



EATON COUNTY, MICHIGAN

Annual Financial Report

**For the Fiscal Year Ended
September 30, 2009**

(This page left intentionally
blank)

EATON COUNTY, MICHIGAN
For the Fiscal Year Ended September 30, 2009

TABLE OF CONTENTS

	<u>PAGE</u>
 <i>INTRODUCTORY SECTION</i>	
Transmittal Letter	i
Organizational Chart.....	iii
Principal Officials.....	iv
 <i>FINANCIAL SECTION</i>	
Independent Auditors' Report	1-2
Management's Discussion and Analysis	3-12
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets.....	13
Statement of Activities	14-15
Fund Financial Statements:	
Balance Sheet – Governmental Funds.....	16
Reconciliation of Fund Balances on the Balance Sheet for Governmental Funds to Net Assets of Governmental Activities on the Statement of Net Assets.....	17
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	18
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	19
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual:	
General Fund	20
Special Revenue Funds:	
Revenue Sharing Reserve	21
Central Dispatch	22
Child Care.....	23
Statement of Net Assets – Proprietary Funds.....	24
Statement of Revenues, Expenses and Changes in Fund Net Assets – Proprietary Funds	25
Statement of Cash Flows – Proprietary Funds	26-27
Statement of Fiduciary Net Assets – Fiduciary Funds	28
Combining Statement of Net Assets – Discretely Presented Component Units.....	29
Combining Statement of Activities – Discretely Presented Component Units.....	30
Notes to the Financial Statements.....	31-55

EATON COUNTY, MICHIGAN
For the Fiscal Year Ended September 30, 2009

TABLE OF CONTENTS

	<u>PAGE</u>
Combining and Individual Fund Financial Statements/Schedules:	
Detailed Schedule of Revenues and Other Financing Sources – Budget and Actual – General Fund.....	56-58
Detailed Schedule of Expenditures and Other Financing Uses – Budget and Actual – General Fund.....	59-60
Combining Balance Sheet – Nonmajor Governmental Funds	61-70
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	71-80
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Nonmajor Special Revenue Funds	81-100
Combining Statement of Net Assets – Internal Service Funds	101-102
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets – Internal Service Funds.....	103-104
Combining Statement of Cash Flows – Internal Service Funds	105-106
Combining Statement of Assets and Liabilities – Agency Funds.....	107-108
Statement of Net Assets and Governmental Funds Balance Sheet – Board of Public Works Component Unit	109-110
Reconciliation of Fund Balances on the Balance Sheet for Governmental Funds to Net Assets of Governmental Activities on the Statement of Net Assets – Board of Public Works Component Unit	111
Statement of Activities and Governmental Funds Revenues, Expenditures, and Changes in Fund Balances – Board of Public Works Component Unit	112-113
Reconciliation of the Statement of Revenues, Expenditures and Change in Fund Balances of Governmental Funds to the Statement of Activities – Board of Public Works Component Unit	114
Statement of Net Assets and Governmental Funds Balance Sheet – Drainage Districts Component Unit.....	115-116
Reconciliation of Fund Balances on the Balance Sheet for Governmental Funds to Net Assets of Governmental Activities on the Statement of Net Assets – Drainage Districts Component Unit	117
Statement of Activities and Governmental Funds Revenues, Expenditures, and Changes in Fund Balances – Drainage Districts Component Unit	118-119
Reconciliation of the Statement of Revenues, Expenditures and Change in Fund Balances of Governmental Funds to the Statement of Activities – Drainage Districts Component Unit.....	120
Statement of Net Assets and Governmental Funds Balance Sheet – District Health Department Component Unit.....	121
Reconciliation of Fund Balances on the Balance Sheet for Governmental Funds to Net Assets of Governmental Activities on the Statement of Net Assets – District Health Department Component Unit.....	122
Statement of Activities and Governmental Funds Revenues, Expenditures, and Changes in Fund Balance – District Health Department Component Unit	123
Reconciliation of the Statement of Revenues, Expenditures and Change in Fund Balances of Governmental Funds to the Statement of Activities – District Health Department Component Unit.....	124

INTRODUCTORY SECTION

(This page left intentionally
blank)



EATON COUNTY CONTROLLER/PERSONNEL

1045 Independence Blvd
Charlotte, MI 48813

(517) 543-2122
(517) 543-3331 Fax

John F. Fuentes, CPA
Controller

Connie L. Sobie
Assistant Controller

Mary M. Schelles
Personnel Specialist

March 4, 2010

To the Members of the Board of Commissioners:

The Annual Financial Report of Eaton County, Michigan for the fiscal year ended September 30, 2009, is hereby submitted. Responsibility for both the accuracy of the presented information and the completeness and fairness of the presentation, including all disclosures, rests with the County. We believe the enclosed information 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 account groups of the County. These financial statements have been prepared in accordance with generally accepted accounting principles for local governments as prescribed by the Governmental Accounting Standards Board (GASB). All disclosures necessary to enable the reader to gain an understanding of the County's financial activities have been included.

Format

The report is presented in two sections: *Introductory and Financial*. The Introductory section includes this transmittal, an organizational chart, and a list of principal officials. The Financial section includes the independent auditor's report, management's discussion and analysis, the basic financial statements, required supplementary information, and the combining and individual fund and account group financial statements and schedules.

Reporting Entity

The financial reporting entity includes all the funds of the County as well as all of its component units. Component units are legally separate entities for which the primary government is financially accountable.

Blended Component Units – although legally separate entities, they are, in substance, part of the primary government's operations and are included as part of the primary government. The following organizations are reported within the combining and individual fund financial statements:

- Eaton County Department of Human Services
- Eaton County Medical Care Facility
- Eaton County Building Authority

Discretely Presented Component Units – are legally separate from the primary government and are reported in separate columns in the combined financial statements to differentiate their financial position and results of operations from those of the primary government. The following are reported as discretely presented component units:

- Eaton County Board of Public Works
- Eaton County Drainage Districts
- Eaton County Road Commission

Joint Ventures – are legal entities that result from a contractual arrangement, or interlocal agreement, which is owned, operated, or governed by two or more participants. The following is reported as a discretely presented component unit:

- Barry/Eaton District Health Department

The following **Related Organization** did not meet the financial accountability criteria and has been excluded from the County’s financial statements:

- Eaton County Transportation Authority

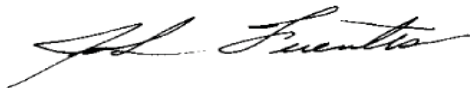
Financial Reporting and Auditing

The County is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and United States Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Information pertaining to this single audit, including the auditors’ reports on the internal control structure and compliance with laws and regulations, the schedule of federal awards and a schedule of findings and questioned costs, is presented in a separate report.

Independent Audit

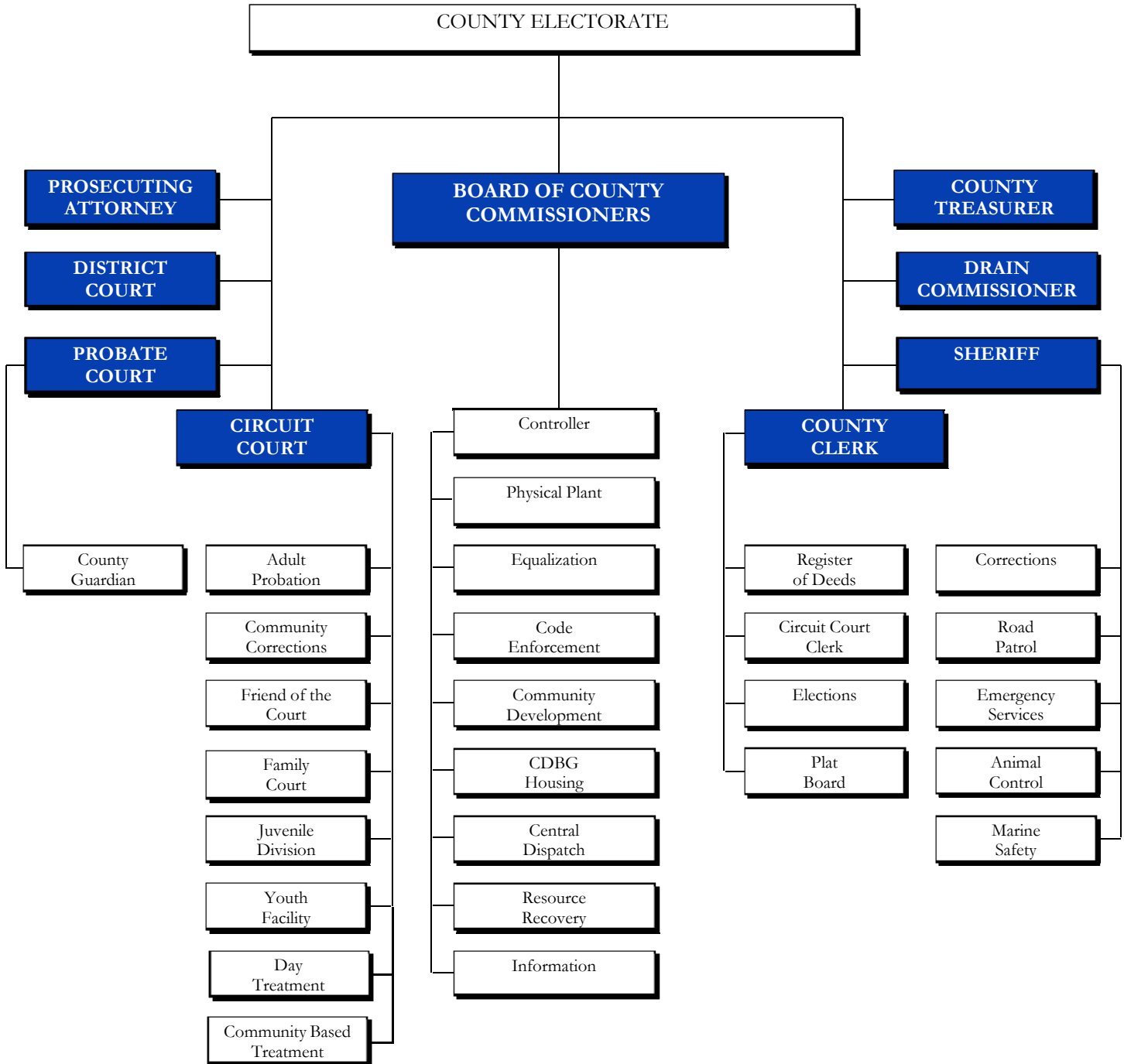
The State of Michigan requires that an annual audit of the financial records and transactions of all departments of the County be performed by an independent certified public accountant. In addition, the audit is designed to meet the requirements set forth in the Single Audit Act of 1984 and related OMB Circular A-133. The auditors’ report on the financial statements is included on the financial section of the report. The auditor’s reports related specifically to the single audit are presented in a separate report.

Respectfully submitted,



John Fuentes
Controller

ORGANIZATIONAL CHART



ELECTED OFFICIALS IN BLUE

PRINCIPAL OFFICIALS

Board of Commissioners

Michael Hosey	District 1
Harlan MacDowell	District 2
Theresa Abed	District 3
Carol Strachan	District 4
Jeanne Pearl-Wright	District 5
Leo Farhat Jr.	District 6
Glenn Freeman III - Vice Chairman	District 7
Joseph Brehler - Chairman	District 8
John Forell	District 9
Linda Keefe	District 10
Art Luna	District 11
L. Daryl Baker	District 12
Dale Barr	District 13
Denise Clarke	District 14
Richard Harris	District 15

County Clerk/Register of Deeds

M. Fran Fuller

County Sheriff

Michael Raines

County Treasurer

William Conarton, Jr.

Drain Commissioner

Michael Atayan

Prosecuting Attorney

Jeffrey Sauter

Administration

John Fuentes, CPA, Controller

Connie Sobie, Assistant Controller

FINANCIAL SECTION

(This page left intentionally
blank)

INDEPENDENT AUDITORS' REPORT

March 4, 2010

The Board of Commissioners
Eaton County, Michigan
Charlotte, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of **EATON COUNTY, MICHIGAN**, as of and for the year ended September 30, 2009, which collectively comprise the County's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Eaton County Road Commission, which represents 37% of the assets, and 43% of the revenues of the aggregate discretely presented component units of the County. Those financial statements were audited by other auditors whose report was furnished to us, and our opinion, insofar as it relates to the amounts included for the Eaton County Road Commission is based on the report of the other auditors.

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

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Eaton County, Michigan, as of September 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof, and the respective budgetary comparisons for the general fund and each major special revenue fund, for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis on pages 3-12 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our separate report dated March 4, 2010, on our consideration of Eaton County, Michigan's internal controls 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section and combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, based upon our audit and the report of other auditors, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

As discussed in Note O to the financial statements, the beginning net assets of the Drainage Districts discretely presented component unit were increased by \$50,000 to reflect a principal payment and subsequent reduction in long term debt that occurred in a prior year.

A handwritten signature in black ink, reading "Lehmann Lobson". The signature is written in a cursive, flowing style.

MANAGEMENT'S DISCUSSION and ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Eaton County, Michigan we offer the readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended September 30, 2009. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the accompanying basic financial statements.

Financial Highlights

- The assets of the County exceeded its liabilities at the close of the most recent fiscal year by \$47,343,306 (*net assets*). Of this amount, \$28,543,658 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The County's total net assets decreased by \$1,969,656 during 2009.
- As of the close of the current fiscal year, the County's governmental funds (this includes the general, special revenue, debt service, capital projects and permanent funds) reported combined ending fund balances of \$17,620,042, a decrease of \$1,782,898 in comparison with the prior year. Of the fund balance amount, \$17,448,712 is *available for spending* at the government's discretion (*unreserved fund balance*) subject to the inherent limitations of the various funds.
- The general fund had an increase of \$528,412 for 2009. At the end of the year, unreserved fund balance for the general fund was \$2,731,096, or approximately 10 percent of total general fund expenditures. Total fund balance for the general fund was \$2,902,426.
- The County's total bonded debt, which excludes delinquent tax notes, increased by \$5,480,000 during the current fiscal year.

Using this Annual Report

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the County as a whole (government-wide financial statements) and present a longer-term view of the County's finances. Fund financial statements tell how these services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the County's operations in more detail than the government-wide statements by providing information about the County's most significant funds.

The remaining statements provide financial information about activities for which the County acts solely as a trustee or agent for the benefit of those outside of the government. The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Reporting the County as a Whole

The Statement of Net Assets and the Statement of Activities. One of the most important questions asked about the County's finances is, "Is the County as a whole better off or worse off as a result of this year's activities?" The Statement of Net Assets and the Statement of Activities report information about the County as a whole and about its activities in a way that helps answer this question. These statements include *all* assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the County's *net assets* and changes in them. One can think of the County's net assets – the difference between assets and liabilities – as one way to measure the County's financial health, or *financial position*. Over time, *increases or decreases* in the County's net assets are one indicator of whether its *financial health* is improving or deteriorating. During 2009, the net assets of the County decreased by \$1,969,656.

The Statement of Net Assets and the Statement of Activities, present information about the following:

Governmental activities. All of the County’s basic services are considered to be governmental activities, including legislative, judicial, general government, public safety, public works, health and welfare, recreation and culture, and other activities. Property taxes, intergovernmental revenue and charges for services finance most of these activities.

Business-type activities. Other functions of the County that are intended to recover all or a significant portion of their costs through user fees and charges are considered to be business-type activities. These include delinquent tax collections and the medical care facility.

Component units. The County includes four legally separate entities in its financial statements: the Eaton County Department of Public Works, the Eaton County Drain Commissioner, the Barry/Eaton District Health Department, and the Eaton County Road Commission. Although legally separate, these “component units” are important because the County is financially accountable for them.

Financial statements for these *component units* are reported separately from the financial information presented for the primary government itself. The Eaton County Building Authority, although also legally separate, functions for all practical purposes as a department of the County, and therefore has been included as an integral part of the primary government.

The government-wide financial statements can be found on pages 13-15 of this report.

Reporting the County’s Most Significant Funds

Fund Financial Statements. The fund financial statements provide detailed information about the most significant funds – not the County as a whole. Some funds are required to be established by State law or bond covenants. However, the County establishes many other funds to help control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants and other money. The County’s two primary kinds of funds – *governmental and proprietary* – use different accounting approaches.

Governmental funds. Most of the County’s basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called the *modified accrual* basis of accounting, which measures cash and all other *financial* assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the County’s general governmental operations and the basic services it provides.

Governmental fund information helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the County’s programs. Because the focus of the 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 financing decisions.

Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The County maintains 65 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general, revenue sharing reserve, central dispatch and child care funds, each of which are considered to be major funds. Data from the other 61 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in the report.

The basic governmental fund financial statements can be found on pages 16-23 of this report.

Proprietary funds. 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 delinquent tax operations, medical care facility operations and the operation of a jail commissary. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for self-insurance and fringe benefit programs. Because these services predominantly benefit governmental rather than business-type functions, they have been included within the *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 fund financial statements provide separate information for the delinquent tax operation, medical care facility operation and the operation of the jail commissary. Conversely, all internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 24-27 of this report.

Reporting the County's Fiduciary Responsibilities

The County is the trustee, or *fiduciary*, for certain amounts on behalf of others. Fiduciary funds are used to account for the 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 County's fiduciary activities are reported in a separate Statement of Fiduciary Assets and Liabilities. The accounting used for fiduciary funds is much like that used for proprietary funds. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

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

Additional Information

Notes to Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 31-55 of this report.

The combining statements referred to earlier in connection with nonmajor governmental, enterprise and internal service funds are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 56-124 of this report.

Financial Analysis of the County as a Whole

The government-wide financial analysis focuses on the net assets and changes in net assets of the County's governmental and business-type activities. As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. As the following table demonstrates, the County's assets exceeded its liabilities by \$47,343,306 at September 30, 2009.

Eaton County's Net Assets

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Assets						
Current and other assets	\$ 26,014,003	\$ 26,826,407	\$ 17,658,316	\$ 13,308,797	\$ 43,672,319	\$ 40,135,204
Capital assets, net	30,152,820	30,209,885	14,961,572	9,989,241	45,114,392	40,199,126
Total assets	<u>56,166,823</u>	<u>57,036,292</u>	<u>32,619,888</u>	<u>23,298,038</u>	<u>88,786,711</u>	<u>80,334,330</u>
Liabilities						
Long-term liabilities	18,034,670	17,801,220	17,509,516	9,315,437	35,544,186	27,116,657
Other liabilities	4,376,164	3,317,075	1,523,055	587,636	5,899,219	3,904,711
Total liabilities	<u>22,410,834</u>	<u>21,118,295</u>	<u>19,032,571</u>	<u>9,903,073</u>	<u>41,443,405</u>	<u>31,021,368</u>
Net assets						
Invested in capital assets, net of related debt	14,040,213	14,288,800	3,076,719	3,479,241	17,116,932	17,768,041
Restricted	1,682,716	138,308	-	-	1,682,716	138,308
Unrestricted	<u>18,033,060</u>	<u>21,490,889</u>	<u>10,510,598</u>	<u>9,915,724</u>	<u>28,543,658</u>	<u>31,406,613</u>
Total net assets	<u>\$ 33,755,989</u>	<u>\$ 35,917,997</u>	<u>\$ 13,587,317</u>	<u>\$ 13,394,965</u>	<u>\$ 47,343,306</u>	<u>\$ 49,312,962</u>

A portion of the County's net assets, \$17,116,932 (36 percent) is its investment in capital assets (i.e., land, buildings, vehicles, equipment and infrastructure), net of any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net assets, \$1,682,716 (4 percent), represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets*, \$28,543,658 (60 percent), may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the County is able to report positive balances in all three categories (unrestricted, restricted and invested in capital assets, net of related debt) of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

The County's net assets decreased by \$1,969,656 during the current fiscal year – a decrease of \$2,162,008 for governmental activities and an increase of \$192,352 for business-type activities.

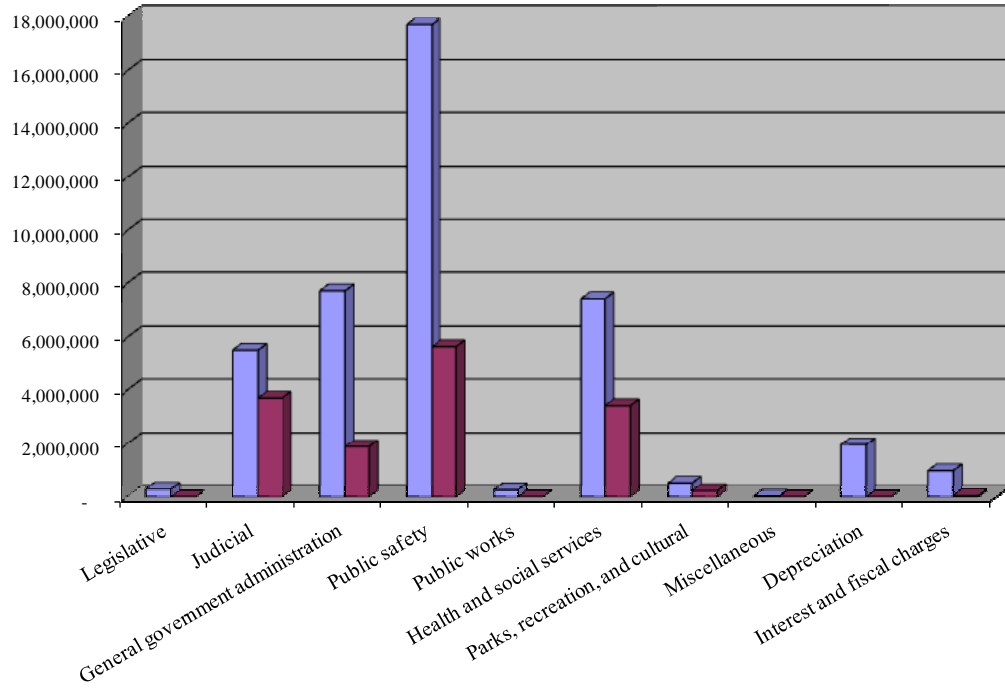
Governmental activities. Governmental activities decreased the County's net assets by \$2,162,008. Key elements of this decrease are as follows:

- Public safety expenses increased by \$717,571 due to the staffing for the operation of the expansion of the jail.
- Health and human services expenses increased by \$770,802 due to the increased cost of foster care and institutional care of youth.
- Depreciation expenses increased by \$406,685 related to the jail expansion.

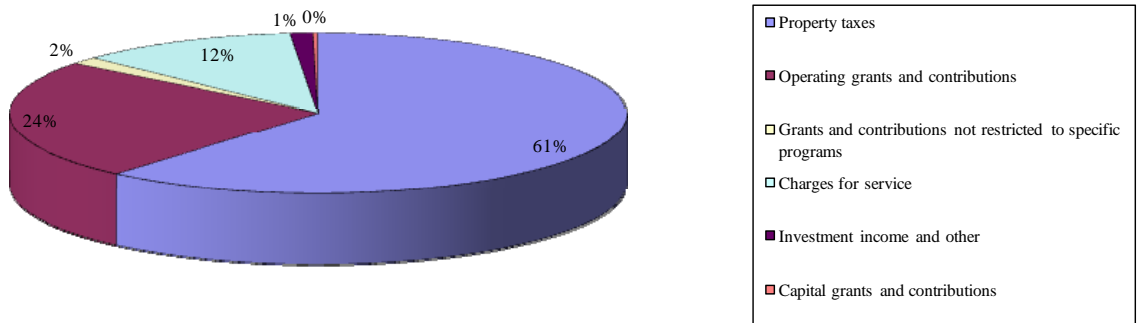
Eaton County's Changes in Net Assets

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Revenues						
Program revenues:						
Charges for services	\$ 4,185,947	\$ 4,782,023	\$ 10,704,769	\$ 10,004,611	\$ 14,890,716	\$ 14,786,634
Operating grants and contributions	10,056,058	10,090,965	24,817	25,562	10,080,875	10,116,527
Capital grants and contributions	-	99,923	-	-	-	99,923
General revenues:						
Property taxes	25,896,770	25,422,150	437,224	426,994	26,333,994	25,849,144
Grants and contributions not restricted to specific programs	818,094	599,218	-	-	818,094	599,218
Unrestricted investment earnings	233,036	488,995	87,545	170,713	320,581	659,708
Total revenues	41,189,905	41,483,274	11,254,355	10,627,880	52,444,260	52,111,154
Expenses						
Legislative	300,337	286,745	-	-	300,337	286,745
Judicial	5,547,675	5,534,145	-	-	5,547,675	5,534,145
General government	7,285,458	7,726,816	-	-	7,285,458	7,726,816
Public safety	18,436,397	17,718,826	-	-	18,436,397	17,718,826
Public works	290,401	265,907	-	-	290,401	265,907
Health and social services	8,202,883	7,432,081	-	-	8,202,883	7,432,081
Parks, recreation, and cultural	465,065	518,336	-	-	465,065	518,336
Miscellaneous	27,935	24,787	-	-	27,935	24,787
Unallocated depreciation	2,380,466	1,973,781	-	-	2,380,466	1,973,781
Interest on long-term debt	775,203	987,391	-	-	775,203	987,391
Medical Care Facility operation	-	-	10,551,911	9,127,346	10,551,911	9,127,346
Jail Commissary	-	-	22,909	21,326	22,909	21,326
Delinquent tax collections	-	-	127,276	206,326	127,276	206,326
Total expenses	43,711,820	42,468,815	10,702,096	9,354,998	54,413,916	51,823,813
Change in net assets before transfers	(2,521,915)	(985,541)	552,259	1,272,882	(1,969,656)	287,341
Transfers	359,907	364,052	(359,907)	(364,052)	-	-
Change in net assets	(2,162,008)	(621,489)	192,352	908,830	(1,969,656)	287,341
Net assets, beginning of year	35,917,997	36,539,486	13,394,965	12,486,135	49,312,962	49,025,621
Net assets, end of year	\$ 33,755,989	\$ 35,917,997	\$ 13,587,317	\$ 13,394,965	\$ 47,343,306	\$ 49,312,962

Expenses and Program Revenues - Governmental Activities



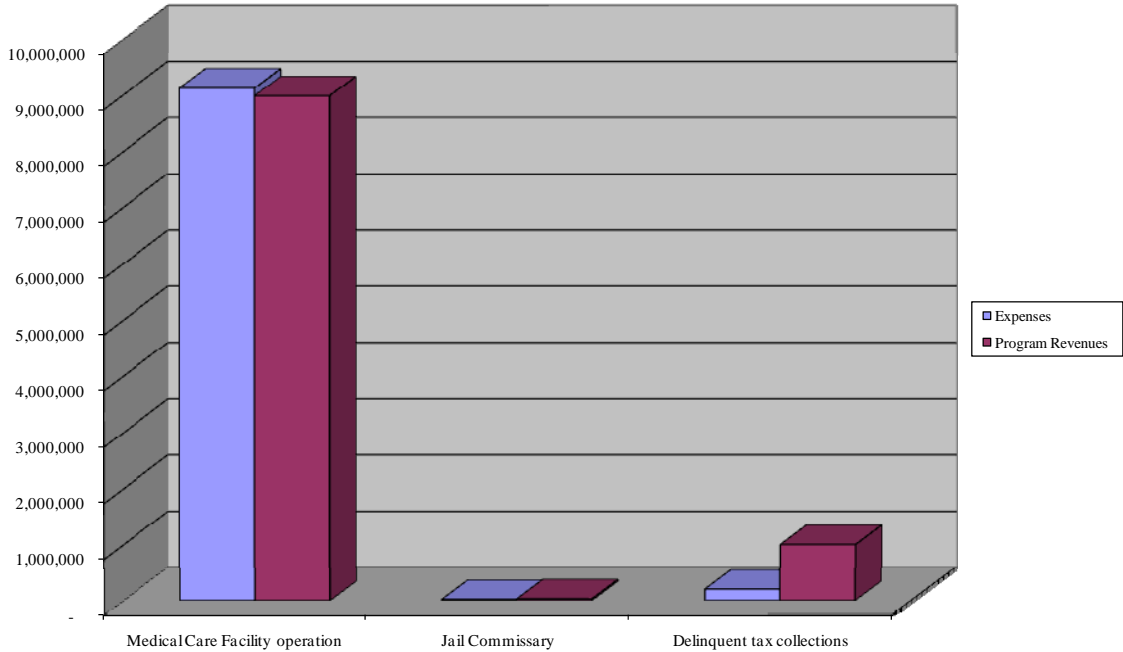
Revenue by Source - Governmental Activities



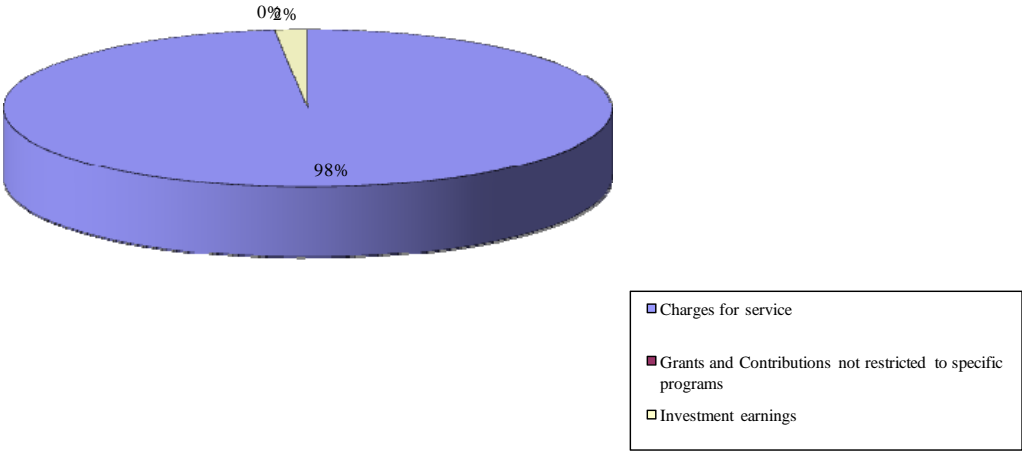
Business-type activities. Business-type activities increased the County’s net assets by \$192,352, for the current year. Key elements of the current year increase are as follows:

- Charges for services for business-type activities increased \$700,158 compared to the prior year due to the expansion of the Medical Care Facility and services provided.
- Investment earnings decreased by \$83,168 compared to the prior year due to declining interest rates.
- Medical Care Facility operation costs increased by \$1,424,565 due to the expansion of the facility.

Expenses and Program Revenues - Business-type Activities



Revenue by Source - Business-type Activities



Financial Analysis of the County's Funds

As noted earlier, Eaton 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, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$17,620,042 a decrease of \$1,782,898 in comparison with the prior year. Of the fund balance amount, \$17,448,712 constitutes *unreserved fund balance*, which is available for spending at the government's discretion.

The general fund is the chief operating fund of the County. At the end of the current fiscal year, unreserved fund balance of the general fund was \$2,731,096, while total fund balance was \$2,902,426. As a measure of the general fund's liquidity, it may be useful to compare unreserved fund balance to total fund expenditures. Unreserved fund balance represents 10 percent of the total general fund expenditures.

The fund balance of the County's general fund increased by \$528,412 during the current fiscal year. This is primarily attributable to reductions in staffing through attrition, retirement and vacant positions remaining unfilled during the fiscal year.

The revenue sharing reserve fund has a total fund balance of \$4,879,304 which is a result of drawing down the fund balance, as required by P.A. 357 of 2004, which was enacted to change the collection date of county allocated millages from December 1st to July 1st of each year, to replace the revenue lost by counties due to the elimination of statutory revenue sharing.

The central dispatch fund had a total fund balance of \$2,233,142, an increase of \$785,644 for the year.

The child care fund has a fund balance of \$82,278, a decrease of \$46,024 for the year.

Proprietary funds. The County's proprietary funds provide the same type of information in the government-wide financial statements, but in more detail.

Unrestricted net assets of the medical care facility, delinquent tax revolving, and jail commissary enterprise funds at the end of the year amounted to \$2,117,341, \$8,337,060, and \$56,197, respectively. The medical care facility had a decrease in net assets for the year of \$316,691, the delinquent tax revolving fund had an increase of \$504,956, and the jail commissary fund had an increase of \$4,087. Other factors concerning the finances of the enterprise funds have already been addressed in the discussion of the County's business-type activities.

General Fund Budgetary Highlights

Revenues in the general fund (including transfers in) decreased by \$10,746 from the original to the final budget. Expenditures in the general fund (including transfers out) decreased by \$110,746 from the original to the final budget.

Capital Asset and Debt Administration

Capital assets. The County's investment in capital assets for its governmental activities as of September 30, 2009 amounted to \$30,152,820 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, and vehicles and equipment. The net decrease in the County's investment in governmental activities capital assets for the current fiscal year was less than 0.2 percent. The County's business-type activities' capital assets increased by \$4,972,331 or 49.8 percent.

Major capital asset events during the current fiscal year included construction in progress for the medical care facility expansion project of \$5,753,421.

Eaton County's Capital Assets
(net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Land and land improvements	\$ 102,628	\$ 102,628	\$ 112,314	\$ 112,314	\$ 214,942	\$ 214,942
Buildings and improvements	27,642,179	15,846,919	8,411,481	8,782,330	36,053,660	24,629,249
Vehicles and equipment	2,382,677	3,029,047	684,356	777,676	3,067,033	3,806,723
Construction in progress	25,336	11,231,291	5,753,421	316,921	5,778,757	11,548,212
	<u>\$ 30,152,820</u>	<u>\$ 30,209,885</u>	<u>\$ 14,961,572</u>	<u>\$ 9,989,241</u>	<u>\$ 45,114,392</u>	<u>\$ 40,199,126</u>

Additional information on the County's capital assets can be found in note F. on pages 42-43 of this report.

Long-term debt. At the end of the current fiscal year, the County had total bonded debt outstanding of \$32,900,000.; this entire amount comprises debt backed by the full faith and credit of the County.

Eaton County's Outstanding Debt
General Obligation

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
General obligation bonds	\$ 15,685,000	\$ 15,410,000	\$ 11,715,000	\$ 6,510,000	\$ 27,400,000	\$ 21,920,000
Delinquent tax notes	-	-	5,500,000	2,700,000	5,500,000	2,700,000
	<u>\$ 15,685,000</u>	<u>\$ 15,410,000</u>	<u>\$ 17,215,000</u>	<u>\$ 9,210,000</u>	<u>\$ 32,900,000</u>	<u>\$ 24,620,000</u>

The County's total debt increased by \$8,280,000 (33.6 percent) during the current fiscal year. The County retired debt of \$565,000 in general obligation bonds during 2009.

During the year, the County issued \$5.5 million in delinquent tax notes and \$5.7 million in general obligation bonds for business-type activities.

The County has an "AA-" rating for general obligation bonds from Standard & Poor's.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total assessed valuation (i.e., State Equalized Value). The current debt limitation for the County is \$417,656,012, which is significantly in excess of the County's outstanding general obligation debt.

Additional information on the County's long-term debt can be found in note H on pages 44-47 of this report.

Economic Factors and next Year's Budgets and Rates

The following factors were considered in preparing the County's budget for the 2010 fiscal year:

- Property tax revenues are budgeted to decrease by 3% in 2010 due to the declining property tax values.
- Part of the State of Michigan's strategy for balancing its current and future budgets in 2004, was to eliminate county statutory revenue sharing. Changes in the General Property Tax Act, which changed when county property taxes are due and created a Revenue Sharing Reserve Fund, that the county can draw from, replaced this revenue. The County is restricted to drawing against this reserve fund to an amount equal to that which it would have otherwise received through the previous revenue sharing program, as calculated by the State (\$2,204,919 for 2010).
- The County reduced the general fund expenditure budget by \$906,897, a decrease of 2.8% by reducing personnel expenditures by \$622,743 and other expenditures by \$284,154. The reductions included the elimination of 12 full-time positions.

During the current fiscal year, unreserved fund balance in the general fund increased by \$503,680. The general rule of thumb is that fund balances can be used to help government weather bad times but should not be used as a means of funding routine operations. In 2010, the County has budgeted to use \$511,446 from fund balance in the general fund.

Contacting the County's Controller

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Eaton County Controller, 1045 Independence Boulevard, Charlotte, Michigan 48813.

(This page left intentionally
blank)

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

EATON COUNTY, MICHIGAN

Statement of Net Assets

September 30, 2009

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Totals	
Assets				
Cash and cash equivalents	\$ 13,300,425	\$ 9,642,219	\$ 22,942,644	\$ 16,295,315
Restricted cash	-	14,602	14,602	-
Investments	2,575,013	-	2,575,013	-
Receivables, net	9,830,650	7,827,996	17,658,646	45,854,045
Other assets	307,915	173,499	481,414	1,099,599
Leases receivable	-	-	-	11,123,774
Capital assets not being depreciated	127,964	5,865,735	5,993,699	59,030,650
Capital assets being depreciated, net	30,024,856	9,095,837	39,120,693	95,229,616
Total assets	56,166,823	32,619,888	88,786,711	228,632,999
Liabilities				
Accounts payable and accrued expenses	2,903,273	1,393,504	4,296,777	1,515,467
Interest payable	73,420	127,411	200,831	662,375
Unearned revenue	295,216	2,140	297,356	-
Short-term notes payable	-	-	-	50,000
Long-term liabilities:				
Due within one year	973,937	5,077,075	6,051,012	5,894,382
Due in more than one year	17,060,733	12,432,441	29,493,174	57,230,263
Net other postemployment benefit obligation	1,104,255	-	1,104,255	36,523
Total liabilities	22,410,834	19,032,571	41,443,405	65,389,010
Net assets				
Invested in capital assets, net of related debt	14,040,213	3,246,572	17,286,785	103,853,523
Restricted for:				
Debt service	698,060	-	698,060	3,505,394
Capital projects	850,065	-	850,065	-
Permanent trusts	134,591	-	134,591	-
Unrestricted	18,033,060	10,340,745	28,373,805	55,885,072
Total net assets	\$ 33,755,989	\$ 13,587,317	\$ 47,343,306	\$ 163,243,989

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

EATON COUNTY, MICHIGAN
Statement of Activities
For the Year Ended September 30, 2009

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Primary government					
Governmental activities:					
Legislative	\$ 300,337	\$ -	\$ -	\$ -	\$ (300,337)
Judicial	5,547,675	1,726,515	1,760,318	-	(2,060,842)
General government	7,285,458	1,088,325	473,140	-	(5,723,993)
Public safety	18,436,397	972,761	4,114,444	-	(13,349,192)
Public works	290,401	-	-	-	(290,401)
Health and social services	8,202,883	298,401	3,652,112	-	(4,252,370)
Parks, recreation, and cultural	465,065	99,945	4,114	-	(361,006)
Miscellaneous	27,935	-	-	-	(27,935)
Unallocated depreciation	2,380,466	-	-	-	(2,380,466)
Interest on long-term debt	775,203	-	51,930	-	(723,273)
Total governmental activities	<u>43,711,820</u>	<u>4,185,947</u>	<u>10,056,058</u>	<u>-</u>	<u>(29,469,815)</u>
Business-type activities:					
Medical Care Facility operation	10,551,911	9,595,256	-	-	(956,655)
Jail Commissary	22,909	26,996	-	-	4,087
Delinquent tax collections	127,276	1,082,517	24,817	-	980,058
Total business-type activities	<u>10,702,096</u>	<u>10,704,769</u>	<u>24,817</u>	<u>-</u>	<u>27,490</u>
Total primary government	<u><u>\$ 54,413,916</u></u>	<u><u>\$ 14,890,716</u></u>	<u><u>\$ 10,080,875</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (29,442,325)</u></u>
Component units					
Board of Public Works	\$ 343,415	\$ -	\$ 170,909	\$ -	\$ (172,506)
Drainage Districts	3,177,783	24,446	191,127	6,898,511	3,936,301
District Health Department	6,229,246	1,258,551	4,907,286	-	(63,409)
Road Commission	12,003,076	73,347	10,090,476	-	(1,839,253)
Total component units	<u><u>\$ 21,753,520</u></u>	<u><u>\$ 1,356,344</u></u>	<u><u>\$ 15,359,798</u></u>	<u><u>\$ 6,898,511</u></u>	<u><u>\$ 1,861,133</u></u>

Continued...

EATON COUNTY, MICHIGAN
Statement of Activities (Concluded)
For the Year Ended September 30, 2009

	Primary Government		Totals	Component Units
	Governmental Activities	Business-type Activities		
Change in net assets				
Net (expense) revenue	\$ (29,469,815)	\$ 27,490	\$ (29,442,325)	\$ 1,861,133
General revenues:				
Property taxes	25,896,770	437,224	26,333,994	-
Grants and contributions not restricted to specific programs	818,094	-	818,094	-
Unrestricted investment earnings	233,036	87,545	320,581	15,231
Transfers - internal activities	359,907	(359,907)	-	-
Total general revenues and transfers	27,307,807	164,862	27,472,669	15,231
Change in net assets	(2,162,008)	192,352	(1,969,656)	1,876,364
Net assets, October 1, as restated	35,917,997	13,394,965	49,312,962	161,367,625
Net assets, September 30	\$ 33,755,989	\$ 13,587,317	\$ 47,343,306	\$ 163,243,989

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

(This page left intentionally
blank)

FUND FINANCIAL STATEMENTS

EATON COUNTY, MICHIGAN
Balance Sheet - Governmental Funds
September 30, 2009

	<u>Special Revenue Funds</u>					<u>Total Governmental Funds</u>
	<u>General</u>	<u>Revenue Sharing Reserve</u>	<u>Central Dispatch</u>	<u>Child Care</u>	<u>Other Governmental Funds</u>	
<u>ASSETS</u>						
Assets						
Cash and cash equivalents	\$ -	\$ 458,704	\$ 2,326,990	\$ -	\$ 7,867,577	\$ 10,653,271
Receivables:						
Property taxes	8,039,179	-	43,085	-	50,388	8,132,652
Accounts, net	107,709	-	-	25,363	50,424	183,496
Due from other governments:						
Federal/State	478,168	-	-	669,151	202,703	1,350,022
Local	12,982	-	-	-	-	12,982
Due from other funds	6,228	-	-	-	-	6,228
Interfund receivable	-	4,420,600	-	-	-	4,420,600
Prepays	21,330	-	-	-	-	21,330
Advances to component unit	150,000	-	-	-	-	150,000
	<u>\$ 8,815,596</u>	<u>\$ 4,879,304</u>	<u>\$ 2,370,075</u>	<u>\$ 694,514</u>	<u>\$ 8,171,092</u>	<u>\$ 24,930,581</u>
<u>TOTAL ASSETS</u>						
 <u>LIABILITIES AND FUND BALANCES</u>						
Liabilities						
Accounts payable	\$ 634,858	\$ -	\$ 10,597	\$ 374,076	\$ 284,411	\$ 1,303,942
Accrued liabilities	692,804	-	71,230	90,662	137,632	992,328
Due to other governmental units:						
Federal/State	-	-	-	29,395	91,808	121,203
Due to other funds	127,257	-	12,021	10,828	27,144	177,250
Interfund payable	4,256,508	-	-	107,275	56,817	4,420,600
Deferred revenue	201,743	-	43,085	-	50,388	295,216
	<u>5,913,170</u>	<u>-</u>	<u>136,933</u>	<u>612,236</u>	<u>648,200</u>	<u>7,310,539</u>
Total liabilities						
Fund balances						
Reserved for prepaids/advances	171,330	-	-	-	-	171,330
Unreserved:						
Designated for:						
Subsequent year expenditures	511,446	2,204,919	23,661	-	-	2,740,026
Subsequent year expenditures, reported in nonmajor special revenue funds	-	-	-	-	895,868	895,868
Undesignated	2,219,650	2,674,385	2,209,481	82,278	-	7,185,794
Undesignated, reported in nonmajor:						
Special revenue funds	-	-	-	-	4,944,308	4,944,308
Debt service funds	-	-	-	-	698,060	698,060
Capital project funds	-	-	-	-	850,065	850,065
Permanent funds	-	-	-	-	134,591	134,591
	<u>2,902,426</u>	<u>4,879,304</u>	<u>2,233,142</u>	<u>82,278</u>	<u>7,522,892</u>	<u>17,620,042</u>
Total fund balances						
	<u>\$ 8,815,596</u>	<u>\$ 4,879,304</u>	<u>\$ 2,370,075</u>	<u>\$ 694,514</u>	<u>\$ 8,171,092</u>	<u>\$ 24,930,581</u>
<u>TOTAL LIABILITIES AND FUND BALANCES</u>						

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

EATON COUNTY, MICHIGAN
Reconciliation of Fund Balances on the Balance Sheet
for Governmental Funds to Net Assets of
Governmental Activities on the Statement of Net Assets
September 30, 2009

Total fund balances for governmental funds \$ 17,620,042

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

Add - capital assets	\$ 54,288,111	
Deduct - accumulated depreciation	<u>(24,135,291)</u>	30,152,820

Long-term bonded debt is not due and payable in the current period and therefore not reported in the funds. Unamortized premiums, loss on refundings, and interest payable are not reported in the funds. However, these amounts are included in the Statement of Net Assets. This is the net effect of these balances on the statement.

Deduct - bonds and notes payable	(16,112,607)	
Deduct - interest payable	(73,420)	
Deduct - other postemployment benefit obligation	<u>(1,104,255)</u>	(17,290,282)

Internal service funds are used by management to charge costs of certain activities, such as insurance, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Assets. 5,195,472

Accrued vacation and sick time earned by eligible employees is not payable in the current period and therefore is not reported in the funds; however, these amounts are included in the Statement of Net Assets. (1,922,063)

Net assets of governmental activities \$ 33,755,989

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

EATON COUNTY, MICHIGAN
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2009

	<u>Special Revenue Funds</u>				<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
	<u>General</u>	<u>Revenue Sharing Reserve</u>	<u>Central Dispatch</u>	<u>Child Care</u>		
Revenues						
Property taxes	\$ 18,750,859	\$ -	\$ 3,304,176	\$ -	\$ 3,841,735	\$ 25,896,770
Licenses and permits	210,332	-	-	-	164,405	374,737
Intergovernmental:						
Federal/State	3,046,987	-	237,605	2,448,872	1,625,096	7,358,560
Local	2,932,465	-	4,081	12,515	51,930	3,000,991
Charges for services	2,307,870	-	-	140	1,042,808	3,350,818
Fines and forfeitures	172,997	-	-	-	13,847	186,844
Interest and rents	335,319	7,319	-	-	6,085	348,723
Miscellaneous	193,225	-	-	148,065	177,030	518,320
Total revenues	27,950,054	7,319	3,545,862	2,609,592	6,922,936	41,035,763
Expenditures						
Current:						
Legislative	304,793	-	-	-	-	304,793
Judicial	5,315,972	-	-	-	157,747	5,473,719
General government	6,629,794	-	-	-	124,529	6,754,323
Public safety	12,788,352	-	2,396,146	-	3,044,304	18,228,802
Public works	290,401	-	-	-	-	290,401
Health and social services	1,748,850	-	-	4,978,232	1,527,213	8,254,295
Parks, recreation and culture	15,000	-	-	-	442,746	457,746
Miscellaneous	12,449	-	-	-	15,486	27,935
Capital outlay	317,775	-	56,749	-	2,439,940	2,814,464
Debt service:						
Principal	-	-	-	-	708,019	708,019
Interest and fiscal charges	-	-	-	-	764,071	764,071
Total expenditures	27,423,386	-	2,452,895	4,978,232	9,224,055	44,078,568
Revenues over (under) expenditures	526,668	7,319	1,092,967	(2,368,640)	(2,301,119)	(3,042,805)
Other financing sources (uses)						
Transfers in	2,999,738	-	-	2,322,616	3,978,418	9,300,772
Transfers out	(2,997,994)	(2,172,334)	(307,323)	-	(3,463,214)	(8,940,865)
Long-term debt issued	-	-	-	-	900,000	900,000
Total other sources (uses)	1,744	(2,172,334)	(307,323)	2,322,616	1,415,204	1,259,907
Net change in fund balances	528,412	(2,165,015)	785,644	(46,024)	(885,915)	(1,782,898)
Fund balances, October 1	2,374,014	7,044,319	1,447,498	128,302	8,408,807	19,402,940
Fund balances, September 30	\$ 2,902,426	\$ 4,879,304	\$ 2,233,142	\$ 82,278	\$ 7,522,892	\$ 17,620,042

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

EATON COUNTY, MICHIGAN
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended September 30, 2009

Net change in fund balance - total governmental funds \$ (1,782,898)

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the costs of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Add - capital outlay	\$	2,331,239	
Deduct - depreciation expense		(2,380,466)	
Deduct - loss on disposal of capital assets		<u>(7,838)</u>	(57,065)

Bond proceeds provide current financial resources to the governmental funds by issuing debt which increases long-term bonded debt in the Statement of Net Assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term bonded debt in the Statement of Net Assets.

Add - repayment of debt principal			708,019
Deduct - issuance of debt			(900,000)

Accrued interest expense on bonds is not recorded by governmental funds, but is reported under interest and fiscal charges for purposes of net assets.

Deduct - increase in accrued interest expense			(11,591)
---	--	--	----------

Some expenses reported in the Statement of Activities do not require the use current financial resources and therefore are not reported as fund expenditures.

Deduct - increase in accrued compensated absences			(41,928)
Add - amortization of debt-related costs			459
Deduct - increase in obligation for other postemployment benefits			(1,104,255)

Internal service funds are used by management to charge costs of certain activities, such as insurance, to individual funds. The net change in net assets of the internal service funds is reported with governmental activities in the Statement of Activities.

1,027,251

Changes in net assets of governmental activities \$ (2,162,008)

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

EATON COUNTY, MICHIGAN
Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
General Fund
For the Year Ended September 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget + (-)</u>
Revenues				
Taxes	\$ 19,117,090	\$ 19,117,090	\$ 18,750,859	\$ (366,231)
Licenses and permits	209,000	209,000	210,332	1,332
Intergovernmental:				
Federal/State	3,346,826	3,334,573	3,046,987	(287,586)
Local	2,939,676	2,939,676	2,932,465	(7,211)
Charges for services	2,603,710	2,603,710	2,307,870	(295,840)
Fines and forfeitures	158,000	158,000	172,997	14,997
Interest and rents	519,829	519,829	335,319	(184,510)
Miscellaneous	266,870	266,870	193,225	(73,645)
 Total revenues	 <u>29,161,001</u>	 <u>29,148,748</u>	 <u>27,950,054</u>	 <u>(1,198,694)</u>
Expenditures				
Current:				
Legislative	298,427	328,427	304,793	23,634
Judicial	5,724,735	5,724,240	5,315,972	408,268
General government	7,042,245	7,077,904	6,629,794	448,110
Public safety	13,862,117	13,845,649	12,788,352	1,057,297
Public works	370,440	370,052	290,401	79,651
Health and social services	1,790,022	1,814,022	1,748,850	65,172
Parks, recreation and cultural	15,000	15,000	15,000	-
Miscellaneous	530,162	76,683	12,449	64,234
Capital outlay	405,325	406,129	317,775	88,354
 Total expenditures	 <u>30,038,473</u>	 <u>29,658,106</u>	 <u>27,423,386</u>	 <u>2,234,720</u>
 Revenues over (under) expenditures	 <u>(877,472)</u>	 <u>(509,358)</u>	 <u>526,668</u>	 <u>1,036,026</u>
Other financing sources (uses)				
Transfers in	2,935,909	2,937,416	2,999,738	62,322
Transfers out	(2,879,027)	(3,148,648)	(2,997,994)	150,654
 Total other sources (uses)	 <u>56,882</u>	 <u>(211,232)</u>	 <u>1,744</u>	 <u>212,976</u>
 Net changes in fund balance	 <u>(820,590)</u>	 <u>(720,590)</u>	 <u>528,412</u>	 <u>1,249,002</u>
Fund balance, October 1	<u>2,374,014</u>	<u>2,374,014</u>	<u>2,374,014</u>	<u>-</u>
 Fund balance, September 30	 <u><u>\$ 1,553,424</u></u>	 <u><u>\$ 1,653,424</u></u>	 <u><u>\$ 2,902,426</u></u>	 <u><u>\$ 1,249,002</u></u>

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

EATON COUNTY, MICHIGAN
Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Revenue Sharing Reserve Special Revenue Fund
For the Year Ended September 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget + (-)</u>
Revenues				
Interest and rents	\$ -	\$ -	\$ 7,319	\$ 7,319
Other financing uses				
Transfers out	<u>(2,080,780)</u>	<u>(2,080,780)</u>	<u>(2,172,334)</u>	<u>(91,554)</u>
Net changes in fund balance	(2,080,780)	(2,080,780)	(2,165,015)	(84,235)
Fund balance, October 1	<u>7,044,319</u>	<u>7,044,319</u>	<u>7,044,319</u>	<u>-</u>
Fund balance, September 30	<u>\$ 4,963,539</u>	<u>\$ 4,963,539</u>	<u>\$ 4,879,304</u>	<u>\$ (84,235)</u>

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

EATON COUNTY, MICHIGAN
Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Central Dispatch Special Revenue Fund
For the Year Ended September 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget + (-)</u>
Revenues				
Taxes	\$ 3,330,063	\$ 3,330,063	\$ 3,304,176	\$ (25,887)
Intergovernmental:				
Federal/State	198,526	206,026	237,605	31,579
Local	500	500	4,081	3,581
Interest and rents	5,000	5,000	-	(5,000)
	<u>3,534,089</u>	<u>3,541,589</u>	<u>3,545,862</u>	<u>4,273</u>
Total revenues				
Expenditures				
Current - public safety	2,714,713	2,709,748	2,396,146	313,602
Capital outlay	76,000	111,722	56,749	54,973
	<u>2,790,713</u>	<u>2,821,470</u>	<u>2,452,895</u>	<u>368,575</u>
Total expenditures				
Revenues over expenditures	743,376	720,119	1,092,967	372,848
Other financing uses				
Transfers out	(305,204)	(307,323)	(307,323)	-
	<u>438,172</u>	<u>412,796</u>	<u>785,644</u>	<u>372,848</u>
Net changes in fund balance				
Fund balance, October 1	1,447,498	1,447,498	1,447,498	-
Fund balance, September 30	<u>\$ 1,885,670</u>	<u>\$ 1,860,294</u>	<u>\$ 2,233,142</u>	<u>\$ 372,848</u>

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

EATON COUNTY, MICHIGAN
Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Child Care Special Revenue Fund
For the Year Ended September 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget + (-)</u>
Revenues				
Intergovernmental:				
Federal/State	\$ 2,420,877	\$ 2,420,877	\$ 2,448,872	\$ 27,995
Local	5,000	5,000	12,515	7,515
Charges for services	50	50	140	90
Miscellaneous	163,000	163,000	148,065	(14,935)
	<u>2,588,927</u>	<u>2,588,927</u>	<u>2,609,592</u>	<u>20,665</u>
Total revenues				
Expenditures				
Current - health and social services	<u>5,152,391</u>	<u>5,152,391</u>	<u>4,978,232</u>	<u>174,159</u>
Revenues under expenditures	(2,563,464)	(2,563,464)	(2,368,640)	194,824
Other financing sources				
Transfers in	<u>2,528,135</u>	<u>2,528,135</u>	<u>2,322,616</u>	<u>(205,519)</u>
Net changes in fund balance	(35,329)	(35,329)	(46,024)	(10,695)
Fund balance, October 1	<u>128,302</u>	<u>128,302</u>	<u>128,302</u>	<u>-</u>
Fund balance, September 30	<u>\$ 92,973</u>	<u>\$ 92,973</u>	<u>\$ 82,278</u>	<u>\$ (10,695)</u>

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

EATON COUNTY, MICHIGAN

Statement of Net Assets

Proprietary Funds

September 30, 2009

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Medical Care Facility	Delinquent Tax Revolving	Jail Commissary	Total	
Assets					
Current assets:					
Cash and cash equivalents	\$ 2,641,701	\$ 6,947,587	\$ 52,931	\$ 9,642,219	\$ 2,647,154
Restricted cash	14,602	-	-	14,602	-
Investments	-	-	-	-	2,575,013
Receivables:					
Property taxes	-	6,803,846	-	6,803,846	-
Accounts, net	921,925	-	2,864	924,789	-
Other	-	12,668	-	12,668	1,498
Due from other funds	-	-	-	-	171,325
Due from other governments	-	86,693	-	86,693	-
Inventories	86,378	-	1,335	87,713	-
Prepays	3,566	-	-	3,566	286,585
Unamortized bond issuance costs	82,220	-	-	82,220	-
Total current assets	3,750,392	13,850,794	57,130	17,658,316	5,681,575
Noncurrent assets:					
Land	112,314	-	-	112,314	-
Construction in progress	5,753,421	-	-	5,753,421	-
Buildings	10,052,011	-	-	10,052,011	-
Equipment	1,360,203	-	-	1,360,203	-
Accumulated depreciation	(2,316,377)	-	-	(2,316,377)	-
Total noncurrent assets	14,961,572	-	-	14,961,572	-
Total assets	18,711,964	13,850,794	57,130	32,619,888	5,681,575
Liabilities					
Current liabilities:					
Accounts payable	950,743	801	124	951,668	5,219
Accrued liabilities	414,184	-	809	414,993	480,581
Due to other funds	-	-	-	-	303
Due to other governments	-	12,933	-	12,933	-
Interest payable	127,411	-	-	127,411	-
Unearned revenue	2,140	-	-	2,140	-
Payable from restricted assets	13,910	-	-	13,910	-
Current portion of:					
Accrued compensated absences	31,166	-	-	31,166	-
Lease payable	30,909	-	-	30,909	-
Bonds and notes payable	515,000	4,500,000	-	5,015,000	-
Total current liabilities	2,085,463	4,513,734	933	6,600,130	486,103
Noncurrent liabilities -					
Long-term debt, net of current portion:					
Accrued compensated absences	93,497	-	-	93,497	-
Lease payable	138,944	-	-	138,944	-
Bonds and notes payable	11,200,000	1,000,000	-	12,200,000	-
Total noncurrent liabilities	11,432,441	1,000,000	-	12,432,441	-
Total liabilities	13,517,904	5,513,734	933	19,032,571	486,103
Net assets					
Invested in capital assets, net					
of related debt	3,246,572	-	-	3,246,572	-
Unrestricted	1,947,488	8,337,060	56,197	10,340,745	5,195,472
Total net assets	\$ 5,194,060	\$ 8,337,060	\$ 56,197	\$ 13,587,317	\$ 5,195,472

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

EATON COUNTY, MICHIGAN
Statement of Revenues, Expenses and
Changes in Net Assets
Proprietary funds
For the Year Ended September 30, 2009

	<u>Business-type Activities - Enterprise Funds</u>				<u>Governmental Activities - Internal Service Funds</u>
	<u>Medical Care Facility</u>	<u>Delinquent Tax Revolving</u>	<u>Jail Commissary</u>	<u>Total</u>	
Operating revenues					
Property taxes	\$ 437,224	\$ -	\$ -	\$ 437,224	\$ -
Charges for services	9,595,256	-	-	9,595,256	10,041,408
Interest on taxes	-	785,321	-	785,321	-
Sales	-	-	26,996	26,996	-
Administrative fees/penalties	-	297,196	-	297,196	-
Other revenues	-	24,817	-	24,817	1,051
	<u>10,032,480</u>	<u>1,107,334</u>	<u>26,996</u>	<u>11,166,810</u>	<u>10,042,459</u>
Operating expenses					
Personal services and benefits	7,079,587	8,046	19,812	7,107,445	1,769,470
Operating supplies	622,879	26,259	-	649,138	-
Contractual services	500,987	37,072	3,097	541,156	226,564
Insurance and claims	-	-	-	-	7,173,316
Depreciation and amortization	377,937	-	-	377,937	-
Tax tribunal refunds	-	52,884	-	52,884	-
Other expenses	1,493,816	1,921	-	1,495,737	-
	<u>10,075,206</u>	<u>126,182</u>	<u>22,909</u>	<u>10,224,297</u>	<u>9,169,350</u>
Operating income (loss)	<u>(42,726)</u>	<u>981,152</u>	<u>4,087</u>	<u>942,513</u>	<u>873,109</u>
Nonoperating revenues (expenses)					
Interest income	62,647	24,898	-	87,545	94,474
Interest expense	(476,705)	(1,094)	-	(477,799)	-
Unrealized gain on investment	-	-	-	-	59,668
	<u>(414,058)</u>	<u>23,804</u>	<u>-</u>	<u>(390,254)</u>	<u>154,142</u>
Total nonoperating revenues (expenses)	<u>(414,058)</u>	<u>23,804</u>	<u>-</u>	<u>(390,254)</u>	<u>154,142</u>
Income (loss) before transfers	(456,784)	1,004,956	4,087	552,259	1,027,251
Transfers in	140,093	682,468	-	822,561	-
Transfers out	-	(1,182,468)	-	(1,182,468)	-
Change in net assets	(316,691)	504,956	4,087	192,352	1,027,251
Net assets, October 1	<u>5,510,751</u>	<u>7,832,104</u>	<u>52,110</u>	<u>13,394,965</u>	<u>4,168,221</u>
Net assets, September 30	<u>\$ 5,194,060</u>	<u>\$ 8,337,060</u>	<u>\$ 56,197</u>	<u>\$ 13,587,317</u>	<u>\$ 5,195,472</u>

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

EATON COUNTY, MICHIGAN
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2009

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Medical Care Facility	Delinquent Tax Revolving	Jail Commissary	Total	
Cash flows from operating activities					
Cash received from customers	\$ 9,484,377	\$ 8,464,915	\$ 26,268	\$ 17,975,560	\$ -
Cash received from interfund services	-	-	-	-	10,033,064
Cash paid to local units for receivables	-	(8,234,718)	-	(8,234,718)	-
Cash paid to/for employees	(6,955,043)	(8,046)	(19,861)	(6,982,950)	(3,299,491)
Cash paid to suppliers	(1,907,625)	(60,926)	(3,816)	(1,972,367)	(5,751,656)
Other receipts	437,224	24,817	-	462,041	-
Net cash provided by operating activities	<u>1,058,933</u>	<u>186,042</u>	<u>2,591</u>	<u>1,247,566</u>	<u>981,917</u>
Cash flows from noncapital financing activities					
Transfer in	140,093	682,468	-	822,561	-
Transfer out	-	(1,182,468)	-	(1,182,468)	-
Tax notes issued	-	5,500,000	-	5,500,000	-
Tax notes redeemed	-	(2,700,000)	-	(2,700,000)	-
Interest paid on tax notes / advances	-	(1,094)	-	(1,094)	-
Increase in restricted liabilities	1,213	-	-	1,213	-
Net cash provided by noncapital financing activities	<u>141,306</u>	<u>2,298,906</u>	<u>-</u>	<u>2,440,212</u>	<u>-</u>
Cash flows from capital and related financing activities					
Interest paid on debt	(399,858)	-	-	(399,858)	-
Principal paid on debt	(500,147)	-	-	(500,147)	-
Proceeds from issuance of long-term debt	5,875,000	-	-	5,875,000	-
Capital acquisitions	(5,350,268)	-	-	(5,350,268)	-
Net cash used by capital and related financing activities	<u>(375,273)</u>	<u>-</u>	<u>-</u>	<u>(375,273)</u>	<u>-</u>
Cash flows from investing activities					
Purchase of investments	-	-	-	-	(295,658)
Interest received	62,647	24,898	-	87,545	94,474
Net cash provided by investing activities	<u>62,647</u>	<u>24,898</u>	<u>-</u>	<u>87,545</u>	<u>(201,184)</u>
Net increase in cash and cash equivalents	887,613	2,509,846	2,591	3,400,050	780,733
Cash and cash equivalents, October 1	<u>1,768,690</u>	<u>4,437,741</u>	<u>50,340</u>	<u>6,256,771</u>	<u>1,866,421</u>
Cash and cash equivalents, September 30	<u>\$ 2,656,303</u>	<u>\$ 6,947,587</u>	<u>\$ 52,931</u>	<u>\$ 9,656,821</u>	<u>\$ 2,647,154</u>

Continued...

EATON COUNTY, MICHIGAN
Statement of Cash Flows (Concluded)
Proprietary Funds
For the Year Ended September 30, 2009

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Medical Care Facility	Delinquent Tax Revolving	Jail Commissary	Total	
Statement of Net Assets Classification of Cash					
Current assets - Cash and cash equivalents	\$ 2,641,701	\$ 6,947,587	\$ 52,931	\$ 9,642,219	\$ 2,647,154
Restricted assets - Cash and cash equivalents	14,602	-	-	14,602	-
Total	<u>\$ 2,656,303</u>	<u>\$ 6,947,587</u>	<u>\$ 52,931</u>	<u>\$ 9,656,821</u>	<u>\$ 2,647,154</u>
Reconciliation of operating income to net cash provided (used) by operating activities					
Operating income (loss)	\$ (42,726)	\$ 981,152	\$ 4,087	\$ 942,513	\$ 873,109
Adjustments to reconcile operating income to net cash provided (used) by operating (loss) activities:					
Depreciation and amortization	377,937	-	-	377,937	-
Change in assets and liabilities:					
Taxes receivable	-	(703,866)	-	(703,866)	-
Accounts receivable	(110,879)	(8,877)	(728)	(120,484)	(388)
Due from other governments	-	(86,693)	-	(86,693)	-
Due from other funds	-	-	-	-	(9,388)
Inventories	(6,382)	-	(519)	(6,901)	-
Prepays	(3,566)	-	-	(3,566)	314,744
Accounts payable	718,867	(8,607)	(200)	710,060	(158,983)
Accrued liabilities	105,318	-	62	105,380	(37,480)
Due to other governments	-	12,933	-	12,933	-
Due to other funds	-	-	(111)	(111)	303
Unearned revenue	1,138	-	-	1,138	-
Accrued compensated absences	19,226	-	-	19,226	-
Net cash provided by operating activities	<u>\$ 1,058,933</u>	<u>\$ 186,042</u>	<u>\$ 2,591</u>	<u>\$ 1,247,566</u>	<u>\$ 981,917</u>

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

EATON COUNTY, MICHIGAN
Statement of Fiduciary Net Assets
Fiduciary Funds
September 30, 2009

	Agency Funds
Assets	
Cash and cash equivalents	\$ 9,173,726
Accounts receivable	14,715
Total assets	\$ 9,188,441
 Liabilities	
Accounts payable	\$ 7,736,791
Due to individuals/agencies	1,168,282
Due to other governmental units	283,368
Total liabilities	\$ 9,188,441

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

EATON COUNTY, MICHIGAN
Combining Statement of Net Assets
Discretely Presented Component Units
September 30, 2009

	<u>Road Commission</u>	<u>Board of Public Works</u>	<u>Drainage Districts</u>	<u>District Health</u>	<u>Total</u>
Assets					
Cash and cash equivalents	\$ 468,418	\$ 936,738	\$ 13,382,085	\$ 1,508,074	\$ 16,295,315
Receivables:					
Special assessments		-	43,475,221	-	43,475,221
Accounts, net	13,907	-	-	688,523	702,430
Due from other governmental units:					
Federal/State	1,371,228	-	-	-	1,371,228
Local	305,166	-	-	-	305,166
Inventories	331,625	-	-	-	331,625
Prepays	463,977	-	-	8,814	472,791
Leases receivable	-	11,123,774	-	-	11,123,774
Bond issuance costs	-	111,675	183,508	-	295,183
Capital assets not being depreciated	23,032,104	-	35,998,546	-	59,030,650
Capital assets being depreciated, net	57,708,940	-	37,360,160	160,516	95,229,616
	<u>83,695,365</u>	<u>12,172,187</u>	<u>130,399,520</u>	<u>2,365,927</u>	<u>228,632,999</u>
Total assets					
Liabilities					
Accounts payable	360,471	-	235,507	109,759	705,737
Accrued liabilities	266,892	-	-	242,889	509,781
Interest payable	26,612	41,433	594,330	-	662,375
Contract retainage payable	149,949	-	-	-	149,949
Advances from primary government	-	-	50,000	100,000	150,000
Short-term notes payable	-	-	50,000	-	50,000
Long-term debt:					
Due within one year	500,000	1,090,000	4,270,536	33,846	5,894,382
Due in more than one year	4,338,929	10,970,512	41,616,207	304,615	57,230,263
Net other postemployment benefit obligation	36,523	-	-	-	36,523
	<u>5,679,376</u>	<u>12,101,945</u>	<u>46,816,580</u>	<u>791,109</u>	<u>65,389,010</u>
Total liabilities					
Net assets					
Invested in capital assets, net of related debt	76,221,044	-	27,471,963	160,516	103,853,523
Restricted for debt service	-	-	3,505,394	-	3,505,394
Unrestricted	1,794,945	70,242	52,605,583	1,414,302	55,885,072
	<u>\$ 78,015,989</u>	<u>\$ 70,242</u>	<u>\$ 83,582,940</u>	<u>\$ 1,574,818</u>	<u>\$ 163,243,989</u>
Total net assets					

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

EATON COUNTY, MICHIGAN
Combining Statement of Activities
Discretely Presented Component Units
For the Year Ended September 30, 2009

	<u>Road Commission</u>	<u>Board of Public Works</u>	<u>Drainage Districts</u>	<u>District Health</u>	<u>Total</u>
Expenses					
Public works	\$ -	\$ 343,415	\$ 3,177,783	\$ -	\$ 3,521,198
Health and social services	-	-	-	6,229,246	6,229,246
Highways and streets	12,003,076	-	-	-	12,003,076
	<u>12,003,076</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,003,076</u>
Total expenses	<u>12,003,076</u>	<u>343,415</u>	<u>3,177,783</u>	<u>6,229,246</u>	<u>21,753,520</u>
Program revenues					
Charges for services	73,347	-	24,446	1,258,551	1,356,344
Operating grants and contributions	10,090,476	170,909	191,127	4,907,286	15,359,798
Capital grants and contributions	-	-	6,898,511	-	6,898,511
	<u>10,163,823</u>	<u>170,909</u>	<u>7,114,084</u>	<u>6,165,837</u>	<u>23,614,653</u>
Total program revenues	<u>10,163,823</u>	<u>170,909</u>	<u>7,114,084</u>	<u>6,165,837</u>	<u>23,614,653</u>
Net program revenue (expense)	(1,839,253)	(172,506)	3,936,301	(63,409)	1,861,133
General revenues					
Unrestricted investment earnings	1,141	1,489	12,601	-	15,231
	<u>1,141</u>	<u>1,489</u>	<u>12,601</u>	<u>-</u>	<u>15,231</u>
Change in net assets	(1,838,112)	(171,017)	3,948,902	(63,409)	1,876,364
Net assets, October 1, as restated	79,854,101	241,259	79,634,038	1,638,227	161,367,625
	<u>79,854,101</u>	<u>241,259</u>	<u>79,634,038</u>	<u>1,638,227</u>	<u>161,367,625</u>
Net assets, September 30	<u>\$ 78,015,989</u>	<u>\$ 70,242</u>	<u>\$ 83,582,940</u>	<u>\$ 1,574,818</u>	<u>\$ 163,243,989</u>

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

NOTES to the FINANCIAL STATEMENTS

EATON COUNTY, MICHIGAN

Notes to Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Eaton County, Michigan (the “County” or “government”) 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 U.S. governmental accounting and financial reporting principles. The more significant of the County’s accounting policies are described below.

1. *Reporting Entity*

As required by generally accepted accounting principles, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government’s operations and so data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the government.

Blended Component Units

Eaton County Department of Human Services – is governed by a three-member board, which consists of two members appointed by the County Board of Commissioners and one State-appointed member. The Board is responsible for establishing policies and overseeing the local administration of the Department of Human Services and the State of Michigan Social Welfare program. State law requires local activities to be blended with the local primary government even though the employees of the Eaton County Department of Human Services are employees of the State of Michigan and substantially all of the programs are financed through the State. In accordance with State law, the Department of Human Services has been included as a special revenue fund.

Eaton County Medical Care Facility – provides skilled long-term care to residents of the County and is not considered legally separate from the County; therefore, it has been included in the County’s financial statements as an enterprise fund.

Eaton County Building Authority – is governed by a three-member Board appointed by the County Board of Commissioners. Although it is legally separate from the County, the Eaton 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.

Discretely Presented Component Units

Eaton County Road Commission – is governed by a three-member Board of Road Commissioners that is appointed by the County Board of Commissioners. The Road Commission maintains local, state and federal trunklines in Eaton County with financing primarily from the distribution of gas and weight taxes, federal financial assistance, and contributions from other local governments. The County must authorize all long-term debt issuances of the Road Commission, excluding capital lease purchase agreements. Complete financial statements for the Road Commission may be obtained by contacting the Eaton County Road Commission at 1112 Reynolds Road, Charlotte, Michigan 48813.

Eaton County Board of Public Works (BPW) – is governed by a seven-member Board that consists of six County Board of Commissioners appointees and the Eaton County Drain Commissioner. The BPW Board oversees the operations of the BPW, while establishing policy and administering various public works construction projects and debt service funds under Act 185 of the Public Acts of 1957. The BPW is financially accountable to the County because all general obligation debt issuances require County authorization and are backed by the full faith and credit of the County. The BPW does not issue separate financial statements.

EATON COUNTY, MICHIGAN

Notes to Financial Statements

Eaton County Drainage Districts – are governed by the Eaton County Drain Commissioner, who is responsible for planning, developing and maintaining surface water drainage systems, while maintaining a file for the financing, construction and maintenance of each County drain. The Drain Commissioner has authority to spend up to \$2,500 per mile on drain maintenance and borrow up to \$150,000 from any source to provide for drain maintenance without Board of Commissioners' approval and without going through the Michigan Municipal Finance Division. The Drain Commissioner has authority to levy special assessments on properties benefitting from maintenance. The Drainage Districts are financially accountable to the County because bond issuances greater than \$150,000 require County authorization and are backed by the full faith and credit of the County. Separate financial statements are not issued for the Drainage Districts.

Joint Venture

A joint venture is a legal entity or other organization that results from a contractual arrangement, or interlocal agreement, which is owned, operated or governed by two or more participants. The entity is subject to joint control with financial interest and responsibility by its participants.

Barry/Eaton County District Health Department (DHD) – is a joint venture between Barry and Eaton counties. The DHD was established to provide public health services with a current funding formula of 65 and 35 percent from Eaton and Barry counties, respectively. Due to the treasury function resting with the Eaton County Treasurer, the DHD is presented as a discretely presented component unit of Eaton County. The DHD does not issue separate financial statements.

Related Organization

A related organization is a legal entity for which the government appoints a voting majority of the governing body, but for which it is not financially accountable.

Eaton County Transportation Authority – is governed by a three-member board comprised of one Board of Commissioner member and two at-large appointees made by the Board. The Transportation Authority is a legally separate entity established to provide public transportation services to citizens within the County. The County levies and collects a millage for the Transportation Authority, but it does not hold title to the Authority's assets, nor does it have rights or obligations to surpluses or deficits of the Transportation Authority. Accordingly, it is not reported as a component unit of the County.

Jointly Governed Organizations

A jointly governed organization is a regional government or other multi-governmental arrangement that is governed by representatives that create the organization, but that is not a joint venture because the participants do not retain an ongoing financial interest or responsibility.

Tri-County Community Mental Health Board – is governed by a 12-member board appointed by the Boards of Commissioners of Ingham, Eaton and Clinton counties for which it services. Operating revenues are derived from fees for services and from federal, state and local sources; Eaton County appropriated \$406,810 to the Tri-County Community Mental Health Board for the year ended September 30, 2009.

Tri-County Regional Planning Commission – is governed by the political jurisdictions it serves including the cities of Lansing and East Lansing; Delta and Meridian townships; the Michigan Department of Transportation; and the counties, road commissions and transit authorities of Ingham, Eaton and Clinton counties. The Planning Commission adopts a proposed budget during February and submits the budget, thereby requesting a contribution from each governmental unit. Eaton County contributed \$102,900 for fiscal 2009.

EATON COUNTY, MICHIGAN

Notes to Financial Statements

Tri-County Office on Aging – is governed by a 13-member board appointed by the Board of Commissioners from the three counties it services – Ingham, Eaton and Clinton. The Office on Aging provides services to older residents of the three counties and receives its operating revenues from fees for services and from federal, state and local sources, of which Eaton County appropriated \$65,572 for the year ended September 30, 2009.

Mid-South Substance Abuse Commission – is governed by 19 members from nine counties, of which Eaton County appoints two members. The County's financial responsibility is to pass through to the Commission a portion of the convention and tourism revenues it receives and, if needed, such additional funds based on the ratio of board membership. The County contributed \$234,392 for the year ended September 30, 2009.

Lansing Tri-County Employment and Training Consortium – is governed by a 12-member board, of which the County appoints two members. The County has no financial responsibility other than potential liability from appropriated use of funds as the Consortium's revenue is derived from federal and state grants.

2. *Government-wide and Fund Financial Statements*

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary 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 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 are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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

3. *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. 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 revenues 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. Agency funds, a type of fiduciary fund, are unlike all other types of funds, reporting only assets and liabilities. Therefore, agency funds cannot be said to have a measurement focus. They do, however, use the accrual basis of accounting to recognize receivables and payables.

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 collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period or within one year for reimbursement-based grants. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

EATON COUNTY, MICHIGAN

Notes to Financial Statements

Property taxes, state shared revenues, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. 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:

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

The *revenue sharing reserve fund* is mandated by the State of Michigan and accounts for property tax collections to serve as a substitute for state revenue sharing payments. This substitute funding mechanism involved a gradual shift of County property tax millage from a winter to a summer tax levy.

The *central dispatch fund* accounts for the operations of the county-wide 911 dispatch center and the millage approved by county voters for the operation of the facility.

The *child care fund* accounts for the administration of the County's foster care system, including the administration of in-home/out-of-home placements of delinquent and foster care youth, financed through State reimbursements and general fund appropriations.

The County reports the following major proprietary funds:

The *medical care facility fund* accounts for the operation of the County's long-term adult care facility.

The *delinquent tax revolving fund* accounts for the annual purchase of delinquent real property taxes from each of the local taxing units within the county, and the ultimate collection from the property owners of the delinquent taxes with penalty and interest.

The *jail commissary fund* accounts for the operation of the sale of products to jail inmates.

Additionally, the County reports the following fund types:

Special revenue funds account for revenue sources that are legally restricted to expenditure for specific purposes (not including major capital projects).

Debt service funds account for the servicing of general long-term debt not being financed by proprietary funds.

Capital project funds account for construction activity on the jail and the new dental clinic.

Permanent funds account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the government's programs.

Internal service funds account for operations that provide self-insurance services (i.e., general liability, workers' compensation, life and disability, unemployment, and retirees' health insurance) to other departments or agencies of the County, or to other governments, on a cost-reimbursement basis.

Agency funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting. These funds are used to account for assets that the government holds for others in an agency capacity.

EATON COUNTY, MICHIGAN

Notes to Financial Statements

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes 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* revenues 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 ongoing operations. The principal operating revenues of the enterprise funds and of the government's internal service fund are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

4. *Assets, Liabilities and Equity*

Deposits and Investment – The County pools cash resources of various funds in order to facilitate the management of cash; however, cash applicable to a particular fund is readily identifiable. Sufficient cash is retained in the pooled cash accounts to meet current operating requirements and excess cash is invested in various interest bearing securities and disclosed as part of the County's investments. Cash equivalents consist of temporary investments in certificates of deposit, with maturities from date of purchase of 90 days or less, investment trust funds, and mutual funds. The investment trust funds have the general characteristics of demand deposit accounts.

Investments are stated at fair value and consist of commercial paper and certificates of deposit with original maturities of greater than 90 days.

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.

Receivables and Payables – Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as "interfund receivables/payable". Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Receivables consist of accounts receivable related to charges for services and amounts due from governmental units for various financial assistance programs and State shared revenues. The County has established allowances for doubtful accounts to estimate uncollectible accounts receivable in the child care and medical care facility funds and district health department component unit. The County utilizes the direct write-off method for all other funds as past experience indicates the write-off of accounts receivable for these funds are immaterial and do not warrant the use of allowance accounts.

Inventories – The cost of inventory items in the primary government for all funds is recorded as an expenditure at the time of purchase. Inventories of the medical care facility and jail commissary funds consist of medical supplies and miscellaneous hygiene and consumer products, respectively, which are stated at the lower of first-in, first-out (FIFO) or market.

EATON COUNTY, MICHIGAN

Notes to Financial Statements

The cost of inventory items in the Road Commission is recorded as an expenditure when they are used (i.e., consumption method). Inventories of the Road Commission consist of road materials and equipment parts, which are stated at the lower of average cost or market.

Prepays – Certain payments to vendors (particularly for insurance coverage) reflect costs that are applicable to a future period and are recorded as prepaid items.

Capital Assets – Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads, bridges, drains and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual costs of \$5,000 or more (\$200,000 for infrastructure) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets 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, if any, is included as part of the capitalized value of the assets constructed. No such interest expense was incurred during the current fiscal year.

Capital assets of the primary government and Drainage Districts component unit are depreciated using the straight-line method over the following estimated useful lives:

Buildings and improvements	5-40 years
Equipment	3-10 years
Vehicles	2-5 years
Infrastructure - drains	40 years

Capital assets of the Road Commission component unit are depreciated as follows:

Buildings	Straight-line	40 years
Equipment	Sum-of-years-digits	5-8 years
Roads	Straight-line	5-30 years
Bridges	Straight-line	15-50 years
Other infrastructure	Straight-line	8-20 years

Compensated Absences – Eligible employees are permitted to accumulate earned but unused vacation benefits in varying amounts based on length of service and certain other established criteria. Amounts not expected to be liquidated with expendable available financial resources are accrued when incurred in the government-wide and proprietary fund financial statements. A liability is reported in governmental funds only if these amounts have matured, for example, as a result of employee resignations or retirements.

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 statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

EATON COUNTY, MICHIGAN

Notes to Financial Statements

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

5. *Subsequent Events*

In preparing these financial statements, we have evaluated, for potential recognition or disclosure, significant events or transactions that occurred during the period subsequent to December 31, 2009, the most recent statement of net assets presented herein, through the auditors' report date, the date these financial statements were available to be issued. No significant such events or transactions were identified.

B. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

1. *Budgetary Information*

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general and special revenue funds. All annual appropriations lapse at year-end. The legal level of budgetary control is at the activity level for the general fund and the functional level for the special revenue funds; for control purposes, all budgets are maintained at the activity and account level. Budgetary transfers between funds, amendments to total fund, department or activity budgets, or increases to salary or capital outlay accounts in excess of \$2,500 require Board approval. The Board made several supplemental budgetary appropriations throughout the year that were not considered material.

Prior to May 1 of each year, the County departments working in conjunction with the Controller's Office prepare and submit their proposed budgets, including expenditures and estimated revenues, for the fiscal year commencing the following October 1. Following a public hearing to obtain taxpayer comments, the budgets are legally enacted prior to September 30 through passage of a budget resolution.

2. *Excess of Expenditures over Appropriations*

State statutes provide that a local unit shall not incur expenditures in excess of the amount appropriated. During the year ended September 30, 2009, the County incurred expenditures in excess of the amounts appropriated as follows:

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenue sharing reserve special revenue fund			
Transfers out	\$ 2,080,780	\$ 2,172,334	\$(91,554)
Nonmajor special revenue funds			
Parks special projects - parks, recreation and culture	-	7,457	(7,457)
CDBG Housing Grant-			
health and social services	349,752	534,451	(184,699)
Domestic preparedness - capital outlay	-	5,100	(5,100)
COPS Grant - public safety	-	19,480	(19,480)
Department of human services -			
health and social services	565,000	598,283	(33,283)

EATON COUNTY, MICHIGAN

Notes to Financial Statements

C. DEPOSITS AND INVESTMENTS

Summary of Deposit and Investment Balances. Following is a reconciliation of deposit and investment balances as of September 30, 2009:

	<u>Primary Government</u>	<u>Component Units</u>	<u>Total</u>
Financial Statements:			
Statement of Net Assets:			
Cash and cash equivalents	\$ 22,942,644	\$ 16,295,315	\$ 39,237,959
Restricted cash	14,602	-	14,602
Investments	2,575,013	-	2,575,013
Statement of Fiduciary Assets and Liabilities:			
Cash and cash equivalents	9,173,726	-	9,173,726
Total	<u>\$ 34,705,985</u>	<u>\$ 16,295,315</u>	<u>\$ 51,001,300</u>
Deposits and Investments:			
Bank deposits (checking accounts, savings accounts and certificates of deposits)			\$ 8,725,696
Investments in securities, mutual funds and similar vehicles:			
Treasurer's pool			39,667,906
Retirees health insurance fund			2,575,013
Cash on hand			32,685
Total			<u>\$ 51,001,300</u>

County's Cash and Investment Pool

Custodial Credit Risk - Deposits. For deposits, custodial credit risk is the risk, that in the event of a bank failure, the County's deposits may not be returned to the government. As of September 30, 2009, \$5,997,645 of the County's total bank balance of \$6,651,012 (total book balance was \$8,725,696) was exposed to custodial credit risk as it was uninsured and uncollateralized.

The County's investment policy requires that only those banks or savings and loan institutions that are members of the FDIC or FSLIC will be considered for depository purposes, but recognizes that it is impractical to insure all bank deposits due to the limitations of depository insurance. As a result, the County evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Custodial Credit Risk - Investments. For investments, custodial credit risk 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 or collateral securities that are in the possession of an outside party. The County's investment policy requires that investment securities shall be kept in the County Treasurer's office in a fireproof vault, although certificates of deposit may be held in safekeeping by the financial institution. As of September 30, 2009, investments in the Treasurer's pool totaling \$37,669,739 were in money market accounts, which are not subject to custodial credit risk.

Credit Risk. The County's investments in money market accounts are not rated and comply with the County's policy regarding the types of investments it may hold. The County's investment in commercial paper in the amount of \$1,998,167 is due in less than one year and is rated A-2 by Standard & Poors.

EATON COUNTY, MICHIGAN

Notes to Financial Statements

Retirees Health Insurance Fund Investments

The retiree health insurance fund investments are maintained separately from the County's cash and investment pool, and are subject to separate investment policies and state statutes. Accordingly, the required disclosures for the fund's investments are presented separately.

The Public Employee Retirement System Investment Act, Public Act 314 of 1965, as amended, authorizes the fund to invest in stocks, government and corporate securities, mortgages, real estate, and various other investment instruments, subject to certain limitations. The County Treasurer has the responsibility and authority to oversee the investment portfolio. A professional investment manager is contracted to assist in managing the fund's assets.

The fund's investments are held in three bank administered trust accounts. Following is a summary of the fund's investments as of September 30, 2009:

Investments at fair value, as determined	
by quoted market price:	
U.S. treasuries	\$ 392,923
U.S. agencies	250,025
Corporate securities	743,470
Equities	1,128,241
Money market accounts	60,354
Total investments	\$ 2,575,013

Credit Risk. As of September 30, 2009, the fund's investments in securities of U.S. agencies were all rated AAA by Standard & Poor's. The fund's investments in corporate securities were rated by Standard & Poor's as follows:

AAA	\$ 169,978
AA	178,836
A	260,635
BBB	134,021
	\$ 743,470

The County's policy is to comply with Public Act 314 as referenced above; such statute does not provide specific guidelines regarding credit risk.

Custodial Credit Risk. The County does not have a policy regarding custodial credit risk for the fund's investments. However, while uninsured and unregistered, the fund's investments are not exposed to custodial credit risk since the securities are held by the counterparty's trust department in the County's name.

Concentration of Credit Risk. At September 30, 2009, the fund investment portfolio was concentrated as follows:

<u>Investment Type</u>	<u>Issuer</u>	<u>% of Portfolio</u>
U.S. agencies	Federal Farm Credit Bank	5.5%
	Federal Home Loan Mortgage Association	4.2%

EATON COUNTY, MICHIGAN

Notes to Financial Statements

The County's policy is to comply with Public Act 314 as referenced above; such statute does not provide specific limitations on the holdings of U.S. agencies securities.

Interest Rate Risk. As of September 30, 2009, maturities of the fund's debt securities were as follows:

	<u>Fair Value</u>	<u>Investment Maturities (fair value by years)</u>		
		<u>Less Than 1</u>	<u>1-5</u>	<u>6-10</u>
U.S. treasuries	\$ 392,923	\$ 64,988	\$ 101,473	\$ 226,462
U.S. agencies	250,025	-	-	250,025
Corporate securities	743,470	69,285	604,849	69,336
	<u>\$ 1,386,418</u>	<u>\$ 134,273</u>	<u>\$ 706,322</u>	<u>\$ 545,823</u>

The County's investment policy for this fund does not address interest rate risk.

D. RECEIVABLES

Receivables as of September 30, 2009 are summarized as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Component Units</u>
Property taxes	\$ 8,132,652	\$ 6,803,846	\$ -
Accounts receivable	184,994	972,457	708,255
Less allowance for doubtful accounts	-	(35,000)	(5,825)
Special assessments	-	-	43,475,221
Due from other governments	1,363,004	86,693	1,676,394
Advances to component unit	150,000	-	-
	<u>\$ 9,830,650</u>	<u>\$ 7,827,996</u>	<u>\$ 45,854,045</u>

Leases receivable in the Public Works component unit represents amounts receivable from other local governments for the water and sewer systems constructed for those governments using bonds issued by the County. The receivable is equal to the outstanding bond principal plus accrued interest as of September 30, 2009. The current portion of the receivable is equal to the current portion of the related debt plus accrued interest.

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

	<u>Unavailable</u>	<u>Unearned</u>
Property taxes receivable (general fund)	\$ -	\$ 201,743
Property taxes receivable (other governmental funds)	-	93,473
	<u>\$ -</u>	<u>\$ 295,216</u>

EATON COUNTY, MICHIGAN

Notes to Financial Statements

E. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund receivables and payables at September 30, 2009 is as follows:

	Receivable	Payable
Due from (to) other funds		
General fund	\$ 6,228	\$ 127,257
Central dispatch fund	-	12,021
Child care fund	-	10,828
Nonmajor governmental funds	-	27,144
Internal service funds	171,325	303
	\$ 177,553	\$ 177,553
Interfund receivable (payable)		
General fund	\$ -	\$ 4,256,508
Revenue sharing reserve	4,420,600	-
Child care fund	-	107,275
Nonmajor governmental funds	-	56,817
	\$ 4,420,600	\$ 4,420,600

The due from (to) other funds resulted 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. Amounts reported as interfund payables are funds with negative cash pool balances, which is equal to the interfund receivable reported in the revenue sharing reserve fund. Certain amounts reported as internal balances between the governmental and business-type activities in the statement of net assets relate to the elimination of the internal service funds.

For the year ended September 30, 2009, interfund transfers consisted of the following:

	Transfers In	Transfers Out
General fund	\$ 2,999,738	\$ 2,997,994
Revenue sharing reserve fund	-	2,172,334
Central dispatch fund	-	307,323
Child care fund	2,322,616	-
Nonmajor governmental funds	3,978,418	3,463,214
Medical care facility fund	140,093	-
Delinquent tax revolving fund	682,468	1,182,468
	\$ 10,123,333	\$ 10,123,333

Transfers are used to: (1) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them; (2) move receipts restricted to or allowed for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due; and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

EATON COUNTY, MICHIGAN

Notes to Financial Statements

F. CAPITAL ASSETS

Capital assets activity for the year ended September 30, 2009 was as follows:

	Balance October 1, 2008	Additions	Disposals	Balance September 30, 2009
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 102,628	\$ -	\$ -	\$ 102,628
Construction in progress	11,231,291	25,336	(11,231,291)	25,336
Total capital assets not being depreciated	11,333,919	25,336	(11,231,291)	127,964
Capital assets, being depreciated				
Building and improvements	29,477,790	13,009,606	-	42,487,396
Vehicles and equipment	11,251,124	527,588	(105,961)	11,672,751
Total capital assets being depreciated	40,728,914	13,537,194	(105,961)	54,160,147
Less accumulated depreciation				
Building and improvements	(13,630,871)	(1,214,346)	-	(14,845,217)
Vehicles and equipment	(8,222,077)	(1,166,120)	98,123	(9,290,074)
Total accumulated depreciation	(21,852,948)	(2,380,466)	98,123	(24,135,291)
Total capital assets being depreciated, net	18,875,966	11,156,728	(7,838)	30,024,856
Capital assets, net	\$ 30,209,885	\$ 11,182,064	\$ (11,239,129)	\$ 30,152,820
Business-type activities				
Capital assets, not being depreciated				
Land	\$ 112,314	\$ -	\$ -	\$ 112,314
Construction in progress	316,921	5,436,500	-	5,753,421
Total capital assets not being depreciated	429,235	5,436,500	-	5,865,735
Capital assets, being depreciated				
Building and improvements	10,188,287	38,050	(174,326)	10,052,011
Vehicles and equipment	1,464,264	53,646	(157,707)	1,360,203
Total capital assets being depreciated	11,652,551	91,696	(332,033)	11,412,214
Less accumulated depreciation for				
Building and improvements	(1,405,957)	(266,375)	31,802	(1,640,530)
Vehicles and equipment	(686,588)	(111,562)	122,303	(675,847)
Total accumulated depreciation	(2,092,545)	(377,937)	154,105	(2,316,377)
Total capital assets being depreciated, net	9,560,006	(286,241)	(177,928)	9,095,837
Capital assets, net	\$ 9,989,241	\$ 5,150,259	\$ (177,928)	\$ 14,961,572

Depreciation expense in governmental activities is not allocated by function. Also, certain reclassifications of beginning balances were made between the above capital assets categories.

EATON COUNTY, MICHIGAN

Notes to Financial Statements

	Balance October 1, 2008	Additions	Disposals	Balance September 30, 2009
Component Unit - Road Commission				
Capital assets, not being depreciated				
Land	\$ 243,002	\$ -	\$ -	\$ 243,002
Land improvements	21,706,908	323,253	-	22,030,161
Right of ways	758,941	-	-	758,941
Total capital assets not being depreciated	<u>22,708,851</u>	<u>323,253</u>	<u>-</u>	<u>23,032,104</u>
Capital assets, being depreciated				
Buildings and improvements	6,454,412	3,336	-	6,457,748
Equipment	6,259,987	641,661	(243,655)	6,657,993
Infrastructure	94,347,586	7,514,602	(3,967,592)	97,894,596
Depletable assets	4,843,552	-	(4,792,993)	50,559
Total capital assets being depreciated	<u>111,905,537</u>	<u>8,159,599</u>	<u>(9,004,240)</u>	<u>111,060,896</u>
Less accumulated depreciation for				
Buildings and improvements	(1,232,551)	(129,155)	-	(1,361,706)
Equipment	(5,976,823)	(281,711)	238,717	(6,019,817)
Infrastructure	(44,857,958)	(4,824,313)	3,762,397	(45,919,874)
Depletable assets	(154,813)	-	104,254	(50,559)
Total accumulated depreciation	<u>(52,222,145)</u>	<u>(5,235,179)</u>	<u>4,105,368</u>	<u>(53,351,956)</u>
Total capital assets being depreciated, net	<u>59,683,392</u>	<u>2,924,420</u>	<u>(4,898,872)</u>	<u>57,708,940</u>
Capital assets, net	<u>\$ 82,392,243</u>	<u>\$ 3,247,673</u>	<u>\$ (4,898,872)</u>	<u>\$ 80,741,044</u>
Component Unit - Drainage District				
Capital assets, not being depreciated				
Construction in progress	\$ 37,441,216	\$ 2,599,830	\$ (4,042,500)	\$ 35,998,546
Capital assets, being depreciated - infrastructure				
Less accumulated depreciation for - infrastructure	46,558,674	4,042,500	-	50,601,174
Total capital assets being depreciated, net	<u>(12,001,141)</u>	<u>(1,239,873)</u>	<u>-</u>	<u>(13,241,014)</u>
	<u>34,557,533</u>	<u>2,802,627</u>	<u>-</u>	<u>37,360,160</u>
Capital assets, net	<u>\$ 71,998,749</u>	<u>\$ 5,402,457</u>	<u>\$ (4,042,500)</u>	<u>\$ 73,358,706</u>
Component Unit - District Health				
Capital assets, being depreciated - equipment				
Less accumulated depreciation for - equipment	\$ 1,093,666	\$ 32,600	\$ -	\$ 1,126,266
	<u>(900,237)</u>	<u>(65,513)</u>	<u>-</u>	<u>(965,750)</u>
Capital assets, net	<u>\$ 193,429</u>	<u>\$ (32,913)</u>	<u>\$ -</u>	<u>\$ 160,516</u>

EATON COUNTY, MICHIGAN

Notes to Financial Statements

G. PAYABLES

Accounts payable and accrued liabilities as of September 30, 2009 are summarized as follows:

	Governmental Activities	Business-type Activities	Component Units
Accounts payable	\$ 1,309,161	\$ 951,668	\$ 705,737
Accrued liabilities	1,472,909	414,993	509,781
Due to other governments	121,203	12,933	-
Retainage payable	-	-	149,949
Payable from restricted assets	-	13,910	-
Advances from primary government	-	-	150,000
	\$ 2,903,273	\$ 1,393,504	\$ 1,515,467

H. LONG-TERM DEBT

General obligation bonds. General obligation bonds are direct obligations and pledge the full faith and credit of the County. These bonds are typically issued as 10-20 year serial bonds with varying amounts of principal maturing each year. General obligation bonds currently outstanding are as follows:

Purpose	Interest Rates	Maturity Date	Amount of Original Issue	Amount Outstanding
Governmental activities				
1992 County Office Building	6.20 – 6.35%	2012	\$ 525,000	\$ 120,000
1992 County Office Building (taxable)	8.00%	2012	575,000	150,000
1993 Health Clinic Building	5.00 – 5.50%	2013	600,000	175,000
2007 Jail Expansion	4.25 – 5.00%	2028	15,000,000	14,340,000
2008 Dental Clinic	4.00 – 4.50%	2028	900,000	900,000
				\$ 15,685,000
Business-type activities				
2002 Medical Care Facility	3.00 – 4.75%	2022	\$ 8,100,000	\$ 6,190,000
2008 Medical Care Facility	4.55%	2027	5,700,000	5,525,000
				\$ 11,715,000
Component unit – Public Works				
Eaton Rapids Water	6.38 – 6.50%	2011	\$ 1,475,000	\$ 250,000
Grand Ledge Water/Sewer	4.00 – 5.00%	2025	7,975,000	6,855,000
Charlotte Water/Sewer	4.375%	2011	2,295,000	410,000
Dimondale/Windsor Sewer Refunding	4.00 – 5.00%	2015	4,115,000	1,895,000
Brookfield Water	1.625%	2026	2,860,000	2,490,000
				\$ 11,900,000
Component unit – Road Commission				
2003 Transportation	2.50 – 4.00%	2018	5,500,000	\$ 4,520,000

EATON COUNTY, MICHIGAN

Notes to Financial Statements

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

<u>Year Ending September 30,</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Component Units</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2010	\$ 695,000	\$ 724,914	\$ 515,000	\$ 513,585	\$ 1,590,000	\$ 634,570
2011	735,000	692,742	545,000	493,723	1,585,000	573,289
2012	765,000	658,647	580,000	472,165	1,260,000	509,508
2013	695,000	623,044	620,000	448,815	1,275,000	465,005
2014	680,000	593,319	660,000	423,305	1,305,000	419,717
2015-2019	3,860,000	2,513,282	3,895,000	1,658,543	5,120,000	1,397,971
2020-2024	4,785,000	1,567,177	3,620,000	717,173	3,375,000	562,877
2025-2028	3,470,000	355,563	1,280,000	117,845	910,000	33,010
	<u><u>\$ 15,685,000</u></u>	<u><u>\$ 7,728,688</u></u>	<u><u>\$ 11,715,000</u></u>	<u><u>\$ 4,845,154</u></u>	<u><u>\$ 16,420,000</u></u>	<u><u>\$ 4,595,947</u></u>

By statute, the government's legal debt limit is restricted to 10% of the equalized value of property in the County. At September 30, 2009, the County's legal debt limit was \$417,656,012.

Installment obligations. The government has entered into a long-term installment payment agreement for the upgrade of its building climate control systems. The original amount of installment obligations issued during fiscal 2004 was \$836,000 for the primary government. Installment obligations outstanding at year-end amounted to \$419,345 with interest at 4.4 percent.

Annual debt service requirements to maturity for installment obligations are as follows:

<u>Year Ending September 30,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2010	\$ 86,731	\$ 17,507
2011	90,589	1,369
2012	94,619	9,620
2013	98,828	5,411
2014	48,578	1,069
	<u><u>\$ 419,345</u></u>	<u><u>\$ 34,976</u></u>

EATON COUNTY, MICHIGAN

Notes to Financial Statements

Drain bonds and notes. The Drain Commissioner is authorized under State statutes to issue special assessment bonds and drain notes for the construction or maintenance of drainage districts. Such bonds and notes are repaid from special assessments levied upon the benefiting property owners. At September 30, 2009, drain bonds and notes totaling \$45,235,473 were outstanding, including \$4,503,000 of new bonds and notes issued during the current year. Drain bonds and notes carry interest at rates ranging from 1.96 percent to 8.0 percent.

Annual debt service requirements to maturity for drain bonds and notes are as follows:

Year Ending September 30,	Governmental Activities	
	Principal	Interest
2010	\$ 4,270,536	\$ 1,888,777
2011	4,202,037	1,789,149
2012	3,409,304	1,628,409
2013	3,199,309	1,493,180
2014	3,128,454	1,364,523
2015-2019	12,935,833	4,867,162
2020-2024	11,090,000	2,289,875
2025-2028	3,000,000	257,028
	<u>\$ 45,235,473</u>	<u>\$ 15,578,103</u>

In addition to the above, short-term drain notes payable totaling \$50,000 were outstanding as of September 30, 2009. These notes were issued at an interest rate of 4.11% and are due at various dates through September 2010.

Delinquent tax notes. The government issues general obligation limited tax notes to finance the purchase of delinquent real property taxes receivable from each taxing district in the County. These notes are reported in the proprietary funds (i.e., delinquent tax revolving enterprise fund) as they are expected to be repaid from proprietary fund revenues. Each series of delinquent tax notes are subject to variable interest rates which are determined on a weekly basis by the County's remarketing agent using established criteria and legal limitations. Principal and interest payments are predicated upon actual collections of delinquent property taxes, which are subject to collection over a period not to exceed two years. Delinquent tax notes totaling \$5,500,000 from the 2009 Series were outstanding at September 30, 2009, with \$4,500,000 expected to be paid in one year and \$1,000,000 expected to be paid in the year ending September 30, 2011.

EATON COUNTY, MICHIGAN

Notes to Financial Statements

Changes in long-term debt. Long-term debt activity for the year ended September 30, 2009 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Primary Government					
Governmental activities					
General obligation bonds	\$ 15,410,000	\$ 900,000	\$ (625,000)	\$ 15,685,000	\$ 695,000
Add deferred amounts:					
For issuance premiums	8,721	-	(459)	8,262	-
Installment contracts	502,364	-	(83,019)	419,345	86,731
Compensated absences	1,880,135	1,927,138	(1,885,210)	1,922,063	192,206
	<u>\$ 17,801,220</u>	<u>\$ 2,827,138</u>	<u>\$ (2,593,688)</u>	<u>\$ 18,034,670</u>	<u>\$ 973,937</u>
Business-type activities					
General obligation bonds	\$ 6,510,000	\$ 5,700,000	\$ (495,000)	\$ 11,715,000	\$ 515,000
Lease payable	-	175,000	(5,147)	169,853	30,909
Delinquent tax notes	2,700,000	5,500,000	(2,700,000)	5,500,000	4,500,000
Compensated absences	105,437	108,073	(88,847)	124,663	31,166
	<u>\$ 9,315,437</u>	<u>\$ 11,483,073</u>	<u>\$ (3,288,994)</u>	<u>\$ 17,509,516</u>	<u>\$ 5,077,075</u>

For the governmental activities, compensated absences are generally liquidated by the general fund.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Component Units					
Board of Public Works					
General obligation bonds	\$ 12,970,000	\$ -	\$ (1,070,000)	\$ 11,900,000	\$ 1,090,000
Add (deduct) deferred amounts:					
For issuance premiums	220,971	-	(13,392)	207,579	-
On refunding	(50,103)	-	3,036	(47,067)	-
	<u>\$ 13,140,868</u>	<u>\$ -</u>	<u>\$ (1,080,356)</u>	<u>\$ 12,060,512</u>	<u>\$ 1,090,000</u>
Drainage Districts					
Drain bonds and notes	\$ 44,742,677	\$ 4,503,000	\$ (4,010,204)	\$ 45,235,473	\$ 4,270,536
Add (deduct) deferred amounts:					
For issuance premiums	767,476	-	(44,707)	722,769	-
On refunding	(75,922)	-	4,423	(71,499)	-
	<u>\$ 45,434,231</u>	<u>\$ 4,503,000</u>	<u>\$ (4,050,488)</u>	<u>\$ 45,886,743</u>	<u>\$ 4,270,536</u>
District Health					
Compensated absences	<u>\$ 319,411</u>	<u>\$ 327,396</u>	<u>\$ (308,346)</u>	<u>\$ 338,461</u>	<u>\$ 33,846</u>
Road Commission					
Transportation bonds	\$ 5,020,000	\$ -	\$ (500,000)	\$ 4,520,000	\$ 500,000
Compensated absences	319,625	222,582	(223,278)	318,929	-
	<u>\$ 5,339,625</u>	<u>\$ 222,582</u>	<u>\$ (723,278)</u>	<u>\$ 4,838,929</u>	<u>\$ 500,000</u>

EATON COUNTY, MICHIGAN

Notes to Financial Statements

I. RISK MANAGEMENT/SELF-INSURANCE PROGRAMS

The government manages its risk exposures and provides certain employee benefits through a combination of self-insurance programs, risk management pools and commercial insurance and excess coverage policies. All funds and component units of the County participate in these programs except for the Road Commission (*see below*) and Medical Care Facility (which carries commercial insurance for workers' compensation, general and automobile liability, motor vehicle physical damage and property damage). For risks that are commercially insured, settlements have not exceeded insurance coverage in any of the past three years. Following is a summary of the self-insurance programs and risk management pool participation.

Workers' compensation. The County maintains a self-insurance program for workers' compensation coverage, which is accounted for in the workers' compensation internal service fund. The program is administered by a third-party administrator who provides claims review and processing services. Premiums are paid into the internal service fund by all other funds based on payrolls and job classifications and are available to pay claims, claim reserves, excess coverage and administrative costs.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. An excess coverage insurance policy covers individual claims in excess of \$275,000 subject to an annual aggregate limit of \$5 million. Liabilities include an amount for claims that have been incurred but not reported (IBNR). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs and other economic and social factors.

Changes in the balances of estimated liabilities during the past two years are as follows:

	2009	2008
Workers Compensation		
Estimated liability, October 1	\$ 61,471	\$ 79,267
Estimated claims incurred, including changes in estimates	150,815	104,782
Claim payments	(128,423)	(122,578)
Estimated liability, September 30	\$ 83,863	\$ 61,471

Health insurance. The County maintains a self-insurance program for employee health insurance with Blue Cross Blue Shield (BCBS), which is accounted for in the Health Insurance internal service fund. The program is administered by BCBS. Premiums are paid into the internal service fund by all other funds based on a fixed rate established each year; monies are then advanced to BCBS by the internal service fund to pay claims and administrative costs.

Changes in the balances of estimated liabilities during the past two years are as follows:

	2009	2008
Health Insurance		
Estimated liability, October 1	\$ 198,800	\$ 172,000
Estimated claims incurred, including changes in estimates	4,103,679	3,424,523
Claim payments	(3,972,452)	(3,397,723)
Estimated liability, September 30	\$ 330,027	\$ 198,800

EATON COUNTY, MICHIGAN

Notes to Financial Statements

Liability insurance. The County participates in the Michigan Municipal Risk Management Authority (MMRMA) for general and automobile liability, motor vehicle physical damage and property damage coverages. The MMRMA provides risk management, underwriting, reinsurance and claim review and processing services for all member governments pursuant to its charter. Under most circumstances, the County's maximum loss retention per occurrence is \$75,000 for general and automobile liability, \$15,000 for motor vehicle physical damage, and \$10,000 for property coverage.

The government makes annual contributions to MMRMA based on actuarial studies using historical data and insurance industry statistics. These contributions are paid from an internal service fund (i.e., the liability insurance fund) using premiums paid into it by other funds of the government. Such contributions as received by MMRMA are allocated between its general and member retention funds. Economic resources in MMRMA's general fund are expended for reinsurance coverage, claim payments and certain general and administrative costs, whereas resources in the member retention fund are used for loss payments and defense costs up to the members' self-insured retention limits along with certain other member-specific costs. Accordingly, the government records an asset for its portion of the unexpended member retention fund. At September 30, 2009, the balance of the County's member retention fund was \$517,696.

Changes in the balances of claims liabilities during the past two years, including provision for incurred but not reported (IBNR) claims, which are recorded in the liability insurance internal service fund, are as follows:

	2009	2008
General Liability		
Estimated liability, October 1	\$ 238,075	\$ 158,068
Estimated claims incurred, including changes in estimates	(166,670)	265,936
Claim payments	(27,010)	(185,929)
Estimated liability, September 30	\$ 44,395	\$ 238,075

Unemployment. The County is self-insured for unemployment benefits, as accounted for in the unemployment internal service fund. The reserve for unemployment benefits is determined by management based on prior experience. Benefits are expensed when paid, as follows:

	2009	2008
Unemployment Compensation		
Estimated liability, October 1	\$ -	\$ -
Estimated claims incurred, including changes in estimates	49,062	22,811
Claim payments	(49,062)	(22,811)
Estimated liability, September 30	\$ -	\$ -

Life and disability insurance. The County maintains a self-insured program for life and disability coverage. The program is accounted for in the life and disability internal service fund and administered by a third-party administrator who provides claims review and processing services. Premiums for the self-insured program are paid into the internal service fund by all other funds based on actual or illustrated rates. These premiums are available to pay claims and administrative costs.

EATON COUNTY, MICHIGAN

Notes to Financial Statements

Changes in the balances of estimated liabilities during the past two years are as follows:

	<u>2009</u>	<u>2008</u>
Life and Disability		
Estimated liability, October 1	\$ 7,814	\$ 2,458
Estimated claims incurred, including changes in estimates	138,983	127,857
Claim payments	<u>(136,402)</u>	<u>(122,501)</u>
Estimated liability, September 30	<u>\$ 10,395</u>	<u>\$ 7,814</u>

Dental insurance. The County has a self-insured program for dental coverage. The plan is accounted for in the dental insurance internal service fund. The program is administered by a third-party administrator who provides claims review and processing services. Premiums for the self-insured program are paid into the internal service fund by all other funds based on actual or illustrated rates. These premiums are available to pay claims and administrative costs.

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

	<u>2009</u>	<u>2008</u>
Dental		
Estimated liability, October 1	\$ 13,996	\$ 10,839
Estimated claims incurred, including changes in estimates	200,649	208,428
Claim payments	<u>(202,744)</u>	<u>(205,271)</u>
Estimated liability, September 30	<u>\$ 11,901</u>	<u>\$ 13,996</u>

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

The Michigan County Road Commission self-insurance pool program operates as a common risk-sharing management program for local units' government in Michigan; member premiums are used to purchase commercial excess insurance coverage and to pay member claims in excess of deductible amounts.

J. CONTINGENT LIABILITIES

Amounts received or receivable from grantor agencies are subject to audit and potential adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

The government is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the government's counsel that resolution of these matters will not have a material adverse effect on the financial condition of the government.

EATON COUNTY, MICHIGAN

Notes to Financial Statements

The Barry-Eaton County Health Department has received payments from the State of Michigan under certain cost-based reimbursement Medicaid programs. The federal Centers for Medicare and Medicaid Services (CMS) is contesting certain payments made by the State to counties under the cost-based reimbursement Medicaid programs. The contested costs were primarily related to Qualified Health Plan (QHP) claims and overhead charged to the program. The CMS has issued its final audit findings to the State of Michigan including a finding related to the policy on cost-based reimbursements. However, the State of Michigan has yet to respond to the findings. In addition, a decision has not been made as to what amount, if any, the local health departments will be required to repay; therefore, no liability has been recorded.

K. PROPERTY TAXES

County property taxes are levied on July 1 of each year (the lien date) and are due in full by March 1 of the year following the levy, at which time uncollected taxes became delinquent.

Property taxes are levied on the assessed taxable value of the property as established by local units, accepted by the County and equalized under State statute at approximately 50% of the current estimated market value. The assessed and taxable value of real and personal property for the 2009 levy, for which revenue was recognized in fiscal 2009, was \$3,509,609,434. The general operating tax rate for the levy was 5.2149 mills, with an additional .7000, .9438, .3973 and .1250 mills assessed for jail debt, central dispatch, juvenile services, and medical care, respectively.

Delinquent taxes receivable represent unpaid personal property taxes in the general and special revenue funds and unpaid real property taxes in the delinquent tax revolving funds. By agreement with the various taxing authorities, the County purchases at face value the real property taxes returned delinquent each March 1 and records a corresponding delinquent taxes receivable. These receivables are pledged to a bank for the payment of the notes payable and subsequent collection on the receivable.

L. POSTEMPLOYMENT HEALTH CARE BENEFITS

The County provides certain health care benefits for employees retiring during or after 1990. Substantially all employees hired after January 1, 2006 are eligible for benefits if they reach the age of 55 with at least 25 years of credited service while working for the County, retire due to duty disability as determined by MERS, or meet other criteria as discussed in the personnel manual. The County pays the entire cost of health insurance premiums for the retiree and a portion for his/her spouse as prescribed in the personnel manual. The activity of this program is accounted for in the retirees' health insurance internal service fund.

In fiscal 2006, the County established a retiree healthcare trust with the Michigan Municipal Employees Retirement System (MERS) to which it transferred monies from the internal service fund in order to earn a greater return on investment. At September 30, 2009, the fair value of the trust assets was \$3,273,170; because these assets are in trust with a third party trustee, they are not reported in the accompanying financial statements. The County made no contributions to the trust during the year and did not pay any benefits from trust assets; instead, all such activity was processed through the aforementioned internal service fund.

Plan Description. The County's Retiree Health Plan (the "Plan") is a single-employer defined benefit healthcare plan administered by the Retiree Health Care Board (the "Board"). The Plan was established and may be amended by the County Board of Commissioners, subject to applicable collective bargaining agreements. Eligible retirees are those individuals who meet the requirements to receive MERS retirement benefits.

EATON COUNTY, MICHIGAN

Notes to Financial Statements

Basis of Accounting. The Plan's financial statements are prepared using the accrual basis of accounting. Plan contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contribution. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Method Used to Value Investments. Plan investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price. Investments that do not have an established market are reported at estimated fair values.

Funding Policy. The contribution requirements of plan members and the County are established and may be amended by the County Board of Commissioners, subject to applicable labor contracts. Plan members are not required to contribute to the plan. The County may contribute the *annual required contribution* (ARC), which is an amount actuarially determined in accordance with the parameters of GASB Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. For the year ended September 2009, the County made no contributions and instead elected to continue funding on a *pay-as-you-go* basis, which amounted to \$211,904 for the year ended September 30, 2009. These costs are recognized as an expense when claims or premiums are paid.

Annual OPEB Cost and Net OPEB Obligation. For the year ended September 30, 2009, the components of the County's annual OPEB (other postemployment benefit) cost for the year, the amount actually contributed to the Plan, and changes in the County's net OPEB obligation to the Plan were as follows:

Annual required contribution	\$ 1,316,159
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost (expense)	1,316,159
Contributions made	(211,904)
Increase in net OPEB obligation	1,104,255
Net OPEB obligation, beginning of year	-
Net OPEB obligation, end of year	\$ 1,104,255

The County's annual OPEB costs, the percentage of annual OPEB costs contributed to the Plan, and the net OPEB obligation as of September 30, 2009, were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
9/30/09	\$ 1,316,159	16.1%	\$ 1,104,255

EATON COUNTY, MICHIGAN

Notes to Financial Statements

Funded Status and Funding Progress. The funded status of the Plan as of December 31, 2007, the date of the latest actuarial valuation, was as follows:

Actuarial accrued liabilities (AAL)	\$	36,472,265
Actuarial value of plan assets		(3,870,082)
Unfunded actuarial accrued liability (UAAL)		<u>32,602,183</u>
Funded ratio		10.6%
Covered payroll (active plan members)	\$	16,347,955
UAAL as a percentage of covered payroll		50.1%

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

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing 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. Significant methods and assumptions were as follows:

Actuarial valuation date	12/31/07
Actuarial cost method	Entry age
Amortization method	Level percent of payroll
Remaining amortization period	30 years
Asset valuation method	5-year smoothing

Actuarial assumptions:

Investment rate of return	8.0%
Projected salary increases	4.5%
Healthcare inflation rate	11.0% initially; 4.5% ultimately

Road Commission. The Road Commission has established a retiree health care fund (a fiduciary fund) with the intent of pre-funding postemployment health care benefits to eligible retirees and their families. Annual employer contributions to fund the Plan are currently on a pay-as-you-go basis with the intent of building the fund for purposes of paying future benefits. The Road Commission made contributions of \$615,703 to the Plan for the year ended September 30, 2009.

Annual OPEB Cost and Net OPEB Obligation. The Road Commission's annual other postemployment benefits (OPEB) cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 43. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

EATON COUNTY, MICHIGAN

Notes to Financial Statements

The following table shows the components of the Road Commission's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the net OPEB obligation to the plan:

Annual required contribution	\$ 645,000
Interest on net OPEB obligation	294
Adjustment to annual required contribution	<u>(425)</u>
Annual OPEB cost (expense)	644,869
Contributions made	<u>(615,703)</u>
Increase in net OPEB obligation	29,166
Net OPEB obligation - beginning of year	<u>7,357</u>
Net OPEB obligation - end of year	<u><u>\$ 36,523</u></u>

The annual OPEB cost, the percentage of annual OPEB costs contributed to the system, and the net OPEB obligation as of September 30, 2009, were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
9/30/2008	\$645,000	98.86%	\$ 7,357
9/30/2009	644,869	95.48%	36,523

Funded Status and Funding Progress. The funded status of the Plan as of January 1, 2006, the date of the latest actuarial valuation, was as follows:

Actuarial accrued liability (AAL)	\$8,823,000
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	<u><u>8,823,000</u></u>
Funded ratio	0%
Covered payroll (active plan members)	\$1,659,533
UAAL as a percentage of covered payroll	532%

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

Actuarial Methods and Assumptions. The annual required contribution was determined as part of the October 1, 2006 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 4% interest rate compounded annually and (b) medical trend rates ranging from 4.0% to 16.0%. The unfunded actuarial accrued liability is being amortized over 30 years.

EATON COUNTY, MICHIGAN

Notes to Financial Statements

M. DEFINED CONTRIBUTION PENSION PLAN – ROAD COMMISSION

The Road Commission provides pension benefits for substantially all of its regular full-time employees through a defined contribution pension plan. The Road Commission is the plan administrator; however, the daily plan administration and operation is provided through the American Funds Group. The Road Commission contributes an amount equal to 12% of each employee's compensation during the plan year, after completion of one year of service. Members do not contribute any annual compensation to this plan. The Road Commission's contributions to the plan for the year ended September 30, 2009 were \$216,883.

N. RESTATEMENTS

Beginning net assets of the Drainage Districts discretely presented component unit was increased by \$50,000 to reflect a principal payment and subsequent reduction in long term debt that occurred in a prior year.

* * * * *

**COMBINING AND INDIVIDUAL FUND
STATEMENTS/SCHEDULES**

EATON COUNTY, MICHIGAN
Detailed Schedule of Revenues and
Other Financing Sources - Budget and Actual
General Fund
For the Year Ended September 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget + (-)</u>
Taxes				
Property taxes	\$ 18,266,994	\$ 18,266,994	\$ 17,899,422	\$ (367,572)
Industrial facilities tax	409,596	409,596	357,472	(52,124)
Payments in lieu	8,000	8,000	37,255	29,255
Delinquent taxes	20,000	20,000	26,782	6,782
Trailer park taxes	10,000	10,000	9,454	(546)
Real estate transfer tax	350,000	350,000	343,374	(6,626)
Interest and penalties	52,500	52,500	77,100	24,600
Total taxes	<u>19,117,090</u>	<u>19,117,090</u>	<u>18,750,859</u>	<u>(366,231)</u>
Permits and regulatory licenses				
Dog licenses	142,000	142,000	135,336	(6,664)
Pistol permits	13,000	13,000	28,617	15,617
Marriage licenses	14,000	14,000	14,103	103
Soil erosion	40,000	40,000	32,276	(7,724)
Total permits and regulatory licenses	<u>209,000</u>	<u>209,000</u>	<u>210,332</u>	<u>1,332</u>
Intergovernmental - federal/state				
Emergency management services	34,845	34,845	37,660	2,815
Cooperative reimbursement - Prosecutor	57,656	57,656	60,282	2,626
ADC Incentive	151,191	151,191	153,577	2,386
Cooperative reimbursement - Friend of the Court	913,540	913,540	834,459	(79,081)
FBI Surveillance	-	-	4,280	4,280
Byrne	-	-	115	115
Strong Families/Safe Children	30,100	30,100	28,336	(1,764)
Local Law Enforcement Block Grant	8,000	8,000	-	(8,000)
Probate Judge's salary	101,800	101,800	102,532	732
Judicial salary standardization	228,672	228,672	228,620	(52)
Sheriff road patrol program	134,070	117,022	122,472	5,450
Marine safety program	5,000	5,000	5,000	-
Drug case incentive	500	500	1,091	591
Victims Rights Act	100,205	105,000	105,322	322
Parole violation grant	50,000	50,000	23,961	(26,039)
Diverted felon program	320,000	320,000	191,313	(128,687)
Assistant juvenile officer grant	52,776	52,776	52,776	-
Convention and tourism	500,384	500,384	468,783	(31,601)
Cigarette tax	56,000	56,000	35,637	(20,363)
Liquor license fees	25,000	25,000	26,865	1,865
State aid-case flow assistance	19,018	19,018	27,865	8,847
State court equity funding	534,031	534,031	485,187	(48,844)
Title IV-E	-	-	10,606	10,606
Livescan	-	-	16,000	16,000
Miscellaneous	24,038	24,038	24,248	210
Total intergovernmental - federal/state	<u>3,346,826</u>	<u>3,334,573</u>	<u>3,046,987</u>	<u>(287,586)</u>

Continued...

EATON COUNTY, MICHIGAN
Detailed Schedule of Revenues and
Other Financing Sources - Budget and Actual (Continued)
General Fund
For the Year Ended September 30, 2009

	Original Budget	Final Budget	Actual	Variance with Final Budget + (-)
Intergovernmental - local				
Township - planning	\$ 61,740	\$ 61,740	\$ 56,595	\$ (5,145)
Township - Sheriff	2,766,906	2,766,906	2,757,051	(9,855)
Road Commission - weighmaster	111,030	111,030	118,819	7,789
Total intergovernmental - local	<u>2,939,676</u>	<u>2,939,676</u>	<u>2,932,465</u>	<u>(7,211)</u>
Charges for services				
Court:				
District Court costs	956,550	956,550	809,629	(146,921)
Circuit Court probation	25,000	25,000	13,951	(11,049)
Court filing fees	167,500	167,500	160,128	(7,372)
Bond costs	3,000	3,000	1,370	(1,630)
Jury demand	6,450	6,450	5,560	(890)
Writ of garnishment	71,000	71,000	105,000	34,000
Attorney fee reimbursement	6,000	6,000	3,026	(2,974)
SOS reinstatement fee	41,500	41,500	37,891	(3,609)
Probation oversight	118,200	118,200	136,017	17,817
Alcohol assessment	22,700	22,700	27,478	4,778
Friend of the Court service fees	75,000	75,000	89,418	14,418
Probate Court services	40,000	40,000	42,352	2,352
Juvenile Court services	15,000	15,000	8,544	(6,456)
Prosecuting attorney services	-	-	294	294
Juvenile Court attorney fees	25,000	25,000	23,064	(1,936)
Crime victim assessment	400	400	168	(232)
Tether program	62,000	62,000	45,872	(16,128)
General government:				
County Clerk services	100,000	100,000	97,149	(2,851)
County Treasurer services	4,200	4,200	12,077	7,877
Register of Deed services	400,000	400,000	312,858	(87,142)
Drain Commission services	15,000	15,000	12,068	(2,932)
Child care collection fees	55,000	55,000	42,430	(12,570)
Property description services	20,600	20,600	18,111	(2,489)
Food stamp fraud	4,000	4,000	2,224	(1,776)
Community development services	20,000	20,000	15,832	(4,168)
Sheriff Department:				
Sheriff services	185,660	185,660	167,163	(18,497)
OUIL/Impaired	25,000	25,000	16,452	(8,548)
False alarms	8,600	8,600	5,645	(2,955)
Abandoned vehicles	8,200	8,200	5,198	(3,002)
Impounded cars	200	200	-	(200)
Inmate medical	19,000	19,000	6,210	(12,790)
Sentenced inmate boarding	75,000	75,000	55,172	(19,828)
Sale of lost/stolen property	400	400	279	(121)
Boarding of dogs and cats	10,500	10,500	7,959	(2,541)
Medical Examiner-				
Cremation fees	-	-	2,100	2,100
Photocopies	6,550	6,550	8,525	1,975
Miscellaneous	10,500	10,500	10,656	156
Total charges for services	<u>2,603,710</u>	<u>2,603,710</u>	<u>2,307,870</u>	<u>(295,840)</u>

Continued...

EATON COUNTY, MICHIGAN
Detailed Schedule of Revenues and
Other Financing Sources - Budget and Actual (Concluded)
General Fund
For the Year Ended September 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget + (-)</u>
Fines and forfeitures				
Ordinance fines and costs	\$ 113,000	\$ 113,000	\$ 142,911	\$ 29,911
Handicap parking	2,500	2,500	1,770	(730)
Bond forfeitures	40,000	40,000	26,572	(13,428)
Dog fines	2,000	2,000	1,479	(521)
Miscellaneous	500	500	265	(235)
Total fines and forfeitures	<u>158,000</u>	<u>158,000</u>	<u>172,997</u>	<u>14,997</u>
Interest and rents				
Interest on investments	250,000	250,000	65,490	(184,510)
Rental fees	269,829	269,829	269,829	-
Total interest and rents	<u>519,829</u>	<u>519,829</u>	<u>335,319</u>	<u>(184,510)</u>
Other				
Vending/pay phone commissions	150,200	150,200	76,664	(73,536)
Sale of capital assets	5,000	5,000	24,471	19,471
Reimbursements and refunds	103,100	103,100	88,836	(14,264)
Restitution	7,400	7,400	2,208	(5,192)
Miscellaneous	1,170	1,170	1,046	(124)
Total other	<u>266,870</u>	<u>266,870</u>	<u>193,225</u>	<u>(73,645)</u>
Total revenues	<u>29,161,001</u>	<u>29,148,748</u>	<u>27,950,054</u>	<u>(1,198,694)</u>
Other financing sources - transfers in				
Delinquent Tax Revolving	611,725	613,232	584,000	(29,232)
Revenue Sharing Reserve	2,080,780	2,080,780	2,172,334	91,554
Central Dispatch	193,404	193,404	193,404	-
Jail Millage	50,000	50,000	50,000	-
Total other financing sources	<u>2,935,909</u>	<u>2,937,416</u>	<u>2,999,738</u>	<u>62,322</u>
Total revenues and other sources	<u>\$ 32,096,910</u>	<u>\$ 32,086,164</u>	<u>\$ 30,949,792</u>	<u>\$ (1,136,372)</u>

EATON COUNTY, MICHIGAN
Detailed Schedule of Expenditures and
Other Financing Uses - Budget and Actual
General Fund
For the Year Ended September 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget + (-)</u>
Legislative				
Board of Commissioners	\$ 298,427	\$ 328,427	\$ 304,793	\$ 23,634
Judicial				
Circuit Court	1,337,765	1,287,270	1,201,001	86,269
District Court	1,714,333	1,714,333	1,625,268	89,065
Friend of Court	1,321,695	1,321,695	1,177,816	143,879
County Guardian	63,000	63,000	61,943	1,057
Probate Court	534,097	536,061	506,712	29,349
Juvenile Court	739,051	787,087	734,128	52,959
Probation	14,794	14,794	9,104	5,690
Total judicial	<u>5,724,735</u>	<u>5,724,240</u>	<u>5,315,972</u>	<u>408,268</u>
General government				
Elections	68,350	74,350	72,676	1,674
Clerk	573,256	573,243	548,288	24,955
Births and Deaths	250	250	216	34
Plat Board	538	538	-	538
Controller	755,102	759,031	745,670	13,361
Information Systems	776,333	776,333	730,766	45,567
Equalization	566,879	566,879	533,595	33,284
Prosecuting Attorney	1,339,904	1,341,824	1,272,828	68,996
Register of Deeds	234,081	234,081	221,172	12,909
Treasurer	352,646	362,926	360,167	2,759
Cooperative Extension	197,162	197,162	162,963	34,199
Building Authority Administration	600	850	850	-
Building and Grounds	1,726,464	1,725,376	1,594,188	131,188
Drain Commission	407,092	420,892	342,516	78,376
Thornapple-Ground Soil Conservation	20,500	20,500	20,500	-
Eaton County Office Building	23,088	23,669	23,399	270
Total general government	<u>7,042,245</u>	<u>7,077,904</u>	<u>6,629,794</u>	<u>448,110</u>
Public safety				
Sheriff - General	4,862,979	4,849,004	4,764,506	84,498
Sheriff - Corrections	4,177,994	4,174,474	3,442,489	731,985
Sheriff - Delta office	3,632,673	3,630,047	3,494,153	135,894
Sheriff - Weighmaster	110,733	114,778	114,770	8
Sheriff - Road Patrol	170,653	170,653	135,008	35,645
Handicapped Parking	-	8	8	-
Marine Safety	11,808	11,808	9,916	1,892
Community Development	312,935	312,535	268,027	44,508
Tri-County Regional Planning	102,900	102,900	102,900	-
Animal Control	360,858	360,858	343,733	17,125
Emergency Services	118,584	118,584	112,842	5,742
Total public safety	<u>13,862,117</u>	<u>13,845,649</u>	<u>12,788,352</u>	<u>1,057,297</u>
Public works				
Drains at Large	370,440	370,052	290,401	79,651

Continued...

EATON COUNTY, MICHIGAN
Detailed Schedule of Expenditures and
Other Financing Uses - Budget and Actual (Concluded)
General Fund
For the Year Ended September 30, 2009

	Original Budget	Final Budget	Actual	Variance with Final Budget + (-)
Health and social services				
Mid-South Substance Abuse	\$ 250,192	\$ 250,192	\$ 234,392	\$ 15,800
Medical Examiner	136,129	155,129	155,127	2
Community Mental Health	406,810	406,810	406,810	-
Other Agency Grants	-	5,000	-	5,000
Barry-Eaton Health Plan Corporation	650,000	592,033	592,033	-
Tri-County Office on Aging	66,442	66,442	65,572	870
Veterans	74,649	74,649	50,129	24,520
District Health - appropriation	165,800	223,767	219,631	4,136
District Health - cigarette tax	40,000	40,000	25,156	14,844
Total health and social services	<u>1,790,022</u>	<u>1,814,022</u>	<u>1,748,850</u>	<u>65,172</u>
Recreation and culture				
Courthouse Square Association	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>
Other				
Miscellaneous	<u>530,162</u>	<u>76,683</u>	<u>12,449</u>	<u>64,234</u>
Capital outlay				
	<u>405,325</u>	<u>406,129</u>	<u>317,775</u>	<u>88,354</u>
Total expenditures	<u>30,038,473</u>	<u>29,658,106</u>	<u>27,423,386</u>	<u>2,234,720</u>
Other financing uses - transfers out				
Appropriations:				
Child Care	1,300,000	1,200,000	1,200,000	-
Other	-	169,971	68,833	101,138
Family Independence Agency	15,000	15,000	15,000	-
Soldiers and Sailors Relief	25,000	25,000	25,000	-
Parks and Recreation	378,884	378,884	378,884	-
Historical Commission	10,000	10,000	10,000	-
Public Improvement	250,000	250,000	250,000	-
Computer	411,000	411,400	411,400	-
Other:				
Drug Court	40,000	40,000	-	40,000
Community Corrections	15,000	15,000	15,000	-
Child Care (cigarette tax)	16,000	16,000	10,481	5,519
Friend of the Court	34,196	33,058	32,917	141
Medical Care Facility	140,093	140,093	140,093	-
Vertical Drug Prosecution and Forfeiture	56,207	55,069	51,213	3,856
Building Authority - Eaton County Office Building	106,225	106,613	106,613	-
STOP Domestic Violence	30,263	31,401	31,401	-
Child Care - FIA	2,500	2,500	2,500	-
Construction Code	159	200,159	200,159	-
Parcel Layer / Comprehensive Plan	13,500	13,500	13,500	-
Landfill	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>-</u>
Total other financing uses	<u>2,879,027</u>	<u>3,148,648</u>	<u>2,997,994</u>	<u>150,654</u>
Total expenditures and other uses	<u>\$ 32,917,500</u>	<u>\$ 32,806,754</u>	<u>\$ 30,421,380</u>	<u>\$ 2,385,374</u>

(This page left intentionally
blank)

EATON COUNTY, MICHIGAN
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2009

Special Revenue Funds

<u>ASSETS</u>	<u>Parks and Recreation</u>	<u>Parks Special Projects</u>	<u>Friend of the Court</u>	<u>Fox Park</u>	<u>Landfill</u>
Assets					
Cash and cash equivalents	\$ 63,706	\$ 81,229	\$ 1,823	\$ -	\$ 36,125
Receivables:					
Property taxes	-	-	-	-	-
Accounts, net	-	-	560	-	-
Due from other governmental units	-	-	-	29,800	-
<u>TOTAL ASSETS</u>	<u>\$ 63,706</u>	<u>\$ 81,229</u>	<u>\$ 2,383</u>	<u>\$ 29,800</u>	<u>\$ 36,125</u>
 <u>LIABILITIES AND FUND BALANCES</u>					
Liabilities					
Accounts payable	\$ 8,993	\$ -	\$ -	\$ -	\$ 14,075
Accrued liabilities	11,051	-	2,065	-	-
Due to other governmental units -					
Federal/state	-	-	-	-	-
Due to other funds	7,141	-	318	-	-
Interfund payable	-	-	-	29,799	-
Deferred revenue	-	-	-	-	-
Total liabilities	<u>27,185</u>	<u>-</u>	<u>2,383</u>	<u>29,799</u>	<u>14,075</u>
Fund balances					
Unreserved:					
Designated for subsequent year expenditures	-	40,000	-	-	-
Undesignated	36,521	41,229	-	1	22,050
Total fund balances	<u>36,521</u>	<u>81,229</u>	<u>-</u>	<u>1</u>	<u>22,050</u>
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$ 63,706</u>	<u>\$ 81,229</u>	<u>\$ 2,383</u>	<u>\$ 29,800</u>	<u>\$ 36,125</u>

Special Revenue Funds

Solid Waste Ordinance	CDBG Housing Grant	Homeowner Purchase Rehab	Economic Development Revolving	Construction Code Enforcement	Public Improvement	Planning Aerial Photos	Remonumentation Grant
\$ 292,020	\$ 7,296	\$ -	\$ 52,873	\$ 21,325	\$ 744,588	\$ 33,783	\$ 17,332
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	32
-	-	-	-	-	-	-	18,482
<u>\$ 292,020</u>	<u>\$ 7,296</u>	<u>\$ -</u>	<u>\$ 52,873</u>	<u>\$ 21,325</u>	<u>\$ 744,588</u>	<u>\$ 33,783</u>	<u>\$ 35,846</u>
\$ 39,282	\$ 71	\$ -	\$ 47,408	\$ 1,765	\$ 9,990	\$ -	\$ 10,189
3,037	2,732	-	-	6,979	-	-	-
-	-	-	-	-	-	-	-
410	360	-	-	1,274	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>42,729</u>	<u>3,163</u>	<u>-</u>	<u>47,408</u>	<u>10,018</u>	<u>9,990</u>	<u>-</u>	<u>10,189</u>
-	-	-	-	-	-	33,221	-
249,291	4,133	-	5,465	11,307	734,598	562	25,657
<u>249,291</u>	<u>4,133</u>	<u>-</u>	<u>5,465</u>	<u>11,307</u>	<u>734,598</u>	<u>33,783</u>	<u>25,657</u>
<u>\$ 292,020</u>	<u>\$ 7,296</u>	<u>\$ -</u>	<u>\$ 52,873</u>	<u>\$ 21,325</u>	<u>\$ 744,588</u>	<u>\$ 33,783</u>	<u>\$ 35,846</u>

Continued...

EATON COUNTY, MICHIGAN
Combining Balance Sheet
Nonmajor Governmental Funds (Continued)
September 30, 2009

	<u>Special Revenue Funds</u>				
	<u>Parcel Layer Comprehensive Plan</u>	<u>Register of Deeds Technology</u>	<u>Prisoner Boarding</u>	<u>Jail Millage</u>	<u>Jail Millage II</u>
<u>ASSETS</u>					
Assets					
Cash and cash equivalents	\$ 28,932	\$ 277,333	\$ 3,807	\$ 115,497	\$ 1,865,897
Receivables:					
Property taxes	-	-	-	27,643	12,000
Accounts, net	-	160	-	-	-
Due from other governmental units	-	-	-	-	7,253
<u>TOTAL ASSETS</u>	<u>\$ 28,932</u>	<u>\$ 277,493</u>	<u>\$ 3,807</u>	<u>\$ 143,140</u>	<u>\$ 1,885,150</u>
<u>LIABILITIES AND FUND BALANCES</u>					
Liabilities					
Accounts payable	\$ 4,750	\$ -	\$ 600	\$ -	\$ 8,385
Accrued liabilities	-	-	2,637	8,482	49,695
Due to other governmental units -					
Federal/state	-	-	-	-	-
Due to other funds	-	-	570	2,018	8,367
Interfund payable	-	-	-	-	-
Deferred revenue	-	-	-	27,643	12,000
Total liabilities	<u>4,750</u>	<u>-</u>	<u>3,807</u>	<u>38,143</u>	<u>78,447</u>
Fund balances					
Unreserved:					
Designated for subsequent year expenditures	-	99,548	-	98,351	333,315
Undesignated	<u>24,182</u>	<u>177,945</u>	<u>-</u>	<u>6,646</u>	<u>1,473,388</u>
Total fund balances	<u>24,182</u>	<u>277,493</u>	<u>-</u>	<u>104,997</u>	<u>1,806,703</u>
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$ 28,932</u>	<u>\$ 277,493</u>	<u>\$ 3,807</u>	<u>\$ 143,140</u>	<u>\$ 1,885,150</u>

Special Revenue Funds

Criminal Property Forfeiture	Drug Law Forfeiture	Vertical Drug Prosecution and Forfeiture	Law Library	S.T.O.P. Grant	Drug Court III - Circuit Court	Community Corrections	Domestic Preparedness
\$ 868	\$ 231	\$ 3,187	\$ 283	\$ 3,790	\$ -	\$ 7,580	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	637	-
-	-	-	-	-	24,144	23,575	23,748
<u>\$ 868</u>	<u>\$ 231</u>	<u>\$ 3,187</u>	<u>\$ 283</u>	<u>\$ 3,790</u>	<u>\$ 24,144</u>	<u>\$ 31,792</u>	<u>\$ 23,748</u>
\$ -	\$ -	\$ -	\$ 154	\$ -	\$ 2,661	\$ 6,574	\$ 5,900
-	-	2,898	-	3,113	2,244	6,302	-
-	-	-	-	-	-	-	-
-	-	289	-	484	346	3,608	-
-	-	-	-	-	7,919	-	16,127
-	-	-	-	-	-	-	-
-	-	3,187	154	3,597	13,170	16,484	22,027
-	-	-	-	-	-	14,191	-
868	231	-	129	193	10,974	1,117	1,721
868	231	-	129	193	10,974	15,308	1,721
<u>\$ 868</u>	<u>\$ 231</u>	<u>\$ 3,187</u>	<u>\$ 283</u>	<u>\$ 3,790</u>	<u>\$ 24,144</u>	<u>\$ 31,792</u>	<u>\$ 23,748</u>

Continued...

EATON COUNTY, MICHIGAN
Combining Balance Sheet
Nonmajor Governmental Funds (Continued)
September 30, 2009

Special Revenue Funds

<u>ASSETS</u>	<u>Soil Erosion Enforcement</u>	<u>Child Care - DHS</u>	<u>Community Prosecution</u>	<u>Property Forfeiture Prosecutor</u>	<u>Drug Forfeiture Prosecutor</u>
Assets					
Cash and cash equivalents	\$ 1,755	\$ 19,643	\$ 492,418	\$ 4,543	\$ 1,557
Receivables:					
Property taxes	-	-	-	-	-
Accounts, net	-	-	-	-	-
Due from other governmental units	-	273	-	-	-
<u>TOTAL ASSETS</u>	<u>\$ 1,755</u>	<u>\$ 19,916</u>	<u>\$ 492,418</u>	<u>\$ 4,543</u>	<u>\$ 1,557</u>
 <u>LIABILITIES AND FUND BALANCES</u>					
Liabilities					
Accounts payable	\$ -	\$ -	\$ 2,205	\$ -	\$ -
Accrued liabilities	-	-	36,397	-	-
Due to other governmental units -					
Federal/state	-	-	-	-	-
Due to other funds	-	-	1,959	-	-
Interfund payable	-	-	-	-	-
Deferred revenue	-	-	-	-	-
Total liabilities	-	-	40,561	-	-
Fund balances					
Unreserved:					
Designated for subsequent year expenditures	-	-	-	-	-
Undesignated	1,755	19,916	451,857	4,543	1,557
Total fund balances	1,755	19,916	451,857	4,543	1,557
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$ 1,755</u>	<u>\$ 19,916</u>	<u>\$ 492,418</u>	<u>\$ 4,543</u>	<u>\$ 1,557</u>

Special Revenue Funds

Michigan Justice Training	Dispatcher Training	OHSP Traffic Enforcement	Department of Human Services	Soldiers and Sailors	Veterans Trust	Historical Commission
\$ 17,691	\$ 2,893	\$ -	\$ 42,005	\$ 12,528	\$ 504	\$ 7,831
-	-	-	-	-	-	-
276	-	-	48,729	-	-	-
-	-	9,952	36	-	-	-
<u>\$ 17,967</u>	<u>\$ 2,893</u>	<u>\$ 9,952</u>	<u>\$ 90,770</u>	<u>\$ 12,528</u>	<u>\$ 504</u>	<u>\$ 7,831</u>
\$ -	\$ 389	\$ 6,980	\$ 36	\$ 2,128	\$ 133	\$ 747
-	-	-	-	-	-	-
-	-	-	70,000	-	-	-
-	-	-	-	-	-	-
-	-	2,972	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>389</u>	<u>9,952</u>	<u>70,036</u>	<u>2,128</u>	<u>133</u>	<u>747</u>
-	-	-	-	-	-	3,100
<u>17,967</u>	<u>2,504</u>	<u>-</u>	<u>20,734</u>	<u>10,400</u>	<u>371</u>	<u>3,984</u>
<u>17,967</u>	<u>2,504</u>	<u>-</u>	<u>20,734</u>	<u>10,400</u>	<u>371</u>	<u>7,084</u>
<u>\$ 17,967</u>	<u>\$ 2,893</u>	<u>\$ 9,952</u>	<u>\$ 90,770</u>	<u>\$ 12,528</u>	<u>\$ 504</u>	<u>\$ 7,831</u>

Continued...

EATON COUNTY, MICHIGAN
Combining Balance Sheet
Nonmajor Governmental Funds (Continued)
September 30, 2009

	<u>Special Revenue Funds</u>					
	<u>Computer</u>	<u>Home Tax Exemption Audit</u>	<u>Brownfield Redevelopment</u>	<u>Local Corrections Officer Training</u>	<u>Sheriff Reserve Fund</u>	<u>LEAD Drug Testing</u>
<u>ASSETS</u>						
Assets						
Cash and cash equivalents	\$ 530,487	\$ 26,767	\$ -	\$ 74,561	\$ 4,525	\$ 1,170
Receivables:						
Property taxes	-	-	-	-	-	-
Accounts, net	30	-	-	-	-	-
Due from other governmental units	-	-	1,800	-	-	-
<u>TOTAL ASSETS</u>	<u>\$ 530,517</u>	<u>\$ 26,767</u>	<u>\$ 1,800</u>	<u>\$ 74,561</u>	<u>\$ 4,525</u>	<u>\$ 1,170</u>
<u>LIABILITIES AND FUND BALANCES</u>						
Liabilities						
Accounts payable	\$ 39,966	\$ -	\$ 1,800	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-	-	-
Due to other governmental units -						
Federal/state	-	21,808	-	-	-	-
Due to other funds	-	-	-	-	-	-
Interfund payable	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-
Total liabilities	39,966	21,808	1,800	-	-	-
Fund balances						
Unreserved:						
Designated for subsequent year expenditures	84,577	-	-	-	-	-
Undesignated	405,974	4,959	-	74,561	4,525	1,170
Total fund balances	490,551	4,959	-	74,561	4,525	1,170
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$ 530,517</u>	<u>\$ 26,767</u>	<u>\$ 1,800</u>	<u>\$ 74,561</u>	<u>\$ 4,525</u>	<u>\$ 1,170</u>

Special Revenue Funds				Debt Service Funds			
Kellogg Foundation Grant	Juvenile Millage	Justice Assistance Recovery	COPS	Building Authority Office Building	Building Authority Health Clinic	Building Authority Jail	Installment Purchase
\$ 823,004	\$ 461,252	\$ -	\$ -	\$ 789	\$ -	\$ 680,545	\$ 1
-	10,745	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	63,640	-	-	-	-	-
<u>\$ 823,004</u>	<u>\$ 471,997</u>	<u>\$ 63,640</u>	<u>\$ -</u>	<u>\$ 789</u>	<u>\$ -</u>	<u>\$ 680,545</u>	<u>\$ 1</u>
\$ -	\$ 5,368	\$ 63,640	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	10,745	-	-	-	-	-	-
-	16,113	63,640	-	-	-	-	-
161,744	27,821	-	-	-	-	-	-
661,260	428,063	-	-	789	-	680,545	1
823,004	455,884	-	-	789	-	680,545	1
<u>\$ 823,004</u>	<u>\$ 471,997</u>	<u>\$ 63,640</u>	<u>\$ -</u>	<u>\$ 789</u>	<u>\$ -</u>	<u>\$ 680,545</u>	<u>\$ 1</u>

Continued...

EATON COUNTY, MICHIGAN
Combining Balance Sheet
Nonmajor Governmental Funds (Concluded)
September 30, 2009

	Debt Service Funds	Capital Project Funds	Permanent Trust Funds		
	Dental Clinic	Jail Construction	Dental Clinic Construction	Juvenile Court Trust	Youth Facility Trust
<u>ASSETS</u>					
Assets					
Cash and cash equivalents	\$ 16,725	\$ -	\$ 850,065	\$ 11,582	\$ 6,001
Receivables:					
Property taxes	-	-	-	-	-
Accounts, net	-	-	-	-	-
Due from other governmental units	-	-	-	-	-
	<u>\$ 16,725</u>	<u>\$ -</u>	<u>\$ 850,065</u>	<u>\$ 11,582</u>	<u>\$ 6,001</u>
 <u>LIABILITIES AND FUND BALANCES</u>					
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ 21	\$ -
Accrued liabilities	-	-	-	-	-
Due to other governmental units -					
Federal/state	-	-	-	-	-
Due to other funds	-	-	-	-	-
Interfund payable	-	-	-	-	-
Deferred revenue	-	-	-	-	-
	-	-	-	21	-
Total liabilities	-	-	-	21	-
Fund balances					
Unreserved:					
Designated for subsequent year expenditures	-	-	-	-	-
Undesignated	16,725	-	850,065	11,561	6,001
	16,725	-	850,065	11,561	6,001
Total fund balances	16,725	-	850,065	11,561	6,001
	<u>\$ 16,725</u>	<u>\$ -</u>	<u>\$ 850,065</u>	<u>\$ 11,582</u>	<u>\$ 6,001</u>

Permanent Trust Funds

Lincoln Brick Trust	Sheriff Donations Trust	Prosecuting Attorney Donations Trust	EATON Trust	Total
\$ 116,250	\$ 341	\$ 44	\$ 595	\$ 7,867,577
-	-	-	-	50,388
-	-	-	-	50,424
-	-	-	-	202,703
<u>\$ 116,250</u>	<u>\$ 341</u>	<u>\$ 44</u>	<u>\$ 595</u>	<u>\$ 8,171,092</u>
\$ 116	\$ 85	\$ -	\$ -	\$ 284,411
-	-	-	-	137,632
-	-	-	-	91,808
-	-	-	-	27,144
-	-	-	-	56,817
-	-	-	-	50,388
<u>116</u>	<u>85</u>	<u>-</u>	<u>-</u>	<u>648,200</u>
-	-	-	-	895,868
<u>116,134</u>	<u>256</u>	<u>44</u>	<u>595</u>	<u>6,627,024</u>
<u>116,134</u>	<u>256</u>	<u>44</u>	<u>595</u>	<u>7,522,892</u>
<u>\$ 116,250</u>	<u>\$ 341</u>	<u>\$ 44</u>	<u>\$ 595</u>	<u>\$ 8,171,092</u>

EATON COUNTY, MICHIGAN
Combining Statement of Revenues, Expenditures, and Changes
in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2009

Special Revenue Funds

	Parks and Recreation	Parks Special Projects	Friend of the Court	Fox Park	Landfill
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental:					
Federal/state	4,114	-	-	-	-
Local	-	-	-	-	-
Charges for services	53,472	-	30,830	-	-
Fines and forfeitures	-	-	-	-	-
Interest and rent	-	-	-	-	-
Miscellaneous	1,419	1,000	-	-	-
Total revenues	<u>59,005</u>	<u>1,000</u>	<u>30,830</u>	<u>-</u>	<u>-</u>
Expenditures					
Current:					
Judicial	-	-	63,749	-	-
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Health and social services	-	-	-	-	28,008
Parks, recreation and culture	425,173	7,457	-	-	-
Miscellaneous	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	<u>425,173</u>	<u>7,457</u>	<u>63,749</u>	<u>-</u>	<u>28,008</u>
Revenue over (under) expenditures	<u>(366,168)</u>	<u>(6,457)</u>	<u>(32,919)</u>	<u>-</u>	<u>(28,008)</u>
Other financing sources (uses)					
Transfers in	402,929	46,836	32,917	-	35,000
Transfers out	(47,076)	(12,699)	-	-	-
Long-term debt issued	-	-	-	-	-
Total other financing sources (uses)	<u>355,853</u>	<u>34,137</u>	<u>32,917</u>	<u>-</u>	<u>35,000</u>
Net change in fund balances	(10,315)	27,680	(2)	-	6,992
Fund balances, October 1	46,836	53,549	2	1	15,058
Fund balances, September 30	<u>\$ 36,521</u>	<u>\$ 81,229</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 22,050</u>

Special Revenue Funds

Solid Waste Ordinance	CDBG Housing Grant	Homeowner Purchase Rehab	Economic Development Revolving	Construction Code Enforcement	Public Improvement	Planning Aerial Photo's	Remonumentation Grant
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	164,405	-	-	-
-	418,151	-	-	-	-	-	73,261
-	-	-	-	-	-	-	-
285,796	10,365	-	-	3,467	-	562	17,491
-	-	-	-	200	-	-	-
-	-	-	1,202	-	-	-	-
-	-	-	-	-	-	-	-
<u>285,796</u>	<u>428,516</u>	<u>-</u>	<u>1,202</u>	<u>168,072</u>	<u>-</u>	<u>562</u>	<u>90,752</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	90,753
-	-	-	-	362,797	-	-	-
259,366	534,451	-	60	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
413	-	-	-	-	75,824	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>259,779</u>	<u>534,451</u>	<u>-</u>	<u>60</u>	<u>362,797</u>	<u>75,824</u>	<u>-</u>	<u>90,753</u>
<u>26,017</u>	<u>(105,935)</u>	<u>-</u>	<u>1,142</u>	<u>(194,725)</u>	<u>(75,824)</u>	<u>562</u>	<u>(1)</u>
-	65,000	-	-	200,159	250,000	-	-
-	-	-	-	-	(104,238)	-	-
-	-	-	-	-	-	-	-
<u>-</u>	<u>65,000</u>	<u>-</u>	<u>-</u>	<u>200,159</u>	<u>145,762</u>	<u>-</u>	<u>-</u>
26,017	(40,935)	-	1,142	5,434	69,938	562	(1)
<u>223,274</u>	<u>45,068</u>	<u>-</u>	<u>4,323</u>	<u>5,873</u>	<u>664,660</u>	<u>33,221</u>	<u>25,658</u>
<u>\$ 249,291</u>	<u>\$ 4,133</u>	<u>\$ -</u>	<u>\$ 5,465</u>	<u>\$ 11,307</u>	<u>\$ 734,598</u>	<u>\$ 33,783</u>	<u>\$ 25,657</u>

Continued...

EATON COUNTY, MICHIGAN
Combining Statement of Revenues, Expenditures, and Changes
in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended September 30, 2009

Special Revenue Funds

	Parcel Layer Comprehensive Plan	Register of Deeds Technology	Prisoner Boarding	Jail Millage	Jail Millage II
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ 882	\$ 2,450,264
Licenses and permits	-	-	-	-	-
Intergovernmental:					
Federal/state	-	-	-	-	7,253
Local	-	-	-	-	-
Charges for services	-	87,975	560	-	-
Fines and forfeitures	-	-	-	-	-
Interest and rent	-	345	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	<u>-</u>	<u>88,320</u>	<u>560</u>	<u>882</u>	<u>2,457,517</u>
Expenditures					
Current:					
Judicial	-	-	-	-	-
General government	-	33,776	-	-	-
Public safety	8,750	-	117,099	232,513	1,308,167
Health and social services	-	-	-	-	-
Parks, recreation and culture	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Capital outlay	-	11,251	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	<u>8,750</u>	<u>45,027</u>	<u>117,099</u>	<u>232,513</u>	<u>1,308,167</u>
Revenue over (under) expenditures	<u>(8,750)</u>	<u>43,293</u>	<u>(116,539)</u>	<u>(231,631)</u>	<u>1,149,350</u>
Other financing sources (uses)					
Transfers in	13,500	-	116,538	-	-
Transfers out	-	-	-	(108,466)	(57,669)
Long-term debt issued	-	-	-	-	-
Total other financing sources (uses)	<u>13,500</u>	<u>-</u>	<u>116,538</u>	<u>(108,466)</u>	<u>(57,669)</u>
Net change in fund balances	4,750	43,293	(1)	(340,097)	1,091,681
Fund balances, October 1	<u>19,432</u>	<u>234,200</u>	<u>1</u>	<u>445,094</u>	<u>715,022</u>
Fund balances, September 30	<u>\$ 24,182</u>	<u>\$ 277,493</u>	<u>\$ -</u>	<u>\$ 104,997</u>	<u>\$ 1,806,703</u>

Special Revenue Funds

Criminal Property Forfeiture	Drug Law Forfeiture	Vertical Drug Prosecution and Forfeiture	Law Library	S.T.O.P. Grant	Drug Court III Circuit Court	Community Corrections	Domestic Preparedness
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	55,354	56,316	166,189	46,780
-	-	-	-	-	-	-	-
-	-	-	-	-	9,626	50,700	-
-	4,765	-	6,500	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	4,765	-	6,500	55,354	65,942	216,889	46,780
-	-	-	6,500	-	87,498	-	-
-	-	-	-	-	-	-	-
-	-	65,657	-	86,562	-	225,220	41,676
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	5,100
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	65,657	6,500	86,562	87,498	225,220	46,776
-	4,765	(65,657)	-	(31,208)	(21,556)	(8,331)	4
-	-	61,213	-	31,401	15,000	-	-
-	(4,534)	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	(4,534)	61,213	-	31,401	15,000	-	-
-	231	(4,444)	-	193	(6,556)	(8,331)	4
868	-	4,444	129	-	17,530	23,639	1,717
\$ 868	\$ 231	\$ -	\$ 129	\$ 193	\$ 10,974	\$ 15,308	\$ 1,721

Continued...

EATON COUNTY, MICHIGAN
Combining Statement of Revenues, Expenditures, and Changes
in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended September 30, 2009

Special Revenue Funds

	Soil Erosion Enforcement	Child Care - DHS	Community Prosecution	Property Forfeiture Prosecutor	Drug Forfeiture Prosecutor
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental:					
Federal/state	-	273	-	-	-
Local	-	-	-	-	-
Charges for services	-	-	426,218	-	-
Fines and forfeitures	-	-	-	-	2,382
Interest and rent	-	-	-	-	-
Miscellaneous	-	-	1,000	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	-	273	427,218	-	2,382
Expenditures					
Current:					
Judicial	-	-	-	-	-
General government	-	-	-	-	-
Public safety	-	-	364,663	-	673
Health and social services	-	1,060	-	-	-
Parks, recreation and culture	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	-	1,060	364,663	-	673
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Revenue over (under) expenditures	-	(787)	62,555	-	1,709
Other financing sources (uses)					
Transfers in	-	2,500	-	-	-
Transfers out	-	-	(94,399)	(1,267)	(12,098)
Long-term debt issued	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	2,500	(94,399)	(1,267)	(12,098)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balances	-	1,713	(31,844)	(1,267)	(10,389)
Fund balances, October 1	1,755	18,203	483,701	5,810	11,946
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances, September 30	\$ 1,755	\$ 19,916	\$ 451,857	\$ 4,543	\$ 1,557

Special Revenue Funds

Michigan Justice Training	Dispatcher Training	OHSP Traffic Enforcement	Department of Human Services	Soldiers and Sailors	Veterans Trust	Historical Commission
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
15,433	23,355	18,324	581,654	-	15,068	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>15,433</u>	<u>23,355</u>	<u>18,324</u>	<u>581,654</u>	<u>-</u>	<u>15,068</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
14,838	29,119	14,324	-	-	-	-
-	-	-	598,283	30,690	14,844	-
-	-	-	-	-	-	10,116
-	-	-	-	-	-	-
-	-	4,000	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>14,838</u>	<u>29,119</u>	<u>18,324</u>	<u>598,283</u>	<u>30,690</u>	<u>14,844</u>	<u>10,116</u>
<u>595</u>	<u>(5,764)</u>	<u>-</u>	<u>(16,629)</u>	<u>(30,690)</u>	<u>224</u>	<u>(10,116)</u>
-	-	-	15,000	25,000	-	10,000
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>15,000</u>	<u>25,000</u>	<u>-</u>	<u>10,000</u>
595	(5,764)	-	(1,629)	(5,690)	224	(116)
<u>17,372</u>	<u>8,268</u>	<u>-</u>	<u>22,363</u>	<u>16,090</u>	<u>147</u>	<u>7,200</u>
<u>\$ 17,967</u>	<u>\$ 2,504</u>	<u>\$ -</u>	<u>\$ 20,734</u>	<u>\$ 10,400</u>	<u>\$ 371</u>	<u>\$ 7,084</u>

Continued...

EATON COUNTY, MICHIGAN
Combining Statement of Revenues, Expenditures, and Changes
in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended September 30, 2009

	Special Revenue Funds					
	Computer	Home Tax Exemption Audit	Brownfield Redevelopment	Local Corrections Officer Training	Sheriff Reserve Fund	LEAD Drug Testing
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental:						
Federal/state	-	-	60,451	-	-	-
Local	-	-	-	-	-	-
Charges for services	45,054	-	-	20,643	-	49
Fines and forfeitures	-	-	-	-	-	-
Interest and rent	-	869	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total revenues	<u>45,054</u>	<u>869</u>	<u>60,451</u>	<u>20,643</u>	<u>-</u>	<u>49</u>
Expenditures						
Current:						
Judicial	-	-	-	-	-	-
General government	-	-	-	-	-	-
Public safety	-	-	-	11,402	-	-
Health and social services	-	-	60,451	-	-	-
Parks, recreation and culture	-	-	-	-	-	-
Miscellaneous	4,381	-	-	-	-	-
Capital outlay	338,274	-	-	-	-	-
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	<u>342,655</u>	<u>-</u>	<u>60,451</u>	<u>11,402</u>	<u>-</u>	<u>-</u>
Revenue over (under) expenditures	<u>(297,601)</u>	<u>869</u>	<u>-</u>	<u>9,241</u>	<u>-</u>	<u>49</u>
Other financing sources (uses)						
Transfers in	549,687	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Long-term debt issued	-	-	-	-	-	-
Total other financing sources (uses)	<u>549,687</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	252,086	869	-	9,241	-	49
Fund balances, October 1	<u>238,465</u>	<u>4,090</u>	<u>-</u>	<u>65,320</u>	<u>4,525</u>	<u>1,121</u>
Fund balances, September 30	<u>\$ 490,551</u>	<u>\$ 4,959</u>	<u>\$ -</u>	<u>\$ 74,561</u>	<u>\$ 4,525</u>	<u>\$ 1,170</u>

Special Revenue Funds				Debt Service Funds			
Kellogg Foundation Grant	Juvenile Millage	Justice Assistance Recovery	COPS	Building Authority Office Building	Building Authority Health Clinic	Building Authority Jail	Installment Purchase
\$ -	\$ 1,390,589	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	63,640	19,480	-	-	-	-
-	-	-	-	-	51,930	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
140,000	14,648	-	-	-	-	-	-
140,000	1,405,237	63,640	19,480	-	51,930	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	141,364	-	19,480	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	63,640	-	-	-	-	-
-	-	-	-	80,000	40,000	505,000	83,019
-	-	-	-	26,225	11,930	683,337	21,218
-	141,364	63,640	19,480	106,225	51,930	1,188,337	104,237
140,000	1,263,873	-	-	(106,225)	-	(1,188,337)	(104,237)
-	-	-	-	106,613	-	1,868,882	104,238
(183,486)	(931,049)	-	-	-	-	-	-
-	-	-	-	-	-	-	-
(183,486)	(931,049)	-	-	106,613	-	1,868,882	104,238
(43,486)	332,824	-	-	388	-	680,545	1
866,490	123,060	-	-	401	-	-	-
\$ 823,004	\$ 455,884	\$ -	\$ -	\$ 789	\$ -	\$ 680,545	\$ 1

Continued...

EATON COUNTY, MICHIGAN
Combining Statement of Revenues, Expenditures, and Changes
in Fund Balances (Concluded)
Nonmajor Governmental Funds
For the Year Ended September 30, 2009

	Debt Service Funds	Capital Project Funds		Permanent Trust Funds	
	Dental Clinic	Jail Construction	Dental Clinic Construction	Juvenile Court Trust	Youth Facility Trust
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental:					
Federal/state	-	-	-	-	-
Local	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Interest and rent	16	2,825	656	16	-
Miscellaneous	-	-	-	1,176	4,994
	<u>16</u>	<u>2,825</u>	<u>656</u>	<u>1,192</u>	<u>4,994</u>
Total revenues	<u>16</u>	<u>2,825</u>	<u>656</u>	<u>1,192</u>	<u>4,994</u>
Expenditures					
Current:					
Judicial	-	-	-	-	-
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Health and social services	-	-	-	-	-
Parks, recreation and culture	-	-	-	-	-
Miscellaneous	-	-	-	1,799	4,535
Capital outlay	-	1,928,917	12,521	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	9,296	-	12,065	-	-
	<u>9,296</u>	<u>-</u>	<u>12,065</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>9,296</u>	<u>1,928,917</u>	<u>24,586</u>	<u>1,799</u>	<u>4,535</u>
Revenue over (under) expenditures	<u>(9,280)</u>	<u>(1,926,092)</u>	<u>(23,930)</u>	<u>(607)</u>	<u>459</u>
Other financing sources (uses)					
Transfers in	26,005	-	-	-	-
Transfers out	-	(1,868,882)	(26,005)	-	-
Long-term debt issued	-	-	900,000	-	-
	<u>26,005</u>	<u>(1,868,882)</u>	<u>873,995</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>26,005</u>	<u>(1,868,882)</u>	<u>873,995</u>	<u>-</u>	<u>-</u>
Net change in fund balances	16,725	(3,794,974)	850,065	(607)	459
Fund balances, October 1	-	3,794,974	-	12,168	5,542
Fund balances, September 30	<u>\$ 16,725</u>	<u>\$ -</u>	<u>\$ 850,065</u>	<u>\$ 11,561</u>	<u>\$ 6,001</u>

Permanent Trust Funds				
Lincoln Brick Trust	Sheriff Donations Trust	Prosecuting Attorney Donations Trust	EATON Trust	Total
\$ -	\$ -	\$ -	\$ -	\$ 3,841,735
-	-	-	-	164,405
-	-	-	-	1,625,096
-	-	-	-	51,930
-	-	-	-	1,042,808
-	-	-	-	13,847
156	-	-	-	6,085
10,493	2,300	-	-	177,030
10,649	2,300	-	-	6,922,936
-	-	-	-	157,747
-	-	-	-	124,529
-	-	-	-	3,044,304
-	-	-	-	1,527,213
-	-	-	-	442,746
2,642	2,129	-	-	15,486
-	-	-	-	2,439,940
-	-	-	-	708,019
-	-	-	-	764,071
2,642	2,129	-	-	9,224,055
8,007	171	-	-	(2,301,119)
-	-	-	-	3,978,418
(11,346)	-	-	-	(3,463,214)
-	-	-	-	900,000
(11,346)	-	-	-	1,415,204
(3,339)	171	-	-	(885,915)
119,473	85	44	595	8,408,807
\$ 116,134	\$ 256	\$ 44	\$ 595	\$ 7,522,892

EATON COUNTY, MICHIGAN
Schedules of Revenues, Expenditures, and Changes
in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended September 30, 2009

	Parks and Recreation			Parks Special Projects		
	Final Budget	Actual	Variance with Final Budget + (-)	Final Budget	Actual	Variance with Final Budget + (-)
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental:						
Federal/state	-	4,114	4,114	-	-	-
Local	-	-	-	-	-	-
Charges for services	48,769	53,472	4,703	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Interest and rent	-	-	-	-	-	-
Miscellaneous	2,200	1,419	(781)	-	1,000	1,000
	50,969	59,005	8,036	-	1,000	1,000
Total revenues						
Expenditures						
Current:						
Judicial	-	-	-	-	-	-
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Health and social services	-	-	-	-	-	-
Parks, recreation and culture	442,312	425,173	17,139	-	7,457	(7,457)
Miscellaneous	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
	442,312	425,173	17,139	-	7,457	(7,457)
Total expenditures						
Revenue over (under) expenditures	(391,343)	(366,168)	25,175	-	(6,457)	(6,457)
Other financing sources (uses)						
Transfers in	391,583	402,929	11,346	46,836	46,836	-
Transfers out	(47,076)	(47,076)	-	(12,699)	(12,699)	-
	344,507	355,853	11,346	34,137	34,137	-
Total other financing sources (uses)						
Net change in fund balances	(46,836)	(10,315)	36,521	34,137	27,680	(6,457)
Fund balances, October 1	46,836	46,836	-	53,549	53,549	-
Fund balances (deficit), September 30	<u>\$ -</u>	<u>\$ 36,521</u>	<u>\$ 36,521</u>	<u>\$ 87,686</u>	<u>\$ 81,229</u>	<u>\$ (6,457)</u>

Friend of the Court			Fox Park			Landfill		
Final Budget	Actual	Variance with Final Budget + (-)	Final Budget	Actual	Variance with Final Budget + (-)	Final Budget	Actual	Variance with Final Budget + (-)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
30,045	30,830	785	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
30,045	30,830	785	-	-	-	-	-	-
64,241	63,749	492	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	35,000	28,008	6,992
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
64,241	63,749	492	-	-	-	35,000	28,008	6,992
(34,196)	(32,919)	1,277	-	-	-	(35,000)	(28,008)	6,992
34,196	32,917	(1,279)	-	-	-	35,000	35,000	-
-	-	-	-	-	-	-	-	-
34,196	32,917	(1,279)	-	-	-	35,000	35,000	-
-	(2)	(2)	-	-	-	-	6,992	6,992
2	2	-	1	1	-	15,058	15,058	-
\$ 2	\$ -	\$ (2)	\$ 1	\$ 1	\$ -	\$ 15,058	\$ 22,050	\$ 6,992

Continued ...

EATON COUNTY, MICHIGAN
Schedules of Revenues, Expenditures, and Changes
in Fund Balances - Budget and Actual (Continued)
Nonmajor Special Revenue Funds
For the Year Ended September 30, 2009

	Solid Waste Ordinance			CDBG Housing Grant		
	Final Budget	Actual	Variance with Final Budget + (-)	Final Budget	Actual	Variance with Final Budget + (-)
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental:						
Federal/state	-	-	-	360,000	418,151	58,151
Local	-	-	-	-	-	-
Charges for services	274,424	285,796	11,372	34,595	10,365	(24,230)
Fines and forfeitures	-	-	-	-	-	-
Interest and rent	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total revenues	274,424	285,796	11,372	394,595	428,516	33,921
Expenditures						
Current:						
Judicial	-	-	-	-	-	-
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Health and social services	279,860	259,366	20,494	349,752	534,451	(184,699)
Parks, recreation and culture	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Capital outlay	414	413	1	-	-	-
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	280,274	259,779	20,495	349,752	534,451	(184,699)
Revenue over (under) expenditures	(5,850)	26,017	31,867	44,843	(105,935)	(150,778)
Other financing sources (uses)						
Transfers in	-	-	-	18,500	65,000	46,500
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	18,500	65,000	46,500
Net change in fund balances	(5,850)	26,017	31,867	63,343	(40,935)	(104,278)
Fund balances, October 1	223,274	223,274	-	45,068	45,068	-
Fund balances (deficit), September 30	\$ 217,424	\$ 249,291	\$ 31,867	\$ 108,411	\$ 4,133	\$ (104,278)

<u>Homeowner Purchase Rehab</u>			<u>Economic Development Revolving</u>			<u>Construction Code Enforcement</u>		
<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget + (-)</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget + (-)</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget + (-)</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	481,000	164,405	(316,595)
171,500	-	(171,500)	-	-	-	-	-	-
-	-	-	-	-	-	2,000	-	(2,000)
-	-	-	-	-	-	10,700	3,467	(7,233)
-	-	-	-	-	-	1,000	200	(800)
-	-	-	-	1,202	1,202	-	-	-
-	-	-	-	-	-	-	-	-
<u>171,500</u>	<u>-</u>	<u>(171,500)</u>	<u>-</u>	<u>1,202</u>	<u>1,202</u>	<u>494,700</u>	<u>168,072</u>	<u>(326,628)</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	493,773	362,797	130,976
125,000	-	125,000	60	60	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>125,000</u>	<u>-</u>	<u>125,000</u>	<u>60</u>	<u>60</u>	<u>-</u>	<u>493,773</u>	<u>362,797</u>	<u>130,976</u>
46,500	-	(46,500)	(60)	1,142	1,202	927	(194,725)	(195,652)
-	-	-	-	-	-	199,841	200,159	318
(46,500)	-	46,500	-	-	-	-	-	-
<u>(46,500)</u>	<u>-</u>	<u>46,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>199,841</u>	<u>200,159</u>	<u>318</u>
-	-	-	(60)	1,142	1,202	200,768	5,434	(195,334)
-	-	-	4,323	4,323	-	5,873	5,873	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,263</u>	<u>\$ 5,465</u>	<u>\$ 1,202</u>	<u>\$ 206,641</u>	<u>\$ 11,307</u>	<u>\$ (195,334)</u>

Continued...

EATON COUNTY, MICHIGAN
Schedules of Revenues, Expenditures, and Changes
in Fund Balances - Budget and Actual (Continued)
Nonmajor Special Revenue Funds
For the Year Ended September 30, 2009

	Public Improvement			Planning Aerial Photo's		
	Final Budget	Actual	Variance with Final Budget + (-)	Final Budget	Actual	Variance with Final Budget + (-)
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental:						
Federal/state	-	-	-	-	-	-
Local	-	-	-	-	-	-
Charges for services	-	-	-	-	562	562
Fines and forfeitures	-	-	-	-	-	-
Interest and rent	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total revenues	-	-	-	-	562	562
Expenditures						
Current:						
Judicial	-	-	-	-	-	-
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Health and social services	-	-	-	-	-	-
Parks, recreation and culture	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Capital outlay	424,238	75,824	348,414	-	-	-
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	424,238	75,824	348,414	-	-	-
Revenue over (under) expenditures	(424,238)	(75,824)	348,414	-	562	562
Other financing sources (uses)						
Transfers in	250,000	250,000	-	-	-	-
Transfers out	(104,239)	(104,238)	1	-	-	-
Total other financing sources (uses)	145,761	145,762	1	-	-	-
Net change in fund balances	(278,477)	69,938	348,415	-	562	562
Fund balances, October 1	664,660	664,660	-	33,221	33,221	-
Fund balances (deficit), September 30	\$ 386,183	\$ 734,598	\$ 348,415	\$ 33,221	\$ 33,783	\$ 562

Remonumentation Grant			Parcel Layer Comprehensive Plan			Register of Deeds Technology		
Final Budget	Actual	Variance with Final Budget + (-)	Final Budget	Actual	Variance with Final Budget + (-)	Final Budget	Actual	Variance with Final Budget + (-)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
144,500	73,261	(71,239)	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
25,500	17,491	(8,009)	-	-	-	110,000	87,975	(22,025)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	6,000	345	(5,655)
-	-	-	-	-	-	-	-	-
170,000	90,752	(79,248)	-	-	-	116,000	88,320	(27,680)
-	-	-	-	-	-	-	-	-
170,000	90,753	79,247	-	-	-	130,500	33,776	96,724
-	-	-	8,750	8,750	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	50,000	11,251	38,749
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
170,000	90,753	79,247	8,750	8,750	-	180,500	45,027	135,473
-	(1)	(1)	(8,750)	(8,750)	-	(64,500)	43,293	107,793
-	-	-	13,500	13,500	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	13,500	13,500	-	-	-	-
-	(1)	(1)	4,750	4,750	-	(64,500)	43,293	107,793
25,658	25,658	-	19,432	19,432	-	234,200	234,200	-
\$ 25,658	\$ 25,657	\$ (1)	\$ 24,182	\$ 24,182	\$ -	\$ 169,700	\$ 277,493	\$ 107,793

Continued...

EATON COUNTY, MICHIGAN
Schedules of Revenues, Expenditures, and Changes
in Fund Balances - Budget and Actual (Continued)
Nonmajor Special Revenue Funds
For the Year Ended September 30, 2009

	<u>Prisoner Boarding</u>			<u>Jail Millage</u>		
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget + (-)</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget + (-)</u>
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 882	\$ 882
Licenses and permits	-	-	-	-	-	-
Intergovernmental:						
Federal/state	-	-	-	-	-	-
Local	102,014	-	(102,014)	-	-	-
Charges for services	12,500	560	(11,940)	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Interest and rent	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total revenues	<u>114,514</u>	<u>560</u>	<u>(113,954)</u>	<u>-</u>	<u>882</u>	<u>882</u>
Expenditures						
Current:						
Judicial	-	-	-	-	-	-
General government	-	-	-	-	-	-
Public safety	204,700	117,099	87,601	232,516	232,513	3
Health and social services	-	-	-	-	-	-
Parks, recreation and culture	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	<u>204,700</u>	<u>117,099</u>	<u>87,601</u>	<u>232,516</u>	<u>232,513</u>	<u>3</u>
Revenue over (under) expenditures	<u>(90,186)</u>	<u>(116,539)</u>	<u>(26,353)</u>	<u>(232,516)</u>	<u>(231,631)</u>	<u>885</u>
Other financing sources (uses)						
Transfers in	90,492	116,538	26,046	-	-	-
Transfers out	-	-	-	(108,466)	(108,466)	-
Total other financing sources (uses)	<u>90,492</u>	<u>116,538</u>	<u>26,046</u>	<u>(108,466)</u>	<u>(108,466)</u>	<u>-</u>
Net change in fund balances	306	(1)	(307)	(340,982)	(340,097)	885
Fund balances, October 1	<u>1</u>	<u>1</u>	<u>-</u>	<u>445,094</u>	<u>445,094</u>	<u>-</u>
Fund balances (deficit), September 30	<u>\$ 307</u>	<u>\$ -</u>	<u>\$ (307)</u>	<u>\$ 104,112</u>	<u>\$ 104,997</u>	<u>\$ 885</u>

Jail Millage II			Criminal Property Forfeiture			Drug Law Forfeiture		
Final Budget	Actual	Variance with Final Budget + (-)	Final Budget	Actual	Variance with Final Budget + (-)	Final Budget	Actual	Variance with Final Budget + (-)
\$ 2,467,852	\$ 2,450,264	\$ (17,588)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	7,253	7,253	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	600	-	(600)	32,046	4,765	(27,281)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>2,467,852</u>	<u>2,457,517</u>	<u>(10,335)</u>	<u>600</u>	<u>-</u>	<u>(600)</u>	<u>32,046</u>	<u>4,765</u>	<u>(27,281)</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
1,581,895	1,308,167	273,728	600	-	600	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>1,581,895</u>	<u>1,308,167</u>	<u>273,728</u>	<u>600</u>	<u>-</u>	<u>600</u>	<u>-</u>	<u>-</u>	<u>-</u>
885,957	1,149,350	263,393	-	-	-	32,046	4,765	(27,281)
-	-	-	-	-	-	-	-	-
(1,192,719)	(57,669)	1,135,050	-	-	-	(32,046)	(4,534)	27,512
(1,192,719)	(57,669)	1,135,050	-	-	-	(32,046)	(4,534)	27,512
(306,762)	1,091,681	1,398,443	-	-	-	-	231	231
715,022	715,022	-	868	868	-	-	-	-
<u>\$ 408,260</u>	<u>\$ 1,806,703</u>	<u>\$ 1,398,443</u>	<u>\$ 868</u>	<u>\$ 868</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 231</u>	<u>\$ 231</u>

Continued...

EATON COUNTY, MICHIGAN
Schedules of Revenues, Expenditures, and Changes
in Fund Balances - Budget and Actual (Continued)
Nonmajor Special Revenue Funds
For the Year Ended September 30, 2009

	Vertical Drug Prosecution and Forfeiture			Law Library		
	Final Budget	Actual	Variance with Final Budget + (-)	Final Budget	Actual	Variance with Final Budget + (-)
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental:						
Federal/state	-	-	-	-	-	-
Local	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	6,500	6,500	-
Interest and rent	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
	-	-	-	-	-	-
Total revenues	-	-	-	6,500	6,500	-
Expenditures						
Current:						
Judicial	-	-	-	6,500	6,500	-
General government	-	-	-	-	-	-
Public safety	66,207	65,657	550	-	-	-
Health and social services	-	-	-	-	-	-
Parks, recreation and culture	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
	-	-	-	-	-	-
Total expenditures	66,207	65,657	550	6,500	6,500	-
Revenue over (under) expenditures	(66,207)	(65,657)	550	-	-	-
Other financing sources (uses)						
Transfers in	56,207	61,213	5,006	-	-	-
Transfers out	-	-	-	-	-	-
	-	-	-	-	-	-
Total other financing sources (uses)	56,207	61,213	5,006	-	-	-
Net change in fund balances	(10,000)	(4,444)	5,556	-	-	-
Fund balances, October 1	4,444	4,444	-	129	129	-
Fund balances (deficit), September 30	\$ (5,556)	\$ -	\$ 5,556	\$ 129	\$ 129	\$ -

S.T.O.P. Grant			Drug Court III			Community Corrections		
Final Budget	Actual	Variance with Final Budget + (-)	Final Budget	Actual	Variance with Final Budget + (-)	Final Budget	Actual	Variance with Final Budget + (-)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
61,504	55,354	(6,150)	144,657	56,316	(88,341)	169,588	166,189	(3,399)
-	-	-	-	-	-	-	-	-
-	-	-	12,262	9,626	(2,636)	47,000	50,700	3,700
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
61,504	55,354	(6,150)	156,919	65,942	(90,977)	216,588	216,889	301
-	-	-	211,963	87,498	124,465	-	-	-
-	-	-	-	-	-	-	-	-
91,767	86,562	5,205	-	-	-	231,588	225,220	6,368
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
91,767	86,562	5,205	211,963	87,498	124,465	231,588	225,220	6,368
(30,263)	(31,208)	(945)	(55,044)	(21,556)	33,488	(15,000)	(8,331)	6,669
30,263	31,401	1,138	40,000	15,000	(25,000)	15,000	-	(15,000)
-	-	-	-	-	-	-	-	-
30,263	31,401	1,138	40,000	15,000	(25,000)	15,000	-	(15,000)
-	193	193	(15,044)	(6,556)	8,488	-	(8,331)	(8,331)
-	-	-	17,530	17,530	-	23,639	23,639	-
\$ -	\$ 193	\$ 193	\$ 2,486	\$ 10,974	\$ 8,488	\$ 23,639	\$ 15,308	\$ (8,331)

Continued...

EATON COUNTY, MICHIGAN
Schedules of Revenues, Expenditures, and Changes
in Fund Balances - Budget and Actual (Continued)
Nonmajor Special Revenue Funds
For the Year Ended September 30, 2009

	<u>Domestic Preparedness</u>			<u>Soil Erosion Enforcement</u>		
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget + (-)</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget + (-)</u>
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental:						
Federal/state	52,000	46,780	(5,220)	-	-	-
Local	-	-	-	-	-	-
Charges for services	-	-	-	1,800	-	(1,800)
Fines and forfeitures	-	-	-	-	-	-
Interest and rent	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total revenues	<u>52,000</u>	<u>46,780</u>	<u>(5,220)</u>	<u>1,800</u>	<u>-</u>	<u>(1,800)</u>
Expenditures						
Current:						
Judicial	-	-	-	-	-	-
General government	-	-	-	-	-	-
Public safety	52,000	41,676	10,324	1,800	-	1,800
Health and social services	-	-	-	-	-	-
Parks, recreation and culture	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Capital outlay	-	5,100	(5,100)	-	-	-
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	<u>52,000</u>	<u>46,776</u>	<u>5,224</u>	<u>1,800</u>	<u>-</u>	<u>1,800</u>
Revenue over (under) expenditures	<u>-</u>	<u>4</u>	<u>4</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>-</u>	<u>4</u>	<u>4</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, October 1	<u>1,717</u>	<u>1,717</u>	<u>-</u>	<u>1,755</u>	<u>1,755</u>	<u>-</u>
Fund balances (deficit), September 30	<u>\$ 1,717</u>	<u>\$ 1,721</u>	<u>\$ 4</u>	<u>\$ 1,755</u>	<u>\$ 1,755</u>	<u>\$ -</u>

Child Care - DHS			Community Prosecution			Property Forfeiture Prosecutor		
Final Budget	Actual	Variance with Final Budget + (-)	Final Budget	Actual	Variance with Final Budget + (-)	Final Budget	Actual	Variance with Final Budget + (-)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	273	273	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	500,000	426,218	(73,782)	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	1,000	1,000	-	-	-
-	273	273	500,000	427,218	(72,782)	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	431,041	364,663	66,378	-	-	-
2,500	1,060	1,440	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
2,500	1,060	1,440	431,041	364,663	66,378	-	-	-
(2,500)	(787)	1,713	68,959	62,555	(6,404)	-	-	-
2,500	2,500	-	-	-	-	-	-	-
-	-	-	(94,399)	(94,399)	-	(1,267)	(1,267)	-
2,500	2,500	-	(94,399)	(94,399)	-	(1,267)	(1,267)	-
-	1,713	1,713	(25,440)	(31,844)	(6,404)	(1,267)	(1,267)	-
18,203	18,203	-	483,701	483,701	-	5,810	5,810	-
\$ 18,203	\$ 19,916	\$ 1,713	\$ 458,261	\$ 451,857	\$ (6,404)	\$ 4,543	\$ 4,543	\$ -

Continued...

EATON COUNTY, MICHIGAN
Schedules of Revenues, Expenditures, and Changes
in Fund Balances - Budget and Actual (Continued)
Nonmajor Special Revenue Funds
For the Year Ended September 30, 2009

	<u>Drug Forfeiture Prosecutor</u>			<u>Michigan Justice Training</u>		
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget + (-)</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget + (-)</u>
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental:						
Federal/state	-	-	-	15,000	15,433	433
Local	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	2,382	2,382	-	-	-
Interest and rent	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total revenues	<u>-</u>	<u>2,382</u>	<u>2,382</u>	<u>15,000</u>	<u>15,433</u>	<u>433</u>
Expenditures						
Current:						
Judicial	-	-	-	-	-	-
General government	-	-	-	-	-	-
Public safety	800	673	127	15,000	14,838	162
Health and social services	-	-	-	-	-	-
Parks, recreation and culture	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	<u>800</u>	<u>673</u>	<u>127</u>	<u>15,000</u>	<u>14,838</u>	<u>162</u>
Revenue over (under) expenditures	<u>(800)</u>	<u>1,709</u>	<u>2,509</u>	<u>-</u>	<u>595</u>	<u>595</u>
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	(12,098)	(12,098)	-	-	-	-
Total other financing sources (uses)	<u>(12,098)</u>	<u>(12,098)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(12,898)</u>	<u>(10,389)</u>	<u>2,509</u>	<u>-</u>	<u>595</u>	<u>595</u>
Fund balances, October 1	<u>11,946</u>	<u>11,946</u>	<u>-</u>	<u>17,372</u>	<u>17,372</u>	<u>-</u>
Fund balances (deficit), September 30	<u>\$ (952)</u>	<u>\$ 1,557</u>	<u>\$ 2,509</u>	<u>\$ 17,372</u>	<u>\$ 17,967</u>	<u>\$ 595</u>

Dispatcher Training			OHSP Traffic Enforcement			Department of Human Services		
Final Budget	Actual	Variance with Final Budget + (-)	Final Budget	Actual	Variance with Final Budget + (-)	Final Budget	Actual	Variance with Final Budget + (-)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
17,500	23,355	5,855	24,000	18,324	(5,676)	550,000	581,654	31,654
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
17,500	23,355	5,855	24,000	18,324	(5,676)	550,000	581,654	31,654
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
30,000	29,119	881	20,000	14,324	5,676	-	-	-
-	-	-	-	-	-	565,000	598,283	(33,283)
-	-	-	-	-	-	-	-	-
-	-	-	4,000	4,000	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
30,000	29,119	881	24,000	18,324	5,676	565,000	598,283	(33,283)
(12,500)	(5,764)	6,736	-	-	-	(15,000)	(16,629)	(1,629)
-	-	-	-	-	-	15,000	15,000	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	15,000	15,000	-
(12,500)	(5,764)	6,736	-	-	-	-	(1,629)	(1,629)
8,268	8,268	-	-	-	-	22,363	22,363	-
\$ (4,232)	\$ 2,504	\$ 6,736	\$ -	\$ -	\$ -	\$ 22,363	\$ 20,734	\$ (1,629)

Continued...

EATON COUNTY, MICHIGAN
Schedules of Revenues, Expenditures, and Changes
in Fund Balances - Budget and Actual (Continued)
Nonmajor Special Revenue Funds
For the Year Ended September 30, 2009

	Soldiers and Sailors			Veterans Trust		
	Final Budget	Actual	Variance with Final Budget + (-)	Final Budget	Actual	Variance with Final Budget + (-)
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental:						
Federal/state	-	-	-	20,000	15,068	(4,932)
Local	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Interest and rent	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total revenues	-	-	-	20,000	15,068	(4,932)
Expenditures						
Current:						
Judicial	-	-	-	-	-	-
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Health and social services	35,000	30,690	4,310	20,000	14,844	5,156
Parks, recreation and culture	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	35,000	30,690	4,310	20,000	14,844	5,156
Revenue over (under) expenditures	(35,000)	(30,690)	4,310	-	224	224
Other financing sources (uses)						
Transfers in	25,000	25,000	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	25,000	25,000	-	-	-	-
Net change in fund balances	(10,000)	(5,690)	4,310	-	224	224
Fund balances, October 1	16,090	16,090	-	147	147	-
Fund balances (deficit), September 30	\$ 6,090	\$ 10,400	\$ 4,310	\$ 147	\$ 371	\$ 224

Historical Commission			Computer		
Final Budget	Actual	Variance with Final Budget + (-)	Final Budget	Actual	Variance with Final Budget + (-)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	45,054	45,054
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	45,054	45,054
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
10,117	10,116	1	-	-	-
-	-	-	23,500	4,381	19,119
-	-	-	700,519	338,274	362,245
-	-	-	-	-	-
-	-	-	-	-	-
10,117	10,116	1	724,019	342,655	381,364
(10,117)	(10,116)	1	(724,019)	(297,601)	426,418
10,000	10,000	-	549,432	549,687	255
-	-	-	-	-	-
10,000	10,000	-	549,432	549,687	255
(117)	(116)	1	(174,587)	252,086	426,673
7,200	7,200	-	238,465	238,465	-
\$ 7,083	\$ 7,084	\$ 1	\$ 63,878	\$ 490,551	\$ 426,673

Continued...

EATON COUNTY, MICHIGAN
Schedules of Revenues, Expenditures, and Changes
in Fund Balances - Budget and Actual (Continued)
Nonmajor Special Revenue Funds
For the Year Ended September 30, 2009

	Home Tax Exemption Audit			Brownfield Redevelopment		
	Final Budget	Actual	Variance with Final Budget + (-)	Final Budget	Actual	Variance with Final Budget + (-)
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental:						
Federal/state	-	-	-	67,000	60,451	(6,549)
Local	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Interest and rent	-	869	869	-	-	-
Miscellaneous	-	-	-	-	-	-
Total revenues	-	869	869	67,000	60,451	(6,549)
Expenditures						
Current:						
Judicial	-	-	-	-	-	-
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Health and social services	-	-	-	67,000	60,451	6,549
Parks, recreation and culture	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	-	-	-	67,000	60,451	6,549
Revenue over (under) expenditures	-	869	869	-	-	-
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balances	-	869	869	-	-	-
Fund balances, October 1	4,090	4,090	-	-	-	-
Fund balances (deficit), September 30	\$ 4,090	\$ 4,959	\$ 869	\$ -	\$ -	\$ -

Local Corrections Officer Training			Sheriff Reserve Fund			LEAD Drug Testing		
Final Budget	Actual	Variance with Final Budget + (-)	Final Budget	Actual	Variance with Final Budget + (-)	Final Budget	Actual	Variance with Final Budget + (-)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
20,000	20,643	643	-	-	-	-	49	49
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
20,000	20,643	643	-	-	-	-	49	49
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
20,000	11,402	8,598	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
20,000	11,402	8,598	-	-	-	-	-	-
-	9,241	9,241	-	-	-	-	49	49
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	9,241	9,241	-	-	-	-	49	49
65,320	65,320	-	4,525	4,525	-	1,121	1,121	-
\$ 65,320	\$ 74,561	\$ 9,241	\$ 4,525	\$ 4,525	\$ -	\$ 1,121	\$ 1,170	\$ 49

EATON COUNTY, MICHIGAN
Schedules of Revenues, Expenditures, and Changes
in Fund Balances - Budget and Actual (Concluded)
Nonmajor Special Revenue Funds
For the Year Ended September 30, 2009

	Kellogg Foundation Grant			Juvenile Millage		
	Final Budget	Actual	Variance with Final Budget + (-)	Final Budget	Actual	Variance with Final Budget + (-)
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ 1,402,686	\$ 1,390,589	\$ (12,097)
Licenses and permits	-	-	-	-	-	-
Intergovernmental:						
Federal/state	-	-	-	-	-	-
Local	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Interest and rent	-	-	-	-	-	-
Miscellaneous	-	140,000	140,000	-	14,648	14,648
Total revenues	-	140,000	140,000	1,402,686	1,405,237	2,551
Expenditures						
Current:						
Judicial	-	-	-	-	-	-
General government	-	-	-	-	-	-
Public safety	-	-	-	200,234	141,364	58,870
Health and social services	-	-	-	-	-	-
Parks, recreation and culture	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Capital outlay	-	-	-	16,000	-	16,000
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	-	-	-	216,234	141,364	74,870
Revenue over (under) expenditures	-	140,000	140,000	1,186,452	1,263,873	77,421
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	(183,486)	(183,486)	-	(1,031,049)	(931,049)	100,000
Total other financing sources (uses)	(183,486)	(183,486)	-	(1,031,049)	(931,049)	100,000
Net change in fund balances	(183,486)	(43,486)	140,000	155,403	332,824	177,421
Fund balances, October 1	866,490	866,490	-	123,060	123,060	-
Fund balances (deficit), September 30	\$ 683,004	\$ 823,004	\$ 140,000	\$ 278,463	\$ 455,884	\$ 177,421

Justice Assistance Recovery			COPS Grant		
Final Budget	Actual	Variance with Final Budget + (-)	Final Budget	Actual	Variance with Final Budget + (-)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
65,618	63,640	(1,978)	-	19,480	19,480
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
65,618	63,640	(1,978)	-	19,480	19,480
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
65,618	63,640	1,978	-	19,480	(19,480)
-	-	-	-	-	-
-	-	-	-	-	-
65,618	63,640	1,978	-	19,480	(19,480)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

EATON COUNTY, MICHIGAN
Combining Statement of Net Assets
Internal Service Funds
September 30, 2009

	Retirees Health Insurance	Workers' Compensation	Health Insurance
Assets			
Current assets:			
Cash and cash equivalents	\$ 174,645	\$ 923,293	\$ 658,968
Investments	2,575,013	-	-
Accounts receivable	502	173	-
Due from other funds	59,101	9,722	-
Prepays	-	13,209	273,376
	<u>2,809,261</u>	<u>946,397</u>	<u>932,344</u>
Total current assets			
Liabilities			
Current liabilities:			
Accounts payable	-	3,067	-
Accrued liabilities	-	83,863	330,027
Due to other funds	-	-	-
	<u>-</u>	<u>86,930</u>	<u>330,027</u>
Total current liabilities			
Net assets			
Unrestricted	<u>\$ 2,809,261</u>	<u>\$ 859,467</u>	<u>\$ 602,317</u>

<u>Liability Insurance</u>	<u>Unemployment</u>	<u>Life and Disability</u>	<u>Retirement Stabilization</u>	<u>Dental Insurance</u>	<u>Total</u>
\$ 517,696	\$ 85,769	\$ 46,981	\$ 129,067	\$ 110,735	\$ 2,647,154
-	-	-	-	-	2,575,013
-	9	50	764	-	1,498
-	2,875	6,799	92,828	-	171,325
-	-	-	-	-	286,585
<u>517,696</u>	<u>88,653</u>	<u>53,830</u>	<u>222,659</u>	<u>110,735</u>	<u>5,681,575</u>
-	-	2,152	-	-	5,219
44,395	-	10,395	-	11,901	480,581
-	-	303	-	-	303
<u>44,395</u>	<u>-</u>	<u>12,850</u>	<u>-</u>	<u>11,901</u>	<u>486,103</u>
<u>\$ 473,301</u>	<u>\$ 88,653</u>	<u>\$ 40,980</u>	<u>\$ 222,659</u>	<u>\$ 98,834</u>	<u>\$ 5,195,472</u>

EATON COUNTY, MICHIGAN
Combining Statement of Revenues, Expenses
and Changes in Fund Net Assets
Internal Service Funds
For the Year Ended September 30, 2009

	<u>Retirees Health Insurance</u>	<u>Workers' Compensation</u>	<u>Health Insurance</u>
Operating revenues			
Charges for services	\$ 1,228,914	\$ 224,111	\$ 5,501,292
Other revenues	-	1,051	-
Total operating revenues	<u>1,228,914</u>	<u>225,162</u>	<u>5,501,292</u>
Operating expenses			
Personal services and fringe benefits	299	-	-
Contractual services	-	18,500	-
Insurance and claims	<u>1,094,884</u>	<u>128,423</u>	<u>5,200,002</u>
Total operating expenses	<u>1,095,183</u>	<u>146,923</u>	<u>5,200,002</u>
Operating income (loss)	<u>133,731</u>	<u>78,239</u>	<u>301,290</u>
Nonoperating revenues (expenses)			
Interest revenue	500	1,474	-
Unrealized gain on investment	<u>59,668</u>	<u>-</u>	<u>-</u>
Total nonoperating revenues	<u>60,168</u>	<u>1,474</u>	<u>-</u>
Change in net assets	193,899	79,713	301,290
Net assets, October 1	<u>2,615,362</u>	<u>779,754</u>	<u>301,027</u>
Net assets, September 30	<u><u>\$ 2,809,261</u></u>	<u><u>\$ 859,467</u></u>	<u><u>\$ 602,317</u></u>

<u>Liability Insurance</u>	<u>Unemployment</u>	<u>Life and Disability</u>	<u>Retirement Stabilization</u>	<u>Dental Insurance</u>	<u>Total</u>
\$ 746,555	\$ 14,482	\$ 138,695	\$ 1,937,919	\$ 249,440	\$ 10,041,408
-	-	-	-	-	1,051
<u>746,555</u>	<u>14,482</u>	<u>138,695</u>	<u>1,937,919</u>	<u>249,440</u>	<u>10,042,459</u>
-	-	-	1,769,171	-	1,769,470
3,485	-	1,835	-	202,744	226,564
<u>564,545</u>	<u>49,062</u>	<u>136,400</u>	<u>-</u>	<u>-</u>	<u>7,173,316</u>
<u>568,030</u>	<u>49,062</u>	<u>138,235</u>	<u>1,769,171</u>	<u>202,744</u>	<u>9,169,350</u>
<u>178,525</u>	<u>(34,580)</u>	<u>460</u>	<u>168,748</u>	<u>46,696</u>	<u>873,109</u>
92,500	-	-	-	-	94,474
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>59,668</u>
<u>92,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>154,142</u>
271,025	(34,580)	460	168,748	46,696	1,027,251
<u>202,276</u>	<u>123,233</u>	<u>40,520</u>	<u>53,911</u>	<u>52,138</u>	<u>4,168,221</u>
<u>\$ 473,301</u>	<u>\$ 88,653</u>	<u>\$ 40,980</u>	<u>\$ 222,659</u>	<u>\$ 98,834</u>	<u>\$ 5,195,472</u>

EATON COUNTY, MICHIGAN
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended September 30, 2009

	Retirees Health Insurance	Workers' Compensation	Health Insurance
Cash flows from operating activities			
Cash received from interfund services	\$ 1,225,164	\$ 224,683	\$ 5,501,292
Cash paid to/for employees/retirees	(1,095,183)	(106,031)	-
Cash paid to suppliers	(155)	(18,496)	(4,759,483)
	<u>129,826</u>	<u>100,156</u>	<u>741,809</u>
Cash flows from investing activities			
Purchase of investments	(295,658)	-	-
Interest received	500	1,474	-
	<u>(295,158)</u>	<u>1,474</u>	<u>-</u>
Net cash provided (used) by investing activities	(295,158)	1,474	-
Net increase (decrease) in cash and cash equivalents	(165,332)	101,630	741,809
Cash and cash equivalents, October 1	<u>339,977</u>	<u>821,663</u>	<u>(82,841)</u>
Cash and cash equivalents, September 30	<u>\$ 174,645</u>	<u>\$ 923,293</u>	<u>\$ 658,968</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income (loss)	\$ 133,731	\$ 78,239	\$ 301,290
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Change in assets and liabilities:			
Accounts receivable	(155)	(46)	-
Due from other funds	(3,750)	(479)	-
Prepays	-	5,452	309,292
Accounts payable	-	(5,402)	-
Accrued liabilities	-	22,392	131,227
Due to other funds	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided (used) by operating activities	<u>\$ 129,826</u>	<u>\$ 100,156</u>	<u>\$ 741,809</u>

<u>Liability Insurance</u>	<u>Unemployment</u>	<u>Life and Disability</u>	<u>Retirement Stabilization</u>	<u>Dental Insurance</u>	<u>Total</u>
\$ 746,555	\$ 12,107	\$ 138,385	\$ 1,935,438	\$ 249,440	\$ 10,033,064
-	(49,061)	(131,238)	(1,917,978)	-	(3,299,491)
<u>(761,710)</u>	<u>-</u>	<u>(6,973)</u>	<u>-</u>	<u>(204,839)</u>	<u>(5,751,656)</u>
<u>(15,155)</u>	<u>(36,954)</u>	<u>174</u>	<u>17,460</u>	<u>44,601</u>	<u>981,917</u>
-	-	-	-	-	(295,658)
<u>92,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>94,474</u>
<u>92,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(201,184)</u>
77,345	(36,954)	174	17,460	44,601	780,733
<u>440,351</u>	<u>122,723</u>	<u>46,807</u>	<u>111,607</u>	<u>66,134</u>	<u>1,866,421</u>
<u>\$ 517,696</u>	<u>\$ 85,769</u>	<u>\$ 46,981</u>	<u>\$ 129,067</u>	<u>\$ 110,735</u>	<u>\$ 2,647,154</u>
\$ 178,525	\$ (34,580)	\$ 460	\$ 168,748	\$ 46,696	\$ 873,109
-	(6)	(14)	(167)	-	(388)
-	(2,368)	(310)	(2,481)	-	(9,388)
-	-	-	-	-	314,744
-	-	(2,846)	(148,640)	(2,095)	(158,983)
(193,680)	-	2,581	-	-	(37,480)
<u>-</u>	<u>-</u>	<u>303</u>	<u>-</u>	<u>-</u>	<u>303</u>
<u>\$ (15,155)</u>	<u>\$ (36,954)</u>	<u>\$ (129)</u>	<u>\$ 17,460</u>	<u>\$ 44,601</u>	<u>\$ 981,614</u>

EATON COUNTY, MICHIGAN
Combining Statement of Assets and Liabilities
Agency Funds
September 30, 2009

	Trust and Agency	Library	District Court Bond
Assets			
Cash and cash equivalents	\$ 8,939,583	\$ 103,900	\$ 125,106
Accounts receivable	10,085	4,630	-
 Total assets	 8,949,668	 108,530	 125,106
 Liabilities			
Accounts payable	\$ 7,736,791	\$ -	\$ -
Due to individuals/agencies	1,038,039	-	125,106
Due to other governmental units	174,838	108,530	-
 Total liabilities	 \$ 8,949,668	 \$ 108,530	 \$ 125,106

Inmate Trust Account	Property Forfeiture Trust	Total
\$ 1,127	\$ 4,010	\$ 9,173,726
-	-	14,715
<u>1,127</u>	<u>4,010</u>	<u>9,188,441</u>
\$ -	\$ -	\$ 7,736,791
1,127	4,010	1,168,282
-	-	283,368
<u>1,127</u>	<u>4,010</u>	<u>9,188,441</u>

EATON COUNTY, MICHIGAN
Statement of Net Assets and
Governmental Funds Balance Sheet
Board of Public Works Component Unit
September 30, 2009

	Debt Service Funds				
	Eaton Rapids Water System	Grand Ledge Water System	Dimondale/ Windsor Sewer System	Charlotte Water / Sewer Systems	Brookfield Water / Sewer Systems
Assets					
Cash and cash equivalents	\$ -	\$ 936,738	\$ -	\$ -	\$ -
Lease receivable	-	-	-	-	-
Bond issuance costs	-	-	-	-	-
Total assets	\$ -	\$ 936,738	\$ -	\$ -	\$ -
Liabilities					
Interest payable	\$ -	\$ -	\$ -	\$ -	\$ -
Long-term debt:					
Due within one year	-	-	-	-	-
Due in more than one year	-	-	-	-	-
Total liabilities	-	-	-	-	-
Fund balances / net assets					
Fund balance- unreserved, undesignated	-	936,738	-	-	-
Total liabilities and fund balances	\$ -	\$ 936,738	\$ -	\$ -	\$ -
Net assets - unrestricted					

<u>Total</u>	<u>GASB 34 Adjustments</u>	<u>Statement of Net Assets</u>
\$ 936,738	\$ -	\$ 936,738
-	11,123,774	11,123,774
-	111,675	111,675
<u>\$ 936,738</u>	<u>11,235,449.00</u>	<u>12,172,187.00</u>
\$ -	41,433.00	41,433.00
-	1,090,000	1,090,000
-	10,970,512	10,970,512
-	12,101,945	12,101,945
<u>936,738</u>	<u>(936,738)</u>	<u>-</u>
<u>\$ 936,738</u>		
	<u>\$ 70,242</u>	<u>\$ 70,242</u>

EATON COUNTY, MICHIGAN
Reconciliation of Fund Balances on the Balance Sheet
for Governmental Funds to Net Assets of
Governmental Activities on the Statement of Net Assets
Board of Public Works Component Unit
September 30, 2009

Total fund balances for governmental funds	\$	936,738
---	----	---------

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Leases receivable are not current financial resources and therefore are not reported in governmental funds		11,123,774
--	--	------------

Long-term bonded debt is not due and payable in the current period and therefore not reported in the funds. Unamortized premiums, loss on refundings, and interest payable are not reported in the funds. However, these amounts are included in the Statement of Net Assets. This is the net effect of these balances on the statement.

Deduct - bonds payable	\$	(12,060,512)
Deduct - interest payable		(41,433)
Add - unamortized bond issuance costs		<u>111,675</u>

Net assets of governmental activities	\$	<u><u>70,242</u></u>
--	----	----------------------

(This page left intentionally
blank)

EATON COUNTY, MICHIGAN
Statement of Activities and
Governmental Fund Revenues, Expenditures
and Changes in Fund Balance
Board of Public Works Component Unit
For the Year Ended September 30, 2009

	Debt Service Funds				
	Eaton Rapids Water System	Grand Ledge Water System	Dimondale/ Windsor Sewer System	Charlotte Water / Sewer Systems	Brookfield Water / Sewer Systems
Revenues					
Intergovernmental - local	\$ 139,225	\$ -	\$ 449,700	\$ 226,988	\$ 166,478
Interest and rents	-	1,489	-	-	-
Total revenues	<u>139,225</u>	<u>1,489</u>	<u>449,700</u>	<u>226,988</u>	<u>166,478</u>
Expenditures / expenses					
Debt service:					
Principal	115,000	280,000	350,000	200,000	125,000
Interest and fiscal charges	24,225	162,819	99,700	26,988	41,478
Total expenditures/expenses	<u>139,225</u>	<u>442,819</u>	<u>449,700</u>	<u>226,988</u>	<u>166,478</u>
Net changes in fund balances	-	(441,330)	-	-	-
Change in net assets	-	-	-	-	-
Fund balances / net assets, October 1	<u>-</u>	<u>1,378,068</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances / net assets, September 30	<u>\$ -</u>	<u>\$ 936,738</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

<u>Total</u>	<u>GASB 34 Adjustments</u>	<u>Statement of Activities</u>
\$ 982,391	\$ (811,482)	\$ 170,909
1,489	-	1,489
<u>983,880</u>	<u>(811,482)</u>	<u>172,398</u>
1,070,000	(1,070,000)	-
355,210	(11,795)	343,415
<u>1,425,210</u>	<u>(1,081,795)</u>	<u>343,415</u>
(441,330)	(441,330)	-
-	(171,017)	(171,017)
<u>1,378,068</u>	<u>(1,136,809)</u>	<u>241,259</u>
<u>\$ 936,738</u>	<u>\$ (1,749,156)</u>	<u>\$ 70,242</u>

EATON COUNTY, MICHIGAN
Reconciliation of the Statement of Revenues, Expenditures
and Change in Fund Balances of Governmental Funds
to the Statement of Activities
Board of Public Works Component Unit
For the Year Ended September 30, 2009

Net change in fund balance - total governmental funds \$ (441,330)

Amounts reported for governmental activities in the Statement of Activities are different because:

Amounts received from local governments for the payment of bond principal is recorded in the funds as revenue, but eliminated for the Statement of Activities

Deduct - collections attributable to bond principal and accrued interest (811,482)

Bond proceeds provide current financial resources to governmental funds by issuing debt which increases long-term bonded debt in the Statement of Net Assets. Repayment of bond principal is an expenditure in governmental funds, but the repayment reduces long-term bonded debt in the Statement of Net Assets.

Add - debt principal payments 1,070,000

Certain 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 funds.

Add - decrease in accrual for interest payable on bonds and notes 11,795

Changes in net assets of governmental activities \$ (171,017)

(This page left intentionally
blank)

EATON COUNTY, MICHIGAN
Statement of Net Assets and
Governmental Funds Balance Sheet
Drainage Districts Component Unit
September 30, 2009

	Debt		Capital Projects Funds	
	Service Fund			
	Regular Drain	Regular Drain	Drain Revolving	Narrow Lake Level
Assets				
Cash and cash equivalents	\$ 3,482,711	\$ 9,846,074	\$ 41,950	\$ 10,999
Special assessments receivable	43,475,221	-	-	-
Due from other funds	6,139	-	8,050	-
Bond issuance costs	-	5,000	-	-
Capital assets not being depreciated	-	-	-	-
Capital assets being depreciated, net	-	-	-	-
Total assets	<u>\$ 46,964,071</u>	<u>\$ 9,851,074</u>	<u>\$ 50,000</u>	<u>\$ 10,999</u>
Liabilities				
Accounts payable	-	235,507	-	-
Interest payable	-	-	-	-
Due from other funds	3,115	11,074	-	-
Deferred revenue	43,455,562	-	-	-
Advances from primary government	-	-	50,000	-
Short-term notes payable	-	50,000	-	-
Long-term debt:				
Due within one year	-	-	-	-
Due in more than one year	-	-	-	-
Total liabilities	43,458,677	296,581	50,000	-
Fund balances / net assets				
Fund balances - unreserved	3,505,394	9,554,493	-	10,999
Total liabilities and fund balances	<u>\$ 46,964,071</u>	<u>\$ 9,851,074</u>	<u>\$ 50,000</u>	<u>\$ 10,999</u>
Net assets				
Invested in capital assets, net of related debt				
Restricted				
Unrestricted				
Total net assets				

<u>Lacey Lake Level</u>	<u>Total</u>	<u>GASB 34 Adjustments</u>	<u>Statement of Net Assets</u>
\$ 351	\$ 13,382,085	\$ -	\$ 13,382,085
-	43,475,221	-	43,475,221
-	14,189	-	14,189
-	5,000	178,508	183,508
-	-	35,998,546	35,998,546
-	-	37,360,160	37,360,160
<u>\$ 351</u>	<u>\$ 56,876,495</u>	<u>73,537,214</u>	<u>130,413,709</u>
-	235,507	-	235,507
-	-	594,330	594,330
-	14,189	-	14,189
-	43,455,562	(43,455,562)	-
-	50,000	-	50,000
-	50,000	-	50,000
-	-	4,270,536	4,270,536
-	-	41,616,207	41,616,207
-	43,805,258	3,025,511	46,830,769
<u>351</u>	<u>13,071,237</u>	<u>(13,071,237)</u>	<u>-</u>
<u>\$ 351</u>	<u>\$ 56,876,495</u>		
		27,471,963	27,471,963
		3,505,394	3,505,394
		<u>52,605,583</u>	<u>52,605,583</u>
		<u>\$ 83,582,940</u>	<u>\$ 83,582,940</u>

EATON COUNTY, MICHIGAN
Reconciliation of Fund Balances on the Balance Sheet
for Governmental Funds to Net Assets of
Governmental Activities on the Statement of Net Assets
Drainage Districts Component Unit
September 30, 2009

Total fund balances for governmental funds \$ 13,071,237

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

Add - capital assets	\$ 86,599,720	
Deduct - accumulated depreciation	<u>(13,241,014)</u>	73,358,706

Because the focus of governmental funds is on short-term financing, some assets will not be available to pay for current expenditures. Those assets (i.e. receivables) are offset by deferred revenues in the governmental funds and, therefore, not included in fund balance.

Add - deferred special assessments		43,455,562
------------------------------------	--	------------

Long-term bonded debt is not due and payable in the current period and therefore not reported in the funds. Unamortized premiums, loss on refundings, and interest payable are not reported in the funds. However, these amounts are included in the Statement of Net Assets. This is the net effect of these balances on the statement.

Deduct - long-term debt payable	(45,235,473)	
Deduct - unamortized premiums	(722,769)	
Add - unamortized deferred loss on refunding	71,499	
Add - unamortized bond issuance costs	178,508	
Deduct - interest payable	<u>(594,330)</u>	<u>(46,302,565)</u>

Net assets of governmental activities \$ 83,582,940

(This page left intentionally
blank)

EATON COUNTY, MICHIGAN
Statement of Activities and
Governmental Fund Revenues, Expenditures
and Changes in Fund Balance
Drainage Districts Component Unit
For the Year Ended September 30, 2009

	Debt		Capital Projects Funds	
	Service Fund			
	Regular Drain	Regular Drain	Drain Revolving	Narrow Lake Level
Revenues				
Charges for services	\$ -	\$ 24,446	\$ -	\$ -
Special assessments	5,926,584	686,488	-	-
Interest revenue	7,468	5,133	-	-
Miscellaneous	-	191,127	-	-
	<u>-</u>	<u>191,127</u>	<u>-</u>	<u>-</u>
Total revenues	<u>5,934,052</u>	<u>907,194</u>	<u>-</u>	<u>-</u>
Expenditures / expenses				
Public works	-	-	-	-
Capital outlay - construction and maintenance	-	2,595,765	-	-
Debt service:				
Principal	4,010,204	-	-	-
Interest and fiscal charges	1,921,113	51,194	-	-
	<u>1,921,113</u>	<u>51,194</u>	<u>-</u>	<u>-</u>
Total expenditures / expenses	<u>5,931,317</u>	<u>2,646,959</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures/expenses	2,735	(1,739,765)	-	-
Other financing sources				
Long-term debt issued	-	4,503,000	-	-
	<u>-</u>	<u>4,503,000</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	2,735	2,763,235	-	-
Change in net assets	-	-	-	-
Fund balances / net assets, October 1, as restated	<u>3,502,659</u>	<u>6,791,258</u>	<u>-</u>	<u>10,999</u>
Fund balances / net assets, September 30	<u>\$ 3,505,394</u>	<u>\$ 9,554,493</u>	<u>\$ -</u>	<u>\$ 10,999</u>

<u>Lacey Lake Level</u>	<u>Total</u>	<u>GASB 34 Adjustments</u>	<u>Statement of Activities</u>
\$ -	\$ 24,446	\$ -	\$ 24,446
-	6,613,072	285,439	6,898,511
-	12,601	-	12,601
-	191,127	-	191,127
-	<u>6,841,246</u>	<u>285,439</u>	<u>7,126,685</u>
-	-	1,239,873	1,239,873
-	2,595,765	(2,599,830)	(4,065)
-	4,010,204	(4,010,204)	-
-	<u>1,972,307</u>	<u>(30,332)</u>	<u>1,941,975</u>
-	<u>8,578,276</u>	<u>(5,400,493)</u>	<u>3,177,783</u>
-	(1,737,030)	5,685,932	3,948,902
-	<u>4,503,000</u>	<u>(4,503,000)</u>	<u>-</u>
-	2,765,970	(2,765,970)	-
-	-	3,948,902	3,948,902
<u>351</u>	<u>10,305,267</u>	<u>69,328,771</u>	<u>79,634,038</u>
<u>\$ 351</u>	<u>\$ 13,071,237</u>	<u>\$ 70,511,703</u>	<u>\$ 83,582,940</u>

EATON COUNTY, MICHIGAN
Reconciliation of the Statement of Revenues, Expenditures
and Change in Fund Balances of Governmental Funds
to the Statement of Activities
Drainage Districts Component Unit
For the Year Ended September 30, 2009

Net change in fund balance - total governmental funds \$ 2,765,970

Amounts reported for governmental activities in the Statement of Activities are different because:

Revenues in the Statement of Activities that do not provide current resources are not reported as revenues in the funds, but rather are deferred to subsequent fiscal years.

Deduct - decrease in deferred special assessments 285,439

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the costs of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Add - capital outlay	\$ 2,599,830	
Deduct - depreciation expense	<u>(1,239,873)</u>	
		1,359,957

Bond proceeds provide current financial resources to the governmental funds by issuing debt which increases long-term bonded debt in the Statement of Net Assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term bonded debt in the Statement of Net Assets.

Deduct - issuance of long-term and refunding debt	(4,503,000)	
Add - repayment of bond principal	<u>4,010,204</u>	
		(492,796)

Certain 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 funds.

Add - decrease in accrual for interest payable on long-term debt		<u>30,332</u>
--	--	---------------

Changes in net assets of governmental activities \$ 3,948,902

EATON COUNTY, MICHIGAN
Statement of Net Assets and
Governmental Funds Balance Sheet
District Health Department Component Unit
September 30, 2009

	Special Revenue	GASB 34 Adjustments	Statement of Net Assets
Assets			
Cash and cash equivalents	\$ 1,508,074	\$ -	\$ 1,508,074
Accounts receivable, net	688,523	-	688,523
Prepays	8,814	-	8,814
Capital assets being depreciated, net	-	160,516	160,516
	Total assets	160,516	2,365,927
Liabilities			
Accounts payable	\$ 109,759	-	109,759
Accrued liabilities	242,889	-	242,889
Advances from primary government	100,000	-	100,000
Long-term debt:			
Due within one year	-	33,846	33,846
Due in more than one year	-	304,615	304,615
	Total liabilities	338,461	791,109
Fund balance / net assets			
Fund balance - unreserved:			
Designated for capital expenditures	32,600	(32,600)	-
Undesignated	1,720,163	(1,720,163)	-
	Total fund balance	(1,752,763)	-
	Total liabilities and fund balance	\$ 2,205,411	
Net assets:			
Invested in capital assets		160,516	160,516
Unrestricted		1,414,302	1,414,302
	Total net assets	\$ 1,574,818	\$ 1,574,818

EATON COUNTY, MICHIGAN
Reconciliation of Fund Balances on the Balance Sheet
for Governmental Funds to Net Assets of
Governmental Activities on the Statement of Net Assets
District Health Department Component Unit
September 30, 2009

Total fund balances for governmental funds	\$	1,752,763
---	----	-----------

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

Add - equipment	1,126,266	
Deduct - accumulated depreciation	<u>(965,750)</u>	160,516

Accrued vacation and sick time earned by eligible employees is not payable in the current period and therefore is not reported in the funds. However, these amounts are included in the Statement of Net Assets.

(338,461)

Net assets of governmental activities	\$	<u><u>1,574,818</u></u>
--	----	-------------------------

EATON COUNTY, MICHIGAN
Statement of Activities and
Governmental Fund Revenues, Expenditures
and Changes in Fund Balance
District Health Department Component Unit
For the Year Ended September 30, 2009

	<u>Special Revenue</u>	<u>GASB 34 Adjustments</u>	<u>Statement of Activities</u>
Revenues			
Licenses and permits	\$ 99,738	\$ -	\$ 99,738
Intergovernmental:			
Federal/State	3,673,440	-	3,673,440
Local	1,130,768	-	1,130,768
Charges for services	1,158,813	-	1,158,813
Miscellaneous	103,078	-	103,078
	<hr/>	<hr/>	<hr/>
Total revenues	6,165,837	-	6,165,837
Expenditures / expenses			
Health and social services	6,177,283	51,963	6,229,246
	<hr/>	<hr/>	<hr/>
Net changes in fund balance	(11,446)	11,446	-
Change in net assets	-	(63,409)	(63,409)
Fund balance / net assets, October 1	<hr/>	<hr/>	<hr/>
	1,764,209	(125,982)	1,638,227
Fund balance / net assets, September 30	<u>\$ 1,752,763</u>	<u>\$ (177,945)</u>	<u>\$ 1,574,818</u>

EATON COUNTY, MICHIGAN
Reconciliation of the Statement of Revenues, Expenditures
and Change in Fund Balances of Governmental Funds
to the Statement of Activities
District Health Department Component Unit
For the Year Ended September 30, 2009

Net change in fund balance - total governmental funds	\$	(11,446)
--	----	----------

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the costs of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Add - capital outlay	32,600		
Deduct - depreciation expense	<u>(65,513)</u>		(32,913)

Certain 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 funds.

Deduct - increase in accrual for accrued compensated absences			<u>(19,050)</u>
---	--	--	-----------------

Changes in net assets of governmental activities	\$	<u><u>(63,409)</u></u>
---	----	------------------------