

COMPREHENSIVE ANNUAL FINANCIAL REPORT

LAPEER COUNTY, MICHIGAN

FOR THE YEAR ENDED DECEMBER 31, 2015

BOARD OF COMMISSIONERS

**Gary Roy, Chairperson
Cheryl Clark, Vice Chairperson
Dyle Henning
Lenny Schneider
Dave Eady
Linda M. Jarvis
C. Ian Kempf**

**ISSUED BY:
COUNTY ADMINISTRATION OFFICE**

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

LAPEER COUNTY, MICHIGAN

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MICHIGAN'S OLDEST COURTHOUSE

Lapeer County Administration Office

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Lapeer, Michigan 48446

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June 17, 2016

To the Board of Commissioners and Citizens of Lapeer County:

The Comprehensive Annual Financial Report (CAFR) of the County of Lapeer, Michigan, for the year ended December 31, 2015, is submitted herewith. The administration of Lapeer County is responsible for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and the County as a whole. The report is prepared for the purpose of disclosing the County's financial condition to our community, elected officials, and other interested parties. A comprehensive framework of internal control to provide a reasonable basis for asserting that the financial statements are fairly presented has been established. Since the cost of internal control should not exceed the anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

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

Lapeer County's financial statements have been audited by Stewart, Beauvais & Whipple PC, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of Lapeer County, for the ending fiscal year are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was reasonable basis for rendering an unmodified opinion that Lapeer County's financial statements for the year ended December 31, 2015, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

PROFILE OF LAPEER COUNTY

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

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

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

The taxable value of property in FY 14 was \$2,628,945,178 compared to \$2,689,687,494 in 2015, an increase of approximately 2.31%. During the same period, State equalized value (S.E.V.) increased from \$3,028,649,198 to \$3,273,424,184, up approximately 8.08%. The tax levy of 3.7886 remained the same from the prior year for general County operations. Only five Michigan Counties have a lower operational tax rate than Lapeer County.

Considered by the U.S. Census Bureau as part of the Detroit Metropolitan Statistical Area, the County population in 2010 was 88,319 compared to the 2000 Census total of 87,904. The Census Bureau estimated the 2015 population at 88,373.

The real estate market throughout the County continues to reflect the effects of the economic climate. The average residential selling price in 2015 was \$139,213, an increase of 11% from \$125,384 in 2014, based on data from Realcomp II Ltd.

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

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

Creating a link between government and businesses interested in locating or expanding in the County, the Lapeer Development Corporation (LDC) continues to lead and coordinate economic development. During 2015, LDC assisted in the creation/retention of 144 jobs, and \$18.7 million of new investment value. Since its inception in 1981, the LDC has brought a private sector investment of over \$684 million into the County and has assisted with the creation/retention of 8,263 jobs. An expanded partnership evolved in 2003 with the LDC established as the County Brownfield Authority by the Board of Commissioners. With the Brownfield designation, another tool was added to the local economic development process.

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

McLaren-Lapeer Region, an acute care facility serves the County and is affiliated with McLaren Health Care Corporation. Located in the City of Lapeer, the Hospital has 222 beds with a staff of 350 doctors and more than 500 nurses, and provides a full range of advanced diagnostic technology including an imaging center. McLaren has developed a network of care sites throughout the County that provide a range of outpatient services, renovated the emergency room at the hospital, and completed construction of a 16,200 square foot state-of-the-art Great Lakes Cancer Institute in 2008. The Hospital has also been verified as a Level Two Trauma Center, the only facility in the Thumb with that prestigious designation.

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

The Lapeer Community Foundation continues to perform a vital role in supporting various projects and initiatives in the community. Since beginning as a fund of the Community Foundation of Flint in 1996, the Foundation's assets have grown to \$9 million with approximately \$316,493 awarded in scholarships and grants to non-profit groups, educational and government institutions in 2015. The Foundation, which became independent in 2005, also manages 63 funds for various local organizations.

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

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

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

All Public Safety dispatching within the County is coordinated through one central communication site. The Lapeer County 911 Central Dispatch Center is responsible for dispatching 15 local fire departments, the County Sheriff Department, the Michigan State Police, 7 local police departments, and 6 EMS organizations. The Emergency Operations Center located in the facility, is the hub for communication and coordination in the event of a natural or man-made disaster, providing inter-operative communications for all responding departments.

The Center functions as a single point of presence, connecting via fiber-optics lines for various state agencies (DHS, MSP, LEIN, DOC) and county departments, with one outgoing fiber-optic line to Lansing. This collaborative arrangement is cost effective for all participating agencies.

ORGANIZATION STRUCTURE

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

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

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

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

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

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

FINANCIAL PRACTICES

Factors Affecting Financial Condition

Focused budget management efforts over the past eight years have enabled the County to withstand the impact of dramatic revenue reductions in that time period without significant limitations in services. With the improving Michigan economic environment, the contraction of the property tax base has reversed, and the State restored Revenue Sharing payment to \$1,440,655 in FY 2014, increasing to \$1,688,623 in FY 2015, still less than the peak of \$1,774,671 in 2001. As two of the major General Fund revenue sources, these changes have allowed a renewed stability in the budget process.

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

Growth in the tax base through 2008 had historically produced an incremental annual increase in property tax revenue. While not offsetting other lost or reduced revenue, the expansion of taxable value, even with the required rollback in the tax rate, had provided some restrained capacity to meet the growing demands on the General Fund budget. As originally noted in the 2008 CAFR, trends indicating that this growth had leveled along with the slowing of the State economy, and in fact may be declining, were evident. The data from 2012 confirmed the continued reduction in the growth of the property tax base and consequently, tax revenue. Significantly though, 2013 saw a slight modification in the downward trend, and for the first time since 2008, property tax revenues were slightly higher than the prior year. In 2012, \$9,211,869 was received in property tax as compared to \$9,216,360 in 2013. This upward trend continued into 2014 with \$9,283,923 posted and reached \$9,541,579 in 2015. As a point of reference, Lapeer County received \$11,016,896 in property tax revenue in 2008.

Local Tax Increment Finance Authorities (TIFA's) and Downtown Development Authorities (DDA's) created by local units of governments capture revenues that otherwise would be available for use in the County General Fund. The revenue produced for the General Fund by multiplying the taxable value of property by the adopted tax rate was reduced by approximately \$593,507 that was “captured” by local government TIFA's and DDA's in 2015.

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

Long term Financial Planning/Budgeting

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

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

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

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

Capital Improvement/Acquisitions

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

The multi-year technology plan approved by the Board of Commissioners continued into 2015. This Plan provides a footprint for the development of a cost effective informational technology platform that gives each department the capacity to meet internal needs, yet ensures that hardware and software are acquired to integrate into the county-wide system. A single point of access, at substantial cost benefit, provides connectivity to the internet for all departments. An extension of the fiber-optic line to Oakland County was completed establishing connectivity to a broader network.

Parking lot surface work was completed at the DHS building, Community Mental Health and the Rich Building. The Annex Building roof was also replaced during the year.

Cooperative Purchasing

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

Privatization

A continued element in the fiscal planning process has been the opportunity to privatize certain services when warranted. Food services for senior citizens home delivered and congregate meals, and for jail inmates, remain contracted with a private vendor. Custodial and snow removal, vehicle repair and technology services continue under contract. Periodic review of contractual cost compared to the expense of in-house services provides a bench mark in the decision of which fiscal model presents the most cost-effective manner of service delivery.

Shared Services

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

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

With the approval of the State Department of Health, Lapeer County also maintains an inter-county agreement to share the County Medical Officer with eight other County governments.

Bond Rating

The County of Lapeer is cognizant of the value of Bond ratings for the present and future development of infrastructure throughout the County. Standard and Poor's affirmed the AA+ stable rating for the county's existing GO debt in Oct. 2015. A prominent focus of fiscal planning is the attainment of Bond ratings that support low interest rates when the need to acquire capital occurs. Not only the County that benefits from a favorable rate, but also local units that borrow with the pledge of limited faith and credit of the County. The retention of an extremely low debt load remains a significant factor in the rating. Without a focused financial planning perspective, the cost to the citizens of the County to construct and/or improve public facilities and infrastructure may be significantly higher for any future debt issues.

Budgeting Controls

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

Major Initiatives

The implementation of the Information Systems Plan to upgrade technology throughout all Departments continued into 2015. The integration of systems, additional security applications, and backup capacity have added efficiencies to our communication capacities. The collaborative effort with the Immediate School District for internet service and fiber optic lines remains a cost effective and productive relationship. An expanded and enhanced capacity for digital record retention has been given increased importance as the system evolves.

Recognizing that energy costs are a significant element of the operational budgets, the Grounds and Maintenance Department continued to install energy saving equipment in respective county facilities. Department staff remained involved in the analysis and implementation of programs to reduce or contain expenses with all utilities. A continued review of energy containment methods for all County facilities remains in effect.

The County remains a member of the I-69 International Trade Corridor Next Michigan Development Corporation. This initiative, in cooperation with the State was created to benefit from the commercial link I-69 provides from Canada to the Mid-West and provides the manufacturing/industrial community access to additional tools to begin or enhance operations.

Full replacement of the jail security system began bringing the installation of digital cameras and recording equipment throughout the facility and enhanced the perimeter security. Additional camera placements were added thereby improving safety for staff and inmates by increasing the coverage of space monitored.

With the installation of the Courts and Law Enforcement Management Information System (CLEMIS) the capacity of sharing data between law enforcement agencies became a reality. By joining CLEMIS, Lapeer County and local agencies who also elected to join gained access to a multi-faceted system that provided a range of services that enhanced operational capability.

AWARDS AND ACKNOWLEDGEMENTS:

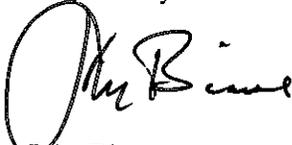
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Lapeer County for its CAFR for the fiscal year ending December 31, 2014. The Certificate of Achievement is a prestigious national award that recognizes conformance with the highest standards for preparation of state and local government financial reports. The County has been a recipient of the Award each year since 1997.

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

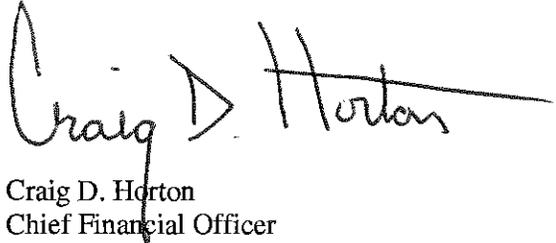
The Certificate of Achievement is valid for a period of one year only. We believe our current report conforms to Certificate of Achievement Program requirements, and are submitting it to the GFOA to determine eligibility for recognition for FY 2015.

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

Respectfully submitted,



John Biscoe
County Controller/Administrator



Craig D. Horton
Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

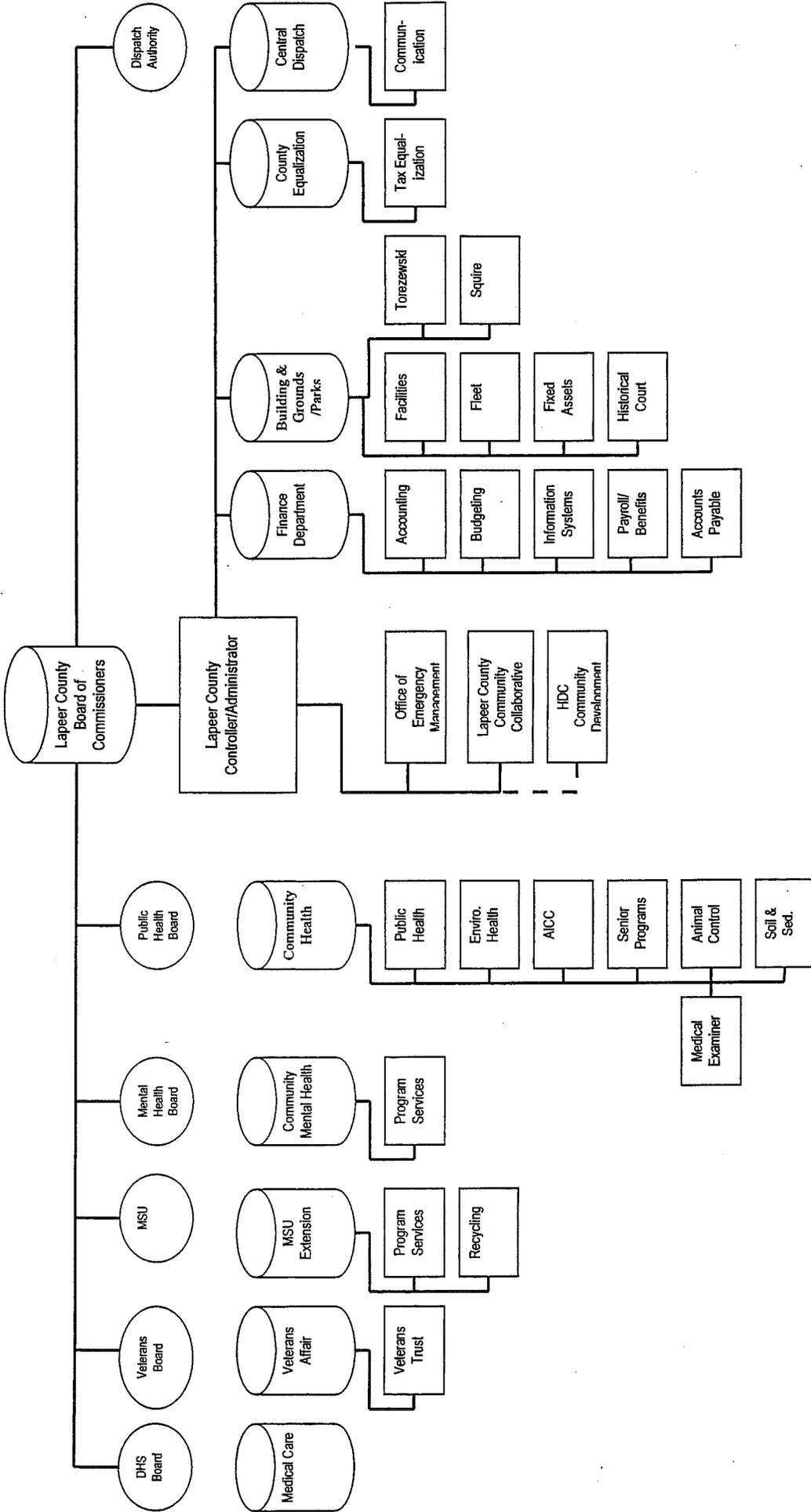
**Lapeer County
Michigan**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

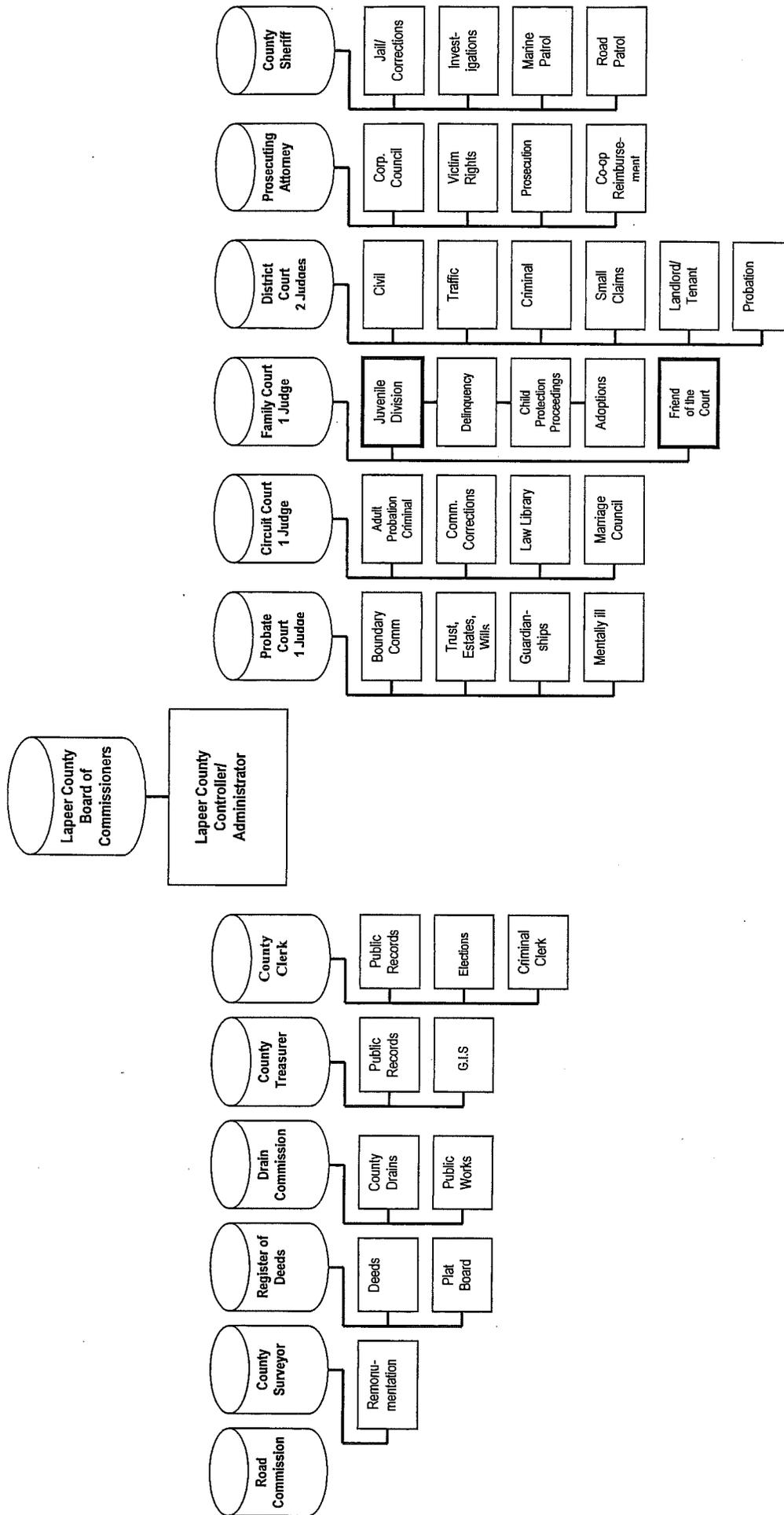
December 31, 2014

Executive Director/CEO

LAPEER COUNTY APPOINTED ORGANIZATIONAL CHART



LAPEER COUNTY ELECTORATE ORGANIZATIONAL CHART



LAPEER COUNTY, MICHIGAN

BOARD OF COMMISSIONERS

Chairperson

Gary Roy

Vice Chairperson

Cheryl Clark

Members

Dyle Henning
Lenny Schneider

Linda M. Jarvis

C. Ian Kempf
Dave Eady

COURT JUDGES

Nick O. Holowka
Family Court

Justus Scott
Family Court

Bryon Kenschuh
Family/District Court

Laura Chegar Barnard
District Court

COUNTY ELECTED OFFICIALS

Dana M. Miller
Treasurer

Ronald J. Kalanquin
Sheriff

Joseph Suma
Drain Commissioner

Theresa Spencer
Clerk

Timothy Turkelson
Prosecuting Attorney

Ray Davis
Surveyor

Melissa R. DeVaugh
Register of Deeds

County Appointed
John Biscoe
Controller/Administrator

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
of Lapeer County
Lapeer, Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lapeer County ("County"), Michigan as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Lapeer County Land Bank Authority, which represents .1 percent and .1 percent, respectively, of the assets and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Lapeer County Land Bank Authority is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lapeer County, Michigan, as of December 31, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Restatement of Beginning Net Position

As described in Note 16 to the financial statements, the beginning net position of the Road Commission component unit has been decreased to correct a misstatement. Our opinion is not modified with respect to this matter.

Implementation of GASB Statement No. 68 and GASB Statement No. 71

As discussed in Note 15 to the financial statements, the County implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, in the current year. The statements required the County to record their net pension liability in the government-wide and certain proprietary fund and component unit financial statements and enhanced financial reporting of the County's net pension liability and the related note disclosures of the plan. Accordingly, the beginning net positions of the governmental activities, business-type activities, Medical Care Facility Fund, and the Road Commission component unit were restated. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Lapeer County, Michigan's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied by us in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 17, 2016 on our consideration of Lapeer County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Lapeer County's internal control over financial reporting and compliance.

Stewart Beauvais & Whipple, P.C.
Certified Public Accountants

June 17, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the County of Lapeer, we offer readers of our financial statements this narrative and analysis of the financial activities for the fiscal year ending December 31, 2015. This analysis should be read in conjunction with the letter of transmittal, beginning on page i of this report, and with the basic financial statements and related notes that follow this section.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources by \$67,026,851 (net position) at December 31, 2015. Of this amount, \$23,176,765 represents unrestricted net position, which may be used to meet the County's ongoing obligations to citizens and creditors. Also included is \$10,268,064 of restricted net position restricted for specific purposes (specific millage funds, E-911, etc.) and \$33,582,022 representing investment in capital assets, net of related liabilities.
- The County's net position decreased by \$213,136 during 2015 mainly due to GASB Statement No. 68 implementation requiring governments to record their unfunded net pension liability.
- At December 31, 2015, the County's governmental funds reported a combined ending fund balance of \$23,391,797, a decrease of \$106,203 compared to the prior year. Approximately 24% of this amount, \$5,636,828, is available for spending at the government's discretion (unassigned fund balance).
- Capital assets of the primary government (carrying value net of accumulated depreciation) increased by \$484,766 over the previous year due to net capital additions exceeding annual depreciation costs. Long-term debt of the primary government decreased \$1,472,977, due primarily to scheduled bond payments.
- In 2015, the County Board of Commissioners adopted a balanced budget for the 2016 General Fund.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements are made up of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains supplementary information intended to furnish additional detail to support the basic financial statements themselves.

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

The statement of net position presents information on all of the County's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying events giving rise to the changes occur, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation.)

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

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

Fund Financial Statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Governmental funds are reported using the modified accrual method of accounting where, unlike the government-wide financial statements, governmental fund financial statements focus on the near-term inflows and outflows of spendable resources available to meet expenses, as well as on balances of those resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. Governmental funds include the General Fund, the Special Revenue funds, the Debt Service fund, and the Capital Projects funds.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in the fund balances provide a reconciliation to facilitate this comparison between governmental fund financial statements and government-wide financial statements.

The County maintains in excess of 40 individual governmental funds. Information is presented separately in the governmental funds balance sheet and statement of revenues, expenditures, and changes in fund balance for the General Fund, Community Mental Health, and E-911 Debt, all of which are considered major funds. Schedules for the combining General Fund – non-GAAP budgetary to GAAP basis presentation and data for the other governmental funds that are combined into a single, aggregated column on the basic financial statements are provided as supplemental information. Individual fund data of the budgetary basis of the Local Reserve, Budget Stabilization, Emergency Disaster, and Rental Property Funds (GASB No. 54 components of the General Fund) and each of the non-major governmental funds are provided elsewhere in this report.

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

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

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

Internal Service funds are an accounting device used by governments to accumulate and allocate cost internally among the County's various functions. The County uses internal service funds to account for its various employee benefit and risk management programs as well as two equipment acquisition pools. Because these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary funds are required to present a statement of cash flows, which is not required for the government-wide presentation. The proprietary fund financial statements provide separate information for the Medical Care Facility and Delinquent Tax Funds, both of which are considered major funds of the County. The County's Internal Service funds are presented in the proprietary fund financial statements in the Governmental Activities - Internal Service Fund column.

Fiduciary Funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The largest of the fiduciary funds is the General Agency fund. The County also has a Retiree Health Care Trust fund within the fiduciary fund category. The accounting used for the fiduciary funds is much like that used for proprietary funds.

Notes to the Financial Statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information: In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information on budgetary comparisons for two major governmental funds and pension system schedules.

The combining statements referred to earlier in connection with the combining non-GAAP budgetary basis General Fund schedules, non-major governmental, internal service and fiduciary funds are presented immediately following the required supplementary information.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$67,026,851 at December 31, 2015.

Approximately 35% or \$23,176,765 of the County's net position is unrestricted and available for future obligations. Approximately 15% or \$10,268,064 of the County's net position is restricted for specific purposes by external parties, constitutional provisions, or enabling legislation. Approximately 50% or \$33,582,022 of net position represents our investment in capital assets (e.g., land, buildings, machinery and equipment net of any related debt used to acquire those assets). The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The following analysis focuses on the net position of the County's governmental and business-type activities.

Net Position

	Governmental Activities		Business-type Activities		Total	
	2015	Restated 2014	2015	Restated 2014	2015	Restated 2014
Assets						
Current and Other Assets	\$ 35,902,003	\$ 36,452,178	\$ 26,807,922	\$ 29,134,818	\$ 62,709,925	\$ 65,586,996
Capital Assets, net	<u>23,893,451</u>	<u>24,995,055</u>	<u>15,713,813</u>	<u>14,127,443</u>	<u>39,607,264</u>	<u>39,122,498</u>
Total Assets	<u>59,795,454</u>	<u>61,447,233</u>	<u>42,521,735</u>	<u>43,262,261</u>	<u>102,317,189</u>	<u>104,709,494</u>
Deferred Outflows of Resources	<u>3,855,608</u>	-	<u>2,734,090</u>	-	<u>6,589,698</u>	-
Liabilities						
Long-term Liabilities	21,550,320	17,622,601	9,787,455	7,482,708	31,337,775	25,105,309
Other Liabilities	<u>5,576,328</u>	<u>5,652,761</u>	<u>2,019,648</u>	<u>3,834,865</u>	<u>7,595,976</u>	<u>9,487,626</u>
Total Liabilities	<u>27,126,648</u>	<u>23,275,362</u>	<u>11,807,103</u>	<u>11,317,573</u>	<u>38,933,751</u>	<u>34,592,935</u>
Deferred Inflows of Resources	<u>2,946,285</u>	<u>2,876,572</u>	-	-	<u>2,946,285</u>	<u>2,876,572</u>
Net Position						
Net investment in capital assets	17,868,209	17,870,430	15,713,813	14,127,443	33,582,022	31,997,873
Restricted	7,723,876	6,839,225	2,544,188	2,438,415	10,268,064	9,277,640
Unrestricted	<u>7,986,044</u>	<u>10,585,644</u>	<u>15,190,721</u>	<u>15,378,830</u>	<u>23,176,765</u>	<u>25,964,474</u>
Total Net Position	<u>\$ 33,578,129</u>	<u>\$ 35,295,299</u>	<u>\$ 33,448,722</u>	<u>\$ 31,944,688</u>	<u>\$ 67,026,851</u>	<u>\$ 67,239,987</u>

The 2014 balances have been restated due to the implementation of GASB Statement Nos. 68 and 71, as described in Note 15 to the financial statements.

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

The County's net position decreased from \$67,239,987 to \$67,026,851 for a net change of governmental and business-type activities of \$(213,136) from the prior year.

Normal Impacts

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

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

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

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

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

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

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

The following condensed financial information was derived from the Government-wide Statement of Activities and reflects how the County's net position changed during 2015 and 2014.

Changes in Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
Revenue:						
Program Revenue:						
Charges for services	\$ 28,487,541	\$ 25,800,595	\$ 24,212,076	\$ 22,503,802	\$ 52,699,617	\$ 48,304,397
Operating grants and contributions	6,353,111	7,651,757	-	-	6,353,111	7,942,683
Capital Grants and contributions	-	524,318	-	-	-	524,318
General Revenue:						
Property taxes	12,599,779	12,797,132	912,656	810,147	13,512,435	13,607,279
Grants and contributions not restricted to specific programs	1,964,983	1,735,482	19,022	7,830	1,984,005	1,452,386
Other	<u>125,415</u>	<u>173,195</u>	<u>9,877</u>	<u>25,684</u>	<u>135,292</u>	<u>198,879</u>
Total Revenue	<u>49,530,829</u>	<u>48,682,479</u>	<u>25,153,631</u>	<u>23,347,463</u>	<u>74,684,460</u>	<u>72,029,942</u>
Expenses:						
Legislative	289,048	281,705	-	-	289,048	281,705
Judicial	5,117,641	4,874,708	-	-	5,117,641	4,874,708
General Government	7,552,910	7,466,262	-	-	6,890,937	7,466,262
Public Safety	11,776,498	10,678,702	-	-	11,776,498	10,678,702
Public Works	340,331	341,165	-	-	340,331	341,165
Health and Welfare	25,702,025	22,681,428	-	-	25,702,025	22,681,428
Recreation and Culture	430,536	437,936	-	-	430,536	437,936
Interest on Long-Term Debt	299,517	351,578	-	-	299,517	351,578
Medical Care Facility	-	-	23,247,539	23,047,871	23,247,539	23,047,871
Delinquent Tax	-	-	<u>251,000</u>	<u>291,793</u>	<u>251,000</u>	<u>291,793</u>
Total Expenses	<u>51,508,506</u>	<u>47,113,484</u>	<u>23,498,539</u>	<u>23,339,664</u>	<u>74,345,072</u>	<u>70,453,148</u>
Change in net position before transfers	(1,977,677)	1,568,995	1,655,092	7,799	339,388	1,576,794
Transfers	(260,507)	1,669,911	(151,058)	(1,850,000)	(552,524)	(180,089)
Change in net position	(1,717,170)	3,238,906	1,504,034	(1,842,201)	(213,136)	1,396,705
Net position at beginning of year, as restated	<u>35,295,299</u>	<u>43,540,222</u>	<u>31,944,688</u>	<u>40,553,444</u>	<u>67,239,987</u>	<u>84,093,666</u>
Net position at end of year	<u>\$ 33,578,129</u>	<u>\$ 46,779,128</u>	<u>\$ 33,448,722</u>	<u>\$ 38,711,243</u>	<u>\$ 67,026,851</u>	<u>\$ 85,490,371</u>

Normal Impacts

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

Revenues:

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

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

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

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

Expenses:

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

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

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

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

Governmental Activities:

The largest revenue source for governmental activities is the allocated operating property tax. The General Fund property tax rate remained at 3.7886 in 2015 as a result of the Headlee Amendment and the application of the base tax rate reduction fraction.

Although the taxable value of the property assessments increased from \$2,628,945,178 in 2014 to \$2,689,687,494 in 2015, the County does not retain the entire property tax that is collected from this base. Tax Increment Finance Authorities (TIFA) and Downtown Development Authorities (DDA) established by local units of government "captured" approximately \$600,000 of property tax revenue that otherwise would have been available for use in the General Fund. It is important to note the existing TIFA's and DDA's continue to "capture" each year an increasing percentage of the total property tax, thereby limiting the capacity of the County to otherwise apply the revenue to mandated and essential activities.

State Revenue Sharing, the second largest single source of general revenue, was \$1,958,783 and \$1,731,582 in 2015 and 2014, respectively.

In total, fiscal year 2015 governmental activity revenue increased by \$848,350, charges for services increased by \$2,686,946, and operating/capital grants and contributions combined decreased by \$1,822,964. A significant portion of the increase to charges for services was attributable to an approximate \$2,600,000 increase in mental health services provided. The decrease in operating/capital grants was mainly attributable to prior year one-time federal surplus grant and E-911 grant and a decrease in state funding at Community Mental Health.

Business-type Activities:

In total, fiscal year 2015 business-type activity revenue increased by \$1,806,168. The increase was due primarily to an increase in charges for services related to the Medical Care Facility.

Financial Analysis of the County's Major Funds

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

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

At December 31, 2015, the County's governmental funds reported combined ending fund balances of \$23,391,797, a decrease of \$106,203 in comparison to the prior year. Nonspendable fund balance is \$519,341, consisting of inventory, advances, and prepaids. Restricted fund balance is \$9,103,157. Committed fund balance is \$8,132,471 and unassigned fund balance is \$5,636,828.

The General Fund is the chief operating fund of the County. At December 31, 2015, the General Fund reported an ending fund balance of \$12,451,451, with \$5,636,828 of that amount unassigned. As a measure of the general fund's liquidity, the unassigned fund balance represents approximately 32% of the total general fund expenditures and transfers out, while total fund balance represents 70% of total general fund expenditures and transfers out.

During the fiscal year 2015, there were no significant budget amendments approved for the General Fund.

The 2015 final budget of the General Fund had projected revenues of \$17,368,626, with expenditures of \$17,039,801 and transfers out of \$2,197,136. The final budget anticipated expenditures and other financing sources over revenues of \$1,868,311 or approximately 10% of combined expenditures and transfers out. There were no significant budget variances for General Fund revenues or expenditures, except for certain revenues due to the conservative budgeting as indicated previously, bonds and insurance and the contingency expenditure line items, which were budgeted for higher amounts that didn't materialize, and a transfer to the Public Employee Health Care Fund.

The second major governmental fund is the Community Mental Health. At December 31, 2015, Community Mental Health reported a fund balance of \$1,890,804. Fund balance decreased \$6,473 from the prior year. The decrease was primarily due to an increase in expenditures of providing mental health services.

The third major governmental fund is the E-911 Debt. At December 31, 2015, the E-911 Debt reported a fund balance of \$1,708,200. Fund balance increased by \$159,241 over the prior fiscal year. The increase was due to the property tax collections and interest exceeding the principal and interest payments on the debt.

Proprietary Funds: The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The County had two major proprietary funds at December 31, 2015.

The Delinquent Tax fund reported an increase in net position from \$19,361,062 to \$20,221,179. This increase is due to the property interest and penalties on delinquent taxes and charges and fees on foreclosed properties exceeding costs. The Medical Care Facility reported a net position increase from \$12,583,626 to \$13,227,543. This increase was due to an increase in charges for services.

Capital Assets and Debt Administration

Capital Assets: The County's investment in capital assets for its governmental and business-type activities as of December 31, 2015 amounted to \$39,607,264. This investment in capital assets includes land, land improvements, building and building improvements, machinery and equipment, and vehicles. During the year, the County added \$1,084,886 in its governmental activities mainly related to public safety equipment, parking lot upgrades, and several new vehicles and \$2,484,363 in the business-type activities mainly for the building addition in construction in progress at the Medical Care Facility and various other pieces of equipment.

As of December 31, 2015, the Medical Care Facility has \$3,131,304 outstanding in commitments for building expansion.

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

Outstanding Debt

Long-term Debt: At December 31, 2015, the County had bonds and unamortized bond premiums outstanding of \$8,085,378, declining from the 2014 balance of \$9,607,454 due to regularly scheduled payments. There was no new debt issued for 2015. The balance of the long-term liabilities of the primary government consisted of accrued self-insurance claims and compensated absences at December 31, 2015 of \$1,475,218, increasing from the 2014 balance of \$1,426,119.

Economic Outlook

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

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

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

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

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

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

Request for Information

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

BASIC FINANCIAL STATEMENTS

LAPEER COUNTY, MICHIGAN

**STATEMENT OF NET POSITION
DECEMBER 31, 2015**

	Primary Government			Component Units
	Governmental Activities	Business Type Activities	Total	
Assets:				
Cash and cash equivalents	\$ 13,502,784	\$ 19,559,606	\$ 33,062,390	\$ 6,376,487
Investments	14,874,497	-	14,874,497	1,194,147
Receivables (net of allowance)	6,900,607	6,799,534	13,700,141	5,124,849
Prepaid items/deposits	394,504	296,050	690,554	367,616
Internal balances	(24,860)	(130)	(24,990)	-
Inventory	2,337	103,326	105,663	775,832
Properties held for sale	-	-	-	19,115
Advance to component units	90,000	-	90,000	-
Other assets	19,075	-	19,075	-
Restricted assets -				
Cash and cash equivalents	143,059	49,536	192,595	-
Contracts receivable	-	-	-	2,903,730
Capital assets (net of accumulated depreciation)				
Assets not being depreciated	958,833	2,290,614	3,249,447	36,116,817
Assets being depreciated	22,934,618	13,423,199	36,357,817	55,042,930
Total Assets	<u>59,795,454</u>	<u>42,521,735</u>	<u>102,317,189</u>	<u>107,921,523</u>
Deferred Outflows of Resources:				
Related to pensions	<u>3,855,608</u>	<u>2,734,090</u>	<u>6,589,698</u>	<u>613,784</u>
Liabilities:				
Payables and accrued liabilities	5,510,484	1,970,112	7,480,596	1,739,460
Advances and deposits	-	-	-	915,770
Advances from primary government	-	-	-	90,000
Unearned revenue	65,844	-	65,844	-
Liabilities payable from restricted assets	-	49,536	49,536	-
Non-current liabilities -				
Net pension liability	12,741,748	9,035,431	21,777,179	6,280,823
Net OPEB obligation	-	-	-	5,103,677
Due within one year	2,156,925	250,000	2,406,925	726,322
Due in more than one year	6,651,647	502,024	7,153,671	4,360,917
Total Liabilities	<u>27,126,648</u>	<u>11,807,103</u>	<u>38,933,751</u>	<u>19,216,969</u>
Deferred Inflows of Resources:				
Taxes levied for a subsequent period	<u>2,946,285</u>	<u>-</u>	<u>2,946,285</u>	<u>-</u>
Net Position:				
Net investment in capital assets	17,868,209	15,713,813	33,582,022	89,141,446
Restricted - Expendable -				
Acquisition/construction of capital assets	13,786	-	13,786	2,140,929
Foreclosure sales	-	2,544,188	2,544,188	-
Debt Service	1,708,200	-	1,708,200	4,076,137
Health and Welfare	1,246,872	-	1,246,872	-
Public Safety	1,502,376	-	1,502,376	-
General Government	3,159,068	-	3,159,068	-
Other Purposes	93,574	-	93,574	-
Unrestricted	<u>7,986,044</u>	<u>15,190,721</u>	<u>23,176,765</u>	<u>(6,040,174)</u>
Total Net Position	<u>\$ 33,578,129</u>	<u>\$ 33,448,722</u>	<u>\$ 67,026,851</u>	<u>\$ 89,318,338</u>

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

LAPEER COUNTY, MICHIGAN

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2015**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities:				
Legislative	\$ 289,048	\$ -	\$ -	\$ -
Judicial	5,117,641	1,248,562	1,337,611	-
General Government	7,552,910	3,981,037	454,677	-
Public Safety	11,776,498	3,558,940	539,460	-
Public Works	340,331	-	-	-
Health and Welfare	25,702,025	19,527,759	4,012,818	-
Recreation and Culture	430,536	171,243	8,545	-
Interest on Long Term Debt	299,517	-	-	-
Total governmental activities	51,508,506	28,487,541	6,353,111	-
Business type activities:				
Medical Care Facility	23,247,539	22,954,928	-	-
Delinquent Tax	251,000	1,257,148	-	-
Total business type activities	23,498,539	24,212,076	-	-
Total Primary Government	\$ 75,007,045	\$ 52,699,617	\$ 6,353,111	\$ -
Component Units				
Road Commission	\$ 11,959,043	\$ 2,114,747	\$ 11,193,238	\$ 3,766,195
Board of Public Works	77,314	77,304	-	-
Drainage Districts	1,438,378	1,413,892	-	-
Land Bank Authority	19,949	2,596	-	-
Total Component Units	\$ 13,494,684	\$ 3,608,539	\$ 11,193,238	\$ 3,766,195
General revenues:				
Property taxes				
Grants and contributions not restricted to specific programs				
Unrestricted investment income				
Gain on sale of capital assets				
Transfers - internal activities				
Total general revenues and transfers				
Change in Net Position				
Net position at beginning of year, as restated				
Net position at end of year				

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

Net (Expense) Revenue and Change in Net Position

Primary Government			
Governmental Activities	Business Type Activities	Total	Component Units
\$ (289,048)	\$ -	\$ (289,048)	\$ -
(2,531,468)	-	(2,531,468)	-
(3,117,196)	-	(3,117,196)	-
(7,678,098)	-	(7,678,098)	-
(340,331)	-	(340,331)	-
(2,161,448)	-	(2,161,448)	-
(250,748)	-	(250,748)	-
(299,517)	-	(299,517)	-
<u>(16,667,854)</u>	<u>-</u>	<u>(16,667,854)</u>	<u>-</u>
-	(292,611)	(292,611)	-
-	1,006,148	1,006,148	-
-	713,537	713,537	-
<u>(16,667,854)</u>	<u>713,537</u>	<u>(15,954,317)</u>	<u>-</u>
-	-	-	5,115,137
-	-	-	(10)
-	-	-	(24,486)
-	-	-	(17,353)
-	-	-	<u>5,073,288</u>
12,599,779	912,656	13,512,435	-
1,964,983	19,022	1,984,005	-
125,415	7,977	133,392	18,095
-	1,900	1,900	48,998
260,507	(151,058)	109,449	-
<u>14,950,684</u>	<u>790,497</u>	<u>15,741,181</u>	<u>67,093</u>
(1,717,170)	1,504,034	(213,136)	5,140,381
<u>35,295,299</u>	<u>31,944,688</u>	<u>67,239,987</u>	<u>84,177,957</u>
<u>\$ 33,578,129</u>	<u>\$ 33,448,722</u>	<u>\$ 67,026,851</u>	<u>\$ 89,318,338</u>

LAPEER COUNTY, MICHIGAN

**BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2015**

	General	Community Mental Health	E-911 Debt	Other Governmental Funds	Total Governmental Funds
Assets:					
Cash and cash equivalents	\$ -	\$ -	\$ 1,938,768	\$ 6,617,939	\$ 8,556,707
Investments	14,874,497	-	-	-	14,874,497
Receivables (net of allowance) -					
Property taxes	1,022,815	-	1,780,353	827,941	3,631,109
Accounts and interest	42,013	289,857	-	1,007,892	1,339,762
Due from other governmental units	133,401	595,917	-	1,168,307	1,897,625
Due from other funds	110	-	-	-	110
Interfund receivables	-	3,117,131	-	325,496	3,442,627
Inventory	-	-	-	2,337	2,337
Advances to other funds	25,000	7,500	-	-	32,500
Advances to component units	90,000	-	-	-	90,000
Prepaid items	321,366	40,614	-	32,524	394,504
Restricted assets - Cash	-	143,059	-	-	143,059
	<u>\$ 16,509,202</u>	<u>\$ 4,194,078</u>	<u>\$ 3,719,121</u>	<u>\$ 9,982,436</u>	<u>\$ 34,404,837</u>
Liabilities:					
Accounts payable	\$ 153,541	\$ 1,189,435	\$ -	\$ 274,672	\$ 1,617,648
Accrued liabilities	252,337	188,266	-	270,061	710,664
Due to other governmental units	558,686	910,149	-	-	1,468,835
Due to other funds	31,498	15,424	-	26,025	72,947
Interfund payables	3,061,689	-	-	380,938	3,442,627
Advances from other funds	-	-	-	32,500	32,500
Unearned revenue	-	-	-	65,844	65,844
	<u>4,057,751</u>	<u>2,303,274</u>	<u>-</u>	<u>1,050,040</u>	<u>7,411,065</u>
Deferred Inflows of Resources:					
Unavailable revenues - revolving loans	-	-	-	655,690	655,690
Taxes levied for a subsequent period	-	-	2,010,921	935,364	2,946,285
	<u>-</u>	<u>-</u>	<u>2,010,921</u>	<u>1,591,054</u>	<u>3,601,975</u>
Fund Balances:					
Nonspendable -					
Inventory/Advances/Prepays	436,366	48,114	-	34,861	519,341
Restricted	2,560,317	143,059	1,708,200	4,691,581	9,103,157
Committed	3,817,940	1,699,631	-	2,614,900	8,132,471
Unassigned	5,636,828	-	-	-	5,636,828
	<u>12,451,451</u>	<u>1,890,804</u>	<u>1,708,200</u>	<u>7,341,342</u>	<u>23,391,797</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 16,509,202</u>	<u>\$ 4,194,078</u>	<u>\$ 3,719,121</u>	<u>\$ 9,982,436</u>	<u>\$ 34,404,837</u>

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

LAPEER COUNTY, MICHIGAN

**RECONCILIATION - FUND BALANCES FOR GOVERNMENTAL FUNDS
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2015**

Fund Balances - total governmental funds	\$	23,391,797
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Capital assets		45,479,589
Accumulated depreciation	(	24,496,807)
Certain pension contributions and changes in pension plan liabilities are reported as deferred outflows (inflows) of resources in the statement of net position		
Deferred outflows of resources		3,855,608
Other long-term assets are not available to pay for current period expenditures and, therefore, are a deferred inflow of resources in the governmental funds.		
Housing revolving loans		655,690
Premiums on bonds are reported as other financing sources in the governmental funds, whereas they are capitalized and amortized from net position (and netted against bonds payable).		
Bond premiums	(	110,378)
Internal Service Funds used by management to charge cost of health, unemployment, and workers' compensation expenses and claims, retirement contributions, post-employment health care, and capital acquisition and replacement. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		
		6,224,978
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds.		
Accrued compensated absences	(	524,849)
Bonds payable	(	7,975,000)
Net pension liability	(	12,741,748)
Insurance claims payable	(	103,345)
Accrued interest on bonds/note payable	(	77,406)
		<u>77,406</u>
Net Position of governmental activities	\$	<u>33,578,129</u>

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

LAPEER COUNTY, MICHIGAN

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	General	Community Mental Health	E-911 Debt	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 9,679,668	\$ -	\$ 1,992,260	\$ 927,851	\$ 12,599,779
Licenses and permits	57,911	-	-	521,786	579,697
Intergovernmental	2,518,196	1,098,849	-	4,434,734	8,051,779
Charges for services	2,235,273	18,004,049	-	3,953,568	24,192,890
Fines and forfeits	186,235	-	-	157,317	343,552
Rents	194,042	-	-	14,516	208,558
Interest	123,632	482	293	1,008	125,415
Other	2,661,452	262,880	-	249,871	3,174,203
Total Revenues	<u>17,656,409</u>	<u>19,366,260</u>	<u>1,992,553</u>	<u>10,260,651</u>	<u>49,275,873</u>
Expenditures:					
Current -					
Legislative	289,048	-	-	-	289,048
Judicial	3,699,909	-	-	1,417,732	5,117,641
General Government	4,927,129	-	-	350,677	5,277,806
Public Safety	5,892,611	-	-	4,312,653	10,205,264
Public Works	339,731	-	-	-	339,731
Health and Welfare	90,022	19,581,133	-	5,266,804	24,937,959
Recreation and Cultural	202,795	-	-	150,039	352,834
Other Activities	183,432	-	-	-	183,432
Capital Outlay	-	-	-	443,583	443,583
Debt Service -					
Principal	-	-	1,500,000	-	1,500,000
Interest	-	-	333,312	-	333,312
Total Expenditures	<u>15,624,677</u>	<u>19,581,133</u>	<u>1,833,312</u>	<u>11,941,488</u>	<u>48,980,610</u>
Revenues over (under) expenditures	<u>2,031,732</u>	<u>(214,873)</u>	<u>159,241</u>	<u>(1,680,837)</u>	<u>295,263</u>
Other Financing Sources (Uses):					
Transfers in	-	208,400	-	2,093,318	2,301,718
Transfers out	(2,049,595)	-	-	(653,589)	(2,703,184)
Total Other Financing Sources (Uses)	<u>(2,049,595)</u>	<u>208,400</u>	<u>-</u>	<u>1,439,729</u>	<u>(401,466)</u>
Net Change in Fund Balances	(17,863)	(6,473)	159,241	(241,108)	(106,203)
Fund Balances at beginning of year, as restated	<u>12,469,314</u>	<u>1,897,277</u>	<u>1,548,959</u>	<u>7,582,450</u>	<u>23,498,000</u>
Fund Balances at end of year	<u>\$ 12,451,451</u>	<u>\$ 1,890,804</u>	<u>\$ 1,708,200</u>	<u>\$ 7,341,342</u>	<u>\$ 23,391,797</u>

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

LAPEER COUNTY, MICHIGAN

**RECONCILIATION - NET CHANGE IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2015**

Net change in fund balances - total governmental funds	\$(106,203)
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>	
Capital outlay	478,150
Depreciation expense	(1,664,487)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>	
	49,561
<p>The issuance of long-term debt (e.g. bonds and notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.</p>	
Principal payments on long-term liabilities	1,500,000
<p>Accrued interest expense on bonds and the amortization of bond discounts, premiums and deferred losses are not recorded by governmental funds, but are reported under interest and fiscal charges for the purpose of net position:</p>	
Decrease accrued interest payable	11,719
Amortization of premium on bonds	22,076
<p>Internal Service Funds used by management to charge costs of healthcare, unemployment, and workers' compensation expenses and claims, retirement contributions, post-employment health care, and capital acquisition and replacement. The net revenues (expenses) attributable to those funds is reported with governmental activities.</p>	
	(413,799)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.</p>	
Increase in compensated absences	(26,504)
Increase in net pension liability	(5,436,567)
Change in deferred outflows/inflows of resources as a result in changes of assumptions and differences between projected and actual earnings.	3,855,608
Decrease in accrued insurance claims payable	<u>13,276</u>
Change in net position of governmental activities	<u><u>\$(1,717,170)</u></u>

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

LAPEER COUNTY, MICHIGAN

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2015**

	Business Type Activities-Enterprise Funds			Governmental Activities
	Medical	Delinquent	Total	Internal
	Care Facility	Tax		Service Fund
Assets:				
Current Assets:				
Cash and cash equivalents	\$ 2,659,686	\$ 16,899,920	\$ 19,559,606	\$ 4,946,077
Receivables (net of allowance) -				
Current and delinquent taxes	780,052	2,773,439	3,553,491	-
Accounts	2,523,385	-	2,523,385	32,111
Accrued interest	-	463,836	463,836	-
Note receivable	-	128,441	128,441	-
Deposit with agent	-	-	-	19,075
Inventories	103,326	-	103,326	-
Prepaid items	296,050	-	296,050	-
Due from other funds	-	-	-	47,977
Restricted assets - Cash	49,536	-	49,536	-
Total Current Assets	<u>6,412,035</u>	<u>20,265,636</u>	<u>26,677,671</u>	<u>5,045,240</u>
Noncurrent Assets:				
Capital assets, net	15,674,728	39,085	15,713,813	2,910,669
Note receivable	-	130,381	130,381	-
Total Noncurrent Assets	<u>15,674,728</u>	<u>169,466</u>	<u>15,844,194</u>	<u>2,910,669</u>
Total Assets	<u>22,086,763</u>	<u>20,435,102</u>	<u>42,521,865</u>	<u>7,955,909</u>
Deferred Outflows of Resources:				
Related to pensions	<u>2,734,090</u>	<u>-</u>	<u>2,734,090</u>	<u>-</u>

Continued

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

LAPEER COUNTY, MICHIGAN

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2015**

	Business Type Activities-Enterprise Funds			Governmental Activities
	Medical	Delinquent Tax	Total	Internal Service Fund
	Care Facility			
Liabilities:				
Current Liabilities:				
Accounts payable	\$ 550,226	\$ 5,450	\$ 555,676	\$ 1,635,931
Accrued liabilities	466,646	1,897	468,543	-
Due to other governmental units	739,447	206,446	945,893	-
Due to other funds	-	130	130	-
Current portion of -				
Accrued claims	250,000	-	250,000	85,000
Liabilities payable from restricted assets -				
Patient deposits	49,536	-	49,536	-
Total Current Liabilities	<u>2,055,855</u>	<u>213,923</u>	<u>2,269,778</u>	<u>1,720,931</u>
Long-Term Liabilities (less current portions):				
Accrued vacation and sick	327,442	-	327,442	-
Accrued claims	174,582	-	174,582	10,000
Net pension liability	9,035,431	-	9,035,431	-
Total Long-Term Liabilities	<u>9,537,455</u>	<u>-</u>	<u>9,537,455</u>	<u>10,000</u>
Total Liabilities	<u>11,593,310</u>	<u>213,923</u>	<u>11,807,233</u>	<u>1,730,931</u>
Net Position:				
Net investment in capital assets	15,674,728	39,085	15,713,813	2,910,669
Restricted - Foreclosures sales	-	2,544,188	2,544,188	-
Unrestricted	<u>(2,447,185)</u>	<u>17,637,906</u>	<u>15,190,721</u>	<u>3,314,309</u>
Total Net Position	<u>\$ 13,227,543</u>	<u>\$ 20,221,179</u>	<u>\$ 33,448,722</u>	<u>\$ 6,224,978</u>

Concluded

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

LAPEER COUNTY, MICHIGAN

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Business Type Activities-Enterprise Funds			Governmental Activities
	Medical Care Facility	Delinquent Tax	Total	Internal Service Funds
Operating Revenues:				
Charges for services	\$ 22,928,006	\$ 314,612	\$ 23,242,618	\$ 6,988,874
Interest on taxes	-	732,350	732,350	-
Fees and penalties on delinquent taxes	-	210,186	210,186	-
Other	26,922	-	26,922	-
Total Operating Revenues	<u>22,954,928</u>	<u>1,257,148</u>	<u>24,212,076</u>	<u>6,988,874</u>
Operating Expenses:				
Administrative and general	2,829,321	43,228	2,872,549	539,053
Maintenance	1,593,147	-	1,593,147	-
Nursing	10,062,792	-	10,062,792	-
Daycare	336,019	-	336,019	-
Professional service	6,060,960	-	6,060,960	-
Other services	-	200,882	200,882	-
Insurance and claims	-	-	-	4,177,300
Retirement and health care savings contributions	930,920	-	930,920	2,835,125
Depreciation	891,103	6,890	897,993	522,003
Total Operating Expenses	<u>22,704,262</u>	<u>251,000</u>	<u>22,955,262</u>	<u>8,073,481</u>
Operating Income (Loss)	<u>250,666</u>	<u>1,006,148</u>	<u>1,256,814</u>	<u>(1,084,607)</u>
Non-Operating Revenues (Expenses):				
Donations	19,022	-	19,022	-
Property taxes	912,656	-	912,656	-
Interest on investments	2,950	5,027	7,977	-
Maintenance of effort	(543,277)	-	(543,277)	-
Gain on sale of assets	1,900	-	1,900	8,835
Total Non-Operating Revenues (Expenses)	<u>393,251</u>	<u>5,027</u>	<u>398,278</u>	<u>8,835</u>
Net Income (Loss) Before Transfers	<u>643,917</u>	<u>1,011,175</u>	<u>1,655,092</u>	<u>(1,075,772)</u>
Transfers:				
Transfers in	-	-	-	679,616
Transfers out	-	(151,058)	(151,058)	(17,643)
Total Transfers	<u>-</u>	<u>(151,058)</u>	<u>(151,058)</u>	<u>661,973</u>
Change in Net Position	643,917	860,117	1,504,034	(413,799)
Net Position at beginning of year, as restated	<u>12,583,626</u>	<u>19,361,062</u>	<u>31,944,688</u>	<u>6,638,777</u>
Net Position end of year	<u>\$ 13,227,543</u>	<u>\$ 20,221,179</u>	<u>\$ 33,448,722</u>	<u>\$ 6,224,978</u>

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

LAPEER COUNTY, MICHIGAN

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Business Type Activities-Enterprise Funds			Governmental
	Medical	Delinquent	Total	Activities
	Care Facility	Tax		Internal Service Funds
Cash Flows From Operating Activities:				
Cash receipts from customers	\$ 19,763,701	\$ 6,979,409	\$ 26,743,110	\$ -
Cash receipts from interfund services	-	26	26	6,974,911
Cash payments to employees	(12,857,737)	-	(12,857,737)	-
Cash payments to suppliers	(9,451,547)	(5,150,299)	(14,601,846)	(7,153,862)
Other cash receipts	26,922	-	26,922	-
Net Cash Provided by (Used in) Operating Activities	<u>(2,518,661)</u>	<u>1,829,136</u>	<u>(689,525)</u>	<u>(178,951)</u>
Cash Flows From Noncapital Financing Activities:				
Patient trust deposits	34,016	-	34,016	-
Property taxes and donations	923,759	-	923,759	-
Interfund transfers	-	(151,058)	(151,058)	661,973
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>957,775</u>	<u>(151,058)</u>	<u>806,717</u>	<u>661,973</u>
Cash Flows From Capital and Related Financing Activities:				
Acquisition of capital assets	(2,484,363)	-	(2,484,363)	(606,736)
Proceeds from sale of capital assets	1,900	-	1,900	8,835
Net Cash Used in Capital and Related Financing Activities	<u>(2,482,463)</u>	<u>-</u>	<u>(2,482,463)</u>	<u>(597,901)</u>
Cash Flows From Investing Activities:				
Promissory note payments received	-	126,530	126,530	-
Interest received	2,950	5,027	7,977	-
Net Cash Provided by Investing Activities	<u>2,950</u>	<u>131,557</u>	<u>134,507</u>	<u>-</u>
Net Increase (decrease) in cash and cash equivalents	(4,040,399)	1,809,635	(2,230,764)	(114,879)
Cash and cash equivalents at beginning of year	<u>6,749,621</u>	<u>15,090,285</u>	<u>21,839,906</u>	<u>5,060,956</u>
Cash and cash equivalents at end of year	<u>\$ 2,709,222</u>	<u>\$ 16,899,920</u>	<u>\$ 19,609,142</u>	<u>\$ 4,946,077</u>
Statement of Net Position -				
Cash and Cash Equivalents -				
Cash and cash equivalents	\$ 2,659,686	\$ 16,899,920	\$ 19,559,606	\$ 4,946,077
Restricted assets - cash	49,536	-	49,536	-
Cash and cash equivalents at end of year	<u>\$ 2,709,222</u>	<u>\$ 16,899,920</u>	<u>\$ 19,609,142</u>	<u>\$ 4,946,077</u>

Continued

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

LAPEER COUNTY, MICHIGAN

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Business Type Activities-Enterprise Funds			Governmental
	Medical Care Facility	Delinquent Tax	Total	Activities Internal Service Funds
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Operating income (loss) for the year	\$ 250,666	\$ 1,006,148	\$ 1,256,814	\$(1,084,607)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities -				
Depreciation	891,103	6,890	897,993	522,003
Maintenance of effort	(543,277)	-	(543,277)	-
Change in allowance for bad debt	(142,600)	-	(142,600)	-
Change in assets and liabilities-				
(Increase) decrease in -				
Receivables	(503,557)	(372,875)	(876,432)	(32,111)
Due from other governmental units	-	1,011,278	1,011,278	-
Due from other funds	-	-	-	(13,750)
Prepaid items	(34,313)	-	(34,313)	6,765
Inventories	19,562	-	19,562	-
Deferred outflows related to pensions	(2,734,090)	-	(2,734,090)	-
Increase (decrease) in-				
Accounts payable	2,016	(3,709)	(1,693)	422,749
Accrued liabilities	(214,346)	337	(214,009)	-
Due to other funds	-	26	26	-
Net pension liability	2,268,876	-	2,268,876	-
Due to other governmental units	(1,778,701)	181,041	(1,597,660)	-
Net Cash Provided By (Used in) Operating Activities	<u><u>\$(2,518,661)</u></u>	<u><u>\$ 1,829,136</u></u>	<u><u>\$(689,525)</u></u>	<u><u>\$(178,951)</u></u>

Concluded

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

LAPEER COUNTY, MICHIGAN

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2015**

	Retiree Health Care	Agency Funds
Assets:		
Cash and cash equivalents	\$ -	\$ 1,146,900
Interest in pooled investment	754,163	-
Total Assets	754,163	\$ 1,146,900
Liabilities:		
Due to individuals and agencies	-	\$ 555,237
Due to other governmental units	-	591,663
Total Liabilities	-	\$ 1,146,900
Net Position:		
Restricted for retiree health care benefits	\$ 754,163	

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
RETIREE HEALTH CARE FUND
FOR THE YEAR ENDED DECEMBER 31, 2015**

Additions:	
Forfeitures	\$ 7,693
Investment return	(19,972)
Total Additions	(12,279)
Deductions:	
Contributions to participant accounts	221,710
Administration	1,478
Total Deductions	223,188
Net decrease	(235,467)
Net Position - Beginning of year	989,630
End of year	\$ 754,163

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

COMPONENT UNITS

LAPEER COUNTY, MICHIGAN

**COMBINING STATEMENT OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS
DECEMBER 31, 2015**

	Road Commission	Board of Public Works	Drainage Districts	Land Bank Authority	Totals
Assets:					
Cash and cash equivalents	\$ 3,264,685	\$ 42,960	\$ 2,980,920	\$ 87,922	\$ 6,376,487
Investments	-	-	1,194,147	-	1,194,147
Receivables	2,435,697	-	2,689,152	-	5,124,849
Inventory	775,832	-	-	-	775,832
Properties held for sale	-	-	-	19,115	19,115
Prepaid items/deposits	196,999	-	170,617	-	367,616
Restricted asset - contracts receivables	-	2,903,730	-	-	2,903,730
Capital Assets (net of accumulated depreciation) -					
Assets not being depreciated	32,063,332	-	4,053,485	-	36,116,817
Assets being depreciated	45,037,138	-	10,005,792	-	55,042,930
Total Assets	<u>83,773,683</u>	<u>2,946,690</u>	<u>21,094,113</u>	<u>107,037</u>	<u>107,921,523</u>
Deferred Outflows of Resources:					
Related to pension	<u>613,784</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>613,784</u>
Liabilities:					
Payables and accrued liabilities	1,583,350	-	131,426	-	1,714,776
Accrued interest	-	13,896	10,788	-	24,684
Advances and deposits	603,770	-	312,000	-	915,770
Advance from primary government	-	-	90,000	-	90,000
Non-current liabilities -					
Net pension liability	6,280,823	-	-	-	6,280,823
Net OPEB obligation	5,103,677	-	-	-	5,103,677
Due within one year	-	293,120	433,202	-	726,322
Due in more than one year	136,144	2,639,674	1,585,099	-	4,360,917
Total Liabilities	<u>13,707,764</u>	<u>2,946,690</u>	<u>2,562,515</u>	<u>-</u>	<u>19,216,969</u>
Net Position:					
Net investment in capital assets	77,100,470	-	12,040,976	-	89,141,446
Restricted -					
Debt Service	-	-	4,076,137	-	4,076,137
Acquisition/construction of capital assets	-	-	2,140,929	-	2,140,929
Unrestricted	<u>(6,420,767)</u>	<u>-</u>	<u>273,556</u>	<u>107,037</u>	<u>(6,040,174)</u>
Total Net Position	<u>\$ 70,679,703</u>	<u>\$ -</u>	<u>\$ 18,531,598</u>	<u>\$ 107,037</u>	<u>\$ 89,318,338</u>

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

LAPEER COUNTY, MICHIGAN

**COMBINING STATEMENT OF ACTIVITIES
DISCRETELY PRESENTED COMPONENT UNITS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Road Commission</u>	<u>Board of Public Works</u>	<u>Drainage Districts</u>	<u>Land Bank Authority</u>	<u>Total</u>
Expenses:					
General Government	\$ -	\$ -	\$ -	\$ 19,949	\$ 19,949
Public Works	-	-	1,327,219	-	1,327,219
Highways and Streets	11,959,043	-	-	-	11,959,043
Interest on Long Term Debt	-	77,314	111,159	-	188,473
Total Expenses	<u>11,959,043</u>	<u>77,314</u>	<u>1,438,378</u>	<u>19,949</u>	<u>13,494,684</u>
Program Revenues:					
Charges for services	2,114,747	77,304	1,413,892	2,596	3,608,539
Operating grants and contributions	11,193,238	-	-	-	11,193,238
Capital grants and contributions	<u>3,766,195</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,766,195</u>
Total Program Revenues	<u>17,074,180</u>	<u>77,304</u>	<u>1,413,892</u>	<u>2,596</u>	<u>18,567,972</u>
Net program revenue (expense)	<u>5,115,137</u>	<u>(10)</u>	<u>(24,486)</u>	<u>(17,353)</u>	<u>5,073,288</u>
General Revenues:					
Unrestricted investment income	7,090	10	10,995	-	18,095
Gain on sale of capital assets	<u>21,463</u>	<u>-</u>	<u>27,535</u>	<u>-</u>	<u>48,998</u>
Total General Revenues	<u>28,553</u>	<u>10</u>	<u>38,530</u>	<u>-</u>	<u>67,093</u>
Change in Net Position	5,143,690	-	14,044	(17,353)	5,140,381
Net Position at the beginning of year, as restated	<u>65,536,013</u>	<u>-</u>	<u>18,517,554</u>	<u>124,390</u>	<u>84,177,957</u>
Net Position at the end of year	<u>\$ 70,679,703</u>	<u>\$ -</u>	<u>\$ 18,531,598</u>	<u>\$ 107,037</u>	<u>\$ 89,318,338</u>

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

LAPEER COUNTY, MICHIGAN

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of Lapeer County, Michigan (the "County") have been prepared in conformity with generally accepted accounting principles (GAAP), as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the County's accounting policies are described below.

A. Reporting Entity -

The County of Lapeer, Michigan, was organized in 1835 and covers an area of approximately 670 square miles with the County seat located in the City of Lapeer, Michigan. The County operates under an elected Board of Commissioners (7 members) and provides services to approximately 88,000 residents in many areas; including law enforcement, administration of justice, community enrichment and development, public works, health and welfare, and recreation and culture.

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

BLENDING COMPONENT UNIT -

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

DISCRETELY PRESENTED COMPONENT UNITS -

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

LAPEER COUNTY, MICHIGAN

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2015

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

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

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

LAPEER COUNTY LAND BANK AUTHORITY established pursuant to the Michigan Land Bank Fast Track Public Act 258 of 2003 and an Intergovernmental Agreement entered into between the Michigan Land Bank Fast Track Authority and the Lapeer County Treasurer. The Land Bank Authority is governed by a five-member board including the Lapeer County Treasurer, who is, by law, its Chairperson, and four other members appointed by the Lapeer County Board of Commissioners. The Land Bank Authority was created to acquire, hold, manage and develop tax-foreclosed properties, as well as other vacant and abandoned properties. The County Board of Commissioners can significantly influence the operations of the Land Bank Authority.

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

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

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

LAPEER COUNTY, MICHIGAN

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2015

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

The component units associated with the activities of the public works projects administered by the Lapeer County Board of Public Works and the Drainage Districts administered by the Lapeer County Drain Commissioner are included within the scope of the audit of the basic financial statements. Separate audited financial statements for these component units were not issued.

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

B. Government-wide and fund financial statements -

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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

C. Measurement focus, basis of accounting, and financial statement presentation -

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. (Agency funds, a type of fiduciary fund, are unlike all other types of funds, reporting only assets and liabilities. Agency funds do not have a measurement focus. They do, however, use the accrual basis of accounting to recognize receivables and payables). Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

LAPEER COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015**

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are normally collected within 60 days of the end of the current fiscal period. This availability criterion is used for all revenue, except for reimbursement-based grants which are recognized at the time eligible expenditures are incurred, provided the billing is consistent with normal practice. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgements, are recorded only when payment is due.

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

The County reports the following major governmental funds:

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

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

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

The County reports the following major proprietary funds:

Medical Care Facility - is used to account for the operations of the County-owned long-term care facility.

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

Additionally, the County reports the following fund types:

Governmental Fund Types -

Special Revenue Funds - are used to account for the proceeds that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

LAPEER COUNTY, MICHIGAN

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2015

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

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

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

Proprietary Fund Type -

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

Fiduciary Fund Types -

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

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

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

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

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

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

LAPEER COUNTY, MICHIGAN

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2015

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

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

Deposits and Investments -

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

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

Investments are stated at fair value, which is determined as follows: (a) short-term investments are reported at cost, which approximates fair value; (b) securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates; (c) investments for which market quotations are not readily available are valued at their fair values, as determined by the custodian under the direction of the governing body, with the assistance of a valuation service; and (d) cash deposits are reported at their carrying amount which reasonably approximates fair value.

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

The Michigan Public Employee Retirement System Investment Act, Public Act 314 of 1965, as amended, authorizes pension and other employee benefit plans to invest in stocks, government and corporate securities, mortgages, real estate, and various other investment instruments, subject to certain limitations.

Receivables and Payables -

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

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

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

LAPEER COUNTY, MICHIGAN

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2015

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

Inventories and Prepaid Items -

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

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

Properties Held for Sale -

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

Property Tax Calendar -

The property taxes for the County's General Fund are levied on July 1 (the lien date), with all special purpose taxes (extra voted levies) levied on December 1 (the lien date), based on the taxable value of property located in the County as of the preceding December 31, by the various municipalities within the County. The July 1 taxes are due on or before September 15 and the December 1 taxes are due on or before February 15. The General Fund and Medical Care Facility levies are recognized in the year of the levy. The special purpose taxes levied on December 1, except for the Medical Care Facility levy, are recorded as a receivable and a deferred inflow of resources since they are levied for the subsequent year operations. For the 2015 year, the County levied 3.7886 mills for the General Fund operations and extra voted levies of .3300 mills for Medical Care Facility, .7500 mills for E-911 debt, .2500 for senior citizens programs, and 1.000 for veterans programs.

Capital Assets -

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. For the County, infrastructure exists in the Road Commission and Drainage Districts component units. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year, except for the Lapeer County Road Commission, which capitalizes assets with an individual cost of more than \$2,000. The Road Commission capitalizes road equipment without consideration of a minimum cost. Assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

LAPEER COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015**

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

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

	Years		
	Primary Government	Road Commission	Drainage Districts
Buildings/Improvements	5-50	40	-
Drainage Systems	-	-	50
Road Systems/Other Infrastructure	-	8-50	-
Machinery/Equipment/Vehicles	4-15	5-8	5-15

Compensated Absences -

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

Long-Term Obligations -

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statements of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual proceeds received, are reported as debt service expenditures.

LAPEER COUNTY, MICHIGAN

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2015

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

Deferred Outflows/Inflows of Resources -

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenses/expenditures) until then. The items deferred by the County are related to the pension plan and are reported on the government-wide statement of net position and in the enterprise fund financial statements and relate to pension payments made subsequent to the measurement date and the net difference between expected and actual plan investment earnings. The contributions made subsequent to the measurement date are recognized in the following plan year, whereas the net difference between expected and actual plan investment earnings is amortized over five (5) years.

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

Fund Balance -

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

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

Restricted fund balance – the portion of fund balance that is mandated for a specific purpose by external parties, constitutional provisions or enabling legislation.

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

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

LAPEER COUNTY, MICHIGAN

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2015

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

Unassigned fund balance – the portion of fund balance in the General Fund that cannot be classified into one of the four categories previously explained.

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

Budget Stabilization Arrangement -

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

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

At December 31, 2015, the accumulation within the Budget Stabilization Fund was \$2,560,317 and is reported within the General Fund as restricted fund balance for the stabilization arrangement.

Estimates -

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

Federal Programs -

Federal Programs are accounted for in specific Special Revenue Funds or as part of the various fund types to which the programs pertain. The County has not integrated its Single Audit Reports and Schedule of Expenditures of Federal Awards as part of the Annual Financial Report. The Single Audit Financial Report will be issued prior to June 30, 2016, under separate cover as supplementary information to the Annual Financial Report.

LAPEER COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015**

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

Upcoming Accounting Pronouncements -

The Governmental Accounting Standards Board (GASB) issued the following statements that will have an impact on the County's financial statements when adopted. The County is currently evaluating the implications of the pronouncements.

GASB Statement No. 72, *Fair Value Measurements and Application*, was issued in February 2015 and will become effective for the County's December 31, 2016 fiscal year. This statement addresses accounting and financial reporting issues related to fair value measurements. This statement will enhance comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed measurement of fair value and accepted valuation techniques. This statement will also enhance fair value application guidance and related disclosures in order to provide information to financial statements users about the impact of fair value measurements on the County's financial position.

GASB Statement No. 77, *Tax Abatement Disclosures*, was issued in August 2015 and will become effective for the County's December 31, 2016 fiscal year. The statement requires governments that enter into tax abatement agreements to disclose certain information about the agreements, including the tax being abated, the authority under which abatements are provided, the gross dollar amount of taxes abated during the period, and commitments made by the government.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY:

Budgetary Information -

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

The County departments, in conjunction with the Finance Department, prepare budgets for the following fiscal year. The budgets include proposed expenditures and resources to finance them.

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

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

LAPEER COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015**

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

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

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

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

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

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

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

Excess of Expenditures Over Appropriations -

Primary Government -

<u>Fund Type/Function/Activity or Account</u>	<u>Appropriations</u>	<u>Expended</u>	<u>Variance</u>
General Fund (GAAP - Basis) -			
General Fund -			
General Government Elections	\$ 141,438	\$ 141,732	\$ 294
Transfers out			
Mental Health Court	-	5,682	5,682
Public Employee Health Care	-	160,000	160,000

LAPEER COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015**

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

<u>Fund Type/Function/Activity or Account</u>	<u>Appropriations</u>	<u>Expended</u>	<u>Variance</u>
Nonmajor Special Revenue Funds -			
E-911			
Public Safety	\$ 1,736,200	\$ 1,808,712	\$ 72,512
Friend of the Court			
Judicial	1,348,267	1,402,255	53,988
Personal Care Aide Program			
Health and Welfare	1,162,299	1,173,014	10,715
Animal Control			
Public Safety	332,345	340,930	8,585
Law Enforcement			
Public Safety	185,851	210,763	24,912
Transfers out	-	12,000	12,000
Veterans' Trust			
Health and Welfare	10,000	23,266	13,266
Soil and Sedimentation			
Health and Welfare	116,831	117,427	596
Prosecuting Attorney			
General Government	68,836	215,981	147,145

NOTE 3 - DEPOSITS AND INVESTMENTS:

Authorized Deposits and Investments -

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

LAPEER COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015**

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

Act 20 PA 1943 as amended by Act 1997 PA 1999 authorizes the County to invest surplus funds in bonds, securities and other direct obligations of the United States government or an agency or instrumentality of the United States; certificates of deposit, savings accounts, deposit accounts or depository receipts of a financial institution only if the bank, savings and loan association, or credit union is eligible to be a depository of funds belonging to the State; repurchase agreements consisting of bonds, securities and other direct obligations of the United States government or an agency or instrumentality of the United States; bankers' acceptances of United States banks; commercial paper rated at the time of purchase within the highest classification established by not less than two standard rating services, which mature not more than 270 days after the date of purchase; mutual funds registered under the Investment Company Act of 1940, with the authority to purchase only investment vehicles that are legal for direct investment by a public corporation; investment pools through an interlocal agreement under the Urban Cooperation Act of 1967; and investment pools organized under the Surplus Funds Investment Pool Act, 1982 PA 367, 129.111 to 129.118.

Carrying Amount -

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

	<u>Primary Government</u>	<u>Component Units</u>	<u>Fiduciary Funds</u>	<u>Reporting Entity</u>
Cash on Hand	\$ 10,681	\$ 350	\$ 300	\$ 11,331
Deposits with Financial Institutions	<u>33,296,115</u>	<u>6,376,137</u>	<u>1,146,600</u>	<u>40,818,852</u>
Investments -				
Municipal Bonds	1,147,273	-	-	1,147,273
U.S. Government Securities	12,415,553	-	-	13,607,259
Mutual Funds	1,235,492	1,191,706	-	1,237,933
Interest in Pooled Investments	-	2,441	754,163	754,163
Investment Trust Funds	<u>24,368</u>	<u>-</u>	<u>-</u>	<u>24,368</u>
Total Investments	<u>14,822,686</u>	<u>1,194,147</u>	<u>754,163</u>	<u>16,770,996</u>
Grand Total	<u>\$ 48,129,482</u>	<u>\$ 7,570,634</u>	<u>\$ 1,901,063</u>	<u>\$ 57,601,179</u>

LAPEER COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015**

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

Reconciliation to Statements of Net Position

	<u>Primary Government</u>	<u>Component Units</u>	<u>Fiduciary Funds</u>	<u>Reporting Entity</u>
Reported as Cash and Cash Equivalents -				
Cash on Hand	\$ 10,681	\$ 350	\$ 300	\$ 11,331
Cash in Checking/Money Market/Savings	33,219,936	6,376,137	1,146,600	40,742,673
Investment Trust Funds	<u>24,368</u>	<u>-</u>	<u>-</u>	<u>24,368</u>
Total Cash and Cash Equivalents Reported on Statements of Net Position	<u>33,254,985</u>	<u>6,376,487</u>	<u>1,146,900</u>	<u>40,778,372</u>
Reported as Investments -				
Municipal Bonds	1,147,273	-	-	1,147,273
U.S. Government Securities	12,415,553	1,191,706	-	13,607,259
Certificates of Deposit	76,179	-	-	76,179
Mutual Funds	1,235,492	2,441	-	1,237,933
Interest in Pooled Investments	<u>-</u>	<u>-</u>	<u>754,163</u>	<u>754,163</u>
Total Investments Reported on Statements of Net Position	<u>14,874,497</u>	<u>1,194,147</u>	<u>754,163</u>	<u>16,822,807</u>
Grand Total – Statements of Net Position	<u>\$ 48,129,482</u>	<u>\$ 7,570,634</u>	<u>\$ 1,901,063</u>	<u>\$ 57,601,179</u>

Custodial Credit Risk - Deposits - Custodial credit risk for deposits is the risk that in the event of a bank failure, the County's deposits may not be returned. As of December 31, 2015, the book value of the County's deposits was \$40,818,852, with a corresponding bank balance of \$40,808,594. Insured deposits were \$1,556,886, and the remaining \$39,251,708 was uninsured and uncollateralized.

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

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

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

LAPEER COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015**

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

Investments (excluding Retiree Health Care) -

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

<u>Investment Type</u>	<u>Fair Value</u>	<u>Percentage</u>
U.S. Government Securities	\$ 13,607,259	85.0 %
Investment Trust Funds	24,368	0.1
Municipal Bonds	1,147,273	7.2
Mutual Funds	<u>1,237,933</u>	<u>7.7</u>
Total	<u>\$ 16,016,833</u>	<u>100.0 %</u>

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

	<u>Amount</u>	<u>Rating</u>	<u>Rating Agency</u>	<u>Average Days to Maturity</u>
Primary Government - MBIA Michigan CLASS	\$ 24,368	AAAm	Standard & Poors	58

Michigan Cooperative Liquid Assets Security System (“Michigan CLASS”) is a participant-controlled trust created in accordance with Section 5 of Act 7 of the Urban Cooperation Act of 1967 and the Local Government Investment Pool Act, 1985 PA 121, MCL 129.141 to 129.150. Michigan CLASS is not subject to regulatory oversight and is not registered with the SEC, however issues a separate audited financial statement. Michigan CLASS operates like a money market mutual fund, with each share valued at \$1.00. Fair value of the County’s position in the pool is the same as the value of the Michigan CLASS pool shares.

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

As of December 31, 2015, the County investments, excluding the investment trust fund previously reported and U.S. government securities and mutual funds, had the following Moody ratings:

<u>Fair Value</u>	<u>Ratings</u>
\$ 451,721	AA+
163,174	AA
52,586	AA-
322,735	AA1
<u>157,057</u>	A+
<u>\$ 1,147,273</u>	

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

LAPEER COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015**

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

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

Custodial Credit Risk - Investments - is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments that are in the possession of another party. The County's policy requires securities to be diversified by institution and may be held by a third party custodian designated by the County Treasurer and evidenced by safekeeping receipts. As of December 31, 2015, \$14,754,532 of investments was held in third-party safekeeping not in the County's name, however, evidenced by safekeeping receipts.

Concentration of Credit Risk - Investments - is the risk of loss attributed to the magnitude of the County's investment in a single issuer. The County's investment policy attempts to minimize risk by diversifying its investments by maturity dates, individual financial institutions, and/or security type, so that potential loss on individual securities should not exceed the income generated from the remainder of the portfolio.

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

Investment Type	Fair Value	Maturity (Years)			
		<1	1-5	6-10	>10
Municipal Bonds	\$ 1,147,273	\$ 125,646	\$ 1,021,627	\$ -	\$ -

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

NOTE 4 - RECEIVABLES:

Receivables as of December 31, 2015 in the governmental and business-type activities are as follows:

	Governmental Activities	Business-type Activities
Property taxes	\$ 3,631,109	\$ 3,553,491
Interest, accounts and note	2,027,563	3,346,043
Intergovernmental	1,897,625	-
	7,556,297	6,899,534
Less - allowance for uncollectible	655,690	100,000
	<u>\$ 6,900,607</u>	<u>\$ 6,799,534</u>

LAPEER COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 5 - CAPITAL ASSETS:

Primary Government

Capital asset activity of the primary government for the year ended December 31, 2015 was as follows:

	Balance January 1, 2015	Additions	Adjustments/ Disposals	Balance December 31, 2015
Governmental activities:				
Capital Assets, not being depreciated:				
Land	\$ 958,833	\$ -	\$ -	\$ 958,833
Capital Assets, being depreciated:				
Buildings	25,656,788	20,655	-	25,677,443
Improvements other than Buildings	2,151,033	192,795	-	2,343,828
Machinery and Equipment	20,869,678	620,281	-	21,489,959
Vehicles	<u>2,425,923</u>	<u>251,155</u>	<u>84,218</u>	<u>2,592,860</u>
Total Capital Assets being depreciated	<u>51,103,422</u>	<u>1,084,886</u>	<u>84,218</u>	<u>52,104,090</u>
Less Accumulated Depreciation for:				
Buildings	14,282,982	813,939	-	15,096,921
Improvements other than Buildings	1,404,187	74,414	-	1,478,601
Machinery and Equipment	9,517,167	1,005,097	-	10,522,264
Vehicles	<u>1,862,864</u>	<u>293,040</u>	<u>84,218</u>	<u>2,071,686</u>
Total Accumulated Depreciation	<u>27,067,200</u>	<u>2,186,490</u>	<u>84,218</u>	<u>29,169,472</u>
Total Capital Assets being depreciated, net	<u>24,036,222</u>	<u>(1,101,604)</u>	<u>-</u>	<u>22,934,618</u>
Governmental Activities Capital Assets, net	<u>24,995,055</u>	<u>(1,101,604)</u>	<u>-</u>	<u>23,893,451</u>
Business-type Activities:				
Capital Assets, not being depreciated:				
Construction in Progress	<u>46,488</u>	<u>2,262,509</u>	<u>18,383</u>	<u>2,290,614</u>
Capital Assets, being depreciated:				
Buildings	23,070,137	136,303 (	18,383)	23,224,823
Improvements other than Buildings	6,750	-	-	6,750
Machinery and Equipment	<u>3,545,322</u>	<u>85,551</u>	<u>40,542</u>	<u>3,590,331</u>
Total Capital Assets, being depreciated	<u>26,622,209</u>	<u>221,854</u>	<u>22,159</u>	<u>26,821,904</u>
Less Accumulated Depreciation for:				
Buildings	9,445,396	804,756	-	10,250,152
Improvements other than Buildings	6,750	-	-	6,750
Machinery and Equipment	<u>3,089,108</u>	<u>93,237</u>	<u>40,542</u>	<u>3,141,803</u>
Total Accumulated Depreciation	<u>12,541,254</u>	<u>897,993</u>	<u>40,542</u>	<u>13,398,705</u>
Total Capital Assets being depreciated, net	<u>14,080,955</u>	<u>(676,139)</u>	<u>(18,383)</u>	<u>13,423,199</u>
Business-type Activities Capital Assets, net	<u>14,127,443</u>	<u>1,586,370</u>	<u>-</u>	<u>15,713,813</u>
Total Primary Government	<u>\$ 39,122,498</u>	<u>\$ 484,766</u>	<u>\$ -</u>	<u>\$ 39,607,264</u>

LAPEER COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015**

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

Depreciation expense for 2015 was charged to functions/programs of the primary government as follows:

Governmental Activities -		
General Government	\$	328,568
Public Safety		1,094,186
Public Works		600
Health and Welfare		163,431
Recreation and Cultural		<u>77,702</u>
Depreciation Expense-Governmental Activities		1,664,487
Depreciation Expense in the Internal Service Funds		<u>522,003</u>
Total Depreciation Expense - Governmental Activities	\$	<u>2,186,490</u>
Business-type Activities -		
Medical Care Facility	\$	891,103
Delinquent Tax Revolving		<u>6,890</u>
Total Depreciation Expense - Business-type Activities	\$	<u>897,993</u>

Component Units

Drainage Districts: Capital asset activity for the Drainage Districts for the year ended December 31, 2015, was as follows:

	Balance January 1, 2015	Additions	Adjustments/ Disposals	Balance December 31, 2015
Capital Assets, not being depreciated:				
Land Improvements	\$ 2,859,107	\$ -	\$ -	\$ 2,859,107
Construction in Progress	<u>1,194,378</u>	<u>-</u>	<u>-</u>	<u>1,194,378</u>
Total Capital Assets, not being depreciated	<u>4,053,485</u>	<u>-</u>	<u>-</u>	<u>4,053,485</u>
Capital Assets, being depreciated:				
Equipment	743,522	281,378	151,769	873,131
Infrastructure	<u>25,491,829</u>	<u>-</u>	<u>-</u>	<u>25,491,829</u>
Total Capital Assets, being depreciated	<u>26,235,351</u>	<u>281,378</u>	<u>151,769</u>	<u>26,364,960</u>
Less Accumulated Depreciation for:				
Equipment	740,603	15,377	151,769	604,211
Infrastructure	<u>15,216,667</u>	<u>538,290</u>	<u>-</u>	<u>15,754,957</u>
Total Accumulated Depreciation	<u>15,957,270</u>	<u>553,667</u>	<u>151,769</u>	<u>16,359,168</u>
Total Capital Assets being depreciated, net	<u>10,278,081</u>	<u>(272,289)</u>	<u>-</u>	<u>10,005,792</u>
Drainage Districts Capital Assets, net	<u>\$ 14,331,566</u>	<u>\$(272,289)</u>	<u>\$ -</u>	<u>\$ 14,059,277</u>

Depreciation expense was \$553,667 for 2015.

LAPEER COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015**

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

Road Commission: Capital asset activity for the Road Commission for the year ended September 30, 2015 was as follows:

	Restated Balance <u>October 1, 2014</u>	<u>Additions</u>	Deletions/ <u>Adjustments</u>	Balance <u>September 30, 2015</u>
Capital Assets, not being depreciated -				
Land	\$ 159,507	\$ -	\$ -	\$ 159,507
Land Improvements	31,723,779	-	-	31,723,779
Right of Ways	<u>180,046</u>	-	-	<u>180,046</u>
Total Capital Assets, not being depreciated	<u>32,063,332</u>	-	-	<u>32,063,332</u>
Capital Assets, being depreciated -				
Building and Improvements	1,942,220	44,324	-	1,986,544
Road Equipment	7,709,053	432,843	49,945	8,091,951
Shop Equipment	154,591	-	-	154,591
Office Equipment	507,095	-	-	507,095
Engineering Equipment	70,700	-	-	70,700
Infrastructure -				
Roads	56,693,326	9,238,455	2,364,377	63,567,404
Bridges	15,229,228	172,029	-	15,401,257
Traffic Signals	83,723	-	-	83,723
Depletable Assets	<u>205,130</u>	-	-	<u>205,130</u>
	<u>82,595,066</u>	<u>9,887,651</u>	<u>2,414,322</u>	<u>90,068,395</u>
Less - accumulated depreciation for -				
Buildings and Improvements	1,671,188	47,839	-	1,719,027
Road Equipment	6,594,396	434,557	49,131	6,979,822
Shop Equipment	154,591	-	-	154,591
Office Equipment	507,095	-	-	507,095
Engineering Equipment	70,700	-	-	70,700
Infrastructure -				
Roads	27,842,329	3,779,330	2,364,377	29,257,282
Bridges	5,818,250	306,484	-	6,124,734
Traffic Signals	79,564	4,159	-	83,723
Depletable Assets	<u>134,283</u>	-	-	<u>134,283</u>
	<u>42,872,396</u>	<u>4,572,369</u>	<u>2,413,508</u>	<u>45,031,257</u>
Total Capital Assets, being depreciated, net	<u>39,722,670</u>	<u>5,315,282</u>	<u>814</u>	<u>45,037,138</u>
Governmental Activities Capital Assets, net	<u>\$ 71,786,002</u>	<u>\$ 5,315,282</u>	<u>\$ 814</u>	<u>\$ 77,100,470</u>

Depreciation expense was \$4,572,369 for 2015.

The Road Commission restated the October 1, 2014 balances to correct an overstatement of the non-depreciable land improvements category in the amount of \$14,957,252 by reclassification of \$13,924,056 to various depreciable infrastructure categories and increasing accumulated depreciation by \$4,570,110.

LAPEER COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 6 - PAYABLES:

Payables as of December 31, 2015 in the governmental and business-type activities are as follows:

	Governmental Activities	Business-type Activities
Accounts payable	\$ 3,253,579	\$ 555,676
Accrued liabilities	710,664	468,543
Accrued interest	77,406	-
Intergovernmental	1,468,835	945,893
	\$ 5,510,484	\$ 1,970,112

NOTE 7 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS:

The composition of interfund balances as of December 31, 2015 is as follows:

Due To/From Other Funds

	Receivable	Payable
Governmental Funds -		
General Fund	\$ 110	\$ 31,498
Community Mental Health	-	15,424
Nonmajor Special Revenue Funds -		
E-911	-	4,792
Friend of the Court	-	2,677
Health Department	-	6,541
Personal Care Aid Program	-	1,640
Animal Control	-	517
Emergency Management	-	164
Community Grants	-	126
Police Service Contracts	-	6,820
Law Enforcement	-	734
Child Care	-	395
Soldiers' Relief	-	530
Multi-Purpose Collaborative Body	-	86
Soil and Sedimentation	-	110
Mental Health Court	-	154
Prosecuting Attorney	-	739
	-	26,025
Internal Service Funds -		
Retirement	47,977	-
Proprietary Fund -		
Delinquent Tax	-	130
Total per Financial Statements		
Reconciling item for September 30, year-end funds	24,990	-
Total	\$ 73,077	\$ 73,077

LAPEER COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015**

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

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

Total due to primary government funds, as shown on the accompanying financial statements, reporting more than due from primary government funds by \$24,990 was attributable to transactions with funds reported on a September 30 year-end.

Advances From/To Other Funds

	Receivable	Payable
General Fund	\$ 25,000	\$ -
Community Mental Health	7,500	-
Lapeer Family Continuation Coordinator	-	7,500
Parks Department	-	25,000
	\$ 32,500	\$ 32,500

The advances are executed to assist with cash flows.

Advances From/To Primary Government and Component Units

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

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

Interfund Receivable/Payable

	Receivable	Payable
Governmental Funds -		
General Fund	\$ -	\$ 3,061,689
Community Mental Health	3,117,131	-
Polly Ann Trail	-	3,527
Friend of the Court	-	207,704
Health Department	325,496	-
Community Grants	-	42,336
Police Service Contracts	-	25,021
Mental Health Court	-	39,544
Prosecuting Attorney	-	62,806
	\$ 3,442,627	\$ 3,442,627
Total		

The interfund receivable/payable balances at December 31, 2015 represent short-term borrowing between funds to cover negative cash balances in the common checking account in accordance with County Board of Commissioner's policy.

LAPEER COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015**

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

Transfers In and Out -

Transfers in	Transfers out	Amount
Friend of Court	General Fund	\$ 289,000 (1)
Community Mental Health		208,400 (1)
Health Department		249,916 (1)
Animal Control		10,000 (1)
Environment/Recycling		5,500 (1)
Emergency Management		49,000 (1)
Community Grants		38,530 (1)
Police Service Contracts		336,508 (1)
Law Enforcement Programs		6,535 (1)
Law Enforcement		69,826 (1)
Law Library		4,500 (1)
Child Care		192,790 (1)
Soil and Sedimentation		51,195 (1)
Mental Health Court		5,682 (1)
Capital Construction/Improvement		20,655 (3)
Equipment Acquisition and Replacement		20,000 (3)
Retirement		331,558 (4)
Public Employee Health Care		<u>160,000 (6)</u>
		2,049,595
Public Employee Health Care	Delinquent Tax	151,058 (6)
Friend of Court	Equipment Acquisition and Replacement	17,643 (5)
Equipment Acquisition and Replacement	Law Enforcement	12,000 (3)
	Law Enforcement - Other	5,000 (3)
Prosecuting Attorney	Law Enforcement - Other	11,831 (5)
Personal Care Aide Program	Senior Millage	<u>624,758 (2)</u>
Total Transfers out per Fund Financial Statements		2,871,885
Reconciling item for September 30, year-end funds		<u>109,449</u>
Total Transfers in		<u>\$ 2,981,334</u>

Transfers represent:

- (1) The movement of unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations (annual appropriations).
- (2) The movement of tax revenue from the collecting fund to the fund that is budgeted to expend the tax collections.
- (3) The transfer of funds to finance capital acquisition.
- (4) The transfer of funds to provide supplemental retirement contributions.
- (5) The transfer of funds to provide the Prosecuting Attorney Fund operational needs as budgeted.
- (6) The transfer of funds to provide supplemental health care savings contributions.

LAPEER COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015**

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

Total transfers in for the primary government funds as reported in the accompanying financial statements were 2,981,334, and total transfers out were \$2,871,885. The difference between these amounts, \$190,449, was attributable to transactions with funds, which are reported on a September 30, year-end. As such, this is reported as an uneliminated internal balance in the statement of activities.

NOTE 8 - LONG-TERM LIABILITIES:

Primary Government

The following is a summary of changes in the long-term liabilities (including current portions) of the Primary Government for the year ended December 31, 2015:

	Balance January 1, <u>2015</u>	<u>Additions</u>	<u>Reductions</u>	Balance December 31, 2015	Due Within <u>One Year</u>
<u>Governmental Activities:</u>					
Governmental Funds -					
2011 Capital Improvement					
Bonds	\$ 9,475,000	\$ -	\$ 1,500,000	\$ 7,975,000	\$ 1,500,000
Accrued Claims Liability	116,621	62,885	76,161	103,345	25,000
Accrued Vacation	498,345	524,849	498,345	524,849	524,849
Amounts For - Issuance Premium	<u>132,454</u>	<u>-</u>	<u>22,076</u>	<u>110,378</u>	<u>22,076</u>
Total Governmental Funds	10,222,420	587,734	2,096,582	8,713,572	2,071,925
Internal Service Funds -					
Workers' Compensation					
Accrued Claims Liabilities	<u>95,000</u>	<u>39,931</u>	<u>39,931</u>	<u>95,000</u>	<u>85,000</u>
Total Governmental Activities	<u>10,317,420</u>	<u>627,665</u>	<u>2,136,513</u>	<u>8,808,572</u>	<u>2,156,925</u>
<u>Business-type Activities:</u>					
Medical Care Facility -					
Accrued Claims Liabilities	450,186	193,520	219,124	424,582	250,000
Accrued Vacation and Sick	<u>265,967</u>	<u>327,442</u>	<u>265,967</u>	<u>327,442</u>	<u>-</u>
Total Business-type Activities	<u>716,153</u>	<u>520,962</u>	<u>485,091</u>	<u>752,024</u>	<u>250,000</u>
Total Primary Government	<u>\$ 11,033,573</u>	<u>\$ 1,148,627</u>	<u>\$ 2,621,604</u>	<u>\$ 9,560,596</u>	<u>\$ 2,406,925</u>

LAPEER COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015**

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

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

2011 Capital Improvement Bonds -

The County issued \$14,475,000 of General Obligation Limited Tax Bonds, pursuant to the provisions of Act 34, Public Acts of Michigan of 2001. The bonds were issued for the cost of acquiring and updating E-911 facilities and equipment. The bonds, dated April 26, 2011 are due in annual installments from \$1,500,000 to \$1,975,000 through April 1, 2020 with interest ranging from 3.375% to 4.0%, payable semi-annually.

\$ 7,975,000

Accrued Claims Liability -

The County has estimated an accrued claims liability for its employees, including an estimate for claims incurred but not reported (IBNR), administered through Michigan Municipal Risk Management Authority. The dollar amount of these estimated claims is \$103,345 at December 31, 2015.

The County has estimated accrued outstanding workers' compensation insurance claims including an estimate for the claims incurred but not reported (IBNR) at December 31, 2015. The dollar amount of these claims reported as a liability on the statement of net position of the Workers' Compensation Fund is \$95,000 at December 31, 2015.

The Medical Care Facility has estimated accrued outstanding workers' compensation insurance claims including an estimate for the claims incurred but not reported (IBNR) at December 31, 2015. The dollar amount of these claims reported as a liability on the statement of net position of the Medical Care Facility (enterprise) Fund is \$424,582 at December 31, 2015.

Accrued Vacation and Sick - In accordance with contracts negotiated with the various employee groups of the County, individual employees have vested rights upon termination of employment to receive payments for unused vacation and sick under formulas and conditions specified in the contracts. Accrued vacation and sick of \$327,442 has been recorded as a long-term liability in the Medical Care Facility (enterprise) Fund. The governmental funds' portion of \$524,849 has been recorded in the government-wide financial statements as a long-term liability and is generally liquidated by the General Fund or the fund where the employee salary is charged.

Annual debt service requirements to maturity for the 2011 Capital Improvement Bonds of the Primary Government (Governmental Activities) is as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 1,500,000	\$ 284,313
2017	1,500,000	229,000
2018	1,500,000	169,000
2019	1,500,000	109,000
2020	<u>1,975,000</u>	<u>39,500</u>
	<u>\$ 7,975,000</u>	<u>\$ 830,813</u>

LAPEER COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015**

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

Component Units

The following is a summary of changes in long-term liabilities (including current portions) of the Component Units of the Road Commission for the year ended September 30, 2015 and Board of Public Works and Drainage Districts for the year ended December 31, 2015:

	Balance October 1, 2014	Additions	Reductions	Balance September 30, 2015	Due Within One Year
Road Commission -					
Accrued Vacation	\$ 163,936	\$ 136,144	\$ 163,936	\$ 136,144	\$ -
	Balance January 1, 2015	Additions	Reductions	Balance December 31, 2015	Due Within One Year
Board of Public Works -					
General Obligation Bonds	900,000	-	100,000	800,000	100,000
State of Michigan Revolving Loans	2,304,069	-	180,000	2,124,069	190,000
Amount for - Bond Premium	11,845	-	3,120	8,725	3,120
Total Board of Public Works	<u>3,215,914</u>	<u>-</u>	<u>283,120</u>	<u>2,932,794</u>	<u>293,120</u>
Drainage Districts -					
Drainage Bonds	2,064,247	-	304,768	1,759,479	304,761
Note payable	385,352	-	126,530	258,822	128,441
Total Drainage District	<u>2,449,599</u>	<u>-</u>	<u>431,298</u>	<u>2,018,301</u>	<u>433,202</u>
Total Component Units	<u>\$ 5,829,449</u>	<u>\$ 136,144</u>	<u>\$ 878,354</u>	<u>\$ 5,087,239</u>	<u>\$ 726,322</u>

Road Commission

Accrued Vacation -

In accordance with contracts negotiated with the various employee groups, individual employees have a vested right upon termination of employment to receive payment for unused vacation under formulas and conditions specified in the contracts. The dollar amount of these vested rights, which has been accrued on the financial statements amounts to \$136,144 at September 30, 2015.

Board of Public Works

General Obligation Bonds -

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

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

LAPEER COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015**

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

On October 5, 2011, the County, through its Board of Public Works, issued 2011 (tax exempt) refunding bonds in the amount of \$1,180,000. The bond proceeds and other accumulated resources were used to redeem the remaining principal of \$1,490,000 of the 2002 Sewage Disposal System Improvement Bonds – Limited Tax General Obligation (Village of Almont). Principal payments are due in annual installments through December 1, 2022 in amounts ranging from \$100,000 to \$130,000, with interest due semi-annually on December 1 and June 1 with rates ranging from 3.00 to 4.00%. The remaining balance at December 31, 2015 is \$800,000.

State of Michigan Revolving Loans -

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

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

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

On September 29, 1998, the loan was issued in amount of \$1,021,207. Principal payments are due in annual installments through April 1, 2019 in amounts ranging from \$60,000 to \$65,000, with interest of 2.50% payable semi-annually on April 1 and October 1.

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

On September 20, 2007, the loan was authorized to be drawn in amount of \$2,090,000. The Lapeer County Board of Public Works has drawn \$2,017,030 from the authorized amount. Principal payments are due in annual installments through October 1, 2028 in amounts ranging from \$95,000 to \$125,000, with interest of 2.125% payable semi-annually on April 1 and October 1.

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

On September 27, 2007, the loan was authorized to be drawn in an amount of \$695,000. The Lapeer County Board of Public Works has drawn \$664,868 from the authorized amount. Principal payments are due in annual installments through October 1, 2027 in amounts ranging from \$35,000 to \$40,000, with interest of 2.125% payable semi-annually on April 1 and October 1.

The State of Michigan Drinking Water Revolving Loans outstanding at December 31, 2015 are as follows:

	<u>Interest Rate</u>		
1998 Water System (Village of Dryden)	2.50 %	\$	251,507
2007 Water System (Village of Almont)	2.125		1,422,694
2007 Water System (Village of Dryden)	2.125		449,868
		<u>\$</u>	<u>2,124,069</u>

LAPEER COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015**

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

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

Year Ending December 31,	G.O. Bonds		Water Revolving Loans	
	Principal	Interest	Principal	Interest
2016	\$ 100,000	\$ 28,519	\$ 190,000	\$ 45,330
2017	105,000	25,519	195,000	41,005
2018	110,000	22,369	200,000	36,617
2019	110,000	17,969	196,507	32,167
2020	120,000	13,569	135,000	28,530
2021-2025	255,000	13,319	760,000	96,959
2026-2028	-	-	447,562	18,229
	<u>\$ 800,000</u>	<u>\$ 121,264</u>	<u>\$ 2,124,069</u>	<u>\$ 298,837</u>

Drainage Districts

Drainage Bonds -

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

On November 1, 2001, the County issued \$525,000 in bonds in connection with the Winn Lake Drain District. Principal payments are due in annual installments of \$30,000 through May 1, 2021, with interest due semi-annually on May 1 and November 1 with rates ranging from 5.20-5.60%

On March 29, 2005, the County issued \$2,830,000 in bonds in connection with the Imlay-Bigelow Drain Branches Drainage Districts. Principal payments are due in annual installments through June 1, 2025 in amounts ranging from \$125,000 to \$150,000, with interest due semi-annually on June 1 and December 1 with rates ranging from 4.25-4.70%

In November 2006, the South Branch of Mill Creek Intercounty Drainage District issued \$3,220,000 of bonds for improvements to the drain. The Drainage District includes both Lapeer and St. Clair Counties and the bonds are backed by the full faith and credit of both Counties. Payments on the bonds have been split 38.39% and 61.61% for Lapeer County and St. Clair County, respectively, and will be paid from special assessments against property and public corporations within the Drainage District. St. Clair County is responsible for maintaining the fund to account for the activity of the issue and the construction, with the respective portions being reported by the two Counties. Principal payments on the bonds are due in annual installments of \$124,768 through June 1, 2017, with interest due semi-annually on June 1 and December 1 with rates ranging from 5.0-6.0%.

LAPEER COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015**

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

The balances of outstanding Drainage Bonds at December 31, 2015 are as follows:

	<u>Interest Rate</u>	
Governmental Activities -		
Drainage Bonds -		
Winn Lake District	5.20 - 5.60 %	\$ 180,000
Imlay-Bigelow and Branches Drainage District	4.25 - 4.70	1,330,000
South Branch of Mill Creek Inter-County Drain	5.00 - 6.00	249,479
		\$ 1,759,479

Note Payable -

On January 1, 2013 the Talmage Drain Drainage District entered into a promissory note with the Delinquent Tax Fund of the primary government in accordance with provisions of Act No. 40 of the Michigan Public Acts of 1956 as amended by Act No. 71 of the Public Acts of 1976 to finance improvements to the drain. Repayment of the promissory note will be made from special assessments against property owners and public corporations within the Drainage District. The balance at December 31, 2015 was \$258,822 with interest at a 1.5% annual rate.

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

<u>Year Ended December 31,</u>	<u>Drainage Bonds</u>		<u>Note Payable</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 304,762	\$ 71,188	\$ 128,441	\$ 3,002
2017	304,723	60,483	130,381	1,062
2018	180,000	48,685	-	-
2019	160,000	40,997	-	-
2020	124,994	2,938	-	-
2021-2025	685,000	103,666	-	-
	\$ 1,759,479	\$ 327,957	\$ 258,822	\$ 4,064

NOTE 9 - PENSION PLANS:

Primary Government

Plan Descriptions -

The County participates in the Michigan Municipal Employees' Retirement System (MERS); an agent multiple-employer state-wide public employee defined benefit pension plan, that covers all employees that work at least 40 hours per week. MERS was created under Public Act of 1945 and now operates under Public Act 220 of 1996. MERS was established to provide retirement, survivor, and disability benefits on a voluntary basis to the State of Michigan's local government employees. Act No. 427 of the Public Acts of 1974, as amended, establishes and amends the benefits provisions of the participants in MERS. MERS issues a publicly available financial report that includes financial statements and required supplementary information at www.mersofmich.com or by writing to MERS at 1134 Municipal Way, Lansing, Michigan 48917.

LAPEER COUNTY, MICHIGAN

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2015

NOTE 9 - PENSION PLANS - (cont'd):

For the purpose of measuring the net pension liability and deferred outflows of resources related to the pension and pension expense have been determined on the same basis as they are reported by the pension plan (the "Plan"). The Plan uses the economic resources measurement focus and the full accrual basis of accounting. Investments are stated at fair value. Contribution revenue is recorded as contributions are due pursuant to legal, statutory, and contractual requirements. Benefit payments and refunds of employee contributions are recognized as expense when due and payable in accordance with benefit terms.

The membership at December 31, 2014 was comprised of 721 active participants, 327 retirees and beneficiaries, and 124 other vested inactive participants.

Benefits Provided -

Retirement benefits are calculated based on multiples of 2.0-2.5% with a maximum of 80%, except for one division that has no maximum, of the employee's final five-year average salary times the employee's years of service. Employees are vested after 10 years of service. Normal retirement age is 60. Early retirement with a reduced benefit is at 50 with 25 years of service or at 55 with 15 years of service for all divisions, excluding two divisions where the reduced benefit is at 55 with 15 years of service only. An unreduced benefit is available for four (4) divisions at 50 with 25 years of service or at 55 with 25 years of service. Employees are eligible for non-duty disability benefits after 10 years of service and for duty-related disability benefits upon hire. Disability benefits are determined in the same manner as retirement benefits but are payable immediately. An employee who leaves service may withdraw his or her contributions, plus accumulated interest.

Benefit terms, within the parameters established by MERS, are established and amended by authority of the County Board of Commissioners.

Contributions -

Participants of the Plan contribute 0.00-2.53% of compensation with the remaining amount contributed by the County based on actuarially determined amounts. The County pays the actuarially determined amount, which for the year ended December 31, 2015 was 7.19-14.46% of covered payroll. The County also contributed an additional \$701,192 to the Plan for the year ended December 31, 2015.

LAPEER COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 9 - PENSION PLANS - (cont'd):

Net Pension Liability -

The net pension liability of the County has been measured as of December 31, 2015, which used updated procedures to roll forward the estimated liability, determined by an actuarial valuation performed at December 31, 2014 and is composed of the following:

	Total Pension Liability	Plan's Net Position	Net Pension Liability
Beginning balance	\$ 99,064,908	\$ 84,993,172	\$ 14,071,736
Service cost	2,222,044	-	2,222,044
Interest on total pension liability	8,069,877	-	8,069,877
Net investment income	-	(1,271,123)	1,271,123
Contributions from employer	-	3,567,407	(3,567,407)
Contributions from employees	-	224,328	(224,328)
Benefit payments	(4,718,473)	(4,718,473)	-
Administrative costs	-	(185,343)	185,343
Other charges	(251,209)	-	(251,209)
Ending balance	<u>\$ 104,387,147</u>	<u>\$ 82,609,968</u>	<u>\$ 21,777,179</u>

Plan fiduciary net position as a percentage of the total pension liability 79%

Pension Expense and Deferred Outflows of Resources Related to Pensions -

For the year ended December 31, 2015, the County recognized pension expense of \$1,115,745 in the government-wide and proprietary fund financial statements of the primary government. At December 31, 2015, the County reported deferred outflows of resources related to pensions from the following source:

Primary Government -

Net difference between projected and actual earnings on Plan investments	<u>\$ 6,589,698</u>
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The primary government does not have any items that qualify for reporting as deferred inflows of resources relating to the Plan.

The amounts of deferred outflows of resources related to pension will be recognized in pension expense as follows:

2016	\$ 1,647,425
2017	1,647,425
2018	1,647,425
2019	<u>1,647,423</u>
	<u>\$ 6,589,698</u>

LAPEER COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 9 - PENSION PLANS - (cont'd):

Actuarial Assumptions -

The total pension liability was determined by an actuarial valuation as of December 31, 2014 that used updated procedures to roll forward the liability to December 31, 2015. The valuation used the following actuarial assumptions based on the most recent study of Plan experience covering the period from December 31, 2003 through December 31, 2008.

Salary increases - 2% in 2015, 3% in 2016, and 4.50 % thereafter

Investment rate of return - 8.25 %

Mortality rates -

50% Male and 50% Female blend of the 1994 Group Annuity Mortality Table. For disabled retirees, the regular mortality table is used with a 10-year set forward in ages to reflect the higher expected mortality rates.

Discount Rate -

The discount rate used to measure the total pension liability was 8.25 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that County contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

Projected Cash Flows -

Based on the assumptions above, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return as of December 31, 2015 for each major asset class included in the Plan's target asset allocation, as disclosed in the investment footnote, are summarized in the following table.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Global Equity	57.5 %	5.0 %
Global Fixed Income	20.0	2.2
Real Assets	12.5	4.2
Diversifying Strategies	10.0	6.6

LAPEER COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 9 - PENSION PLANS - (cont'd):

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the net pension liability of the County, calculated using the discount rate of 8.25 percent, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.25 percent) or 1-percentage-point higher (9.25 percent) than the current rate.

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
Net pension liability of the Primary Government	\$ 34,058,118	\$ 21,777,179	\$ 11,385,204

Component Unit - Road Commission

Defined Benefit Plan:

Plan Description -

The Road Commission participates in the Michigan Municipal Employees' Retirement System (MERS); an agent multiple employer state-wide, public employee-defined benefit pension plan that covers all employees that work at least 40 hours per week. MERS was created under Public Act of 1945, and now operates under Public Act 220 of 1996. MERS was established to provide retirement, survivor and disability benefits on a voluntary basis to the State of Michigan's local government employees. Act No. 427 of the Public Acts of 1974, as amended, establishes and amends the benefit provisions of the participants in MERS. MERS issues a publicly available financial report that includes financial statements and required supplementary information at www.mersofmich.com or by writing to MERS at 1134 Municipal Way, Lansing, Michigan 48917.

For the purpose of measuring the net pension liability, deferred outflows of resources related to the pension and pension expense have been determined on the same basis as they are reported by the Plan. The Plan uses the economic resources measurement focus and the full accrual basis of accounting. Investments are stated at fair value or estimated fair value. Employee contributions are recognized in the period in which the contributions are due. Road Commission contributions to the Plan are recognized when due pursuant to legal requirements. Benefit payments and refunds are recognized as expense when due and payable in accordance with the terms of the Plan.

The membership at December 31, 2014 was comprised of 50 active participants, 50 retirees and beneficiaries, and 4 other vested inactive participants.

Benefits Provided -

Retirement benefits are calculated as a percentage of final average compensation (FAC) multiplied by the employee's years of service. The percentages range from 1.70% to 2.25% dependent up the employee's collective bargaining unit or administrative division and are applied to FAC (five-year average salary). Maximum benefits are 80% of FAC for the Local 1071 division. Employees are vested after 10 years of service. Normal retirement age is 60. Early retirement with a reduced benefit is at 50 years with 25 years of service or at 55 with 15 years of service. An unreduced benefit at age 55 with 25 years of service is available to all employee divisions. Employees are eligible for non-duty disability benefits after 10 years of service and for duty-related disability benefits upon hire. Disability benefits are determined in the same manner as retirement benefits but are payable immediately. An employee may withdraw his or her contributions, plus accumulated interest.

LAPEER COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 9 - PENSION PLANS - (cont'd):

As of April 1, 2014, new hires of the administrative division are required to participate in the MERS hybrid plan. The hybrid plan provides a guaranteed pension element through a defined benefit component with a flexible and transferable retirement savings element through a defined contribution account. The defined benefit component provides a retirement benefit calculated at 1.25% of FAC based on three (3) years and a vesting period of six (6) years. Subsequent to the measurement date of December 31, 2014, new hires to the clerical, supervisory and Local 1071 divisions are also required to participate in the hybrid plan option.

Benefit terms, within the parameters established by MERS are established and amended by authority of Board of Commissioners of the Road Commission and ratification by the collective bargaining units.

Contributions -

Participants within the Admin Staff and Commissioners divisions and the hybrid plan are not required to provide an employee contribution. Participants within the Local 1071 and Clerical, Supervisory divisions contribute 7.10% and 4.80% of compensation, respectively, and the members of the Engineering division provide 3% on compensation up to \$4,200 and 5% over \$4,200. The remaining amounts to fund the pension obligations of each division are contributed by the Road Commission based on actuarially determined amounts, which ranged from 5.72% to 20.82% of covered payroll.

Net Pension Liability -

The net pension liability of the Road Commission has been measured as of December 31, 2014 as determined by an actuarial valuation performed as of that date and is composed of the following:

	<u>Total Pension Liability</u>	<u>Plan's Net Position</u>	<u>Net Pension Liability</u>
Beginning balance	\$ 15,286,706	\$ 9,170,300	\$ 6,116,406
Service cost	239,229	-	239,229
Interest on total pension liability	1,237,116	-	1,237,116
Net investment income	-	580,904	(580,904)
Contributions from employer	-	606,414	(606,414)
Contributions from employees	-	145,973	(145,973)
Benefit payments	(821,929)	(821,929)	-
Administrative costs	-	(21,363)	21,363
Ending balance	<u>\$ 15,941,122</u>	<u>\$ 9,660,299</u>	<u>\$ 6,280,823</u>

Plan fiduciary net position as a percentage of the total pension liability 61%

LAPEER COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 9 - PENSION PLANS - (cont'd):

Pension Expense and Deferred Outflows of Resources Related to Pensions -

For the year ended September 30, 2015, the Road Commission recognized pension expense of \$633,314. At September 30, 2015, the Road Commission reported deferred outflows of resources related to pensions from the following sources:

Net difference between projected and actual earnings on Plan investments	\$ 137,517
Contributions made subsequent to the measurement date	<u>476,267</u>
	<u>\$ 613,784</u>

The Road Commission does not have any pension items that qualify for reporting as deferred inflows of resources.

The amounts of deferred outflows of resources related to pension, excluding contributions to the Plan subsequent to the measurement date which will be recognized by the Plan in the next measurement period, will be recognized in pension expense as follows:

2016	\$ 34,379
2017	34,379
2018	34,379
2019	<u>34,380</u>
	<u>\$ 137,517</u>

Actuarial Assumptions and Projected Cash Flows -

Actuarial assumptions and projected cash flows are the same as the County's Primary Government, as noted previously in this Note.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the net pension liability of the Road Commission, calculated using the discount rate of 8.25 percent, as well as what the Road Commission's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.25 percent) or 1-percentage-point higher (9.25 percent) than the current rate.

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
Net pension liability	<u>\$ 8,046,074</u>	<u>\$ 6,280,823</u>	<u>\$ 4,782,151</u>

The Lapeer County Road Commission issued a separate annual financial statement as of September 30, 2015. The defined benefit Plan schedules required as supplementary information are provided in these financial statements.

LAPEER COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 9 - PENSION PLANS - (cont'd):

Defined Contribution Plan:

The Road Commission has established a defined contribution plan for all administrative staff hired after April 1, 2014. The Plan requires the Road Commission to contribute/match on behalf of each participant 2-6% of each participating employees' base salary, depending on the participating employee contributions to the Plan. Participants are required to make a contribution to the Plan. Both employer and employee contributions are vested after 6 years. Employees are eligible to begin contributions immediately upon hire. Employer contributions to the Plan for the year ended September 30, 2015 were \$6,604.

NOTE 10 - OTHER POST EMPLOYMENT BENEFITS:

Primary Government -

The County sponsors a defined contribution plan known as the Lapeer County Retiree Health Care Plan and is available to all full-time employees to provide resources for postemployment health care expenses. The County provides a basic contribution of \$30 per month per individual into an account in the employee's name. The Plan requires 10 years of continuous service in full-time capacity to vest. Forfeitures are used to reduce the County's contributions. The County Board of Commissioners has the authority to amend the Plan. Employer contributions to participant accounts of \$674,305 were made for the year ended December 31, 2015. The Medical Care Facility made a separate contribution to the Plan of \$81,090 for the year ended December 31, 2015. The County obligation is limited to the amount of employer contributions provided to the Plan.

Component Unit - Road Commission

Plan Description -

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

The Retiree Health Plan is audited within the scope of the audit of the basic financial statements of the Road Commission.

Funding Policy -

The Road Commission has no obligation to make contributions in advance of when the insurance premiums are due for payment (in other words, this may be financed on a "pay-as-you-go" basis). However, the Road Commission has made contributions to advance-fund these benefits, as determined by the Board of Road Commissioners through annual budget resolutions. During the year ended September 30, 2015, employer contributions of \$805,166 were made, including a \$250,000 contribution to the irrevocable trust fund.

LAPEER COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015**

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

Annual OPEB Cost and Net OPEB Obligation -

The Road Commission's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount calculated in accordance with the alternative measurement method permitted by GASB Statement No. 45 for employers in plans with fewer than one hundred total plan members. The ARC represents the level of funding necessary to cover the normal cost each year and the amortization of any unfunded actuarial liabilities (or funding excess) amortized over a period of thirty years. The Road Commission's annual OPEB cost for the year, the amount actually contributed, and changes in the net OPEB obligation are as follows:

Annual required contribution		\$	962,213
Interest on net OPEB obligation			197,512
Adjustment to annual required contribution		(	188,685)
Annual OPEB cost (expense)			971,040
Contributions made		(	805,166)
Increase in net OPEB obligation			165,874
Net OPEB obligation – beginning of year			4,937,803
Net OPEB obligation – end of year		\$	5,103,677

The annual OPEB cost, the percentage contributed to the Retiree Health Plan, and the net OPEB obligation for the last three fiscal years were as follows:

Year Ended September 30,	Annual OPEB Cost	Percentage Contributed	Net OPEB Obligation
2013	\$ 1,000,950	32 %	\$ 4,366,333
2014	970,018	41	4,937,803
2015	971,040	82	5,103,677

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 Retiree Health Plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented later, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

LAPEER COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015**

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

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

Schedule of Funding Progress -

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

* The interest rate and discount rate assumptions were reduced.

NOTE 11 - CONTINGENT LIABILITIES:

Primary Government

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

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

Component Unit - Road Commission

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

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

LAPEER COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 12 - RISK MANAGEMENT:

Primary Government

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

The County is completely self-insured for unemployment compensation, and is self-insured for workers' compensation claims up to \$450,000 per occurrence. The County is insured for the amount of claims in excess of such limitation to a maximum of \$5,000,000. The County is then self-insured for annual aggregate claims in excess of insurance coverage.

In addition, the Primary Government and Land Bank Authority (under County umbrella) are voluntary members of the Michigan Risk Management Authority, established pursuant to laws of the State of Michigan which authorize local units of government to exercise jointly any power, privilege, or authority which each might exercise separately.

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

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

<u>Type of Risk</u>	<u>Self-insured Retention</u>
General and Auto Liability	\$ 75,000 per occurrence
Vehicle Physical Damage	15,000 per vehicle
	30,000 per occurrence

The County has also elected to be a member of the Stop Loss Program, which limits the County's self-insurance retention. For 2015, the Stop Loss Program limited the retention for Lapeer County to \$278,000 in aggregate claims paid during the year.

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

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

LAPEER COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015**

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

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

	<u>General Fund</u>		<u>Workers' Compensation</u>		<u>Medical Care Facility</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Unpaid claims, beginning of year	\$ 116,621	\$ 151,224	\$ 95,000	\$ 50,000	\$ 450,186	\$ 417,000
Incurred claims (including IBNR's)	62,885	287,490	39,931	178,450	193,520	1,395,841
Claims Paid	(76,161)	(322,093)	(39,931)	(133,450)	(219,124)	(1,362,655)
Unpaid claims, end of year	103,345	116,621	95,000	95,000	424,582	450,186
Less current portion	(25,000)	(25,000)	(85,000)	(85,000)	(250,000)	(270,000)
Long-term Liabilities	<u>\$ 78,345</u>	<u>\$ 91,621</u>	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 174,582</u>	<u>\$ 180,186</u>

Component Unit - Road Commission

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

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

NOTE 13 - DEFERRED COMPENSATION:

The County, including its component units, offers its employees deferred compensation plans created in accordance with the Internal Revenue Code Section 457.

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

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

NOTE 14 - NET POSITION/FUND BALANCE:

Net Investment in Capital Assets -

Governmental Activities:

Capital Assets		\$ 23,893,451
Less related debt -		
2011 G.O. Bonds	\$(7,975,000)	
Unspent portion of 2011 G.O. Bonds	<u>2,060,136</u>	(5,914,864)
Bond premium		(110,378)
		<u>\$ 17,868,209</u>

LAPEER COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015**

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

Business-type Activities:

Capital Assets \$ 15,713,813

Restricted Fund Balance/Net Position -

The fund balance and net position of the Primary Government have been restricted for the following purposes at December 31, 2015:

	Enabling Legislation	Other	Total
Governmental Activities -			
Acquisition/construction of capital assets:			
E-911 Construction	\$ -	\$ 2,060,136	\$ 2,060,136
Old Courthouse	-	13,786	<u>13,786</u>
			<u>2,073,922</u>
Debt Service:			
E-911	1,708,200	-	<u>1,708,200</u>
Health and Welfare:			
Community Mental Health	-	143,059	143,059
Community Development	-	36,282	36,282
Senior Millage	222,606	-	222,606
Soldiers' Relief	174,500	-	174,500
Veterans' Trust	-	3,682	3,682
Lapeer Family Continuation Coordinator		11,053	<u>11,053</u>
			<u>591,182</u>
Public Safety:			
E-911	1,078,699	-	1,078,699
Thumb Narcotics Unit	-	336,127	336,127
Law Enforcement - Other	-	62,385	<u>62,385</u>
			<u>1,477,211</u>
General Government:			
Budget Stabilization	2,560,317	-	2,560,317
Register of Deeds	593,762	-	593,762
Concealed Pistol Licensing	4,989	-	<u>4,989</u>
			<u>3,159,068</u>
Other:			
Polly Ann Trail	-	618	618
Friend of Court	-	6,696	6,696
Family Marriage Counseling	72,929	-	72,929
County Surveyor	-	13,331	<u>13,331</u>
			<u>93,574</u>
Total Restricted Fund Balance - Governmental Funds			9,103,157
Unspent Bond Proceeds	-	(2,060,136)	(2,060,136)
Nonspendable - Public Safety			
E-911	25,165	-	25,165
Unavailable Revenues - Health and Welfare			
Community Development			<u>655,690</u>
Total Restricted Net Position - Governmental Activities			<u>\$ 7,723,876</u>

LAPEER COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015**

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

Business-type Activities -

Foreclosure sales	\$ 2,544,188	\$	-	\$ <u>2,544,188</u>
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Committed Fund Balances -

At December 31, 2015, the County Controller/Administrator had committed the following fund balances:

Major Funds -

General Fund -

General Government -

Local Reserve	\$ 3,758,172
Emergency Disaster	34,100
Rental Property	<u>25,668</u>
	3,817,940

Community Mental Health -

Health and Welfare	<u>1,699,631</u>
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Nonmajor Funds -

Judicial -

Law Library	27,845
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General Government -

Prosecuting Attorney	10,630
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Public Safety -

Animal Control	46,839
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Emergency Management	43,856
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Community Grants	1,560
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Police Service Contracts	108,351
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Law Enforcement Programs	153,666
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Law Enforcement	69,972
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Health and Welfare -

Health Department	963,332
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Personal Care Aide Program	6,064
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Environment/Recycling	6,940
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Department of Human Services	30,692
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Child Care	448,395
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Multi-Purpose Collaborative Body	3,908
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Recreation and Cultural -

Parks Department	33,292
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Acquisition/Construction of Capital Assets -

Jail	629,558
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Capital Construction/Improvement	<u>30,000</u>
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	<u>2,614,900</u>
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Total Committed Fund Balance	<u>\$ 8,132,471</u>
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LAPEER COUNTY, MICHIGAN

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 15 - CHANGE IN ACCOUNTING PRINCIPLE:

During the year, the County adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. GASB No. 68 requires the net pension liability and related deferred outflows of resources and deferred inflows of resources for the County to be reported on the statement of net position and within the note disclosures. GASB No.71 requires contributions that are made to the plan after the measurement date to be classified as deferred outflows of resources on the statement of net position. The effect of implementing these statements decreased beginning net position by \$11,483,829 in the governmental activities, \$6,766,555 in the Medical Care Facility Fund comprising the entire effect in the business-type activities of the primary government, and \$5,663,036 in the Road Commission component unit.

NOTE 16 - RESTATEMENT - COMPONENT UNIT:

During the year, an examination of the Road Commission's infrastructure by management revealed the allocation utilized to previously record certain capital additions between depreciable and non-depreciable categories was found to be inaccurate. As such, land improvements were reclassified as road improvements, and the associated depreciation was recorded through September 30, 2014 in the amount of \$5,603,306.

As a result, capital assets and corresponding net position was overstated by \$5,603,306 at September 30, 2014, while the change in net position was overstated by \$849,528 for the year ended September 30, 2014. Beginning net position of the Road Commission component unit at October 1, 2014 has been restated to correct these misclassifications.

NOTE 17 - CONSTRUCTION CONTRACT COMMITMENTS:

The County has construction activities reported in the Medical Care Facility Fund. The construction is for building additions to the Medical Care Facility in order to provide more private rooms for residents. At December 31, 2015, the County had committed \$5,303,137 for construction contracts and had spent \$2,171,833 through the end of the year, leaving \$3,131,304 remaining on the commitments.

NOTE 18 - SUBSEQUENT EVENT:

On February 4, 2016, Lapeer County signed a contract for correcting structural deficiencies of the County complex in the amount of \$1,045,800.

REQUIRED SUPPLEMENTARY INFORMATION

LAPEER COUNTY, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 9,369,000	\$ 9,372,000	\$ 9,679,668	\$ 307,668
Licenses and permits	22,030	2,030	57,911	55,881
Intergovernmental	2,871,145	2,877,777	2,518,196	(359,581)
Charges for services	1,904,775	2,055,140	2,235,273	180,133
Fines and forfeits	178,550	178,550	186,235	7,685
Interest and rent	210,712	210,712	289,180	78,468
Other	2,666,000	2,672,417	2,661,452	(10,965)
Total Revenues	<u>17,222,212</u>	<u>17,368,626</u>	<u>17,627,915</u>	<u>259,289</u>
Expenditures:				
Legislative:				
Board of Commissioners	291,532	293,908	289,048	4,860
Judicial:				
Circuit Court	1,651,293	1,661,295	1,624,023	37,272
District Court	1,555,383	1,547,381	1,519,721	27,660
Jury Board	5,862	5,862	4,952	910
Indigent Counsel	486,075	525,465	525,463	2
Adult Probation	25,881	25,881	25,750	131
	<u>3,724,494</u>	<u>3,765,884</u>	<u>3,699,909</u>	<u>65,975</u>
General Government:				
Administrative	231,290	232,087	231,907	180
Elections	36,899	141,438	141,732	(294)
Professional Services	253,902	253,902	124,487	129,415
County Clerk	614,914	614,914	610,311	4,603
Tax Equalization	245,515	246,692	246,620	72
Prosecuting Attorney	1,182,527	1,182,527	1,023,634	158,893
Register of Deeds	294,767	299,203	299,202	1
County Treasurer	385,687	384,510	369,862	14,648
Computer Operations	227,343	227,343	200,418	26,925
Accounting	371,541	371,541	353,991	17,550
Building Operations	416,688	416,688	348,316	68,372
Building and Grounds	747,356	750,856	750,842	14
Drain Commissioner	212,805	216,049	214,881	1,168
Boundary Commission	400	400	-	400
	<u>5,221,634</u>	<u>5,338,150</u>	<u>4,916,203</u>	<u>421,947</u>

Continued

LAPEER COUNTY, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Public Safety:				
Sheriff	\$ 2,862,010	\$ 2,868,642	\$ 2,852,185	\$ 16,457
Criminal Justice Training	9,500	9,500	9,096	404
Jail/Feeding Prisoners	3,093,055	3,093,055	3,023,350	69,705
Livestock Claims	1,000	1,000	-	1,000
Planning Commission	2,063	8,245	7,980	265
PLAT Board	597	597	-	597
	<u>5,968,225</u>	<u>5,981,039</u>	<u>5,892,611</u>	<u>88,428</u>
Public Works:				
Road Commission	230,000	235,018	235,018	-
Drains - County at Large	140,000	140,000	104,713	35,287
	<u>370,000</u>	<u>375,018</u>	<u>339,731</u>	<u>35,287</u>
Health and Welfare:				
Medical Examiner	86,987	86,987	80,022	6,965
Lapeer Development Corporation	7,000	10,000	10,000	-
	<u>93,987</u>	<u>96,987</u>	<u>90,022</u>	<u>6,965</u>
Recreation and Cultural:				
Cooperative Extension	215,775	217,093	202,795	14,298
Other:				
Bonds and Insurance	484,422	484,422	169,163	315,259
Memberships and Dues	14,800	14,800	14,269	531
Contingency	500,000	472,500	-	472,500
	<u>999,222</u>	<u>971,722</u>	<u>183,432</u>	<u>788,290</u>
 Total Expenditures	 <u>16,884,869</u>	 <u>17,039,801</u>	 <u>15,613,751</u>	 <u>1,426,050</u>
 Revenues over expenditures	 <u>337,343</u>	 <u>328,825</u>	 <u>2,014,164</u>	 <u>1,685,339</u>

Continued

LAPEER COUNTY, MICHIGAN

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - COMMUNITY MENTAL HEALTH
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,059,862	\$ 1,076,270	\$ 1,098,849	\$ 22,579
Charges for services	17,933,379	18,220,859	18,004,049	(216,810)
Interest	1,750	800	482	(318)
Other	244,906	263,406	262,880	(526)
Total Revenues	<u>19,239,897</u>	<u>19,561,335</u>	<u>19,366,260</u>	<u>(195,075)</u>
Expenditures:				
Health and Welfare	<u>19,442,797</u>	<u>19,769,735</u>	<u>19,581,133</u>	<u>188,602</u>
Revenues under expenditures	(202,900)	(208,400)	(214,873)	(6,473)
Other Financing Sources (Uses):				
Transfers in	<u>202,900</u>	<u>208,400</u>	<u>208,400</u>	<u>-</u>
Net Change in Fund Balance	-	-	(6,473)	(6,473)
Fund Balance at beginning of year	<u>1,897,277</u>	<u>1,897,277</u>	<u>1,897,277</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 1,897,277</u></u>	<u><u>\$ 1,897,277</u></u>	<u><u>\$ 1,890,804</u></u>	<u><u>\$(6,473)</u></u>

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

1. The General Fund budgetary comparison schedule (non-GAAP budgetary basis) on pages 71-73 is presented on the same basis of accounting as that used in preparing the adopted budget. The County budgets the activities of the Local Reserve Fund, Budget Stabilization Fund, Emergency Disaster Fund and Rental Property Fund separately from the General Fund. However, the activities of the above mentioned funds are combined with the General Fund non-GAAP budgetary basis presentation to establish for financial reporting purposes the GAAP basis General Fund basic financial statement as required by GASB No. 54.
2. The budget for the Community Mental Health Fund (major special revenue fund) shown above as required supplementary information was prepared on a basis consistent with accounting principles generally accepted in the United States of America and on the same modified accrual basis used to reflect actual results.

LAPEER COUNTY

**MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM OF MICHIGAN
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Total Pension Liability	
Service Cost	\$ 2,222,044
Interest	8,069,877
Benefit payments, including refunds	(4,718,473)
Other	(251,209)
	<u>5,322,239</u>
Change in total pension liability	5,322,239
Total pension liability, beginning of year	<u>99,064,908</u>
Total pension liability, end of year	<u><u>\$ 104,387,147</u></u>
 Plan Fiduciary Net Position	
Contributions - Employer	\$ 3,567,407
Contributions - Member	224,328
Net investment income	(1,271,123)
Benefit payments, including refunds	(4,718,473)
Administrative expenses	(185,343)
	<u>(2,383,204)</u>
Net change in plan fiduciary net position	(2,383,204)
Plan fiduciary net position, beginning of year	<u>84,993,172</u>
Plan fiduciary net position, end of year	<u><u>\$ 82,609,968</u></u>
Lapeer County Net Pension Liability - Ending	<u><u>\$ 21,777,179</u></u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	79.14%
Covered Employee Payroll	\$ 26,625,465
Lapeer County's Net Pension Liability as a Percentage of Covered Employee Payroll	81.8%

* GASB 68 was implemented for fiscal year December 31, 2015. This schedule is being built prospectively. Ultimately, ten years of data will be presented.

SUPPLEMENTARY INFORMATION

LAPEER COUNTY, MICHIGAN

**COMBINING BALANCE SHEET
GENERAL FUND
DECEMBER 31, 2015**

	<u>General Fund (Budgetary Basis)</u>	<u>Local Reserve</u>	<u>Budget Stabilization</u>	<u>Emergency Disaster</u>
Assets:				
Cash and cash equivalents	\$(2,287,925)	\$ 1,728,598	\$ 499,451	\$ 34,100
Investments	10,722,498	2,015,490	2,136,509	-
Receivables -				
Property taxes	1,022,815	-	-	-
Accounts and interest	23,867	14,084	4,062	-
Due from other governmental units	133,401	-	-	-
Due from other funds	110	-	-	-
Intrafund receivables	79,705	-	(79,705)	-
Advances to other funds	25,000	-	-	-
Advances to component units	90,000	-	-	-
Prepaid items	321,366	-	-	-
	<u>\$ 10,130,837</u>	<u>\$ 3,758,172</u>	<u>\$ 2,560,317</u>	<u>\$ 34,100</u>
Total Assets				
Liabilities:				
Accounts payable	\$ 153,433	\$ -	\$ -	\$ -
Accrued liabilities	252,337	-	-	-
Due to other governmental units	558,686	-	-	-
Due to other funds	31,498	-	-	-
Interfund payables	3,061,689	-	-	-
Total Liabilities	<u>4,057,643</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance:				
Nonspendable - advances/prepays	436,366	-	-	-
Restricted	-	-	2,560,317	-
Committed	-	3,758,172	-	34,100
Unassigned	5,636,828	-	-	-
Total Fund Balance	<u>6,073,194</u>	<u>3,758,172</u>	<u>2,560,317</u>	<u>34,100</u>
Total Liabilities and Fund Balance	<u>\$ 10,130,837</u>	<u>\$ 3,758,172</u>	<u>\$ 2,560,317</u>	<u>\$ 34,100</u>

Rental Property	General Fund (GAAP-Basis)
\$ 25,776	\$ -
-	14,874,497
-	1,022,815
-	42,013
-	133,401
-	110
-	-
-	25,000
-	90,000
-	321,366
<u>\$ 25,776</u>	<u>\$ 16,509,202</u>

\$ 108	\$ 153,541
-	252,337
-	558,686
-	31,498
-	3,061,689
<u>108</u>	<u>4,057,751</u>

-	436,366
-	2,560,317
25,668	3,817,940
-	5,636,828
<u>25,668</u>	<u>12,451,451</u>
<u>\$ 25,776</u>	<u>\$ 16,509,202</u>

LAPEER COUNTY, MICHIGAN

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2015**

	General Fund (Budgetary - Basis)	Local Reserve	Budget Stabilization	Emergency Disaster
Revenues:				
Taxes	\$ 9,679,668	\$ -	\$ -	\$ -
Licenses and permits	57,911	-	-	-
Intergovernmental	2,518,196	-	-	-
Charges for services	2,235,273	-	-	-
Fines and forfeits	186,235	-	-	-
Rents	181,695	-	-	-
Interest	107,485	16,147	-	-
Other	2,661,452	-	-	-
Total Revenues	<u>17,627,915</u>	<u>16,147</u>	<u>-</u>	<u>-</u>
Expenditures:				
Current -				
Legislative	289,048	-	-	-
Judicial	3,699,909	-	-	-
General Government	4,916,203	-	-	-
Public Safety	5,892,611	-	-	-
Public Works	339,731	-	-	-
Health and Welfare	90,022	-	-	-
Recreation and Cultural	202,795	-	-	-
Other Activities	183,432	-	-	-
Total Expenditures	<u>15,613,751</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over expenditures	2,014,164	16,147	-	-
Other Financing Uses:				
Transfers out	<u>(2,028,940)</u>	<u>(20,655)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(14,776)	(4,508)	-	-
Fund Balances at beginning of year	<u>6,087,970</u>	<u>3,762,680</u>	<u>2,560,317</u>	<u>34,100</u>
Fund Balances at end of year	<u>\$ 6,073,194</u>	<u>\$ 3,758,172</u>	<u>\$ 2,560,317</u>	<u>\$ 34,100</u>

<u>Rental Property</u>	<u>General Fund (GAAP-Basis)</u>
\$ -	\$ 9,679,668
-	57,911
-	2,518,196
-	2,235,273
-	186,235
12,347	194,042
-	123,632
-	2,661,452
12,347	17,656,409
-	289,048
-	3,699,909
10,926	4,927,129
-	5,892,611
-	339,731
-	90,022
-	202,795
-	183,432
10,926	15,624,677
1,421	2,031,732
-	(2,049,595)
1,421	(17,863)
24,247	12,469,314
\$ 25,668	\$ 12,451,451

LAPEER COUNTY, MICHIGAN

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GAAP BASIS COMPONENTS OF THE GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Original/Final Budget	Actual	Variance Positive (Negative)
LOCAL RESERVE			
Revenues:			
Interest	\$ -	\$ 16,147	\$ 16,147
Other Financing Uses:			
Transfers out	(100,000)	(20,655)	79,345
Net Change in Fund Balance	(100,000)	(4,508)	95,492
Fund Balance at beginning of year	3,762,680	3,762,680	-
Fund Balance at end of year	\$ 3,662,680	\$ 3,758,172	\$ 95,492
BUDGET STABILIZATION			
Net Change in Fund Balance	\$ -	\$ -	\$ -
Fund Balance at beginning of year	2,560,317	2,560,317	-
Fund Balance at end of year	\$ 2,560,317	\$ 2,560,317	\$ -
EMERGENCY DISASTER			
Net Change in Fund Balance	\$ -	\$ -	\$ -
Fund Balance at beginning of year	34,100	34,100	-
Fund Balance at end of year	\$ 34,100	\$ 34,100	\$ -
RENTAL PROPERTY			
Revenues:			
Rent	\$ 15,000	\$ 12,347	\$(2,653)
Expenditures:			
General Government	15,000	10,926	4,074
Net Change in Fund Balance	-	1,421	1,421
Fund Balance at beginning of year	24,247	24,247	-
Fund Balance at end of year	\$ 24,247	\$ 25,668	\$ 1,421

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

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

The Nonmajor Special Revenue Funds of the County are as follows:

Parks Department - is used to account for the operations of the County Park System financed primarily with charges for services. Other sources of support are provided by a General Fund appropriation.

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

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

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

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

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

Personal Care Aide Program - is used to account for the federal and state funded grant program to provide in-home services to eligible recipients. Other sources of support are provided by a transfer from the Senior Millage Fund.

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

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

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

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

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

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

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

Community Development - is used to account for programs which benefit the members of the community. The funding is primarily federal grants for qualified housing renovations and charges for services.

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

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

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

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

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

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

Concealed Pistol Licensing - is used to account for pistol license fees under the provision of Public Act 3 of 2015.

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

CAPITAL PROJECTS FUNDS

Capital Projects Funds of the County are used to account for restricted resources to be used for the acquisition or construction of capital assets. The Capital Projects Funds of the County are as follows:

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

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

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

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

LAPEER COUNTY, MICHIGAN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2015

Special Revenue Funds

	Parks Department	Polly Ann Trail	E-911	Friend of the Court	Family Marriage Counseling
Assets:					
Cash and cash equivalents	\$ 58,543	\$ -	\$ 748,515	\$ -	\$ 72,929
Receivables (net of allowance) -					
Property taxes	-	-	-	-	-
Accounts and interest	-	-	342,950	-	-
Due from other governmental units	-	4,145	59,437	308,168	-
Interfund receivables	-	-	-	-	-
Inventory	-	-	-	-	-
Prepaid items	-	-	25,165	-	-
	<u>58,543</u>	<u>4,145</u>	<u>1,176,067</u>	<u>308,168</u>	<u>72,929</u>
Total Assets	<u>\$ 58,543</u>	<u>\$ 4,145</u>	<u>\$ 1,176,067</u>	<u>\$ 308,168</u>	<u>\$ 72,929</u>
Liabilities:					
Accounts payable	\$ 251	\$ -	\$ 26,620	\$ 62,307	\$ -
Accrued liabilities	-	-	40,791	28,784	-
Due to other governmental units	-	-	-	-	-
Due to other funds	-	-	4,792	2,677	-
Interfund payables	-	3,527	-	207,704	-
Advances from other funds	25,000	-	-	-	-
Unearned revenues	-	-	-	-	-
	<u>25,251</u>	<u>3,527</u>	<u>72,203</u>	<u>301,472</u>	<u>-</u>
Total Liabilities	<u>\$ 25,251</u>	<u>\$ 3,527</u>	<u>\$ 72,203</u>	<u>\$ 301,472</u>	<u>\$ -</u>
Deferred Inflows of Resources:					
Unavailable revenue - revolving loans	-	-	-	-	-
Taxes levied for subsequent period	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balance:					
Nonspendable - inventory/prepays	-	-	25,165	-	-
Restricted	-	618	1,078,699	6,696	72,929
Committed	33,292	-	-	-	-
	<u>33,292</u>	<u>618</u>	<u>1,103,864</u>	<u>6,696</u>	<u>72,929</u>
Total Fund Balance	<u>\$ 33,292</u>	<u>\$ 618</u>	<u>\$ 1,103,864</u>	<u>\$ 6,696</u>	<u>\$ 72,929</u>
	<u>58,543</u>	<u>4,145</u>	<u>1,176,067</u>	<u>308,168</u>	<u>72,929</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 58,543</u>	<u>\$ 4,145</u>	<u>\$ 1,176,067</u>	<u>\$ 308,168</u>	<u>\$ 72,929</u>

Special Revenue Funds

Health Department	Personal Care Aide Program	Animal Control	Environment/ Recycling	County Surveyor	Register of Deeds Automation	Emergency Management
\$ 657,900	\$ 29,501	\$ 121,770	\$ 6,940	\$ 29,789	\$ 596,642	\$ 15,159
-	-	-	-	-	-	-
9,252	-	-	-	-	-	-
72,664	62,101	-	-	43,483	-	30,609
325,496	-	-	-	-	-	-
-	2,337	-	-	-	-	-
7,359	-	-	-	-	-	-
<u>\$ 1,072,671</u>	<u>\$ 93,939</u>	<u>\$ 121,770</u>	<u>\$ 6,940</u>	<u>\$ 73,272</u>	<u>\$ 596,642</u>	<u>\$ 45,768</u>
\$ 10,962	\$ 54,394	\$ 3,006	\$ -	\$ 59,941	\$ 2,527	\$ -
84,477	29,504	5,564	-	-	353	1,748
-	-	-	-	-	-	-
6,541	1,640	517	-	-	-	164
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	65,844	-	-	-	-
<u>101,980</u>	<u>85,538</u>	<u>74,931</u>	<u>-</u>	<u>59,941</u>	<u>2,880</u>	<u>1,912</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
7,359	2,337	-	-	-	-	-
-	-	-	-	13,331	593,762	-
963,332	6,064	46,839	6,940	-	-	43,856
<u>970,691</u>	<u>8,401</u>	<u>46,839</u>	<u>6,940</u>	<u>13,331</u>	<u>593,762</u>	<u>43,856</u>
<u>\$ 1,072,671</u>	<u>\$ 93,939</u>	<u>\$ 121,770</u>	<u>\$ 6,940</u>	<u>\$ 73,272</u>	<u>\$ 596,642</u>	<u>\$ 45,768</u>

Continued

LAPEER COUNTY, MICHIGAN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2015

	Special Revenue Funds				
	Community Grants	Thumb Narcotics Unit	Police Service Contracts	Law Enforcement Programs	Law Enforcement
Assets:					
Cash and cash equivalents	\$ -	\$ 340,198	\$ -	\$ 157,521	\$ 63,924
Receivables -					
Property taxes	-	-	-	-	-
Accounts and interest	-	-	-	-	-
Due from other governmental units	55,446	2,784	183,346	890	14,422
Interfund receivables	-	-	-	-	-
Inventory	-	-	-	-	-
Prepaid items	-	-	-	-	-
Total Assets	\$ 55,446	\$ 342,982	\$ 183,346	\$ 158,411	\$ 78,346
Liabilities:					
Accounts payable	\$ 5,739	\$ 6,855	\$ -	\$ 4,745	\$ 1,764
Accrued liabilities	5,685	-	43,154	-	5,876
Due to other governmental units	-	-	-	-	-
Due to other funds	126	-	6,820	-	734
Interfund payables	42,336	-	25,021	-	-
Advances from other funds	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Total Liabilities	53,886	6,855	74,995	4,745	8,374
Deferred Inflows of Resources:					
Unavailable revenue - revolving loans	-	-	-	-	-
Taxes levied for subsequent period	-	-	-	-	-
	-	-	-	-	-
Fund Balance:					
Nonspendable - inventory/prepays	-	-	-	-	-
Restricted	-	336,127	-	-	-
Committed	1,560	-	108,351	153,666	69,972
Total Fund Balance	1,560	336,127	108,351	153,666	69,972
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 55,446	\$ 342,982	\$ 183,346	\$ 158,411	\$ 78,346

Special Revenue Funds

Law Enforcement - Other	Law Library	Community Development	Department of Human Services	Child Care	Veterans' Trust	Soldiers' Relief	Multi-Purpose Collaborative Body
\$ 62,551	\$ 29,900	\$ 36,241	\$ 30,692	\$ 281,582	\$ 3,682	\$ 212,232	\$ 500
-	-	-	-	-	-	236,898	-
-	-	655,690	-	-	-	-	-
-	-	41	-	202,371	-	-	6,194
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 62,551</u>	<u>\$ 29,900</u>	<u>\$ 691,972</u>	<u>\$ 30,692</u>	<u>\$ 483,953</u>	<u>\$ 3,682</u>	<u>\$ 449,130</u>	<u>\$ 6,694</u>
\$ 166	\$ 2,055	\$ -	\$ -	\$ 29,258	\$ -	\$ 775	\$ 1,409
-	-	-	-	5,905	-	5,706	1,291
-	-	-	-	-	-	-	-
-	-	-	-	395	-	530	86
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>166</u>	<u>2,055</u>	<u>-</u>	<u>-</u>	<u>35,558</u>	<u>-</u>	<u>7,011</u>	<u>2,786</u>
-	-	655,690	-	-	-	-	-
-	-	-	-	-	-	267,619	-
-	-	<u>655,690</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>267,619</u>	<u>-</u>
-	-	-	-	-	-	-	-
62,385	-	36,282	-	-	3,682	174,500	-
-	27,845	-	30,692	448,395	-	-	3,908
<u>62,385</u>	<u>27,845</u>	<u>36,282</u>	<u>30,692</u>	<u>448,395</u>	<u>3,682</u>	<u>174,500</u>	<u>3,908</u>
<u>\$ 62,551</u>	<u>\$ 29,900</u>	<u>\$ 691,972</u>	<u>\$ 30,692</u>	<u>\$ 483,953</u>	<u>\$ 3,682</u>	<u>\$ 449,130</u>	<u>\$ 6,694</u>

Continued

LAPEER COUNTY, MICHIGAN

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2015**

	Special Revenue Funds				
	Senior Millage	Soil and Sedimentation	Lapeer Family Continuation Coordinator	Mental Health Court	Prosecuting Attorney
Assets:					
Cash and cash equivalents	\$ 299,413	\$ 2,070	\$ 19,018	\$ -	\$ -
Receivables -					
Property taxes	591,043	-	-	-	-
Accounts and interest	-	-	-	-	-
Due from other governmental units	-	-	-	40,068	82,138
Interfund receivables	-	-	-	-	-
Inventory	-	-	-	-	-
Prepaid items	-	-	-	-	-
	<u>\$ 890,456</u>	<u>\$ 2,070</u>	<u>\$ 19,018</u>	<u>\$ 40,068</u>	<u>\$ 82,138</u>
Liabilities:					
Accounts payable	\$ 105	\$ 114	\$ -	\$ -	\$ -
Accrued liabilities	-	1,846	465	370	7,963
Due to other governmental units	-	-	-	-	-
Due to other funds	-	110	-	154	739
Interfund payables	-	-	-	39,544	62,806
Advances from other funds	-	-	7,500	-	-
Unearned revenues	-	-	-	-	-
	<u>105</u>	<u>2,070</u>	<u>7,965</u>	<u>40,068</u>	<u>71,508</u>
Deferred Inflows of Resources:					
Unavailable revenue - revolving loans	-	-	-	-	-
Taxes levied for subsequent period	667,745	-	-	-	-
	<u>667,745</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance:					
Nonspendable - inventory/prepays	-	-	-	-	-
Restricted	222,606	-	11,053	-	-
Committed	-	-	-	-	10,630
	<u>222,606</u>	<u>-</u>	<u>11,053</u>	<u>-</u>	<u>10,630</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 890,456</u>	<u>\$ 2,070</u>	<u>\$ 19,018</u>	<u>\$ 40,068</u>	<u>\$ 82,138</u>

Special Revenue Fund	Capital Project Funds					
Concealed Pistol Licensing	E-911 Construction	Jail	Capital Construction/ Improvement	Old Courthouse	Total	
\$ 5,609	\$ 2,061,474	\$ 629,558	\$ 30,000	\$ 14,086	\$ 6,617,939	
-	-	-	-	-	827,941	
-	-	-	-	-	1,007,892	
-	-	-	-	-	1,168,307	
-	-	-	-	-	325,496	
-	-	-	-	-	2,337	
-	-	-	-	-	32,524	
<u>\$ 5,609</u>	<u>\$ 2,061,474</u>	<u>\$ 629,558</u>	<u>\$ 30,000</u>	<u>\$ 14,086</u>	<u>\$ 9,982,436</u>	
\$ 41	\$ 1,338	\$ -	\$ -	\$ 300	\$ 274,672	
579	-	-	-	-	270,061	
-	-	-	-	-	-	
-	-	-	-	-	26,025	
-	-	-	-	-	380,938	
-	-	-	-	-	32,500	
-	-	-	-	-	65,844	
<u>620</u>	<u>1,338</u>	<u>-</u>	<u>-</u>	<u>300</u>	<u>1,050,040</u>	
-	-	-	-	-	655,690	
-	-	-	-	-	935,364	
-	-	-	-	-	1,591,054	
-	-	-	-	-	34,861	
4,989	2,060,136	-	-	13,786	4,691,581	
-	-	629,558	30,000	-	2,614,900	
<u>4,989</u>	<u>2,060,136</u>	<u>629,558</u>	<u>30,000</u>	<u>13,786</u>	<u>7,341,342</u>	
<u>\$ 5,609</u>	<u>\$ 2,061,474</u>	<u>\$ 629,558</u>	<u>\$ 30,000</u>	<u>\$ 14,086</u>	<u>\$ 9,982,436</u>	

Concluded

LAPEER COUNTY, MICHIGAN

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Special Revenue Funds

	Parks Department	Polly Ann Trail	E-911	Friend of the Court	Family Marriage Counseling
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	8,649
Intergovernmental	-	8,545	-	960,681	-
Charges for services	171,228	-	1,737,494	116,422	-
Fines and forfeits	-	-	-	-	-
Rents	15	-	14,501	-	-
Interest	-	-	407	-	-
Other	-	-	1,149	14	-
Total Revenues	<u>171,243</u>	<u>8,545</u>	<u>1,753,551</u>	<u>1,077,117</u>	<u>8,649</u>
Expenditures:					
Current -					
Judicial	-	-	-	1,402,255	2,027
General Government	-	-	-	-	-
Public Safety	-	-	1,808,712	-	-
Public Works	-	-	-	-	-
Health and Welfare	-	-	-	-	-
Recreation and Cultural	141,494	8,545	-	-	-
Capital Outlay	-	-	-	-	-
Debt Service -					
Principal	-	-	-	-	-
Interest and charges	-	-	-	-	-
Total Expenditures	<u>141,494</u>	<u>8,545</u>	<u>1,808,712</u>	<u>1,402,255</u>	<u>2,027</u>
Revenues over (under) expenditures	<u>29,749</u>	<u>-</u>	<u>(55,161)</u>	<u>(325,138)</u>	<u>6,622</u>
Other Financing Sources (Uses):					
Transfer In	-	-	-	306,643	-
Transfer Out	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>306,643</u>	<u>-</u>
Net Change in Fund Balances	29,749	-	(55,161)	(18,495)	6,622
Fund Balances at beginning of year	<u>3,543</u>	<u>618</u>	<u>1,159,025</u>	<u>25,191</u>	<u>66,307</u>
Fund Balances at end of year	<u>\$ 33,292</u>	<u>\$ 618</u>	<u>\$ 1,103,864</u>	<u>\$ 6,696</u>	<u>\$ 72,929</u>

Special Revenue Funds

Health Department	Personal Care Aide Program	Animal Control	Environment/ Recycling	County Surveyor	Register of Deeds Automation	Emergency Management
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
269,672	-	156,687	-	-	-	-
1,603,751	513,208	-	14,271	73,022	-	78,831
583,068	1,433	44,696	9,894	-	78,820	1,600
-	-	15,499	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	188	-
116,013	33,615	25,377	-	-	-	-
<u>2,572,504</u>	<u>548,256</u>	<u>242,259</u>	<u>24,165</u>	<u>73,022</u>	<u>79,008</u>	<u>80,431</u>
-	-	-	-	-	-	-
-	-	-	-	72,503	55,470	-
-	-	340,930	-	-	-	127,204
-	-	-	-	-	-	-
2,522,782	1,173,014	-	32,725	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>2,522,782</u>	<u>1,173,014</u>	<u>340,930</u>	<u>32,725</u>	<u>72,503</u>	<u>55,470</u>	<u>127,204</u>
49,722	(624,758)	(98,671)	(8,560)	519	23,538	(46,773)
359,365	624,758	10,000	5,500	-	-	49,000
-	-	-	-	-	-	-
<u>359,365</u>	<u>624,758</u>	<u>10,000</u>	<u>5,500</u>	<u>-</u>	<u>-</u>	<u>49,000</u>
409,087	-	(88,671)	(3,060)	519	23,538	2,227
561,604	8,401	135,510	10,000	12,812	570,224	41,629
<u>\$ 970,691</u>	<u>\$ 8,401</u>	<u>\$ 46,839</u>	<u>\$ 6,940</u>	<u>\$ 13,331</u>	<u>\$ 593,762</u>	<u>\$ 43,856</u>

Continued

LAPEER COUNTY, MICHIGAN

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Special Revenue Funds

	Community Grants	Thumb Narcotics Unit	Police Service Contracts	Law Enforcement Programs	Law Enforcement
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	9,945	-	-	-	-
Intergovernmental	233,785	44,100	-	23,159	105,569
Charges for services	55,324	-	1,009,588	6,539	18,913
Fines and forfeits	-	109,884	-	-	-
Rents	-	-	-	-	-
Interest	-	77	-	-	-
Other	-	8,756	-	-	-
Total Revenues	<u>299,054</u>	<u>162,817</u>	<u>1,009,588</u>	<u>29,698</u>	<u>124,482</u>
Expenditures:					
Current -					
Judicial	-	-	-	-	-
General Government	-	-	-	-	-
Public Safety	337,584	76,805	1,346,028	43,149	210,763
Public Works	-	-	-	-	-
Health and Welfare	-	-	-	-	-
Recreation and Cultural	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Debt Service -					
Principal	-	-	-	-	-
Interest and charges	-	-	-	-	-
Total Expenditures	<u>337,584</u>	<u>76,805</u>	<u>1,346,028</u>	<u>43,149</u>	<u>210,763</u>
Revenues over (under) expenditures	<u>(38,530)</u>	<u>86,012</u>	<u>(336,440)</u>	<u>(13,451)</u>	<u>(86,281)</u>
Other Financing Sources (Uses):					
Transfers In	38,530	-	336,508	6,535	69,826
Transfers Out	-	-	-	-	(12,000)
Total Other Financing Sources (Uses)	<u>38,530</u>	<u>-</u>	<u>336,508</u>	<u>6,535</u>	<u>57,826</u>
Net Change in Fund Balances	-	86,012	68	(6,916)	(28,455)
Fund Balances at beginning of year	<u>1,560</u>	<u>250,115</u>	<u>108,283</u>	<u>160,582</u>	<u>98,427</u>
Fund Balances at end of year	<u>\$ 1,560</u>	<u>\$ 336,127</u>	<u>\$ 108,351</u>	<u>\$ 153,666</u>	<u>\$ 69,972</u>

Special Revenue Funds

Law Enforcement - Other	Law Library	Community Development	Department of Human Services	Child Care	Veterans' Trust	Soldiers' Relief	Multi-Purpose Collaborative Body
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 265,567	\$ -
-	-	-	-	-	-	-	-
-	-	38,408	10	402,451	24,848	15,000	16,047
-	-	10,511	-	91,314	-	2,224	-
17,644	6,500	-	-	7,190	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	101	-
-	-	-	-	53,588	-	-	-
<u>17,644</u>	<u>6,500</u>	<u>48,919</u>	<u>10</u>	<u>554,543</u>	<u>24,848</u>	<u>282,892</u>	<u>16,047</u>
-	13,450	-	-	-	-	-	-
-	-	-	-	-	-	-	-
21,478	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	61,812	625	947,726	23,266	272,993	12,139
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>21,478</u>	<u>13,450</u>	<u>61,812</u>	<u>625</u>	<u>947,726</u>	<u>23,266</u>	<u>272,993</u>	<u>12,139</u>
<u>(3,834)</u>	<u>(6,950)</u>	<u>(12,893)</u>	<u>(615)</u>	<u>(393,183)</u>	<u>1,582</u>	<u>9,899</u>	<u>3,908</u>
-	4,500	-	-	192,790	-	-	-
<u>(16,831)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(16,831)</u>	<u>4,500</u>	<u>-</u>	<u>-</u>	<u>192,790</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(20,665)</u>	<u>(2,450)</u>	<u>(12,893)</u>	<u>(615)</u>	<u>(200,393)</u>	<u>1,582</u>	<u>9,899</u>	<u>3,908</u>
<u>83,050</u>	<u>30,295</u>	<u>49,175</u>	<u>31,307</u>	<u>648,788</u>	<u>2,100</u>	<u>164,601</u>	<u>-</u>
<u>\$ 62,385</u>	<u>\$ 27,845</u>	<u>\$ 36,282</u>	<u>\$ 30,692</u>	<u>\$ 448,395</u>	<u>\$ 3,682</u>	<u>\$ 174,500</u>	<u>\$ 3,908</u>

Continued

LAPEER COUNTY, MICHIGAN

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Special Revenue Funds				
	Senior Millage	Soil and Sedimentation	Lapeer Family Continuation Coordinator	Mental Health Court	Prosecuting Attorney
Revenues:					
Taxes	\$ 662,284	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	65,632	-	-	-
Intergovernmental	-	-	-	64,268	214,780
Charges for services	-	-	14,500	-	-
Fines and forfeits	-	600	-	-	-
Rents	-	-	-	-	-
Interest	-	-	-	-	-
Other	-	-	5,159	-	-
Total Revenues	662,284	66,232	19,659	64,268	214,780
Expenditures:					
Current -					
Judicial	-	-	-	-	-
General Government	-	-	-	-	215,981
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Health and Welfare	14,837	117,427	17,508	69,950	-
Recreation and Cultural	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Debt Service -					
Principal	-	-	-	-	-
Interest and charges	-	-	-	-	-
Total Expenditures	14,837	117,427	17,508	69,950	215,981
Revenues under expenditures	647,447	(51,195)	2,151	(5,682)	(1,201)
Other Financing Sources (Uses):					
Transfer In	-	51,195	-	5,682	11,831
Transfer Out	(624,758)	-	-	-	-
Total Other Financing Sources (Uses)	(624,758)	51,195	-	5,682	11,831
Net Change in Fund Balances	22,689	-	2,151	-	10,630
Fund Balances at beginning of year	199,917	-	8,902	-	-
Fund Balances at end of year	\$ 222,606	\$ -	\$ 11,053	\$ -	\$ 10,630

Special Revenue Fund	Capital Projects Funds					
Concealed Pistol Licensing	E-911 Construction	Jail	Capital Construction/ Improvement	Old Courthouse	Total	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 927,851	
11,201	-	-	-	-	521,786	
-	-	-	-	-	4,434,734	
-	-	-	-	-	3,953,568	
-	-	-	-	-	157,317	
-	-	-	-	-	14,516	
-	235	-	-	-	1,008	
-	-	-	-	6,200	249,871	
<u>11,201</u>	<u>235</u>	<u>-</u>	<u>-</u>	<u>6,200</u>	<u>10,260,651</u>	
-	-	-	-	-	1,417,732	
6,212	-	-	-	511	350,677	
-	-	-	-	-	4,312,653	
-	-	-	-	-	-	
-	-	-	-	-	5,266,804	
-	-	-	-	-	150,039	
-	422,928	-	20,655	-	443,583	
-	-	-	-	-	-	
-	-	-	-	-	-	
<u>6,212</u>	<u>422,928</u>	<u>-</u>	<u>20,655</u>	<u>511</u>	<u>11,941,488</u>	
4,989	(422,693)	-	(20,655)	5,689	(1,680,837)	
-	-	-	20,655	-	2,093,318	
-	-	-	-	-	(653,589)	
-	-	-	20,655	-	1,439,729	
4,989	(422,693)	-	-	5,689	(241,108)	
-	2,482,829	629,558	30,000	8,097	7,582,450	
<u>\$ 4,989</u>	<u>\$ 2,060,136</u>	<u>\$ 629,558</u>	<u>\$ 30,000</u>	<u>\$ 13,786</u>	<u>\$ 7,341,342</u>	

Concluded

LAPEER COUNTY, MICHIGAN

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Amended Budget	Actual	Variance Positive (Negative)
PARKS DEPARTMENT			
Revenues:			
Charges for services	\$ 127,000	\$ 171,228	\$ 44,228
Rent	-	15	15
Total Revenues	127,000	171,243	44,243
Expenditures:			
Recreation and Cultural	152,504	141,494	11,010
Revenues over (under) expenditures	(25,504)	29,749	55,253
Other Financing Sources:			
Transfers in	25,504	-	(25,504)
Net Change in Fund Balance	-	29,749	29,749
Fund Balance at beginning of year	3,543	3,543	-
Fund Balance at end of year	\$ 3,543	\$ 33,292	\$ 29,749

POLLY ANN TRAIL

Revenues:			
Intergovernmental	\$ 10,000	\$ 8,545	\$(1,455)
Expenditures:			
Recreation and Cultural	10,000	8,545	1,455
Net Change in Fund Balance	-	-	-
Fund Balance at beginning of year	618	618	-
Fund Balance at end of year	\$ 618	\$ 618	\$ -

E - 911

Revenues:			
Charges for services	\$ 1,715,000	\$ 1,737,494	\$ 22,494
Interest	1,200	407	(793)
Rent	20,000	14,501	(5,499)
Other	-	1,149	1,149
Total Revenues	1,736,200	1,753,551	17,351
Expenditures:			
Public Safety	1,736,200	1,808,712	(72,512)
Net Change in Fund Balance	-	(55,161)	(55,161)
Fund Balance at beginning of year	1,159,025	1,159,025	-
Fund Balance at end of year	\$ 1,159,025	\$ 1,103,864	\$(55,161)

Continued

LAPEER COUNTY, MICHIGAN

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
FRIEND OF THE COURT			
Revenues:			
Intergovernmental	\$ 908,367	\$ 960,681	\$ 52,314
Charges for services	122,900	116,422	(6,478)
Other	<u>37,000</u>	<u>14</u>	<u>(36,986)</u>
Total Revenues	1,068,267	1,077,117	8,850
Expenditures:			
Judicial	<u>1,348,267</u>	<u>1,402,255</u>	<u>(53,988)</u>
Revenues under expenditures	(280,000)	(325,138)	(45,138)
Other Financing Sources:			
Transfers in	<u>280,000</u>	<u>306,643</u>	<u>26,643</u>
Net Change in Fund Balance	-	(18,495)	(18,495)
Fund Balance at beginning of year	<u>25,191</u>	<u>25,191</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 25,191</u></u>	<u><u>\$ 6,696</u></u>	<u><u>\$(18,495)</u></u>

FAMILY MARRIAGE COUNSELING

Revenues:			
Licenses and permits	\$ 7,500	\$ 8,649	\$ 1,149
Expenditures:			
Judicial	<u>7,500</u>	<u>2,027</u>	<u>5,473</u>
Net Change in Fund Balance	-	6,622	6,622
Fund Balance at beginning of year	<u>66,307</u>	<u>66,307</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 66,307</u></u>	<u><u>\$ 72,929</u></u>	<u><u>\$ 6,622</u></u>

Continued

LAPEER COUNTY, MICHIGAN

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Amended Budget	Actual	Variance Positive (Negative)
HEALTH DEPARTMENT			
Revenues:			
Licenses and permits	\$ 238,550	\$ 269,672	\$ 31,122
Intergovernmental	1,343,581	1,603,751	260,170
Charges for services	350,900	583,068	232,168
Other	125,071	116,013	(9,058)
Total Revenues	2,058,102	2,572,504	514,402
Expenditures:			
Health and Welfare	2,590,102	2,522,782	67,320
Revenues over (under) expenditures	(532,000)	49,722	581,722
Other Financing Sources:			
Transfers in	532,000	359,365	(172,635)
Net Change in Fund Balance	-	409,087	409,087
Fund Balance at beginning of year	561,604	561,604	-
Fund Balance at end of year	\$ 561,604	\$ 970,691	\$ 409,087

PERSONAL CARE AIDE PROGRAM

Revenues:			
Intergovernmental	\$ 488,299	\$ 513,208	\$ 24,909
Charges for services	-	1,433	1,433
Other	29,000	33,615	4,615
Total Revenues	517,299	548,256	30,957
Expenditures:			
Health and Welfare	1,162,299	1,173,014	(10,715)
Revenues under expenditures	(645,000)	(624,758)	20,242
Other Financing Sources:			
Transfers in	645,000	624,758	(20,242)
Net Change in Fund Balance	-	-	-
Fund Balance at beginning of year	8,401	8,401	-
Fund Balance at end of year	\$ 8,401	\$ 8,401	\$ -

Continued

LAPEER COUNTY, MICHIGAN

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
ANIMAL CONTROL			
Revenues:			
Licenses and permits	\$ 181,545	\$ 156,687	\$(24,858)
Charges for services	46,800	44,696	(2,104)
Fines and forfeits	14,000	15,499	1,499
Other	-	25,377	25,377
Total Revenues	<u>242,345</u>	<u>242,259</u>	<u>(86)</u>
Expenditures:			
Public Safety	<u>332,345</u>	<u>340,930</u>	<u>(8,585)</u>
Revenues under expenditures	(90,000)	(98,671)	(8,671)
Other Financing Sources:			
Transfers in	<u>30,000</u>	<u>10,000</u>	<u>(20,000)</u>
Net Change in Fund Balance	(60,000)	(88,671)	(28,671)
Fund Balance at beginning of year	<u>135,510</u>	<u>135,510</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 75,510</u></u>	<u><u>\$ 46,839</u></u>	<u><u>\$(28,671)</u></u>
ENVIRONMENT/RECYCLING			
Revenues:			
Intergovernmental	\$ 13,500	\$ 14,271	\$ 771
Charges for services	10,000	9,894	(106)
Total Revenues	<u>23,500</u>	<u>24,165</u>	<u>665</u>
Expenditures:			
Health and Welfare	<u>33,500</u>	<u>32,725</u>	<u>775</u>
Revenues under expenditures	(10,000)	(8,560)	1,440
Other Financing Sources:			
Transfers in	<u>5,500</u>	<u>5,500</u>	<u>-</u>
Net Change in Fund Balance	(4,500)	(3,060)	1,440
Fund Balance at beginning of year	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 5,500</u></u>	<u><u>\$ 6,940</u></u>	<u><u>\$ 1,440</u></u>

Continued

LAPEER COUNTY, MICHIGAN

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Amended Budget	Actual	Variance Positive (Negative)
COUNTY SURVEYOR			
Revenues:			
Intergovernmental	\$ 72,549	\$ 73,022	\$ 473
Expenditures:			
General Government	72,549	72,503	46
Net Change in Fund Balance	-	519	519
Fund Balance at beginning of year	12,812	12,812	-
Fund Balance at end of year	\$ 12,812	\$ 13,331	\$ 519

REGISTER OF DEEDS AUTOMATION

Revenues:			
Charges for services	\$ 100,856	\$ 78,820	\$(22,036)
Interest	1,000	188	(812)
Total Revenues	101,856	79,008	(22,848)
Expenditures:			
General Government	101,856	55,470	46,386
Net Change in Fund Balance	-	23,538	23,538
Fund Balance at beginning of year	570,224	570,224	-
Fund Balance at end of year	\$ 570,224	\$ 593,762	\$ 23,538

EMERGENCY MANAGEMENT

Revenues:			
Intergovernmental	\$ 226,000	\$ 78,831	\$(147,169)
Charges for services	114	1,600	1,486
Total Revenues	226,114	80,431	(145,683)
Expenditures:			
Public Safety	276,494	127,204	149,290
Revenues under expenditures	(50,380)	(46,773)	3,607
Other Financing Sources:			
Transfers in	49,000	49,000	-
Net Change in Fund Balance	(1,380)	2,227	3,607
Fund Balance at beginning of year	41,629	41,629	-
Fund Balance at end of year	\$ 40,249	\$ 43,856	\$ 3,607

Continued

LAPEER COUNTY, MICHIGAN

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Amended Budget	Actual	Variance Positive (Negative)
COMMUNITY GRANTS			
Revenues:			
Licenses and permits	\$ -	\$ 9,945	9,945
Intergovernmental	293,758	233,785	(59,973)
Charges for services	73,000	55,324	(17,676)
Total Revenues	366,758	299,054	(67,704)
Expenditures:			
Public Safety	426,320	337,584	88,736
Revenues under expenditures	(59,562)	(38,530)	21,032
Other Financing Sources:			
Transfers in	59,562	38,530	(21,032)
Net Change in Fund Balance	-	-	-
Fund Balance at beginning of year	1,560	1,560	-
Fund Balance at end of year	\$ 1,560	\$ 1,560	\$ -

THUMB NARCOTICS UNIT

Revenues:			
Intergovernmental	\$ 35,000	\$ 44,100	\$ 9,100
Fines and forfeits	90,000	109,884	19,884
Interest	-	77	77
Other	10,000	8,756	(1,244)
Total Revenues	135,000	162,817	27,817
Expenditures:			
Public Safety	135,000	76,805	58,195
Net Change in Fund Balance	-	86,012	86,012
Fund Balance at beginning of year	250,115	250,115	-
Fund Balance at end of year	\$ 250,115	\$ 336,127	\$ 86,012

Continued

LAPEER COUNTY, MICHIGAN

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
POLICE SERVICE CONTRACTS			
Revenues:			
Charges for services	\$ 1,025,444	\$ 1,009,588	\$(15,856)
Expenditures:			
Public Safety	<u>1,367,259</u>	<u>1,346,028</u>	<u>21,231</u>
Revenues under expenditures	(341,815)	(336,440)	5,375
Other Financing Sources:			
Transfers in	<u>341,815</u>	<u>336,508</u>	<u>(5,307)</u>
Net Change in Fund Balance	-	68	68
Fund Balance at beginning of year	<u>108,283</u>	<u>108,283</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 108,283</u></u>	<u><u>\$ 108,351</u></u>	<u><u>\$ 68</u></u>

LAW ENFORCEMENT PROGRAMS

Revenues:			
Intergovernmental	\$ 93,500	\$ 23,159	\$(70,341)
Charges for services	30,800	6,539	(24,261)
Total Revenues	<u>124,300</u>	<u>29,698</u>	<u>(94,602)</u>
Expenditures:			
Public Safety	<u>130,835</u>	<u>43,149</u>	<u>87,686</u>
Revenues under expenditures	(6,535)	(13,451)	(6,916)
Other Financing Sources:			
Transfers in	<u>6,535</u>	<u>6,535</u>	<u>-</u>
Net Change in Fund Balance	-	(6,916)	(6,916)
Fund Balance at beginning of year	<u>160,582</u>	<u>160,582</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 160,582</u></u>	<u><u>\$ 153,666</u></u>	<u><u>\$(6,916)</u></u>

Continued

LAPEER COUNTY, MICHIGAN

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
LAW ENFORCEMENT			
Revenues:			
Intergovernmental	\$ 86,025	\$ 105,569	\$ 19,544
Charges for services	20,000	18,913	(1,087)
Other	10,000	-	(10,000)
Total Revenues	<u>116,025</u>	<u>124,482</u>	<u>8,457</u>
Expenditures:			
Public Safety	<u>185,851</u>	<u>210,763</u>	<u>(24,912)</u>
Revenues under expenditures	<u>(69,826)</u>	<u>(86,281)</u>	<u>(16,455)</u>
Other Financing Sources (Uses):			
Transfers in	69,826	69,826	-
Transfers out	-	(12,000)	(12,000)
Total Other Financing Sources (Uses)	<u>69,826</u>	<u>57,826</u>	<u>(12,000)</u>
Net Change in Fund Balance	-	(28,455)	(28,455)
Fund Balance at beginning of year	<u>98,427</u>	<u>98,427</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 98,427</u></u>	<u><u>\$ 69,972</u></u>	<u><u>\$(28,455)</u></u>

LAW ENFORCEMENT - OTHER

Revenues:			
Fines and forfeits	\$ 37,400	\$ 17,644	\$(19,756)
Expenditures:			
Public Safety	<u>37,400</u>	<u>21,478</u>	<u>15,922</u>
Revenues under expenditures	-	(3,834)	(3,834)
Other Financing Uses:			
Transfers out	<u>(17,000)</u>	<u>(16,831)</u>	<u>169</u>
Net Change in Fund Balance	(17,000)	(20,665)	(3,665)
Fund Balance at beginning of year	<u>83,050</u>	<u>83,050</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 66,050</u></u>	<u><u>\$ 62,385</u></u>	<u><u>\$(3,665)</u></u>

Continued

LAPEER COUNTY, MICHIGAN

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Amended Budget	Actual	Variance Positive (Negative)
LAW LIBRARY			
Revenues:			
Fines and forfeits	\$ 6,500	\$ 6,500	\$ -
Expenditures:			
Judicial	13,500	13,450	50
Revenues under expenditures	(7,000)	(6,950)	50
Other Financing Sources:			
Transfers in	4,500	4,500	-
Net Change in Fund Balance	(2,500)	(2,450)	50
Fund Balance at beginning of year	30,295	30,295	-
Fund Balance at end of year	\$ 27,795	\$ 27,845	\$ 50

COMMUNITY DEVELOPMENT

Revenues:			
Intergovernmental	\$ 250,000	\$ 38,408	\$(211,592)
Charges for services	-	10,511	10,511
Total Revenues	250,000	48,919	(201,081)
Expenditures:			
Health and Welfare	250,000	61,812	188,188
Net Change in Fund Balance	-	(12,893)	(12,893)
Fund Balance at beginning of year	49,175	49,175	-
Fund Balance at end of year	\$ 49,175	\$ 36,282	\$(12,893)

DEPARTMENT OF HUMAN SERVICES

Revenues:			
Intergovernmental	\$ -	\$ 10	\$ 10
Expenditures:			
Health and Welfare	20,782	625	20,157
Revenues under expenditures	(20,782)	(615)	20,167
Other Financing Sources:			
Transfers in	20,782	-	(20,782)
Net Change in Fund Balance	-	(615)	(615)
Fund Balance at beginning of year	31,307	31,307	-
Fund Balance at end of year	\$ 31,307	\$ 30,692	\$(615)

Continued

LAPEER COUNTY, MICHIGAN

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
CHILD CARE			
Revenues:			
Intergovernmental	\$ 678,008	\$ 402,451	\$(275,557)
Charges for services	125,500	91,314	(34,186)
Fines and forfeitures	9,000	7,190	(1,810)
Other	78,930	53,588	(25,342)
Total Revenues	<u>891,438</u>	<u>554,543</u>	<u>(336,895)</u>
Expenditures:			
Health and Welfare	<u>1,495,652</u>	<u>947,726</u>	<u>547,926</u>
Revenues under expenditures	(604,214)	(393,183)	211,031
Other Financing Sources:			
Transfers in	<u>475,000</u>	<u>192,790</u>	<u>(282,210)</u>
Net Change in Fund Balance	(129,214)	(200,393)	(71,179)
Fund Balance at beginning of year	<u>648,788</u>	<u>648,788</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 519,574</u></u>	<u><u>\$ 448,395</u></u>	<u><u>\$(71,179)</u></u>
VETERANS' TRUST			
Revenues:			
Intergovernmental	\$ 10,000	\$ 24,848	\$ 14,848
Expenditures:			
Health and Welfare	<u>10,000</u>	<u>23,266</u>	<u>(13,266)</u>
Net Change in Fund Balance	-	1,582	1,582
Fund Balance at beginning of year	<u>2,100</u>	<u>2,100</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 2,100</u></u>	<u><u>\$ 3,682</u></u>	<u><u>\$ 1,582</u></u>
SOLIDERS' RELIEF FUND			
Revenues:			
Taxes	\$ 266,000	\$ 265,567	\$(433)
Charges for services	-	2,224	2,224
Intergovernmental	-	15,000	15,000
Interest	-	101	101
Total Revenues	<u>266,000</u>	<u>282,892</u>	<u>16,892</u>
Expenditures:			
Health and Welfare	<u>279,000</u>	<u>272,993</u>	<u>6,007</u>
Net Change in Fund Balance	(13,000)	9,899	22,899
Fund Balance at beginning of year	<u>164,601</u>	<u>164,601</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 151,601</u></u>	<u><u>\$ 174,500</u></u>	<u><u>\$ 22,899</u></u>

Continued

LAPEER COUNTY, MICHIGAN

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Amended Budget	Actual	Variance Positive (Negative)
MULTI-PURPOSE COLLABORATIVE BODY			
Revenues:			
Intergovernmental	\$ -	\$ 16,047	\$ 16,047
Expenditures:			
Health and Welfare	25,500	12,139	13,361
Revenues over (under) expenditures	(25,500)	3,908	29,408
Other Financing Sources:			
Transfers in	25,500	-	(25,500)
Net Change in Fund Balance	-	3,908	3,908
Fund Balance at beginning of year	-	-	-
Fund Balance at end of year	\$ -	\$ 3,908	\$ 3,908
SENIOR MILLAGE			
Revenues:			
Taxes	\$ 630,000	\$ 662,284	\$ 32,284
Expenditures:			
Health and Welfare	21,000	14,837	6,163
Revenues over expenditures	609,000	647,447	38,447
Other Financing Uses:			
Transfers out	(645,000)	(624,758)	20,242
Net Change in Fund Balance	(36,000)	22,689	58,689
Fund Balance at beginning of year	199,917	199,917	-
Fund Balance at end of year	\$ 163,917	\$ 222,606	\$ 58,689
SOIL AND SEDIMENTATION			
Revenues:			
Licenses and permits	\$ 60,600	\$ 65,632	\$ 5,032
Fines and forfeits	3,000	600	(2,400)
Total Revenues	63,600	66,232	2,632
Expenditures:			
Health and Welfare	116,831	117,427	(596)
Revenues under expenditures	(53,231)	(51,195)	2,036
Other Financing Sources:			
Transfers in	53,231	51,195	(2,036)
Net Change in Fund Balance	-	-	-
Fund Balance at beginning of year	-	-	-
Fund Balance at end of year	\$ -	\$ -	\$ -

LAPEER COUNTY, MICHIGAN

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Amended Budget	Actual	Variance Positive (Negative)
LAPEER FAMILY CONTINUATION COORDINATOR			
Revenues:			
Charges for services	\$ 9,000	\$ 14,500	\$ 5,500
Other	13,000	5,159	(7,841)
Total Revenues	22,000	19,659	(2,341)
Expenditures:			
Health and Welfare	27,500	17,508	9,992
Revenues over (under) expenditures	(5,500)	2,151	7,651
Other Financing Sources:			
Transfers in	5,500	-	(5,500)
Net Change in Fund Balance	-	2,151	2,151
Fund Balance at beginning of year, as restated	8,902	8,902	-
Fund Balance at end of year	\$ 8,902	\$ 11,053	\$ 2,151
MENTAL HEALTH COURT			
Revenues:			
Intergovernmental	\$ 121,000	\$ 64,268	\$(56,732)
Expenditures:			
Health and Welfare	121,000	69,950	51,050
Revenues under expenditures	-	(5,682)	(5,682)
Other Financing Sources:			
Transfers in	-	5,682	5,682
Net Change in Fund Balance	-	-	-
Fund Balance at beginning of year	-	-	-
Fund Balance at end of year	\$ -	\$ -	\$ -
PROSECUTING ATTORNEY			
Revenues:			
Intergovernmental	\$ 34,418	\$ 214,780	\$ 180,362
Expenditures:			
General Government	68,836	215,981	(147,145)
Revenues under expenditures	(34,418)	(1,201)	33,217
Other Financing Sources:			
Transfers in	34,418	11,831	(22,587)
Net Change in Fund Balance	-	10,630	10,630
Fund Balance at beginning of year	-	-	-
Fund Balance at end of year	\$ -	\$ 10,630	\$ 10,630

Continued

LAPEER COUNTY, MICHIGAN

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
CONCEALED PISTOL LICENSING			
Revenues:			
Licenses and permits	\$ 20,000	\$ 11,201	\$(8,799)
Expenditures:			
General Government	<u>20,000</u>	<u>6,212</u>	<u>13,788</u>
Net Change in Fund Balance	-	4,989	4,989
Fund Balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at end of year	<u>\$ -</u>	<u>\$ 4,989</u>	<u>\$ 4,989</u>

Concluded

INTERNAL SERVICE FUNDS

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

LAPEER COUNTY, MICHIGAN

**COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
DECEMBER 31, 2015**

	Health Insurance	Unemployment Insurance	Workers' Compensation	Centralized Purchasing
Assets:				
Current Assets:				
Cash and cash equivalents	\$ 1,069,248	\$ 46,387	\$ 330,347	\$ 6,009
Deposits with agent	3,075	-	16,000	-
Accounts receivable	31,898	-	-	-
Due from other funds	-	-	-	-
Total Current Assets	1,104,221	46,387	346,347	6,009
Property, Plant, and Equipment, Net	-	-	-	-
Total Assets	1,104,221	46,387	346,347	6,009
Liabilities:				
Current Liabilities:				
Accounts payable	-	5,122	1,242	-
Accrued claims	-	-	85,000	-
Total Current Liabilities	-	5,122	86,242	-
Long-Term Liabilities:				
Accrued claims	-	-	10,000	-
Total Liabilities	-	5,122	96,242	-
Net Position:				
Net investment in capital assets	-	-	-	-
Unrestricted	1,104,221	41,265	250,105	6,009
Total Net Position	\$ 1,104,221	\$ 41,265	\$ 250,105	\$ 6,009

CMH Equipment Acquisition & Replacement	Equipment Acquisition & Replacement	Retirement	Public Employee Health Care	Total
\$ 108,012	\$ 1,756,164	\$ 1,303,184	\$ 326,726	\$ 4,946,077
-	-	-	-	19,075
-	-	213	-	32,111
-	-	47,977	-	47,977
108,012	1,756,164	1,351,374	326,726	5,045,240
571,719	2,338,950	-	-	2,910,669
679,731	4,095,114	1,351,374	326,726	7,955,909
-	216,257	1,102,252	311,058	1,635,931
-	-	-	-	85,000
-	216,257	1,102,252	311,058	1,720,931
-	-	-	-	10,000
-	216,257	1,102,252	311,058	1,730,931
571,719	2,338,950	-	-	2,910,669
108,012	1,539,907	249,122	15,668	3,314,309
\$ 679,731	\$ 3,878,857	\$ 249,122	\$ 15,668	\$ 6,224,978

LAPEER COUNTY, MICHIGAN

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Health Insurance	Unemployment Insurance	Workers' Compensation	Centralized Purchasing
Operating Revenues:				
Charges for services	\$ 4,107,152	\$ -	\$ -	\$ -
Operating Expenses:				
Administrative and general	19,482	151	416	-
Retirement and health care savings contributions	-	-	-	-
Insurance and claims	4,069,345	5,122	102,833	-
Depreciation	-	-	-	-
Total Operating Expenses	4,088,827	5,273	103,249	-
Operating Income (Loss)	18,325	(5,273)	(103,249)	-
Non-Operating Revenue:				
Gain on sale of assets	-	-	-	-
Net Income (Loss) before Transfers	18,325	(5,273)	(103,249)	-
Transfers:				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Transfers	-	-	-	-
Change in Net Position	18,325	(5,273)	(103,249)	-
Net Position at beginning of year	1,085,896	46,538	353,354	6,009
Net Position at end of year	\$ 1,104,221	\$ 41,265	\$ 250,105	\$ 6,009

<u>CMH Equipment Acquisition & Replacement</u>	<u>Equipment Acquisition & Replacement</u>	<u>Retirement</u>	<u>Public Employee Health Care</u>	<u>Total</u>
\$ 116,488	\$ 580,906	\$ 2,061,178	\$ 123,150	\$ 6,988,874
309	518,245	325	125	539,053
-	-	2,382,979	452,146	2,835,125
-	-	-	-	4,177,300
95,409	426,594	-	-	522,003
<u>95,718</u>	<u>944,839</u>	<u>2,383,304</u>	<u>452,271</u>	<u>8,073,481</u>
20,770	(363,933)	(322,126)	(329,121)	(1,084,607)
<u>1,023</u>	<u>7,812</u>	<u>-</u>	<u>-</u>	<u>8,835</u>
21,793	(356,121)	(322,126)	(329,121)	(1,075,772)
-	37,000	331,558	311,058	679,616
-	(17,643)	-	-	(17,643)
<u>-</u>	<u>19,357</u>	<u>331,558</u>	<u>311,058</u>	<u>661,973</u>
21,793	(336,764)	9,432	(18,063)	(413,799)
<u>657,938</u>	<u>4,215,621</u>	<u>239,690</u>	<u>33,731</u>	<u>6,638,777</u>
<u>\$ 679,731</u>	<u>\$ 3,878,857</u>	<u>\$ 249,122</u>	<u>\$ 15,668</u>	<u>\$ 6,224,978</u>

LAPEER COUNTY, MICHIGAN
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Health Insurance</u>	<u>Unemployment Insurance</u>	<u>Workers' Compensation</u>	<u>Centralized Purchasing</u>
Cash Flows From Operating Activities:				
Cash receipts for interfund services	\$ 4,107,152	\$ -	\$ -	\$ -
Cash payments to suppliers	(4,146,193)	(19,721)	(103,552)	-
Net Cash Provided by (Used in) Operating Activities	<u>(39,041)</u>	<u>(19,721)</u>	<u>(103,552)</u>	<u>-</u>
Cash Flows From Noncapital Financing Activities:				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Net Cash Provided by Noncapital Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash Flows From Capital and Related Financing Activities:				
Acquisition of capital assets	-	-	-	-
Proceeds from sale of assets	-	-	-	-
Net Cash Used in Capital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Increase (decrease) in cash and cash equivalents	(39,041)	(19,721)	(103,552)	-
Cash and cash equivalents at beginning of year	<u>1,108,289</u>	<u>66,108</u>	<u>433,899</u>	<u>6,009</u>
Cash and cash equivalents at end of year	<u>\$ 1,069,248</u>	<u>\$ 46,387</u>	<u>\$ 330,347</u>	<u>\$ 6,009</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Operating Income (Loss)	\$ 18,325	\$(5,273)	\$(103,249)	\$ -
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities -				
Depreciation	-	-	-	-
Change in assets and liabilities:				
Accounts receivables	(31,898)	-	-	-
Due to/from other funds	-	-	-	-
Prepaid items/Deposits with agent	6,653	-	-	-
Accounts payable	<u>(32,121)</u>	<u>(14,448)</u>	<u>(303)</u>	<u>-</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$(39,041)</u>	<u>\$(19,721)</u>	<u>\$(103,552)</u>	<u>\$ -</u>

<u>CMH Equipment Acquisition & Replacement</u>	<u>Equipment Acquisition & Replacement</u>	<u>Retirement</u>	<u>Public Employee Health Care</u>	<u>Total</u>
\$ 116,488	\$ 580,906	\$ 2,047,215	\$ 123,150	\$ 6,974,911
(309)	(513,415)	(1,672,783)	(697,889)	(7,153,862)
<u>116,179</u>	<u>67,491</u>	<u>374,432</u>	<u>(574,739)</u>	<u>(178,951)</u>
-	37,000	331,558	311,058	679,616
-	(17,643)	-	-	(17,643)
<u>-</u>	<u>19,357</u>	<u>331,558</u>	<u>311,058</u>	<u>661,973</u>
(33,503)	(573,233)	-	-	(606,736)
1,023	7,812	-	-	8,835
<u>(32,480)</u>	<u>(565,421)</u>	<u>-</u>	<u>-</u>	<u>(597,901)</u>
83,699	(478,573)	705,990	(263,681)	(114,879)
<u>24,313</u>	<u>2,234,737</u>	<u>597,194</u>	<u>590,407</u>	<u>5,060,956</u>
<u>\$ 108,012</u>	<u>\$ 1,756,164</u>	<u>\$ 1,303,184</u>	<u>\$ 326,726</u>	<u>\$ 4,946,077</u>
\$ 20,770	\$(363,933)	\$(322,126)	\$(329,121)	\$(1,084,607)
95,409	426,594	-	-	522,003
-	-	(213)	-	(32,111)
-	-	(13,750)	-	(13,750)
-	-	112	-	6,765
<u>-</u>	<u>4,830</u>	<u>710,409</u>	<u>(245,618)</u>	<u>422,749</u>
<u>\$ 116,179</u>	<u>\$ 67,491</u>	<u>\$ 374,432</u>	<u>\$(574,739)</u>	<u>\$(178,951)</u>

FIDUCIARY FUNDS

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

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

LAPEER COUNTY, MICHIGAN

**COMBINING STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
DECEMBER 31, 2015**

	General Agency	Library Penal Fines	District Court	Common Banking	Treasurer's Tax	Total
Assets:						
Cash and cash equivalents	\$ 803,923	\$ 26,692	\$ 171,105	\$ 74,256	\$ 70,924	\$ 1,146,900
Liabilities:						
Due to other governmental units	\$ 365,410	\$ -	\$ 90,214	\$ 74,256	\$ 61,783	\$ 591,663
Due to individuals and agencies	438,513	26,692	80,891	-	9,141	555,237
Total Liabilities	\$ 803,923	\$ 26,692	\$ 171,105	\$ 74,256	\$ 70,924	\$ 1,146,900

LAPEER COUNTY, MICHIGAN

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Balance January 1, 2015</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance December 31, 2015</u>
TOTAL ALL AGENCY FUNDS				
Assets:				
Cash and cash equivalents	\$ 1,170,849	\$ 55,345,010	\$ 55,368,959	\$ 1,146,900
Liabilities:				
Due to other governmental units	\$ 667,283	\$ 45,708,082	\$ 45,783,702	\$ 591,663
Due to individuals and agencies	<u>503,566</u>	<u>1,224,915</u>	<u>1,173,244</u>	<u>555,237</u>
Total Liabilities	<u>\$ 1,170,849</u>	<u>\$ 46,932,997</u>	<u>\$ 46,956,946</u>	<u>\$ 1,146,900</u>
GENERAL AGENCY FUND				
Assets:				
Cash and cash equivalents	<u>\$ 754,520</u>	<u>\$ 5,972,116</u>	<u>\$ 5,922,713</u>	<u>\$ 803,923</u>
Liabilities:				
Due to other governmental units	\$ 326,388	\$ 5,572,676	\$ 5,533,654	\$ 365,410
Due to individuals and agencies	<u>428,132</u>	<u>257,525</u>	<u>247,144</u>	<u>438,513</u>
Total Liabilities	<u>\$ 754,520</u>	<u>\$ 5,830,201</u>	<u>\$ 5,780,798</u>	<u>\$ 803,923</u>
LIBRARY PENAL FINES				
Assets:				
Cash and cash equivalents	<u>\$ 35,405</u>	<u>\$ 315,576</u>	<u>\$ 324,289</u>	<u>\$ 26,692</u>
Liabilities:				
Due to individuals and agencies	<u>\$ 35,405</u>	<u>\$ 633,229</u>	<u>\$ 641,942</u>	<u>\$ 26,692</u>

Continued

LAPEER COUNTY, MICHIGAN

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Balance January 1, 2015</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance December 31, 2015</u>
DISTRICT COURT				
Assets:				
Cash and cash equivalents	\$ 105,696	\$ 2,068,099	\$ 2,002,690	\$ 171,105
Liabilities:				
Due to other governmental units	\$ 76,291	\$ 2,835,678	\$ 2,821,755	\$ 90,214
Due to individuals and agencies	29,405	267,637	216,151	80,891
Total Liabilities	<u>\$ 105,696</u>	<u>\$ 3,103,315</u>	<u>\$ 3,037,906</u>	<u>\$ 171,105</u>
COMMON BANKING				
Assets:				
Cash and cash equivalents	<u>\$ 67,924</u>	<u>\$ 31,771,962</u>	<u>\$ 31,765,630</u>	<u>\$ 74,256</u>
Liabilities:				
Due to other governmental units	<u>\$ 67,924</u>	<u>\$ 7,143,139</u>	<u>\$ 7,136,807</u>	<u>\$ 74,256</u>
TREASURER'S TAX				
Assets:				
Cash and cash equivalents	<u>\$ 207,304</u>	<u>\$ 15,217,257</u>	<u>\$ 15,353,637</u>	<u>\$ 70,924</u>
Liabilities:				
Due to other governmental units	\$ 196,680	\$ 30,156,589	\$ 30,291,486	\$ 61,783
Due to individuals and agencies	<u>10,624</u>	<u>66,524</u>	<u>68,007</u>	<u>9,141</u>
Total Liabilities	<u>\$ 207,304</u>	<u>\$ 30,223,113</u>	<u>\$ 30,359,493</u>	<u>\$ 70,924</u>

Concluded

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

LAPEER COUNTY, MICHIGAN

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES IN CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Balance January 1, 2015</u>	<u>Additions</u>	<u>Disposals/ Adjustments</u>	<u>Balance December 31, 2015</u>
General County:				
Land	\$ 768,833	\$ -	\$ -	\$ 768,833
Land improvements	1,668,381	-	-	1,668,381
Buildings	22,465,416	20,655	-	22,486,071
Equipment	19,647,143	457,495	-	20,104,638
Vehicles	451,666	-	-	451,666
	<u>45,001,439</u>	<u>478,150</u>	<u>-</u>	<u>45,479,589</u>
 Less - accumulated depreciation	 (22,832,320)	 (1,664,487)	 <u>-</u>	 (24,496,807)
 Total Capital Assets, Net	 <u>\$ 22,169,119</u>	 <u>\$(1,186,337)</u>	 <u>\$ -</u>	 <u>\$ 20,982,782</u>

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

LAPEER COUNTY, MICHIGAN

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CAPITAL ASSETS BY FUNCTION AND ACTIVITY
DECEMBER 31, 2015**

	<u>Total</u>	<u>Land and Improvements</u>	<u>Buildings</u>	<u>Equipment</u>	<u>Vehicles</u>
General Government:					
Legislative	\$ 708,717	\$ 225,000	\$ 453,772	\$ -	\$ 29,945
Judicial	3,343,791	85,861	3,193,214	59,169	5,547
General Services	6,153,359	212,129	5,722,706	218,524	-
	<u>10,205,867</u>	<u>522,990</u>	<u>9,369,692</u>	<u>277,693</u>	<u>35,492</u>
Public Works:					
Environmental/Recycling	30,000	-	30,000	-	-
Drain Commission	194,674	-	-	-	194,674
	<u>224,674</u>	<u>-</u>	<u>30,000</u>	<u>-</u>	<u>194,674</u>
Public Safety:					
Animal Shelter	247,102	25,302	221,800	-	-
Emergency Preparedness	221,446	-	-	221,446	-
Marine Safety	69,742	-	-	48,242	21,500
911 Communications Center	19,752,947	75,926	990,938	18,686,083	-
Community Corrections	5,535	-	-	5,535	-
Sheriff	6,315,450	498,389	5,486,924	130,137	200,000
	<u>26,612,222</u>	<u>599,617</u>	<u>6,699,662</u>	<u>19,091,443</u>	<u>221,500</u>
Health and Welfare:					
Health Department	714,045	37,221	238,782	438,042	-
Mental Health	3,153,794	180,894	2,761,706	211,194	-
D.O.S.A.	32,686	-	-	32,686	-
Family Independence Agency	1,913,734	143,480	1,758,724	11,530	-
	<u>5,814,259</u>	<u>361,595</u>	<u>4,759,212</u>	<u>693,452</u>	<u>-</u>
Recreation and Cultural:					
Parks and Recreation	2,482,770	911,415	1,529,305	42,050	-
Libraries	139,797	41,597	98,200	-	-
	<u>2,622,567</u>	<u>953,012</u>	<u>1,627,505</u>	<u>42,050</u>	<u>-</u>
Total Capital Assets	45,479,589	2,437,214	22,486,071	20,104,638	451,666
Less: accumulated depreciation	(24,496,807)	(1,424,022)	(13,319,856)	(9,461,263)	(291,666)
Total Capital Assets - (Net of Accumulated Depreciation)	<u>\$ 20,982,782</u>	<u>\$ 1,013,192</u>	<u>\$ 9,166,215</u>	<u>\$ 10,643,375</u>	<u>\$ 160,000</u>

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

LAPEER COUNTY, MICHIGAN

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES IN CAPITAL ASSETS BY FUNCTION AND ACTIVITY
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Balance January 1, 2015	Additions	Adjustments/ Disposals	Balance December 31, 2015
General Government:				
Legislative	\$ 678,772	\$ -	\$ -	\$ 678,772
Judicial	3,368,189	-	(24,715)	3,392,904
General Services	6,132,543	26,363	24,715	6,134,191
Total General Government	<u>10,179,504</u>	<u>26,363</u>	<u>-</u>	<u>10,205,867</u>
Public Works:				
Environmental/Recycling	30,000	-	-	30,000
Drain Commission	194,674	-	-	194,674
Total Public Works	<u>224,674</u>	<u>-</u>	<u>-</u>	<u>224,674</u>
Public Safety:				
Animal Shelter	274,324	21,020	-	295,344
Emergency Preparedness	213,607	7,839	-	221,446
Marine Safety	21,500	-	-	21,500
911 Communications Center	19,330,019	422,928	-	19,752,947
Community Corrections	5,535	-	-	5,535
Sheriff	6,315,450	-	-	6,315,450
Total Public Safety	<u>26,160,435</u>	<u>451,787</u>	<u>-</u>	<u>26,612,222</u>
Health and Welfare:				
Health Department	714,045	-	-	714,045
Mental Health	3,153,794	-	-	3,153,794
D.O.S.A.	32,686	-	-	32,686
Family Independence Agency	1,913,734	-	-	1,913,734
Total Health and Welfare	<u>5,814,259</u>	<u>-</u>	<u>-</u>	<u>5,814,259</u>
Recreation and Cultural:				
Parks and Recreation	2,482,770	-	-	2,482,770
Libraries	139,797	-	-	139,797
Total Recreation and Cultural	<u>2,622,567</u>	<u>-</u>	<u>-</u>	<u>2,622,567</u>
Total Capital Assets	<u>\$ 45,001,439</u>	<u>\$ 478,150</u>	<u>\$ -</u>	<u>\$ 45,479,589</u>

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

DISCRETELY PRESENTED COMPONENT UNITS

LAPEER COUNTY BOARD OF PUBLIC WORKS (BPW) -

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

LAPEER COUNTY DRAINAGE DISTRICTS -

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

BOARD OF PUBLIC WORKS FUNDS

LAPEER COUNTY, MICHIGAN

**COMBINING BALANCE SHEET
BOARD OF PUBLIC WORKS - GOVERNMENTAL FUND TYPES
DECEMBER 31, 2015**

Debt Service Funds

	Dryden Wastewater Treatment	North Branch Wastewater Treatment	Dryden Drinking Water	Almont WSS 2007	Almont Sewage Disposal 2002
Assets:					
Cash and cash equivalents	\$ 4,666	\$ 766	\$ 877	\$ 9,961	\$ 9,431
Contracts receivable	-	-	251,507	1,422,694	800,000
Total Assets	\$ 4,666	\$ 766	\$ 252,384	\$ 1,432,655	\$ 809,431
Deferred Inflows of Resources:					
Unavailable revenue - special assessments	\$ -	\$ -	\$ 251,507	\$ 1,422,694	\$ 800,000
Fund Balance:					
Restricted - Debt service	4,666	766	877	9,961	9,431
Total Deferred Inflows of Resources and Fund Balance	\$ 4,666	\$ 766	\$ 252,384	\$ 1,432,655	\$ 809,431

Debt Service Funds

Dryden WSS 2007	Almont Wastewater Treatment	Almont Sewer Improvement	Elba Wastewater Treatment	Total
\$ 641	\$ 6,718	\$ 1,066	\$ 8,834	\$ 42,960
<u>449,868</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,924,069</u>
<u>\$ 450,509</u>	<u>\$ 6,718</u>	<u>\$ 1,066</u>	<u>\$ 8,834</u>	<u>\$ 2,967,029</u>
\$ 449,868	\$ -	\$ -	\$ -	\$ 2,924,069
<u>641</u>	<u>6,718</u>	<u>1,066</u>	<u>8,834</u>	<u>42,960</u>
<u>\$ 450,509</u>	<u>\$ 6,718</u>	<u>\$ 1,066</u>	<u>\$ 8,834</u>	<u>\$ 2,967,029</u>

LAPEER COUNTY, MICHIGAN

**RECONCILIATION - FUND BALANCES OF THE BALANCE SHEET TO NET POSITION
BOARD OF PUBLIC WORKS
DECEMBER 31, 2015**

Fund Balance - total board of public works funds	\$ 42,960
Amounts reported for governmental activities in the statement of net position are different because:	
Amounts available in the funds that reduce the contract receivable on the government wide statements	(20,339)
Long-term liabilities that are not payable in the current period and are therefore not reported in the governmental fund statements	
Bonds/notes payable	(2,924,069)
Accrued interest on bonds/notes payable	(13,896)
Discounts and premiums on bonds are reported as other financing sources or uses in the governmental funds, whereas they are capitalized and amortized from net position (netted against bonds payable)	
Bond premium	(8,725)
Revenues that are deferred in the governmental fund statements because the amounts are not available	
Lease revenue	<u>2,924,069</u>
Net Position of Board of Public Works	<u><u>\$ -</u></u>

LAPEER COUNTY, MICHIGAN

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BOARD OF PUBLIC WORKS - GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Debt Service Funds				
	Dryden Wastewater Treatment	North Branch Wastewater Treatment	Dryden Drinking Water	Almont WSSI 2007	Almont Sewage Disposal 2002
Revenues:					
Intergovernmental	\$ -	\$ -	\$ 61,975	\$ 126,188	\$ 132,269
Interest	2	-	-	3	4
Total Revenues	2	-	61,975	126,191	132,273
Expenditures:					
Debt Service -					
Principal retirement	-	-	55,000	90,000	100,000
Interest and fiscal charges	-	-	6,975	32,145	32,269
Total Expenditures	-	-	61,975	122,145	132,269
Net Change in Fund Balance	2	-	-	4,046	4
Fund Balance at beginning of year	4,664	766	877	5,915	9,427
Fund Balance at end of year	\$ 4,666	\$ 766	\$ 877	\$ 9,961	\$ 9,431

Debt Service Funds

Dryden WSSI 2007	Almont Wastewater Treatment	Almont Sewer Improvement	Elba Wastewater Treatment	Total
\$ 45,303	\$ -	\$ -	\$ 3	\$ 365,738
<u>-</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>10</u>
<u>45,303</u>	<u>-</u>	<u>1</u>	<u>3</u>	<u>365,748</u>
35,000	-	-	-	280,000
<u>10,303</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>81,692</u>
<u>45,303</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>361,692</u>
-	-	1	3	4,056
<u>641</u>	<u>6,718</u>	<u>1,065</u>	<u>8,831</u>	<u>38,904</u>
<u>\$ 641</u>	<u>\$ 6,718</u>	<u>\$ 1,066</u>	<u>\$ 8,834</u>	<u>\$ 42,960</u>

LAPEER COUNTY, MICHIGAN

**RECONCILIATION - NET CHANGE IN FUND BALANCES OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES TO CHANGE IN NET POSITION
BOARD OF PUBLIC WORKS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Net Change in Fund Balances - total board of public works funds	\$ 4,056
Amounts reported for governmental activities in the statement of activities are different because:	
The issuance of long-term debt (e.g. bonds and notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.	
Principal payments on long-term liabilities	280,000
Accrued interest expense on bonds and the amortization of discounts, premiums and deferred losses are not recorded by governmental funds, but are reported under interest and fiscal charges for purposes of net position.	
Decrease in accrued interest payable	1,258
Amortization of premium on bonds	3,120
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	<u>(288,434)</u>
Change in Net Position of the Board of Public Works	<u><u>\$ -</u></u>

DRAINAGE DISTRICT FUNDS

LAPEER COUNTY, MICHIGAN

**COMBINING BALANCE SHEET
DRAINAGE DISTRICTS - GOVERNMENTAL FUND TYPES
DECEMBER 31, 2015**

	Debt Service Funds				
	Talmage Drain	South Branch Mill Creek	Imlay Bigelow	Winn Lake	Lake Lapeer Lake Level
Assets:					
Cash and cash equivalents	\$ 134,596	\$ 141,674	\$ 1,022,819	\$ 135,232	\$ 487
Investments	-	-	-	-	-
Receivables -					
Special assessments	256,650	364,203	1,630,364	230,433	-
Interest	-	-	-	-	-
Due from other funds	-	-	-	-	-
Deposits	-	128,887	-	-	-
Total Assets	\$ 391,246	\$ 634,764	\$ 2,653,183	\$ 365,665	\$ 487
Liabilities:					
Accounts payable	\$ -	\$ -	\$ 150	\$ -	\$ -
Due to other governmental units	-	-	-	-	-
Due to other funds	-	-	-	-	-
Deposits payable	-	-	-	-	-
Advances from primary government	-	-	-	-	-
Total Liabilities	-	-	150	-	-
Deferred Inflows of Resources:					
Unavailable revenue - special assessments	131,443	268,710	1,618,030	209,722	-
Fund Balance:					
Nonspendable - deposits	-	128,887	-	-	-
Restricted -					
Debt service	259,803	237,167	1,035,003	155,943	487
Acquisition/construction of capital assets	-	-	-	-	-
Total Fund Balance	259,803	366,054	1,035,003	155,943	487
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 391,246	\$ 634,764	\$ 2,653,183	\$ 365,665	\$ 487

Capital Projects Funds

<u>South Branch Mill Creek</u>	<u>Special Assessment Drain</u>	<u>Drain Revolving</u>	<u>Total</u>
\$ -	\$ 677,709	\$ 151,580	\$ 2,264,097
-	1,194,147	-	1,194,147
-	179,745	-	2,661,395
-	3,782	-	3,782
-	507,703	-	507,703
<u>41,730</u>	<u>-</u>	<u>-</u>	<u>170,617</u>
<u>\$ 41,730</u>	<u>\$ 2,563,086</u>	<u>\$ 151,580</u>	<u>\$ 6,801,741</u>
\$ -	\$ 72,682	\$ -	\$ 72,832
-	43,000	-	43,000
-	-	56,055	56,055
-	312,000	-	312,000
<u>-</u>	<u>-</u>	<u>90,000</u>	<u>90,000</u>
<u>-</u>	<u>427,682</u>	<u>146,055</u>	<u>573,887</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>2,227,905</u>
41,730	-	-	170,617
-	-	-	1,688,403
<u>-</u>	<u>2,135,404</u>	<u>5,525</u>	<u>2,140,929</u>
<u>41,730</u>	<u>2,135,404</u>	<u>5,525</u>	<u>3,999,949</u>
<u>\$ 41,730</u>	<u>\$ 2,563,086</u>	<u>\$ 151,580</u>	<u>\$ 6,801,741</u>

LAPEER COUNTY, MICHIGAN

**RECONCILIATION - FUND BALANCES OF THE BALANCE SHEET TO NET POSITION
DRAINAGE DISTRICTS
DECEMBER 31, 2015**

Fund Balances - total drainage district funds	\$ 3,999,949
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>	
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.</p>	
Capital assets	29,905,991
Accumulated depreciation	(16,115,634)
<p>Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.</p>	
Special assessments	2,227,905
<p>An Internal Service Fund is used by management to charge costs of maintenance. The assets and liabilities of the Internal Service Fund are included in governmental activities in the statement of net position.</p>	
	542,476
<p>Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.</p>	
Bonds/notes payable	(2,018,301)
Accrued interest on bonds/notes payable	(10,788)
Net Position of Drainage Districts	<u>\$ 18,531,598</u>

LAPEER COUNTY, MICHIGAN

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
DRAINAGE DISTRICTS - GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2015**

Debt Service Funds

	Talmage Drain	South Branch Mill Creek	Imlay Bigelow	Winn Lake	Lake Lapeer Lake Level
Revenues:					
Local contribution	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	41	15	338	62	-
Other - special assessments	169,946	119,894	264,822	31,345	-
Total Revenues	<u>169,987</u>	<u>119,909</u>	<u>265,160</u>	<u>31,407</u>	<u>-</u>
Expenditures:					
Maintenance	-	-	-	-	-
Debt Service -					
Principal retirement	126,530	124,768	150,000	30,000	-
Interest and fiscal charges	5,230	34,483	62,567	10,838	-
Total Expenditures	<u>131,760</u>	<u>159,251</u>	<u>212,567</u>	<u>40,838</u>	<u>-</u>
Net Change in Fund Balance	38,227	(39,342)	52,593	(9,431)	-
Fund Balances at beginning of year	<u>221,576</u>	<u>405,396</u>	<u>982,410</u>	<u>165,374</u>	<u>487</u>
Fund Balances at end of year	<u>\$ 259,803</u>	<u>\$ 366,054</u>	<u>\$ 1,035,003</u>	<u>\$ 155,943</u>	<u>\$ 487</u>

Capital Project Funds

<u>South Branch Mill Creek</u>	<u>Special Assessment Drain</u>	<u>Drain Revolving</u>	<u>Total</u>
\$ -	\$ 47,277	\$ -	\$ 47,277
-	10,340	39	10,835
-	289,251	-	875,258
<u>-</u>	<u>346,868</u>	<u>39</u>	<u>933,370</u>
-	405,478	-	405,478
-	-	-	431,298
-	-	-	113,118
<u>-</u>	<u>405,478</u>	<u>-</u>	<u>949,894</u>
-	(58,610)	39	(16,524)
<u>41,730</u>	<u>2,194,014</u>	<u>5,486</u>	<u>4,016,473</u>
<u>\$ 41,730</u>	<u>\$ 2,135,404</u>	<u>\$ 5,525</u>	<u>\$ 3,999,949</u>

LAPEER COUNTY, MICHIGAN

**RECONCILIATION - NET CHANGE IN FUND BALANCES OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES TO CHANGE IN NET POSITION
DRAINAGE DISTRICTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Net Change in Fund Balances - total drainage district funds	\$(16,524)
<p>Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>	
Depreciation expense	(538,290)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.</p>	
	240,729
<p>The issuance of long-term debt (e.g. bonds and notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources to governmental funds. Neither transaction, however, has any effect on net position.</p>	
Principal payments on long-term liabilities	431,298
<p>An Internal Service Fund is used by management to charge costs of maintenance. The net revenues (expenses) attributable to this fund are reported with governmental activities.</p>	
	(105,128)
<p>Accrued interest expense on bonds and the amortization of discounts, premiums and deferred losses are not recorded by governmental funds, but are reported under interest and fiscal charges for purposes of net position.</p>	
Decrease in accrued interest payable	<u>1,959</u>
Change in Net Position of Drainage Districts	<u><u>\$ 14,044</u></u>

LAPEER COUNTY, MICHIGAN

**STATEMENT OF NET POSITION
 PROPRIETARY FUND - DRAINAGE DISTRICTS
 INTERNAL SERVICE FUND
 DECEMBER 31, 2015**

Assets:

Current Assets:		
Cash and cash equivalents	\$	716,823
Due from other governmental units		23,975
Total Current Assets		740,798
Property, Plant and Equipment, Net		268,920
Total Assets		1,009,718

Liabilities:

Current Liabilities:		
Accounts payable		15,594
Due to other funds		451,648
Total Current Liabilities		467,242

Net Position:

Net investment in capital assets		268,920
Unrestricted		273,556
Total Net Position	\$	542,476

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 PROPRIETARY FUND - DRAINAGE DISTRICTS
 INTERNAL SERVICE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2015**

Operating Revenue:

Charges for services	\$	250,628
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Operating Expenses:

Drain Maintenance	368,074
Depreciation	15,377
Total Operating Expenses	383,451

Operating Loss	(132,823)
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Non-Operating Revenue:

Gain on sale of assets	27,535
Interest	160
Total Non-Operating Revenue	27,695

Change in Net Position	(105,128)
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Net Position at beginning of year	647,604
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Net Position at end of year	\$ 542,476
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LAPEER COUNTY, MICHIGAN

**STATEMENT OF CASH FLOWS
PROPRIETARY FUND - DRAINAGE DISTRICTS
INTERNAL SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2015**

Cash Flows From Operating Activities:

Cash receipts for services	\$ 250,224
Cash payments to suppliers	(372,720)
Net Cash Used in Operating Activities	<u>(122,496)</u>

Cash Flows From Non-Capital Related Financing Activities:

Due to other funds	<u>288,973</u>
Cash Flows From Capital and Related Financing Activities	
Acquisition of capital assets	(281,378)
Proceeds from sale of assets	27,535
Net Cash Used in Capital and Related Financing Activities	<u>(253,843)</u>

Cash Flows From Investing Activities:

Interest received	<u>160</u>
Net decrease in cash and cash equivalents	(87,206)
Cash and cash equivalents at beginning of year	<u>804,029</u>
Cash and cash equivalents at end of year	<u><u>\$ 716,823</u></u>

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

Operating loss	\$(132,823)
Adjustments to reconcile operating loss to net cash used in operating activities -	
Depreciation	15,377
Changes in assets and liabilities:	
Due from other governmental units	(404)
Accounts payable	<u>(4,646)</u>
Net Cash Used in Operating Activities	<u><u>\$(122,496)</u></u>

SECTION THREE: STATISTICAL SECTION

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

Contents	<u>Page Number</u>
<u>Financial Trends</u>	S-1 to S-6
<i>These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.</i>	
<u>Revenue Capacity</u>	S-7 to S-13
<i>These schedules contain information to help the reader assess the government's most significant local revenue source, property taxes.</i>	
<u>Debt Capacity</u>	S-14 to S-16
<i>These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the ability to issue additional debt in the future.</i>	
<u>Demographic and Economic Information</u>	S-17 to S-21
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.</i>	
<u>Operating Information</u>	S-22 to S-29
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and activities it performs.</i>	
<u>Miscellaneous Statistics</u>	S-30 to S-31
<i>These schedules contain miscellaneous information to help the reader assess the County Government.</i>	

LAPEER COUNTY, MICHIGAN

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Governmental Activities										
Net investment in capital assets	\$ 18,342,068	\$ 17,818,625	\$ 17,396,631	\$ 16,654,707	\$ 15,896,442	\$ 15,527,553	\$ 16,505,966	\$ 16,659,094	\$ 17,870,430	\$ 17,868,209
Restricted	13,948,783	14,073,426	12,860,615	8,221,319	5,574,262	13,556,947	9,284,737	7,325,294	6,839,225	7,723,876
Unrestricted	5,070,872	5,631,585	5,942,806	11,426,758	16,095,799	11,269,021	16,683,094	19,555,834	22,069,473	7,986,044
Total Government Activities Net Position	<u>\$ 37,361,723</u>	<u>\$ 37,523,636</u>	<u>\$ 36,200,052</u>	<u>\$ 36,302,784</u>	<u>\$ 37,566,503</u>	<u>\$ 40,353,521</u>	<u>\$ 42,473,797</u>	<u>\$ 43,540,222</u>	<u>\$ 46,779,128</u>	<u>\$ 33,578,129</u>
Business-Type Activities										
Net investment in capital assets	\$ 7,007,742	\$ 7,464,355	\$ 8,831,167	\$ 9,276,606	\$ 14,796,843	\$ 16,327,713	\$ 15,466,114	\$ 14,769,275	\$ 14,127,443	\$ 15,713,813
Restricted	773,255	926,562	1,049,307	1,308,557	1,166,837	1,421,146	2,087,594	2,244,192	2,438,415	2,544,188
Unrestricted	17,519,560	19,600,864	20,158,728	21,211,382	18,587,939	17,180,730	20,291,236	23,539,977	22,145,385	15,190,721
Total Business-Type Activities Net Position	<u>\$ 25,300,557</u>	<u>\$ 27,991,781</u>	<u>\$ 30,039,202</u>	<u>\$ 31,796,545</u>	<u>\$ 34,551,619</u>	<u>\$ 34,929,589</u>	<u>\$ 37,844,944</u>	<u>\$ 40,553,444</u>	<u>\$ 38,711,243</u>	<u>\$ 33,448,722</u>
Primary Government										
Net investment in capital assets	\$ 25,349,810	\$ 25,282,980	\$ 26,227,798	\$ 25,931,313	\$ 30,693,285	\$ 31,855,266	\$ 31,972,080	\$ 31,428,369	\$ 31,997,873	\$ 33,582,022
Restricted	14,722,038	14,999,988	13,909,922	9,529,876	6,741,099	14,978,093	11,372,331	9,569,486	9,277,640	10,268,064
Unrestricted	22,590,432	25,232,449	26,101,534	32,638,140	34,683,738	28,449,751	36,974,330	43,095,811	44,214,858	23,176,765
Total Primary Government Net Position	<u>\$ 62,662,280</u>	<u>\$ 65,515,417</u>	<u>\$ 66,239,254</u>	<u>\$ 68,099,329</u>	<u>\$ 72,118,122</u>	<u>\$ 75,283,110</u>	<u>\$ 80,318,741</u>	<u>\$ 84,093,666</u>	<u>\$ 85,490,371</u>	<u>\$ 67,026,851</u>

Source: Lapeer County Finance Department

Notes:

The net position for the governmental activities and the total primary government have not been restated for the years 2006 - 2009 for a reporting entity change made in 2010. For 2010, the activities relating to the Retirement and Public Employee Health Care Funds were changed from reporting as pension trust funds to internal service funds and included as part of the governmental activities.

GASB Statement No. 68 was implemented in 2015 and previous years were not restated.

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Expenses										
Governmental Activities:										
Legislative	\$ 249,736	\$ 244,333	\$ 259,301	\$ 275,784	\$ 290,948	\$ 261,095	\$ 267,547	\$ 272,414	\$ 281,705	\$ 289,048
Judicial	4,741,232	5,037,955	5,021,694	5,318,644	5,172,038	4,785,333	4,858,563	4,757,337	4,874,708	5,117,641
General Government	5,836,173	5,730,609	6,407,816	6,329,101	6,728,278	6,006,053	5,651,341	5,406,198	7,466,262	7,552,910
Public Safety	10,685,775	10,308,041	10,394,105	10,578,956	10,471,631	9,789,747	10,312,058	10,516,750	10,678,702	11,776,498
Public Works	451,726	466,202	384,302	380,476	810,776	398,268	292,231	370,012	341,165	340,331
Health and Welfare	19,833,250	21,500,048	21,809,561	21,212,635	21,070,057	21,046,547	22,340,301	22,094,300	22,681,428	25,702,025
Recreation and Culture	822,279	794,640	877,814	822,024	592,701	422,204	426,620	449,245	437,936	430,536
Other Activities	1,544,827	1,085,590	1,187,124	-	-	-	-	-	-	-
Interest on long term debt	63,684	60,650	57,550	51,166	43,334	380,024	391,699	405,496	351,578	299,517
Total Governmental Activities Expenses	<u>44,228,682</u>	<u>45,228,068</u>	<u>46,399,267</u>	<u>44,968,786</u>	<u>45,179,763</u>	<u>43,089,271</u>	<u>44,540,360</u>	<u>44,271,752</u>	<u>47,113,484</u>	<u>51,508,506</u>
Business-Type Activities										
Medical Care Facility	16,813,212	17,323,832	18,392,690	18,054,605	18,645,836	21,726,473	21,664,598	22,240,772	23,047,871	23,247,539
Delinquent Tax Revolving	50,379	126,066	74,646	119,969	222,351	230,860	490,112	267,737	291,793	251,000
Total Business-Type Activities Expenses	<u>16,863,591</u>	<u>17,449,898</u>	<u>18,467,336</u>	<u>18,174,574</u>	<u>18,868,187</u>	<u>21,957,333</u>	<u>22,154,710</u>	<u>22,508,509</u>	<u>23,339,664</u>	<u>23,498,539</u>
Total Primary Government Expenses	<u>61,092,273</u>	<u>62,677,966</u>	<u>64,866,603</u>	<u>63,143,360</u>	<u>64,047,950</u>	<u>65,046,604</u>	<u>66,695,070</u>	<u>66,780,261</u>	<u>70,453,148</u>	<u>75,007,045</u>
Program Revenues										
Governmental Activities:										
Charges for Services										
Legislative	1,119	-	-	1,044	-	-	-	-	-	-
Judicial	1,517,028	1,437,137	1,500,757	1,547,048	1,415,294	1,246,428	1,300,445	1,311,455	1,280,631	1,248,562
General Government	3,449,296	3,544,590	3,338,296	4,655,630	4,509,171	4,044,677	4,494,863	3,991,391	4,069,704	3,981,037
Public Safety	1,804,213	1,962,379	2,000,750	2,056,577	1,942,126	2,164,267	3,611,740	3,750,022	3,599,361	3,558,940
Public Works	-	-	-	1,412	-	-	-	-	-	-
Health and Welfare	12,382,563	14,127,168	13,901,118	13,779,838	14,159,046	15,068,511	15,848,697	14,939,287	16,538,510	19,527,759
Recreation and Culture	226,032	205,904	229,657	153,867	104,791	74,050	154,965	138,624	126,311	171,243
Other Activities	568,204	615,958	351,488	-	-	-	-	-	-	-
Interest on Long Term Debt	231,926	148,677	161,503	161,503	161,503	161,503	-	-	186,078	-
Operating Grants and Contributions	7,694,183	7,996,328	7,777,755	7,823,955	9,971,597	7,332,088	7,542,063	7,208,391	7,942,683	6,353,111
Capital Grants and Contributions	397,396	29,445	239,556	46,076	-	137,046	122,323	-	524,318	-
Total Governmental Activities Program Revenues	<u>28,271,960</u>	<u>30,067,586</u>	<u>29,500,880</u>	<u>30,226,950</u>	<u>32,263,528</u>	<u>30,228,570</u>	<u>33,075,096</u>	<u>31,339,170</u>	<u>34,267,596</u>	<u>34,840,652</u>
Business-Type Activities										
Charges for Services										
Medical Care Facility	17,192,706	16,212,479	17,121,835	17,327,488	19,234,378	19,723,547	21,656,561	23,451,325	21,105,999	22,954,928
Delinquent Tax	1,071,008	1,219,237	1,217,491	1,472,821	1,317,845	1,643,288	2,520,600	1,166,265	1,397,803	1,257,148
Total Business-Type Activities Program Revenues	<u>18,263,714</u>	<u>17,431,716</u>	<u>18,339,326</u>	<u>18,800,309</u>	<u>20,552,223</u>	<u>21,366,835</u>	<u>24,177,161</u>	<u>24,617,590</u>	<u>22,503,802</u>	<u>24,212,076</u>
Total Primary Government Program Revenues	<u>46,535,674</u>	<u>47,499,302</u>	<u>47,840,206</u>	<u>49,027,259</u>	<u>52,815,751</u>	<u>51,595,405</u>	<u>57,252,257</u>	<u>55,956,760</u>	<u>56,771,398</u>	<u>59,052,728</u>
Net (expense)/revenue										
Governmental Activities	(15,956,722)	(15,160,482)	(16,898,387)	(14,741,836)	(12,916,235)	(12,860,701)	(11,465,264)	(12,932,582)	(12,845,888)	(16,667,854)
Business-Type Activities	1,400,123	(18,182)	(128,010)	625,735	1,684,036	(590,498)	2,022,451	2,109,081	(835,862)	713,537
Total Primary Government Net Expenses	<u>\$(14,556,599)</u>	<u>\$(15,178,664)</u>	<u>\$(17,026,397)</u>	<u>\$(14,116,101)</u>	<u>\$(11,232,199)</u>	<u>\$(13,451,199)</u>	<u>\$(9,442,813)</u>	<u>\$(10,823,501)</u>	<u>\$(13,681,750)</u>	<u>\$(15,954,317)</u>

Continued

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Revenues and Other Changes in Net Position										
Governmental Activities										
Property taxes	\$ 15,972,806	\$ 13,661,065	\$ 14,141,996	\$ 13,944,341	\$ 12,766,862	\$ 13,680,318	\$ 12,086,201	\$ 12,256,788	\$ 12,797,132	\$ 12,599,779
Unrestricted grants and contributions	429,022	391,679	375,956	4,875	8,975	1,557,117	1,281,637	1,304,881	1,444,556	1,964,983
Investment earnings	1,156,276	1,262,949	931,362	433,575	392,381	404,060	213,681	51,699	173,195	125,415
Transfers	781,037	6,702	125,489	46,614	4,697	6,224	4,021	385,639	1,669,911	260,507
Total Governmental Activities	<u>18,339,141</u>	<u>15,322,395</u>	<u>15,574,803</u>	<u>14,429,405</u>	<u>13,172,915</u>	<u>15,647,719</u>	<u>13,585,540</u>	<u>13,999,007</u>	<u>16,084,794</u>	<u>14,950,684</u>
Business-Type Activities										
Property taxes	2,024,514	2,301,179	1,151,144	1,011,140	930,705	909,353	863,590	876,530	810,147	912,656
Unrestricted grants and contributions	395,858	29,746	48,070	51,997	24,765	30,973	9,274	19,434	7,830	19,022
Investment earnings	426,375	378,481	314,808	68,471	115,568	28,142	20,040	18,455	25,684	7,977
Gain on sale of capital assets	-	-	-	-	-	-	-	-	-	1,900
Transfers	(900,000)	-	-	-	-	-	-	(315,000)	(1,850,000)	(151,058)
Total Business-Type Activities	<u>1,946,747</u>	<u>2,709,406</u>	<u>1,514,022</u>	<u>1,131,608</u>	<u>1,071,038</u>	<u>968,468</u>	<u>892,904</u>	<u>599,419</u>	<u>(1,006,339)</u>	<u>790,497</u>
Total Primary Government	<u>20,285,888</u>	<u>18,031,801</u>	<u>17,088,825</u>	<u>15,561,013</u>	<u>14,243,953</u>	<u>16,616,187</u>	<u>14,478,444</u>	<u>14,598,426</u>	<u>15,078,455</u>	<u>15,741,181</u>
Change in Net Position										
Governmental Activities	2,382,419	161,913	(1,323,584)	(312,431)	256,680	2,787,018	2,120,276	1,066,425	3,238,906	(1,717,170)
Business-Type Activities	3,346,870	2,691,224	1,386,012	1,757,343	2,755,074	377,970	2,915,355	2,708,500	(1,842,201)	1,504,034
Total Primary Government	<u>\$ 5,729,289</u>	<u>\$ 2,853,137</u>	<u>\$ 62,428</u>	<u>\$ 1,444,912</u>	<u>\$ 3,011,754</u>	<u>\$ 3,164,988</u>	<u>\$ 5,035,631</u>	<u>\$ 3,774,925</u>	<u>\$ 1,396,705</u>	<u>\$ (213,136)</u>

Concluded

Source: Lapeer County Finance Department

Note:

The general government expenses and charges for services and net (expenses) revenue for the years 2006 - 2009 have not been restated for a reporting entity change made in 2010. For 2010, the activities relating to the Retirement and Public Employee Health Care Funds were changed from reporting as pension trust funds to internal service funds and included as part of the governmental activities.

LAPEER COUNTY, MICHIGAN

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Fund										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 144,292	\$ 161,941	\$ 293,351	\$ 293,341	\$ 436,366
Restricted	-	-	-	-	-	2,504,748	2,533,796	2,547,799	2,560,317	2,560,317
Committed	-	-	-	-	-	3,784,958	3,800,594	3,813,324	3,821,027	3,817,940
Unassigned	-	-	-	-	-	5,190,092	5,445,711	5,531,941	5,794,629	5,636,828
Reserved	198,000	198,000	198,000	198,000	110,110	-	-	-	-	-
Unreserved	<u>2,285,684</u>	<u>2,197,160</u>	<u>2,942,577</u>	<u>3,909,939</u>	<u>4,312,595</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total General Fund	<u>\$ 2,483,684</u>	<u>\$ 2,395,160</u>	<u>\$ 3,140,577</u>	<u>\$ 4,107,939</u>	<u>\$ 4,422,705</u>	<u>\$ 11,624,090</u>	<u>\$ 11,942,042</u>	<u>\$ 12,186,415</u>	<u>\$ 12,469,314</u>	<u>\$ 12,451,451</u>
All other Governmental Funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 67,637	\$ 111,655	\$ 90,311	\$ 238,903	\$ 82,975
Restricted	-	-	-	-	-	8,627,426	7,224,611	7,487,340	6,709,350	6,542,840
Committed	-	-	-	-	-	2,160,986	2,945,758	3,114,062	4,080,433	4,314,531
Reserved	444,784	485,734	581,497	472,453	497,271	-	-	-	-	-
Unreserved, reported in:										
Special revenue funds	12,836,097	12,941,505	12,023,209	11,177,792	10,404,991	-	-	-	-	-
Debt service funds	208,701	162,346	137,061	93,883	63,400	-	-	-	-	-
Capital project funds	<u>903,985</u>	<u>969,575</u>	<u>692,566</u>	<u>688,829</u>	<u>693,220</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other Governmental Funds	<u>\$ 14,393,567</u>	<u>\$ 14,559,160</u>	<u>\$ 13,434,333</u>	<u>\$ 12,432,957</u>	<u>\$ 11,658,882</u>	<u>\$ 10,856,049</u>	<u>\$ 10,282,024</u>	<u>\$ 10,691,713</u>	<u>\$ 11,028,686</u>	<u>\$ 10,940,346</u>

Source: Lapeer County Finance Department

Note:

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

LAPEER COUNTY, MICHIGAN

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues:										
Property taxes	\$ 15,972,806	\$ 13,661,065	\$ 14,141,996	\$ 13,944,341	\$ 12,776,677	\$ 13,680,318	\$ 12,229,576	\$ 12,256,788	\$ 12,797,132	\$ 12,599,779
Licenses and permits	604,566	636,952	540,707	520,455	518,583	485,784	509,203	508,940	556,463	579,697
Intergovernmental	8,524,913	8,378,993	8,337,676	7,635,175	9,849,554	8,988,252	8,941,848	8,593,470	9,190,544	8,051,779
Charges for services	15,740,144	17,329,614	17,115,895	16,985,601	17,002,625	17,688,094	20,577,714	20,286,836	21,085,945	24,192,890
Fines and forfeits	470,635	494,446	493,068	457,485	419,357	351,642	403,012	370,531	359,655	343,552
Rents and royalties	498,268	424,512	410,797	378,183	382,454	211,516	376,174	360,241	391,233	208,558
Interest	1,156,276	1,289,965	931,362	430,689	392,381	564,776	213,681	51,699	173,195	125,415
Other	2,949,922	3,167,732	2,933,850	3,899,379	3,977,887	3,868,684	3,710,285	3,422,509	3,714,606	3,174,203
Total Revenues	45,917,530	45,383,279	44,905,351	44,251,308	45,319,518	45,839,066	46,961,493	45,851,014	48,268,773	49,275,873
Expenditures:										
Current-										
Legislative	249,736	244,333	259,301	275,784	290,948	261,095	267,547	272,414	281,705	289,048
Judicial	4,735,978	5,043,981	4,984,112	5,333,356	5,172,038	4,785,333	4,858,563	4,757,337	4,874,708	5,117,641
General Government	5,429,748	5,388,954	5,728,076	5,430,567	5,390,083	4,893,618	5,213,509	4,992,545	5,283,633	5,277,806
Public Safety	9,998,558	10,170,522	10,051,004	10,370,496	10,513,273	9,922,910	9,744,481	9,772,045	10,151,606	10,205,264
Public Works	451,126	465,602	383,702	379,876	897,993	397,668	291,631	369,412	340,565	339,731
Health and Welfare	19,691,902	21,372,120	21,469,941	21,039,622	21,549,585	21,642,974	22,173,092	22,083,897	23,130,639	24,937,959
Recreation and Culture	746,350	754,773	788,519	760,738	512,103	414,190	375,424	380,680	360,234	352,834
Other Activities	1,586,008	1,130,590	1,152,124	497,101	1,254,825	414,047	418,961	231,067	408,093	183,432
Capital Outlay	312,739	387,887	26,141	8,612	4,584	10,772,923	1,305,461	236,100	555,236	443,583
Debt Service-										
Principal	155,000	150,000	140,000	160,000	155,000	145,000	2,170,000	1,665,000	1,685,000	1,500,000
Interest and Charges	56,700	53,650	50,575	45,000	37,125	256,313	508,500	437,625	383,875	333,312
Bond issuance costs	-	-	-	-	-	78,706	-	-	-	-
Total Expenditures	43,413,845	45,162,412	45,033,495	44,301,152	45,777,557	53,984,777	47,327,169	45,198,122	47,455,294	48,980,610
Revenues over (under) expenditures	2,503,685	220,867	(128,144)	(49,844)	(458,039)	(8,145,711)	(365,676)	652,892	813,479	295,263
Other financing sources (uses):										
Issuance of bonds	-	-	-	-	-	14,475,000	-	-	-	-
Premium of refunding bonds	-	-	-	-	-	220,756	-	-	-	-
Transfers in	5,520,243	5,043,699	5,075,455	5,411,211	5,158,443	2,748,041	2,811,347	2,575,900	4,630,932	2,301,718
Transfers out	(5,167,418)	(5,187,497)	(5,318,942)	(5,403,160)	(5,159,713)	(2,761,992)	(2,839,286)	(2,574,730)	(4,824,539)	(2,703,184)
Total other financing sources (uses)	352,825	(143,798)	(243,487)	8,051	(1,270)	14,681,805	(27,939)	1,170	(193,607)	(401,466)
Net Change in Fund Balances	\$ 2,856,510	\$ 77,069	\$(371,631)	\$(41,793)	\$(459,309)	\$ 6,536,094	\$(393,615)	\$ 654,062	\$ 619,872	\$(106,203)
Debt service as a percentage of noncapital expenditures	0.5%	0.5%	0.4%	0.5%	0.4%	0.9%	5.8%	4.7%	4.4%	3.8%

Source: Lapeer County Finance Department

LAPEER COUNTY, MICHIGAN

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues:										
Property taxes	\$ 10,318,105	\$ 10,282,079	\$ 11,127,623	\$ 10,778,574	\$ 10,185,744	\$ 9,729,526	\$ 9,488,760	\$ 9,359,926	\$ 9,905,240	\$ 9,679,668
Licenses and permits	13,065	14,850	16,938	31,132	32,051	26,990	25,075	40,608	60,335	57,911
Intergovernmental	1,452,774	1,475,177	1,580,159	1,308,866	1,849,879	2,795,363	2,658,672	2,642,041	2,881,812	2,518,196
Charges for services	2,503,694	2,375,527	2,350,982	2,359,230	2,255,845	2,133,293	2,360,289	2,350,542	2,127,751	2,235,273
Fines and forfeits	350,626	388,865	368,619	355,790	326,271	241,189	220,998	205,975	202,479	186,235
Rents and royalties	167,953	164,344	160,712	160,716	160,712	15,884	177,001	178,854	188,958	194,042
Interest on long term debt	750,799	677,447	659,910	291,566	266,795	549,646	200,432	40,359	170,165	123,632
Other	2,450,480	2,656,004	2,294,978	3,506,467	3,441,681	2,957,892	3,129,152	2,742,557	2,906,648	2,661,452
Total Revenues	18,007,496	18,034,293	18,559,921	18,792,341	18,518,978	18,449,783	18,260,379	17,560,862	18,443,388	17,656,409
Expenditures:										
Current-										
Legislative	249,736	244,333	259,301	275,784	290,948	261,095	267,547	272,414	281,705	289,048
Judicial	3,475,960	3,759,549	3,677,076	3,837,743	3,710,484	3,504,248	3,589,040	3,456,771	3,601,312	3,699,909
General Government	5,139,061	5,109,540	5,479,372	5,274,237	5,211,179	4,820,982	5,113,500	4,897,991	5,153,277	4,927,129
Public Safety	5,061,635	5,495,975	5,444,513	5,843,892	5,801,534	5,668,884	5,711,327	5,840,850	6,001,753	5,892,611
Public Works	422,514	443,428	359,718	367,816	297,441	278,040	291,631	369,412	340,565	339,731
Health and Welfare	166,274	174,991	169,203	197,450	198,156	183,878	179,862	98,335	86,455	90,022
Recreation and Culture	242,019	248,237	246,416	275,310	273,511	226,735	197,273	215,473	211,761	202,795
Other Activities	1,586,008	1,130,590	1,152,124	497,101	1,254,825	414,047	418,961	231,067	408,093	183,432
Total Expenditures	16,343,207	16,606,643	16,787,723	16,569,333	17,038,078	15,357,909	15,769,141	15,382,313	16,084,921	15,624,677
Revenues over expenditures	1,664,289	1,427,650	1,772,198	2,223,008	1,480,900	3,091,874	2,491,238	2,178,549	2,358,467	2,031,732
Other Financing Sources (Uses):										
Transfers in	1,513,709	1,569,716	1,605,819	1,721,318	1,625,587	9,518	-	-	1,850,000	-
Transfers out	(3,110,222)	(3,085,890)	(2,632,600)	(2,976,964)	(2,791,721)	(2,102,474)	(2,173,286)	(1,934,176)	(3,925,568)	(2,049,595)
Total Other Financing Uses	(1,596,513)	(1,516,174)	(1,026,781)	(1,255,646)	(1,166,134)	(2,092,956)	(2,173,286)	(1,934,176)	(2,075,568)	(2,049,595)
Net Change in Fund Balances	\$ 67,776	\$(88,524)	\$ 745,417	\$ 967,362	\$ 314,766	\$ 998,918	\$ 317,952	\$ 244,373	\$ 282,899	\$(17,863)

Source: Lapeer County Finance Department

LAPEER COUNTY, MICHIGAN

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

Fiscal Year Ended December 31,	Tax Year	Assessed Value of Real Property				Assessed Value of Personal Property	Total Assessed Value	Total Assessed Value Captured	Total Direct Tax Rate	Total Estimated Actual Value
		Residential Property	Agricultural Property	Commercial Property	Other Property					
2006	2005	\$ 3,089,983,948	\$ 496,143,179	\$ 328,283,473	\$ 122,033,651	\$ 184,700,861	\$ 4,221,145,112	\$ 138,691,363	5.5774	\$ 8,442,290,224
2007	2006	\$ 3,171,262,397	\$ 511,502,613	\$ 344,229,658	\$ 120,089,567	\$ 180,491,191	\$ 4,327,575,426	\$ 155,457,319	4.7643	\$ 8,655,150,852
2008	2007	\$ 3,109,529,326	\$ 517,647,550	\$ 354,253,141	\$ 120,857,634	\$ 190,091,879	\$ 4,292,379,530	\$ 174,647,548	4.3642	\$ 8,584,759,060
2009	2008	\$ 2,748,579,863	\$ 441,042,819	\$ 339,512,895	\$ 102,915,747	\$ 189,867,996	\$ 3,821,919,320	\$ 177,868,981	4.3642	\$ 7,643,838,640
2010	2009	\$ 2,325,344,283	\$ 420,619,015	\$ 306,548,119	\$ 83,992,045	\$ 184,270,311	\$ 3,320,773,773	\$ 163,255,897	4.8686	\$ 6,641,547,546
2011	2010	\$ 2,169,025,047	\$ 390,896,551	\$ 283,417,294	\$ 68,605,895	\$ 184,651,990	\$ 3,096,596,777	\$ 161,625,970	5.1186	\$ 6,193,193,554
2012	2011	\$ 2,025,772,813	\$ 372,295,452	\$ 261,688,127	\$ 64,354,683	\$ 186,546,886	\$ 2,910,657,961	\$ 144,045,208	5.2186	\$ 5,821,315,922
2013	2012	\$ 2,045,548,843	\$ 357,950,077	\$ 246,235,902	\$ 57,677,692	\$ 197,764,038	\$ 2,905,176,552	\$ 149,578,826	5.2186	\$ 5,810,353,104
2014	2013	\$ 2,162,320,660	\$ 380,850,934	\$ 231,788,886	\$ 59,371,428	\$ 194,317,290	\$ 3,028,649,198	\$ 139,511,142	5.2186	\$ 6,057,298,396
2015	2014	\$ 2,369,409,688	\$ 397,260,237	\$ 240,483,939	\$ 65,428,597	\$ 200,841,723	\$ 3,273,424,184	\$ 146,949,205	5.2186	\$ 6,546,848,368

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

Notes:

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

The Captured amount refers to the total taxable assessed value captured by the local Tax Increment Financing Authorities (TIFA's) and Downtown Development Authorities (DDA's)

LAPEER COUNTY, MICHIGAN

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
County-										
Operating	3.7886	3.7886	3.7886	3.7886	3.7886	3.7886	3.7886	3.7886	3.7886	3.7886
Extra Voted	<u>1.7888</u>	<u>0.9757</u>	<u>0.5756</u>	<u>0.5756</u>	<u>1.0800</u>	<u>1.3300</u>	<u>1.4300</u>	<u>1.4300</u>	<u>1.4300</u>	<u>1.4300</u>
Total County	<u>5.5774</u>	<u>4.7643</u>	<u>4.3642</u>	<u>4.3642</u>	<u>4.8686</u>	<u>5.1186</u>	<u>5.2186</u>	<u>5.2186</u>	<u>5.2186</u>	<u>5.2186</u>
Townships-										
Almont	3.7556	5.0056	4.5616	4.5616	4.5616	4.5783	3.6312	3.6312	3.6126	3.6126
Arcadia	1.4149	2.3149	2.3096	2.3096	2.3096	2.3096	2.3096	2.3096	2.3072	2.3031
Attica	3.3695	4.3695	4.3695	4.3695	4.3695	4.3695	4.3695	4.3695	4.3695	4.3695
Burlington	1.6003	2.4969	2.4969	2.4969	2.4969	2.4969	2.4969	2.4969	2.4850	2.4850
Burnside	1.5966	2.4788	2.4535	2.4514	2.4514	2.4514	2.4514	2.4514	2.4514	2.4514
Deerfield	1.6349	2.5267	2.5122	2.5122	2.5122	2.5122	2.5267	2.5267	2.5130	2.4914
Dryden	4.6252	4.6252	4.6252	4.6675	4.6675	4.6675	4.6675	4.7149	4.7149	4.7029
Elba	3.1285	4.0285	4.0285	4.0285	4.0285	3.7785	3.7785	4.0285	4.0285	4.0285
Goodland	1.4332	2.3332	2.3217	2.3217	2.3217	2.3217	2.3217	2.3217	2.3217	2.3217
Hadley	1.9367	2.7812	2.7699	2.7699	2.8153	2.9942	2.9764	2.9461	2.9173	2.7623
Imlay	1.9790	2.9702	2.9702	2.9702	2.9702	2.9702	2.9724	2.9428	2.9413	2.9344
Lapeer	1.8572	2.7572	2.7572	2.7572	2.7572	2.7572	2.7572	2.7572	2.7572	2.7572
Marathon	1.3927	2.2927	2.2927	2.2927	2.2927	2.2927	2.2927	2.2927	2.2858	2.2737
Mayfield	1.8091	2.7053	2.7053	2.7053	2.7053	2.7053	2.7053	2.7053	2.7053	2.7053
Metamora	4.4955	5.3965	5.3955	5.3955	5.3955	5.3955	5.3955	5.3955	5.3955	5.3870
North Branch	2.9207	3.9174	4.8965	3.8665	3.8665	3.8965	4.0045	4.5045	4.5045	4.5045
Oregon	1.7238	2.6238	2.6238	2.6238	2.6238	2.6238	2.6238	2.6238	2.6238	2.6238
Rich	4.5035	5.4035	5.4035	5.4577	5.4572	5.4572	5.4572	5.4344	5.4344	5.4344
Cities-										
Imlay City	20.2061	20.5000	18.4500	17.3860	17.3500	17.2000	20.3500	20.3500	20.7213	20.7213
City of Lapeer	10.0500	10.9500	10.9500	10.9500	10.9500	10.9500	10.9500	10.9500	10.9500	10.9500
Brown City	18.1233	18.1233	18.1233	18.1233	18.1233	18.1233	18.1233	18.1233	18.1233	18.1233

Continued

LAPEER COUNTY, MICHIGAN

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Villages-										
Almont	14.1004	13.0070	13.6177	13.6031	16.6151	17.6151	17.8020	17.6670	17.3420	17.3420
Clifford	19.6034	19.1700	19.1700	19.1700	19.1700	19.1700	19.1700	18.8109	18.8095	20.2671
Columbiaville	13.2101	13.1241	13.1241	13.1241	13.1241	13.1241	13.1241	13.1241	14.1241	14.0915
Dryden	9.8110	9.8110	9.8110	9.8110	9.8110	11.8110	11.8100	11.8100	11.8110	11.8110
Metamora	10.4711	10.4711	10.4711	10.4711	10.4711	10.4711	10.4711	10.4711	10.4711	10.4711
North Branch	14.7918	14.6483	14.6483	14.6483	14.6483	14.6483	14.6483	14.6483	14.6483	14.6483
Otter Lake	13.2483	12.8932	12.7720	12.7720	12.7720	12.2772	12.7720	12.7720	12.7043	12.7043
Local School Districts-										
Almont	14.4500	14.4500	14.4500	14.4500	14.4500	14.4500	14.4500	14.4500	15.4500	14.9864
Brandon	14.2400	14.2400	14.2400	14.2400	14.2400	14.2400	14.2400	14.2400	15.6600	18.9460
Brown City	11.9980	11.9980	11.9980	11.9980	11.9980	11.9980	13.0000	13.0000	13.0000	13.0000
Capac	9.9000	9.9000	9.9000	10.2000	10.7000	10.7000	10.6000	10.6000	10.6000	10.3100
Davison	9.3325	9.3316	9.2616	9.1916	9.1316	9.1316	10.7000	10.1516	10.1416	10.1216
Dryden	8.2400	8.2400	8.2400	8.3000	9.1000	9.1000	9.2500	9.3500	9.3500	9.3500
Goodrich	13.7500	13.7500	13.7500	13.7500	10.5600	13.7500	10.6300	13.7500	13.7500	13.7500
Inlay	11.7500	11.7500	11.7500	11.7500	11.7500	11.7500	12.1000	12.1000	13.0000	13.0000
Kingston	12.2500	12.1500	12.0500	11.8500	12.1500	12.1500	11.9000	11.7500	11.6200	11.6200
Lakeville	10.3400	10.1000	9.9000	9.6500	9.6500	9.6500	10.7000	10.6000	10.3600	10.1400
Lapeer	8.2038	8.2038	8.2000	8.3500	8.8000	8.6000	9.0000	9.0000	9.0000	9.0000
Marlette	6.0000	6.0000	6.0000	6.0000	6.0000	6.0000	7.9500	7.3000	7.3000	7.3000
Mayville	12.0000	12.0000	10.5000	11.0000	11.1500	11.1500	11.7500	11.8000	11.4000	11.4000
North Branch	13.0000	13.0000	13.0000	13.0000	13.0000	13.0000	13.0000	13.0000	13.8300	14.4400
Oxford	13.0000	13.0000	13.0000	13.0000	13.0000	13.0000	13.0000	13.0000	13.9000	13.8442
Intermediate School Districts-										
Lapeer	2.9295	2.9295	2.9295	2.9295	2.9295	2.9295	2.9295	2.9295	2.9295	2.9295

Source: County Treasurer's Office/County Equalization Department

Notes:

Rates are stated in dollars per one thousand of state-equalized valuation.

Rates are levied in December of the year preceding the County's fiscal year end.

Concluded

LAPEER COUNTY, MICHIGAN

**PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND TEN YEARS AGO - UNAUDITED**

<u>Taxpayer</u>	<u>2015</u>			<u>2005</u>		
	<u>Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>	<u>Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>
DTE	\$ 52,821,033	1	1.61%	\$ 46,165,829	1	1.65%
ITC	22,235,374	2	0.68%	15,362,250	2	0.55%
Consumers Energy	19,936,024	3	0.61%	12,539,368	3	0.45%
Enbridge	12,233,605	4	0.37%			0.00%
Pinnacle	5,872,878	5	0.18%	8,939,108	5	0.32%
Imlay -Plaza	4,385,903	6	0.13%			0.00%
Meijer	4,511,341	7	0.14%			0.00%
Wal-Mart	4,200,493	8	0.13%			0.00%
Lapeer Industries	3,946,100	9	0.12%			0.00%
Toyo Seat	3,885,538	10	0.12%	5,466,904	8	0.19%
Total	<u>\$ 134,028,289</u>		4.09%	<u>\$ 88,473,459</u>		3.16%
Total Assessed Value	\$ 3,273,424,184			\$ 2,805,165,220		

Source: Lapeer County Treasurer's Office

LAPEER COUNTY, MICHIGAN

**PROPERTY TAX LEVIES AND COLLECTIONS
ALL TAXING UNITS WITHIN THE COUNTY
LAST TEN YEARS - UNAUDITED**

Fiscal Year	Levy Year	Original Levy for Year	Adjustments to Original Levy	Total Adjusted Levy	Total collections Current Year		Collections in Subsequent Years	Total collections to Date	
					Current Amt. of Collections Thru March 1	Percentage of Adjusted Levy Collected		Total Amt. of Collections to Date	Percentage of Adjusted Levy Collected
2006	2005	\$ 79,929,310	(488,237)	\$ 79,441,073	\$ 72,500,633	91.26	\$ 6,830,738	\$ 79,331,371	100%
2007	2006	\$ 84,997,424	(343,361)	\$ 84,654,063	\$ 76,964,520	90.92	\$ 6,130,923	\$ 83,095,443	100%
2008	2007	\$ 88,981,038	(426,757)	\$ 88,554,280	\$ 80,629,430	91.05	\$ 6,422,866	\$ 87,052,296	100%
2009	2008	\$ 85,088,787	(320,205)	\$ 84,768,541	\$ 75,241,951	88.76	\$ 9,526,590	\$ 84,768,541	100%
2010	2009	\$ 87,682,390	(492,741)	\$ 87,189,649	\$ 79,467,222	91.14	\$ 7,722,427	\$ 87,189,649	100%
2011	2010	\$ 83,226,932	(298,510)	\$ 82,928,422	\$ 75,497,463	91.04	\$ 7,432,960	\$ 82,930,423	100%
2012	2011	\$ 81,865,272	(906,941)	\$ 80,958,331	\$ 74,824,932	92.42	\$ 6,252,661	\$ 81,077,593	100%
2013	2012	\$ 79,963,989	(603,476)	\$ 76,360,513	\$ 71,118,512	93.14	\$ 5,242,001	\$ 76,360,513	100%
2014	2013	\$ 78,374,046	(747,323)	\$ 77,626,723	\$ 72,685,639	93.63	\$ 4,941,084	\$ 77,626,723	100%
2015	2014	\$ 79,664,762	(484,460)	\$ 79,180,302	\$ 74,517,201	94.11	\$ 4,663,101	\$ 79,180,302	100%

Source: County Treasurer's Office

Notes:

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

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

LAPEER COUNTY, MICHIGAN

**PROPERTY TAX LEVIES AND COLLECTIONS
COUNTY OPERATING LEVY ONLY
LAST TEN YEARS - UNAUDITED**

Fiscal Year	Levy Year	Original Levy for Year	Adjustments to Original Levy	Total Adjusted Levy	Total collections Current Year		Collections in Subsequent Years	Total collections to Date	
					Current Amt. of Collections Thru 'March 1	Percentage of Adjusted Levy Collected		Total Amt. of Collections to Date	Percentage of Adjusted Levy Collected
2006	2005	\$ 10,705,364	(15,437)	\$ 10,689,927	\$ 9,826,649	91.92	\$ 849,418	\$ 10,676,067	100%
2007	2006	\$ 11,326,328	(1,106)	\$ 11,325,222	\$ 9,934,719	87.72	\$ 1,286,291	\$ 11,221,010	100%
2008	2007	\$ 11,854,843	(21,991)	\$ 11,832,852	\$ 10,472,228	88.50	\$ 1,360,624	\$ 11,832,852	100%
2009	2008	\$ 11,849,851	(23,211)	\$ 11,826,640	\$ 11,147,868	94.26	\$ 661,104	\$ 11,808,972	100%
2010	2009	\$ 10,780,164	(22,905)	\$ 10,757,259	\$ 10,174,532	94.58	\$ 583,326	\$ 10,757,858	100%
2011	2010	\$ 10,297,232	(13,524)	\$ 10,283,708	\$ 9,812,091	95.41	\$ 471,617	\$ 10,283,708	100%
2012	2011	\$ 9,856,913	(23,340)	\$ 9,833,573	\$ 9,394,302	95.53	\$ 439,274	\$ 9,833,576	100%
2013	2012	\$ 9,860,571	(37,503)	\$ 9,823,068	\$ 9,395,141	95.64	\$ 428,330	\$ 9,823,471	100%
2014	2013	\$ 9,952,836	(38,492)	\$ 9,914,344	\$ 9,499,354	95.81	\$ 414,990	\$ 9,914,344	100%
2015	2014	\$ 9,953,002	(37,414)	\$ 9,915,588	\$ 9,499,516	95.80	\$ 416,072	\$ 9,915,588	100%

Source: County Treasurer's Office

Notes:

Property taxes are levied each July 1; property taxes are budgeted and recognized as revenue in the year of the levy year in the General Fund, for County general operations and in the year following the levy year for the extra voted levies for Soldiers' Relief and Senior Millage (Special Revenue) Funds and the E-911 (Debt Service) Fund. Property taxes are recognized as revenue in the year of the levy in the Medical Care Facility (Enterprise Fund) because it operates on the accrued basis of accounting.

The County operates a Delinquent Tax Fund whereby (in the normal case) all outstanding delinquent real taxes receivable are purchased from the taxing units. All units including General, Special Revenue, Debt Service and Enterprise Funds receive full payment for all real taxes levied under this arrangement.

LAPEER COUNTY, MICHIGAN

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

Fiscal Year	Levy Year	Total Adjusted Levy	Total collections Current Year	
			Current Amt. of Collections Thru 'March 1	Percentage of Adjusted Levy Collected
2006	2005	\$ 432,740	\$ 432,740	100%
2007	2006	\$ 836,022	\$ 836,022	100%
2008	2007	\$ 557,007	\$ 557,007	100%
2009	2008	\$ 554,498	\$ 554,498	100%
2010	2009	\$ 556,900	\$ 556,900	100%
2011	2010	\$ 306,119	\$ 306,119	100%
2012	2011	\$ 497,802	\$ 497,802	100%
2013	2012	\$ 724,662	\$ 724,662	100%
2014	2013	\$ 620,581	\$ 620,581	100%
2015	2014	\$ 620,540	\$ 620,540	100%

Source: County Treasurer's Office

Notes:

Special Assessments are levied each December 1; assessments are recognized as revenue in the year following the levy year.

The County operates a Delinquent Tax Fund whereby (in the normal case) all outstanding assessment receivables are purchased from the taxing units. All units receive full payment for all assessments levied under this arrangement.

Drain special assessments are levied annually (with one year payback periods) against the benefited properties.

Source: County Treasurer's Office

LAPEER COUNTY, MICHIGAN

**RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN YEARS - UNAUDITED**

Fiscal Year	Levy Year	County Population	Average Per Capita Income	Assessed Value of Taxable Property	Net General Bonded Debt	Governmental Activities			Business-type Activities	Primary Government	Percentage of Personal Income	Percentage of Actual Value of Taxable Property	Per Capita
						General Obligation Bonds	Premium, Discount, and Adjustments	Total	General Obligation Bonds				
2006	2005	93,761	\$ 28,729	\$ 4,004,946,212	\$ 3,314,427	\$ 1,270,000	\$ (20,573)	\$ 1,249,427	\$ 2,065,000	\$ 3,314,427	0.12%	0.08%	35.35
2007	2006	95,682	\$ 28,989	\$ 4,221,145,112	\$ 2,171,999	\$ 1,120,000	\$ (18,001)	\$ 1,101,999	\$ 1,070,000	\$ 2,171,999	0.08%	0.05%	22.70
2008	2007	95,262	\$ 29,101	\$ 4,327,575,426	\$ 964,571	\$ 980,000	\$ (15,429)	\$ 964,571	\$ -	\$ 964,571	0.03%	0.02%	10.13
2009	2008	87,904	\$ 21,462	\$ 3,203,594,051	\$ 807,143	\$ 820,000	\$ (12,857)	\$ 807,143	\$ -	\$ 807,143	0.04%	0.02%	9.18
2010	2009	88,319	\$ 25,502	\$ 3,320,773,773	\$ 654,715	\$ 665,000	\$ (10,285)	\$ 654,715	\$ -	\$ 654,715	0.03%	0.02%	7.41
2011	2010	88,082	\$ 30,386	\$ 3,096,596,777	\$ 15,185,967	\$ 14,995,000	\$ 190,967	\$ 15,185,967	\$ -	\$ 15,185,967	0.57%	0.49%	172.41
2012	2011	88,173	\$ 31,825	\$ 2,910,657,961	\$ 13,021,463	\$ 12,850,000	\$ 171,463	\$ 13,021,463	\$ -	\$ 13,021,463	0.46%	0.45%	147.68
2013	2012	88,257	\$ 33,720	\$ 2,905,176,552	\$ 11,311,959	\$ 11,160,000	\$ 151,959	\$ 11,311,959	\$ -	\$ 11,311,959	0.38%	0.39%	128.17
2014	2013	88,153	\$ 34,813	\$ 3,028,649,198	\$ 9,607,454	\$ 9,475,000	\$ 132,454	\$ 9,607,454	\$ -	\$ 9,607,454	0.31%	0.32%	108.99
2015	2014	88,373	\$ 36,251	\$ 3,273,424,184	\$ 8,085,378	\$ 7,975,000	\$ 110,378	\$ 8,085,378	\$ -	\$ 8,085,378	0.25%	0.25%	91.49

Source: County Treasurer's Office

Notes:

Property Value data can be found in Schedule S-7

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

LAPEER COUNTY, MICHIGAN

**COMPUTATION OF DIRECT AND OVERLAPPING LONG-TERM BONDED DEBT
DECEMBER 31, 2015 - UNAUDITED**

Direct Debt:

General Obligation	\$ 7,975,000
Premiums, Discounts, and Adjustments	<u>110,378</u>
	<u><u>\$ 8,085,378</u></u>

Overlapping Debt of County:

School Districts	\$ 161,372,761
Cities	8,888,837
Townships	4,023,465
Villages	6,016,283
Intermediate School Districts	2,391,217
Community College	<u>912,853</u>
Total Overlapping Debt	<u>183,605,416</u>
Total County Net Direct and Overlapping Debt	<u><u>\$ 191,690,794</u></u>

Legal Debt Margin Calculation for 2015

Assessed Value	<u>\$ 3,273,424,184</u>
Debt limit (10% of assessed value)	327,342,418
Less: Amount of outstanding debt	<u>8,085,378</u>
Legal debt margin	<u><u>\$ 319,257,040</u></u>

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

Note:

Percentage of overlap based on assessed property values.

LAPEER COUNTY, MICHIGAN

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

Fiscal Year	Levy Year	State Equalized Value of Property	10% Legal Debt Limit	Bonded Debt	Legal Debt Margin	Bonded Debt as a Percentage of Debt Limit
2006	2005	\$ 4,004,172,237	\$ 400,417,224	\$ 3,314,427	\$ 397,102,797	0.83%
2007	2006	\$ 4,221,145,112	\$ 422,114,511	\$ 2,171,999	\$ 419,942,512	0.51%
2008	2007	\$ 4,327,575,426	\$ 432,757,543	\$ 964,571	\$ 431,792,972	0.22%
2009	2008	\$ 3,821,919,300	\$ 382,191,930	\$ 807,143	\$ 381,384,787	0.21%
2010	2009	\$ 3,320,773,773	\$ 332,077,377	\$ 654,715	\$ 322,849,990	3.00%
2011	2010	\$ 3,096,596,777	\$ 309,659,678	\$ 15,185,967	\$ 294,473,711	4.90%
2012	2011	\$ 2,910,657,961	\$ 291,065,796	\$ 13,021,463	\$ 278,044,333	4.47%
2013	2012	\$ 2,905,176,552	\$ 290,517,655	\$ 11,311,959	\$ 279,205,696	3.89%
2014	2013	\$ 3,028,649,198	\$ 302,864,920	\$ 9,607,454	\$ 293,257,466	3.17%
2015	2014	\$ 3,273,424,184	\$ 327,342,418	\$ 8,085,378	\$ 319,257,040	2.47%

Notes:

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

Source: County Treasurer's Office

LAPEER COUNTY, MICHIGAN

**DEMOGRAPHICS AND ECONOMIC STATISTICS
LAST TEN YEARS - UNAUDITED**

Fiscal Year	Population I	Personal Income II	Per Capita Personal Income III	K -12 School Enrollment IV	Unemployment Rate V
2006	97,761	\$ 2,743,000,000	\$ 29,697	15,257	7.83%
2007	92,012	\$ 2,786,000,000	\$ 30,279	14,916	8.48%
2008	95,262	\$ 2,772,000,000	\$ 29,099	16,116	12.70%
2009	87,904	\$ 1,886,596,000	\$ 21,462	14,082	18.60%
2010	88,319	\$ 2,252,311,000	\$ 25,502	15,251	13.90%
2011	88,082	\$ 2,676,479,000	\$ 30,386	13,415	12.30%
2012	88,173	\$ 2,803,219,000	\$ 31,825	14,643	13.10%
2013	88,257	\$ 2,976,053,000	\$ 33,720	12,799	10.80%
2014	88,153	\$ 3,068,860,000	\$ 34,813	12,512	12.00%
2015	88,373	\$ 3,203,633,000	\$ 36,251	12,170	9.90%

Sources:

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

LAPEER COUNTY, MICHIGAN
PRINCIPAL EMPLOYERS
CURRENT YEAR 2015 AND NINE YEARS AGO - UNAUDITED

Current Year (2015)

<u>Employer</u>	<u>Product/Service</u>	<u>Employees</u>	<u>Rank</u>
McLaren-Lapeer Regional Hospital	Health Care	867	1
Lapeer Community Schools	Education	682	2
Kamax	Manufacturing	424	3
Lapeer Plating & Plastics	Plastics	420	4
Lapeer County	Governmental	400	5
Mold Masters	Plastics	400	6
ZF	Manufacturing	355	7
Pinnacle Foods (Vlasic Foods)	Food Processing	325	8
Champion Bus	Manufacturing	300	9
Albar Industries	Manufacturing	250	10

Continued

Source: Lapeer Economic Development Commission and Lapeer County Treasurer

LAPEER COUNTY, MICHIGAN

**PRINCIPAL EMPLOYERS
CURRENT YEAR 2015 AND NINE YEARS AGO - UNAUDITED**

Historical Fiscal Year (2007)

<u>Employers</u>	<u>Product/Service</u>	<u>Employees</u>	<u>Rank</u>
McLaren-Lapeer Regional Hospital	Health Care	780	1
Lapeer Community Schools	Education	779	2
Lapeer County	Government	506	3
Metamora Products Corp.	Injection Molding	450	4
Durakon	Truck Bed Liners	450	4
Pinnacle Foods	Food Processing	400	6
Wal-mart, Inc.	Retail	400	6
Thumb Correctional Facility	State Prison	350	8
Meijer, Inc.	Retail	325	9
Lapeer Metal Products	Metal Stamping	300	10

Concluded

* The information is presented for fiscal year 2007 because the 2006 data is not readily available.

LAPEER COUNTY, MICHIGAN

PROPERTY VALUES LAST TEN YEARS - UNAUDITED

<u>Year</u>	<u>State Equalized Value (S.E.V.)</u>	<u>Taxable Value</u>	<u>Estimated Property Value (S.E.V. x 2)</u>
2006	4,221,145,112	2,989,701,382	8,442,290,224
2007	4,327,575,426	3,129,128,779	8,655,150,852
2008	4,292,379,530	3,195,751,102	8,584,759,060
2009	3,821,919,300	3,127,825,150	7,643,838,600
2010	3,320,773,773	2,845,481,660	6,641,547,546
2011	3,096,596,777	2,717,825,167	6,193,193,554
2012	2,910,657,961	2,603,370,271	5,821,315,922
2013	2,905,176,552	2,604,828,481	5,810,353,104
2014	3,028,649,198	2,628,945,178	6,057,298,396
2015	3,273,424,184	2,689,687,494	6,546,848,368

Source: 2014 Equalization Report

Notes:

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

LAPEER COUNTY, MICHIGAN

EMPLOYMENT BY INDUSTRY 2010 U.S. CENSUS - UNAUDITED

The following table reflects the breakdown of employment by category and industry for the County of Lapeer residents and the State of Michigan as of the 2010 U.S. Census:

<u>Category</u>	County of Lapeer		State of Michigan	
	Number of Workers	% of Total Workers	Number of Workers	% of Total Workers
Management, Professional & Related	11,162	30.72%	1,459,767	34.18%
Service Occupations	5,924	16.30%	792,133	18.55%
Sales and Office Occupations	7,793	21.45%	1,056,849	24.75%
Natural resources, construction, and maint.	3,770	10.38%	336,308	7.88%
Production, Transp. & Mat. Moving	7,686	21.15%	625,429	14.64%
Total	36,335	100%	4,270,486	100%

The following table reflects the breakdown of employment by major industry groups for the County of Lapeer residents and the State of Michigan as of the 2010 U.S. Census:

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

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

LAPEER COUNTY, MICHIGAN

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

Function	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Legislative										
Board of Commissioners	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Administrative	3.0	3.0	3.0	3.1	3.1	2.0	2.3	2.4	2.5	2.6
Judicial										
Circuit Court	7.0	7.0	14.9	19.1	15.1	14.4	14.3	13.5	16.7	17.4
District Court	22.7	23.0	22.4	23.7	21.8	21.9	21.5	19.6	20.8	20.7
Friend of the Court	18.9	18.9	19.0	19.7	18.2	17.9	17.7	18.2	17.9	17.9
Probate Court	12.5	12.8	4.0	3.6	3.7	3.7	3.7	3.7	0.1	0.0
Community Corrections	3.7	3.7	3.6	3.7	3.5	3.2	3.3	3.2	2.5	2.9
Child Care	2.3	3.3	3.8	3.8	3.3	3.0	2.6	2.5	2.7	3.3
General Government										
County Clerk	8.0	8.0	8.0	8.3	8.0	7.9	8.0	8.0	8.0	8.1
Equalization	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Prosecuting Attorney	15.9	16.0	16.0	16.1	14.7	13.8	14.0	14.1	14.0	15.0
Register of Deeds	5.5	4.9	5.0	5.0	4.1	3.7	4.0	4.0	4.2	4.3
County Treasurer	6.2	6.1	6.4	6.2	6.3	6.3	6.2	6.4	6.3	6.3
G.I.S.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Data Systems	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.8
Finance	4.0	4.0	4.0	4.1	4.0	4.0	4.0	3.9	3.9	4.0
Building and Grounds	7.0	7.0	6.0	6.2	5.9	5.9	4.5	4.8	5.0	5.2
Drain Office	6.0	6.0	6.0	6.1	6.0	5.1	4.9	5.0	4.6	4.7
MSU Extension	4.6	4.8	4.4	4.2	2.7	2.0	2.0	2.0	2.0	2.0
County Surveyor	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Public Safety										
Sheriffs Department	50.7	51.2	51.7	51.7	49.8	47.8	47.0	48.1	48.5	48.7
County Jail	29.3	29.9	29.8	31.0	29.7	29.9	29.9	29.9	29.8	29.4
Central Dispatch	18.4	19.0	18.7	19.4	18.3	18.6	18.4	18.6	18.1	18.2
Animal Control	5.0	5.0	5.0	4.2	3.0	3.0	2.8	2.9	3.4	3.8
Emergency Operations	1.4	1.1	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Health and Welfare										
Parks Department	11.0	10.8	11.6	8.5	2.7	1.7	2.6	2.7	2.1	2.4
Community Health										
Public Health	68.1	67.0	61.5	54.8	50.0	47.5	34.1	33.4	34.6	35.6
Senior Services	5.9						12.8	14.4	14.0	15.1
Community Mental Health	70.8	69.7	68.6	68.7	69.4	68.1	67.4	68.6	72.4	77.7
Multi-Purpose	6.4	6.0	5.5	6.0	5.9	4.7	3.9	2.5	0.7	1.6
Veterans	1.0	1.0	1.0	1.0	1.0	1.3	1.4	2.0	2.9	3.8
Community Development	3.8	3.9	3.7	2.2	1.0	0.0	1.0	1.2	1.5	2.9
	<u>409.1</u>	<u>403.1</u>	<u>394.6</u>	<u>391.4</u>	<u>362.2</u>	<u>348.4</u>	<u>345.3</u>	<u>346.6</u>	<u>350.2</u>	<u>364.4</u>

Source: Lapeer County Finance Department

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

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

FUNCTION	2007	2008	2009	2010	2011	2012	2013	2014	2015
LEGISLATIVE									
<u>Board of Commissioners</u>									
Full Board Meetings	26	24	25	26	25	25	24	25	23
Committee of the Whole Meetings	25	24	23	23	24	23	22	20	20
Other Special Meeting/Hearings Held	4	-	-	-	4	6	4	6	5
Board Motions Acted Upon	412	446	436	426	398	421	418	433	412
JUDICIAL									
<u>40th Circuit Court</u>									
PPO's Issued	302	279	279	213	223	209	172	186	162
Appeals	50	65	65	59	47	50	63	50	38
Domestic Cases	711	669	669	659	583	583	671	644	579
Civil Cases	318	313	313	285	270	295	231	245	237
Adoption	32	51	51	33	33	37	22	22	29
Child Protection	34	32	32	19	21	26	35	20	33
Juvenile	359	311	311	313	290	259	204	220	171
Criminal	392	376	376	331	362	338	293	406	369
Misc. Family Filings	54	35	36	48	24	43	24	28	41
<u>71-A District Court</u>									
<u>Criminal</u>									
Felonies	653	646	700	633	655	623	658	687	661
Drunk Driving	815	769	682	469	453	485	465	464	352
Traffic Offenses	8,841	9,193	9,374	7,413	6,192	7,180	7,501	7,461	6,314
Misdemeanors	1,568	1,387	1,156	1,240	1,315	1,127	1,089	1,126	843
Non-Traffic Offenses	1,020	813	980	831	776	470	369	434	446
<u>Civil</u>									
General Civil	2,676	3,004	2,789	2,856	2,518	2,356	2,158	1,927	1,999
Landlord/Tenant	663	813	748	737	824	841	897	765	712
Small Claims	738	657	486	369	364	322	362	353	434
<u>Probate/Family Court</u>									
<u>Civil</u>									
Conservatorship/Protective Orders	39	28	30	35	31	19	28	27	25
Estates	174	173	171	166	167	148	171	173	184
Guardianships	95	97	84	78	60	98	88	94	75
Judicial Admin/Mental Commitments	67	54	47	42	167	41	36	45	59
Trusts	4	7	10	8	10	12	7	4	5
Wills for Safe Keeping	94	78	71	72	63	69	73	86	65
<u>Friend of the Court</u>									
Caseload	5,922	5,951	5,916	6,000	5,976	4,916	4,977	4,949	4,929
Children IV-D Cases	7,821	8,025	8,010	7,667	8,123	N/A	N/A	N/A	N/A
Bench Warrants Issued	574	635	295	466	235	590	488	502	561
Referee Hearings Conducted	4,257	4,707	6,167	3,797	6,055	1,931	941	1,587	1,692
Cases Mediated	25	29	21	22	18	19	54	41	57

Source: Lapeer County Finance Department

Continued

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

FUNCTION	2007	2008	2009	2010	2011	2012	2013	2014	2015
PUBLIC SAFETY									
<u>Community Corrections</u>									
Clients - Community Service	51	28	37	62	56	49	29	21	N/A
Clients - Jail Crew	66	64	51	64	49	56	57	37	49
Clients - Day Reporting	64	80	57	74	64	68	63	56	54
Drunk Driver Jail Reduction Program	33	43	35	66	39	19	17	21	22
Jail Beds Saved	5,737	7,638	6,700	6,406	5,146	4,707	6,625	5,061	5,143
<u>Prosecuting Attorney</u>									
Felony Cases Authorized	730	732	677	626	662	676	687	633	644
Domestic Violence - Felony	24	23	27	56	50	70	59	68	71
Misdemeanor Cases Filed	2,379	3,014	2,660	2,256	2,130	2,158	1,779	1,938	2,144
Misdemeanor Domestic Violence	182	184	155	203	181	139	116	99	105
Juvenile Petitions Filed	312	405	358	383	299	239	260	188	168
Juvenile Domestic Violence Authorized	13	19	20	15	14	13	18	17	10
Victims Rights - Eligible Victims	866	821	773	824	815	760	724	808	868
Victims Rights Domestic Fel/Misd/Juv	219	-	202	212	220	222	294	184	240
Drug - Misdemeanor/Felony Authorized	412	415	N/A	1,109	445	424	554	506	435
Drunk Driving Misd/Felony	836	730	696	463	404	468	486	496	388
Non-Support	186	120	134	105	258	207	241	276	201
Paternity	82	76	57	62	67	92	105	92	84
URESAs	13	10	19	7	18	19	14	19	18
<u>Sheriff's Department</u>									
Jail Bookings	3,531	3,525	3,092	2,687	2,521	2,634	2,381	2,178	2,048
Calls Answered	24,878	25,076	23,883	21,644	21,906	23,451	23,451	21,211	27,211
Fatal Crashes	11	9	N/A	7	12	5	5	12	9
Personal Injury Crashes	480	443	N/A	401	435	415	407	391	425
Property Damage Crashes	2,780	2,804	N/A	2,401	2,316	2,311	2,304	2,378	2,476
Private Property Crashes	132	N/A	N/A	N/A	N/A	N/A	612	N/A	N/A
Detective Bureau Arrests	216	218	498	538	755	669	669	651	684
Secondary Road Patrol Tickets Issued	355	208	208	177	211	478	3,471	442	519
Purchase Permits Issued	1,839	1,798	1,130	2,465	1,049	3,471	2,542	568	683
Marine Division Patrol Hours	1,017	819	819	1,180	723	777	269	786	595
Township Complaints Responded To	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<u>E-911 Central Dispatch</u>									
Hardware/Landline Calls	10,486	11,201	8,596	7,776	6,887	5,252	5,425	5,635	4,621
Wireless Calls	18,411	18,697	18,628	20,466	21,494	21,497	22,160	21,576	23,002
VOIP	394	387	373	318	311	213	348	315	276
Text to 911	N/A	N/A	N/A	N/A	N/A	N/A	N/A	74	69
Non-Emergency Calls	80,147	82,075	76,637	68,856	62,476	58,882	54,331	78,798	49,576
CAD Reports/Dispatch	72,915	74,951	72,307	70,344	68,222	70,154	72,969	72,462	N/A

Source: Lapeer County Finance Department

Continued

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

FUNCTION	2007	2008	2009	2010	2011	2012	2013	2014	2015
PUBLIC SAFETY - (cont'd)									
<u>Emergency Management</u>									
EMAC Meetings Held	4	4	5	5	6	4	4	4	3
Local Meetings Attended	44	42	35	48	61	53	58	48	35
Regional Homeland Security Meetings	48	43	38	88	42	29	17	11	11
Disaster Exercise Planning Meetings	4	6	7	7	3	4	9	7	5
District Meetings Attended	6	6	6	4	4	5	4	3	3
EAG Plan Updates/Policies Written	7	4	6	13	11	2	6	3	10
Quarterly Reports Completed	9	9	4	6	4	4	4	4	4
Trainings Hosted	4	3	2	6	3	2	3	2	1
Tier II Plans Filed	51	49	53	42	78	67	3	3	15
Special Events Planned	10	4	3	3	5	6	2	3	1
Identification Badges Created	50	75	111	137	166	147	225	181	135
HEALTH AND WELFARE									
<u>Parks Department</u>									
Water Park Attendance	20,969	24,634	17,757	12,516	9,989	22,573	21,177	20,384	28,214
Reservation Attendance	8,915	11,740	5,902	6,350	5,750	7,125	N/A	N/A	N/A
Winter Park Attendance	830	1,265	1,135	N/A	N/A	N/A	N/A	N/A	N/A
Special Events Attendance	2,500	3,300	2,500	-	-	N/A	N/A	N/A	N/A
<u>Health Department</u>									
<u>Medical Examiner</u>									
Medical Examiner Cases	52	56	66	76	71	71	85	88	70
Cremation Permits	200	216	224	237	234	262	351	382	411
Hospice	38	54	115	45	N/A	N/A	N/A	N/A	N/A
<u>Animal Control</u>									
Animal Control Complaints	2,485	2,573	2,262	2,034	1,952	1,629	1,755	1,054	897
Animals Held at Shelter	2,718	2,275	1,988	1,930	1,909	1,538	1,593	1,365	1,323
Animals Picked Up	466	443	342	323	373	196	N/A	N/A	N/A
Animal Bites - Cases	262	220	273	240	209	164	141	139	113
Animals Tested for Rabies	85	157	144	166	176	N/A	22	16	27
Animal Rabies Cases	3	8	4	7	-	1	-	-	1
<u>Environmental Health Division</u>									
EH - Sewage Applications	215	24	120	105	117	116	155	183	221
EH - Sewage Permits	199	136	131	97	110	62	143	172	211
EH - Well Permits	353	232	236	232	225	230	244	224	251
Food Service Inspections	576	605	602	554	413	627	451	672	669
<u>Home Health Division</u>									
Home Health Clients	298	209	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<u>Public Health Nursing</u>									
Maternal Infant Health Visits	3,250	3,152	2,640	2,125	1,825	2,091	1,566	1,469	1,365

Source: Lapeer County Finance Department

Continued

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

FUNCTION	2007	2008	2009	2010	2011	2012	2013	2014	2015
HEALTH AND WELFARE (Cont'd)									
<u>Immunizations</u>									
Childhood Immunizations Given	4,074	3,654	3,910	4,425	4,186	4,451	3,511	-	3,348
Adult Immunizations Given	1,121	1,423	2,103	1,005	667	575	538	-	444
Total Immunizations Given	5,195	5,080	6,013	5,430	4,853	5,026	4,049	-	3,792
<u>WIC Program</u>									
Individuals Participating in WIC	1,713	1,855	1,905	2,028	1,984	2,023	1,937	1,965	1,736
<u>Hearing & Vision Screening</u>									
Hearing & Vision Screening Cases	10,358	11,094	11,504	9,965	10,831	8,896	9,494	10,869	8,462
<u>AICC Program</u>									
AICC Clients	396	437	474	497	480	427	411	416	356
<u>Senior Programs</u>									
Home-Delivered Meals	100,920	109,168	116,454	87,281	78,096	76,262	72,651	78,156	82,184
Congregate Meals	7,411	9,935	9,524	9,595	15,462	12,569	12,897	14,457	13,481
Medication Management Clients	13	5	8	11	7	9	6	6	4
Personal Care/Homemaker Clients	241	170	152	142	145	138	157	161	187
Case Coordination Clients	99	43	57	46	49	68	88	84	88
Care Management Clients	32	32	33	29	29	29	27	32	31
Health Screening Clients	23	22	26	7	N/A	N/A	N/A	N/A	N/A
Chore Maintenance Clients	145	142	174	215	223	223	243	252	144
Respite Care Clients	100	74	73	72	72	64	88	108	98
<u>Mental Health</u>									
Adults with Psychiatric Disorders	788	864	946	1,013	1,004	959	991	911	849
Persons with Developmental Disabilities	324	305	315	318	366	395	374	370	313
Children with Emotional Disturbances	153	200	239	272	262	281	257	275	275
GENERAL GOVERNMENT									
<u>County Clerk</u>									
<u>Circuit Court Division</u>									
Criminal Cases Filed	398	383	391	334	365	341	393	407	371
All Other Cases Filed	1,411	1,338	1,292	1,281	1,173	1,188	1,553	1,171	1,097
Adult Probation Receipts	1,271	1,344	1,804	2,038	2,110	1,949	1,817	2,340	2,529
<u>Vital Records Division</u>									
Marriage License Applications	568	514	513	519	545	532	540	599	562
Assumed Names	899	817	891	784	779	648	644	673	588
Notary Bonds	222	195	70	121	180	191	176	150	126
Death Certificates Filed	500	522	543	525	511	555	689	749	744
Birth Certificates Filed	603	564	599	598	592	565	436	360	251
Voter Registrations	5,569	6,810	5,046	5,653	5,561	6,627	5,145	3,207	2,486
Concealed Pistol Permits	285	538	1,075	1,107	910	1,035	1,899	1,551	1,725

Source: Lapeer County Finance Department

Continued

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

FUNCTION	2007	2008	2009	2010	2011	2012	2013	2014	2015
GENERAL GOVERNMENT (Cont'd)									
<u>Payroll Dept.</u>									
Payroll Checks Processed	2,650	2,128	1,915	1,667	1,185	1,032	443	370	400
Payroll Direct Deposits Processed	9,603	9,693	9,761	9,114	8,972	9,667	9,793	9,865	10,226
W-2's Forms Prepared	549	551	477	436	420	431	440	437	455
<u>Accounts Payable Dept.</u>									
Accounts Payable Invoices Processed	17,487	17,089	15,381	13,982	12,938	13,555	13,540	13,585	13,180
Accounts Payable Checks Processed	12,589	12,778	11,339	10,040	9,674	9,771	9,604	9,769	9,880
1099 Forms Prepared	142	149	165	165	132	144	133	129	127
<u>Computer Dept.</u>									
General Ledger Reports Distributed	3,150	3,500	3,550	3,400	3,200	3,000	3,100	3,000	3,036
Journal Entries Entered	2,064	2,199	2,323	2,158	1,989	2,100	2,000	1,885	2,100
Budget Amendments Processed	93	128	160	74	95	70	59	65	54
Budgets Entered	142	142	150	148	145	140	140	140	140
Computers Countywide	428	430	432	451	440	420	420	420	420
<u>Accounting Dept.</u>									
Bank Accounts Reconciled	456	432	396	528	576	576	580	600	602
Grants Reviewed & Processed	47	49	52	58	93	93	94	95	95
General Ledger Funds Maintained	79	79	79	85	83	84	86	88	91
<u>Budget Dept.</u>									
Total Amount of Gen Fund Budget (orig.)	20,542,500	20,901,523	20,852,909	18,822,641	18,777,480	18,793,299	18,331,608	18,719,365	19,090,522
Total Amt of Spec Rev Funds Budgeted	28,640,518	29,940,907	29,590,028	30,054,446	30,769,120	30,787,599	30,162,567	30,823,613	32,402,928
Total Amt of Debt Svs Funds Budgeted	3,074,354	3,338,309	3,338,309	1,548,947	3,641,486	3,641,486	2,847,365	2,972,065	2,974,515
<u>Register of Deeds</u>									
Warranty Deeds	1,209	912	858	951	941	1,171	1,556	1,705	1,833
Quit Claim Deeds	1,340	1,211	1,308	1,207	1,334	1,369	1,431	1,379	1,233
Death Certificates	224	211	220	210	280	305	360	353	366
Land Contracts	20	7	27	31	609	500	25	195	23
Memo Land Contracts	69	70	78	112	1,984	1,900	142	1,314	146
Misc. Recordings	3,586	4,626	4,743	4,842	2,124	2,502	3,985	2,147	3,361
Mortgages	4,543	2,840	2,849	2,144	2,242	3,448	3,549	2,537	2,955
Discharges	4,472	3,048	2,980	2,435	2,658	3,817	4,372	2,976	3,287
Assignment of Mortgages	1,233	669	895	1,632	1,297	1,113	984	621	590
Misc. Mortgage Recordings	2,370	2,427	2,303	2,324	2,019	2,948	2,297	2,588	1,970
UCC Financing Filings	170	274	341	243	-	N/A			
<u>Community Development</u>									
<u>Housing Division</u>									
CDBG Homes Improved	14	9	16	16	15	N/A	N/A	N/A	N/A
CDBG - Senior Clients	2	2	5	5	5	N/A	N/A	N/A	N/A
CDBG - Handicapped Clients	7	2	5	5	2	N/A	N/A	N/A	N/A
<u>Soil & Sedimentation</u>									
SESC Permits Issued	215	298	345	345	228	206	218	145	141

Source: Lapeer County Finance Department

Continued

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

FUNCTION	2007	2008	2009	2010	2011	2012	2013	2014	2015
GENERAL GOVERNMENT (Cont'd)									
<u>Drain Commissioner</u>									
Drains (&Other) Maintained	71	79	85	7	83	83	61	62	34
Drains Sprayed	11	18	17	15	-	10	14	-	-
Drains Assessed	59	57	53	45	29	37	48	52	43
Plan Reviews	6	6	4	-	3	4	3	9	5
Act 40 Permits Issued	11	14	10	8	12	3	8	1	1
Utility Permits (new in 2013)	N/A	N/A	N/A	N/A	N/A	N/A	9	3	7
Letter of Agreement - Building in ROW (new in 2013)	N/A	N/A	N/A	N/A	N/A	N/A	1	-	-
KWA crossing agreements (new in 2014)	N/A	N/A	N/A	N/A	N/A	N/A		16	10
<u>Treasurer</u>									
Total Number of Parcels	47,395	50,077	51,012	43,617	46,879	46,758	46,703	46,692	46,523
Number of Delinquent Parcels	5,060	5,510	5,266	5,455	5,125	4,788	4,495	4,501	4,356
Parcels Forfeited	666	932	977	1,008	879	751	708	639	734
Taxable Value	3,129,128,779	3,195,751,102	3,129,825,150	2,845,481,660	2,717,825,167	2,603,370,271	2,604,828,481	2,628,945,178	2,689,687,494
S.E.V.	4,327,575,426	4,292,379,530	3,822,452,922	3,320,773,773	3,096,596,777	2,910,657,961	2,905,176,552	3,028,649,198	3,273,424,184
<u>Collaborative Planning Commission</u>									
Rezoning/Text Amendment Reviews	23	13	12	15	5	5	5	-	28
Annual Conference Attendance	95	136	176	182	-	-	-	-	-
<u>Building & Grounds</u>									
Work Orders Completed	969	903	1,104	1,199	1,009	863	748	835	936
<u>Veterans Affairs</u>									
# Scheduled Appointments	N/A	N/A	552	411	512	N/A	583	N/A	691
Walk-in Clients (Est)			1,000-1,500	1,500	1,000-1,500	N/A	837	N/A	1,391
<u>MSUE</u>									
Educational Workshops/Events	201	181	115	118	319	318	416	143	130
4-H Club Members	1,043	686	591	596	565	571	474	452	452
Non-Club Youth Involved (Short-Term)	4,145	3,331	1,088	876	810	271	310	989	1,629
Active Master Gardeners	155	145	173	167	180	N/A	N/A	N/A	N/A
Food Safety Participants Trained	1,773	1,039	1,572	2,001	1,712	448	932	314	517
Number of Grants Administered	9	5	5	4	7	3	3	3	3
Leadership Training Participants	346	422	417	84	350	378	316	348	455
Food & Nutrition Participants Trained - Adults	N/A	N/A	N/A	N/A	N/A	619	604	618	168
Financial Management and Housing	N/A	N/A	N/A	N/A	N/A	89	130	N/A	N/A

Source: Lapeer County Finance Department

N/A - Information is Not Available at this Time

Concluded

LAPEER COUNTY, MICHIGAN
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN YEARS (A) - UNAUDITED

Function	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Legislative										
Computers	10	10	10	9	9	9	9	9	9	9
Judicial										
Court Rooms	6	6	6	6	6	6	6	6	6	6
Vehicles	9	9	9	10	10	10	10	10	9	7
Computers	72	74	98	98	98	101	105	107	107	82
* Network Printers/Copiers	17	17	14	14	14	14	7	10	10	12
General Government										
All County Buildings	11	12	12	12	12	12	12	12	12	12
Vehicles not reported elsewhere	15	15	19	18	18	18	17	17	16	18
Computers	67	69	83	85	85	86	87	89	90	79
* Network Printers/Copiers	25	26	18	20	20	20	15	16	16	11
Public Safety										
Jail Beds Available	123	123	123	123	123	123	123	123	123	123
Vehicles										
Patrol	18	18	20	20	20	20	20	20	21	22
Other	22	22	25	25	25	27	27	27	27	30
Computers	48	53	59	60	60	61	62	62	65	62
* Network Printers/Copiers	10	11	10	10	10	10	5	6	6	5
Health and Welfare										
Vehicles	22	22	22	21	21	21	21	21	25	27
Park Acreage										
Torzewski	70	70	70	70	70	70	70	70	70	70
Squire	80	80	80	80	80	87	87	87	87	87
Other	1	8	8	8	8	8	8	8	8	8
Computers	203	203	202	201	201	199	197	201	203	202
* Network Printers/Copiers	70	75	20	20	20	20	16	17	17	16

Source: Lapeer County Finance Department

* In 2009 Printers were changed to Network Printers and Copiers

LAPEER COUNTY, MICHIGAN

**DESCRIPTION OF INSURANCE COVERAGE IN FORCE
DECEMBER 31, 2015 - UNAUDITED**

Lapeer County became a member of the Michigan Municipal Risk Management Authority in 1985. The Authority provides risk management, underwriting, reinsurance and claims services with member contributions allocated to meet these obligations. This program covers the Public Officials Surety Bond and Faithful Performance as well as General Liability, Law Enforcement Officers, Business Auto, Building and Contents, Boiler and Machinery, Errors and Omissions, and Umbrella Coverage. The total amount of liability coverage for the County amounts to \$15,000,000. The County's total contribution for 2015 is approximately \$307,767 reported in the General Fund.

Lapeer County is self-insured for Workers' Compensation for claims up to an annual aggregate amount of \$450,000 per claim. The County is insured for the amount of claims in excess of such limitation to a maximum of \$5,000,000. The County is then self-insured for annual aggregate claims in excess of insurance coverage. The County's total net expenditures for claims and insurance costs reported in the Workers' Compensation Fund for 2015 is \$102,833. The County's ending net position for the Workers' Compensation Fund at December 31, 2015 is \$250,105.

Lapeer is self insured for Unemployment Insurance. The County's total expenditures for claims reported in the Unemployment Insurance Fund for 2015 is \$5,122. The County's ending net position for the the Unemployment Insurance Fund at December 31, 2015 is \$41,265.

LAPEER COUNTY, MICHIGAN
OTHER STATISTICS
DECEMBER 31, 2015 - UNAUDITED

Form of Government

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

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

Location

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