

# **Livingston County, Michigan**

---

**Financial Report  
with Supplemental Information  
December 31, 2009**

# Livingston County, Michigan

---

## Contents

<b>Report Letter</b>	1-2
<b>Management's Discussion and Analysis</b>	3-10
<b>Basic Financial Statements</b>	
Government-wide Financial Statements (Full Accrual Method of Accounting):	
Statement of Net Assets	11
Statement of Activities	12-13
Fund Financial Statements:	
Governmental Funds (Modified Accrual Basis of Accounting):	
Balance Sheet	14
Statement of Revenue, Expenditures, and Changes in Fund Balances	15
Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	16
Proprietary Funds (Full Accrual Basis of Accounting):	
Statement of Net Assets	17-18
Statement of Revenue, Expenses, and Changes in Net Assets	19-20
Statement of Cash Flows	21-22
Fiduciary Funds (Full Accrual Basis of Accounting):	
Statement of Net Assets	23
Statement of Changes in Net Assets	24
Component Units (Full Accrual Basis of Accounting):	
Statement of Net Assets	25
Statement of Activities	26-27
Notes to Financial Statements	28-60
<b>Required Supplemental Information</b>	61
Budgetary Comparison Schedules:	
General Fund	62-66
Special Revenue Funds:	
Ambulance Fund	67
Revenue Sharing Reserve Fund	68

# Livingston County, Michigan

---

## Contents (Continued)

<b>Other Supplemental Information</b>	<b>69</b>
Description of Funds	70-78
Nonmajor Governmental Funds:	
Combining Balance Sheet	79-83
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances	84-88
Internal Service Funds:	
Combining Statement of Net Assets	89
Combining Statement of Revenue, Expenses, and Changes in Net Assets	90
Combining Statement of Cash Flows	91
Fiduciary Funds - Combining Statement of Assets and Liabilities	92
Livingston Essential Transportation System:	
Schedule of Operating, Nonoperating, and Other Revenue Sources	93
Schedule of Operating Expenses	94
Schedule of Net Eligible Cost Computations of General Obligations	95
Schedule of Revenues and Eligible and Ineligible Expenditures	96
Schedule of Property and Equipment	97
Statistical Data - Public Transportation Mileage Data (Unaudited)	98
Statistical Information - Financial Trends (Unaudited)	99

## 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 (the "County") as of and for the year ended December 31, 2009, 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 \$128,339,303 and \$17,306,432, 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. The financial statements of the Livingston County Road Commission were not audited in accordance with *Government Auditing Standards*.

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, 2009 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 15, 2010 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.

*Plante & Moran, PLLC*

June 15, 2010

# Livingston County, Michigan

## Management's Discussion and Analysis

Our discussion and analysis of Livingston County, Michigan's (the "County") financial performance provides an overview of the financial activities for the fiscal year ended December 31, 2009. Please read it in conjunction with the County's financial statements.

### Financial Highlights

Livingston County continued to face challenges during fiscal year 2009. The State of Michigan's fiscal crisis and the frail shape of the national economy continued through 2009. High levels of unemployment in the state are reflected in the large number of real estate foreclosures and the declining real estate market. Michigan had the highest unemployment rate in the country for the fourth straight year and was eighth in the nation in number of foreclosures. The effects of these challenges did not bypass Livingston County. In anticipation of reductions in future tax revenue and other financial challenges, Livingston County took active measures to reduce costs which resulted in another strong financial close in fiscal year 2009. The following represents the most significant financial highlights for the year ended December 31, 2009:

- The County's primary source of General Fund revenue is property taxes, representing 68.3 percent of total revenues. We experienced impressive percentage increases in property tax revenues in past 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 present economy as is evident by 2009 being the second straight year that tax revenues came in under the previous year level with just a minimal decrease in 2008 and a 2.0 percent decrease in 2009. We expect tax revenue to continue to decline and are projecting a 7.2 percent decline in 2010 and an 8.0 percent decline in 2011. Another impediment to tax revenues 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. 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 by reducing personnel and redesigning personnel benefits. Departments have acted diligently to reduce expenses and comply with the purchasing policy to competitively bid supplies and services. The Board of Commissioners continued in 2009 to expand upon actions taken in 2008 to preserve Livingston County's financial capacity in the future. The board continued to enforce the approved hiring freeze for all vacant general funded positions and encouraged sharing of responsibilities/personnel by departments. A retirement incentive was offered for the second straight year to those employees eligible to retire. The culmination of these efforts has been an increase to the General Fund's fund balance for the past five years: \$1.8 million in 2005, \$2.6 million in 2006, \$1.8 million in 2007, \$1.6 million in 2008, and \$2.6 million in 2009. There was also a slight increase to fund balance for other governmental funds.

# 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, 2009 and 2008:

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
<b>Assets</b>						
Current assets	\$ 67,267	\$ 63,654	\$ 57,435	\$ 36,478	\$ 124,702	\$ 100,132
Noncurrent assets	<u>56,625</u>	<u>56,530</u>	<u>35,001</u>	<u>35,141</u>	<u>91,626</u>	<u>91,671</u>
Total assets	123,892	120,184	92,436	71,619	216,328	191,803
<b>Liabilities</b>						
Current liabilities	7,235	6,253	16,137	817	23,372	7,070
Long-term liabilities	<u>15,321</u>	<u>16,880</u>	<u>5,880</u>	<u>2,980</u>	<u>21,201</u>	<u>19,860</u>
Total liabilities	<u>22,556</u>	<u>23,133</u>	<u>22,017</u>	<u>3,797</u>	<u>44,573</u>	<u>26,930</u>
<b>Net Assets</b>						
Invested in capital assets -						
Net of related debt	47,364	45,625	32,021	32,066	79,385	77,691
Restricted	22,142	23,355	-	-	22,142	23,355
Unrestricted	<u>31,830</u>	<u>28,071</u>	<u>38,398</u>	<u>35,756</u>	<u>70,228</u>	<u>63,827</u>
Total net assets	<u>\$ 101,336</u>	<u>\$ 97,051</u>	<u>\$ 70,419</u>	<u>\$ 67,822</u>	<u>\$ 171,755</u>	<u>\$ 164,873</u>

# Livingston County, Michigan

## Management's Discussion and Analysis (Continued)

The County's combined net assets for both governmental and business-type activities total \$171.8 million for fiscal year 2009 as compared to \$164.9 million for fiscal year 2008. This is an increase of \$6.9 million (4.2 percent) from 2008 to 2009. The increases are attributable to the purchase of the new Sunguard/OSSI public safety records management software, emergency medical services equipment, 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, 2009 and 2008 (in thousands of dollars):

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
<b>Revenue</b>						
Program revenue:						
Charges for services	\$ 23,070	\$ 20,748	\$ 7,537	\$ 7,036	\$ 30,607	\$ 27,784
Operating grants and contributions	12,801	10,652	1,546	1,448	14,347	12,100
Capital grants and contributions	-	-	821	1,043	821	1,043
General revenue:						
Property taxes	31,342	31,901	-	-	31,342	31,901
Unrestricted investment earnings	491	1,670	277	682	768	2,352
Transfers and other revenue	2,552	2,768	(1,679)	(1,874)	873	894
<b>Total revenue</b>	<b>70,256</b>	<b>67,739</b>	<b>8,502</b>	<b>8,335</b>	<b>78,758</b>	<b>76,074</b>
<b>Program Expenses</b>						
General government	6,066	5,259	-	-	6,066	5,259
Public safety	34,564	35,557	-	-	34,564	35,557
Health and welfare	21,749	19,392	-	-	21,749	19,392
Community and economic development	3,139	3,399	-	-	3,139	3,399
Interest on long-term debt	453	594	-	-	453	594
Building and safety	-	-	1,117	1,561	1,117	1,561
Airport	-	-	1,182	1,481	1,182	1,481
Livingston Essential Transportation Services	-	-	2,411	2,562	2,411	2,562
Sewage receiving station	-	-	555	586	555	586
Delinquent tax revolving funds	-	-	640	18	640	18
<b>Total program expenses</b>	<b>65,971</b>	<b>64,201</b>	<b>5,905</b>	<b>6,208</b>	<b>71,876</b>	<b>70,409</b>
<b>Change in Net Assets</b>	<b>\$ 4,285</b>	<b>\$ 3,538</b>	<b>\$ 2,597</b>	<b>\$ 2,127</b>	<b>\$ 6,882</b>	<b>\$ 5,665</b>

# **Livingston County, Michigan**

---

## **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 \$66 million for fiscal year 2009, which includes General Fund, Special Revenue Fund, and Internal Service Fund departments. This is a 2.8 percent increase, or \$1.8 million, over the cost of providing services in 2008. The County expenditure policy has remained fairly stable from 2008 to 2009. The increase for providing services was mainly in the area of health and welfare, more specifically, additional vaccines and temporary staff needed to administer H1N1 flu vaccines and increased job training services to assist eligible residents in enhancing their job skills and get them back into the workforce.

The County's total governmental revenues increased by \$2.5 million, or 3.7 percent, from 2008 to 2009. This is a result of increased collections on charges for service, federal American Recovery and Reinvestment Act (ARRA) funds, and other additional grant dollars received.

### **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 Funds; these types of operations are most similar to private businesses. A comparative analysis between fiscal years 2008 and 2009 shows that the cost of providing services for all business-type activities decreased by 4.9 percent, mainly for airport operations, which decreased by 20.1 percent because of reduced fuel and other operating costs, and building and safety operations, which decreased 28.5 percent because of the halt in new construction.

### **The Funds**

Our analysis of the County's major funds begins on page 14, following the government-wide financial statements. The fund financial statements provide detailed 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 departments and the court system. The General Fund also pays for services of all the elected officials' offices. The General Fund incurred costs of \$42.6 million in 2009, including an operating transfer of \$3.7 million to subsidize operations in other funds. This is a decrease of 4.9 percent, or \$2.2 million, in the actual cost of providing services in 2009 when compared to the actual cost of providing services in 2008. This decrease was due to a combination of the proactive actions taken by the Board of Commissioners beginning in 2008 and continuing into 2009, as well as the awareness by County departments of the collaboration required to maintain efficient and effective County services. Because of these proactive measures, the fund balance in the General Fund was increased \$2.6 million.

The Ambulance Fund provides emergency medical response and is funded by a special tax levy (approximately 31.4 percent of total revenues) and charges for services (approximately 67.7 percent of total revenues). The cost of providing this service for 2009 was \$7.1 million. Fund balance increased by \$714,633, mainly due to increased demand for service. 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 2009, this fund balance decreased by \$2.9 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. The County is cautiously optimistic that the State will have the financial resources to fully 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:

- Projected revenues and expenditures were adjusted to reflect actual receipts and/or spending.
- Recognition of increases/decrease in grant revenues

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

- Amendments for capital purchases
- 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)**

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

At the end of 2009, the County had \$91.6 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, the Department of Public Works, and the 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 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.

Fiscal year 2009 changed the way the County does business. Major structural changes have been made and will continue to be looked at to ensure sustainability of our operations into the future. The County has partnered with several other municipalities to share services including: contracting with Jackson County to share the public health officer, contracting with the City of Brighton to share the building official, implementation of countywide broadband fiber network sharing, and the countywide implementation of OSSI public safety software which has all fire, emergency, and police agencies within the County utilizing the same records management system.

As mentioned previously, to reduce personnel costs, the County board continues to enforce the approved hiring freeze for all vacant general funded positions, encourage the sharing of responsibilities/personnel by departments, will not offer wage increases in 2010 or 2011, and offered a retirement incentive for the second straight year to those employees eligible to retire, with a total of 41 eligible employees taking advantage of the program. Also, major changes were made to redesign and reduce benefits costs. The changes include the following:

# Livingston County, Michigan

## Management's Discussion and Analysis (Continued)

- Pension
  - Start up of a pension plan that offers a hybrid of both a defined benefit plan and a defined contribution plan for all new non-union employees hired after August 31, 2009
  - Existing non-union employees were given the option to switch to the hybrid plan or remain in the defined benefit plan effective February 1, 2010.
  - For those who chose to remain in the defined benefit plan, the employees must now contribute 5 percent of their wages to the plan.
- Active Healthcare
  - Effective January 1, 2010, the new base healthcare plan offered to non-union employees has been reduced to a PP04 plan which offers 80/20 coverage with the option to buy up to a PP06 (90/10) or PP01 (100 percent) plan.
  - Beginning January 1, 2010, all full-time, 35-40-hour non-union employees will be responsible for 5 percent of the PP04 plan premium plus any buy-up costs.
  - Beginning November 1, 2009, all new 35-40-hour, full-time non-union employees are responsible for 20 percent of the plan premium plus any buy-up costs.
  - Effective January 1, 2010, all 30-34-hour employees will be responsible for 30 percent of the premium plus any buy-up costs.
  - All new 30-34-hour, non-union employees hired after January 1, 2009 will be responsible for 50 percent of the plan premium plus any buy-up costs.
- Retiree Healthcare
  - All new full-time, non-union employees hired after November 1, 2009 will not receive any retiree healthcare benefits.
  - Effective February 28, 2010, non-union employees who remained in the defined benefit plan will not accrue service or seniority toward their share of the cost of healthcare under the retiree healthcare plan.
  - Non-union employees who were in the defined benefit (DB) plan and eligible to retire had the option to remain in the DB plan or convert to the Retiree Healthcare Savings Plan. Those employees not eligible to retire had to convert to the Retiree Health Savings Plan and received a lump-sum deposit into a RHCS based on their years of service.

# **Livingston County, Michigan**

---

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

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. Unfortunately, it is projected that Livingston County's tax revenues will continue to decline 7.2 percent in 2010 and an additional 8.0 percent in 2011, begin to stabilize in 2012, and then begin a slow 1.0 percent increase in both 2013 and 2014. Recovery will be slow because Proposal A limits the increase of taxable value to the rate of inflation, or 5 percent, whichever is lowest. Michigan continues to work through its ninth straight year of economic downturn. As we consider all that has happened in 2009, 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 a 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, 2009

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>Assets</b>				
Cash and investments (Note 3)	\$ 53,287,772	\$ 32,864,235	\$ 86,152,007	\$ 7,572,663
Receivables:				
Taxes	5,038,701	19,697,085	24,735,786	-
Accounts	2,331,254	70,772	2,402,026	-
Leases	-	-	-	74,390,440
Other	-	4,119,713	4,119,713	4,784,248
Internal balances	173,500	(173,500)	-	-
Due from other governmental units	1,942,289	481,639	2,423,928	3,140,904
Inventories	-	59,371	59,371	1,143,215
Prepaid costs and other assets	1,690,128	252,479	1,942,607	-
Net pension asset (Note 12)	1,594,068	-	1,594,068	-
Net OPEB asset (Note 13)	1,209,918	63,680	1,273,598	-
Capital assets not being depreciated (Note 5)	10,687,170	11,423,524	22,110,694	26,259,327
Capital assets being depreciated (Note 5)	45,937,734	23,577,232	69,514,966	141,186,851
Total assets	123,892,534	92,436,230	216,328,764	258,477,648
<b>Liabilities</b>				
Accounts payable	2,494,016	137,055	2,631,071	606,891
Accrued and other liabilities	1,743,988	733,740	2,477,728	1,736,233
Deferred tax revenue (Note 4)	5,335,320	-	5,335,320	-
Due to other governmental units	158,855	166,156	325,011	1,804,414
Long-term obligations (Note 7):				
Due within one year	2,838,403	15,100,000	17,938,403	7,756,096
Due in more than one year	9,985,824	5,880,000	15,865,824	71,467,991
Net OPEB obligation	-	-	-	899,306
Total liabilities	22,556,406	22,016,951	44,573,357	84,270,931
<b>Net Assets</b>				
Invested in capital assets - Net of related debt	47,363,801	32,020,756	79,384,557	165,781,339
Restricted (Note 9)	22,142,045	-	22,142,045	-
Unrestricted	31,830,282	38,398,523	70,228,805	8,425,378
Total net assets	<u>\$ 101,336,128</u>	<u>\$ 70,419,279</u>	<u>\$ 171,755,407</u>	<u>\$ 174,206,717</u>

# Livingston County, Michigan

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	
<b>Functions/Programs</b>				
Primary government:				
Governmental activities:				
General government	\$ 6,065,713	\$ 1,465,570	\$ (14,500)	\$ -
Public safety	34,563,778	12,210,117	2,939,975	-
Health and welfare	21,749,398	7,106,040	9,085,641	-
Community and economic development	3,139,300	2,288,357	789,916	-
Interest on long-term debt	453,015	-	-	-
Total governmental activities	65,971,204	23,070,084	12,801,032	-
Business-type activities:				
Airport	1,182,462	814,560	-	404,195
Delinquent tax revolving funds	640,052	4,811,569	-	-
Septage receiving station	554,947	645,537	-	-
Livingston Essential Transportation Service	2,410,898	424,130	1,545,531	416,832
Building and safety	1,116,572	841,512	-	-
Total business-type activities	5,904,931	7,537,308	1,545,531	821,027
Total primary government	<u>\$ 71,876,135</u>	<u>\$ 30,607,392</u>	<u>\$ 14,346,563</u>	<u>\$ 821,027</u>
Component units:				
Drain Commission	\$ 2,174,163	\$ 2,496,080	\$ 1,063,173	\$ -
Department of Public Works	5,852,984	4,907,572	-	-
Road Commission	17,824,998	20,391	16,154,086	-
Livingston County Foundation	5,100	-	5,000	-
Total component units	<u>\$ 25,857,245</u>	<u>\$ 7,424,043</u>	<u>\$ 17,222,259</u>	<u>\$ -</u>
General revenues:				
Property taxes				
Gain (loss) 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</b>				
<b>Net Assets - End of year</b>				

**Statement of Activities**  
**Year Ended December 31, 2009**

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
\$ (4,614,643)	\$ -	\$ (4,614,643)	\$ -
(19,413,686)	-	(19,413,686)	-
(5,557,717)	-	(5,557,717)	-
(61,027)	-	(61,027)	-
(453,015)	-	(453,015)	-
(30,100,088)	-	(30,100,088)	-
-	36,293	36,293	-
-	4,171,517	4,171,517	-
-	90,590	90,590	-
-	(24,405)	(24,405)	-
-	(275,060)	(275,060)	-
-	3,998,935	3,998,935	-
(30,100,088)	3,998,935	(26,101,153)	-
-	-	-	1,385,090
-	-	-	(945,412)
-	-	-	(1,650,521)
-	-	-	(100)
-	-	-	(1,210,943)
31,341,426	-	31,341,426	-
-	105	105	(191)
490,569	277,320	767,889	54,989
873,449	-	873,449	1,092,859
1,679,463	(1,679,463)	-	-
34,384,907	(1,402,038)	32,982,869	1,147,657
4,284,819	2,596,897	6,881,716	(63,286)
97,051,309	67,822,382	164,873,691	174,270,003
<b>\$ 101,336,128</b>	<b>\$ 70,419,279</b>	<b>\$ 171,755,407</b>	<b>\$ 174,206,717</b>

# Livingston County, Michigan

## Governmental Funds Balance Sheet December 31, 2009

	General Fund	Ambulance Fund	Revenue Sharing Reserve Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Cash and investments	\$ 19,399,769	\$ 3,692,061	\$ 10,439,037	\$ 15,422,290	\$ 48,953,157
Receivables:					
Taxes	2,122,094	2,481,453	-	423,647	5,027,194
Accounts	39,215	1,044,795	-	1,211,259	2,295,269
Due from other funds (Note 6)	138,284	1,540	-	425	140,249
Due from other governmental units	600,364	-	-	1,341,932	1,942,296
Prepaid costs and other assets	241,152	5,717	-	821,183	1,068,052
Advance to other fund (Note 6)	486,979	-	-	415,131	902,110
<b>Total assets</b>	<b>\$ 23,027,857</b>	<b>\$ 7,225,566</b>	<b>\$ 10,439,037</b>	<b>\$ 19,635,867</b>	<b>\$ 60,328,327</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 697,216	\$ 194,993	\$ -	\$ 823,385	\$ 1,715,594
Accrued and other liabilities	629,857	123,610	-	111,630	865,097
Due to other funds (Note 6)	43,309	3,613	-	20,678	67,600
Due to other governmental units	73,529	-	-	85,326	158,855
Advance from other fund (Note 6)	-	-	-	362,458	362,458
Deferred revenue (Note 4)	1,684,876	2,481,453	-	1,206,873	5,373,202
<b>Total liabilities</b>	<b>3,128,787</b>	<b>2,803,669</b>	<b>-</b>	<b>2,610,350</b>	<b>8,542,806</b>
<b>Fund Balances</b>					
Reserved (Note 10)	728,131	-	-	530,769	1,258,900
Unreserved, reported in:					
General Fund	18,170,939	-	-	-	18,170,939
Special Revenue Funds	-	4,421,897	10,439,037	10,244,987	25,105,921
General Fund - Designated (Note 10)	1,000,000	-	-	-	1,000,000
Capital Projects Funds - Designated (Note 10)	-	-	-	6,249,761	6,249,761
<b>Total fund balances</b>	<b>19,899,070</b>	<b>4,421,897</b>	<b>10,439,037</b>	<b>17,025,517</b>	<b>51,785,521</b>
<b>Total liabilities and fund balances</b>	<b>\$ 23,027,857</b>	<b>\$ 7,225,566</b>	<b>\$ 10,439,037</b>	<b>\$ 19,635,867</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					53,474,550
Long-term liabilities are not due and payable in the current period and are not reported in the funds					(10,290,025)
Interest expense payable is not accrued in the governmental funds					(23,464)
Compensated absences are not included as a liability of the funds					(2,078,125)
Grant receivables in governmental activities are not financial resources and are not available to pay for current year expenditures					37,882
Net pension asset is not included as an asset of the funds					1,594,068
Net OPEB asset is not included as an asset of the funds					1,145,856
Personal property taxes receivable in governmental activities are not financial resources and are not reported in the funds					11,505
Net self-insurance liabilities are not reported in the funds					(762,835)
Internal Service Funds are included as part of governmental activities					6,441,195
<b>Net assets of governmental activities</b>					<b>\$ 101,336,128</b>

# Livingston County, Michigan

## Governmental Funds Statement of Revenue, Expenditures, and Changes in Fund Balances Year Ended December 31, 2009

	General Fund	Ambulance Fund	Revenue Sharing Reserve Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenue</b>					
Taxes	\$ 28,895,508	\$ 2,441,691	\$ -	\$ -	\$ 31,337,199
Licenses and permits	234,090	-	-	95,651	329,741
Federal sources	611,059	-	-	8,295,312	8,906,371
State sources	1,709,671	-	-	2,855,615	4,565,286
Contributions from local units	1,089,303	-	-	786,554	1,875,857
Charges for services	7,147,194	5,258,525	-	6,281,826	18,687,545
Fines and forfeitures	624,719	-	-	-	624,719
Interest and rent	326,386	26,941	-	145,562	498,889
Other	1,640,114	39,473	-	96,487	1,776,074
Total revenue	42,278,044	7,766,630	-	18,557,007	68,601,681
<b>Expenditures</b>					
Current:					
General government	6,101,661	-	-	-	6,101,661
Public safety:					
Court systems	10,204,094	-	-	-	10,204,094
Sheriff and jail	14,802,503	-	-	-	14,802,503
Other public safety	1,489,127	-	-	6,857,252	8,346,379
Economic development	4,071,489	-	-	241,168	4,312,657
Health and welfare	2,290,823	7,051,997	-	11,788,516	21,131,336
Capital outlay	-	-	-	199,352	199,352
Principal on debt service	-	-	-	1,945,000	1,945,000
Interest on debt service	-	-	-	454,129	454,129
Total expenditures	38,959,697	7,051,997	-	21,485,417	67,497,111
<b>Excess of Revenue Over (Under)</b>					
<b>Expenditures</b>	3,318,347	714,633	-	(2,928,410)	1,104,570
<b>Other Financing Sources (Uses)</b>					
Operating transfers in (Note 6)	2,972,213	-	-	5,279,078	8,251,291
Operating transfers out (Note 6)	(3,659,888)	-	(2,905,570)	(336,224)	(6,901,682)
Total other financing (uses) sources	(687,675)	-	(2,905,570)	4,942,854	1,349,609
<b>Net Change in Fund Balances</b>	2,630,672	714,633	(2,905,570)	2,014,444	2,454,179
<b>Fund Balances - Beginning of year</b>	17,268,398	3,707,264	13,344,607	15,011,073	49,331,342
<b>Fund Balances - End of year</b>	<u>\$ 19,899,070</u>	<u>\$ 4,421,897</u>	<u>\$ 10,439,037</u>	<u>\$ 17,025,517</u>	<u>\$ 51,785,521</u>

# 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, 2009

**Net Change in Fund Balances - Total Governmental Funds** \$ 2,454,179

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	822,401
Depreciation	(2,669,826)

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)	2,105,701
---	-----------

Governmental funds report revenue when it is available; in the statement of activities, revenues are reported when they have been earned	(92,009)
--	----------

Increase in accumulated employee sick and vacation pay is recorded when earned in the statement of activities	(117,195)
---	-----------

Decrease in accrued interest payable is recorded on the statement of activities	1,111
---	-------

Increase in net self-insurance liability is recorded as an expense on the statement of activities	(493,660)
---	-----------

Internal Service Funds are also included as governmental activities	1,741,096
---	-----------

Decrease in delinquent personal property taxes is included in the statement of activities	4,126
---	-------

Decrease in net pension asset is recorded in the statement of activities	(68,666)
--	----------

Increase in OPEB asset is recorded in the statement of activities	597,561
---	---------

**Change in Net Assets of Governmental Activities** \$ 4,284,819

# 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	\$ 184,378	\$ 30,197,766	\$ 289,465
Tax receivable	-	19,697,085	-
Accounts receivable	28,236	4,123,604	46
Due from other governmental units	-	94,315	-
Due from other funds (Note 6)	-	46,497	-
Inventories	28,535	-	-
Prepaid costs and other assets	6,718	245,586	-
Total current assets	247,867	54,404,853	289,511
Noncurrent assets:			
Advances to other funds (Note 6)	-	2,297,736	-
Net OPEB asset (Note 13)	12,736	-	-
Capital assets (Note 5)	29,374,398	-	3,201,457
Total noncurrent assets	29,387,134	2,297,736	3,201,457
Total assets	29,635,001	56,702,589	3,490,968
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	32,783	15,411	32,537
Accrued and other liabilities	326,408	162,123	103,861
Due to other funds (Note 6)	30,000	65,476	-
Due to other governmental units	22,801	43,933	90,000
Current portion of long-term debt (Note 7)	-	15,000,000	100,000
Total current liabilities	411,992	15,286,943	326,398
Noncurrent liabilities:			
Advances from other funds (Note 6)	2,312,257	-	110,000
Long-term debt - Net of current portion (Note 7)	-	3,000,000	2,880,000
Total noncurrent liabilities	2,312,257	3,000,000	2,990,000
Total liabilities	2,724,249	18,286,943	3,316,398
<b>Net Assets</b>			
Investment in capital assets - Net of related debt	29,374,398	-	221,457
Unrestricted (deficit)	(2,463,646)	38,415,646	(46,887)
Total net assets	<u>\$ 26,910,752</u>	<u>\$ 38,415,646</u>	<u>\$ 174,570</u>

**Proprietary Funds  
Statement of Net Assets  
December 31, 2009**

Enterprise Funds			
Nonmajor Funds			
Livingston Essential Transportation Service	Building and Safety Fund	Total Enterprise Funds	Internal Service Funds
\$ 258,058	\$ 1,934,568	\$ 32,864,235	\$ 4,303,965
-	-	19,697,085	33,454
32,698	5,901	4,190,485	-
387,324	-	481,639	-
-	-	46,497	832
20,229	10,607	59,371	-
-	175	252,479	672,337
698,309	1,951,251	57,591,791	5,010,588
-	-	2,297,736	-
25,472	25,472	63,680	64,062
2,423,985	916	35,000,756	3,150,354
2,449,457	26,388	37,362,172	3,214,416
3,147,766	1,977,639	94,953,963	8,225,004
53,222	3,102	137,055	778,420
84,872	56,476	733,740	264,653
-	-	95,476	24,502
9,422	-	166,156	-
-	-	15,100,000	77,926
147,516	59,578	16,232,427	1,145,501
-	-	2,422,257	415,131
-	-	5,880,000	223,177
-	-	8,302,257	638,308
147,516	59,578	24,534,684	1,783,809
2,423,985	916	32,020,756	2,849,251
576,265	1,917,145	38,398,523	3,591,944
<b>\$ 3,000,250</b>	<b>\$ 1,918,061</b>	<b>\$ 70,419,279</b>	<b>\$ 6,441,195</b>

# Livingston County, Michigan

	Enterprise Funds		
	Major Funds		
	Airport Fund	Delinquent Tax Revolving Fund	Septage Receiving Station
<b>Operating Revenue</b>			
Charges for services	\$ 814,096	\$ 996,504	\$ 591,147
Penalties and interest	-	3,741,744	-
Other revenue	464	73,321	54,390
Total operating revenue	814,560	4,811,569	645,537
<b>Operating Expenses</b>			
Personnel	233,491	-	-
Operating expenses	451,172	-	7,489
Depreciation expense	414,673	-	162,599
Other expenses	-	442,619	261,395
Total operating expenses	1,099,336	442,619	431,483
<b>Operating (Loss) Income</b>	(284,776)	4,368,950	214,054
<b>Nonoperating Revenue (Expenses)</b>			
Interest earnings	429	262,076	198
Gain on sale of fixed assets	-	-	-
Federal and state operating subsidies	-	-	-
Interest expense	(83,126)	(197,433)	(123,464)
Total nonoperating (expenses) revenue	(82,697)	64,643	(123,266)
<b>(Loss) Income - Before transfers and contributions</b>	(367,473)	4,433,593	90,788
<b>Operating Transfers In (Note 6)</b>	-	-	-
<b>Operating Transfers Out (Note 6)</b>	-	(1,679,463)	-
<b>Net (Loss) Income - Before capital contributions</b>	(367,473)	2,754,130	90,788
<b>Capital Contributions</b>	404,195	-	-
<b>Change in Net Assets</b>	36,722	2,754,130	90,788
<b>Net Assets - January 1, 2009</b>	26,874,030	35,661,516	83,782
<b>Net Assets - December 31, 2009</b>	<b>\$ 26,910,752</b>	<b>\$ 38,415,646</b>	<b>\$ 174,570</b>

**Proprietary Funds**  
**Statement of Revenue, Expenses, and Changes in Net Assets**  
**Year Ended December 31, 2009**

Enterprise Funds			
Nonmajor Funds			
Livingston Essential Transportation Service	Building and Safety Fund	Total Enterprise Funds	Internal Service Funds
\$ 321,890	\$ 841,512	\$ 3,565,149	\$ 15,212,642
-	-	3,741,744	-
<u>102,240</u>	<u>-</u>	<u>230,415</u>	<u>-</u>
424,130	841,512	7,537,308	15,212,642
1,450,945	807,898	2,492,334	9,526,164
472,425	306,841	1,237,927	3,882,327
235,849	1,833	814,954	457,930
<u>251,679</u>	<u>-</u>	<u>955,693</u>	<u>-</u>
<u>2,410,898</u>	<u>1,116,572</u>	<u>5,500,908</u>	<u>13,866,421</u>
(1,986,768)	(275,060)	2,036,400	1,346,221
-	14,617	277,320	-
105	-	105	65,021
1,545,531	-	1,545,531	-
<u>-</u>	<u>-</u>	<u>(404,023)</u>	<u>-</u>
<u>1,545,636</u>	<u>14,617</u>	<u>1,418,933</u>	<u>65,021</u>
(441,132)	(260,443)	3,455,333	1,411,242
-	-	-	329,854
<u>-</u>	<u>-</u>	<u>(1,679,463)</u>	<u>-</u>
(441,132)	(260,443)	1,775,870	1,741,096
<u>416,832</u>	<u>-</u>	<u>821,027</u>	<u>-</u>
(24,300)	(260,443)	2,596,897	1,741,096
<u>3,024,550</u>	<u>2,178,504</u>	<u>67,822,382</u>	<u>4,700,099</u>
<b><u>\$ 3,000,250</u></b>	<b><u>\$ 1,918,061</u></b>	<b><u>\$ 70,419,279</u></b>	<b><u>\$ 6,441,195</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	\$ 808,924	\$ 23,332,617	\$ 645,537
Receipts from other funds	-	53,007	104,303
Settlement of delinquent taxes	-	(25,055,807)	-
Payments to suppliers	(417,115)	(394,433)	(267,949)
Payments to employees	(219,436)	-	-
Internal activity - Payments to other funds	(53,007)	(171,490)	-
Net cash provided by (used in) operating activities	119,366	(2,236,106)	481,891
<b>Cash Flows from Capital and Related Financing Activities</b>			
Capital contributions	-	-	-
Proceeds from issuance of debt	-	18,000,000	-
Proceeds from sale of assets	-	-	-
Purchase of capital assets	(106,785)	-	(163,556)
Interest and principal paid	(83,126)	(197,433)	(218,464)
Net cash (used in) provided by capital and related financing activities	(189,911)	17,802,567	(382,020)
<b>Cash Flows from Investing Activities</b> - Interest received on investments	429	262,076	198
<b>Cash Flows from Noncapital Financing Activities</b>			
Federal and state operating subsidies	-	-	-
Transfers out	-	(1,679,463)	-
Transfers in	-	-	-
Net cash (used in) provided by noncapital financing activities	-	(1,679,463)	-
<b>Net (Decrease) Increase in Cash and Cash Equivalents</b>	(70,116)	14,149,074	100,069
<b>Cash and Cash Equivalents</b> - Beginning of year	254,494	16,048,692	189,396
<b>Cash and Cash Equivalents</b> - End of year	<u>\$ 184,378</u>	<u>\$ 30,197,766</u>	<u>\$ 289,465</u>
<b>Reconciliation of Operating (Loss) Income to Net Cash from Operating Activities</b>			
Operating (loss) income	\$ (284,776)	\$ 4,368,950	\$ 214,054
Adjustments to reconcile operating (loss) income to net cash from operating activities:			
Depreciation and amortization	414,673	-	162,599
Changes in assets and liabilities:			
Accounts receivable	(5,636)	(1,170,359)	-
Delinquent tax receivables	-	(5,295,863)	-
Due from other funds	-	-	94,303
Due from other governmental units	-	(74,401)	-
Inventory	29,920	-	-
Other assets	(6,018)	(129,348)	108
Accounts payable	12,026	15,411	(82,034)
Long-term advance payable	(53,007)	53,007	10,000
Due to other funds	-	(171,490)	-
Due to other governmental units	(98)	5,864	-
Accrued and other liabilities	12,282	162,123	82,861
Net cash provided by (used in) operating activities	<u>\$ 119,366</u>	<u>\$ (2,236,106)</u>	<u>\$ 481,891</u>

**Noncash Financing Activities** - During the year ended December 31, 2009, various governmental entities contributed capital assets with a value of \$404,195 to the airport.

**Proprietary Funds  
Statement of Cash Flows  
Year Ended December 31, 2009**

Enterprise Funds			
Nonmajor Funds			
Livingston Essential Transportation Service	Building and Safety Fund	Total Enterprise Funds	Internal Service Funds
\$ 402,419	\$ 835,611	\$ 26,025,108	\$ -
-	-	157,310	15,326,023
-	-	(25,055,807)	-
(742,666)	(330,191)	(2,152,354)	(4,076,190)
(1,416,532)	(839,920)	(2,475,888)	(9,485,768)
-	-	(224,497)	-
(1,756,779)	(334,500)	(3,726,128)	1,764,065
347,831	-	347,831	-
-	-	18,000,000	356,854
105	-	105	65,021
-	-	(270,341)	(2,400,398)
-	-	(499,023)	(55,751)
347,936	-	17,578,572	(2,034,274)
-	14,617	277,320	-
1,545,531	-	1,545,531	-
-	-	(1,679,463)	-
-	-	-	329,854
1,545,531	-	(133,932)	329,854
136,688	(319,883)	13,995,832	59,645
121,370	2,254,451	18,868,403	4,244,320
<b>\$ 258,058</b>	<b>\$ 1,934,568</b>	<b>\$ 32,864,235</b>	<b>\$ 4,303,965</b>
\$ (1,986,768)	\$ (275,060)	\$ 2,036,400	\$ 1,346,221
235,849	1,833	814,954	457,930
(21,711)	(5,901)	(1,203,607)	(10,550)
-	-	(5,295,863)	-
-	-	94,303	(519)
-	-	(74,401)	-
(13,701)	2,379	18,598	-
(25,472)	(19,751)	(180,481)	(445,256)
29,958	(5,978)	(30,617)	183,492
-	-	10,000	184,417
-	-	(171,490)	(654)
9,422	-	15,188	-
15,644	(32,022)	240,888	48,984
<b>\$ (1,756,779)</b>	<b>\$ (334,500)</b>	<b>\$ (3,726,128)</b>	<b>\$ 1,764,065</b>

# Livingston County, Michigan

## Fiduciary Funds Statement of Net Assets December 31, 2009

	Other Employee Benefit Trust Fund	Agency Funds
<b>Assets</b>		
Cash	\$ -	\$ 2,981,095
Mutual funds	7,850,282	-
U.S. government securities	2,126,571	-
Accrued interest receivable	-	364
Total assets	9,976,853	<b><u>\$ 2,981,459</u></b>
<b>Liabilities</b>		
Due to other governmental units	-	\$ 1,286,291
Other liabilities	-	1,695,168
Total liabilities	-	<b><u>\$ 2,981,459</u></b>
 <b>Net Assets - Held in trust for employee benefits</b>	 <b>\$ 9,976,853</b>	

# Livingston County, Michigan

## Fiduciary Funds Statement of Changes in Net Assets Year Ended December 31, 2009

	Other Employee Benefit Trust Fund
<b>Additions</b>	
Investment income:	
Interest and dividends	\$ 120,324
Net decrease in fair value of investments	1,468,314
Less investment expenses	<u>(66,091)</u>
Net investment income	1,522,547
Contributions	<u>1,520,049</u>
Total additions	3,042,596
<b>Net Assets Held in Trust for Employee Benefits</b>	
Beginning of year	<u>6,934,257</u>
End of year	<u><u>\$ 9,976,853</u></u>

# Livingston County, Michigan

## Component Units Statement of Net Assets December 31, 2009

	Drain Commission	Department of Public Works	Road Commission	Livingston County Foundation	Total
<b>Assets</b>					
Cash and investments	\$ 3,200,895	\$ 1,022,361	\$ 3,063,443	\$ 285,964	\$ 7,572,663
Special assessments receivable	3,830,087	-	-	-	3,830,087
Leases receivable from local units	22,760,440	51,630,000	-	-	74,390,440
Due from other governmental units	1,128,014	23,799	1,989,091	-	3,140,904
Interest and other receivables	243,690	650,611	59,860	-	954,161
Inventories	-	-	1,143,215	-	1,143,215
Capital assets (Note 5)	3,886,445	41,476,039	122,083,694	-	167,446,178
<b>Total assets</b>	<b>35,049,571</b>	<b>94,802,810</b>	<b>128,339,303</b>	<b>285,964</b>	<b>258,477,648</b>
<b>Liabilities</b>					
Accounts payable	158,232	150,996	297,663	-	606,891
Retainages payable	-	45,809	-	-	45,809
Due to other governmental units	1,084,266	671,894	48,254	-	1,804,414
Other current liabilities	1,200,901	325,040	164,483	-	1,690,424
Long-term debt:					
Due within one year (Note 7)	2,817,177	3,349,256	1,589,663	-	7,756,096
Due in more than one year (Note 7)	22,579,308	48,376,286	512,397	-	71,467,991
Net OPEB obligation	-	-	899,306	-	899,306
<b>Total liabilities</b>	<b>27,839,884</b>	<b>52,919,281</b>	<b>3,511,766</b>	<b>-</b>	<b>84,270,931</b>
<b>Net Assets</b>					
Invested in capital assets - Net of related debt	3,886,445	41,476,039	120,418,855	-	165,781,339
Unrestricted	3,323,242	407,490	4,408,682	285,964	8,425,378
<b>Total net assets</b>	<b>\$ 7,209,687</b>	<b>\$ 41,883,529</b>	<b>\$ 124,827,537</b>	<b>\$ 285,964</b>	<b>\$ 174,206,717</b>

# Livingston County, Michigan

	Expenses	Program Revenues		
		Charges for Services	Operating Grants/Contributions	Capital Grants/Contributions
Drain Commission - Public works	\$ 2,174,163	\$ 2,496,080	\$ 1,063,173	\$ -
Department of Public Works - Public works	5,852,984	4,907,572	-	-
Road Commission - Public works	17,824,998	20,391	16,154,086	-
Livingston County Foundation - Recreation	<u>5,100</u>	<u>-</u>	<u>5,000</u>	<u>-</u>
Total governmental activities	<u>\$ 25,857,245</u>	<u>\$ 7,424,043</u>	<u>\$ 17,222,259</u>	<u>\$ -</u>

General revenues:

- Loss on disposition of fixed assets
- Miscellaneous
- Interest

**Change in Net Assets**

**Net Assets** - Beginning of year

**Net Assets** - End of year

**Component Units  
Statement of Activities  
Year Ended December 31, 2009**

Net Revenue (Expense) and Changes in Net Assets

Drain Commission	Department of Public Works	Road Commission	Livingston County Foundation	Total
\$ 1,385,090	\$ -	\$ -	\$ -	\$ 1,385,090
-	(945,412)	-	-	(945,412)
-	-	(1,650,521)	-	(1,650,521)
-	-	-	(100)	(100)
1,385,090	(945,412)	(1,650,521)	(100)	(1,210,943)
-	-	(191)	-	(191)
-	-	1,108,381	(15,522)	1,092,859
<u>22,854</u>	<u>7,239</u>	<u>23,574</u>	<u>1,322</u>	<u>54,989</u>
1,407,944	(938,173)	(518,757)	(14,300)	(63,286)
<u>5,801,743</u>	<u>42,821,702</u>	<u>125,346,294</u>	<u>300,264</u>	<u>174,270,003</u>
<b><u>\$ 7,209,687</u></b>	<b><u>\$ 41,883,529</u></b>	<b><u>\$ 124,827,537</u></b>	<b><u>\$ 285,964</u></b>	<b><u>\$ 174,206,717</u></b>

# Livingston County, Michigan

---

## Notes to Financial Statements December 31, 2009

### 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 2004 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, childcare services, family counseling, Friend of the Court, the 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 jail expansion, 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 is 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 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 2008 taxable valuation of the County totaled \$8.83 billion, on which ad valorem taxes levied December 1, 2008 consisted of 0.2799 mills for ambulance operating purposes and 0.2146 mills for HCMA. On July 1, 2009, the general operating millage for the 2009 fiscal year, or 3.3897 mills, was levied on the 2009 taxable valuation of \$8.57 billion for general operating purposes. The ad valorem taxes raised were approximately \$29.1 million for general operations, \$2.5 million for ambulance operations, and \$1.9 million for HCMA. 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)**

**Pension and Other Postemployment Benefit Costs** - The County offers both pension and retiree healthcare benefits to retirees. The County receives an actuarial valuation to compute the annual required contribution (ARC) necessary to fund the obligation over the remaining amortization period. In the governmental funds, pension and OPEB costs are recognized as contributions are made. For the government-wide statements and proprietary funds, the County reports the full accrual cost equal to the current year required contribution, adjusted for interest and “adjustment to the ARC” on the beginning of year underpaid amount, if any.

**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 as reductions 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.

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

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.
- Proactive measures were taken by all general departments, creating another surplus in 2009 to buffer the reduction in future years' revenues.
- The hiring freeze that was implemented in July 2008 continued through 2009; departments are now working together to share personnel; a cash incentive was offered and accepted by several employees eligible to retire for the second straight year, reducing costs; and the Delinquent Property Tax

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.

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).

# Livingston County, Michigan

## Notes to Financial Statements December 31, 2009

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

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, 2009, the Airport Enterprise Fund had total net assets of \$26,910,752. The investment in capital assets, net of related debt, totaled \$29,374,398 at year end. Offsetting the investment in capital assets, net of related debt, is an unrestricted net asset deficit balance of \$2,463,646.

At December 31, 2009, the Septage Receiving Station Enterprise Fund had total net assets of \$174,570. The investment in capital assets, net of related debt, totaled \$221,457 at year end. Offsetting the investment in capital assets, net of related debt, is an unrestricted net asset deficit balance of \$46,887.

At December 31, 2009, the Information Technology Internal Service Fund had total net assets of \$1,473,497. The investment in capital assets, net of related debt, totaled \$2,247,292 at year end. Offsetting the investment in capital assets, net of related debt, is an unrestricted net asset deficit balance of \$773,795.

**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 - Appellate Court	\$ 55,000	\$ 63,898
General Fund - Drug enforcement	-	10,062
General Fund - Equalization	645,677	683,903
General Fund - County administration	617,112	637,325
General Fund - County treasurer	967,145	988,158

## **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.

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 \$49,249,029, of which \$25,633,161 was covered by federal depository insurance and \$23,615,867 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.

# Livingston County, Michigan

## Notes to Financial Statements December 31, 2009

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

**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		
		1 Year	1-5 Years	5-10 Years
Fannie Mae	\$ 987,411	\$ 987,411	\$ -	\$ -
Fowlerville Downtown Development Bond	450,000	-	-	450,000

#### Fiduciary Funds

Type of Investment	Fair Value	Less than	
		1 Year	
Other Employee Benefits Trust Fund - Mutual funds	\$ 7,850,282	\$ 7,850,282	
Federal Home Loan Bank	1,349,865	1,349,865	
Federal Home Loan Mortgage Corp.	776,706	776,706	

**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
Fannie Mae	\$ 987,411	AAA	S&P
Fowlerville Downtown Development Bond	450,000	NR	N/A
Money market	10,127,701	A-1+	S&P
Money market	29,170,065	NR	N/A

# Livingston County, Michigan

## Notes to Financial Statements December 31, 2009

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

The following investments are not under the County's investment policy as they are maintained within fiduciary funds and are subject to different state regulations:

#### Fiduciary Funds

Investment	Fair Value	Rating	Rating Organization
Other Employee Benefits Trust Fund - Mutual funds	\$ 7,850,282	NR	N/A
Federal Home Loan Bank	1,349,865	NR	N/A
Federal Home Loan Bank	776,706	AAA	S&P

**Concentration of Credit Risk** - The County's investment policy requires that 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
Fannie Mae	\$ 987,411

The following investments are not under the County's investment policy as they are maintained within fiduciary funds and are subject to different state regulations:

#### Fiduciary Funds

Investment	Fair Value
Federal Home Loan Bank	\$ 1,349,865
Federal Home Loan Bank	776,706

# Livingston County, Michigan

## Notes to Financial Statements December 31, 2009

### 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	\$ -	\$ 5,335,320	\$ 5,335,320
Grant revenue	<u>37,882</u>	<u>-</u>	<u>37,882</u>
Total	<u>\$ 37,882</u>	<u>\$ 5,335,320</u>	<u>\$ 5,373,202</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, 2009	Additions	Disposals and Reclassifications	Balance December 31, 2009
<b>Governmental Activities</b>				
Capital assets not being depreciated:				
Land	\$ 8,897,165	\$ 97,140	\$ -	\$ 8,994,305
Construction in progress	<u>465,843</u>	<u>1,665,472</u>	<u>(438,450)</u>	<u>1,692,865</u>
Subtotal	9,363,008	1,762,612	(438,450)	10,687,170
Capital assets being depreciated:				
Buildings	55,440,540	23,714	-	55,464,254
Improvements other than building	2,040,466	19,183	-	2,059,649
Equipment and furniture	19,179,644	879,406	430,038	20,489,088
Vehicles	<u>4,095,728</u>	<u>537,884</u>	<u>(369,150)</u>	<u>4,264,462</u>
Subtotal	80,756,378	1,460,187	60,888	82,277,453
Accumulated depreciation:				
Buildings	14,855,464	1,112,857	-	15,968,321
Improvements other than building	1,828,265	58,883	-	1,887,148
Equipment and furniture	14,239,316	1,327,448	-	15,566,764
Vehicles	<u>2,666,480</u>	<u>628,568</u>	<u>(377,562)</u>	<u>2,917,486</u>
Subtotal	<u>33,589,525</u>	<u>3,127,756</u>	<u>(377,562)</u>	<u>36,339,719</u>
Net capital assets being depreciated	<u>47,166,853</u>	<u>(1,667,569)</u>	<u>438,450</u>	<u>45,937,734</u>
Net capital assets	<u>\$ 56,529,861</u>	<u>\$ 95,043</u>	<u>\$ -</u>	<u>\$ 56,624,904</u>

# Livingston County, Michigan

## Notes to Financial Statements December 31, 2009

### Note 5 - Capital Assets (Continued)

<b>Business-type Activities</b>	Balance January 1, 2009	Additions	Disposals and Adjustments	Balance December 31, 2009
Capital assets not being depreciated:				
Land	\$ 11,117,998	\$ 127,322	\$ -	\$ 11,245,320
Construction in progress	40,760	138,829	(1,385)	178,204
Subtotal	11,158,758	266,151	(1,385)	11,423,524
Capital assets being depreciated:				
Buildings	6,009,389	-	-	6,009,389
Improvements other than buildings	18,562,597	73,806	-	18,636,403
Vehicles	1,672,877	-	(78,591)	1,594,286
Machinery and equipment	1,330,268	335,964	-	1,666,232
Subtotal	27,575,131	409,770	(78,591)	27,906,310
Accumulated depreciation:				
Buildings	1,195,654	135,932	-	1,331,586
Improvements other than buildings	967,746	358,498	-	1,326,244
Vehicles	969,140	181,308	(78,591)	1,071,857
Machinery and equipment	460,175	139,216	-	599,391
Subtotal	3,592,715	814,954	(78,591)	4,329,078
Net capital assets being depreciated	23,982,416	(405,184)	-	23,577,232
Net capital assets	<u>\$ 35,141,174</u>	<u>\$ (139,033)</u>	<u>\$ (1,385)</u>	<u>\$ 35,000,756</u>

# Livingston County, Michigan

## Notes to Financial Statements December 31, 2009

### Note 5 - Capital Assets (Continued)

<u>Component Units</u>	Balance January 1, 2009	Additions	Disposals and Adjustments	Balance December 31, 2009
Capital assets not being depreciated:				
Land	\$ 26,022,316	\$ 237,011	\$ -	\$ 26,259,327
Construction in progress	<u>22,235,511</u>	<u>-</u>	<u>(22,235,511)</u>	<u>-</u>
Subtotal	48,257,827	237,011	(22,235,511)	26,259,327
Capital assets being depreciated:				
Land improvements	159,393	-	-	159,393
Buildings and improvements	8,064,006	5,817,200	(1,055,583)	12,825,623
Drains and septic systems	7,613,690	18,426,126	-	26,039,816
Machinery, equipment, and vehicles	10,952,819	797,132	(42,538)	11,707,413
Infrastructure - Roads and bridges	170,760,481	5,783,197	-	176,543,678
Drainage flow rights	16,277,420	200,000	-	16,477,420
Depletable assets	<u>488,543</u>	<u>-</u>	<u>-</u>	<u>488,543</u>
Subtotal	214,316,352	31,023,655	(1,098,121)	244,241,886
Accumulated depreciation:				
Land improvements	133,072	-	-	133,072
Buildings and improvements	2,646,075	329,176	(52,779)	2,922,472
Drains and septic systems	2,153,666	686,063	-	2,839,729
Machinery, equipment, and vehicles	8,675,841	793,014	(42,347)	9,426,508
Infrastructure - Roads and bridges	79,881,435	6,992,615	-	86,874,050
Drainage flow rights	575,464	164,755	-	740,219
Depletable assets	<u>118,985</u>	<u>-</u>	<u>-</u>	<u>118,985</u>
Subtotal	<u>94,184,538</u>	<u>8,965,623</u>	<u>(95,126)</u>	<u>103,055,035</u>
Net capital assets being depreciated	<u>120,131,814</u>	<u>22,058,032</u>	<u>(1,002,995)</u>	<u>141,186,851</u>
Net capital assets	<u>\$ 168,389,641</u>	<u>\$ 22,295,043</u>	<u>\$ (23,238,506)</u>	<u>\$ 167,446,178</u>

# Livingston County, Michigan

## Notes to Financial Statements December 31, 2009

### 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	\$ 791,614
Public safety	1,222,180
Health and welfare	519,070
Community and economic development	5,285
Public works	131,677
Internal Service Funds	<u>457,930</u>
Total governmental activities	<u>\$ 3,127,756</u>
Business-type activities:	
Building and safety	\$ 1,833
Airport	414,673
Septage receiving station	162,599
L.E.T.S.	<u>235,849</u>
Total business-type activities	<u>\$ 814,954</u>

#### Component Units

Component unit activities:	
Drain Commission districts	\$ 348,308
Department of Public Works	814,114
Road Commission	<u>7,803,201</u>
Total component unit activities	<u>\$ 8,965,623</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 these properties as capital assets and exercises control over the use of the properties, within the stipulations of the trust documents. The trust documents explicitly limit the uses of the properties to park or conference center purposes. The properties cannot be sold, split, or subdivided. If the County violates the specified uses for these properties, the assets will revert back to the trusts.

# Livingston County, Michigan

## Notes to Financial Statements December 31, 2009

### 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	24,502
	Delinquent Tax Revolving Fund	65,476
	Nonmajor governmental funds	18,306
	Total General Fund	138,284
Ambulance Fund	Nonmajor governmental funds	1,540
Delinquent Tax Revolving Fund	General Fund	42,884
	Ambulance Fund	3,613
	Total Delinquent Tax Revolving Fund	46,497
Nonmajor governmental funds	General Fund	425
Internal Service Fund	Nonmajor governmental funds	832
	Total	\$ 187,578

Interfund balances represent routine and temporary cash flow assistance.

Fund Transferred From	Fund Transferred To	Amount
<b>Interfund Transfers</b>		
General Fund	Nonmajor governmental funds	\$ 3,659,888
Revenue Sharing Reserve Fund	General Fund	2,905,570
Nonmajor governmental funds	General Fund	1,167
	Internal Service Funds	329,854
	Nonmajor governmental fund	5,203
	Total nonmajor governmental funds	336,224
	Total operating transfers out from governmental funds	6,901,682
Delinquent Tax Revolving Fund	General Fund	65,476
	Nonmajor governmental funds	1,613,987
	Total Delinquent Tax Revolving Fund	1,679,463
	Total operating transfers out	\$ 8,581,145

# Livingston County, Michigan

## Notes to Financial Statements December 31, 2009

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

Transfers from the General Fund to the 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 Delinquent Tax Revolving Fund to the General Fund. The transfers from the Delinquent Tax Revolving Fund to the nonmajor governmental funds provide for debt payments and capital improvements.

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>110,000</u>
	Total General Fund	486,979
Delinquent Tax Revolving Fund	Airport Fund	2,297,736
Nonmajor governmental funds	Internal Service Funds	<u>415,131</u>
	Total advances	<u>\$ 3,199,846</u>

### 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.

# Livingston County, Michigan

## Notes to Financial Statements December 31, 2009

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

Long-term obligation activity can be summarized as follows:

<u>Primary Government</u>	Matures	Interest Rate	Beginning Balance	Additions	Reductions/ Adjustments	Ending Balance	Due Within One Year
<b>Governmental Activities</b>							
General obligation bonds:							
1999 Building Authority - Mental health bonds	2010	4.30%-4.50%	\$ 195,000	\$ -	\$ (95,000)	\$ 100,000	\$ 100,000
2000 Building Authority - Building improvement projects	2010	5.25%	1,550,000	-	(755,000)	795,000	795,000
2001 Building Authority - Road Commission refunding bonds	2010	4.50%	1,110,000	-	(545,000)	565,000	565,000
2002 Capital improvement bonds	2012	3.875%-4.00%	2,225,000	-	(520,000)	1,705,000	545,000
2005 Mental health refunding bonds	2024	3.50%-5.00%	2,140,000	-	(10,000)	2,130,000	10,000
2005 Building Authority - Mental health refunding bonds	2014	3.25%-5.00%	3,685,000	-	(20,000)	3,665,000	20,000
Subtotal			10,905,000	-	(1,945,000)	8,960,000	2,035,000
Notes payable - Information technology - Cisco			-	356,854	(55,751)	301,103	77,926
Other obligations:							
Drain at-large assessments			392,727	-	(69,201)	323,526	69,107
Landfill postclosure liability			1,098,000	-	(91,500)	1,006,500	91,500
Employee compensated absences			2,110,573	122,525	-	2,233,098	564,870
Total governmental activities			\$ 14,506,300	\$ 479,379	\$ (2,161,452)	\$ 12,824,227	\$ 2,838,403
<b>Business-type Activities</b>							
Regional Waste (Septage Receiving Station)	2028	4.00%-4.25%	\$ 3,075,000	\$ -	\$ (95,000)	\$ 2,980,000	\$ 100,000
Tax notes - 2009	2011	2.5%	-	18,000,000	-	18,000,000	15,000,000
Total business-type activities			\$ 3,075,000	\$ 18,000,000	\$ (95,000)	\$ 20,980,000	\$ 15,100,000
<b>Component Units</b>							
<b>Component Unit Debt</b>							
Drain Commission districts	2010-2026	2.00%-7.25%	\$ 28,552,186	\$ 180,000	\$ (3,335,701)	\$ 25,396,485	\$ 2,817,177
Department of Public Works	2010-2030	3.10%-10.25%	55,130,000	100,000	(3,504,458)	51,725,542	3,349,256
Road Commission	2010-2012	3.20%-8.08%	3,026,593	22,456	(946,989)	2,102,060	1,589,663
Total component unit debt			\$ 86,708,779	\$ 302,456	\$ (7,787,148)	\$ 79,224,087	\$ 7,756,096

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
2010	\$ 2,112,926	\$ 401,784	\$ 2,514,710	\$ 15,100,000	\$ 345,198	\$ 15,445,198	\$ 7,756,096	\$ 3,196,888	\$ 10,952,984
2011	1,627,240	303,058	1,930,298	3,105,000	191,098	3,296,098	6,610,653	2,965,227	9,575,880
2012	1,686,792	236,705	1,923,497	110,000	111,798	221,798	6,083,572	2,717,132	8,800,704
2013	1,106,057	158,413	1,264,470	115,000	107,298	222,298	5,961,750	2,472,647	8,434,397
2014	1,098,088	114,416	1,212,504	120,000	102,598	222,598	5,986,576	2,224,360	8,210,936
2015-2019	740,000	282,206	1,022,206	690,000	434,588	1,124,588	25,425,440	7,641,006	33,066,446
2020-2024	890,000	117,884	1,007,884	875,000	277,735	1,152,735	15,470,000	2,897,665	18,367,665
2025-2029	-	-	-	865,000	75,969	940,969	5,455,000	617,788	6,072,788
2030	-	-	-	-	-	-	475,000	21,375	496,375
Total	\$ 9,261,103	\$ 1,614,466	\$ 10,875,569	\$ 20,980,000	\$ 1,646,282	\$ 22,626,282	\$ 79,224,087	\$ 24,754,088	\$ 103,978,175

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

**Landfill Postclosure Liability** - In February 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.

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.

**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, 2009, approximately \$17.5 million of bonds outstanding are considered defeased.

# Livingston County, Michigan

## Notes to Financial Statements December 31, 2009

### 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, 2009 is \$101,876,113, with annual requirements ranging from \$9,363,322 in 2010 to \$496,375 in the final year. The local unit contributions from which the appropriations will be made have averaged approximately \$14.6 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 \$10,304,338 and \$10,223,821, respectively.

### Note 9 - Restricted Net Assets

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

	Governmental Activities
Health and welfare expense	\$ 5,200,803
Public safety expense	4,728,507
Community and economic development expense	1,773,698
Revenue-sharing reserve	<u>10,439,037</u>
Total restricted net assets	<u>\$ 22,142,045</u>

# Livingston County, Michigan

## Notes to Financial Statements December 31, 2009

### 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	110,000	-
Correction funds	-	1,000,000
Prepaid costs and other assets	<u>241,152</u>	<u>-</u>
Total General Fund	728,131	1,000,000
Special Revenue Fund - Reserved for:		
Lutz County Park	32,484	-
Fillmore Estate County Park	19,159	-
911 Service Fund prepaid items	<u>23,880</u>	<u>-</u>
Total Special Revenue Funds	75,523	-
Debt Service Funds - Reserved for debt service	13,730	-
Capital Projects Funds - Reserved for:		
Jail expansion	-	1,643,455
Ambulance facility - Genoa	-	372,118
Administration building renovations	-	29,024
Advance - Information Technology Fund	415,131	-
Capital replacement	-	4,189,529
West Complex construction grant	<u>-</u>	<u>15,635</u>
Total Capital Projects Funds	415,131	6,249,761
Permanent Fund - Reserved for cemetery care	<u>26,385</u>	<u>-</u>
Total	<u>\$ 1,258,900</u>	<u>\$ 7,249,761</u>

# Livingston County, Michigan

## Notes to Financial Statements December 31, 2009

### 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.

At December 31, 2009, the County's Member Retention Fund with the Authority includes approximately \$31,000 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 two fiscal years are as follows:

	2009	2008
<b>Unpaid Claims - Beginning of year</b>	\$ 311,622	\$ 260,992
Incurred claims (including claims incurred but not reported)	1,319,849	298,343
Claim payments	<u>(837,987)</u>	<u>(247,713)</u>
<b>Unpaid Claims - End of year</b>	<u>\$ 793,484</u>	<u>\$ 311,622</u>

In addition to the claims paid, the County incurred an additional \$991,083 for insurance expense for the year ended December 31, 2009.

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.

MERS issues a publicly available financial report that includes financial statements and required supplemental 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.

During the year ended December 31, 2009, the County started a new hybrid pension plan for non-union employees hired after August 1, 2009. Existing non-union employees were given the option to remain in the defined benefit plan or to move into the hybrid plan effective February 1, 2010. The hybrid plan consists of a defined benefit component and a defined contribution component. Under the defined benefit component, the multiplier is 1.25 percent and there is a six-year vesting requirement. For existing employees who transferred into the hybrid plan, their prior years of eligible service were transferred from the defined benefit plan to the hybrid plan. Under the defined contribution component, participants are required to contribute at least 1 percent, but no more than 3 percent, of eligible wages to the plan. The County will match dollar-for-dollar all participant contributions of 2 percent or 3 percent. The County does not match any participant contributions below 2 percent. Participants are 100 percent vested in the employer match upon participation in the plan.

**Annual Pension Costs** - For the year ended December 31, 2009, the County's annual pension cost was \$3,800,458 for the plan. The required and actual contribution to the plan was \$3,731,792. The annual required contribution was determined as part of an actuarial valuation at December 31, 2008 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.

# Livingston County, Michigan

## Notes to Financial Statements December 31, 2009

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

The unfunded actuarial liability is being amortized as a level percentage of payroll on a closed basis over a period of 28 years and 10 years for negative unfunded accrued liabilities.

For the year ended December 31, 2009, the County's annual pension cost and net pension asset are as follows:

Annual required contribution	\$ 3,731,792
Interest on net pension asset	(133,018)
Adjustment to annual required contribution	<u>201,684</u>
Annual pension cost	3,800,458
Contributions	<u>(3,731,792)</u>
Decrease in net pension asset	68,666
Net pension asset - Beginning of year	<u>1,662,734</u>
Net pension asset - End of year	<u><u>\$ 1,594,068</u></u>

### 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
2007	\$ 3,078,134	100%	\$ 3,137,004	98%	\$ 1,726,314
2008	3,371,405	100%	3,434,985	98%	1,662,734
2009	3,731,792	100%	3,800,457	98%	1,594,069

### 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
12/31/2006	\$ 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%
12/31/2008	65,652,819	90,053,214	24,400,395	73%	25,117,925	97%

### 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 the following 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 non-union 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 his or her spouse or one beneficiary (depending on the employee group). Currently, the plan has 335 members, including employees in active service, retired employees not yet receiving benefits, and retired employees and their spouses or beneficiaries currently receiving benefits.

This is a single employer defined benefit plan administered by the County. The benefits are provided by County resolution and 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 non-union 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%

Beginning January 1, 2009, members and their spouses or beneficiaries 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.

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

Also beginning 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) is 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.

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 Postemployment Health Care Trust (the “Trust”) and annually contributes the actuarial determined annual required contribution (ARC). The Postemployment Health Care Trust is reported in the financial statements as a fiduciary fund type.

During 2009, the County amended the plan and closed participation to all non-union employees hired on or after November 1, 2009. The County also amended the plan during 2009 to change the eligibility requirements for participating in the plan. Under the amended plan, effective February 28, 2010, new non-union participants are not eligible to participate in the plan, except for non-union employees hired on or before March 17, 2003, who are eligible to participate in the plan and who will have satisfied the age and service requirements for a normal or reduced retirement benefit retirement as of February 28, 2010. Actual retirement is not required. The participants who will not meet the requirements by February 28, 2010 will be automatically transferred into the Retiree Health Savings Plan and will receive an employer contribution to the Health Savings Plan based on years of service. The participants who meet the requirements will be given the opportunity to make a one-time irrevocable “opt-out” decision to participate in the Health Savings Plan. Those participants who choose to opt-out of the Health Care Plan will also receive an employer contribution to the Health Savings Plan based on years of service. Eligible employees who choose to remain in the Health Care Plan will no longer accrue service or seniority toward their share of the cost of healthcare benefits effective February 28, 2010.

The County has requested a supplemental actuarial valuation to be completed reflecting the plan changes noted above. This report is expected to be completed during the month of July 2010. The changes will move all but a small handful of non-union employees out of the plan. Once that happens, the County projects that the portion of the plan for non-union employees will be close to fully funded. Therefore, the remaining plan will be comprised mostly of union employees, whose schedule of funding progress is broken out on the following page as of December 31, 2008.

# Livingston County, Michigan

## Notes to Financial Statements December 31, 2009

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

**Funding Progress** - For the year ended December 31, 2009, 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	\$ 1,520,049
Interest on the prior year's net OPEB asset	<u>(18,364)</u>
Annual OPEB cost	1,501,685
Amounts contributed:	
Payments of current premiums	706,939
Contributions	<u>1,520,049</u>
Total contributions	<u>2,226,988</u>
Increase in net OPEB asset	725,303
OPEB asset - Beginning of year	<u>548,295</u>
OPEB asset - End of year	<u><u>\$ 1,273,598</u></u>

The County's annual OPEB costs, the percentage of annual OPEB cost contributed to the plan, and the net OPEB assets as of December 31, 2009 and 2008 were as follows:

	<u>2009</u>	<u>2008</u>
Annual OPEB costs	\$ 1,501,685	\$ 1,934,425
Percentage contributed	148%	128%
Net OPEB assets	\$ 1,273,598	\$ 548,295

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

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

	Valuation as of December 31		
	2008		2006
	Union	Non-Union	Total
Present value of future benefit payments	\$ 25,114,718	\$ 9,428,793	\$ 31,010,338
Actuarial value of assets	\$ 3,789,318	\$ 4,631,389	\$ 5,129,503
Actuarial accrued liability (AAL)	\$ 19,100,437	\$ 8,302,988	\$ 24,554,395
Unfunded AAL (UAAL)	\$ 15,311,119	\$ 3,671,599	\$ 19,424,892
Funded ratio	20%	56%	21%
Annual covered payroll	\$ 6,002,319	\$ 3,644,592	\$ 9,591,110
Ratio of UAAL to covered payroll	255%	101%	203%

**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 and the available multiyear trend information 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, 2008 actuarial valuation, the individual entry age actuarial cost method was used. The actuarial assumptions included a 7.0 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 seven-year period. The UAAL is being amortized as a level dollar amount for non-union participants and as a level percent of active member payroll for all other participants. The remaining amortization period at December 31, 2008 was 28 years.

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

**Livingston County Retiree Health Savings Plan** - The Livingston 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 nonrevocable 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 prior to December 2009. Effective December 2009, MERS became the plan administrator. Union court employees are allowed to participate in the plan effective January 1, 2009.

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 his or her 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: for non-union employees - first five years of service with the County - up to \$591 per year (prorated); beginning with the sixth year of service with the County until termination of participation - up to \$1,773 per year (prorated). For union court employees - first five years of service with the County - up to \$350 per year (prorated); beginning with the sixth year of service with the County until termination - up to \$1,000 per year (prorated). Adjustments may be made annually consistent with the non-union salary schedule adjustment. The employer contribution shall be distributed over a 12-month period.

During 2009, the County amended the plan and closed participation to all non-union employees hired on or after November 1, 2009.

For those employees participating in the defined contribution Retiree Health Care Savings Plan, the County contributed \$334,312 during the year ended December 31, 2009.

### **Note 14 - Subsequent Events**

Effective January 1, 2010, the County amended its defined benefit plan (described in Note 10) to require eligible non-union employees working 21 hours or more to contribute 5 percent of their wages to the plan. The participants are 100 percent vested in these contributions at all times. However, if these contributed funds are withdrawn prior to retirement, the participants forfeit all service credit with MERs and their right to all pension benefits.

### **Note 15 - Upcoming Accounting Pronouncements**

In June 2007, the GASB issued Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, effective for the County's 2010 fiscal year end. This statement requires capitalization of identifiable intangible assets in the statement of net assets and provides guidance for amortization of intangible assets unless they are considered to have an indefinite useful life. This statement also establishes specified conditions upon which internally generated intangible assets should be recognized and amortized, including internally generated computer software. The County is currently evaluating the impact this standard will have on the financial statements when adopted.

In March 2009, the GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund-type Definitions*. The objective of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund-type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Under this standard, the fund balance classifications of reserved, designated, and unreserved will be replaced with five new classifications: nonspendable, restricted, committed, assigned, and unassigned. The County is currently evaluating the impact this standard will have on the financial statements when adopted. The County will implement GASB Statement No. 54 beginning with the fiscal year ending December 31, 2011.

## **Required Supplemental Information**

---

# Livingston County, Michigan

## Required Supplemental Information Budgetary Comparison Schedule - General Fund Year Ended December 31, 2009

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
<b>Revenue</b>				
<b>Taxes</b>				
Property taxes	\$ 27,925,650	\$ 27,925,650	\$ 28,478,259	\$ 552,609
Mobile home taxes	16,000	16,000	18,058	2,058
Industrial facilities taxes	225,000	225,000	203,065	(21,935)
Penalties and interest	151,000	151,000	196,126	45,126
Total taxes	28,317,650	28,317,650	28,895,508	577,858
<b>Licenses and Permits</b>	262,950	262,950	234,090	(28,860)
<b>Federal Grants</b>				
Family support grant	157,765	157,765	109,445	(48,320)
Emergency services	280,000	280,000	2,158	(277,842)
Other federal grants	219,000	459,072	499,456	40,384
Total federal grants	656,765	896,837	611,059	(285,778)
<b>State Sources</b>				
Court-related grants	483,539	491,239	442,369	(48,870)
Public safety grants	243,793	217,357	225,897	8,540
Alcohol and convention tax	890,576	890,576	850,441	(40,135)
Cigarette tax distribution	14,590	14,590	11,494	(3,096)
Liquor licenses	12,000	12,000	11,514	(486)
Other state grants	159,680	157,539	167,956	10,417
Total state sources	1,804,178	1,783,301	1,709,671	(73,630)

# Livingston County, Michigan

## Required Supplemental Information Budgetary Comparison Schedule - General Fund (Continued) Year Ended December 31, 2009

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
<b>Revenue</b> (Continued)				
<b>Contributions from Local Units</b>	\$ 1,089,748	\$ 1,075,578	\$ 1,089,303	\$ 13,725
<b>Charges for Services</b>				
Court-related charges	4,311,611	4,350,716	4,747,484	396,768
Sheriff service contracts	378,932	424,432	420,793	(3,639)
Jail services	205,500	314,800	329,664	14,864
Plat, site, and construction reviews	31,100	31,100	8,488	(22,612)
Equalization services	68,100	68,100	62,605	(5,495)
Register of Deeds	725,100	725,100	719,370	(5,730)
Real estate transfer tax	705,000	705,000	613,729	(91,271)
Other charges for services	254,450	215,750	245,061	29,311
Total charges for services	6,679,793	6,834,998	7,147,194	312,196
<b>Fines and Forfeitures</b>	453,400	453,600	624,719	171,119
<b>Interest - Interest and investments</b>	940,000	690,000	326,386	(363,614)
<b>Other Revenue</b>				
Refunds	216,200	216,200	233,619	17,419
Donations	4,500	7,500	9,461	1,961
Reimbursements of clerk's office costs	35,000	35,000	65,814	30,814
Reimbursements of court-related costs	321,500	321,500	286,045	(35,455)
Reimbursements from other funds	444,436	444,436	588,509	144,073
Reimbursements of public safety costs	368,700	448,300	432,011	(16,289)
Reimbursements of treasurer's office costs	14,032	21,532	24,583	3,051
Proceeds of sale of assets	150	150	72	(78)
Operating transfers in	3,067,570	2,905,570	2,972,213	66,643
Total other revenue	4,472,088	4,400,188	4,612,327	212,139
Total revenue	44,676,572	44,715,102	45,250,257	535,155

# Livingston County, Michigan

## Required Supplemental Information Budgetary Comparison Schedule - General Fund (Continued) Year Ended December 31, 2009

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
<b>Expenditures</b>				
Public safety:				
Court systems:				
Circuit Court	\$ 1,490,431	\$ 1,566,593	\$ 1,487,305	\$ 79,288
District Court	2,303,825	2,313,372	2,284,299	29,073
Probate Court	725,858	667,774	651,429	16,345
Juvenile Court	1,188,355	1,195,415	1,025,848	169,567
Guardianship services	50,000	50,000	46,684	3,316
Circuit Court probation	67,487	67,487	66,895	592
Appellate Court	52,000	55,000	63,898	(8,898)
Court security	223,868	223,868	212,066	11,802
Central services - Judicial center	2,463,425	2,473,229	2,327,449	145,780
Prosecuting attorney	2,011,718	2,072,201	2,038,221	33,980
Total court systems	10,576,967	10,684,939	10,204,094	480,845
Sheriff and jail:				
Road Patrol and Detective Bureau	8,161,279	7,818,582	7,670,170	148,412
Traffic	223,836	228,830	227,172	1,658
Jail	6,549,271	6,945,118	6,805,537	139,581
Marine	74,140	61,973	44,869	17,104
Drug enforcement - ARRA Byrne Grant	-	-	10,062	(10,062)
Michigan Safe Communities	69,000	44,456	44,693	(237)
Total sheriff and jail	15,077,526	15,098,959	14,802,503	296,456
Other public safety:				
Family support	236,885	242,610	236,941	5,669
Emergency services	295,300	295,300	11,471	283,829
Animal shelter	565,837	575,787	532,898	42,889
Health department	455,410	455,410	456,860	(1,450)
Medical examiner	178,907	248,848	250,957	(2,109)
Total other public safety	1,732,339	1,817,955	1,489,127	328,828
Total public safety	27,386,832	27,601,853	26,495,724	1,106,129

# Livingston County, Michigan

## Required Supplemental Information Budgetary Comparison Schedule - General Fund (Continued) Year Ended December 31, 2009

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
<b>Expenditures</b> (Continued)				
Economic development:				
Equalization	\$ 631,324	\$ 645,677	\$ 683,903	\$ (38,226)
Register of Deeds	786,571	805,990	771,111	34,879
Plat Board	1,260	1,260	805	455
Drain Commission	1,953,686	2,005,909	1,902,747	103,162
County share of drain costs	218,742	218,742	218,742	-
Planning	360,956	370,881	368,929	1,952
Solid waste/DPW/Landfill	121,684	123,975	125,252	(1,277)
Transfer to capital improvement	667,500	667,500	667,500	-
Total economic development	4,741,723	4,839,934	4,738,989	100,945
Human services:				
MSU co-op extension	293,991	279,232	265,038	14,194
Contagious diseases	4,730	4,730	4,614	116
OLHSA	75,000	310,000	309,295	705
Community action programs	674,554	674,554	654,487	20,067
ECCBG	-	14,808	14,808	-
Mental health	600,470	600,470	600,470	-
Senior services	148,986	148,986	149,001	(15)
Veterans' burials	21,732	21,732	21,151	581
Veterans' affairs	208,751	274,103	248,289	25,814
Rental fees	23,667	24,837	23,670	1,167
Transfer to Friend of the Court	910,989	910,989	910,988	1
Transfer to child care	1,564,585	1,564,585	1,564,584	1
Transfer to health - Operating	385,111	385,111	385,112	(1)
Transfer to soldier and sailor relief	6,000	6,000	6,000	-
Transfer to community corrections	125,704	125,704	125,704	-
Total human services	5,044,270	5,345,841	5,283,211	62,630

# Livingston County, Michigan

## Required Supplemental Information Budgetary Comparison Schedule - General Fund (Continued) Year Ended December 31, 2009

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
<b>Expenditures</b> (Continued)				
General government:				
Board of Commissioners	\$ 552,343	\$ 594,336	\$ 585,698	\$ 8,638
County administration	599,398	617,112	637,325	(20,213)
Elections	63,059	63,059	17,008	46,051
Civil counsel	118,000	163,000	155,878	7,122
County clerk	910,873	930,346	876,748	53,598
Auditing services	115,691	121,098	121,098	-
Personnel	365,186	373,278	347,891	25,387
Purchasing	235,624	253,921	246,088	7,833
Tax allocation	1,450	1,450	1,140	310
County treasurer	965,191	967,145	988,158	(21,013)
Information technology management	1,131,638	1,131,638	1,131,636	2
Insurance	1,150,000	1,025,308	992,993	32,315
Other	1,295,294	729,953	-	729,953
Total general government	<u>7,503,747</u>	<u>6,971,644</u>	<u>6,101,661</u>	<u>869,983</u>
Total General Fund expenditures	<u>44,676,572</u>	<u>44,759,272</u>	<u>42,619,585</u>	<u>2,139,687</u>
<b>Excess of Revenue (Under) Over Expenditures</b>	-	(44,170)	2,630,672	2,674,842
<b>Fund Balance - Beginning of year</b>	<u>17,268,398</u>	<u>17,268,398</u>	<u>17,268,398</u>	<u>-</u>
<b>Fund Balance - End of year</b>	<u><b>\$ 17,268,398</b></u>	<u><b>\$ 17,224,228</b></u>	<u><b>\$ 19,899,070</b></u>	<u><b>\$ 2,674,842</b></u>

# Livingston County, Michigan

## Required Supplemental Information Budgetary Comparison Schedule Ambulance Special Revenue Fund Year Ended December 31, 2009

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
<b>Revenue</b>				
Property taxes	\$ 2,157,601	\$ 2,157,601	\$ 2,441,691	\$ 284,090
Charges for services	5,511,623	5,511,623	5,258,525	(253,098)
Interests and rents	125,500	125,500	26,941	(98,559)
Other revenue	5,000	5,000	39,473	34,473
<b>Total revenue</b>	<u>7,799,724</u>	<u>7,799,724</u>	<u>7,766,630</u>	<u>(33,094)</u>
<b>Expenditures - Health and welfare</b>	<u>7,056,649</u>	<u>7,230,149</u>	<u>7,051,997</u>	<u>178,152</u>
<b>Excess of Revenue Over Expenditures</b>	743,075	569,575	714,633	145,058
<b>Fund Balance - Beginning of year</b>	<u>3,707,264</u>	<u>3,707,264</u>	<u>3,707,264</u>	<u>-</u>
<b>Fund Balance - End of year</b>	<u><b>\$ 4,450,339</b></u>	<u><b>\$ 4,276,839</b></u>	<u><b>\$ 4,421,897</b></u>	<u><b>\$ 145,058</b></u>

# Livingston County, Michigan

---

## Required Supplemental Information Budgetary Comparison Schedule Revenue Sharing Reserve Fund Year Ended December 31, 2009

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	Variance with Amended Budget
<b>Expenditures</b> - Operating transfers out	\$ 2,905,570	\$ 2,905,570	\$ 2,905,570	\$ -
<b>Fund Balance</b> - Beginning of year	<u>13,344,607</u>	<u>13,344,607</u>	<u>13,344,607</u>	<u>-</u>
<b>Fund Balance</b> - End of year	<u><b>\$ 10,439,037</b></u>	<u><b>\$ 10,439,037</b></u>	<u><b>\$ 10,439,037</b></u>	<u><b>\$ -</b></u>

## **Other Supplemental Information**

---

# Livingston County, Michigan

---

## 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 system 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

---

## Special Revenue Funds (Continued)

**Prosecutor's Drug Enforcement Fund, 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 600.4851.

**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 and a statutory tax millage. 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 Funds** - 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**

---

## **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, recertification, and training of local correction officers and inmate programs, including substance abuse and mental health programs.

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

**Fillmore Estate County Park Fund** - 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 Fund** - This fund accounts for loans made through a federal program which assists individuals in purchasing homes.

# Livingston County, Michigan

---

## 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

---

## 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.

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

**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**

---

## **Permanent Fund**

Permanent funds are a new fund type created by GASB Statement 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

---

## 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 Fund** - 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

---

## 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

---

## 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 a 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 enhancements 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	\$ 22,346	\$ 885,862	\$ 3,141,124	\$ 2,017,803	\$ 21,822	\$ 54,329
Tax receivable	-	-	-	-	-	-
Accounts receivable	248	158,974	1,048,898	-	-	-
Due from other governments	746,604	78,947	80,957	120	-	383,406
Due from other funds	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-
Other assets	-	-	24,075	-	-	2,531
<b>Total assets</b>	<b>\$ 769,198</b>	<b>\$ 1,123,783</b>	<b>\$ 4,295,054</b>	<b>\$ 2,017,923</b>	<b>\$ 21,822</b>	<b>\$ 440,266</b>
<b>Liabilities and Fund Balances</b>						
<b>Liabilities</b>						
Accounts payable	\$ 500,450	\$ 44,742	\$ 87,612	\$ 137,436	\$ -	\$ 5,429
Accrued liabilities	5,633	46,364	33,352	-	494	23,765
Due to other funds	16,673	4,005	-	-	-	-
Due to other governmental units	-	-	-	59,320	-	-
Advances from other funds	36,304	304,372	-	-	-	-
Deferred revenue	-	-	-	-	-	-
<b>Total liabilities</b>	<b>559,060</b>	<b>399,483</b>	<b>120,964</b>	<b>196,756</b>	<b>494</b>	<b>29,194</b>
<b>Fund Balances</b>						
Reserved	-	-	-	-	-	-
Designated	-	-	23,880	-	-	-
Undesignated	210,138	724,300	4,150,210	1,821,167	21,328	411,072
<b>Total fund balances</b>	<b>210,138</b>	<b>724,300</b>	<b>4,174,090</b>	<b>1,821,167</b>	<b>21,328</b>	<b>411,072</b>
<b>Total liabilities and fund balances</b>	<b>\$ 769,198</b>	<b>\$ 1,123,783</b>	<b>\$ 4,295,054</b>	<b>\$ 2,017,923</b>	<b>\$ 21,822</b>	<b>\$ 440,266</b>

**Other Supplemental Information  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2009**

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
\$ 535,694	\$ 935,263	\$ 9,998	\$ 151,099	\$ 14,822	\$ 14,453	\$ 23,403	\$ 12,155
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	6,388	-	-	-	-	-	27,003
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
3,413	-	-	-	-	-	-	-
<b>\$ 539,107</b>	<b>\$ 941,651</b>	<b>\$ 9,998</b>	<b>\$ 151,099</b>	<b>\$ 14,822</b>	<b>\$ 14,453</b>	<b>\$ 23,403</b>	<b>\$ 39,158</b>
\$ 4,250	\$ 13,800	\$ -	\$ 8,499	\$ -	\$ -	\$ -	\$ 11,829
-	-	-	-	-	-	-	2,022
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	21,782
-	6,250	-	-	-	-	-	-
4,250	20,050	-	8,499	-	-	-	35,633
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
534,857	921,601	9,998	142,600	14,822	14,453	23,403	3,525
534,857	921,601	9,998	142,600	14,822	14,453	23,403	3,525
<b>\$ 539,107</b>	<b>\$ 941,651</b>	<b>\$ 9,998</b>	<b>\$ 151,099</b>	<b>\$ 14,822</b>	<b>\$ 14,453</b>	<b>\$ 23,403</b>	<b>\$ 39,158</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	\$ 27,454	\$ 1,104	\$ 1,943	\$ 823,057	\$ 362,642	\$ 838	\$ 30,156	\$ 29,345
Tax receivable	-	423,647	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-	-	3,139
Due from other governments	18,169	-	-	338	-	-	-	-
Due from other funds	-	-	-	-	-	275	150	-
Advances from other funds	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 45,623</b>	<b>\$ 424,751</b>	<b>\$ 1,943</b>	<b>\$ 823,395</b>	<b>\$ 362,642</b>	<b>\$ 1,113</b>	<b>\$ 30,306</b>	<b>\$ 32,484</b>
<b>Liabilities and Fund Balances</b>								
<b>Liabilities</b>								
Accounts payable	\$ -	\$ 1,053	\$ -	\$ -	\$ -	\$ -	\$ 49	\$ -
Accrued liabilities	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-
Due to other governmental units	26,000	-	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-	-	-
Deferred revenue	-	423,647	-	-	-	-	-	-
<b>Total liabilities</b>	<b>26,000</b>	<b>424,700</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>49</b>	<b>-</b>
<b>Fund Balances</b>								
Reserved	-	-	-	-	-	-	-	32,484
Designated	-	-	-	-	-	-	-	-
Undesignated	19,623	51	1,943	823,395	362,642	1,113	30,257	-
<b>Total fund balances</b>	<b>19,623</b>	<b>51</b>	<b>1,943</b>	<b>823,395</b>	<b>362,642</b>	<b>1,113</b>	<b>30,257</b>	<b>32,484</b>
<b>Total liabilities and fund balances</b>	<b>\$ 45,623</b>	<b>\$ 424,751</b>	<b>\$ 1,943</b>	<b>\$ 823,395</b>	<b>\$ 362,642</b>	<b>\$ 1,113</b>	<b>\$ 30,306</b>	<b>\$ 32,484</b>

**Other Supplemental Information  
Combining Balance Sheet (Continued)  
Nonmajor Governmental Funds  
December 31, 2009**

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
\$ 19,230	\$ 2,149	\$ -	\$ 3,407	\$ -	\$ 2,069	\$ -	\$ 8,254
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	777,316	-	-	-	-	-	-
<b>\$ 19,230</b>	<b>\$ 779,465</b>	<b>\$ -</b>	<b>\$ 3,407</b>	<b>\$ -</b>	<b>\$ 2,069</b>	<b>\$ -</b>	<b>\$ 8,254</b>
\$ 71	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	776,976	-	-	-	-	-	-
71	776,976	-	-	-	-	-	-
19,159	-	-	3,407	-	2,069	-	8,254
-	-	-	-	-	-	-	-
-	2,489	-	-	-	-	-	-
19,159	2,489	-	3,407	-	2,069	-	8,254
<b>\$ 19,230</b>	<b>\$ 779,465</b>	<b>\$ -</b>	<b>\$ 3,407</b>	<b>\$ -</b>	<b>\$ 2,069</b>	<b>\$ -</b>	<b>\$ 8,254</b>

# Livingston County, Michigan

## Other Supplemental Information Combining Balance Sheet (Continued) Nonmajor Governmental Funds December 31, 2009

	Capital Projects Funds					Permanent Fund	Total Nonmajor Funds
	Jail Expansion	Administration Building Renovations	Capital Replacement	West Complex Construction Grant	EMS Construction	Cemetery	
<b>Assets</b>							
Cash and investments	\$ 1,643,452	\$ 29,024	\$ 4,175,684	\$ 15,635	\$ 380,283	\$ 26,391	\$ 15,422,290
Tax receivable	-	-	-	-	-	-	423,647
Accounts receivable	-	-	-	-	-	-	1,211,259
Due from other governments	-	-	-	-	-	-	1,341,932
Due from other funds	-	-	-	-	-	-	425
Advances to other funds	-	-	415,131	-	-	-	415,131
Other assets	3	-	13,845	-	-	-	821,183
<b>Total assets</b>	<b>\$ 1,643,455</b>	<b>\$ 29,024</b>	<b>\$ 4,604,660</b>	<b>\$ 15,635</b>	<b>\$ 380,283</b>	<b>\$ 26,391</b>	<b>\$ 19,635,867</b>
<b>Liabilities and Fund Balances</b>							
<b>Liabilities</b>							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 8,165	\$ -	\$ 823,385
Accrued liabilities	-	-	-	-	-	-	111,630
Due to other funds	-	-	-	-	-	-	20,678
Due to other governmental units	-	-	-	-	-	6	85,326
Advances from other funds	-	-	-	-	-	-	362,458
Deferred revenue	-	-	-	-	-	-	1,206,873
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,165</b>	<b>6</b>	<b>2,610,350</b>
<b>Fund Balances</b>							
Reserved	-	-	415,131	-	-	26,385	506,889
Designated	1,643,455	29,024	4,189,529	15,635	372,118	-	6,273,641
Undesignated	-	-	-	-	-	-	10,244,987
<b>Total fund balances</b>	<b>1,643,455</b>	<b>29,024</b>	<b>4,604,660</b>	<b>15,635</b>	<b>372,118</b>	<b>26,385</b>	<b>17,025,517</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,643,455</b>	<b>\$ 29,024</b>	<b>\$ 4,604,660</b>	<b>\$ 15,635</b>	<b>\$ 380,283</b>	<b>\$ 26,391</b>	<b>\$ 19,635,867</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>						
Licenses and permits	\$ -	\$ 95,651	\$ -	\$ -	\$ -	\$ -
Federal sources	5,134,433	1,413,795	-	-	-	1,444,217
State sources	473,227	847,940	346,970	658,732	-	-
Contributions from local units	-	-	-	-	-	-
Charges for services	14,930	1,215,776	4,240,805	202,920	-	143,493
Interest earned	-	-	28,360	-	-	1,202
Other	-	11,055	-	-	13,245	216
<b>Total revenue</b>	<b>5,622,590</b>	<b>3,584,217</b>	<b>4,616,135</b>	<b>861,652</b>	<b>13,245</b>	<b>1,589,128</b>
<b>Expenditures</b>						
Current:						
Public safety	-	-	4,016,468	-	-	2,356,345
Community and economic development	-	-	-	-	-	-
Health and welfare	5,626,510	3,841,887	-	1,899,905	21,307	-
Capital outlay	-	-	-	-	-	-
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
<b>Total expenditures</b>	<b>5,626,510</b>	<b>3,841,887</b>	<b>4,016,468</b>	<b>1,899,905</b>	<b>21,307</b>	<b>2,356,345</b>
<b>Excess of Revenue (Under) Over Expenditures</b>	<b>(3,920)</b>	<b>(257,670)</b>	<b>599,667</b>	<b>(1,038,253)</b>	<b>(8,062)</b>	<b>(767,217)</b>
<b>Other Financing Sources (Uses)</b>						
Operating transfers in	-	385,112	-	1,564,584	-	910,988
Operating transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>385,112</b>	<b>-</b>	<b>1,564,584</b>	<b>-</b>	<b>910,988</b>
<b>Net Change in Fund Balances</b>	<b>(3,920)</b>	<b>127,442</b>	<b>599,667</b>	<b>526,331</b>	<b>(8,062)</b>	<b>143,771</b>
<b>Fund Balances - Beginning 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>
<b>Fund Balances - End of year</b>	<b>\$ 210,138</b>	<b>\$ 724,300</b>	<b>\$ 4,174,090</b>	<b>\$ 1,821,167</b>	<b>\$ 21,328</b>	<b>\$ 411,072</b>

**Other Supplemental Information**  
**Combining Statement of Revenue, Expenditures, and Changes**  
**in Fund Balances - Nonmajor Governmental Funds**  
**Year Ended December 31, 2009**

Special Revenue Funds

Small Cities Community Development Block Grant	Survey and Re monumentation	Prosecutor's Drug Enforcement	Drug Law Enforcement	Criminal Forfeiture	OUIL Forfeiture	Law Library	Community Corrections
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	176,079	-	-	-	-	-	154,732
-	-	-	-	-	-	-	-
-	70,413	-	-	-	-	-	28,954
21,114	7,244	-	-	-	-	60	-
-	-	3,000	37,504	5,551	3,426	6,500	4,196
21,114	253,736	3,000	37,504	5,551	3,426	6,560	187,882
-	-	6,982	10,822	490	-	-	313,894
17,000	201,370	-	-	-	-	3,703	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
17,000	201,370	6,982	10,822	490	-	3,703	313,894
4,114	52,366	(3,982)	26,682	5,061	3,426	2,857	(126,012)
-	-	3,173	-	-	-	-	125,704
-	-	-	(3,173)	-	-	-	-
-	-	3,173	(3,173)	-	-	-	125,704
4,114	52,366	(809)	23,509	5,061	3,426	2,857	(308)
530,743	869,235	10,807	119,091	9,761	11,027	20,546	3,833
<b>\$ 534,857</b>	<b>\$ 921,601</b>	<b>\$ 9,998</b>	<b>\$ 142,600</b>	<b>\$ 14,822</b>	<b>\$ 14,453</b>	<b>\$ 23,403</b>	<b>\$ 3,525</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
<b>Revenue</b>							
Licenses and permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal sources	-	-	-	-	302,867	-	-
State sources	165,999	-	30,369	-	-	-	1,567
Contributions from local units	-	-	-	-	-	-	-
Charges for services	29,126	-	-	172,490	-	-	25,941
Interest earned	-	-	-	5,215	963	-	-
Other	-	108	-	-	-	1,141	-
<b>Total revenue</b>	<b>195,125</b>	<b>108</b>	<b>30,369</b>	<b>177,705</b>	<b>303,830</b>	<b>1,141</b>	<b>27,508</b>
<b>Expenditures</b>							
Current:							
Public safety	-	-	-	-	87,622	-	64,363
Community and economic development	-	-	-	-	-	-	-
Health and welfare	192,984	15,036	29,832	160,535	-	520	-
Capital outlay	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>192,984</b>	<b>15,036</b>	<b>29,832</b>	<b>160,535</b>	<b>87,622</b>	<b>520</b>	<b>64,363</b>
<b>Excess of Revenue (Under) Over Expenditures</b>	<b>2,141</b>	<b>(14,928)</b>	<b>537</b>	<b>17,170</b>	<b>216,208</b>	<b>621</b>	<b>(36,855)</b>
<b>Other Financing Sources (Uses)</b>							
Operating transfers in	-	6,000	-	-	-	-	-
Operating transfers out	-	-	-	-	-	(1,167)	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>6,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,167)</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>2,141</b>	<b>(8,928)</b>	<b>537</b>	<b>17,170</b>	<b>216,208</b>	<b>(546)</b>	<b>(36,855)</b>
<b>Fund Balances - Beginning 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>	<b>67,112</b>
<b>Fund Balances - End of year</b>	<b>\$ 19,623</b>	<b>\$ 51</b>	<b>\$ 1,943</b>	<b>\$ 823,395</b>	<b>\$ 362,642</b>	<b>\$ 1,113</b>	<b>\$ 30,257</b>

**Other Supplemental Information**  
**Combining Statement of Revenue, Expenditures, and Changes**  
**in Fund Balances - Nonmajor Governmental Funds (Continued)**  
**Year Ended December 31, 2009**

Special Revenue Funds			Debt Service Funds					
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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	-	103,785	-	582,963	-	99,806
21,540	8,860	-	-	-	-	-	-	-
39	19	772	4	25	-	-	-	40
5,000	-	5,545	-	-	-	-	-	-
26,579	8,879	6,317	4	103,810	-	582,963	-	99,846
-	-	-	-	-	-	-	-	-
12,131	1,071	4,369	-	300	450	275	275	224
-	-	-	-	-	-	-	-	-
-	-	-	-	95,000	755,000	545,000	520,000	30,000
-	-	-	-	8,485	81,375	37,688	78,275	248,306
12,131	1,071	4,369	-	103,785	836,825	582,963	598,550	278,530
14,448	7,808	1,948	4	25	(836,825)	-	(598,550)	(178,684)
-	-	-	-	-	836,825	2,030	598,550	178,612
-	-	-	(2,030)	-	-	-	-	-
-	-	-	(2,030)	-	836,825	2,030	598,550	178,612
14,448	7,808	1,948	(2,026)	25	-	2,030	-	(72)
18,036	11,351	541	2,026	3,382	-	39	-	8,326
<b>\$ 32,484</b>	<b>\$ 19,159</b>	<b>\$ 2,489</b>	<b>\$ -</b>	<b>\$ 3,407</b>	<b>\$ -</b>	<b>\$ 2,069</b>	<b>\$ -</b>	<b>\$ 8,254</b>

# Livingston County, Michigan

## Other Supplemental Information Combining Statement of Revenue, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds (Continued) Year Ended December 31, 2009

	Capital Projects Funds					Permanent Fund	Total Nonmajor Funds
	Jail Expansion	Administration Building Renovations	Capital Replacement	West Complex Construction Grant	EMS Construction	Cemetery	
<b>Revenue</b>							
Licenses and permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 95,651
Federal sources	-	-	-	-	-	-	8,295,312
State sources	-	-	-	-	-	-	2,855,615
Contributions from local units	-	-	-	-	-	-	786,554
Charges for services	-	-	106,578	-	-	-	6,281,826
Interest earned	11,266	115	67,061	-	2,063	-	145,562
Other	-	-	-	-	-	-	96,487
<b>Total revenue</b>	<b>11,266</b>	<b>115</b>	<b>173,639</b>	<b>-</b>	<b>2,063</b>	<b>-</b>	<b>18,557,007</b>
<b>Expenditures</b>							
Current:							
Public safety	-	-	266	-	-	-	6,857,252
Community and economic development	-	-	-	-	-	-	241,168
Health and welfare	-	-	-	-	-	-	11,788,516
Capital outlay	360	-	97,142	-	101,850	-	199,352
Principal	-	-	-	-	-	-	1,945,000
Interest	-	-	-	-	-	-	454,129
<b>Total expenditures</b>	<b>360</b>	<b>-</b>	<b>97,408</b>	<b>-</b>	<b>101,850</b>	<b>-</b>	<b>21,485,417</b>
<b>Excess of Revenue (Under) Over Expenditures</b>	<b>10,906</b>	<b>115</b>	<b>76,231</b>	<b>-</b>	<b>(99,787)</b>	<b>-</b>	<b>(2,928,410)</b>
<b>Other Financing Sources (Uses)</b>							
Operating transfers in	-	-	667,500	-	-	-	5,279,078
Operating transfers out	-	-	(329,854)	-	-	-	(336,224)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>337,646</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,942,854</b>
<b>Net Change in Fund Balances</b>	<b>10,906</b>	<b>115</b>	<b>413,877</b>	<b>-</b>	<b>(99,787)</b>	<b>-</b>	<b>2,014,444</b>
<b>Fund Balances - Beginning of year</b>	<b>1,632,549</b>	<b>28,909</b>	<b>4,190,783</b>	<b>15,635</b>	<b>471,905</b>	<b>26,385</b>	<b>15,011,073</b>
<b>Fund Balances - End of year</b>	<b>\$ 1,643,455</b>	<b>\$ 29,024</b>	<b>\$ 4,604,660</b>	<b>\$ 15,635</b>	<b>\$ 372,118</b>	<b>\$ 26,385</b>	<b>\$ 17,025,517</b>

# Livingston County, Michigan

## Other Supplemental Information Combining Statement of Net Assets Internal Service Funds December 31, 2009

	Building Services	Information Technology	Carpool	Benefits	Total
<b>Assets</b>					
Cash and investments	\$ 501,392	\$ 63,390	\$ 1,505,091	\$ 2,234,092	\$ 4,303,965
Accounts receivable	25,789	7,642	-	23	33,454
Due from other funds	-	-	-	832	832
Net OPEB asset	25,472	38,208	382	-	64,062
Capital assets - Net	101,923	2,548,395	500,036	-	3,150,354
Other assets	-	119,516	-	552,821	672,337
Total assets	<u>654,576</u>	<u>2,777,151</u>	<u>2,005,509</u>	<u>2,787,768</u>	<u>8,225,004</u>
<b>Liabilities</b>					
Accounts payable	158,687	426,185	43,871	149,677	778,420
Due to other funds	-	-	24,502	-	24,502
Advances to other funds	-	415,131	-	-	415,131
Other current liabilities	68,415	161,235	-	35,003	264,653
Long-term debt	-	301,103	-	-	301,103
Total liabilities	<u>227,102</u>	<u>1,303,654</u>	<u>68,373</u>	<u>184,680</u>	<u>1,783,809</u>
<b>Net Assets</b>					
Investment in capital assets - Net of related debt	101,923	2,247,292	500,036	-	2,849,251
Unrestricted (deficit)	<u>325,551</u>	<u>(773,795)</u>	<u>1,437,100</u>	<u>2,603,088</u>	<u>3,591,944</u>
Total net assets	<u><b>\$ 427,474</b></u>	<u><b>\$ 1,473,497</b></u>	<u><b>\$ 1,937,136</b></u>	<u><b>\$ 2,603,088</b></u>	<u><b>\$ 6,441,195</b></u>

# Livingston County, Michigan

## Other Supplemental Information Combining Statement of Revenue, Expenses, and Changes in Net Assets Internal Service Funds Year Ended December 31, 2009

	Building Services	Information Technology	Carpool	Benefits	Total
<b>Operating Revenue</b> - Charges for services	\$ 2,559,164	\$ 4,380,650	\$ 825,627	\$ 7,447,201	\$ 15,212,642
<b>Operating Expenses</b>					
Personnel	1,140,177	1,365,937	24,925	6,995,125	9,526,164
Operating expenses	1,151,842	2,102,119	628,366	-	3,882,327
Depreciation expense	3,997	209,993	243,940	-	457,930
Total operating expenses	<u>2,296,016</u>	<u>3,678,049</u>	<u>897,231</u>	<u>6,995,125</u>	<u>13,866,421</u>
<b>Operating Income (Loss)</b>	263,148	702,601	(71,604)	452,076	1,346,221
<b>Operating Transfers In</b>	59,815	270,039	-	-	329,854
<b>Nonoperating Revenue</b> - Gain on sale of assets	-	2,427	62,594	-	65,021
<b>Net Income (Loss)</b>	322,963	975,067	(9,010)	452,076	1,741,096
<b>Net Assets</b> - January 1, 2009	<u>104,511</u>	<u>498,430</u>	<u>1,946,146</u>	<u>2,151,012</u>	<u>4,700,099</u>
<b>Net Assets</b> - December 31, 2009	<u>\$ 427,474</u>	<u>\$ 1,473,497</u>	<u>\$ 1,937,136</u>	<u>\$ 2,603,088</u>	<u>\$ 6,441,195</u>

# Livingston County, Michigan

## Other Supplemental Information Combining Statement of Cash Flows Internal Service Funds Year Ended December 31, 2009

	Building Services	Information Technology	Carpool	Benefits	Total
<b>Cash Flows from Operating Activities</b>					
Receipts from other funds	\$ 2,550,089	\$ 4,562,953	\$ 766,486	\$ 7,446,495	\$ 15,326,023
Payments to suppliers	(1,143,110)	(2,082,166)	(579,187)	(271,727)	(4,076,190)
Payments to employees	(1,142,436)	(1,340,408)	-	(7,002,924)	(9,485,768)
Net cash provided by operating activities	264,543	1,140,379	187,299	171,844	1,764,065
<b>Cash Flows from Capital and Related Financing Activities</b>					
Purchase of capital assets	(42,538)	(2,072,084)	(285,776)	-	(2,400,398)
Proceeds from sale of assets	-	2,427	62,594	-	65,021
Proceeds from issuance of debt	-	356,854	-	-	356,854
Interest and principal paid	-	(55,751)	-	-	(55,751)
Net cash used in capital and related financing activities	(42,538)	(1,768,554)	(223,182)	-	(2,034,274)
<b>Cash Flows from Noncapital Financing Activities -</b>					
Operating transfers in	59,815	270,039	-	-	329,854
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	281,820	(358,136)	(35,883)	171,844	59,645
<b>Cash and Cash Equivalents - January 1, 2009</b>	219,572	421,526	1,540,974	2,062,248	4,244,320
<b>Cash and Cash Equivalents - December 31, 2009</b>	<b>\$ 501,392</b>	<b>\$ 63,390</b>	<b>\$ 1,505,091</b>	<b>\$ 2,234,092</b>	<b>\$ 4,303,965</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities</b>					
Operating income (loss)	\$ 263,148	\$ 702,601	\$ (71,604)	\$ 452,076	\$ 1,346,221
Adjustments to reconcile operating income (loss) to net cash from operating activities:					
Depreciation	3,997	209,993	243,940	-	457,930
Changes in asset and liability balances:					
Accounts receivable	(9,075)	(5,708)	4,107	126	(10,550)
Due from other funds	-	313	-	(832)	(519)
Other assets	(25,472)	(23,614)	(382)	(395,788)	(445,256)
Accounts payable	34,204	13,335	11,892	124,061	183,492
Accrued liabilities	(2,259)	59,042	-	(7,799)	48,984
Advances to other funds	-	184,417	-	-	184,417
Due to other funds	-	-	(654)	-	(654)
Net cash provided by operating activities	<b>\$ 264,543</b>	<b>\$ 1,140,379</b>	<b>\$ 187,299</b>	<b>\$ 171,844</b>	<b>\$ 1,764,065</b>

# Livingston County, Michigan

## Other Supplemental Information Combining Statement of Assets and Liabilities Fiduciary Funds December 31, 2009

	Agency Funds		Total
	Trust and Agency	Library Penal Fines	
<b>Assets</b>			
Cash	\$ 2,535,275	\$ 445,820	\$ 2,981,095
Other assets	168	196	364
Total assets	<u>\$ 2,535,443</u>	<u>\$ 446,016</u>	<u>\$ 2,981,459</u>
<b>Liabilities</b>			
Due to other governmental units	\$ 1,286,291	\$ -	\$ 1,286,291
Other liabilities	1,249,152	446,016	1,695,168
Total liabilities	<u>\$ 2,535,443</u>	<u>\$ 446,016</u>	<u>\$ 2,981,459</u>

# Livingston County, Michigan

## Livingston Essential Transportation System Schedule of Operating, Nonoperating, and Other Revenue Sources Year Ended December 31, 2009

	January 1, 2009 to September 30, 2009	October 1, 2009 to December 31, 2009	Total
<b>Operating Revenues</b>			
Demand-response - Passenger fares	\$ 80,851	\$ 32,567	\$ 113,418
Special transit fares - Contracts	115,296	25,730	141,026
Rent - EMS	68,160	34,080	102,240
Other:			
Sale of fuel to EMS	23,977	10,159	34,136
Outside services	21,766	9,044	30,810
Sale of vehicles	2,500	-	2,500
Total other	<u>48,243</u>	<u>19,203</u>	<u>67,446</u>
Total operating revenues	<u><b>\$ 312,550</b></u>	<u><b>\$ 111,580</b></u>	<u><b>\$ 424,130</b></u>
<b>Nonoperating Revenues</b>			
Federal operating and capital grants:			
U.S. DOT operating grant - Section 5307 (2009 and 2010)	\$ 538,926	\$ 259,087	\$ 798,013
U.S. DOT capital grant - Preventative maintenance - Section 5307 (2009 and 2010)	275,192	118,292	393,484
Federal capital grant - Capital assistance:			
Section 5307	-	20,162	20,162
Section 5309	-	(1,854)	(1,854)
Federal ARRA grant	-	9,945	9,945
State operating and capital grants:			
State operating reconciliations - Prior year underpayments	142,132	-	142,132
State capital matching grant - Section 5307	-	5,040	5,040
Transit operating assistance	528,771	123,202	651,973
Transit operating assistance - State withholdings for prior year overpayments	(28,266)	(28,266)	(56,532)
Insurance reimbursement	105	-	105
Total nonoperating revenue	<u><b>\$ 1,456,860</b></u>	<u><b>\$ 505,608</b></u>	<u><b>\$ 1,962,468</b></u>

# Livingston County, Michigan

## Livingston Essential Transportation System Schedule of Operating Expenses Year Ended December 31, 2009

	General			Total
	Operations	Maintenance	Administration	
Labor	\$ 817,364	\$ -	\$ 112,330	\$ 929,694
Pension	100,328	-	13,806	114,134
Other fringe benefits	294,859	-	40,483	335,342
Services	2,257	-	196,655	198,912
Materials and supplies consumed:				
Fuel and lubricants	155,032	-	-	155,032
Tires and tubes	12,114	-	-	12,114
Other materials and supplies	-	-	5,073	5,073
Utilities	-	-	58,886	58,886
Casualty and liability costs	333	-	-	333
Miscellaneous	729	-	2,251	2,980
Operating leases and rentals	14,047	-	25,024	39,071
Ineligible costs:				
Net depreciation	241,145	-	-	241,145
U.S. DOT capital grant - Preventative maintenance Section 5307 FY 2008	-	318,182	-	318,182
<b>Total expenses</b>	<b>\$ 1,638,208</b>	<b>\$ 318,182</b>	<b>\$ 454,508</b>	<b>\$ 2,410,898</b>

# Livingston County, Michigan

## Livingston Essential Transportation System Schedule of Net Eligible Cost Computations of General Operations Year Ended December 31, 2009

	January 1, 2009 to September 30, 2009	October 1, 2009 to December 31, 2009	Total
Labor	\$ 727,307	\$ 254,712	\$ 982,019
Pension	93,802	41,622	135,424
Other fringe benefits	268,158	65,344	333,502
Services	291,098	145,094	436,192
Materials and supplies consumed:			
Fuel and lubricants	102,741	37,099	139,840
Other materials and supplies	21,618	10,219	31,837
Utilities	38,134	17,254	55,388
Casualty and liability costs	333	-	333
Depreciation	176,886	58,963	235,849
Operating leases and rentals	28,261	13,125	41,386
Miscellaneous	6,328	12,800	19,128
	<u>1,754,666</u>	<u>656,232</u>	<u>2,410,898</u>
Ineligible operating expenses:			
Revenue associated with fuel sold to County EMS	20,642	13,494	34,136
Revenue associated with rentals	68,160	34,080	102,240
Ineligible association dues	-	129	129
U.S. DOT capital grant - Preventative maintenance Section 5307	275,195	118,292	393,487
LETS ARRA grant	-	10,145	10,145
Miscellaneous grant reimbursements	-	25,202	25,202
Salary and wage reimbursements from other departments	21,766	9,044	30,810 <b>A</b>
Depreciation	<u>176,886</u>	<u>58,963</u>	<u>235,849</u>
	<u>562,649</u>	<u>269,349</u>	<u>831,998</u>
Total eligible expenses	<u><u>\$ 1,192,017</u></u>	<u><u>\$ 386,883</u></u>	<u><u>\$ 1,578,900</u></u>

Capital money used to pay for operating expenses has 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 Year Ended December 31, 2009

	October 1, 2008 to December 31, 2008	January 1, 2009 to September 30, 2009	Total
<b>Operating Revenues</b>			
Demand-response - Passenger fares	\$ 27,605	\$ 80,851	\$ 108,456
Special transit fares - Contracts	36,971	115,296	152,267
Rent - EMS	25,560	68,160	93,720
Other:			
Sale of fuel to EMS	8,802	23,977	32,779
Outside services	6,841	21,766	28,607
Miscellaneous reimbursement	1,125	2,500	3,625
Total other revenue	<u>16,768</u>	<u>48,243</u>	<u>65,011</u>
Total operating revenues	<u><b>\$ 106,904</b></u>	<u><b>\$ 312,550</b></u>	<u><b>\$ 419,454</b></u>
<b>Operating Expenses</b>			
Labor	\$ 241,358	\$ 727,305	\$ 968,663
Other fringe benefits	106,150	361,960	468,110
Services	154,031	291,098	445,129
Materials and supplies consumed:			
Fuel and lubricants	52,291	102,741	155,032
Other materials and supplies	8,166	21,619	29,785
Utilities	20,753	38,133	58,886
Casualty and liability costs	-	333	333
Depreciation	64,856	176,886	241,742
Operating leases and rentals	5,131	28,261	33,392
Miscellaneous	9,417	6,327	15,744
Total operating expenses	662,153	1,754,663	2,416,816
<b>Less Ineligible Expenses</b>			
Fuel sold to EMS	8,802	20,642	29,444
Rent from EMS	25,560	68,160	93,720
Preventative maintenance	54,407	275,192	329,599
Salary and wage reimbursements from other departments	6,841	21,766	28,607
Grant reimbursements	460	-	460
Depreciation	44,345	176,886	221,231
Total ineligible expenses	<u>140,415</u>	<u>562,646</u>	<u>703,061</u>
Total eligible expenses	<u><b>\$ 521,738</b></u>	<u><b>\$ 1,192,017</b></u>	<u><b>\$ 1,713,755</b></u>

# Livingston County, Michigan

## Livingston Essential Transportation System Schedule of Property and Equipment December 31, 2009

		Cost	Accumulated Depreciation	Total
Buildings and building improvements	Intermodel building	\$ 2,302,676	\$ 438,132	\$ 1,864,544
Vehicles and vehicle equipment:				
Grant agreement - 99-0426 and 99-0787 (paid by state)	One Eldorado National bus	78,591	78,591	-
Grant MI-03-0169 Fed 5307 and 2000-0485 (state match)	Two Eldorado National buses	164,362	164,362	-
Grant MI-03-0189 Fed 5307 and 2002-0060 (state match)	Three Eldorado National buses	260,721	232,787	27,934
Grant MI 90-x425 Fed Sec 5307 and 2002-0060 Z14 (state match)	Three Dodge minivans	46,518	35,443	11,075
Grant MI-03-0189 and MI-03-0192 - Fed 5309 (2002) and 2002-0060 Z11 (state match)	Three Ford E-350 cut-away buses	141,822	97,925	43,897
Grant MI-03-0192 Fed 5309 (2003) and 2002-0060 Z11 (state match)	Two Eldorado National buses	153,048	107,498	45,550
Grant MI-03-0212 Fed 5309 (2004) and 2002-0060 Z11 (state match)	One Eldorado National bus	79,541	41,664	37,877
Grant MI-03-0212 Fed 5309 (2004) and 2002-0060-Z11 RI (state match)	One Ford E-350 passenger van	20,591	8,825	11,766
Grant MI 90-x425 and MI 90-x453 Fed Sec 5307 and 2002-0060 Z14 and Z15 (state match)	Three Eldorado National buses	244,344	95,991	148,353
Grant MI 90-x425 Fed Sec 5307 and MI 90-x453 Fed Sec 5307 and MI 90-x453 Fed Sec 5307 and 2002-0060 Z15 (state match)	One Eldorado National bus	81,449	31,998	49,451
Grant MI 90-x453 Fed Sec 5307 and 2002-0060 Z15 (state match)	One Eldorado National bus	80,941	31,798	49,143
Grant MI 90-x453 Fed Sec 5307	One Eldorado National bus	79,161	31,099	48,062
Grant MI-030-0226 Fed Sec 5307 and 2002-0060 Z16 (state match)	One Eldorado National bus	79,161	31,099	48,062
Grant MI 90-x425 Fed Sec 5307 and 2002-0060 Z14 (state match)	Bus backup cameras	13,585	6,792	6,793
Grant MI 90-x453 Fed Sec 5307 and 2002-0060 Z15 (state match)	Bus radios	1,855	596	1,259
Grant MI-03-0226 Fed 5309 (2005) and 2002-0060 Z16 (state match)	Bus washing system	19,168	3,354	15,814
Grant MI 90-x425 Fed Sec 5307 and 2002-0060 Z14 (state match)	Surveillance system	14,250	2,375	11,875
		<u>1,559,108</u>	<u>1,002,197</u>	<u>556,911</u>
Total vehicles and vehicle equipment				
Office furniture - Purchased with local funds		<u>43,210</u>	<u>40,680</u>	<u>2,530</u>
Total property and equipment		<u>\$ 3,904,994</u>	<u>\$ 1,481,009</u>	<u>\$ 2,423,985</u>

# Livingston County, Michigan

## Livingston Essential Transportation System Statistical Data - Public Transportation Mileage Data (Unaudited) December 31, 2009

	Total Mileage	Passenger Trips
Demand - Response mileage data (unaudited):		
First quarter	162,484	27,757
Second quarter	163,351	26,907
Third quarter	169,322	26,585
Fourth quarter	158,437	26,618
Total	<b>653,594</b>	<b>107,867</b>

# Livingston County, Michigan

## Statistical Information Financial Trends (Unaudited) December 31, 2009

<b>Financial Position (Status of Assets, Liabilities, and Equity)</b>	2005	2006	2007	2008	2009
General Fund:					
Unreserved fund balance compared to expenditures	27.1%	33.3%	36.8%	38.4%	49.2%
Current ratio (assets/liabilities, excluding deferred revenue)	6.6	9.9	10.1	8.6	15.9
All governmental activities:					
Unreserved fund balance compared to expenditures	31.0%	42.1%	51.6%	52.9%	74.9%
Current ratio (assets/liabilities, excluding deferred revenue)	9.2	15.4	17.1	13.9	19.0
<b>Fiscal Capacity (Measures of Ability to Raise Revenue, Incur Debt, and Meet Obligations)</b>					
General Fund:					
Property taxes per capita (operating millage only)	\$ 140	\$ 150	\$ 154	\$ 160	\$ 157
Millage capacity (ability to levy additional taxes without a vote)	None	None	None	None	None
Expenditures per capita	\$ 208	\$ 214	\$ 215	\$ 218	\$ 211
Ratio of revenues compared to expenditures	1.06	1.08	1.10	1.08	1.09
All governmental activities:					
Total property taxes levied per capita (with extra voted mills)	\$ 149	\$ 161	\$ 166	\$ 173	\$ 170
County taxes paid per household	\$ 283	\$ 299	\$ 309	\$ 294	\$ 294
County taxes paid per household as a percentage of household income	0.397%	0.444%	0.461%	0.416%	0.408%
Taxable value (in 000s)	\$ 7,757,535	\$ 8,348,502	\$ 8,793,696	\$ 8,825,751	\$ 8,825,751
Annual change in taxable value	17.7%	7.6%	5.3%	5.7%	0.4%
State equalized value (SEV)	\$ 10,060,876	\$ 10,641,862	\$ 10,618	\$ 9,791,590	\$ 9,791,590
Annual change in SEV	17.8%	24.6%	24.4%	14.7%	14.7%
Debt information:					
County-funded debt per capita	\$ 91	\$ 85	\$ 79	\$ 72	\$ 66
Debt saturation (percent of debt limitation utilized)	2.1%	1.7%	1.4%	1.2%	1.0%