<b>Operating Revenues</b>			
Demand-response - Passenger fares	\$ 24,630	\$ 80,784	\$ 105,414
Special transit fares - Contracts	45,454	85,336	130,790
Rent - EMS	24,516	76,680	101,196
Other:			
Sale of fuel to EMS	12,683	42,270	54,953
Outside services	9,537	25,779	35,316
Miscellaneous reimbursement	250	-	250
Total other revenue	22,470	68,049	90,519
Total operating revenues	<b>\$ 117,070</b>	<b>\$ 310,849</b>	<b>\$ 427,919</b>
<b>Operating Expenses</b>			
Labor	\$ 274,621	\$ 701,297	\$ 975,918
Other fringe benefits	104,516	359,031	463,547
Services	217,633	281,750	499,383
Materials and supplies consumed:			
Fuel and lubricants	66,630	121,475	188,105
Other materials and supplies	12,821	18,367	31,188
Utilities	23,670	31,819	55,489
Casualty and liability costs	-	184	184
Depreciation	66,996	201,055	268,051
Operating leases and rentals	8,365	22,186	30,551
Miscellaneous	6,670	33,574	40,244
Total operating expenses	781,922	1,770,738	2,552,660
<b>Less Ineligible Expenses</b>			
Fuel sold to EMS	12,683	27,703	40,386
Rent from EMS	24,516	49,032	73,548
MPTA dues	-	107	107
Preventative maintenance	105,581	128,000	233,581
Bldg repairs reimbursed by grants	-	6,173	6,173
Reimbursement from car pool	9,537	22,330	31,867
Depreciation	66,996	201,055	268,051
Total ineligible expenses	219,313	434,400	653,713
Total eligible expenses	<b>\$ 562,609</b>	<b>\$ 1,336,338</b>	<b>\$ 1,898,947</b>

# Livingston County, Michigan

## Livingston Essential Transportation System Schedule of Property and Equipment December 31, 2008

		Cost	Accumulated Depreciation	Total
Buildings and building improvements	Intermodel Building	\$ 2,302,676	\$ 391,247	\$ 1,911,429
Vehicles and vehicle equipment:				
Grant Agreement - 99-0426 & 99-0787 (paid by State)	2 Eldorado National Buses	157,182	157,182	-
Grant MI-03-0169 Fed 5307 & 2000-0485 (State Match)	3 Eldorado National Buses	246,543	246,543	-
Grant MI-03-0189 Fed 5307 & 2002-0060 (State Match)	3 Eldorado National Buses	260,721	195,541	65,180
Grant MI 90-X425 Fed Sec 5307 & 2002-0060 Z14 (State Match)	3 Dodge Mini-Vans	46,518	28,797	17,721
Grant MI-03-0189 & MI-03-0192 - Fed 5309 (2002) & 2002-0060 Z11 (State Match)	3 Ford E-350 Cut-Away Buses	141,822	77,665	64,157
Grant MI-03-0192 Fed 5309 (2003) & 2002-0060 Z11 (State Match)	3 Eldorado National Buses	153,048	85,634	67,414
Grant MI-03-0212 Fed 5309 (2004) & 2002-0060 Z11 (State Match)	1 Eldorado National Bus	79,541	30,301	49,240
Grant MI-03-0212 Fed 5309 (2004) & 2002-0060-Z11 RI (State Match)	1 Ford E-350 Passenger Van	20,591	5,883	14,708
Grant MI 90-X425 & MI 90-X453 Fed Sec 5307 & 2002-0060 Z14 & Z15 (State Match)	3 Eldorado National Buses	244,344	61,086	183,258
Grant MI 90-x425 Fed Sec 5307 & MI 90-x453 Fed Sec 5307 & MI 90-x453 Fed Sec 5307 & 2002-0060 Z15 (State Match)	1 Eldorado National Bus	81,449	20,362	61,087
Grant MI 90-x453 Fed Sec 5307 & 2002-0060 Z15 (State Match)	1 Eldorado National Bus	80,941	20,235	60,706
Grant MI 90-X453 Fed Sec 5307	1 Eldorado National Bus	79,161	19,790	59,371
Grant MI 030-0226 Fed Sec 5307 & 2002-0060 Z16 (State Match)	1 Eldorado National Bus	79,161	19,790	59,371
Grant MI 90-X425 Fed Sec 5307 & 2002-0060 Z14 (State Match)	Bus Back up Cameras	13,585	4,076	9,509
Grant MI 90-X453 Fed Sec 5307 & 2002-0060 Z15 (State Match)	Bus Radios	1,855	331	1,524
Grant MI-03-0226 Fed 5309 (2005) & 2002-0060 Z16 (State Match)	Bus Washing System	19,168	1,438	17,730
Grant MI 90-X425 Fed Sec 5307 & 2002-0060 Z14 (State Match)	Surveillance System	14,250	950	13,300
		1,719,880	975,604	744,276
Office furniture - Purchased with local funds		43,210	39,081	4,129
		<u>\$ 4,065,766</u>	<u>\$ 1,405,932</u>	<u>\$ 2,659,834</u>

# Livingston County, Michigan

## Livingston Essential Transportation System Statistical Data - Public Transportation Mileage Data (Unaudited) December 31, 2008

	Total Mileage	Passenger Trips
Demand - Response mileage data (unaudited):		
First quarter	181,450	24,651
Second quarter	169,260	27,462
Third quarter	175,438	28,072
Fourth quarter	160,141	26,486
Total	<b>686,289</b>	<b>106,671</b>

# Livingston County, Michigan

## Statistical Information Financial Trends (Unaudited) December 31, 2008

<b>Financial Position (Status of Assets, Liabilities, and Equity)</b>	2004	2005	2006	2007	2008
General Fund:					
Unreserved fund balance compared to expenditures	23.2%	27.1%	33.3%	36.8%	38.4%
Current ratio (assets/liabilities, excluding deferred revenue)	6.8	6.6	9.9	10.1	8.6
All governmental activities:					
Unreserved fund balance compared to expenditures	25.9%	31.0%	42.1%	51.6%	52.9%
Current ratio (assets/liabilities, excluding deferred revenue)	7.4	9.2	15.4	17.1	13.9
<b>Fiscal Capacity (Measures of Ability to Raise Revenue, Incur Debt, and Meet Obligations)</b>					
General Fund:					
Property taxes per capita (operating millage only)	\$ 129	\$ 140	\$ 150	\$ 154	\$ 160
Millage capacity (ability to levy additional taxes without a vote)	None	None	None	None	None
Expenditures per capita	\$ 211	\$ 208	\$ 214	\$ 215	\$ 218
Ratio of revenues compared to expenditures	1.03	1.06	1.08	1.10	1.08
All governmental activities:					
Total property taxes levied per capita (with extra voted mills)	\$ 145	\$ 149	\$ 161	\$ 166	\$ 173
County taxes paid per household	\$ 278	\$ 283	\$ 299	\$ 309	\$ 294
County taxes paid per household as a percentage of household income	0.413%	0.397%	0.444%	0.461%	0.416%
Taxable value (in 000s)	\$ 7,155,612	\$ 7,757,535	\$ 8,348,502	\$ 8,793,696	\$ 8,825,751
Annual change in taxable value	8.5%	8.4%	7.6%	5.3%	5.7%
State equalized value (SEV)	\$ 9,324,352	\$ 10,060,876	\$ 10,641,862	\$ 10,618	\$ 9,791,590
Annual change in SEV	9.2%	17.8%	24.6%	24.4%	14.7%
Debt information:					
County-funded debt per capita	\$ 89	\$ 91	\$ 85	\$ 79	\$ 72
Debt saturation (percent of debt limitation utilized)	2.4%	2.1%	1.7%	1.4%	1.2%